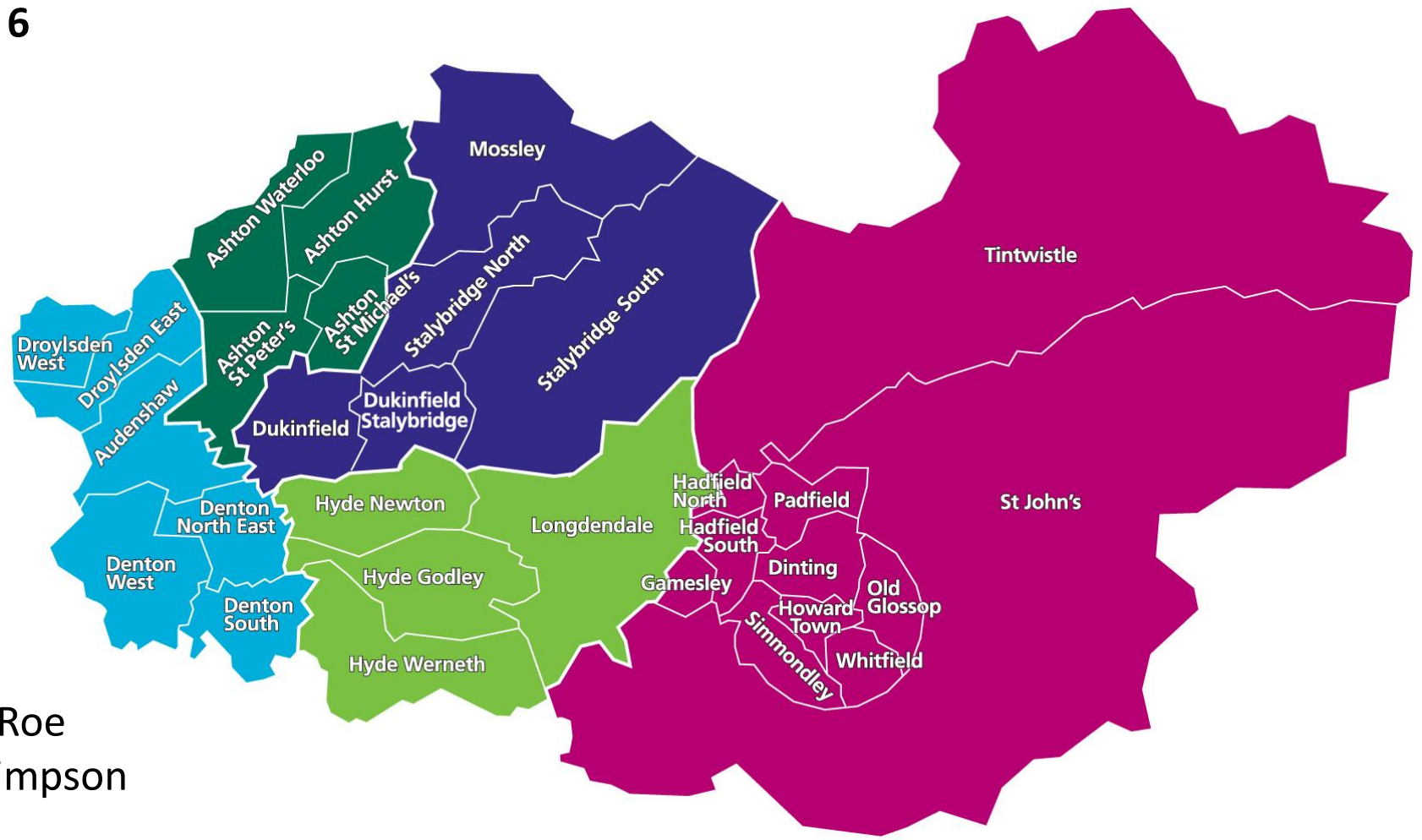


# Tameside and Glossop Strategic Commission

Finance Update Report  
Financial Year Ending 31st March 2021  
Month 6



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Sam Simpson

## Period 6 Finance Report

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*This report covers the Tameside and Glossop Strategic Commission (Tameside & Glossop Clinical Commissioning Group (CCG) and Tameside Metropolitan Borough Council (TMBC)) and Tameside & Glossop Integrated Care Foundation Trust. It does not capture any Local Authority spend from Derbyshire County Council or High Peak Borough Council for the residents of Glossop.*

## Message from the Directors of Finance

The NHS continues to operate under a nationally directed 'Command and Control' finance regime, with CCGs advised to assume a break-even financial position in 2020-21. This regime was extended to the end of September (Month 6) and this will be the final report where the CCG reports a break-even position.

