

APPENDIX 3 – Strategic Commissioner Detailed Analysis

Contents:

Overview of Progress Against Savings	2 – 5
Local Authority Savings Progress	2
CCG Recovery Plan & TEP Update	3 – 5
Local Authority Budget Monitoring	6 – 17
Adults Services	6
Children’s Services – Children’s Social Care	7
Children’s Services – Education	8
Population Health	9
Quality and Safeguarding	9
Operations and Neighbourhoods	10 - 11
Growth	12 – 13
Governance	14 – 15
Finance and IT	16
Capital Financing, Contingency and Corporate Cost	17
Capital Expenditure	18 – 19
CCG Budget Monitoring	20 – 26
Acute	20
Mental Health	21
Primary Care	22
Continuing Care	23
Community	24
Other	25
CCG Running Costs	26

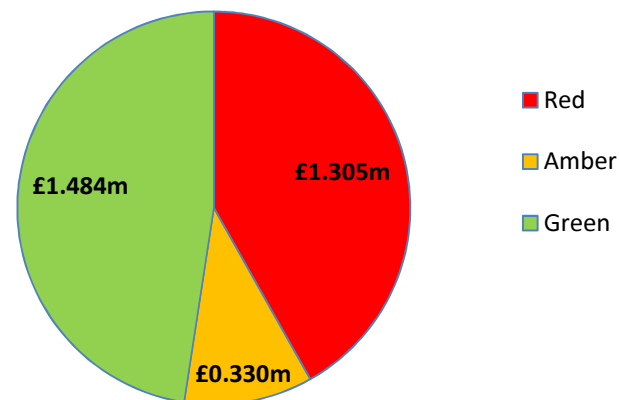
Local Authority Savings Progress

SAVINGS PROGRESS - HEADLINES

The 2018/19 budget included £3,119m of savings to be delivered by management during the financial year. As at the end of period 6 a significant number of risks to the delivery of savings have been identified, resulting in a number of budget pressures.

- **£1.484m** (48%) of the savings target is rated '**green**' and has been delivered or is on track for delivery in the year.
- **£0.330m** (11%) of the savings target is rated '**amber**' with some risks or delays to delivery identified.
- **£1.305m** (42%) of the savings target is rated '**red**' due to significant risks or delays which means some or all of the savings amount is not expected to be delivered in year. This is resulting in budget pressures in a number of service areas.
- Adults savings are at risk of delay or non-delivery in a number of areas, although other savings are being 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 £0.500m per annum. Delays in the construction of the spaces has resulted in the non delivery of the saving in 2018/19 of £0.275m. Also included within 'red' rated savings are 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.
- Growth savings of £0.220m will not be delivered in 2018/19. This mainly relates to additional income from the purchase of the Plantation Industrial Estate which is no longer proceeding.

Savings 18/19



SAVINGS	RED	AMBER	GREEN	TOTAL
Adults	318	0	379	697
Childrens (Learning)	0	0	90	90
Population Health	0	0	528	528
Operations and Neighbourhoods	588	305	340	1,233
Growth	220	25	0	245
Governance	129	0	25	154
Finance & IT	50	0	0	50
Corporate	0	0	122	122
Total	1,305	330	1,484	3,119

CCG Recovery Plan & TEP Update: September 2018 (M6)

- The CCG has a Targeted Efficiency Plan (TEP, also known as QIPP) target for 18/19 of £19,800k.
- In our submitted plans, the CCG has reported that financial control totals will be met. However we have also reported a net risk against achieving this.
- Because of the size of the QIPP target and the reported risk against our overall financial position, an improvement plan has been requested by GMHSCP. These slides update on our progress against this plan.
- In the M6 position, a net risk of £1,400k has been reported, an improvement of £100k since last month. On slide 5 there is a chart showing historically reported risk and a trajectory showing how we expect risk to reduce to the end of the year
- Through our wider Integrated Commissioning Fund (ICF), the CCG has entered into a risk share agreement with TMBC for 18/19. While there is scope to use this to balance the CCG position on a non recurrent basis, any increase in council contribution in 18/19 would result in an increase in the CCG contribution in future years.
- As such, it is not appropriate to use the ICF risk share as justification to reduce reported net risk in 18/19 - an approach would ignore the true underlying position.
- Using the flexibility of the ICF we have increased our 18/19 surplus by £3m, to enable drawdown of cumulative surplus in 19/20. Accessing this money from the ICF does not change the CCGs underlying position or risk this year. As such we intend to continue reporting net risk on our non ISFE return and will update this recovery plan on a monthly basis using evidence from QIPP.

- That said, we are currently waiting on confirmation of information that would further improve the CCG position. As such we are optimistic that net risk will reduce to less than £1m in M7.
- Key to reducing the CCGs financial risk is achievement of the £19,800k TEP target. The table below summarises expected achievement at M6, together with a comparison to the position reported last month:

Planned Savings (before application of optimism bias)

	Recurrent	Non Recurrent	Total	Prior Month	Movement
High Risk	45,000	0	45,000	1,530,552	-1,485,552
Medium Risk	1,721,500	1,446,212	3,167,712	3,721,521	-553,809
Low Risk	2,464,341	3,559,000	6,023,341	6,592,485	-569,144
Saving Poste	3,749,196	7,068,665	10,817,861	9,625,654	1,192,207
Total	7,980,037	12,073,877	20,053,914	21,470,211	-1,416,297

Expected Savings (after application of optimism bias)

