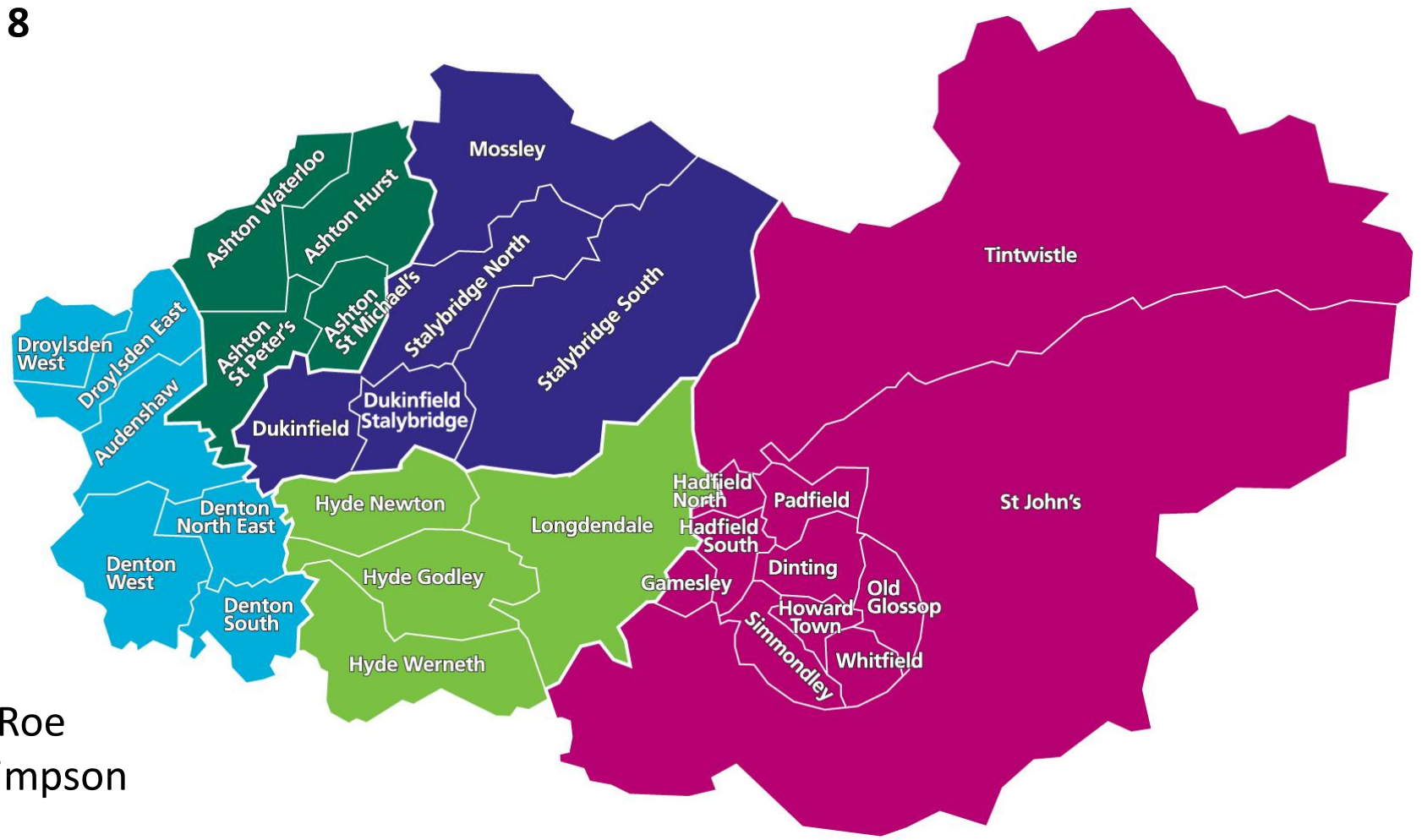


Tameside and Glossop Strategic Commission

Finance Update Report
Financial Year Ending 31st March 2021
Month 8



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Month 8 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.

