

Report to:	COUNCIL
Date:	21 May 2018
Executive Member / Reporting Officer:	Councillor Bill Fairfoull, Executive Member (Performance and Finance) Kathy Roe – Director Of Finance – Tameside MBC and NHS Tameside & Glossop CCG
Subject:	TAMESIDE AND GLOSSOP STRATEGIC COMMISSIONING FINANCIAL PLAN 2018/2019
Report Summary:	This report has been prepared jointly by officers of Tameside Council and NHS Tameside and Glossop Clinical Commissioning Group. It sets out the key principles and value of the single fund (Integrated Commissioning Fund) between the Council and the CCG.
Recommendations:	That the Council agrees : <ol style="list-style-type: none"> 1. That the Integrated Commissioning Fund 2018/2019 budget allocations as stated in Appendix 1. 2. That the management of the associated share of financial risk during 2018/2019 as stated within section 7 of the report. 3. That the Council will continue to be the host organisation for the Section 75 pooled fund agreement.
Links To The Corporate Plan:	The Integrated Commissioning Fund aligns with the priorities of the Corporate Plan.
Financial Implications:	This report explains the Integrated Commissioning Fund (ICF) arrangements from 1 April 2018.
(Authorised by the statutory Section 151 Officer & Chief Finance Officer)	It should be noted that the ICF will be bound by the terms within the Section 75 agreement and associated Financial Framework agreement. It should also be noted that the Council agrees to increase the value of Council resources within the ICF by a maximum sum of £5.0 million in 2018/2019, should this be necessary, on the condition that Tameside and Glossop Clinical Commissioning Group agrees a reciprocal arrangement in 2020/21. A key section of the Financial Framework agreement is the revised risk sharing arrangements. The associated variance to the total net budget allocation at the end of each financial year will be financed in proportion to the percentage of the net budget contribution of each organisation to the ICF. However, the variance will be initially adjusted to exclude any CCG net expenditure associated with residents of Glossop as the Council has no legal powers to contribute to such expenditure. Details of the risk sharing arrangements are provided within section 7 of the report and the values are additional to the £5.0 million contribution explained in the previous paragraph.
Legal Implications:	The Council and CCG want to work together in a collective and integrated way to maximise vfm and create the most efficient and
(Authorised by the Borough	

Solicitor)

effective service delivery and best outcomes for residents. This is important to avoid a saving achieved by one organisation becoming a cost for the other. However, it is constrained by the separate legal and financial frameworks in which it works. Whilst this should not be a reason or justification for not delivering or working jointly in order to ensure it meets its legal and regulatory compliance requirements and avoid expensive legal /reputational challenge/risk we must be very clear on what basis we are spending any budget and on whose authority and there must be clear governance to demonstrate this. Accordingly, we need to ensure we have aligned and agreed accountancy rules and principles and we clearly show where the accountability and governance for such spend. This is particularly important given the joint/shared Chief Executive/accountable officer role and the finance/s151 officer to ensure any conflicts are addressed transparently. In particular I have suggested we use a simple colour coding system so we are clear whether Council, CCG or Strategic Commissioning Body have the absolute authority to approve. This is particularly important given the legal restrictions as to what can be in the section 75 agreement and integrated health budgets.

Risk Management:

Associated details are provided within sections 6 and 7 of the report.

Access to Information :

Background papers relating to this report can be inspected by contacting :

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1. INTRODUCTION

- 1.1. This report has been prepared jointly by officers of the Council and Tameside and Glossop CCG as part of the Care Together Programme and seeks to extend the Integrated Commissioning Fund (ICF), which has been in place since 2016/17.
- 1.2. The Integrated Commissioning Fund reporting arrangements have evolved during the current financial year with a single Health and Social Care economy wide monthly monitoring report presented to the Strategic Commissioning Board. During 2018/19, the monthly report will include the financial details of all Council services, the Tameside and Glossop CCG (both detailed in **Appendix 1**), together with the Tameside and Glossop Integrated Care NHS Foundation Trust.

