

Tameside Strategic Commission

Finance Update Report
Financial Year 2022/23
Month 7 – 31st October 2022



Kathy Roe
Asif Umarji

Period 7 Finance Report

Executive Summary	3
Integrated Commissioning Fund Budgets	4
Integrated Commissioning Fund Commentary	5 - 6
ICFT Position	7 – 8

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 Reporting for TMBC and ICFT continues as usual, but the CCG position has been replaced by budgets delegated to the Tameside Locality by GM ICB.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 M7 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 (£3,548k). This represents a significant improvement of £4,649k since M6 due a number of mitigations now being included within the forecasts. Delivery of these mitigations is vital to ensure the forecast financial position of the Council does not deteriorate over the coming months

A number of mitigations have been identified to offset against the non delivery of planned savings in year. Assuming that these mitigations are delivered will result in the forecast overspend being reduced from previous forecasts. The impact of further mitigations is set out on page 6.

Ongoing demand and cost pressures on Council budgets have implications for the 2023/24 budget and work continues at pace to deliver mitigations for 2022/23, whilst plans are developed to ensure a balanced budget can be delivered 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 M7).

Council Financial Position (£3,548k)

The forecast overspend on Council budgets has improved by £4,649k since M6. This assumes that a number of identified mitigations are delivered to offset pressures due to non delivery of planned savings.

ICFT Position

(£4,197k)

M7 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 £000's	Forecast Position			Variance		Gross Budget (full year)	
	Budget	Forecast	Variance	Previous Month	Movement in Month	Expenditure Budget	Income Budget
CCG Expenditure	81,569	81,569	0	0	0	81,569	0
TMBC Expenditure	208,609	212,157	(3,548)	(8,198)	4,649	593,219	(384,610)
Integrated Commissioning Fund	290,178	293,726	(3,548)	(8,198)	4,649	674,788	(384,610)

Finance Update Report – Executive Summary

Forecast Position £000's	Forecast Position (Net)			Net Variance		Gross Budget (full year)	
	Budget	Forecast	Variance	Previous Month	Movement in Month	Expenditure Budget	Income Budget
Acute	0	0	0	0	0	0	0
Mental Health	6,794	6,576	218	0	218	6,794	0
Primary Care	36,070	36,004	66	0	66	36,070	0
Continuing Care	8,966	8,848	118	0	118	8,966	0
Community	26,714	27,034	(320)	0	(320)	26,714	0
NHS Estates	3,025	3,107	(82)	0	(82)	3,025	0
ICB Expenditure	81,569	81,569	0	0	0	81,569	0
Adults	43,647	45,306	(1,658)	(1,658)	0	116,566	(72,918)
Children's Services - Social Care	56,433	57,284	(851)	(1,109)	258	68,547	(12,114)
Education	7,097	8,163	(1,066)	(1,066)	0	33,772	(26,675)
Individual Schools Budgets	0	0	0	0	0	130,223	(130,223)
Population Health	14,292	12,927	1,366	1,335	31	15,975	(1,683)
Place	27,333	33,791	(6,458)	(8,424)	1,966	92,127	(64,794)
Governance	9,128	9,098	30	30	0	71,572	(62,443)
Finance & IT	9,677	9,321	356	356	0	11,710	(2,033)
Quality and Safeguarding	97	97	0	0	0	340	(243)
Capital and Financing	4,513	2,743	1,770	1,770	0	8,680	(4,167)
Contingency	612	(2,366)	2,978	584	2,394	7,619	(7,007)
Corporate Costs	5,074	5,075	(0)	(0)	0	5,385	(310)
Levies	30,704	30,719	(15)	(15)	0	30,704	0
TMBC Expenditure	208,609	212,157	(3,548)	(8,198)	4,649	593,219	(384,610)
Integrated Commissioning Fund	290,178	293,726	(3,548)	(8,198)	4,649	674,788	(384,610)

NOTE: Budgets and forecasts for Levies (Transport and Waste Levies payable to GMCA) are now separately identified in the table above. Previously the budgets and forecasts for Levies were included within the Place Directorate.

Integrated Commissioning Fund – M6 ICB Locality Budgets

Tameside Locality

Month 7 is the fourth month in which the ICB has been operational. Work is ongoing to finalise locality delegated budgets, but in the meantime this report presents indicative locality budgets. Plans for Tameside assumed delivery of a £595k surplus in 22/23. At M7 we assume that this plan will be delivered, which is in line with wider ICB reporting for M7.

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.

Whilst there are some small pressures within Community contracts and Estate costs, these are being off-set against underspends within Mental Health, Continuing Health Care (CHC) and Primary Care. More detailed variance analysis will be available from M8. 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.

Integrated Commissioning Fund – Council Budgets

The Month 7 forecast is for a significant net overspend by 31 March 2023 of (£3,548k). This represents a significant improvement of £4,649k since M6 due a number of mitigations now being included within the forecasts.

