

APPENDIX 2 – Strategic Commissioner Detailed Analysis

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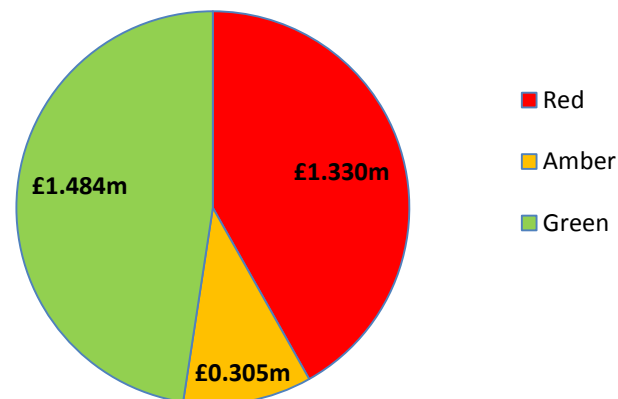
Local Authority Savings Progress

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 10 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.
- **£0.305m** (10%) of the savings target is rated '**amber**' with some risks or delays to delivery identified.
- **£1.330m** (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 forecast income being reduced to £0.005m.
- Growth '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. Other 'red' savings 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	275	305		580
Growth	558	0	340	898
Governance	129	0	25	154
Finance & IT	50	0	0	50
Corporate	0	0	122	122
Total	1,330	305	1,484	3,119

CCG Recovery Plan & TEP Update: January 2019 (M10)

- The CCG has a Targeted Efficiency Plan (TEP, also known as QIPP) target for 18/19 of £19,800k.
- Because of the size of the TEP 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.
- Against an annual CCG target of £19.800m, £19.060m (96%) of the required savings have been banked to M10. In addition to this there is a further £0.740m, which we are completely confident of realising in the final two months of the financial year. This will result in full achievement of the £19.800m TEP target.
- Savings realised since M09 include;
 - +£273k Prescribing.** Largely achieved through continued reviews of repeat ordering protocols, It should be noted however that there is a key risk in this area linked to Brexit. Contingency is included within the current forecast and the impact on supplies and price of drugs will continue to be closely monitored.
- £7.920m (40%) of the expected savings will be delivered on a recurrent basis, contributing toward closing the recurrent economy wide gap.
- In the M10 position, a net risk of zero has again been reported. The chart on slide 4 shows the historically reported risk and a trajectory which demonstrates how the level of risk has been successfully addressed in 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.

- The table below summarises expected achievement at M10, 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	0	0	0	0	0
Medium Risk	0	0	0	0	0
Low Risk	576,068	163,939	740,007	1,043,396	(303,389)
Saving Posted	7,344,014	11,715,979	19,059,993	18,756,604	(303,389)
Total	7,920,082	11,879,918	19,800,000	19,800,000	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	576,068	163,939	740,007	1,043,396	(303,389)
Saving Posted	7,344,014	11,715,979	19,059,993	18,756,604	(303,389)
Total	7,920,082	11,879,918	19,800,000	19,800,000	0