Finance Update Report – Executive Summary

Children's Services

£3,806k overspend

Children's services continue to present the most significant financial risk to the Integrated Commissioning Fund, both for the 2020/21 forecasts and future year budgets.

At M8 the size of the pressure has increased again as a result of an increase in the number of higher tier placements.

COVID Top Up

The CCG is showing a YTD pressure of £1,055k, but a break even position by year end.

This relates to top up payments which have not yet been received.

Additional allocation of £4,277k relating to COVID claims under command & control in first half of year, was received in full in M8.

But £1,055k of Hospital Discharge Programme costs in M7 & M8 remain outstanding (£647k M7 & £408k M8). 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.

Message from the Directors of Finance

The first Tameside & Glossop patients will receive the COVID vaccine on 15th December 2020. This is a clear and encouraging milestone in our COVID recovery process, with 7 neighbourhood vaccine sites due to be operational by mid January for roll out to the population at large. T&G are central to the GM vaccination programme, with the ICFT acting as the lead employer for the GM mass vaccination site.

While this is clearly an exciting development, it is also one which introduces an element of financial risk to the economy. National funding is available to cover costs of vaccine delivery, but funding outside of the Direct Enhanced Service payment in primary care, will be limited and arrangements for accessing money are not yet finalised. The CCG position currently assumes the vaccination programme will be cost neutral against baseline budgets.

Looking forward to next year, there remains uncertainty about the financial regime within the NHS. A letter outlining the phase 4 response to the COVID pandemic is due to be sent by NHSE before Christmas and planning guidance will follow in mid January.

We don't yet know exactly what this will say. It is clear there will be both an operational and financial challenge to address, as we start to clear waiting lists which have built throughout the pandemic and demand from patients who have avoided visiting their GP begins to present. All of this will be on top of the underlying financial challenge the economy was already facing. Work is already underway to identify further efficiency, but there will inevitably be more to do in the new year.

	Forecast Position		
Forecast Position £000's	Net Budget	Net Forecast	Net variance
CCG Expenditure	439,521	439,521	0
TMBC Expenditure	205,279	208,791	(3,512)
Integrated Commissioning Fund	644,800	648,312	(3,512)
ICFT - GM System Envelope	(1,239)	(1,239)	0
Economy Wide In Year Deficit	(1,239)	(1,239)	(3,512)

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	218,062	0	218,062	218,026	36	0	36	(1,869)	1,905
Mental Health	44,532	0	44,532	44,880	(348)	0	(348)	(398)	50
Primary Care	92,082	0	92,082	91,963	119	0	119	(487)	606
Continuing Care	15,021	0	15,021	14,669	352	0	352	362	(10)
Community	34,501	0	34,501	34,556	(55)	0	(55)	(47)	(8)
Other CCG	31,035	0	31,035	32,194	(1,158)	(1,055)	(103)	(2,484)	1,326
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	(1,055)	1,055	1,055	0	4,924	(3,868)
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	57,804	(3,806)	0	(3,806)	(3,718)	(88)
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	120	21	0	21	13	8
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	980,003	(335,202)	644,800	648,312	(3,512)	(858)	(2,655)	(3,432)	(80)

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	439,521	0	439,521	439,521	0	0	0	0	0
TMBC Expenditure	540,481	(335,202)	205,279	208,791	(3,512)	(858)	(2,655)	(3,432)	(80)
Integrated Commissioning Fund	980,003	(335,202)	644,800	648,312	(3,512)	(858)	(2,655)	(3,432)	(80)

