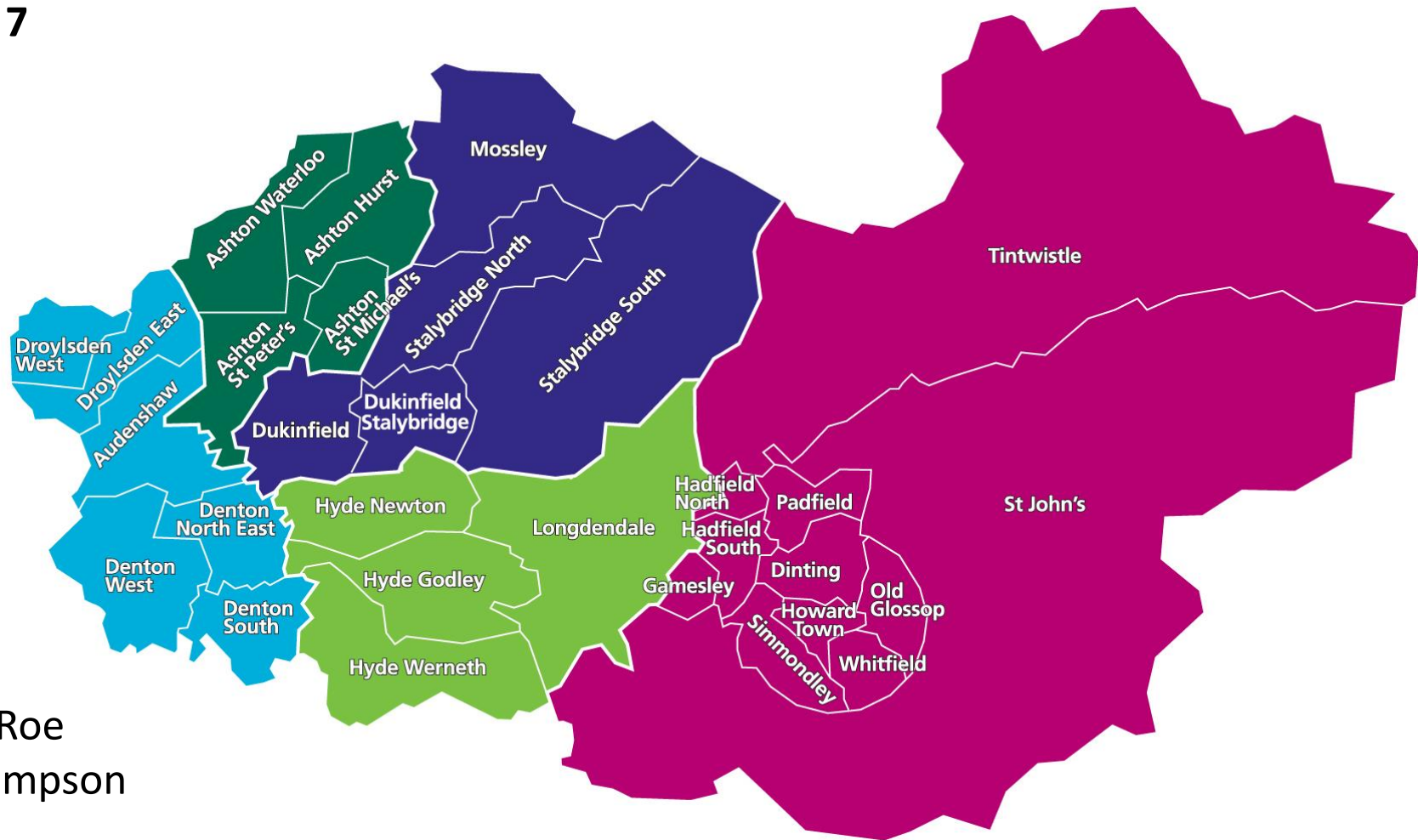


Tameside and Glossop Strategic Commission

Finance Update Report

Financial Year Ending 31st March 2021

Month 7



Kathy Roe
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Period 7 Finance Report

Executive Summary	3
Strategic Commission Budgets	4 - 5
Council and CCG - Headlines	6
CCG Budgets M7 – M12	7
ICFT Summary	8

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

In the first 6 months of this year the NHS was operating under a national command and control financial framework, with CCGs and providers advised to assume a break-even financial position in 2020-21. Changes to the national financial regime from M7 mean that individual organisations financial positions will be monitored within the context of a financial envelope set at an STP (Sustainability and Transformation Partnership) level. For us this means an envelope that has been set at a Greater Manchester level.

