

APPENDIX 2 – Strategic Commissioner Detailed Analysis

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Local Authority Savings Progress

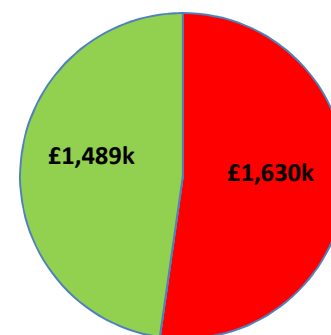
SAVINGS PROGRESS - HEADLINES

The 2018/19 budget included £3,119k of savings to be delivered by management during the financial year. As at the end of the financial year a significant number of savings have not been delivered, resulting in a number of budget pressures. Alternative savings have been identified in some areas to offset non-delivery of planned savings.

- **£1,489k** (48%) of the planned savings have been delivered in 2018/19.
- **£1,630k** (52%) of the savings planned have not been delivered in year, resulting in budget pressures in a number of service areas. Some of these savings are expected to be delivered in 2019/20 or future years.
- Just over half of planned savings in Adults have been delivered, although other savings have been identified elsewhere in the service to offset these pressures.
- Within Operations and Neighbourhoods the new Car parking provision at Darnton Road was expected to generate additional income of £500k per annum. Delays in the construction of the spaces has resulted in the additional income being reduced to £5k.
- Planned savings in the Growth directorate included forecast savings from the re-provision of the Additional Services contract with the Local Education Partnership (LEP) which was been extended as a result of the collapse of Carillion. Options for the future of the LEP are being considered and savings are anticipated in future years. Other savings not delivered mainly relate to additional income from the purchase of the Plantation Industrial Estate which is no longer proceeding.

Savings 2018/19

Savings
achieved in
2018/19
£1,489k

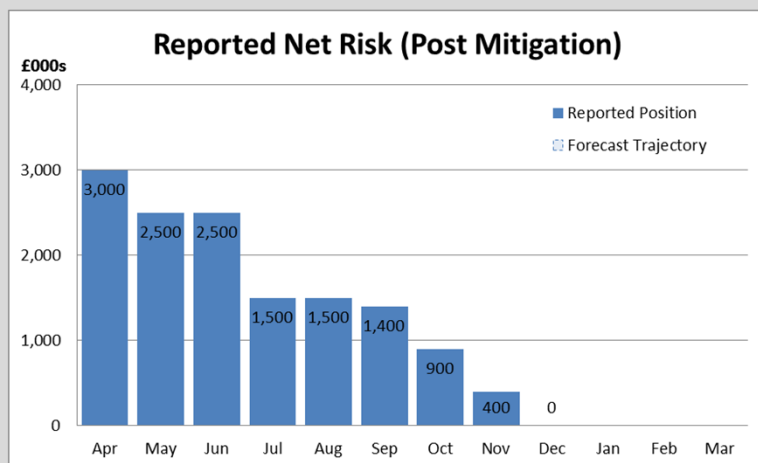


Savings not
achieved in
2018/19
£1,630k

SAVINGS (£000's)	Not		TOTAL
	Delivered	Delivered	
Adults	318	379	697
Childrens (Learning)	0	90	90
Population Health	0	528	528
Operations and Neighbourhoods	575	5	580
Growth	558	340	898
Governance	129	25	154
Finance & IT	50	0	50
Corporate	0	122	122
Total	1,630	1,489	3,119

CCG Recovery Plan & TEP Update: March 2019 (M12)

- The CCG had a Targeted Efficiency Plan (TEP, also known as QIPP) target for 18/19 of £19,800k. We have fully delivered against the target and achieved savings of £19,800k.
- In submitted plans at the start of the year, the CCG reported that financial control totals would be met, but recognised that there was significant risk associated with this. This reported risk reduced throughout the year, reaching zero in December:



- As part of our wider Integrated Commissioning Fund (ICF), the CCG entered into a risk share agreement with TMBC for 18/19. This would have enabled the Local Authority to increase contributions into the pooled budget by up to £5m in order to balance the CCG position on a non-recurrent basis. Any increase in council contribution in 18/19 would have resulted in an increase in the CCG contribution in future years
- The CCG was able to balance the 2018/19 position without a requirement to call upon this ICF risk share.