	Recurrent	Non Recurrent	Total	Prior Month	Movement
High Risk	4,500	0	4,500	153,055	-148,555
Medium Risk	860,750	723,106	1,583,856	1,860,761	-276,905
Low Risk	2,464,341	3,559,000	6,023,341	6,592,485	-569,144
Saving Poste	3,749,196	7,068,665	10,817,861	9,625,654	1,192,207
Total	7,078,787	11,350,771	18,429,558	18,231,954	197,604

QIPP Target	19,800,000	19,800,000	0
Savings Still to Find	1,370,442	1,568,046	197,604

Value of savings about which we are certain (i.e. blue & green schemes) 16,841,202

- Against an annual CCG target of £19,800k, £10,818k (55%) of the required savings have been banked in the first six months of the year.
- In addition to this there is a further £6,023k, which we are completely confident of realising in future months. This leaves savings of £3,945k still to find.
- After application of optimism bias, we anticipate making further savings of £1,588k from schemes currently rated as amber or red. Reducing the TEP gap to £1,370k.
- £7,079k (36%) of the expected savings will be delivered on a recurrent basis, contributing toward closing the recurrent economy wide gap.
- Before optimism bias the overall the value of planned savings has reduced by £1,416k since last month. But despite this overall reduction, our post optimism TEP position has actually improved by £198k. There is a chart on slide 5 which shows how the post optimism gap has moved over the year.
- The main drivers of the movement to expected savings are:
 - +£247k Prescribing.** Despite pressures on Cat M drugs, we continue to make good progress in this area. Most notably around repeat ordering protocols, Rosuvastatin and Rebates. Further improvements are likely in future months, once there is more clarity around impact of M8 price changes.
 - 103k Emerging Pipeline Schemes.** At the start of the year we had a target of £2,150k relating to high risk and potentially contentious schemes. None of these schemes have yet been implemented and they will all be subject to further consideration as part of the Star Chamber process. Realistically any actions from the Star Chamber will not impact on budgets until 2019/20, Therefore we have reduced the in-year forecast for emerging schemes to zero.

-87k Primary Care Access Service. Paper to October SCB recommends that the contract is awarded with effect from 1st April 2019. As such the 2018/19 targeted savings will not be realised, but this is an in-year issue only and does not affect expected recurrent savings on £520k on a recurrent basis.

+147k Budget Management. Additional savings on programme staffing and carers funding have allowed savings of £159k to be posted in August. Change in expected saving muted slightly, as realisation of further savings was already built into the forecast.

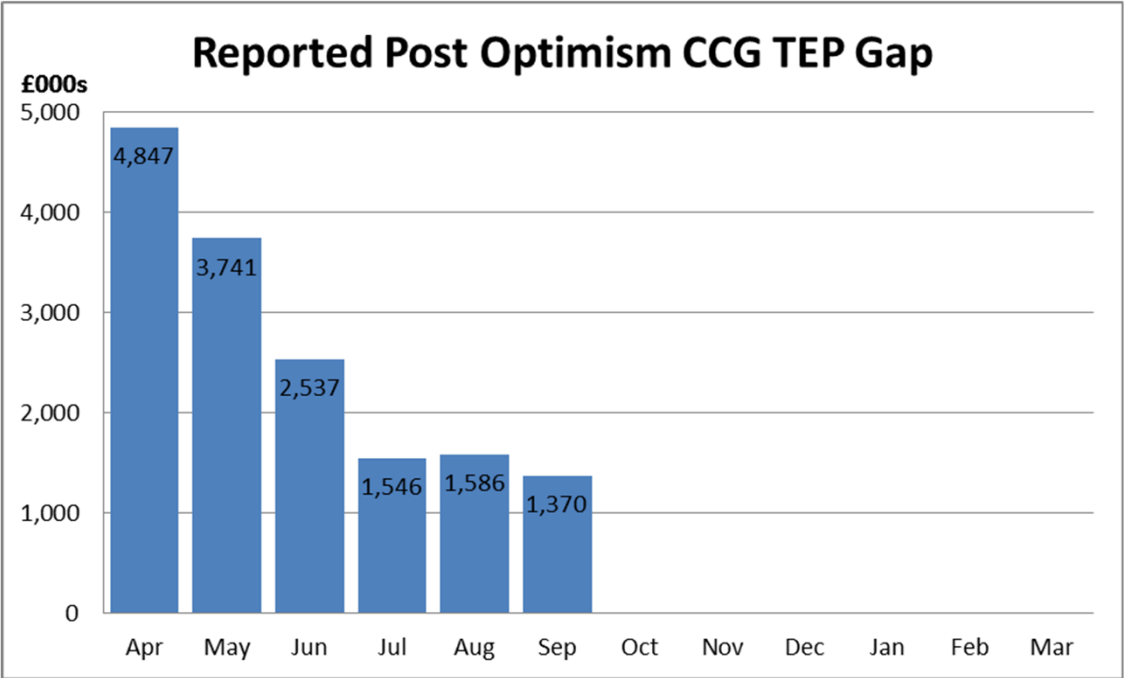
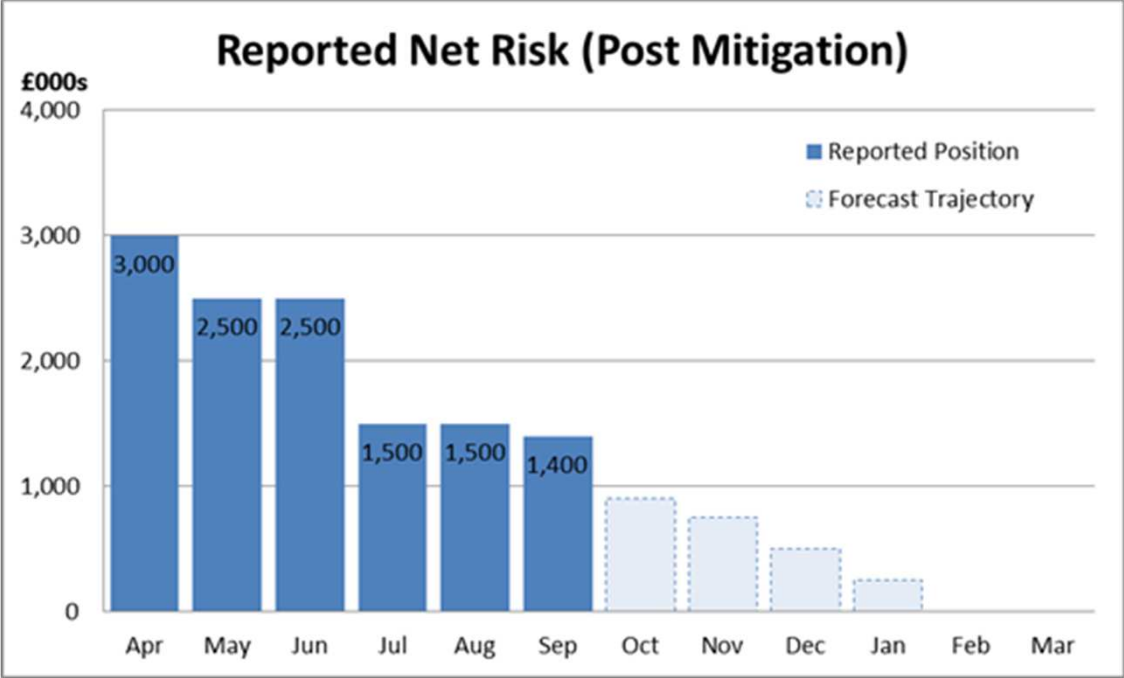
+100k Running Costs. £1.1m of savings have been realised in first half of the year. Based on a continuation of trend established over recent months, we will comfortably exceed the M5 forecast of £1.2m. Therefore increase expected savings by £100k.