2. BACKGROUND

- 2.1 The expansion of the ICF to a single integrated commissioning fund, subject to the restrictions of current legislation, aims to include the total annual CCG resource allocation and Council budgets so far as legally possible for all health related services. The creation of a single ICF is expected to bring a number of benefits including:
 - Streamlined governance and decision making
 - Strengthening of cohesive Strategic Commission budget leadership
 - Single Strategic Commission budget resource reporting
 - Single accountable body for the ICF – the Council is currently the lead accountable organisation for the ICF
 - Rationalisation of any existing joint funding arrangements between the Council and CCG
 - Provision of support to strategic place based service provision priorities
 - Alignment to the Strategic Leadership structure
 - All health and Council service resource decisions would be intrinsically linked to the corporate strategic priorities.
- 2.2 It is envisaged that the Strategic Commission would be a national lead in this proposed single fund arrangement. The functions of NHS bodies and Local Authorities are covered by a wide range of legislation and further work will be undertaken to explore any potential issues including the impact on decision making and governance, grant funding and VAT issues, reporting requirements and existing risk share arrangements.

3 STRATEGIC COMMISSION - FINANCIAL CONTEXT

Background

- 3.1. The Council budget of the Strategic Commission is set in the context of reductions in Government funding to all councils.
- 3.2 In 2016 the Government offered any council that wished to take it up, a four year funding settlement to 2019/20, making a commitment to provide minimum funding allocations for each year of the Spending Review period. This offer was subject to the Council choosing to accept the offer and publishing an efficiency plan by October 2016, which the Council chose to comply with.
- 3.3 The four year funding settlement provides the Council with greater certainty over its funding allocations to the end of 2019/20. However, the position beyond 2020 falls outside of this four year settlement and no indicative information is yet available for future periods. Prudent assumptions have therefore been made about assumed further reductions in central government funding, increasing costs and demands for services to 2021/22

- 3.4 The NHS already has two year contracts and improvement priorities set for the period 2017-2019. These were based on the NHS Operational Planning and Contracting Guidance 2017-2019 published in September 2016 and reflected in the March 2017 document "Next Steps on the NHS Five Year Forward View".
- 3.5 The November 2017 budget announced additional NHS revenue funding to increase funding for emergency and urgent care and elective surgery. In addition, the Department of Health and Social Care reported making additional funds available for other core frontline services such as mental health and primary care. The updated February 2018 guidance builds on the progress made in 2017/18 and protects investment in mental health, cancer services and primary care in recognition of the scale of unmet need in these areas. This means a continued commitment to deliver cancer waiting time standards, achievement of the Mental Health Investment Standard and service expansions set out by the Mental Health Taskforce and General Practice Forward View commitments.
- 3.6 The guidance emphasises the requirement for energies to remain focused on improving quality of care for patients and maintaining financial balance, whilst working in partnership to strengthen the sustainability of services for the future. This will be achieved through transformation.
- 3.7 An additional £1.4 billion of resource has been made available to CCGs nationally, principally to fund realistic levels of emergency activity in plans, the additional elective activity necessary to address waiting lists, universal adherence to the Mental Health Investment Standard and transformation commitments for cancer services and primary care. The additional investment will be made available as follows:
- 3.8 The lifting of the requirement for CCGs to underspend 0.5% of their allocation and to use a further 0.5% of allocation solely for non-recurrent purposes. These previously committed funds can now be used to fund local pressures and transformation priorities in 2018/19. In Tameside and Glossop this represents a £1.9 million improvement.
- 3.9 £600 million additional funds have been added to 2018/19 CCG allocations and distributed in proportion to CCGs' target allocations which have been updated to reflect latest population estimates and other data. Tameside and Glossop has received an additional £2.8 million.
- 3.10 Members should note the 2018/18 Council budget report is available in further detail on the Tameside Council website via the following web link:

<http://tameside.moderngov.co.uk/documents/s28903/ITEM%207%20-%20Budget%20Report%20FINAL%20for%20Budget%20Council%20FINAL.pdf>

4 MEDIUM TERM FINANCIAL PLAN (MTFP)

- 4.1 The Strategic Commission budget draws together the many service plans and delivery strategies and sets out an overall plan in financial terms. The budget also ensures that resources to deliver services to local people are utilised in line with the agreed priorities of the Strategic Commission and its partners.
- 4.2 In the context of pressures from growing demand, tightening funding and an increasingly complex and uncertain financial environment, the MTFP is an essential tool to assess and underpin financial resilience of the Strategic Commission. The MTFP is designed to support the medium term policy and financial planning processes, and secure financial resilience. Fundamentally the plan is designed to help provide a stable financial base to support service delivery. The plan also fits within a wider system of corporate planning.

