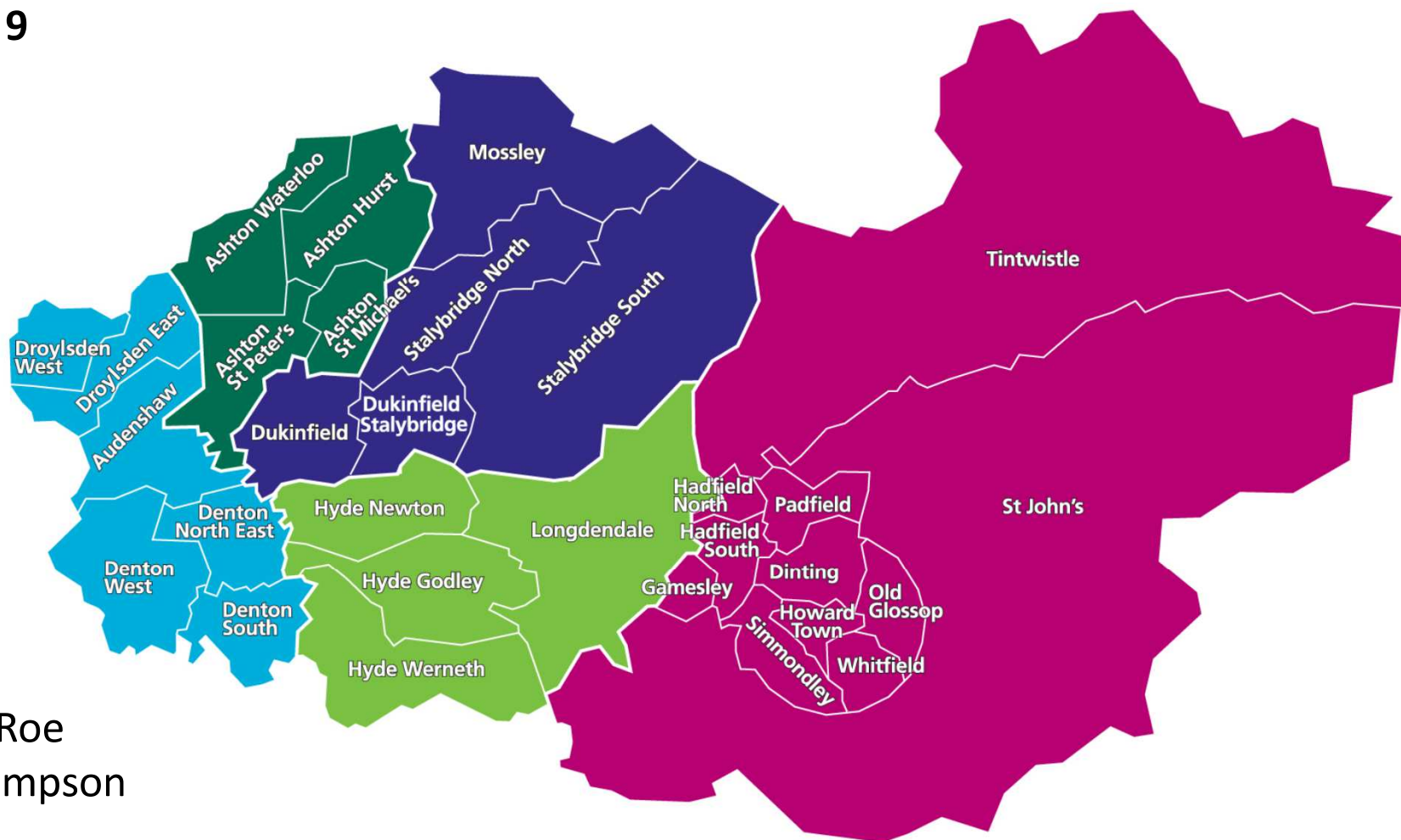


# Tameside and Glossop Strategic Commission

## Finance Update Report

Financial Year Ending 31st March 2021

Month 9



Kathy Roe  
Sam Simpson

# Financial Year Ending 31<sup>st</sup> March 2021 – Month 9

## Month 9 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

**£4,134k 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 M9 the size of the pressure has increased again as a result of an increase in the number and cost of placements.