QIPP Target

19,800,000	19,800,000	0
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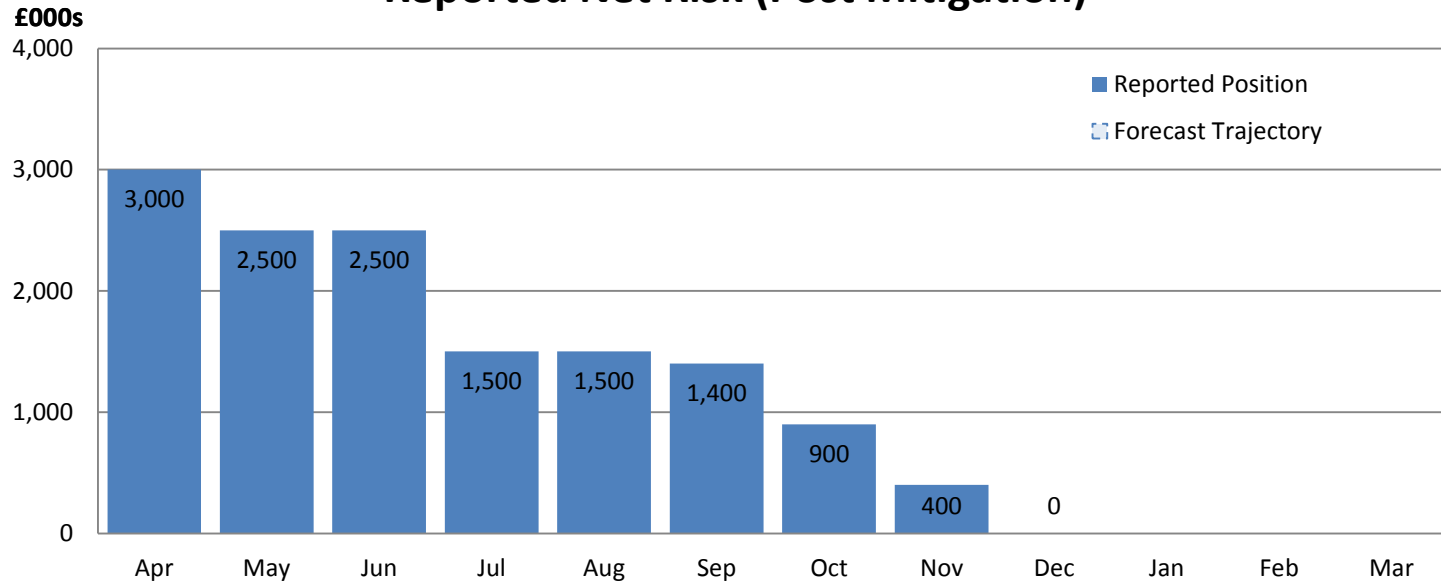
Savings Still to Find

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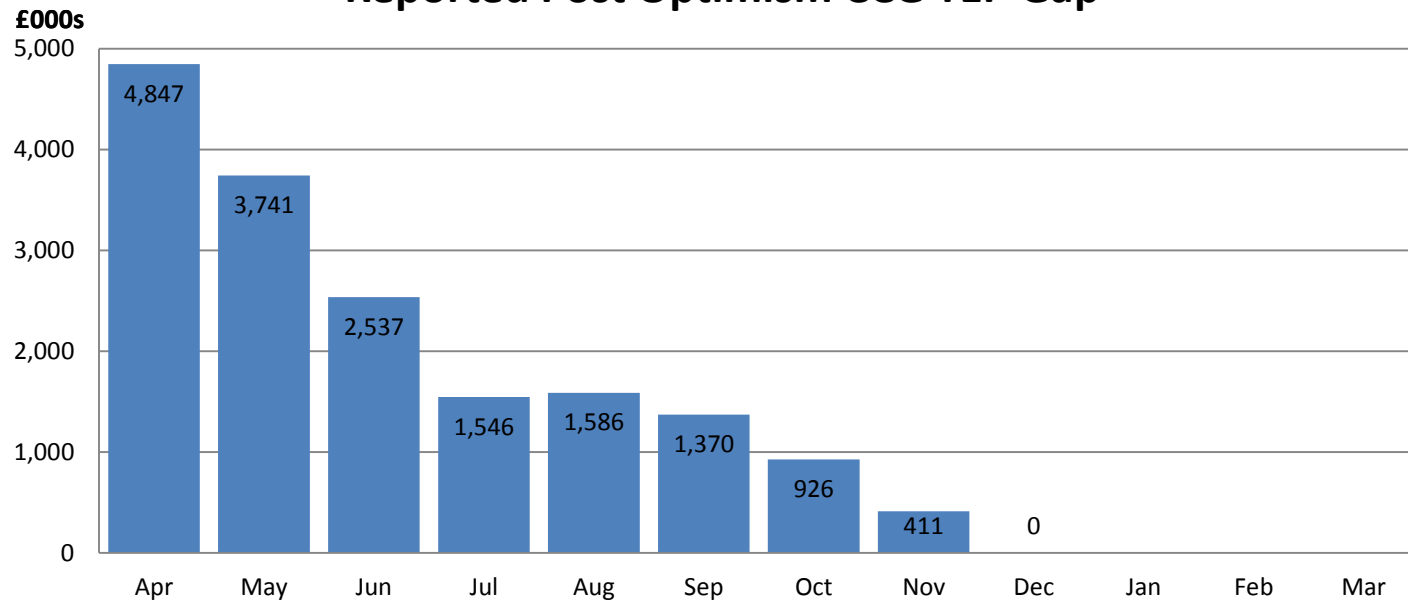
Value of savings about which we are certain (i.e. blue & green schemes)