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	144,564	144,754	(189)	218,062	218,026	36	0	36
Mental Health	29,068	28,627	441	44,532	44,880	(348)	0	(348)
Primary Care	60,246	59,967	280	92,082	91,963	119	0	119
Continuing Care	9,728	9,002	726	15,021	14,669	352	0	352
Community	22,783	22,836	(52)	34,501	34,556	(55)	0	(55)
Other CCG	22,201	24,462	(2,261)	31,035	32,194	(1,158)	(1,055)	(103)
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0
CCG Running Costs	2,698	2,698	0	4,288	4,288	0	0	0
Anticipated COVID Top Up	0	0	0	0	(1,055)	1,055	1,055	0
Adults	25,825	30,687	(4,862)	38,737	39,177	(440)	0	(440)
Children's Services - Social Care	35,998	36,677	(679)	53,998	57,804	(3,806)	0	(3,806)
Education	3,942	(3,311)	7,253	6,398	7,081	(684)	(480)	(204)
Individual Schools Budgets	1,795	2,605	(810)	0	0	0	0	0
Population Health	10,413	6,269	4,144	15,619	18,850	(3,231)	(3,500)	269
Operations and Neighbourhoods	36,259	45,121	(8,862)	52,921	53,226	(305)	(510)	205
Growth	8,541	8,393	149	10,988	11,811	(822)	(221)	(601)
Governance	7,001	9,793	(2,792)	9,531	9,620	(90)	39	(129)
Finance & IT	5,405	5,203	202	7,630	7,603	27	(29)	56
Quality and Safeguarding	94	24	70	141	120	21	0	21
Capital and Financing	504	(850)	1,354	756	6,433	(5,678)	(6,474)	797
Contingency	2,251	1,710	541	3,377	3,385	(8)	(911)	903
Contingency - COVID Direct Costs	0	13,294	(13,294)	0	28,244	(28,244)	(28,244)	0
Corporate Costs	3,456	2,815	641	5,184	5,009	175	(100)	275
LA COVID-19 Grant Funding	0	(33,936)	33,936	0	(28,216)	28,216	28,216	0
Other COVID contributions	0	(9,297)	9,297	0	(11,356)	11,356	11,356	0
Integrated Commissioning Fund	432,773	407,541	25,231	644,800	648,312	(3,512)	(858)	(2,655)
CCG Expenditure	291,288	292,344	(1,055)	439,521	439,521	0	0	0
TMBC Expenditure	141,484	115,197	26,287	205,279	208,791	(3,512)	(3,678)	166
Integrated Commissioning Fund	432,773	407,541	25,231	644,800	648,312	(3,512)	(3,678)	166

Finance Update Report – Headlines

Children's Services

The Directorate is reporting a forecast overspend of £3,806K at period 8 which is an overall increase of £88K from period 7. The forecast overspend is predominantly due to the number and cost of internal and external placements.

Overall the placement forecasts have adversely increased by £264K since period 7; however the increase has been partly offset by a number of areas which are reporting reductions in forecast expenditure. These include the Children with Additional Needs service which is reporting a reduction in forecast expenditure of £130K and the Youth Offending and Youth Justice Service which is reporting a £33k reduction in forecast expenditure. There are also minor reductions in forecasts for transition support £7K and salaries £6K.

TMBC YTD Position

A YTD under spend of £26.3m has been reported in the council, against a full year overspend of £3.5m. The YTD position includes all COVID funding received. This funding needs to cover COVID related costs for the rest of this year and also to support expected funding shortfalls in Council Tax and Business Rates in 2021/22. Because of this, the reported YTD position does not fully represent the underlying financial position and the figure should only be used within the wider context of this narrative.

Further work is required to determine the appropriate accounting treatment for this receipt in advance and this will be reflected in future iterations of this report. A further £8.6m of business rates grants funding is included in the actuals, but not forecasts, because this is due to be repaid to Government. Similarly £5.3m of business rates grant funding received, but not yet spent is included in the YTD position and this will be paid out during December and January.

QIPP

The CCG has a QIPP target for 2020/21 of £7,994k, which we need to deliver in order to meet our overall financial control total.

£6,542k (82%) of the required savings have been banked in the first eight months of the year. With further savings of £1,278k expected in future months.

This leaves a gap of £174k, which we are working to reduce in the months to come. While we are reporting that financial control totals will be met, this gap represents a risk to our financial position.