The guidance allows the CCG to continue to claim additional COVID relates costs from NHS England, along with a non-COVID related top-up to breakeven. This process has also been similar for NHS Providers and at Month 6, the ICFT has claimed a top-up payment of £2m to break-even. The amount claimed up to Month 6 from the CCG for COVID related costs is £10.8m.

Whilst this report is at Month 6, new guidance and a financial regime based on STPs (Sustainability & Transformation Partnership) for Month 7 onwards has now been published. A high level review of the impact of this has been provided in this report, but on-going discussions continue across GM on how we navigate through the financial gap of the system. The CCG has been playing a pinnacle role in this, leading on the Phase 3 recovery run rate planning for Month 7-12 of 2020/21.

At Month 6, the Council is overspending by £3.7m YTD, and is expected to be the same outcome by year-end. This is in line with what was forecast last month with a £10k adverse movement overall. This overall movement is a net position with some small favourable movements in many areas offset by a significant adverse movement on Children's services. Whilst LAC numbers continue to remain stable, rising placement costs are putting further pressure on budgets due to a lack of sufficient places and some expensive placements for children with complex needs. At this stage £0.9m of this overspend relates to COVID yet with the continuing reduction in expected income and rising costs in Children services, most of the overspend is not as a direct result from COVID but a result of underlying pressures.

The council are forecasting £39.6m of COVID income in total this year which is being used to offset direct and indirect COVID costs, and losses of income due to COVID. This is an increase of £8.1m from last month, with an additional £5.2m of NHS income and £3.3m in additional grants covering infection control, test and trace, DEFRA emergency food and MHCLG compensation.

	YTD Position			Forecast Position			Variance	
	Budget	Forecast	Variance	Budget	Forecast	Variance	Previous Month	Movement in Month
CCG Expenditure	216,380	216,380	0	432,760	432,760	0	(0)	0
TMBC Expenditure	100,998	104,677	(3,678)	205,279	208,966	(3,687)	(3,678)	(10)
<b>Integrated Commissioning Fund</b>	<b>317,378</b>	<b>321,057</b>	<b>(3,678)</b>	<b>638,039</b>	<b>641,726</b>	<b>(3,687)</b>	<b>(3,678)</b>	<b>(10)</b>

# Finance Update Report – Strategic Commission Budgets

Forecast Position £000's	Forecast Position					Net Variance		Net Variance	
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	COVID Variance	Non-COVID Variance	Previous Month	Movement in Month
Acute	223,219	0	223,219	223,238	(19)	(19)	0	(19)	0
Mental Health	40,039	0	40,039	40,266	(227)	(227)	0	(447)	219
Primary Care	90,771	0	90,771	91,636	(864)	(864)	0	(843)	(21)
Continuing Care	17,332	0	17,332	17,337	(5)	(5)	0	(5)	(0)
Community	34,107	0	34,107	34,107	0	0	0	0	0
Other CCG	22,805	0	22,805	32,443	(9,638)	(9,638)	0	(10,032)	394
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0	0
CCG Running Costs	4,486		4,486	4,486	0	0	0	0	0
CCG COVID-19 Notional 20/21 Funding	0	0	0	(10,754)	10,754	10,754	0	11,346	(592)
Adults	85,925	(47,187)	38,737	39,177	(440)	0	(440)	(1,912)	1,473
Children's Services - Social Care	64,286	(10,288)	53,998	57,959	(3,962)	0	(3,962)	(2,695)	(1,267)
Education	32,898	(26,500)	6,398	7,081	(684)	(480)	(204)	(952)	269
Individual Schools Budgets	119,722	(119,722)	0	0	0	0	0	0	0
Population Health	15,910	(291)	15,619	18,850	(3,231)	(3,500)	269	(3,421)	190
Operations and Neighbourhoods	80,504	(27,583)	52,921	53,226	(305)	(510)	205	(316)	11
Growth	45,526	(34,537)	10,988	11,811	(822)	(221)	(601)	(1,106)	283
Governance	67,086	(57,556)	9,531	9,620	(90)	39	(129)	344	(434)
Finance & IT	9,006	(1,376)	7,630	7,603	27	(29)	56	7	19
Quality and Safeguarding	378	(237)	141	140	1	0	1	9	(8)
Capital and Financing	10,379	(9,624)	756	6,433	(5,678)	(6,474)	797	(6,577)	900
Contingency	3,377	0	3,377	3,385	(8)	(911)	903	(23)	15
Contingency - COVID Direct Costs	0	0	0	28,244	(28,244)	(28,244)	0	(18,708)	(9,536)
Corporate Costs	5,486	(301)	5,184	5,009	175	(100)	275	96	79
LA COVID-19 Grant Funding	0	0	0	(28,216)	28,216	28,216	0	24,266	3,950
Other COVID contributions	0	0	0	(11,356)	11,356	11,356	0	7,311	4,046
<b>Integrated Commissioning Fund</b>	<b>973,241</b>	<b>(335,202)</b>	<b>638,039</b>	<b>641,726</b>	<b>(3,687)</b>	<b>(858)</b>	<b>(2,830)</b>	<b>(3,678)</b>	<b>(10)</b>