Pressures associated with COVID wave 2 mean that delivery against this GM control total will be challenging, but work is ongoing both at a system level and within localities to understand the position, ensure the figures we are reporting are robust and promote savings and efficiency. Delivery of locality positions for 2020-21 will be dependent upon receipt of COVID top up payments relating to the first six months of the year – final claims were submitted in early October and we anticipate a decision will be before the end of November. Our forecast position assumes this will be paid in full, but there is a clear risk to our position if this does not materialise.

At Month 7, the Council is forecasting an year end overspend of £3.4m, which is a slight improvement on the position reported at month 6 due mainly to a revised forecast in Children's Social Care. COVID pressures exceed £40m but with £39m of COVID related grant funding and other income contributions, the net pressure relating to COVID is £0.898m. Significant pressures remain across Directorates, most significantly in Children's Social Care where expenditure is forecast to exceed budget by £3.718m, with further cost pressures in Adults and Education, and income loss pressures in the Growth Directorate. These are due to underlying financial pressures that the Council would have faced regardless of the COVID pandemic, with a net pressure after savings in other areas of £2.574m non COVID related.

Whilst continuing to monitor the 2020/21 financial position, attention is now heavily focused on the 2021/22 budget setting process and medium term financial plans for the next 5 years. COVID continues to present significant risk and uncertainty for the Strategic Commission as a whole, and the absence of confirmed funding amounts for 2021/22 and beyond means that planning for future years is extremely difficult. Prior to the COVID 19 pandemic, the Strategic Commission faced a significant budget gap for 2021/22 and beyond, and this budget gap has increased due to COVID pressures.

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	434,447	0	434,447	439,371	(4,924)	(4,924)	0	0	0
TMBC Expenditure	540,481	(335,202)	205,279	208,711	(3,432)	(858)	(2,574)	(3,687)	255
Integrated Commissioning Fund	974,929	(335,202)	639,726	648,082	(8,356)	(5,781)	(2,574)	(3,687)	255

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	217,070	0	217,070	218,938	(1,869)	(1,869)	0	(19)	(1,850)
Mental Health	44,403	0	44,403	44,801	(398)	(398)	0	(227)	(170)
Primary Care	92,761	0	92,761	93,249	(487)	(487)	0	(864)	377
Continuing Care	15,003	0	15,003	14,642	362	362	0	(5)	367
Community	34,445	0	34,445	34,492	(47)	(47)	0	0	(47)
Other CCG	26,477	0	26,477	28,961	(2,484)	(2,484)	0	(9,638)	7,154
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0	0
CCG Running Costs	4,288	0	4,288	4,288	(0)	(0)	0	0	(0)
Anticipated COVID Top Up	0	0	0	(4,924)	4,924	4,924	0	10,754	(5,831)
Adults	85,925	(47,187)	38,737	39,177	(440)	0	(440)	(440)	0
Children's Services - Social Care	64,286	(10,288)	53,998	57,716	(3,718)	0	(3,718)	(3,962)	243
Education	32,898	(26,500)	6,398	7,081	(684)	(480)	(204)	(684)	0
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	(3,231)	0
Operations and Neighbourhoods	80,504	(27,583)	52,921	53,226	(305)	(510)	205	(305)	0
Growth	45,526	(34,537)	10,988	11,811	(822)	(221)	(601)	(822)	(0)
Governance	67,086	(57,556)	9,531	9,620	(90)	39	(129)	(90)	(0)
Finance & IT	9,006	(1,376)	7,630	7,603	27	(29)	56	27	0
Quality and Safeguarding	378	(237)	141	128	13	0	13	1	12
Capital and Financing	10,379	(9,624)	756	6,433	(5,678)	(6,474)	797	(5,678)	0
Contingency	3,377	0	3,377	3,385	(8)	(911)	903	(8)	0
Contingency - COVID Direct Costs	0	0	0	28,244	(28,244)	(28,244)	0	(28,244)	0
Corporate Costs	5,486	(301)	5,184	5,009	175	(100)	275	175	(0)
LA COVID-19 Grant Funding	0	0	0	(28,216)	28,216	28,216	0	28,216	0
Other COVID contributions	0	0	0	(11,356)	11,356	11,356	0	11,356	0
Integrated Commissioning Fund	974,929	(335,202)	639,726	643,158	(3,432)	(858)	(2,574)	(3,687)	255

