

# Tameside Strategic Commission

Finance Update Report  
Financial Year 2022/23  
Month 6 – 30<sup>th</sup> September 2022



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## Period 5 Finance Report

|  |        |
|--|--------|
| Executive Summary                        | 3      |
| Integrated Commissioning Fund Budgets    | 4      |
| Integrated Commissioning Fund Commentary | 5 – 8  |
| ICFT Position                            | 9 – 10 |

*This report covers spend across the Tameside Strategic Commission (Delegated Tameside Locality budgets from Greater Manchester Integrated Care Board (ICB), Tameside Metropolitan Borough Council (TMBC)) and Tameside & Glossop Integrated Care Foundation Trust (ICFT).*

*Forecasts reflect a full 12 months for TMBC, but only 9 months for the ICB for the period 1 July 2022 to 31 March 2023. It does not incorporate financial data for Tameside & Glossop CCG, which ceased to exist on 30 June 2022. The CCG closedown position has been reported separately.*

*The report does not capture any health spend relating to Glossop, where commissioning responsibility was transferred to Derby & Derbyshire ICB from 1 July 2022.*

# Finance Update Report – Executive Summary

Tameside & Glossop CCG formally closed down on 30th June 2022, with responsibilities transferring to either Greater Manchester ICB or Derby & Derbyshire ICB. As such the scope of this report is different to that of previous months.

Reporting for TMBC and ICFT continues as usual, but the CCG position has been replaced by budgets delegated to the Tameside Locality by GM ICB. The report no longer includes any health spend relating to Glossop, where commissioning responsibility was transferred to Derbyshire.

Plans for Tameside were submitted for delivery of a £595k surplus in 22/23. At M6 we assume that this plan will be delivered, which in line with wider ICB reporting for M6. The plan to deliver a surplus requires savings of £7.8m to be found, and whilst there is risk of achievement, it is currently expected that Tameside will be on target, however work continues to ensure that savings identified become recurrent.

As highlighted previously, the Council is facing significant and growing inflationary pressures across a number of areas, combined with demand pressures in Adults and Children’s services, resulting in a significant forecast overspend by 31 March 2023 of (£8,198k). This represents a £2,919k improvement since M5, This movement is driven by a reduction in the level of overspend forecast on Adults and Children’s services, combined with a significant forecast underspend on Population Health budgets and further additional investment income due to rising interest rates.

Ongoing demand and cost pressures on Council budgets will have implications for the 2023/24 budget and work is in progress to identify mitigations for 2022/23, whilst planning for 2023/24.

## ICB Locality Position

Final delegated budgets for localities are not yet in place. As such indicative budgets have been reported, with an assumption that we will deliver a £595k surplus as per plan (and consistent with wider ICB reporting for M6).

## Council Financial Position

**(£8,198k)**

The forecast overspend on Council budgets has improved by £2,919k since M5, driven largely by reduction in forecasts in Adults, Children’s and Population Health, and additional investment income resulting from increases to interest rates.

## ICFT Position

**(£2,957k)**

M6 YTD adverse variance to plan, driven by a shortfall against efficiency target and continued pressures within Urgent and Emergency care and delayed discharges.

| Forecast Position<br>£000's          | Forecast Position |                |                | Variance        |                   | Gross Position     |                  |
|--------------------------------------|-------------------|----------------|----------------|-----------------|-------------------|--------------------|------------------|
|                                      | Budget            | Forecast       | Variance       | Previous Month  | Movement in month | Expenditure Budget | Income Budget    |
| ICB Expenditure                      | 81,312            | 81,312         | 0              | 0               | 0                 | 81,312             | 0                |
| TMBC Expenditure                     | 208,609           | 216,807        | (8,198)        | (11,117)        | 2,919             | 593,208            | (384,599)        |
| <b>Integrated Commissioning Fund</b> | <b>289,921</b>    | <b>298,119</b> | <b>(8,198)</b> | <b>(11,117)</b> | <b>2,919</b>      | <b>674,520</b>     | <b>(384,599)</b> |