Forecast Position £000's	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance	COVID Variance	Non-COVID Variance	Previous Month	Movement in Month
CCG Expenditure	432,760	0	432,760	432,760	0	0	0	(0)	0
TMBC Expenditure	540,481	(335,202)	205,279	208,966	(3,687)	(858)	(2,830)	(3,678)	(10)
<b>Integrated Commissioning Fund</b>	<b>973,241</b>	<b>(335,202)</b>	<b>638,039</b>	<b>641,726</b>	<b>(3,687)</b>	<b>(858)</b>	<b>(2,830)</b>	<b>(3,678)</b>	<b>(10)</b>

# Finance Update Report – Strategic Commission Budgets

Forecast Position £000's	YTD Position			Forecast Position			Variance	
	Budget	Actual	Variance	Budget	Forecast	Variance	COVID Variance	Non-COVID Variance
Acute	111,610	111,629	(19)	223,219	223,238	(19)	(19)	0
Mental Health	20,019	20,247	(227)	40,039	40,266	(227)	(227)	0
Primary Care	45,386	46,250	(864)	90,771	91,636	(864)	(864)	0
Continuing Care	8,666	8,671	(5)	17,332	17,337	(5)	(5)	0
Community	17,054	17,054	0	34,107	34,107	0	0	0
Other CCG	11,402	21,040	(9,638)	22,805	32,443	(9,638)	(9,638)	0
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0
CCG Running Costs	2,243	2,243	0	4,486	4,486	0	0	0
CCG COVID-19 Notional 20/21 Funding	0	(10,754)	10,754	0	(10,754)	10,754	10,754	0
Adults	19,369	22,663	(3,294)	38,737	39,177	(440)	0	(440)
Children's Services - Social Care	26,999	27,031	(32)	53,998	57,959	(3,962)	0	(3,962)
Education	2,179	1,838	341	6,398	7,081	(684)	(480)	(204)
Individual Schools Budgets	918	1,236	(319)	0	0	0	0	0
Population Health	7,809	4,487	3,322	15,619	18,850	(3,231)	(3,500)	269
Operations and Neighbourhoods	26,942	41,883	(14,941)	52,921	53,226	(305)	(510)	205
Growth	2,965	1,615	1,350	10,988	11,811	(822)	(221)	(601)
Governance	4,849	10,379	(5,530)	9,531	9,620	(90)	39	(129)
Finance & IT	4,240	4,107	133	7,630	7,603	27	(29)	56
Quality and Safeguarding	70	(17)	87	141	140	1	0	1
Capital and Financing	378	(552)	930	756	6,433	(5,678)	(6,474)	797
Contingency	1,688	(1,081)	2,769	3,377	3,385	(8)	(911)	903
Contingency - COVID Direct Costs	0	11,019	(11,019)	0	28,244	(28,244)	(28,244)	0
Corporate Costs	2,592	1,894	698	5,184	5,009	175	(100)	275
LA COVID-19 Grant Funding	0	(14,009)	14,009	0	(28,216)	28,216	28,216	0
Other COVID contributions	0	(7,816)	7,816	0	(11,356)	11,356	11,356	0
<b>Integrated Commissioning Fund</b>	<b>317,378</b>	<b>321,057</b>	<b>(3,678)</b>	<b>638,039</b>	<b>641,726</b>	<b>(3,687)</b>	<b>(858)</b>	<b>(2,830)</b>
CCG Expenditure	216,380	216,380	0	432,760	432,760	0	(0)	0
TMBC Expenditure	100,998	104,677	(3,678)	205,279	208,966	(3,687)	(3,678)	(10)
<b>Integrated Commissioning Fund</b>	<b>317,378</b>	<b>321,057</b>	<b>(3,678)</b>	<b>638,039</b>	<b>641,726</b>	<b>(3,687)</b>	<b>(3,678)</b>	<b>(10)</b>