+42k Individualised Commissioning Recovery Plan. Risk against Broadcare has changed from amber to green in recognition of a reduction in the growth rate for CHC patients.

-150k Mental Health Slippage. Risk around safer staffing and IG beds means that the previously forecast slippage is unlikely to be achieved in full.

We will continue to closely monitor our TEP schemes, with an aspiration to close the residual gap by converting amber and red schemes to green identifying new savings opportunities.

- In recognition that current plans do not fully address the gap going forward, the strategic commissioner has initiated a 'Star Chamber' process. 23 CCG schemes will be considered in October which will aim to reduce the recurrent gap in 2019/20 and beyond..



Adults Services

A

Adults	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Adults Senior Management	544	0	544	266	467	77
Joint Commissioning & Performance	947	(132)	815	271	785	30
Improved Better Care Fund	3,299	(3,299)	0	(1,653)	0	0
Long Term Support	70,599	(37,592)	33,007	18,523	32,623	384
Mental Health	3,259	(288)	2,971	1,546	3,148	(177)
Urgent Integrated Care	4,013	(869)	3,144	1,587	3,283	(139)
TOTAL	82,660	(42,180)	40,480	20,541	40,306	174

BUDGET VARIATIONS

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

Underspends:

- £0.291m - Reduction in Care Home placements, although it should be noted that this is a particularly volatile area of spend so may be subject to an increase over the winter period
- £0.214m – Occupational Therapy, unable to recruit to vacant posts due to lack of suitable candidates. Next steps currently being discussed to address capacity issues.
- £0.261m - Reduction in homecare spend commissioned by the Council as an increased number of people take up Direct Payments in line with government expectations. This reduction is offset by increased Direct Payment spend.

Pressures:

- (£0.177m) - Mental Health, increase in s117 placement costs
- (£0.176m) - Costs of Out of Area placements, further work currently underway to analyse this further and an update will be provided at the next monitoring period

- (£0.200m) - Increase in Direct Payment spend in line with national expectation, this is offset by reduced spend against homecare budgets as more individuals commission care themselves.
- (£0.140m) - Urgent Care - Additional staffing costs (mainly agency) to provide sufficient capacity over the winter period

SAVINGS

The 2018/19 budget included £0.697m of savings to be delivered by management during the financial year.

- **£0.379m** is rated '**green**' and has been delivered or is on track for delivery in the year.
- The remaining £0.318m of the savings target is rated '**red**' or '**amber**' with some risks or delays to delivery identified.
- Other savings are being identified across the service which it is expected will compensate for non-delivery of the planned savings.

	RED	AMBER	GREEN	TOTAL
Savings	318	0	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	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Assistant Executive Director - Children's Specialist Services	1,106	(41)	1,066	673	1,097	(32)
Childrens Safeguarding	27,647	(755)	26,892	14,992	33,579	(6,687)
Early Intervention & Youth Justice	1,724	0	1,724	748	1,650	74
Looked After Children	4,343	(2,017)	2,326	1,804	1,969	357
Child Protection & Children In Need	4,344	(238)	4,106	2,211	4,325	(219)
	7,649	0	7,649	3,811	7,611	38
TOTAL	46,814	(3,051)	43,763	24,238	50,231	(6,468)

BUDGET VARIATIONS

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

Underspends:

- Vacant posts within the structure that are not currently filled are resulting in projected underspends in some areas.

Pressures:

- 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 634 at 30 September 2018.
- Despite the additional financial investment in the service in 2017/18 and 2018/19, the service is projecting to exceed the approved budget mainly due to additional placement costs £6.470m.
- It should be noted that the 2018/19 placements budget was based on the level of Looked After Children at December 2017 (585) ; the current level at 30 September 2018 is 634; a resulting increase of 49 (8.4%). This should also be considered alongside the current average weekly cost of placements in the independent sector with residential at £3,970 and foster care £772.