- The table below summarises achievement of the QIPP target in 2018/19, together with a comparison to the position reported at M9:

Planned Savings (before application of optimism bias)

£000's	Recurrent	Non Recurrent	Total	Prior Month	Movement
High Risk	0	0	0	0	0
Medium Risk	0	0	0	0	0
Low Risk	0	0	0	1,043	-1,043
Saving Posted	7,948	11,852	19,800	18,757	1,043
Total	7,948	11,852	19,800	19,800	0

Expected Savings (after application of optimism bias)

	Recurrent	Non Recurrent	Total	Total	Movement
High Risk	0	0	0	0	0
Medium Risk	0	0	0	0	0
Low Risk	0	0	0	1,043	-1,043
Saving Posted	7,948	11,852	19,800	18,757	1,043
Total	7,948	11,852	19,800	19,800	0

QIPP Target

19,800	19,800	0
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Savings Still to Find

0	0	0
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Value of savings about which we are certain (i.e. blue & green schemes) 19,800

- The only significant change versus our expectation at M9 was Quality Premium Payment achievement, where we narrowly missed the early diagnosis target, resulting in a loss of £160k income.
- This shortfall was addressed through slippage on A&E delivery board budgets and additional achievement against prescribing schemes.

Adults Services

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Adults	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Adults Senior Management	544	0	544	591	(46)
Joint Commissioning & Performance Management	939	(132)	807	788	19
Improved Better Care Fund	3,299	(3,299)	0	0	(0)
Long Term Support	66,899	(37,154)	29,745	29,549	196
Reablement	3,700	(431)	3,269	3,276	(6)
Mental Health	3,259	(288)	2,971	3,477	(507)
Urgent Integrated Care	4,013	(869)	3,144	2,768	375
TOTAL	82,653	(42,172)	40,480	40,449	31

BUDGET VARIATIONS

The net variance reflects a number of underspends and pressures including:

Underspends - £2,857k

- £340k** Net impact of vacant posts, some of which have been covered via agency employees across Adults
- £1,720k** Residential and Nursing care home placements - Income in excess of budget allocation - partly offset by related additional expenditure
- £511k** Income in excess of budget allocation for : Housing Benefit and Non residential / nursing care placements
- £175k** Reduced commitments on community equipment
- £111k** Various underspends across Adults

BUDGET VARIATIONS

The net variance reflects a number of underspends and pressures including:

Pressures – (£2,826k)

- (£1,297k)** Residential and Nursing care home placements - expenditure in excess of budget allocation - offset by related additional income
- (£101k)** Reduction to budgeted levels of income for Continuing Healthcare Homecare, Homemaker service and Supported Accommodation placements excluding Residential & Nursing
- (£357k)** Additional out of borough day service placements
- (£493k)** Specialised homecare - off framework contract
- (£471k)** Increased mental health alternative accommodation placements
- (£107k)** Deprivation Of Liberty Safeguards Mental health medical assessments

SAVINGS

The 2018/19 budget included **£697k** of savings to be delivered by management during the financial year.

- **£379k** is rated 'green' and has been delivered
- The remaining £318k of the savings target is rated 'red' as these initiatives have not been delivered in this financial year
- The directorate has managed the non delivery of these savings via additional levels of income compared to the budget allocation together with reduced levels of budgeted expenditure.

SAVINGS (£000's)	Not Delivered	Delivered	TOTAL
Adults	318	379	697

Children's Services – Children's Social Care

R

Children's Services	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Assistant Executive Director - Children's Specialist Services	1,106	(41)	1,066	1,381	(316)
Childrens Safeguarding	27,647	(755)	26,892	33,694	(6,802)
Early Intervention & Youth Justice	1,724	0	1,724	1,833	(109)
Looked After Children	4,343	(2,017)	2,326	1,950	376
Child Protection & Children In Need	4,349	(238)	4,111	4,883	(772)
	7,649	0	7,649	8,069	(420)
TOTAL	46,819	(3,051)	43,768	51,810	(8,043)

BUDGET VARIATIONS

The net variance reflects a number of underspends and pressures since month 11 including:

Placement Costs – (£580k)

The Council continues to experience extraordinary increases in demand for Children's Social Care Services, placing significant pressures on staff and resources. The number of Looked after Children has gradually increased from 612 at 31 March 2018 to 655 at 31 March 2019. Despite the additional financial investment in the service in 2017/18 and 2018/19, the expenditure has exceeded the approved budget for Third Party Payments by **£7,207k**; due to the additional placement costs. It should be noted that the 2018/19 placements budget was based on the level of Looked After Children at December 2017 (585) ; a resulting increase of 70 (12%).

Health contributions towards Placement costs - (£121k)

Income less than budget

Use of Specified Reserve – £710k

Non-recurrent reserve funding to support service improvement initiative.