# Finance Update Report – Headlines

## CCG Allocations

CCG allocations with financial regime guidance for Month 7 -12 has now been published since last months report. The headline is that the CCG has been given an allocation of £211.4m which will leave the CCG with a £2.3m gap at the end of the year. The CCG has been working through the Phase 3 recovery work looking at run rates for the CCG. At month 6 a detailed bottom up forecast of all areas has been undertaken in order to minimise this gap as much as possible. There is a national planning return due on the 22<sup>nd</sup> October where the CCG will submit financial plans for the remainder of the year, where it is hopeful that the CCG will be able to establish additional resources. There is a separate report covering this in more detail and a summary can be seen on page 10.

## Children's Services

The Children's Social Care Directorate is reporting a stark adverse movement of £1.3m compared to the finance position reported at period 5, taking the forecast over by £4m again plan. This increase is due to the number of new externally commissioned placements for new children coming into care but also children moving from cheaper in-house provision. These new placements have increased the forecasts by £519K. During September there has been a change to the forecasting methodology for the externally commissioned placements which has resulted in an increase of £452K. Finally there have been changes to existing placements (price increases and additional support added to placements) which have increased the forecasts by £309K. More detail is provided in Appendix 2 of this report.

## Adults

At month 6, Adults has seen a favourable movement of £1.5m since last month. This is largely due to the continuation of residential and nursing placements usually borne by the Council are currently being funded by the NHS via COVID monies. The approach to the funding of COVID care packages has changed, with a phased approach through to March rather than an immediate transition back to Council from September.

Other benefits have included the additional grant monies that were referenced last month, but were not quantified in the financial position until they could have been confirmed. This includes the additional inflation allowance for the Better Care Fund.

## Governance

The forecast last month was expecting to see an underspend against plan due to reductions in employee related expenses such as reduced training costs and the cancellations of 2020 elections. In Month 6 there has been a £0.4m adverse movement to the forecast position following the mid-year review of housing benefit subsidy claim form which has seen a rise in net expenditure of £0.3m and the recovery of overpayment housing benefit is forecast to be £0.5m less than previous years.

## Contingency & COVID

The Council continues to see rising costs and further income losses as result of the COVID-19 pandemic. Additional funding is being received to offset many of these pressures, however the net cost of COVID exceeds available funding at period 6. Council Tax collection rates have continued to improve however these remain below target, with significant shortfalls on Business Rates income continuing.