Children's Services – Education

R

Education	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Access & Inclusion	11,848	(9,776)	2,072	7,076	2,544	(472)
Assistant Executive Director - Education	239	(66)	173	52	91	82
Schools Centrally Managed	2,177	(217)	1,960	(3,243)	1,829	131
Schools Centrally Managed - DSG	9,488	(9,270)	217	4	0	217
School Performance and Standards	417	(181)	237	82	212	25
Pupil Support Services	7,498	(6,591)	908	2,497	1,156	(248)
TOTAL	31,668	(26,101)	5,567	6,469	5,832	(265)

BUDGET VARIATIONS

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

Underspends:

- £0.376m - Vacant posts across the whole service.
- £0.217m - Budgetary saving to be utilized to offset overspending in other areas of Education

Pressures:

- (£0.540m) - Special Educational Needs Transport due to increase in children eligible for statutory support.
- (£0.248m) - Increase in statutory work regarding Education Healthcare Plans (EHCP) Assessments

SAVINGS

The 2018/19 budget included £0.090m of savings to be delivered by management during the financial year.

SAVINGS	RED	AMBER	GREEN	TOTAL
Savings	0	0	90	90

- £0.090m is rated 'green' and has been delivered or is on track for delivery in the year.

Population Health G

Population Health	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Public Health	16,353	(121)	16,232	10,274	16,171	61
TOTAL	16,353	(121)	16,232	10,274	16,171	61

SAVINGS

The 2018/19 budget included £0.528m of savings to be delivered by management during the financial year.

- **£0.528m** is rated 'green' and has been delivered or is on track for delivery in the year.

SAVINGS	RED	AMBER	GREEN	TOTAL
Savings	0	0	528	528

Quality and Safeguarding G

Quality and Safeguarding	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Quality and Safeguarding	367	(288)	79	(25)	73	6
TOTAL	367	(288)	79	(25)	73	6

Operations and Neighbourhoods

R

Operations & Neighbourhoods	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Operations and Emergency Planning	1,211	(2,442)	(1,231)	(769)	(1,254)	23
Community Safety & Homelessness	4,933	(1,363)	3,570	825	3,560	10
Cultural and Customer Services	3,433	(287)	3,146	1,183	2,826	320
Design and Delivery	11,336	(9,376)	1,960	3,203	1,922	39
Environmental Services Management	30,530	(247)	30,284	16,592	30,781	(497)
Highways & Transport	8,022	(8,271)	(248)	(1,231)	459	(707)
Markets	1,115	(1,533)	(418)	(660)	(265)	(153)
Operations and Greenspace	5,866	(473)	5,393	2,950	5,511	(118)
Public Protection	3,919	(871)	3,048	1,228	2,513	535
Waste Management	5,623	(1,156)	4,468	2,398	4,461	6
Youth	451	(43)	408	133	348	60
School Catering	3,974	(3,970)	4	1,366	(31)	35
Corporate Landlord	8,012	(1,960)	6,053	4,043	7,791	(1,738)
Environmental Development	510	(90)	419	198	380	39
TOTAL	88,936	(32,081)	56,855	31,461	59,001	(2,146)

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.

Operations and Neighbourhoods

BUDGET VARIATIONS

Pressures (continued):

- Highways & Transport - Pressure of £0.378m relates to the Darnton Road Car park income, as it is unlikely the Council will be able to fully achieve the additional income forecast as a saving. Additional construction costs relating to Darnton Road have created a further pressure of £0.122m, and the car parking service is currently projecting a shortfall in income from car parks income of £0.184m. We need to monitor car parking income, in particular the impact of on-street pay and display charges. This will be reviewed in 12 months.
- Operations & Greenspace are forecasting a continued shortfall in income from Ashton Market due to the ongoing development works in Ashton Town Centre. There are also additional waste disposal costs within the street cleansing service.
- Waste Management have incurred expenditure on caddy liners to encourage recycling of food waste, however there is no budget provision for this.
- 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 has been managing the contracts to enable the smooth transfer to other providers. The costs of this service were not budgeted for, and will continue to be incurred until everything is finalised. Forecast savings from the re-provision of the Additional Services contract with the Local Education Partnership (LEP) will not be realised in 2018/19.

SAVINGS

The 2018/19 budget included £1.233m of savings to be delivered by management during the financial year.

- The £0.893m savings target is rated '**red**' or '**amber**' with some risks or delays to delivery identified.
- Most of this savings target relates to the new Car parking provision at Darnton Road which was expected to generate additional income of £0.500m per annum. Delays in the construction of the spaces has resulted in the forecast additional income for this financial year being reduced to £0.100m.
- This also included £0.313m 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.

	RED	AMBER	GREEN	TOTAL
Savings	588	305	340	1233

Growth

R

Growth	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Development Growth & Investment Management	391	(122)	269	(117)	363	(94)
Employment & Skills	1,800	(882)	918	145	839	79
Estates	1,431	(2,593)	(1,163)	(277)	(422)	(740)
Investment & Development	1,770	(1,085)	685	222	725	(40)
Planning	1,310	(1,084)	226	187	379	(154)
Strategic Infrastructure	608	(160)	448	126	392	56
BSF, PFI & Programme Delivery	22,680	(22,680)	0	730	0	(0)
TOTAL	29,990	(28,607)	1,382	1,017	2,277	(894)

BUDGET VARIATIONS

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

Underspends:

- Development Growth Management savings have been identified following line by line review of the whole of Place Directorate.
- Expenditure on Local Plan work has been delayed and is committed to be spent next year.