# Finance Update Report – Executive Summary

| Forecast Position<br>£000's          | Forecast Position (Net) |                |                | Net Variance    |                   | Gross Position     |                  |
|--------------------------------------|-------------------------|----------------|----------------|-----------------|-------------------|--------------------|------------------|
|                                      | Budget                  | Forecast       | Variance       | Previous Month  | Movement in Month | Expenditure Budget | Income Budget    |
| Mental Health                        | 6,610                   | 6,610          | 0              | 0               | 0                 | 6,610              | 0                |
| Primary Care                         | 35,637                  | 35,637         | 0              | 0               | 0                 | 35,637             | 0                |
| Continuing Care                      | 9,266                   | 9,266          | 0              | 0               | 0                 | 9,266              | 0                |
| Community                            | 26,838                  | 26,838         | 0              | 0               | 0                 | 26,838             | 0                |
| NHS Estates                          | 2,961                   | 2,961          | 0              | 0               | 0                 | 2,961              | 0                |
| <b>ICB Expenditure</b>               | <b>81,312</b>           | <b>81,312</b>  | <b>0</b>       | <b>0</b>        | <b>0</b>          | <b>81,312</b>      | <b>0</b>         |
| Adults                               | 43,647                  | 45,306         | (1,658)        | (2,799)         | 1,141             | 116,602            | (72,955)         |
| Children's Services - Social Care    | 56,457                  | 57,565         | (1,109)        | (1,791)         | 683               | 68,548             | (12,092)         |
| Education                            | 7,097                   | 8,163          | (1,066)        | (1,273)         | 207               | 33,772             | (26,675)         |
| Individual Schools Budgets           | 0                       | 0              | 0              | 0               | 0                 | 130,223            | (130,223)        |
| Population Health                    | 14,292                  | 12,957         | 1,335          | 367             | 967               | 15,975             | (1,683)          |
| Place                                | 58,014                  | 66,453         | (8,439)        | (8,314)         | (126)             | 122,807            | (64,794)         |
| Governance                           | 9,128                   | 9,098          | 30             | 108             | (78)              | 71,557             | (62,429)         |
| Finance & IT                         | 9,677                   | 9,321          | 356            | 188             | 168               | 11,700             | (2,023)          |
| Quality and Safeguarding             | 97                      | 97             | 0              | (57)            | 57                | 340                | (243)            |
| Capital and Financing                | 4,513                   | 2,743          | 1,770          | 1,515           | 255               | 8,680              | (4,167)          |
| Contingency                          | 612                     | 28             | 584            | 958             | (373)             | 7,619              | (7,007)          |
| Corporate Costs                      | 5,074                   | 5,075          | (0)            | (17)            | 17                | 5,385              | (310)            |
| <b>TMBC Expenditure</b>              | <b>208,609</b>          | <b>216,807</b> | <b>(8,198)</b> | <b>(11,117)</b> | <b>2,919</b>      | <b>593,208</b>     | <b>(384,599)</b> |
| <b>Integrated Commissioning Fund</b> | <b>289,921</b>          | <b>298,119</b> | <b>(8,198)</b> | <b>(11,117)</b> | <b>2,919</b>      | <b>674,520</b>     | <b>(384,599)</b> |

# Integrated Commissioning Fund – M6 ICB Locality Budgets

## **Tameside Locality**

Month 6 is the third month in which the ICB has been operational. As such final approved locality delegated budgets have not yet been confirmed. Work is ongoing to finalise budgets, but in the meantime this report presents indicative locality budgets. Plans for Tameside assumed delivery of a £595k surplus in 22/23. At M6 we assume that this plan will be delivered, which is in line with wider ICB reporting for M6.

The plan to deliver a surplus requires savings of £7,800k to be found, and whilst there is risk of achievement, particularly in relation to prescribing savings associated with cost increases, it is currently expected that Tameside will be on target, however work continues to ensure that savings identified become recurrent.

More detailed variance analysis will be available from M7. On the basis that spend from April – June has been already been reported in CCG closedown accounts, ICB budgets cover 9 months from July 2022 – March 2023.

## **Greater Manchester Integrated Care**

Overall, NHS GM is reporting being on plan delivering a surplus of £63.6m (FOT), including the impact of Q1 delivery in the 10 CCGs.

The key risk to the forecast financial position is the delivery of £118.8m of efficiencies, with a potential under delivery of £61m, when schemes have been subject to risk stratification

The main pressures within the financial position relate to higher than budgeted activity within the private sector and higher volumes and average cost per case than budgeted for mental health placements.

## **The Month 6 forecast is for a significant overspend of (£8,198k) by the end of the financial year.**

Council budgets continue to face significant pressures. There has been a positive movement this month, with the overall forecast overspend having reduced to (£8,198k) at period 6 (compared with (£11,117k) last month). This movement is driven by a reduction in the level of overspend forecast on Adults and Children's services, combined with a significant forecast underspend on Population Health budgets and further additional investment income due to rising interest rates. However, continued challenges with the delivery of savings, combined with ongoing inflationary cost pressures around utilities and fuel costs, means that the forecast outturn position by March 2023 remains challenging.