Education	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Access & Inclusion	15,035	(12,967)	2,067	2,313	(246)
Assistant Executive Director - Education	239	(66)	173	79	94
Schools Centrally Managed	2,177	(217)	1,960	1,744	216
Schools Centrally Managed - DSG	(286)	504	217	6	211
School Performance and Standards	417	(181)	237	190	47
Pupil Support Services	7,804	(6,897)	908	936	(28)
TOTAL	25,386	(19,824)	5,562	5,269	293

BUDGET VARIATIONS

The variance is a net position and reflects a number of underspends and pressures including:

Underspends:

- £775k** Vacant posts across the whole service.
- £284k** Budgetary saving to be utilised to offset overspending in other areas of Education
- £205k** Utilisation of grant funding

Pressures:

- (£585k)** Special Educational Needs Transport due to increase in children eligible for statutory support.
- (£198k)** Increase in statutory work regarding Education Healthcare Plans (EHCP) Assessments

SAVINGS

SAVINGS (000's)	Not Delivered	Delivered	TOTAL
Children's (Learning)	0	90	90

The 2018/19 budget included **£90k** of savings to be delivered by management during the financial year.

- **£90k** is rated 'green' and has been delivered.

Population Health

G

Population Health	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Public Health	17,186	(680)	16,506	16,156	350
TOTAL	17,186	(680)	16,506	16,156	350

BUDGET VARIATIONS

The net variation reflects a number of underspends and pressures across the service, including **£284k** due to vacant posts across the directorate during the year together with a **£34k** saving in quarter four relating to the vacant consultant of Population Health post.

In addition there has been a **£100k** contract saving due to the renegotiation of rent at Cavendish Mill.

SAVINGS

SAVINGS (000's)	Not Delivered	Delivered	TOTAL
Population Health	0	528	528

The 2018/19 budget included £528k of savings to be delivered by management during the financial year.

- **£528k** is rated 'green' and has been delivered.

Quality and Safeguarding

G

Quality and Safeguarding	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Quality & Safeguarding - Adults	109	(30)	79	45	33
Quality & Safeguarding - Children	258	(258)	0	0	0
TOTAL	367	(288)	79	45	33

BUDGET VARIATIONS

The net variation reflects a number of underspends and pressures across the service, including:

- The underspend is primarily due to vacant posts

Operations & Neighbourhoods	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Operations and Emergency Planning	1,269	(2,461)	(1,192)	(1,193)	1
Community Safety & Homelessness	4,991	(1,407)	3,584	3,065	519
Cultural and Customer Services	3,471	(287)	3,184	2,910	274
Design and Delivery	11,364	(9,376)	1,988	2,005	(17)
Environmental Services Management	30,332	(55)	30,277	30,737	(461)
Highways & Transport	8,517	(8,746)	(229)	613	(842)
Markets	1,065	(1,533)	(468)	(288)	(179)
Operations and Greenspace	5,935	(473)	5,462	5,528	(67)
Public Protection	3,629	(911)	2,718	2,563	155
Waste Management	5,712	(1,156)	4,556	4,638	(82)
Youth	451	(43)	408	292	117
TOTAL	76,737	(26,448)	50,288	50,867	(579)

BUDGET VARIATIONS

The net variation reflects a number of underspends and pressures across the service, including:

Underspends:

- Part year vacancies due in part to retirements and difficulties in recruitment in Cultural and Customer Services, Design and Delivery, Environmental Services (Public Protection) are resulting in the forecast underspends in these areas.
- Vacancies in Operations & Greenspace, and in Highways & Transport are reducing the net pressures being reported in these areas.

Pressures:

- Pressures in Environmental Services Management relate to the Waste Levy and Passenger Transport Levy due in part to a late notification of a final adjustment relating to 2017/18.

BUDGET VARIATIONS

Pressures (continued):

- Highways & Transport - Pressure of **(£495k)** relates to the Darnton Road Car park income, where the Council has been unable to fully achieve the additional income forecast as a saving. Additional construction costs of **(£46k)** have materialised in this year as a result of works occurring earlier than expected. The car parking service has under-achieved on car parks income by **(£237k)** There have been further costs related to car parks of **(£159k)**
- Operations & Greenspace have had a continued shortfall in income from Ashton Market due to the on-going development works in Ashton Town Centre.
- There continues to be additional waste disposal costs within the street cleansing service, however this method of disposal is better value for the Council.
- Waste Management have incurred expenditure on caddy liners to encourage recycling of food waste, however there is no budget provision for this until 19/20.
- Winter maintenance (gritting) has overspent by **(£173k)** as a result of the weather conditions experienced. Additional budget provision will be allocated in 19/20.

SAVINGS

The 2018/19 budget included **£580k** of savings to be delivered by management during the financial year.

- Most of this savings target related to the new Car parking provision at Darnton Road which was expected to generate additional income of **£500k** per annum. Delays in the construction of the spaces has resulted in the additional income for this financial year being reduced to **£5k**. It is expected that the level of income generated will increase in 19/20 and further reviews will be conducted to calculate the realistic expected income in future years.