Pressures:

- Expenditure has been incurred in respect of Ashton Moss investigation work, there is currently no budget provision for this 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 purchase of the Plantation Industrial Estate will not be realised until the purchase is complete. The purchase is complex and expected to take several months to complete. Additional security costs are also being incurred following a fire.

Growth

BUDGET VARIATIONS

Pressures (continued):

- 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 £0.245m of savings to be delivered by management during the financial year.

- £0.245m of the savings target is rated '**red**' or '**amber**' with some risks or delays to delivery identified.

Growth savings of £0.220m will not be 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 no longer proceeding.

	RED	AMBER	GREEN	TOTAL
Savings	220	25	0	245

Governance	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
<u>Governance</u>						
Executive and Business Support	1,061	(9)	1,052	464	1,007	46
Democratic Services	750	(24)	726	637	757	(30)
Governance Management	909	(88)	822	87	334	487
Legal	1,086	(113)	972	395	988	(16)
	3,807	(234)	3,572	1,583	3,086	487
<u>Exchequer</u>						
Assess & Pay	76,929	(76,536)	393	(145)	(159)	553
Exchequer Management	226	0	226	119	248	(22)
Income & Collection	2,605	(1,856)	750	1,072	841	(91)
	79,760	(78,392)	1,369	1,046	930	439
<u>People & Workforce Development</u>						
People and Organisational Development	3,498	(1,123)	2,375	828	2,268	108
	3,498	(1,123)	2,375	828	2,268	108
<u>Marketing & Communications</u>						
Policy, Performance and Communications	1,578	(140)	1,438	543	1,428	10
	1,578	(140)	1,438	543	1,428	10
TOTAL	88,643	(79,889)	8,754	3,999	7,711	1,043

SAVINGS

The 2018/19 budget included £0.154m of savings to be delivered by management during the financial year, £0.129m is rated 'red' with some risks or delays to delivery identified.

	RED	AMBER	GREEN	TOTAL
Savings	129	0	25	154

Governance

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

Underspends:

- £0.503m Staffing projections are 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.
- £0.550m Budget identified for savings in 19/20 delivered ahead of schedule
- £0.192m Reduction in the contribution to the Housing Benefit bad debt reserve
- £0.070m Additional income within HR service, offset with loss of schools income
- £0.066m Adults/Children's IT in year savings
- £0.060m Additional grant income
- £0.118m Other minor variations throughout the individual areas less than £50k.

Pressures:

- (£0.246m) Transfer to Reserves to Fund ECG redesign for People and Workforce Development
- (£0.222m) Summons fee increase not achievable further pressure as result of a reduction in the number of summons being issued due to better collection rates as a consequence of legal changes to process
- (£0.048m) Increase in costs in relation to the transfer of Children's social care workforce to Executive Support

Finance and IT	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
FINANCE						
Financial Management	2,747	(570)	2,176	616	1,842	334
Risk Management & Audit Services	614	(248)	366	223	295	70
	3,361	(819)	2,542	839	2,138	404
IT						
Digital Tameside	2,742	(731)	2,011	1,323	2,168	(157)
	2,742	(731)	2,011	1,323	2,168	(157)
TOTAL	6,103	(1,550)	4,553	2,163	4,306	248

BUDGET VARIATIONS

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

Underspends:

- £0.364m - Staffing vacancies and staff having not taken up the pension option.
- £0.145m – Additional MFD Income to the service. This is subject to a review that will be carried out.
- £0.112m - Allocation of central services grant not previously budgeted for

Pressures:

- (£0.036m) - School Income target - underachieved due to academy conversions.
- (£0.317m) - Additional year on year corporate costs increasing including additional Microsoft Licenses, increase of back up costs, wireless access point maintenance and increased security products.

SAVINGS

Savings

The 2018/19 budget included £0.050m of savings to be delivered by management during the financial year.

- **£0.050m** is rated 'red' with some risks or delays to delivery identified. The saving relates to forecast procurement savings which are not expected to be delivered until future years.

	RED	AMBER	GREEN	TOTAL
Savings	50	0	0	50

Capital Financing, Contingency and Corporate Costs

G

Capital Financing, Contingency and Corporate Costs	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast Outturn £000's	Variance £000's
Capital and Financing	10,998	(1,360)	9,638	0	8,058	1,580
Contingency	4,163	(6,823)	(2,660)	(498)	(6,714)	4,054
Corporate Costs	8,726	(6,857)	1,870	(1,646)	583	1,287
TOTAL	23,887	(15,040)	8,848	(2,145)	1,927	6,921

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. The first installment of the Manchester Airport Investment took place in July 2018 with a second installment due in December. Net additional investment income of £0.413m is now expected in 2018/19 in respect of this investment. The forecast position has been revised from P5 to reflect borrowing not taken up in year.
- Additional Adult Social Care grant of £0.728m was notified after the 2018/19 budget was set. The grant has been allocated to contingency pending decisions regarding utilisation.
- Savings and additional income in corporate costs includes an additional £0.813m of dividends from Manchester airport following receipt of the final dividend for 2017/18. The dividend income is not guaranteed and will be reviewed again on receipt of the interim dividend in December 2018.

BUDGET VARIATIONS

- Also included within corporate costs are forecast savings of £0.366m in respect of contributions to AGMA, £0.094m of savings relating to Pension Increase Act Contributions and £0.070m saving on the audit contract.
- The forecast outturn on Contingency includes additional section 31 due in year relating to business rates reliefs, and the release of contingency provisions to support service pressures across the council.

SAVINGS

The 2018/19 budget included £0.122m of savings to be delivered by management during the financial year.