## COVID Top Up

The CCG is showing a YTD overspend of £2,001k, but a surplus of £512k by year end. This relates to anticipated top up payments which have not yet been received.

This is made up of £1,284k from the Hospital Discharge Programme, £20k in relation to the COVID vaccination programme and £696k in relation to activity with the independent sector.

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 received their COVID vaccine in December 2020. This is a clear and encouraging milestone in our COVID recovery process, with 5 neighbourhood vaccine sites now operational for roll out to the population at large. Our Covid vaccination roll out in Tameside and Glossop is going exceptionally well, with over 18,000 vaccinations carried out by mid January (As at 13 January 2021). This success is a credit to the primary care network teams and GPs, CCG and Council colleagues who have been working flat out to ensure we are vaccinating people in the top priority groups as quickly and safely as possible. T&G are central to the GM vaccination programme, with the ICFT acting as the lead employer for the GM mass vaccination site.

Whilst the vaccine roll out is encouraging, the next few months will remain challenging as COVID infection rates remain high. The impact of the current increases in infection rates and hospital admissions, combined with the economic impact of the third national lockdown, present an increased level of financial risk for the last three months of the year.

Despite the ongoing COVID pressures and prioritisation of the vaccine roll out, planning for 21/22 continues where possible. Work is ongoing to finalise the Council budget proposals for 2021/22, and these will be considered by the Council's Executive Board and Full Council in January. However, CCG planning guidance for 2021/22 has been delayed and the timetable for 21/22 financial planning is not yet clear.

Forecast Position £000's	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance
CCG Expenditure	440,495	0	440,495	439,983	512
TMBC Expenditure	540,481	(335,202)	205,279	209,119	(3,840)
<b>Integrated Commissioning Fund</b>	<b>980,977</b>	<b>(335,202)</b>	<b>645,774</b>	<b>649,102</b>	<b>(3,328)</b>

As at Month 9, the Strategic Commission is forecasting a net overspend of £3.328m by 31 March 2021. On the assumption that the anticipated COVID top up is received in full, a surplus of £512k is projected at year end on CCG budgets. Council budgets continue to show a net overall overspend of £3.8m due primarily to a significant overspend on Children's Social Care services. Additional COVID funding has been announced in recent weeks to support testing and vaccination logistical costs, and the overall position may improve once costs and funding for this work is confirmed.