Key assumptions

- 4.3 In line with these key principles, the following specific assumptions have been made in the development of the MTFP:
- Government support in accordance with the four year fixed funding agreement for the Council
 - Service specific grant funding in line with known or forecast allocations for 2018/19
 - Local authority pay awards of 2% per annum, following the lifting of the pay cap
 - Local authority employer's pension contribution rate increase of 1.3% for the period 2017-2020 and a further increase of 1.3% from 2020/21;
 - Inflation on running expenses of 2% per annum;
 - Increased allowance for adult services contract costs due to the National Living Wage
 - An average increase of 2.5% on fees and charges unless costs are not being recovered or market conditions require a higher or lower level;
 - Allowance for demographic change in children's social care and adults' services;
 - An average investment return on cash deposits of 0.4%;
 - The Council will remain in an under-borrowed position. A limited amount of new borrowing to take place at an average interest rate of 2.70%;
 - An increase in levies per guidance issue by GM Combined Authority and GM Waste Disposal Authority; and
 - Provision for losses on collection of business rates and council tax based on historical performance and forecast business rates appeals.
- 4.4 The CCG has statutory responsibilities referred to as the business rules with which it must comply. The 2018/19 budgets have been calculated taking the following assumptions and business rules into account:
- The maintenance of expenditure within the revenue resource limit
 - The maintenance of expenditure within the allocated cash limit;
 - The maintenance of capital expenditure within delegated limits;
 - The confirmation that a minimum 0.5% contingency is held;
 - The increase of investment in mental health services each year at a level in line with Mental Health Investment Standard (previously known as Parity of Esteem) guidelines;
 - The confirmation that running costs do not exceed the allocation of £5.147 million;
 - The compliance with the Better Payment Practice Code whereby the CCG ensures it pays all NHS creditors within 30 days of receipt of a valid invoice.
- 4.5 These rules have been incorporated in expenditure plans in the 'do nothing' scenario using the growth assumptions outlined in table 4 (**Appendix 2**):
- 4.6 In addition the following contract assumptions are in place.

2018/19 Contracts with Acute Providers

- 4.7 Two year NHS contracts were signed with providers in 2017/18, refreshed values for 2018/19 at Tameside and Glossop Integrated Care NHS FT (ICFT) and associate providers were agreed in March 2018. The Strategic Commission plans to progress its vision of not funding growth with providers and driving forward transformational Quality, Innovation, Productivity and Prevention (QIPP) schemes to facilitate this. The contract with Tameside and Glossop ICFT has been developed to accelerate at pace and scale the transformation in accordance with our vision for Care Together. This contract will continue to be an outcomes focused block contract in 2018/19 which has been agreed at £166.846 million for the Strategic Commission.

2018/19 Contracts with Mental Health Providers

- 4.8 As with Acute providers, two year NHS contracts were signed with Mental Health providers too. As previously referred to, mental health has been highlighted as a key priority in 2018/19 and additional funding in CCG allocations and additional Mental Health Transformation Funding from Greater Manchester Health and Social Care Partnership (GM H&SCP) will enable the expansion of services and the specific trajectories set for 2018/19

to deliver the Five Year Forward View for Mental Health. Key priorities include meeting the Mental Health Investment Standard and developing mental health services for children and young people, perinatal mental health, Improving Access to Psychological Therapies (IAPT), adult mental health (crisis, community and acute), dementia and suicide reduction

- 4.9 Pennine Care NHS FT is the CCG's main mental health provider and the 2018/19 contract has been rebased to reflect the progress of a Service Line Reporting (SLR) exercise to change the mental health currency from Payment by Results (PbR) Cluster based values to SLR based values and to ensure there is sufficient investment to deliver safe clinical staffing requirements. The CCG is investing an additional £0.4 million in 2018/19 for safer staffing and this is over and above the recurrent £0.2 million invested in 2018/19.
- 4.10 There has been considerable discussion regarding the change in currency but ultimately it is felt that an SLR based contract will better serve integration and as this is the currency in place at Manchester Mental Health FT and there are benefits in having a consistent currency across GM. The SLR data is still very much in its infancy and evolving at Pennine Care and although there are challenges being made to some of the assumptions, it has been agreed to move forwards on this basis with a risk share in place across the Pennine Care footprint commissioners. This means that Tameside and Glossop will contribute £0.250 million to the risk share arrangement in 2018/19 as the SLR data portrays Tameside & Glossop as under-funding Pennine Care for our commissioned mental health services. During 2018/19, a deep dive analysis on our commissioned mental health services will be undertaken to both validate the data and address the subsequent findings.