- The **£0.122m** is rated '**green**' and has been delivered or is on track for delivery in the year.

	RED	AMBER	GREEN	TOTAL
Savings	0	0	122	122

Capital Expenditure

	2018/19 Budget	Actual to Date	Forecast Outturn	Variance
	£000s	£000s	£000s	£000s
Growth				
Vision Tameside	17,343	5,869	17,343	0
Investment & Development Estates	4,451	797	3,528	923
	716	0	716	0
Operations and Neighbourhoods				
Engineers	15,269	4,756	15,391	(122)
Environmental Services	535	56	251	284
Transport (Fleet)	362	0	261	101
Corporate Landlord	112	67	145	(33)
Stronger Communities	35	1	35	0
Children's				
Education	15,074	654	12,207	2,867
Finance & IT				
Finance	11,300	5,639	11,300	0
Digital Tameside	4,607	503	3,735	872
Population Health				
Active Tameside	5,810	197	4,410	1,400
Adults				
Adults	605	0	250	355
Governance				
Exchequer	10	0	10	0
Total	76,229	18,539	69,582	6,647

Capital Expenditure

	2018/19 Budget £000	Actual to Date £000	Forecast Outturn £000	Variance £000
Education	15,074	654	12,207	2,867
Active Tameside	5,810	197	4,410	1,400
Digital Tameside	4,607	503	3,735	872
Investment & Development	4,451	797	3,528	923
Adults	605	0	250	355
Environmental Services	535	56	251	284
Engineers	15,269	4,756	15,391	(122)
Transport (Fleet)	362	0	261	101

SIGNIFICANT SCHEMES AND BUDGET VARIATIONS

- EDUCATION-** A number of variations have arisen where projected outturn is less than budget due to a number of requests for re-profiling into the 2019/20 financial year.

Aldwyn Primary (£1.228m) and Alder High School (£0.746)- The build is due to commence shortly, but the completion will not be scheduled until August 2019 ready for the September school intake.

Mossley Hollins (£0.500)- Reduced costs are a result of the scope of the scheme being reduced as internal alterations previously planned are not being proceeded with at this stage.

There are a number of minor schemes (£0.395) scheduled for Summer 2018 but because of the hiatus between Carillion's departure and Robertson's appointment schemes were unable to be carried out over the summer.
- ACTIVE TAMESIDE** – An updated cash-flow forecast for the new Denton Facility has now been prepared based on a 12 November start date.
- DIGITAL TAMESIDE** - Due to the delays on the progress of Ashton Old Baths, the data centre work is yet to commence.
- INVESTMENT & DEVELOPMENT-** Referrals for assistance for mandatory Disabled Facilities Grant continue to be received, however there are still people who are unable to meet the criteria but will continue to deteriorate if their need is not addressed. Given this issue, it is likely there will be a need for £0.760m slippage into the next financial year.
- ADULTS-** Currently completing the Procurement Initiation Document (PID) for STAR Procurement to procure a construction contractor. The Scope should be available mid-October and this will allow procurement of a suitable contractor. Commencement of construction will be dependent on the chosen contractor's capacity.
- ENVIRONMENTAL SERVICES-** This variation relates to domestic retrofit measures for eligible residents. The primary funding for these measures comes from the Energy Company Obligation (ECO) fund that is managed by Central Government. The irregularity of ECO funding makes it difficult to profile and predict spend from this capital pot of money.
- ENGINEERS** - Significant increased construction costs for car park due to additional excavation and tree clearance requirements
- PROCUREMENT OF 58 FLEET VEHICLES-** The vehicles now being procured have had a change to the original specification and costs are less than expected although as the tender is still out the exact cost cannot be confirmed. Delivery is expected by February 2019.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Acute Commissioning	94,312	95,010	-699	191,041	191,043	-2
Tameside & Glossop ICFT	63,766	63,768	-2	128,772	128,772	0
Manchester FT	15,534	16,322	-788	31,270	32,646	-1,376
Stockport FT	5,192	4,905	287	10,385	9,895	490
Salford Royal FT	2,665	2,777	-112	5,340	5,230	109
Pennine Acute	1,799	1,743	56	3,561	3,422	140
The Christie	931	972	-41	1,862	1,921	-60
BMI Healthcare	816	946	-130	1,703	1,823	-120
Wrightington, Wigan & Leigh	589	561	28	1,154	1,072	82
Spamedica	569	530	40	1,138	1,100	38
Other Providers	2,451	2,488	-37	5,856	5,161	695
Ambulance Services	4,121	4,166	-45	8,243	8,365	-122
Clinical Assessment & Treatment Centres	700	671	29	1,481	1,430	51
Collaborative Commissioning	7	5	2	15	17	-3
High Cost Drugs	103	107	-3	206	213	-7
NCAS/OATS	961	1,306	-345	2,060	1,862	198
Winter Resilience	799	799	-0	1,598	1,598	0
Total - Acute	101,003	102,065	-1,062	204,645	204,529	116

Notes:

- Significant risk and overspend at Manchester FT was subject to a deep dive report, discussed at Finance and QIPP Assurance group in September. The main driver of this pressure is a 16.5% increase in the number of emergency admissions since last year. Planned care is still slightly below plan, but some risk in this as the trust are not meeting RTT targets. Pressures in cardiology relate to a service transfer.
- The main driver of Stockport variance is transfer of cardiology activity to Wythenshawe. There is also underspend in urology and maternity.
- At Pennine Acute, there is an underspend on planned care but an RTT backlog. Some ophthalmology patients are being treated in the independent sector and the forecast factors in waiting lists initiatives. But risk to the CCG in this, from both a financial and quality standpoint.
- Budgets for ambulances were set based on advice received from lead commissioner for this service. Budgets did not include any allowance for settlement of an ongoing dispute around price. This dispute was settled in mediation and resulted in a pressure for the CCG.
- The underspend against other providers includes a benefit of £446k relating to neuro rehab commissioned by the individualised commissioning team, which is offsetting pressures on CHC budget lines. The contract with Care UK is significantly overspent while a20 backlog of ophthalmology is cleared. QIPP contingency and underspend against NCA offset much of the wider acute pressure.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Child & Adolescent Mental Health	-295	-307	12	-229	-226	-3
Improving Access To Psychological Therapies	92	91	1	183	183	0
Learning Disabilities	316	319	-3	647	651	-3
Mental Capacity Act	39	39	-0	120	120	0
Mental Health Contracts	12,101	12,101	0	24,198	24,198	0
Mental Health Services - Adults	2,513	2,846	-332	4,988	5,514	-526
MH - Collaborative Commissioning	-0	-1	1	0	1	-1
MH - Non Contracted Activity	35	35	-0	71	71	0
Mental Health Services - Other	973	973	-0	1,807	1,807	0
MH - Specialist Services	294	374	-80	587	687	-100
Total - Mental Health	16,068	16,471	-403	32,373	33,006	-633

Notes:

- In January 2018, SCB approved a Mental Health investment plan that was compliant with the Mental Health Investment Standard and which would deliver the ambition of the Five Year Forward View . In order to meet the requirements of FYFV an additional recurrent investment of £2.5m 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, the YTD financial position at M6 includes non-recurrent slippage of £1m. This slippage relates primarily to delays in commencement dates for new and enhanced services, which are in turn driven by recruitment difficulties. There is potential for further non recurrent slippage in the months to come – on the CCG TEP schedule we are forecasting £700k of further savings, which have been risk rated 'amber'. All assumptions around TEP are built into the reported position above.
- A risk share arrangement for an additional 11 MH beds at Pennine Care has now 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. Both arrangements are factored into the forecast above and a quarterly reconciliation will be undertaken based on commissioner utilisation.
- The £100k forecast overspend relates to the Hurst and Beckett units (secure wards at Pennine Care, but outside the core contract). There are currently 7 placements within the Hurst (5 male patients) & Beckett (2 female patients) units, against an established budget of 5 placements in total. The £100k pressure assumes that some of these patients will be able to step down to less secure care before the end of December. But risk to the financial position should number of placements remain elevated.
- The £526k pressure forecast for Adults MH services relates to Individualised Commissioning packages of care. Although there is an 21 increase in the MH directorate, this is offset by a decrease on the CHC Directorate for LD and MH packages.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Prescribing	19,806	19,805	0	41,704	41,704	0
Delegated Co-commissioning	16,171	16,255	-83	33,041	33,069	-28
Out of Hours	1,276	1,276	0	2,551	2,551	0
Local Enhanced Services	755	733	22	1,510	1,465	45
Primary Care IT	665	491	174	1,417	1,310	107
Central Drugs	594	603	-9	1,201	1,201	0
Primary Care Investments	438	405	33	876	811	65
GP FORWARD VIEW	526	526	-0	526	527	-1
Oxygen	235	201	34	514	483	31
Medicines Management - Clinical	190	189	1	418	416	2
Commissioning Schemes	160	160	-1	319	319	0
Total - Primary Care	40,815	40,645	171	84,077	83,856	221

Notes:

- In the first 4 months of the year, lower spend on prescribing has contributed £550k to TEP. Along with the cross year benefits previously reported (better than expected achievement against schemes in February and March), there is now a total TEP banked of £1,143k.
- Continued medication reviews by the Medicines Management Team have contributed to the savings. There have been significant reductions in spend on certain drugs, for example there has been a reduction of £40k spent on Tadalafil and a reduction of £65k spent on Rosuvastatin. Changes to inhalers used to treat COPD have also contributed £80k to the TEP total.
- Prices of Category M medicines are expected to rise from month 5 due to changes applied centrally, but this is a known pressure and has already been incorporated into the forecast for the remainder of the year. It is anticipated that total TEP savings of £2,250k for the year will be achieved.
- In delegated Co-Commissioning the small over performance as a result of increased sign up to Directed Enhanced Services. We still have a number of rent reviews outstanding (some of which date back several years) which presents some risk to our financial position going forward. The figure above include an assumption around payment of CHP management fees. It was agreed at Primary Care Committee in October that the CCG will not fund these, therefore a small improvement in the position is expected at M7.
- The underspend on Primary Care Investments (i.e. Commissioning Improvement Scheme) and Local Enhanced Services reflect the final achievement against the 2017/18 and expected performance in 2018/19. Primary Care Investments Primary Care IT. Demand for oxygen products is slightly lower this year than it has been historically.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
CHC Adult Fully Funded	4,852	5,305	-453	10,364	11,900	-1,536
CHC Adult Personal Health Budgets	420	756	-336	840	1,860	-1,020
Funded Nursing Care	848	941	-93	1,697	1,833	-136
CHC Assessment & Support	476	455	21	944	913	30
CHC Adult Joint Funded	194	253	-59	387	512	-125
Children's Continuing Care	58	48	10	117	97	20
Children's CHC Personal Health Budgets	14	14	1	29	29	0
Total - Continuing Care	6,863	7,772	-909	14,377	17,144	-2,767

Notes:

- 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 is now in place, with detailed updates presented at Finance & QIPP Assurance Group on a quarterly basis. While we are still forecasting an overspend of £2,767k, the historic growth rates have slowed and we are starting to make inroads into the pressures. Most notably we have seen a marked reduction in the number of fast track patients when compared to the same period last year.
- This quarter has seen a significant reduction in the number of Fully Funded CHC packages placements. However, this reduction is not expected to endure and the number of placements will inevitably increase again as we approach winter. The forecast factors in this expected seasonal variation.
- In December 2017 a new system to manage and monitor individually commissioned packages of care. Ongoing use and development of Broadcare has provided a more detailed understanding of care provided and as such we are now able to code invoices more accurately. As a result of this, there have been some movements in spend between cost centres and directorates (secure MH placements and neuro rehab within Acute), but the overall position for individualised commissioning is not changes as a result of these movements.
- There has been a significant increase in the number of patients electing to use a Personal Health Budget (either direct payment or notional) over the past 12 months. This moves the CCG closer to meeting national targets around the number of PHB packages and does not create any additional financial pressures. The forecast variance above incorporates this movement towards PHB.
- There is a slight increase in the number Funded Nursing Care patients over the financial year so far. This will be monitored closely over the coming months.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Community Services	14,307	14,230	76	28,613	28,918	-305
Hospices	296	296	0	592	592	0
Wheelchair Service	258	259	-1	515	515	0
Palliative Care	62	60	2	124	124	0
Total - Community	14,922	14,845	77	29,844	30,149	-305

Notes:

- 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 will not change throughout the year.
- The £305k overspend in Community Services represents a non recurrent estates pressure following the closure of Shire Hill. The historic budget for Shire Hill has transferred to the ICFT as a contribution towards estates costs for the Stamford Unit. But delays in serving notice on the Shire Hill meant that the CCG was liable to continue paying rent on the empty building. Notice has now been served on Shire Hill and the CCGs liability for void costs ends on 31 December 2018.
- Other services within the community directorate are on track to spend in accordance with budget.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Better Care Fund	6,401	6,401	-0	9,800	9,797	3
Property Services	1,822	2,063	-241	3,645	4,206	-562
Transformation Funding	4,605	2,741	1,864	3,170	3,170	-0
Programme Projects	1,103	1,148	-45	1,271	1,432	-161
Patient Transport	661	653	8	1,321	1,310	12
Safeguarding	379	348	31	758	734	24
NHS 111	326	318	9	653	653	-0
Clinical Leads	175	161	14	343	325	18
Commissioning - Non Acute	75	64	11	150	150	0
Interpreting Services	27	26	1	54	53	1
Nursing and Quality Programme	-0	0	-0	-0	0	-0
Commissioning Reserve	488	0	488	2,245	-1,787	4,033
Total - Other	16,063	13,923	2,140	23,410	20,042	3,367

CCG TEP Shortfall (QIPP)	1,370	-1,370
--------------------------	-------	--------

Notes:

- On the face of things we appear to reporting a significant favorable variance against the commissioning reserve line. However, it is important to understand that this forecast has been calculated in order to balance the CCG position. This forecast can only be delivered if the CCG is able to fully achieve the £19.8m TEP target. We are currently reporting £1,370k risk against delivery of this TEP target.
- We have received £3.2m of the approved £6.3m transformation funding so far this year. Allocations for the remainder, will be transacted later in the year. The YTD budget is higher than the full year budget as we had expected spend against our schemes to be front loaded. However a number of schemes (including support at home) have been subject to delay. This slippage is being reviewed and a plan to accelerate implementation of these schemes will be taken forward by FEW and Programme Board.
- The variance in Programme Projects relates to the £6m transitional fund. This fund is now fully spent, but PMO costs continue. PMO costs are forecast to continue until 31 March 2019, creating a £161k pressure.
- Lots of work has been done around estates including renegotiation the 10% management fee and serving notice on a number of buildings. However, significant risk against the estates budget continues as we have still not been able to agree a schedule of properties for 2018/19 and there are still a number of outstanding disputes relating to 2017/18.
- Services within this directorate such as BCF, safeguarding, patient transport and others are spending broadly in line with budget and do not present a risk to the CCG position.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
TEP	0	0	0	1,096	1,096	0
Finance	432	431	0	900	903	-3
Commissioning	366	366	0	798	760	38
CEO/Board Office	232	234	-1	487	479	8
Corporate Costs & Services	176	177	-1	349	349	1
IM&T	144	143	1	284	280	4
ADMINISTRATION & BUSINESS SUPPORT	88	87	1	281	261	20
Communications & HR	100	100	0	201	152	49
Chair & Non Execs	78	75	4	157	150	7
Contract Management	71	72	-1	118	141	-23
Nursing	65	65	0	130	130	0
Corporate Governance	79	79	0	129	129	0
Estates & Facilities	52	52	-0	104	121	-17
General Reserve - Admin	0	0	0	35	118	-83
IM&T Projects	57	55	2	114	113	1
Equality & Diversity	13	13	0	26	26	0
Human Resources	1	1	0	1	1	0
Total - CCG Running Costs	1,954	1,947	7	5,209	5,209	-0

Notes:

- The CCG receives an earmarked allocation of £5.2m to fund running costs. We are not allowed to exceed this limit, but any underspend on running costs can be used to offset pressures in our programme budgets.
- In the first half of the year we have made TEP savings of almost £1.1m and are forecasting full year savings in the region of £1.3m . Summary of YTD savings are presented in table to right

YTD TEP Savings (£000's)	In Year	Recurrent
Integration Benefits: Services (e.g. estates, payroll etc)	377	377
Integration Benefits: Staffing (e.g. CEO, HR)	192	192
Corporate reorganisation (lay members, board)	163	163
Renegotiated SLAs/contracts (e.g. GMSS, audit, mobile phones)	156	156
Non Rec In Year Staffing Savings (i.e. vacancy factor)	208	0
Grand Total	1,096	888