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	434,447	0	434,447	439,371	(4,924)	(4,924)	0	0	0
TMBC Expenditure	540,481	(335,202)	205,279	208,711	(3,432)	(858)	(2,574)	(3,687)	255
Integrated Commissioning Fund	974,929	(335,202)	639,726	648,082	(8,356)	(5,781)	(2,574)	(3,687)	255

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	126,401	126,976	(576)	217,070	218,938	(1,869)	(1,869)	0
Mental Health	23,513	24,984	(1,471)	44,403	44,801	(398)	(398)	0
Primary Care	51,953	53,585	(1,632)	92,761	93,249	(487)	(487)	0
Continuing Care	7,861	7,777	84	15,003	14,642	362	362	0
Community	19,763	19,960	(198)	34,445	34,492	(47)	(47)	0
Other CCG	22,196	23,275	(1,079)	26,477	28,961	(2,484)	(2,484)	0
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0
CCG Running Costs	2,313	2,366	(53)	4,288	4,288	(0)	(0)	0
Anticipated COVID Top Up	0	0	0	0	(4,924)	4,924	4,924	0
Adults	22,597	26,227	(3,631)	38,737	39,177	(440)	0	(440)
Children's Services - Social Care	31,499	31,987	(489)	53,998	57,716	(3,718)	0	(3,718)
Education	3,074	858	2,216	6,398	7,081	(684)	(480)	(204)
Individual Schools Budgets	1,085	(734)	1,819	0	0	0	0	0
Population Health	9,111	5,089	4,022	15,619	18,850	(3,231)	(3,500)	269
Operations and Neighbourhoods	31,868	45,034	(13,166)	52,921	53,226	(305)	(510)	205
Growth	5,811	4,997	815	10,988	11,811	(822)	(221)	(601)
Governance	5,925	8,654	(2,729)	9,531	9,620	(90)	39	(129)
Finance & IT	4,875	4,808	68	7,630	7,603	27	(29)	56
Quality and Safeguarding	82	3	79	141	128	13	0	13
Capital and Financing	441	(643)	1,084	756	6,433	(5,678)	(6,474)	797
Contingency	1,970	1,710	259	3,377	3,385	(8)	(911)	903
Contingency - COVID Direct Costs	0	12,365	(12,365)	0	28,244	(28,244)	(28,244)	0
Corporate Costs	3,024	2,413	612	5,184	5,009	175	(100)	275
LA COVID-19 Grant Funding	0	(17,213)	17,213	0	(28,216)	28,216	28,216	0
Other COVID contributions	0	(8,654)	8,654	0	(11,356)	11,356	11,356	0
Integrated Commissioning Fund	375,362	375,822	(461)	639,726	643,158	(3,432)	(858)	(2,574)
CCG Expenditure	254,000	258,923	(4,924)	434,447	434,447	0	0	0
TMBC Expenditure	121,362	116,899	4,463	205,279	208,711	(3,432)	(3,678)	246
Integrated Commissioning Fund	375,362	375,822	(461)	639,726	643,158	(3,432)	(3,678)	246

COVID Top Up

The CCG is showing a YTD pressure of £4,924k, but a break even position by year end. This relates to top up payments which have not yet been received: £4,277k outstanding from command & control in first half of year, plus £647k Hospital Discharge Programme costs in M7. A decision on funding for the first half of the year will be made by NHSE by the end of November.

Our position assumes that the top up will be paid in full, but risk to the position if the funding does not materialise as expected. A number of significant variances have been created at directorate level while we await a decision on top up. But these will be corrected in M8 reporting, assuming top ups are paid as expected.

QIPP

The CCG forecast is predicated on £7,994k of QIPP achievement in the second half of 2020/21.