19,800,000

Reported Net Risk (Post Mitigation)



Reported Post Optimism CCG TEP Gap



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	462	601	(57)
Joint Commissioning & Performance Management	939	(132)	807	662	771	36
Improved Better Care Fund	3,299	(3,299)	0	3,635	0	0
Long Term Support	70,599	(37,585)	33,014	32,378	32,617	397
Mental Health	3,259	(288)	2,971	2,729	3,415	(444)
Urgent Integrated Care	4,013	(869)	3,144	2,864	2,848	296
TOTAL	82,653	(42,172)	40,480	42,730	40,252	228

BUDGET VARIATIONS

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

Underspends - £2.922m

£0.559m - Net impact of vacant posts, some of which have been covered via agency employees within Occupational Therapy and across Long Term support teams.

£1.134m - Residential and Nursing care home placements - Income in excess of budget allocation - partly offset by related additional expenditure

£0.149m - Additional deferred income projection due to revised assessments of service user capital assets

£0.796m - Income in excess of budget allocation for : Housing Benefit and Non residential / nursing care placements

£0.169m - Net impact of vacant posts, some of which have been covered via agency employees within Integrated Urgent Care Teams

£0.115m - Reduced commitments on community equipment

BUDGET VARIATIONS

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

Pressures - £2.694m

£0.738m - Residential and Nursing care home placements - expenditure in excess of budget allocation - offset by related additional income

£0.736m - Reduction to budgeted levels of income for Continuing Healthcare in Residential and Nursing care placements, Homecare, Homemaker service and Supported Accommodation placements

£0.204m - Additional out of borough day service placements

£0.400m - Additional direct payments and Shared Lives placements

£0.220m - Specialised homecare - off framework contract

£0.326m - Increased mental health alternative accommodation placements

£0.070m - DOLS Mental health medical assessments

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
- The remaining £0.318m of the savings target is rated 'red' as these initiatives will not be 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 - supporting details are provided in the month 10 narrative

	RED	AMBER	GREEN	TOTAL
Savings	318	0	379	697

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	1,216	1,334	(269)
Childrens Safeguarding	27,647	(755)	26,892	26,405	33,869	(6,977)
Early Intervention & Youth Justice	1,724	0	1,724	1,406	1,873	(149)
Looked After Children	4,343	(2,017)	2,326	2,733	2,176	150
Child Protection & Children In Need	4,344	(238)	4,106	3,985	4,716	(610)
	7,649	0	7,649	6,537	7,792	(143)
TOTAL	46,814	(3,051)	43,763	42,282	51,761	(7,998)

BUDGET VARIATIONS

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

Pressures:

Placement Costs – Increase of £ 0.400 million

Primarily due to the following :

- Volume of new placements which are exceeding placements that are ending.
- Placements expected to end within previous monitoring reports that have continued.
- Changes in existing placements - there are a few placements that have moved providers which has resulted in an increased cost.

External Legal Fees and related expenditure – Increase of £ 0.200 million

- Currently projected total expenditure of £ 0.758 million in 2018/19 compared to £ 0.552 million in 2017/18

Skylakes Key Decision - £ 0.100 million

- Proportion of contract value related to current financial year

Adoption - £ 0.100 million

- Inter agency fees projection increase

Children's Services – Children's Social Care

BUDGET VARIATIONS

- 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 659 at 15 February 2019. Despite the additional financial investment in the service in 2017/18 and 2018/19, the service is projecting to exceed the approved budget for Third Party Payments by £7.051m; 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); the current level at 15 February 2019 is 659; a resulting increase of 74 (12.6%). This should also be considered alongside the current average weekly cost of placements in the independent sector with residential at £3,981 and foster care £778.