SAVINGS (£000's)	Not Delivered	Delivered	TOTAL
Operations and Neighbourhoods	575	5	580

Growth	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Development Growth & Investment Management	318	(122)	195	155	41
Employment & Skills	1,779	(861)	918	783	134
Estates	1,511	(2,673)	(1,163)	(404)	(759)
Investment & Development	1,944	(1,259)	685	776	(91)
Planning	1,427	(1,084)	343	493	(150)
Strategic Infrastructure	608	(160)	448	317	131
School Catering	3,974	(3,970)	4	(136)	140
Corporate Landlord	8,066	(1,975)	6,092	7,072	(980)
Environmental Development	459	(90)	369	345	24
BSF, PFI & Programme Delivery	19,809	(22,680)	(2,871)	(2,871)	0
TOTAL	39,894	(34,875)	5,020	6,532	(1,512)

BUDGET VARIATIONS

The net variation reflects a number of underspends and pressures across the service, including:

Underspends:

- Vacancies and delays in recruitment of staff has resulted in underspends in several areas across the directorate
- Expenditure on Local Plan work has been delayed and is committed to be spent next year

Pressures:

- Corporate Landlord pressures relate mainly to additional fees being charged by PwC and non delivery of savings.
- Following the liquidation of Carillion the appointed liquidator PwC had been managing the contracts to enable the smooth transfer to other providers. The costs of this service were not budgeted for, and continued to be incurred until the end of July 2018.
- Forecast savings from the re-provision of the Additional Services contract with the Local Education Partnership (LEP) have not been realised in 2018/19.

BUDGET VARIATIONS

Pressures (continued):

- Expenditure has been incurred in respect of Ashton Moss investigation work.
- Estates budget pressures relate to a shortfall in income due to a number of factors. Income is no longer being received on properties that have been sold and other income is not being realised because facilities are being used for Council purposes. Forecast savings following the proposed purchase of the Plantation Industrial Estate have not been realised. The purchase is complex and is not currently being progressed. Additional security costs at Plantation Industrial Estates have also been incurred following a fire.
- As a result of delays recruiting surveyors there were fewer chargeable hours and forecast income has reduced.
- Within the Planning Service, Building Control income is forecast to be less than budget due to a reduction in the number of applications. Development and Control income is also forecast to be under budget.

SAVINGS

The 2018/19 budget included **£898k** of savings to be delivered by management during the financial year.

- Growth savings of **£558k** have not been delivered in 2018/19. These included forecast savings from the re-provision of the Additional Services contract with the Local Education Partnership (LEP) which has been extended as a result of the collapse of Carillion, and additional income from the purchase of the Plantation Industrial Estate which is not currently proceeding.
- There was also a £0.025m forecast savings from the introduction of pre-planning application fees that hasn't been realised.

SAVINGS (£000's)	Not Delivered	Delivered	TOTAL
Growth	558	340	898

Governance	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
<u>Governance</u>					
Executive and Business Support	1,118	(7)	1,111	1,075	35
Democratic Services	750	(24)	726	740	(13)
Governance Management	909	(88)	822	338	484
Legal	1,086	(113)	972	1,004	(31)
	3,863	(232)	3,631	3,157	474
<u>Exchequer</u>					
Exchequer Services	77,420	(76,051)	1,369	811	558
	77,420	(76,051)	1,369	811	558
<u>People & Workforce Development</u>					
People and Organisational Development	3,577	(1,182)	2,395	2,081	314
	3,577	(1,182)	2,395	2,081	314
<u>Marketing & Communications</u>					
Policy, Performance and Communications	1,578	(140)	1,438	1,018	420
	1,578	(140)	1,438	1,018	420
TOTAL	86,438	(77,606)	8,832	7,067	1,765

The net variation reflects a number of underspends and pressures across the service.

Pressures:

- (£246k) Transfer to Reserves to Fund ECG redesign for People and Workforce Development
- (£165k) Summons fee increase not achievable; further pressure as a result of the reduction of the court fee in year

Governance

Underspends:

- **£683k** Employee related expenditure (including training) is under budget due to vacant posts not being recruited to throughout the year, the service is currently in the process of a review/redesign across a number of areas and this will result in an additional cost pressures in the future.
- **£550k** Budget identified for savings in 19/20
- **£379k** Reduction in the contribution to the Housing Benefit Bad Debt Reserve
- **£269k** Additional Income across all services areas from Clinical Commissioning Group, Trade Union and Secondments within HR Service and Other Income offset with loss of schools income and
- **£66k** Additional Grant Income
- **£229k** Other Minor Variations throughout the individual areas less than £50k.