This is consistent with our phase 3 planning submission on 22nd October. Majority of plans are transactional in nature, however there is risk associated with achievement. Full monthly QIPP reporting will resume from M8 to monitor achievement against this target.

Children's Services

The Directorate is reporting a forecast overspend of £3,718K at period 7 which is an overall reduction of £243K from period 6. The forecast overspend is predominantly due to the number and cost of internal and external placements.

The employee forecasts have reduced by £164K since period 7, in addition the external placement forecasts have overall reduced by £198K since period 7. However there has been some minor increases in forecast expenditure for a number of areas across the Children's Social Care Directorate which total £119K. These include recruitment and selection costs for the Head of Looked after Children and Head of Quality and Safeguarding posts, a Project Worker, financial assistance to families and leaving care payments.

The employee forecasts have decreased since period 6 due to a reduction in the number of agency workers and decisions have been made not to fill certain posts which were previously forecast to be filled. The overall reduction in the external placement forecast is primarily due to a reduction in placement costs for existing looked after children (£257K); this includes children stepping-down into lower cost placement types such as semi-independent units. However there has been a net increase of £72K due to new placements and the extension of existing placements exceeding the savings from placements ending. .

- In the first 6 months of this year the NHS was operating under a national command and control financial framework. This meant acute contract payments were calculated nationally (based on the month 9 agreement of balances exercise), with other budgets also nationally stipulated (based on 2019-20 costs at month 11 with growth/uplift rates applied).
- In line with guidance, budgets were only uploaded for April – September. Because these budgets were based on prior year actuals, without any adjustment for non recurrent items, ledger contained some significant variances against individual budget lines. The CCG was unable to enter a full 12 month forecast on during this time.
- As such, the financial data included the integrated finance report in the first half of the year deviated from the data reported nationally via ISFE. Full year budgets reported at M6 were 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 allowed 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.
- Changes to the national financial regime from M7 mean that CCGs are now able to upload a full 12 month budget and that CCGs are free to profile and allocate this as required. M7 budgets are based on actuals at M6, plus COVID top up received, plus £212.5m allocation for the second half of the year as detailed in the 22nd October STP plan. This means that the budgets and actuals contained in this report, fully reconcile to the position reported in ledger for the first time this year. But it also means budgets in the M7 report are materially different to those reported at M7, these changes are detailed in the table below:

2020/21 CCG Budgets Reported in Integrated Finance Report: M7 vs M6

£000's	M7	M6	Change	Notes
Acute	217,070	223,219	(6,150)	NHS providers in line with national calculations, which are different to our pre-COVID plans. Independent sector activity was built into pre-COVID plans, but has either been paid centrally under national contract or activity was reduced during pandemic. M7 budget for IS assumes that CCG can reclaim any future costs in excess of M4 outturn.
Mental Health	44,403	40,039	4,364	Budgets to ensure achievement of MHIS. Includes impact of GM transformation projects. Other reason for increase vs M6 is individualised commissioning placements.
Primary Care	92,761	90,771	1,990	Additional Roles and Responsibilities not included in pre-COVID plan - was always due to be transacted via in year IAT. Plus COVID costs in primary care.
Continuing Care	15,003	17,332	(2,329)	Hospital Discharge Programme coded in 'other'. But for COVID many of these patients would have been assessed for CHC.
Community	34,445	34,107	338	Additional COVID costs reclaimed from contre
Other CCG	26,477	22,805	3,672	Large part of our COVID spend is coded to other
CCG Running Costs	4,288	4,486	(198)	Spend in first half of the year lower than cap. Allocation for second half of year based on 6/12 of original cap.
Total	434,447	432,760	1,687	Additional top up allocations of £4,924k are expected, but not yet included in the M7 budget.

Month 7 Position

Summary

Trust I&E excluding COVID-19 expenditure - (£743k) underspend

COVID-19 expenditure: £1.505m

Net deficit (I&E + COVID-19 Exp): £762k overspend

GM System Envelope (COVID/Growth): (£1.239m)

Net Surplus (£477k)

In Month Movement: (£1.233m) favourable

- I&E Excl COVID-19: (£875k) Decrease

- COVID-19 Expenditure: (£358k) Decrease