Mental Health

Mental Health directorate shows a £348k overspend against plan at M8. This is driven by individualised commissioning placements and is offset by an underspend against CHC budgets.

The CCG is currently reporting achievement of the Mental Health Investment Standard, however the following risks should be noted:

PCFT have identified £482k Non Recurrent slippage due to delayed mobilisation. Discussions are currently taking place as to whether:

- PCFT can utilise within their services elsewhere.
- The third sector can utilise non recurrently, for example, on Waiting Lists or Pump Priming new services etc.
- This is required to fund pressures in Individualised Commissioning placements for Mental Health placements

MHIS Audit is currently underway and we await confirmation from KPMG about whether rebasing is required. If prior year spend is rebased, the spend target to meet MHIS in 2020/21 would change. Which has potential to impact upon the level of our achievement.

Tameside & Glossop Integrated Commissioning Fund

Primary Care

Primary Care budgets show a favourable variance of £119k, this is an improvement of £606k versus M7 and is explained through two main movements:

- Budgets for primary care include an allocation of £1.1m for GP Additional Roles and Responsibilities (ARR's) – this is based upon 60% funding. In October we were anticipating spend of ~80%. However at M8 we reduced this to 63%, based on up to date information from PCNs.
- We received an allocation to fund £321k of COVID costs, incurred under command and control in the first half of the year.

Acute

The majority of spend within the Acute area is covered by nationally calculated block contracts. Because of this, forecast spend is broadly in line with the budgets.

The reported movement since last month relates to the presentation of the Independent Sector. Phase 3 planning guidance which states that any spend in excess of the M4 outturn can be reclaimed over and above baseline allocations. The precise mechanisms through which this funding will flow are still to be determined. But in total we expect to reclaim around £1.4m of Independent Sector costs.

Last month we included the gross spend associated with this in the acute directorate, with the additional allocation required to balance the position shown in 'other'.

In M8 we are showing IS spend net of the additional allocation in the acute directorate.

Individualised Commissioning

CHC and non-CHC in MH

No significant movements in packages. Broadcare increased by £125k but offset by £190k of reductions to CHC adjustments (fewer COVID packages anticipated to convert to CHC than last month being the main reason). No movement in FNC forecast spend.

In line with trajectories from previous years, the forecast includes £1m of anticipated Winter Pressures. If no significant pressure/increases materialise in December and January, we can start to release some of this to QIPP. However it's still too early to determine if there will be a Winter spike this year.

COVID (HDP) – Scheme 1

As at 1st Sept 680 COVID funded packages had been commissioned under the Hospital Discharge Programme for packages starting before 1st September. National funding is in place to fund these in 2020/21 while a full assessment of the patients care needs is conducted.

At 1st December 184 of these packages were still open. The CHC Team and TMBC team continue to work through the backlog and will convert these COVID packages of care by 31st March deadline, which is built into the financial position.

Discharge to Assess (D2A) – Scheme 2

For HDP packages commissioned from 1st September, we are able to reclaim up to 6 weeks of costs from NHSE, under D2A rules while the patient is awaiting a full assessment of care needs. Our forecast includes £312k for this (with the income from NHSE also included in the position).

At 1st December there were 10 patients with an open D2A package. Since 1st September a further 57 packages have gone through the D2A process in total. The average length of stay for these packages are 18 days – significantly lower than the 6 week maximum imposed by the guidance.

Summary

Trust I&E excluding COVID-19 expenditure - (£552k) underspend

COVID-19 expenditure: *£1.428m

Net deficit (I&E + COVID-19 Exp): £876k overspend

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

Net Surplus (£363k)

* Includes £10k spend in relation to Lateral Flow Devices which are funded outside the financial system envelope

The Trust is reporting an underspend against plan due to:

- **Restoration / Activity plans** – Bed occupancy levels during November were below planned levels of c85% which has resulted in reduced spend on agency and bank staff that would have been required to support these beds. There has also been a reduction to planned activity due to the impact of COVID-19 which has led to a reduction of non-pay spend