SAVINGS

Savings

The 2018/19 budget included **£154k** of savings to be delivered by management during the financial year. **£129k** related to increased income which has not been delivered but is offset by other savings across the Directorate.

SAVINGS (£000's)	Not Delivered	Delivered	TOTAL
Governance	129	25	154

Finance and IT	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
FINANCE					
Financial Management	2,747	(570)	2,176	1,735	441
Risk Management & Audit Services	614	(248)	366	268	97
	3,361	(819)	2,542	2,004	538
IT					
Digital Tameside	2,742	(731)	2,011	2,136	(125)
	2,742	(731)	2,011	2,136	(125)
TOTAL	6,103	(1,550)	4,553	4,139	414

BUDGET VARIATIONS

The net variance reflects a number of underspends and pressures including:

Underspends:

- **£417k** - Staffing underspends due to vacancies and timing of recruitment also staff having not taken up the pension option.
- **£190k** – Additional MFD Income to the service.
- **£140k** – Allocation of DSG Central Services Grant not previously budgeted for
- **£5k** - Other Minor Variations

Pressures:

- **(£28k)** - School Income target - underachieved due to academy conversions.
- **(310k)** - Additional year on year Corporate Costs increasing including additional Microsoft Licenses, Increase of back up costs, Wireless access point maintenance and increased security products and costs in relation to managed Services

SAVINGS

SAVINGS (000's)	Not Delivered	Delivered	TOTAL
Finance & IT	50	0	50

The 2018/19 budget included **£50k** of savings to be delivered by management during the financial year.

- **£50k** has not been delivered. The saving relates to forecast procurement savings which are not expected to be delivered until future years.

Capital Financing, Contingency and Corporate Costs

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Capital Financing, Contingency and Corporate Costs	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Outturn £000's	Variance £000's
Capital and Financing	13,869	(1,360)	12,509	10,587	1,922
Contingency	3,323	(6,823)	(3,500)	(6,195)	2,695
Corporate Costs	9,038	(6,622)	2,416	(242)	2,658
TOTAL	26,230	(14,805)	11,425	4,150	7,276

BUDGET VARIATIONS

Underspends:

- The 2018/19 budget for capital and financing costs did not include any amounts for investment income on the Manchester Airport Shareholder Loan. Net additional investment income of **£610k** was received in respect of this. In addition to this no borrowing has been taken up in year, resulting in a saving on interest costs.
- Corporate Costs budgets include dividend income from the Council's shareholding in Manchester Airport Group. Total dividend in 2018/19 is **£1,635k** in excess of the budget. This additional income will be used to offset overspends in other service areas but is one-off in nature and cannot be guaranteed in future years.
- Additional Adult Social Care grant of **£721k** was notified after the 2018/19 budget was set. The grant has been allocated to contingency.
- Also included within corporate costs are savings of **£366k** in respect of contributions to AGMA, **£129k** of savings relating to Pension Increase Act Contributions and **£70k** saving on the audit contract.
- The outturn on Contingency includes additional section 31 received in year relating to business rates reliefs, and the release of contingency provisions to support service pressures across the council.
- A review of debtor balances has taken place and a subsequent increase in the provision for non-recovery of sundry debtors has caused an adverse movement in the contingency outturn.

SAVINGS

SAVINGS	Not Delivered	Delivered	TOTAL
Corporate	0	122	122

The 2018/19 budget included **£122k** of savings relating to Capital Financing costs which have been delivered in year.

Capital Expenditure

	2018/19 Budget	Outturn	Variance	Slippage
	£000	£000	£000	£000
Growth				
Vision Tameside	17,378	15,434	1,944	2,263
Investment & Development	2,634	2,113	521	510
Estates	624	0	624	624
Operations and Neighbourhoods				
Engineers	11,356	10,367	989	1,121
Environmental Services	431	286	145	143
Transport (Fleet)	362	247	115	-
Corporate Landlord	227	341	(114)	(122)
Stronger Communities	35	4	31	27
Children				
Education	4,662	4,169	493	599
Children	50	47	3	-
Finance & IT				
Finance	11,300	11,278	22	-
Digital Tameside	3,345	2,818	527	527
Population Health				
Active Tameside	4,350	4,417	(67)	(67)
Adults				
Adults	200	22	178	178
Governance				
Exchequer	10	-	10	10
Total	56,964	51,544	5,420	5,814

Capital Expenditure

	2018/19 Budget £000	Outturn £000	Variance £000
Education	4,662	4,169	493
Vision Tameside	17,378	15,434	1,944
Digital Tameside	3,345	2,818	527
Investment & Development	2,634	2,113	521
Adults	200	22	178

SIGNIFICANT SCHEMES AND BUDGET VARIATIONS

VISION TAMESIDE - Delays in the construction of Tameside One have resulted in spend less than budget in this financial year. Expenditure will be incurred in 2019/20 as the project comes to a conclusion.