**Adults:** There has been a positive movement in the forecast for Adults Services with the projected year end overspend now (£1,658k), a reduction of more than £1,100k compared to the prior period. This improved position has been driven mainly by a reduction in the net cost of residential and nursing care, net of demand pressures in other areas. There has been a £1,900k reduction in the net forecast cost of residential and nursing care, due to a combination of reduced number of placements together with increased income contributions. This significant reduction in forecast net costs is then offset by additional costs forecast in respect of increased hours for Support at Home (£200k) and increased provision of supported accommodation (£500k), plus a number of other smaller pressures (£100k).

**Children's Social Care overspend:** The Directorate forecast position is an overspend of (£1,109k), a favourable reduction in forecast variation of £354k since period 5. The overspend is predominantly due to the number and increased cost of external placements. The reduction in forecast overspend since period 5 is predominately due to slippages in recruitment of staff due to market conditions.

# Integrated Commissioning Fund – Council Budgets

**Education:** The forecast outturn on Education budgets has improved by almost £200k since period 5, with an overspend of (£1,066k) now forecast by March 2023. SEN transport remains the main pressure area, due to a combination of demand growth and price inflation, resulting in a forecast overspend of (£1,261k), which is being partially offset by underspends on staffing due to vacant posts. Costs of SEN Transport continue to be reviewed. The routes have been retendered and implementation has commenced in Autumn Term. Costs are being avoided as a result of this, but the service continues to face demand pressures therefore the forecast may change throughout the Autumn and Spring Terms. The position will continue to be closely monitored and an update provided later in the Autumn Term.

**Population Health:** Population Health budgets are now forecasting a large underspend against budget of £1,335k, a movement of £1,188k compared to the forecast last month. A significant proportion of this underspend £496k relates to the transfer back in house of the Be Well Service which transferred across with a large number of vacancies and a number of staff have since left the service. Population health are undertaking a service redesign which will identify a recurrent saving from 2023/24 onwards. A further £180k of underspend attributable to full and part year vacant posts within senior management and £199k of staffing costs being funded from non-recurrent grants where still supporting front line COVID response services. £274k of underspend is now forecast in respect of services and prescribing across sexual health, smoking and substance misuse services, with a further £106k of primary care enhanced services inflationary contract pressures funding no longer being required in year.

**Place:** There remain significant challenges with the delivery of savings in the Place directorate, which combined with utility and fuel inflation, and income recovery issues, is resulting in the significant forecast overspend of (£8,439k) by March 2023. This is a slight deterioration in the position compared to previous months, largely due to increases in the level of utilities consumption across the Council estate. Key pressure areas in the Place Directorate include:

## Place (Continued):

- (£2,201k) savings delivery pressure due to difficulties or delays in the delivery of savings
- (£1,737k) income shortfalls due to activity reductions or other challenges
- (£3,665k) fuel and utility cost pressures due to contractual increases from 1 April 2022. The gas and electricity tariff for 2022/23 is fixed, however the forecast costs are now increasing due to increased consumption levels across the estate.
- (£1,819k) other cost and inflationary pressures, including temporary accommodation costs in Homelessness.

These pressures are being offset by a number of one-off underspends of £983k predominantly relating to savings on vacant posts. Some posts have been held vacant due to impending service redesigns within the Directorate.

**Other Budget Variations:** There have been a number of smaller movements across other budgets since period 5, with underspends across all these budgets contributing to a reduction in the overall overspend position. In particular, forecast investment income under Capital and Financing has increased again following the recent increase in interest rates and is now forecast to achieve £1,700k of income in excess of budget. Further interest rate increases are expected over the coming months, which is likely to result in further increases to the forecast income levels. Contingency budgets include the forecast cost of the Local Government pay award for 2022/23 but this remains an estimate until such time as the pay offer is agreed and final figures can be calculated.