5 SAVINGS & QUALITY, INNOVATION PRODUCTIVITY AND PREVENTION (QIPP) PLANS

- 5.1 Over the past eight years of austerity the Council has removed substantial sums from both back office and service costs. Costs are kept under review and new initiatives for savings are constantly sought. Savings identified as part of the 2018/19 budget process are summarised in table 1 (**Appendix 2**).
- 5.2 Using the 2017/18 month 9 (at 31 December 2017) forecast outturn as a baseline, the following assumptions have been made to derive a 'do nothing' QIPP spend requirement for the CCG resource allocation.
- The application of the planning and growth assumptions;
 - The identification of 2017/18 non recurrent expenditure and impact of 2016/17 cross year benefits;
 - The adjustment for known pressures in 2018/19 (e.g. Continuing Health Care (CHC) & Individualised commissioning, one off planning, commitments, prescribing and new Funded Nursing Care (FNC) rates);
 - The increase to mental health expenditure to ensure Mental Health Investment Standard is met;
 - The allocation of expenditure for delegated co-commissioning primary care and CCG running costs to match the specific allocation received in these areas;
 - Confirmation that all national and GM business planning rules are met;
- 5.3 This 'do nothing' spend figure has then been compared to allocations available to calculate the 2018/19 QIPP target as detailed in table 4 (**Appendix 2**)
- 5.4 The CCG has a QIPP target of £19.8 million for 2018/19.
- 5.5 The QIPP target of £19.8 million is a reduction of £4.1 million from the 2017-18 QIPP target. The areas contributing to the £4.1m movement are outlined in Table 5 (**Appendix 2**)

- 5.6 A list of schemes which would contribute towards delivery of the £19.8 million target is under development and the total values by RAG rating are shown at Table 6 (**Appendix 2**). After the application of optimism bias this demonstrates expected savings of £13.1 million (of which only £6.4 million is recurrent), meaning there is still significant work to progress new schemes and increase certainty around existing schemes in order to fully achieve the target.
- 5.7 In the national return it is assumed that this shortfall in QIPP will be delivered and that the CCG will meet its control totals. The net impact of this on planned expenditure is set out in table 7 (**Appendix 2**).

6 FUTURE CHALLENGES AND RISKS

- 6.1 The Strategic Commission faces a number of significant challenges and uncertainties in 2018/19 and future years. There are a range of initiatives to improve outcomes and deliver vital services for residents under consideration. These challenges and risks include:

- Further significant loss of Government funding and increasing uncertainty.
- Significant changes to local government responsibilities.
- Failure to deliver identified savings in 2018/19.
- Continued increasing demands on Children's services and delays in delivering service improvement.
- Potential for increased costs arising from the impact of Carillion being placed into liquidation.
- Failure to secure the forecast capital receipts from land sales to support the Capital Investment Programme.
- Delays to the Care Together Programme
- Other cost pressures or national policy changes e.g. the impact of an ageing population and pressures within the local health economy, unanticipated increases in demand for services.
- Delays in securing further and significant savings to balance 2019/20 and beyond.
- Volatility of the Business Rates base and 100% rates retention.
- Potential legal judgements and the confirmation of obligations that give rise to new liabilities.
- Management of demand for services
- Positive progress on the CHC Recovery Plan
- Delivery of Mental Health Strategy and compliance with Mental Health Investment Standard and Five Year Forward View
- Pro-active engagement of primary care in driving forward the development of Neighbourhoods and the Care Together Vision
- Compliance with requirements of Transformation Funding and delivery of transformation objectives
- Delivery of savings and QIPP Targets

7 RISK SHARE

- 7.1 Financial risk share arrangements will continue in 2018/19 in proportion to the respective contributions of each constituent organisation to the Integrated Commissioning Fund. This would result in a sharing arrangement of 68% for T&G CCG and 32% for the Council as calculated in table 8 (**Appendix 2**).