Council budgets continue to face significant pressures but there has been a positive movement this month due to identified mitigations being reflected in the forecasts. This movement is driven mainly by a reduction in the level of overspend forecast on Children's services and the Place Directorate, and additional income being reflected in contingency.

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.

Children's Social Care overspend (£901k): The Directorate forecast position is an overspend of (£851k), a favourable reduction in forecast variation of £258k since M6. The overspend is predominantly due to the number and increased cost of external placements. The reduction in forecast expenditure is predominantly due to a number of young adults moving out of external placements into their own accommodation. In addition there has been a reduction in placement costs for a couple of complex young people, and new grant monies of £50k.

Place overspend (£6,458k): The Directorate forecast position is an overspend of (£6,458k), a favourable reduction in the forecast variation of 1,966k since M6. The reduction in forecast overspend mostly relates to the following key areas:

- Highways repairs and maintenance £312k: a review of the planned capital maintenance programme has resulted in an increased level of grant allocated to support revenue repairs than the value included at M6.
- Temporary Accommodation in the Homelessness Service £770k: Improvements to the available data and projected changes to placements has enabled a more accurate forecast for activity over the remainder of the financial year. Some allowance has been made for movements into the service, however significant winter pressures could result in additional expenditure in excess of the revised forecast.
- Utility costs £274k: This is net movement in forecast which includes increased costs of £188k relating to gas consumption increases net of a £462k reduction in forecast expenditure on street lighting due to LED replacements reducing consumption.
- Accommodation Costs £587k: Release of provisions relating to rental charges which are no longer required.

The Directorate continues to face challenges with the delivery of savings, demand pressures and inflationary pressures in respect of utilities. Mitigations are actively being identified and further reductions in forecast expenditure continued to be pursued over the remainder of the financial year.

Finance Summary Position – T&G ICFT Month 7 2022/23

Income & Expenditure summary	Current month				Year to date			
	Plan	Actual £000s	Variance	%	Plan	Actual £000s	Variance	%
Operating income from patient care activities	22,181	22,321	140	1%	155,261	155,830	569	0.4%
Other operating income	864	1,205	340	39%	7,106	9,016	1,910	26.9%
Total Operating income	23,045	23,525	480	2%	162,367	164,846	2,479	1.5%
<i>Of which COVID-19 Reimbursement</i>	<i>0</i>	<i>108</i>	<i>108</i>	<i>0%</i>	<i>1,264</i>	<i>1,286</i>	<i>22</i>	<i>1.7%</i>
Agency Pay	(660)	(1,242)	(582)	88%	(4,756)	(7,067)	(2,311)	48.6%
All other employee expenses	(16,576)	(17,144)	(568)	3%	(116,719)	(119,246)	(2,527)	2.2%
Operating non pay	(6,310)	(6,899)	(588)	9%	(44,452)	(46,396)	(1,943)	4.4%
Total operating surplus / (deficit)	(500)	(1,759)	(1,258)	251%	(3,560)	(7,862)	(4,302)	120.8%
Non operating items	(546)	(509)	37	(7%)	(3,810)	(3,719)	92	(2.4%)
Surplus / (deficit) before impairments and transfers	(1,047)	(2,268)	(1,221)	117%	(7,371)	(11,581)	(4,210)	57.1%
Technical adjustments	15	20	5	32%	107	142	34	32.1%
Adjusted financial performance surplus/(deficit)	(1,032)	(2,248)	(1,216)	118%	(7,263)	(11,439)	(4,175)	57.5%
I&E margin including COVID-19 Reimbursement	(4.5%)	(9.6%)	(5.1%)		(4.5%)	(6.9%)	(2.5%)	
Trust Efficiency Programme	1,203	1,675	473	39%	7,293	5,854	(1,439)	(20%)
Of which recurrent	38%	43%			27%	18%	(9.0%)	
Efficiencies as a % of Operating Expenditure	4.8%	6.1%			4%	3%	(1.0%)	
Capital Expenditure	3,703	1,780	(1,923)	(52%)	6,565	3,783	(2,782)	(42%)
CDEL	1,927	552	(1,375)	(71%)	2,719	843	(1,876)	(69%)
PDC	1,776	1,228	(548)	(31%)	3,846	2,940	(906)	(24%)
Cash and Equivalents					18,726	20,909	2,183	12%

Finance Summary Position – T&G ICFT

Trust Financial Summary – Month 7

Month 7 YTD the Trust is reporting an £11.4m deficit which is an adverse variance against plan of £4.197m

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 £13.628m. In month 7, the Trust delivered efficiencies equating to £1.675m against a plan of c.£1.203m, which is an over achievement of c.£473k

YTD the Trust has delivered c£5.854m of TEP – an underachievement of c.£1.439m 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