DIGITAL TAMESIDE - Additional agreed work carried out by the LEP over the course of the build has not yet been charged for. Work scheduled to be carried out at Ashton Old Baths cannot be completed until the new Data Centre is in place.

INVESTMENT & DEVELOPMENT - The funding was not spent in 18-19 as the Council were waiting for the outcome of a £10m Grant Funding application to Homes England. The Grant has now been confirmed and this funding will pursue the planning application in 19/20.

EDUCATION - There are a number of schemes which are scheduled for Easter/Summer 2019 but because of the delay in Robertson's, appointment schemes were unable to be carried out over the summer of 2018.

ADULTS- In March 2018 there was a Executive Decision to agree capital funding and there has been on-going discussion between the Diocese and the Council's legal team in order to obtain a legal charge against the property in relation to the £150k capital money. As a result of this, a further key decision is required for the funding to take place without the need for a legal charge.

Capital Expenditure

	2018/19 Budget £000	Outturn £000	Variance £000
Engineers	11,356	10,367	989
Estates	624	-	624
Transport (Fleet	362	247	115
Corporate Landlord	227	341	(114)

SIGNIFICANT SCHEMES AND BUDGET VARIATIONS

ENGINEERS - A number of variations have arisen where outturn is less than budget due to requests for slippage into the 2019/20 financial year. This includes schemes such as Flood Prevention and Repairs, Mossley Road East Retaining Walls, Ashton Canal Links and Hospital Parking.

ESTATES - The Mottram show trustees have experienced more problems than anticipated with regard to ground conditions, they have requested an extension to allow sufficient time to complete their relocation works so costs would now not be incurred until 19/20.

PROCUREMENT OF 58 FLEET VEHICLES- The vehicles originally requested were no longer available, therefore, a change to the specification was required which in turn resulted in costs being lower than expected.

CORPORATE LANDLORD - Works are completed when required, to ensure the councils buildings provide a safe and effective physical environment for staff and services to operate from. Approval to draw on earmarked resources for capital spend is then requested from Executive Panel. The amount showing as overspent within 18/19 is works completed since the last report, these costs will be presented to Capital Panel in July 2019.

	Budget £000's	Actual £000's	Variance £000's
Acute Commissioning	189,465	190,477	(1,012)
Tameside & Glossop ICFT	127,635	127,700	(66)
Manchester FT	31,285	32,552	(1,267)
Stockport FT	10,385	9,453	932
Salford Royal FT	5,340	5,397	(57)
Pennine Acute	3,539	3,411	128
The Christie	1,862	2,207	(345)
BMI Healthcare	1,703	2,262	(558)
Wrightington, Wigan & Leigh	1,154	1,026	128
Spamedica	1,138	1,194	(55)
Other Providers	5,424	5,276	148
Ambulance Services	8,243	8,348	(105)
NCAS/OATS	2,060	2,009	51
Clinical Assessment & Treatment Centres	1,481	1,423	59
Winter Resilience	1,393	1,334	59
High Cost Drugs	206	238	(31)
Collaborative Commissioning	15	20	(5)
Total - Acute	202,864	203,848	(984)

- Year end Income & Expenditure (I&E) positions have been agreed with all associate NHS providers. These are agreed for the purposes of final accounts at both organisations and will feed into the national Agreement of Balances exercise. However these agreements were based upon 10 months of data to the end of January. There will be a post reconciliation adjustment made when final month 12 data is available in June. This may result in a cross year pressure/benefit to the CCG's position. While the I&E agreement was made on the basis of the best information available at the time, we are potentially vulnerable to pressures as a result of high cost critical care patients.
- Manchester FT remains the biggest area of over spend. Driven by A&E, emergency admissions, critical care, outpatients and cardiology. The cardiology pressure is in part caused by a transfer of services from Stockport. The wider underspend against Stockport relates to a reduction in emergency admissions (particularly stroke) and a reduction in maternity spend.
- Independent sector providers (particularly BMI) continue to overspend significantly. Driven primarily by elective Trauma & Orthopaedic admissions, as the independent sector provides capacity for NHS trusts struggling with Referral to Treatment (RTT) demands.
- The underspend against other providers includes a benefit of £400k relating to neuro rehab placement costs, which offsets pressures in CHC.