## Month 6 CCG Forecasts

- As reported since the beginning of this financial year and following the outbreak of COVID-19, emergency planning procedures have been in place by NHS England (NHSE), that all finances governed by a new a national command and control framework. This month is the final month of that arrangement whereby CCGs were advised to assume a break-even financial position in 2020-21. The headline figures in the report is compliant with that and a separate financial forecast is provided on page 8
- Under command and control, acute contract payments have been calculated nationally (based on the month 9 agreement of balances exercise), with the CCG unable to pay anything to providers outside of this calculated figure in the first six months of this financial year. Other budgets were also nationally derived, based on 2019-20 costs at month 11 with growth/uplift rates applied. No investment other than that related to the pandemic response is allowed and there is no requirement to deliver efficiency savings during this four month period. NHSE have confirmed that command and control blocks will now continue between M7-M12, however the CCG has the opportunity to amend these block values following significant service change from Provider to Provider and meeting the MHIS. All of which will need the correct governance sign off.
- At Month 6, we have reported YTD actuals in line with the national command and control requirements via the Integrated Single Financial Environment (ISFE). This covers baseline spend as referenced above and additional COVID-19 related costs. The national financial regime does not require (or allow) a full year forecast of expenditure to be submitted at this stage.
- Because of this, the financial data included in this report, deviates from the data reported nationally via ISFE. The CCG financial position reported in this Month 6 report is based on the 2020-21 financial plans approved through internal governance and submitted to NHSE prior to the pandemic, plus an adjustment for additional COVID related costs in 2020/21. This allows us to report a full year position across the Integrated Commissioning Fund as a whole, while maintaining consistency with the national advice that CCGs should assume a break even position for 2020-21.
- While we know that under the command and control regime there is no national requirement for efficiency in the first six months of the year, we have provided an estimate of what we can expect in QIPP achievement for the second half of the year. This will still not be enough to close the financial gap. See page 8 for more information as well as the separate detailed report on this.
- Operational priorities include increasing activity to 'near normal' levels, preparing for winter demand pressures (including a potential second wave of the virus) and learning lessons from the first COVID peak.
- More detailed finance guidance and framework has now been published which sets out local allocations and system funding envelopes for M7-12 of 2020/21. The CCG continues to work through the implications of this and more information is provided on page 8 of this report. This will retain simplified arrangements for payment and contracting but with a greater focus on system partnership and the restoration of elective services. The phase 3 financial position based on current run rates continues to be provided to GMHSCP to support the financial analysis that is to determine the system gap based on published financial envelopes.

# CCG COVID-19 Spend

- The table below summarises £11,301k of additional costs associated with COVID-19. The majority, £8,882k of this has been spent with TMBC.
- This table captures actual and forecast COVID spend with all providers across two financial years. £546k relates to 2019/20 financial year, with £10,754k in 2020/21.
- Actual spend at M6 is £592k lower than forecast last month. A significant driver of this reduction relates to packages of care within the Hospital Discharge Programme, where patients have been assessed throughout September and moved onto appropriate long term arrangements. These assessments will continue in the months to come as we work our way through the assessment backlog. National funding will be available to support this process throughout phase 3.
- Another benefit to the COVID position is Silver Cloud, which has been removed from the COVID claim as we no longer believe ongoing costs of funding meet the criteria for COVID. This should instead form part of our wider ongoing recovery response and as such has been funded via baseline budgets. Primary care has generated a number of significant variances since last month, but this is mainly presentational as costs moved from a generic high level forecast into more granular actual cost categories. Finally the costs of PPE have reduced as we use current stock and transition towards using the new national PPE portal.
- The costs below have been re-claimed in line with the national process. Full allocation adjustments have been received, covering spend to the end of August and we anticipate that September costs will be reimbursed in full shortly. New arrangements have been put in place for spend from 1st October as part of the phase 3 financial regime.

Cost Type	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	Total	August (M5) Position	Variance
Hospital Discharge Programme	151,222	655,367	1,127,364	1,405,143	1,729,003	1,735,211	910,325	<b>7,713,637</b>	7,940,136	-226,499
Remote management of patients	175,417	348,381	362,749	241,968	185,173	157,641	187,707	<b>1,659,036</b>	1,843,611	-184,575
National Procurement Areas	0	204,973	139,509	124,968	7,630	90,350	48,980	<b>616,409</b>	762,429	-146,020
PPE	41,922	0	0	0	0	0	0	<b>41,922</b>	41,922	0
Support stay at home model	94,860	0	0	0	0	0	0	<b>94,860</b>	94,860	0
Sickness / isolation cover	7,282	0	0	0	0	0	0	<b>7,282</b>	7,282	0
Bank Holidays	0	39,325	21,975	11,500	41,199	3,220	73,306	<b>190,526</b>	117,220	73,306
Backfill for higher sickness absence	0	0	21,985	18,230	11,701	790	36,057	<b>88,764</b>	52,707	36,057
GP SMS Additional Costs	0	0	0	46,579	0	0	0	<b>46,579</b>	46,579	0
Other action (provide commentary)	75,792	0	0	0	0	0	0	<b>75,792</b>	75,792	0
Other Covid-19	0	33,646	12,037	48,468	124,200	372,606	174,982	<b>765,939</b>	910,357	-144,418
<b>Grand Total</b>	<b>546,496</b>	<b>1,281,692</b>	<b>1,685,619</b>	<b>1,896,856</b>	<b>2,098,906</b>	<b>2,359,820</b>	<b>1,431,358</b>	<b>11,300,747</b>	<b>11,892,896</b>	<b>-592,149</b>