- 7.2 The variance to the total net budget allocation at the end of each financial year will be financed in proportion to the percentage of the net budget contribution of each organisation to the ICF (per table 7). However, the variance will be initially adjusted to exclude any CCG net expenditure associated with residents of Glossop (13% of the total CCG variance) as the Council has no legal powers to contribute to such expenditure. The associated adjusted total variance of both the CCG and the Council would then be financed in proportion to the % contributions as stated in table 8 (**Appendix 2**).
- 7.3 In addition it is also proposed that a continuation of the cap introduced in 2017/18 is placed on the shared financial exposure that each organisation would be expected to meet. For 2018/2019 it is proposed that:
- a cap of £ 2.0 million is placed on CCG related risks that the Council will contribute to;
 - a cap of £ 0.5 million is placed on Council related risks that the CCG will contribute to.
- 7.4 Strategic Commissioning Board Members should note that that the Council has agreed to increase the value of Council resources within the ICF by a maximum sum of £ 5.0 million in 2018/2019 on the condition that the T&G CCG agrees a reciprocal arrangement in 2020/21 should this be necessary. This is the second year of this 2 year agreement. For clarity, the risk sharing arrangement applies to the Section 75 pooled fund, the aligned fund and the 'in collaboration' budget as set out in **Appendix 1**. It should be noted that the Council's cap of £ 2.0 million (per section 6.3) is over and above the non-recurrent contribution to the ICF of up to £ 5.0 million in 2018/19 (on the condition that the T&G CCG agrees a reciprocal arrangement in 2020/21 should this be necessary).

8 GM TRANSFORMATION FUNDING

- 8.1 Tameside and Glossop health economy received £ 23.2 million of GM Transformation Funding phased over the course of 3 to 4 years. 2018/19 represents year three of this arrangement where an allocation of £6.381 million is expected to be received. Due to slippage on transformation schemes in 2017/18, £1.464 million was returned to GM in 2017/18 to be re-allocated to the economy at a later date.

9 RECOMMENDATIONS

- 9.1 As detailed on the report cover.

APPENDIX 1

Service	2018/2019		
	Section 75		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Acute	104,589	0	104,589
Mental Health	32,621	0	32,621
Primary Care	10,112	0	10,112
Continuing Care	15,025	0	15,025
Community Health	27,324	0	27,324
Other	26,590	0	26,590
QIPP	(11,440)	0	(11,440)
Corporate	5,147	0	5,147
Adult Services	81,343	(41,839)	39,504
Capital and Financing	0	0	0
Children's Social Care	0	0	0
Contingency	0	0	0
Corporate Costs	0	0	0
Digital Tameside	0	0	0
Education	0	0	0
Exchequer	0	0	0
Finance	0	0	0
Governance	0	0	0
Individual Schools Budget	0	0	0
Operations and Neighbourhoods	0	0	0
People and Workforce Development	0	0	0
Place	0	0	0
Population Health	16,640	(146)	16,494
Quality and Safeguarding	0	0	0
Grand Total	307,951	(41,985)	265,966

Service	2018/19		
	Aligned		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Acute	103,551	0	103,551
Mental Health	0	0	0
Primary Care	42,800	0	42,800
Continuing Care	0	0	0
Community Health	0	0	0
Other	11,124	0	11,124
QIPP	(8,360)	0	(8,360)
Corporate	0	0	0
Adult Services	1,088	(100)	988
Capital and Financing	0	0	0
Children's Social Care	46,253	(2,835)	43,418
Contingency	4,163	(6,823)	(2,660)
Corporate Costs	10,698	(6,857)	3,841
Digital Tameside	2,481	(482)	1,999
Education	6,047	(2,452)	3,596
Exchequer	4,855	(3,421)	1,434
Finance	3,163	(645)	2,518
Governance	5,507	(355)	5,152
Individual Schools Budget	0	0	0
Operations and Neighbourhoods	45,439	(25,317)	20,122
People and Workforce Development	3,258	(970)	2,288
Place	18,990	(11,208)	7,782
Population Health	0	0	0
Quality and Safeguarding	355	(288)	67
Grand Total	301,412	(61,753)	239,660