	Budget £000's	Actual £000's	Variance £000's
Mental Health Contracts	24,141	24,141	0
Mental Health Services - Adults	5,067	5,819	(753)
Mental Health Services - Other	1,521	1,512	9
MH - Collaborative Commissioning	647	636	11
Learning Disabilities	632	643	(11)
MH - Specialist Services	587	800	(213)
Improving Access To Psychological Therapies	183	179	5
Mental Capacity Act	84	90	(6)
MH - Non Contracted Activity	71	79	(8)
Child & Adolescent Mental Health	(91)	(105)	14
Total - Mental Health	32,842	33,794	(952)

- In January 2018, SCB approved a Mental Health (MH) investment plan that was compliant with the Mental Health Investment Standard and which would deliver the ambition of the Five Year Forward View (FYFV). In order to meet the requirements of FYFV an additional recurrent investment of £2,500k was made in Mental Health for 2018/19.
- Work is underway to implement this strategy, however there has been some delays against delivery of service plans. As a result there was £1,125k slippage against core Mental Health, which has been released to the CCG's Targeted Efficiency Programme. This slippage relates primarily to delays in commencement dates for new and enhanced services, which are in turn driven by recruitment difficulties.
- A risk share arrangement for an additional 12 MH beds at Pennine Care has been agreed in principle across the five footprint commissioners and agreement has been reached for the provision of a GM Female Psychiatric Intensive Care Unit (PICU) service. The latter is being provided by Cheadle Royal with the Pennine Care footprint commissioners block booking 4 beds at 100% occupancy.
- The £213k forecast overspend in Specialist Services relates to the Hurst and Beckett units (secure wards at Pennine Care, but outside the core contract).
- The £753k pressure forecast for Adult MH services relates to Individualised Commissioning packages of care. This is a material (£230k) increase against the position reported at Q3 and relates to a re-classification of patients who were previously coded to the Continuing Care cost centre.

	Budget £000's	Actual £000's	Variance £000's
Prescribing	40,235	39,808	427
Delegated Co-commissioning	33,041	32,524	517
Out of Hours	2,464	2,461	4
Local Enhanced Services	1,524	1,340	184
Primary Care IT	1,325	1,219	106
Central Drugs	1,201	1,300	(99)
GP FORWARD VIEW	1,051	1,051	0
Primary Care Investments	880	1,274	(394)
Oxygen	514	442	72
Medicines Management - Clinical	399	381	18
Commissioning Schemes	319	343	(24)
Total - Primary Care	82,954	82,144	810

- **Prescribing** - Against a savings target of £2,000k, we have actually delivered prescribing savings of £3,027k in 2018/19. These savings have been delivered in spite of external cost pressures around NCSO (No Cheaper Stock Obtainable) prices, with particular success linked to Repeat Ordering Controls, Optimise Rx and reduced spend on targeted drugs, including Tadalafil and Rosuvastatin.
- At the time of writing, prescribing data is only available for the first 10 months of the year. As such the figure reported above includes an accrual for spend in February and March. This accrual has been prepared using the best information available, but there are a number of external factors which have increased uncertainty this year. Not least Brexit, where anecdotal reports in the press suggest patients may be stockpiling drugs or filling repeat prescriptions earlier. Brexit is also resulting in an increased number of items being classified NCSO. The year end accrual reflects this uncertainty and may result in either a cross year benefit or pressure when final month 12 data is published.
- **Delegated Co-Commissioning** – The underspend in this area has further increased since the Q3 report, this is due to the release of contingency (e.g. for suspended GP's) a recalculation of PMS/GMS/APMS contract payments to reflect updated list sizes, and final achievement against Quality & Outcome Framework (QOF).
- **Local Enhanced Services** – Budgets were set on an assumption of full participation and achievement, however the number of anti-coagulation patients being treated in primary care has reduced significantly this year, particularly since the autumn.
- **Primary Care Investment** – Changes to the form and nature of the Commissioning Improvement Scheme in 2018/19 necessitates a change in the way we realise the liability for payments of achievement. In turn, this has resulted in a pressure against budgets this year.

	Budget £000's	Actual £000's	Variance £000's
CHC Adult Fully Funded	10,086	10,421	(335)
Funded Nursing Care	1,697	1,819	(122)
CHC Assessment & Support	952	907	44
CHC Adult Personal Health Budgets	860	1,933	(1,073)
CHC Adult Joint Funded	387	597	(210)
Children's Continuing Care	117	111	6
Children's CHC Personal Health Budgets	29	20	9
Total - Continuing Care	14,126	15,808	(1,681)

- Growth in the cost and volume of individualised packages of care has been amongst the biggest financial risks facing the Strategic Commissioner over the last couple of years. Expenditure growth in this area was 14% in 2017/18, with similar double digit growth rates seen over the previous two years.
- A financial recovery plan has been in place all year, with detailed updates presented at Finance & QIPP Assurance Group on a quarterly basis.
- While we have over spent against budgets by £1,681k in 2018/19, this is significantly less than we had forecast earlier in the year (an overspend of £2,982 was reported at M3). This therefore demonstrates significant progress against the recovery plan.
- Robust processes are now in place for 4 week Fast Track package reviews which has led to a marked reduction in Fast Track package numbers over the last 12 months. MDT meetings with the hospital discharge team are ensuring that assessment criteria is applied appropriately using the Decision Support Tool. Broadcare (management information system) is now firmly established to help manage patients and ensure that accurate, timely reports can be generated.
- Budgets for 2019/20 have been set on the basis of actual activity in 2018/19, with an allowance for demographic growth and inflation. While the formal recovery plan has come to an end, we will continue to closely monitor this area of spend and expect 2019/20 spend will be within budget.