# 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	217,544	0	217,544	217,641	(97)	0	(97)	36	(133)
Mental Health	44,532	0	44,532	44,609	(77)	0	(77)	(348)	271
Primary Care	92,007	0	92,007	91,763	245	0	245	119	126
Continuing Care	15,021	0	15,021	14,560	461	0	461	352	109
Community	34,694	0	34,694	34,823	(129)	0	(129)	(55)	(74)
Other CCG	32,409	0	32,409	34,301	(1,892)	(2,001)	109	(1,158)	(733)
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	(2,001)	2,001	2,001	0	1,055	945
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	58,131	(4,134)	0	(4,134)	(3,806)	(328)
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	21	(0)
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 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
<b>Integrated Commissioning Fund</b>	<b>980,977</b>	<b>(335,202)</b>	<b>645,774</b>	<b>649,102</b>	<b>(3,328)</b>	<b>(858)</b>	<b>(2,470)</b>	<b>(3,512)</b>	<b>184</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	162,690	163,623	(933)	217,544	217,641	(97)	0	(97)
Mental Health	32,935	32,501	433	44,532	44,609	(77)	0	(77)
Primary Care	67,617	67,319	299	92,007	91,763	245	0	245
Continuing Care	11,051	10,222	829	15,021	14,560	461	0	461
Community	25,576	25,700	(124)	34,694	34,823	(129)	0	(129)
Other CCG	23,914	26,429	(2,515)	32,409	34,301	(1,892)	(2,001)	109
CCG TEP Shortfall (QIPP)	0	0	0	0	0	0	0	0
CCG Running Costs	3,041	3,032	9	4,288	4,288	0	0	0
Anticipated COVID Top Up	0	0	0	0	(2,001)	2,001	2,001	0
Adults	29,053	34,920	(5,867)	38,737	39,177	(440)	0	(440)
Children's Services - Social Care	40,498	40,848	(350)	53,998	58,131	(4,134)	0	(4,134)
Education	4,319	1,667	2,652	6,398	7,081	(684)	(480)	(204)
Individual Schools Budgets	937	(1,463)	2,400	0	0	0	0	0
Population Health	11,714	6,852	4,862	15,619	18,850	(3,231)	(3,500)	269
Operations and Neighbourhoods	40,583	46,337	(5,754)	52,921	53,226	(305)	(510)	205
Growth	7,722	6,554	1,169	10,988	11,811	(822)	(221)	(601)
Governance	8,077	10,030	(1,953)	9,531	9,620	(90)	39	(129)
Finance & IT	5,935	5,803	132	7,630	7,603	27	(29)	56
Quality and Safeguarding	106	38	68	141	120	21	0	21
Capital and Financing	567	(935)	1,501	756	6,433	(5,678)	(6,474)	797
Contingency	2,532	1,710	822	3,377	3,385	(8)	(911)	903
Contingency - COVID Costs	0	15,821	(15,821)	0	28,244	(28,244)	(28,244)	0
Corporate Costs	3,888	3,049	839	5,184	5,009	175	(100)	275
LA COVID-19 Grant Funding	0	(37,858)	37,858	0	(28,216)	28,216	28,216	0
Other COVID contributions	0	(9,574)	9,574	0	(11,356)	11,356	11,356	0
<b>Integrated Commissioning Fund</b>	<b>482,757</b>	<b>452,626</b>	<b>30,131</b>	<b>645,774</b>	<b>649,102</b>	<b>(3,328)</b>	<b>(858)</b>	<b>(2,470)</b>
CCG Expenditure	326,825	328,826	(2,001)	440,495	439,983	512	0	512
TMBC Expenditure	155,932	123,800	32,132	205,279	209,119	(3,840)	(858)	(2,982)
<b>Integrated Commissioning Fund</b>	<b>482,757</b>	<b>452,626</b>	<b>30,131</b>	<b>645,774</b>	<b>649,102</b>	<b>(3,328)</b>	<b>(858)</b>	<b>(2,470)</b>

# Finance Update Report – Headlines

## Children's Services

The Directorate is reporting a forecast overspend of £4,134K at period 9 which is an overall adverse increase of £328K from period 8. The forecast overspend is predominantly due to the number and cost of external placements.

The placement forecasts have adversely increased by £562K since period 8; however this increase has been partly offset by reduced employee costs of £170k and additional grant income of £135K. There has also been changes to the forecasts for transfers to reserves which accounts for £45K. The overall adverse increase in the placement forecasts is due in an increase in the external placements forecasts of £523K and an increase in the internal placement forecasts of £39K.

At the end of December the number look after children was 727 a reduction of 1 from the previous month. The increase in the placement forecast is primarily due to an increase in external placement costs for existing LAC.

## CCG Position

On the assumption that the anticipated COVID top up is received in full, a surplus of £512k is projected at year end.

This is an improvement from the break even position reported in November. Financial performance for CCGs in 2020/21 is being monitored at an STP level, therefore the surplus in T&G will help to offset pressures elsewhere in the system and help GM to manage within the financial envelope.