# CCG Financial Forecast Month 7 – 12

Forecast Position £000's	Forecast Position M7 to M12											
	Funding			Expenditure							Net Forecast	Variance
				Forecast Adjustments								
	CCG Allocation	HDP Funding	Net Budget	Forecast Ledger	IS Contracts	HDP Staff	UEC	Reserves	QIPP	Primary Care SDP and AARs	Net Forecast	Variance
Acute	111,610		111,610	109,950	(1,300)						108,650	2,959
Mental Health	20,019		20,019	22,365							22,365	(2,346)
Primary Care	45,386		45,386	46,512					(375)	(348)	45,790	(404)
Continuing Care	8,666	2,776	11,442	7,510		237			(345)		7,402	4,040
Community	17,054		17,054	17,319							17,319	(266)
Other CCG	6,407		6,407	14,461			536	4,673	(7,074)		12,596	(6,189)
CCG TEP Shortfall (QIPP)	0		0	0							0	0
CCG Running Costs	2,243		2,243	2,493					(200)		2,293	(50)
<b>TOTAL</b>	<b>211,385</b>	<b>2,776</b>	<b>214,161</b>	<b>220,611</b>	<b>(1,300)</b>	<b>237</b>	<b>536</b>	<b>4,673</b>	<b>(7,994)</b>	<b>(348)</b>	<b>216,416</b>	<b>(2,255)</b>

## Summary

- Published allocation M7-12 for T&G is £211.4m. This covers Core CCG commissioning, Primary Care Delegated and Running Costs.
- Through the Hospital Discharge (HDP) and Discharge to Assessment (D2A) programme, the CCG is expecting a further £2.8m which is outside of the system envelope.
- Total Expected Funding £214.1m
- Total Forecast Expenditure £216.4m
- CCG Baseline GAP without system financial support is forecast to be **£2.3m** in 2020/21.

## Basis for Forecast

- Bottom up Forecast by Commitment and Contract
- Adjustment for growth with Acute Independent Sector contracts, picked up nationally.
- Expected costs for UEC – A&E Call First model.
- Commitment of Planned Reserves, which are then released as part of the proposed £8m QIPP achievement.
- Risks - Whilst forecasts are based on our best estimates, costs could still increase if Winter or COVID Wave 2 bites harder than expected. This will impact on costs in Prescribing, CHC and Primary Care.

## Key Assumptions

- Hospital Discharge Programme - Pre assessment packages for patients discharged 19/03/20 - 31/08/20. No individual funding or time caps, but unknown limit against overall programme. To be claimed outside STP envelope (£2.2m included in forecast above).
- Discharge to Assessment - 6 week packages for patients discharged after 1st September. To be claimed outside envelope up to an unknown cap (£0.3m included in forecast above).
- Continuing Healthcare Deferred Assessments – CCG will need to claim for this retrospectively based on actual spend up to a £237k cap.
- UEC - A&E Call First - £0.5m included forecast above. Potential we will receive additional allocation to match our spend in this area.
- Lung Health Checks - £0.4m SDF Allocation expected, but with unconfirmed start dates with MFT, expenditure has been excluded from the forecast above.

# Month 6 Position

## Summary

Trust I&E excluding COVID-19 expenditure -	<b>£127k overspend</b>
COVID-19 expenditure:	<b>£1.863m</b>
Net deficit (I&E + COVID-19 Exp):	<b>£1.990m overspend</b>

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Additional Top up (True up) funding required: **(£1.990m)**

Net deficit **Break Even**

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In Month Movement:	<b>(£500k) Adverse</b>
- I&E Excl COVID-19:	<b>(£122k) Increase</b>
- COVID-19 Expenditure:	<b>(£378k) Increase</b>