Service	2018/19		
	In Collaboration		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Acute	0	0	0
Mental Health	0	0	0
Primary Care	33,272	0	33,272
Continuing Care	0	0	0
Community Health	438	0	438
Other	1,037	0	1,037
QIPP	0	0	0
Corporate	0	0	0
Adult Services	0	0	0
Capital and Financing	10,998	(1,360)	9,638
Children's Social Care	181	(181)	0
Contingency	0	0	0
Corporate Costs	0	0	0
Digital Tameside	0	0	0
Education	13,369	(13,369)	0
Exchequer	83,671	(83,671)	0
Finance	0	0	0
Governance	0	0	0
Individual Schools Budget	127,944	(127,944)	0
Operations and Neighbourhoods	30,257	0	30,257
People and Workforce Development	0	0	0
Place	76	0	76
Population Health	0	0	0
Quality and Safeguarding	0	0	0
Grand Total	301,243	(226,525)	74,718

Service	2018/19		
	Total		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Acute	208,140	0	208,140
Mental Health	32,621	0	32,621
Primary Care	86,184	0	86,184
Continuing Care	15,025	0	15,025
Community Health	27,762	0	27,762
Other	38,751	0	38,751
QIPP	(19,800)	0	(19,800)
Corporate	5,147	0	5,147
Adult Services	82,431	(41,939)	40,492
Capital and Financing	10,998	(1,360)	9,638
Children's Social Care	46,434	(3,017)	43,418
Contingency	4,163	(6,823)	(2,660)
Corporate Costs	10,698	(6,857)	3,841
Digital Tameside	2,481	(482)	1,999
Education	19,416	(15,820)	3,596
Exchequer	88,526	(87,092)	1,434
Finance	3,163	(645)	2,518
Governance	5,507	(355)	5,152
Individual Schools Budget	127,944	(127,944)	0
Operations and Neighbourhoods	75,696	(25,317)	50,379
People and Workforce Development	3,258	(970)	2,288
Place	19,066	(11,208)	7,858
Population Health	16,640	(146)	16,494
Quality and Safeguarding	355	(288)	67
Grand Total	910,607	(330,263)	580,344

APPENDIX 2

Table 1 – Council Savings by Directorate

Summary	Saving	
	2018/19 £'000	2019/20 £'000
Adults Services	697	0
Population Health	204	70
Learning	90	0
Operations & Neighbourhoods	580	100
Place	338	648
Governance	689	850
Total	2,598	1,668

Table 2 – 2018/19 Council Budget Gap

	Total £000
Previous Year's Net Budget	177,396
Service Cost Pressures	
Inflation	3,062
Legislative & Grant Changes	1,936
Demographic	10,412
Service Improvement/New Services	2,514
Total New Cost Pressures	17,924
Savings to be Delivered by Management <i>(Identified in previous years)</i>	(521)
Savings to be Delivered by Management <i>(Identified in 2018/19 budget process)</i>	(2,598)
Additional Non-recurrent funding (iBCF / GM Transformation funds)	(5,687)
Total New Cost Reductions	(8,806)

Net Budgetary Effect of Service Proposals	9,118
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Proposed Total Budget	186,514
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	Total £000
Previous Year's Resource Base	(177,396)
Business Rates Baseline	(2,150)
Business Rates Top Up Grant	7,042
Collection Fund Surplus	1,500
Use of Reserves	(9,902)
Resources before Council Tax Increase	(180,906)

Budget gap before Council Tax Increase of 4.99%	5,608
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Table 3: CCG 2018/19 Allocation

	£'000	
Core	-355,545	
Primary Care	-33,041	
Running Cost	-5,147	
Non Recurrent Allocation	-97	Paramedic re-banding, HSCN & market rents
Opening In-Year allocation	-393,830	
Historic surplus b/f	-9,347	Made up of mandated contributions to national risk share up to 16/17 and 1% surplus delivered in 17/18 (£7.174 million). The CCG must ensure that this historic surplus is maintained during 18/19. Guidance around national risk pool in 17/18 and changes to guidance around Cat M prescribing have recently been issued and resulted in a mandated increase in the 17/18 surplus of £2.173 million. This will increase further the surplus carried forward into 18/19.
Total In-Year allocation	-403,177	