A significant driver of the T&G improvement is individualised commissioning. During the first wave of the COVID pandemic, NHSE introduced the Hospital Discharge Programme. This enabled the NHS to quickly move appropriate patients from hospital beds into care homes, allowing acute providers to concentrate on the pandemic response. As such a large number of patients entered care home as part of the Hospital Discharge Programme, with full assessments for CHC or social care support deferred until the pandemic response allowed

A majority of these assessments have now been completed, with a much smaller number of patients qualifying for a full CHC placement than envisaged during the phase 3 planning process. As such projected spend in this area has reduced and a surplus has been generated.

# Finance Update Report – Headlines

## TMBC YTD Position

A YTD under spend of £32.3m has been reported in the council, against a full year overspend of £3.8m. 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. 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 in January 2021

## Operations and Neighbourhoods Highways

The recent inclement weather has had a significant impact on the budget to support the gritting of the borough's highways. The whole annual budget of £ 0.441m has been utilised at period 9 (at 31 December 2020).

Since this date, there has and there is forecast to be further inclement weather conditions across the borough which will lead to a projected adverse budget variance by 31 March 2021.

The related details will be included in the Directorate period 10 (at 31 January 2021) revenue monitoring report.

## 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. £6,783k (85%) of the required savings have been banked in the first nine months of the year, with £241k achieved in December. Further savings of £1,211k are expected in future months, which will fully close the gap. This position has improved since last month because of expected savings on CHC.

Work is still required to deliver against this plan, in particular to ensure that appropriate budget management QIPP is identified. But we are confident that the target can be met on an 'in year' basis for 20/21. However because the majority of savings delivered are non recurrent in nature, there remains a significant financial challenge to address in future years.



## Month 9 Position

### Summary

Trust I&E excluding COVID-19 expenditure: (£604k) underspend\*

COVID-19 expenditure: £1.335m

Net deficit (I&E + COVID-19 Exp): £731k overspend

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GM System Envelope (COVID/Growth): (£1.238m)

Net Surplus: (£507k)

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\*This includes System financial envelope funding of £2.767m (£16.603m M7-12)

In Month Movement is £52k Favourable, of which I&E excluding COVID-19 is £145k increase and COVID-19 expenditure is £93k decrease

The planned deficit for M9 (based on September plan submission) is c£1.126m and the movement to the M9 reported position of £507k surplus is £1.633m favourable (see following slide)

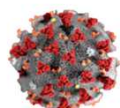
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The Trust is reporting good performance against activity restoration particularly on Diagnostics and Endoscopy, however in some areas still delivering below 100% restoration targets. The ability for the Trust to meet restoration targets is dependent upon the availability of staff and capacity and is not due to financial constraints



## Financial Overview: In Month Movement

Bridge Movement M9 plan to M9 actuals £1.633m (F)



### **£352k (F) – Decrease in COVID-19 expenditure**

- **Sickness Position:** The number of covid-19 related absences in December reduced from the previous month resulting in a reduction of bank and agency costs
- **ITU:** In month 9 there was a reduction in nursing NHSP bank spend as a number of substantive theatre nurses were move into critical care following reduced elective activity



### **£214k (F) – Non-recurrent items**

One off non-recurrent items including recharge to the CCG in relation to GP IT Maintenance (£173k) and other smaller items



### **£279k (A) – Forecast winter and ward spend not realised:**

Winter wards such as ward 30 and ward 43 have largely remained closed meaning that forecast levels of agency and bank spend have not materialised



### **£262k (F) – Activity related**

A reduction in levels of activity compared to plan:

- Reduced theatre and surgical appliance spend
- Critical care occupancy (63% during December)
- Endoscopy activity less than restoration plan



### **£68k (F) – Income**

- Income from SLAs and RTA is higher than forecast

### **£458k (F) – Forecast assumption not fully materialised**

Inability to fully utilise 3<sup>rd</sup> party outsourced staffing provision due to high demand / workforce challenges