# Finance Summary Position – T&G ICFT Month 6 2022/23

| Income & Expenditure summary                                | Current month  |                 |                |               | Year to date   |                 |                |               |
|---|----------------|-----------------|----------------|---------------|----------------|-----------------|----------------|---------------|
|   | Plan           | Actual<br>£000s | Variance       | %             | Plan           | Actual<br>£000s | Variance       | %             |
| Operating income from patient care activities               | 21,789         | 23,704          | 1,915          | 8.8%          | 130,729        | 133,510         | 2,780          | 2.1%          |
| Other operating income                                      | 1,113          | 1,236           | 123            | 11.0%         | 6,720          | 7,811           | 1,091          | 16.2%         |
| Operating income  | 22,902         | 24,940          | 2,038          | 8.9%          | 137,450        | 141,321         | 3,871          | 2.8%          |
| Of which COVID-19 Reimbursement                             | 220            | 62              | (158)          |               | 1,383          | 1,178           | (204)          |               |
| Agency pay  | (676)          | (977)           | (301)          | 44.6%         | (4,100)        | (5,825)         | (1,725)        | 42.1%         |
| All other employee expenses                                 | (16,362)       | (19,180)        | (2,819)        | 17.2%         | (98,276)       | (102,102)       | (3,826)        | 3.9%          |
| Operating non pay   | (6,375)        | (6,672)         | (297)          | 4.7%          | (38,060)       | (39,497)        | (1,437)        | 3.8%          |
| <b>Total operating surplus / (deficit)</b>                  | <b>(510)</b>   | <b>(1,889)</b>  | <b>(1,379)</b> | <b>(6.0%)</b> | <b>(2,986)</b> | <b>(6,103)</b>  | <b>(3,117)</b> | <b>(2.3%)</b> |
| Non operating items   | (552)          | (519)           | 32             | (5.9%)        | (3,340)        | (3,210)         | 130            | (3.9%)        |
| <b>Surplus / (deficit) before impairments and transfers</b> | <b>(1,061)</b> | <b>(2,408)</b>  | <b>(1,347)</b> | <b>(5.9%)</b> | <b>(6,326)</b> | <b>(9,313)</b>  | <b>(2,987)</b> | <b>(2.2%)</b> |
| Technical adjustments                                       | 15             | 21              | 6              | 37.3%         | 92             | 122             | 30             | 32.2%         |
| <b>Adjusted financial performance surplus/(deficit)</b>     | <b>(1,046)</b> | <b>(2,388)</b>  | <b>(1,341)</b> | <b>(5.9%)</b> | <b>(6,234)</b> | <b>(9,191)</b>  | <b>(2,957)</b> | <b>(2.2%)</b> |
| <i>I&amp;E margin including COVID-19 Reimbursement</i>      | <i>(4.6%)</i>  | <i>(9.6%)</i>   | <i>(5.0%)</i>  |               | <i>(4.5%)</i>  | <i>(6.5%)</i>   | <i>(2.0%)</i>  |               |
| <b>Trust Efficiency Programme</b>                           | 1,184          | 827             | (357)          | (30%)         | 6,091          | 4,179           | (1,912)        | (31%)         |
| Of which recurrent  | 34.2%          | (22.6%)         |                |               | 24%            | 8%              | (16.8%)        |               |
| Efficiencies as a % of Operating Expenditure                | 5.1%           | 3.1%            |                |               | 4.0%           | 2.9%            | (1.1%)         |               |
| <b>Capital Expenditure</b>                                  | 1,909          | 624             | (1,285)        | (67%)         | 4,771          | 2,627           | (2,144)        | (45%)         |
| CDEL  | 1,152          | 93              | (1,059)        | (92%)         | 1,944          | 384             | (1,560)        | (80%)         |
| PDC   | 757            | 531             | (226)          | (30%)         | 2,827          | 2,243           | (584)          | (21%)         |
| <b>Cash and Equivalents</b>                                 | 21,323         | 18,549          | (2,774)        | (13%)         |                |                 |                |               |

## **Trust Financial Summary – Month 6**

Month 6 YTD the Trust is reporting an overspend against plan of (£9,191k) which is an adverse variance against plan of (£2,957k)

The M6 position includes the effect of the 2022 NHS pay award backdated to 1 April 2022

The main driving factors behind the overspend position are unachieved TEP and continued pressures within Urgent and Emergency care and delayed discharges.

### **Efficiency target:**

The Trust has set an efficiency target for 2022/23 of £13,628k. In month 6, the Trust delivered efficiencies equating to £827k against a plan of c.£1,184k, which is an underachievement of c.(£357k).

YTD the Trust has delivered c£4,179k – an underachievement of c.(£1,912k) versus plan.

The Trust continues to review and challenge its efficiency programme and new ideas to close the gap are being worked through with a view to deploying additional efficiency schemes in future months.