	Budget £000's	Actual £000's	Variance £000's
Community Services	29,249	29,491	(242)
Hospices	592	642	(50)
Palliative Care	126	113	13
Total - Community	29,966	30,246	(279)

- The majority of the community services budget relates to services provided by the ICFT within the scope of the block contract. Payments are fixed and have not changed throughout the year, so do not contribute to either under or over spend.
- A non-recurrent estates pressure of £331k following the closure of Shire Hill is included in the position. The historic budget for Shire Hill has transferred to the ICFT as a contribution towards estates costs for the Stamford Unit. However, delays in serving notice meant that the CCG was liable to continue paying rent on the empty building. Notice was subsequently served and the CCG's liability for void costs ended on 31 December 2018.
- This is partially offset by an underspend in Community Prescribing and a small underspend on Palliative Care as a result of continued contributions to the Macmillan End of Life GP post
- Other services have delivered broadly in line with budget.

	Budget £000's	Actual £000's	Variance £000's
Better Care Fund	12,800	12,800	0
Transformation Funding	9,141	9,141	0
Commissioning Reserve	2,978	0	2,978
Property Services	3,830	5,178	(1,349)
Programme Projects	2,454	2,531	(78)
Patient Transport	1,311	1,184	127
NHS 111	652	646	6
Safeguarding	513	459	54
Clinical Leads	432	404	28
Nursing and Quality Programme	243	232	11
Commissioning - Non Acute	119	84	35
Interpreting Services	54	47	7
Total - Other	34,525	32,705	1,820

- **Commissioning Reserve** – The £2,978k budget on reserves represents a combination of cumulative contingency, risk reserve and an offset in relation to corporate Targeted Efficiency Programmes (ie. QIPP). These were built up throughout 2018/19 in order to offset overspend on other budgets and ensure that the CCG is able to deliver its control total. The budget does not carry forward into future years.
- **Transformation Fund** – Following negotiations with NHS England the transformation budget for 2018/19 has increased by £3.8m to accommodate a re-profiling of expenditure on Support at Home. Forecast spend for future years has been adjusted accordingly and the revised allocation has been spent in full.
- **Property Services** – Significant work has been undertaken around estates including renegotiation of the 10% management fee and serving notice on a number of buildings. However, there is an ongoing dispute regarding the cost of Facilities Management Services for properties, which accounts for the reported overspend. The position reported above includes an accrual in relation to this dispute, but the actual value may vary upon resolution, resulting in either a cross year benefit or pressure.
- **Patient Transport** – Non emergency Patient Transport Services (PTS) have under spent against budget due to reduced activity levels.

	Budget £000's	Actual £000's	Variance £000's
QIPP	1,267	0	1,267
Finance	847	850	(3)
Commissioning	812	789	23
CEO/Board Office	482	477	5
Corporate Costs & Services	288	264	24
IM&T	284	284	0
ADMINISTRATION & BUSINESS SUPPORT	224	201	23
Communications & HR	201	201	0
Chair & Non Execs	161	155	6
Nursing	134	135	0
Contract Management	129	150	(20)
Corporate Governance	110	113	(4)
Estates & Facilities	104	104	0
IM&T Projects	100	153	(53)
Human Resources	40	40	(0)
Equality & Diversity	26	26	0
General Reserve - Admin	0	0	0
Total - CCG Running Costs	5,209	3,941	1,268

- The CCG receives an earmarked allocation of £5,209k to fund running costs. We are not allowed to exceed this limit, but any underspend on running costs can be used to offset pressures across the CCG as a whole.
- Savings of £1,268k have been made in 2018/19 (of which 2/3 are recurrent). Significant areas in which savings made include:
 - Integration Benefits: Services (e.g. estates, payroll etc.)
 - Integration Benefits: Staffing (e.g. single CEO/CFO, HR)
 - Corporate Re-organisation (lay members & board)
 - Renegotiated Contracts (e.g. GMSS, Audit, Vodafone)
 - Non Recurrent In Year Staffing Savings (i.e. vacancy factor)