Table 4: CCG Planned Expenditure - Do Nothing Scenario

	£'000	
Acute	208,139	ICFT and associate contract contracts were signed in March 2018. More general assumption of 0.1% cost increase, 1.7% activity growth for other acute contracts has been made.
Community Health Services	27,762	Reflects signed ICFT contract. More general assumption of 0.1% cost increase, 1.7% activity growth for other community contracts has been made.
Continuing Care	15,025	Based on 2017-18 outturn, so incorporates the significant pressures encountered over last 12 months. Impact of joint care home pricing strategy is included in prices and further demographic growth of 2.75% has been assumed before QIPP. In light of the risk around this area a CHC reserve has also been created.
Corporate	5,147	Budget set at level of allocation as per guidance. We are not allowed to exceed this level of spend, but based on experience in 2017-18, will be able to achieve around £1m of QIPP against this forecast. Pay increments are included and NI contributions have been updated, but in line with guidance we have not planned for any pay award. A reserve is in place which would cover 1%, but nothing is provided for beyond this.
Mental Health	32,621	Meets MHIS, but does not include additional funding required to meet 5 year forward view or address provider sustainability issues, which could present a significant pressure in 2018-19 (£2.5m and over the long term £4m). Money is held in reserve in relation to these pressures.
Other	38,751	BCF & Reserves the largest values included in this value. The reserves value is based on an analysis of anticipated non-recurrent contributions and known pressures. Other lines are based on 'do nothing' demographic growth of 2%.
Primary Care - CCG	53,143	Incorporates NCSO (No cheaper stock obtainable) pressures which emerged in 2017-18. Further growth of 2.75% has been applied, which incorporates both financial and demographic factors.
Primary Care - Delegated	33,041	Core GMS/PMS contracts which are co-commissioned with NHS England. Overall increase of 3.01% expected versus 2017-18 budgets. Budget set at level of allocation as indicated in guidance, NHSE will provide a more detailed forecast of this total in due course.
Total Expenditure	413,630	All expenditure is based on a 'do nothing' scenario of continuing growth over and above 2017-18 outturn. Recurrent impact of 2017-18 QIPP is factored in, but further schemes are required as a result of the emerging pressure in CHC and Prescribing and to offset demographic growth
QIPP	-19,800	QIPP required to balance net position above and deliver mandated surplus.
2018/19 Planned Surplus	-9,347	Mandated by the planning guidance.

Table 5: CCG QIPP Movement from 2017-18 to 2018-19

	£ million
2017-18 QIPP Target	23.9
2017-18 QIPP Delivered Recurrently	-12.3
Increase in Allocation	-2.8
Removal of 0.5% Requirement	-1.9
Unfunded CHC pressure in 2017-18	5
Mental Health Five Year Forward View	2.5
Non recurrent re-profiling adjustment	1.1
Go To Doc refund	0.4
Healthier Together	0.4
Neuro Rehab	0.2
Glossop Spot Bed Purchase (linked to intermediate care consultation)	0.2
Respiratory Prescribing Audit	0.2
Contingency for additional demand in associate contracts	2.9
Total	19.8

Table 6: CCG 2018/19 QIPP Schemes

Red £'000	Amber £'000	Green £'000	Planned Savings £'000	Expected Savings £'000
2,350	5,823	9,979	18,152	13,125

Table 7: CCG 2018/19 Post QIPP Expenditure

Revenue Resource Limit	2017/18 Outturn £'000	2018/19 Budget £'000
Recurrent	381,628	393,733
Non-Recurrent	8,403	97
Total In-Year allocation	390,031	393,830

Income and Expenditure

Acute	206,642	202,017
Mental Health	30,200	32,621
Community	27,581	27,698
Continuing Care	17,880	13,699
Primary Care	51,347	51,143
Other Programme	20,378	27,495
Primary Care Co-Commissioning	30,806	33,041
Total Programme Costs	384,834	387,714
Running Costs	5,197	4,147
Contingency	-	1,969
Total Costs	390,031	393,830

Table 8 – Net Budgets Per Appendix 1

Strategic Commission	18/19 Total Net Budget	ICF Contributions
	£'000	%
Tameside and Glossop CCG	393,830	68
Tameside MBC	186,514	32
Total	580,344	100