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	11,562	(9,490)	2,072	11,383	2,492	(419)
Assistant Executive Director - Education	239	(66)	173	131	75	98
Schools Centrally Managed	2,177	(217)	1,960	1,156	1,741	219
Schools Centrally Managed - DSG	9,237	(9,020)	217	(36)	5	212
School Performance and Standards	417	(181)	237	22	237	0
Pupil Support Services	7,578	(6,671)	908	4,908	1,073	(165)
TOTAL	31,212	(25,644)	5,567	17,563	5,623	(56)

BUDGET VARIATIONS

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

Underspends:

- £0.572m - Vacant posts across the whole service.
- £0.287m - Budgetary saving to be utilised to offset overspending in other areas of Education

Pressures:

- (£0.646m) - Special Educational Needs Transport due to increase in children eligible for statutory support.
- (0.225m) - 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	16,912	(680)	16,232	14,042	15,853	379
TOTAL	16,912	(680)	16,232	14,042	15,853	379

BUDGET VARIATIONS

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

Underspends:

- £ 0.266m due to vacant posts across the directorate during the year together with a £ 0.034m saving in quarter four relating to the vacant consultant of Population Health post
- In addition there has been a £ 0.100m contract saving due to the renegotiation of rent at Cavedish Mill, together with reduced projected prescribing expenditure of £ 0.021m

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 & Safeguarding	367	(288)	79	(49)	71	8
TOTAL	367	(288)	79	(49)	71	8

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	1,269	(2,461)	(1,192)	(960)	(1,189)	(3)
Community Safety & Homelessness	4,979	(1,405)	3,574	2,059	3,114	460
Cultural and Customer Services	3,471	(287)	3,184	2,103	2,741	442
Design and Delivery	11,364	(9,376)	1,988	4,665	2,042	(54)
Environmental Services Management	30,332	(55)	30,277	29,625	30,705	(428)
Highways & Transport	8,517	(8,746)	(229)	(1,735)	551	(780)
Markets	1,110	(1,533)	(423)	(581)	(198)	(225)
Operations and Greenspace	5,935	(473)	5,462	4,528	5,473	(11)
Public Protection	3,641	(914)	2,728	2,170	2,544	183
Waste Management	5,712	(1,156)	4,556	3,698	4,595	(39)
Youth	451	(43)	408	226	367	41
TOTAL	76,782	(26,448)	50,333	45,799	50,746	(412)

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.
- Reduction in the number of new bins needed has resulted in an expected underspend of £101k.

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 £0.495m 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 of £122k were previously reported, however these are now due to increase to £195k and occur in 19/20. The car parking service is currently projecting a shortfall in income from car parks income of £0.116m. There is also an expected overspend of £136k on highways repairs and maintenance as a result of increased activity."
- Operations & Greenspace are forecasting a continued shortfall in income from Ashton Market due to the ongoing 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) is expected to overspend by £193k as a result of the weather conditions experienced. Additional budget provision will be allocated in 19/20.

SAVINGS

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

- The £0.580m 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 £0.005m.

	RED	AMBER	GREEN	TOTAL
Savings	275	305	0	580

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	318	(122)	195	150	231	(36)
Employment & Skills	1,779	(861)	918	452	782	136
Estates	1,511	(2,673)	(1,163)	(256)	(398)	(764)
Investment & Development	1,944	(1,259)	685	538	687	(2)
Planning	1,427	(1,084)	343	242	487	(144)
Strategic Infrastructure	608	(160)	448	163	351	96
School Catering	3,974	(3,970)	4	3,009	(35)	39
Corporate Landlord	8,007	(1,960)	6,047	5,792	7,363	(1,316)
Environmental Development	459	(90)	369	300	336	32
BSF, PFI & Programme Delivery	22,680	(22,680)	0	672	0	(0)
TOTAL	42,705	(34,860)	7,846	11,062	9,804	(1,958)

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 has 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) will not be realised in 2018/19.

BUDGET VARIATIONS

Pressures (continued):

- 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 is not currently being progressed. Additional security costs are also being incurred following a fire. As a result of delays recruiting surveyors there are fewer chargeable hours and forecast income has reduced.

SAVINGS

The 2018/19 budget included £0.898m of savings to be delivered by management during the financial year.

- The £0.558m of the savings target is rated 'red' with some risks or delays to delivery identified.
- Growth savings of £0.220m will not be delivered in 2018/19 due to the purchase of the Plantation Industrial Estate which is currently not proceeding.
- 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. This will be reviewed in 2019/20
- £0.340m is rated 'green' and has been delivered or is on track for delivery in the year.

	RED	AMBER	GREEN	TOTAL
Savings	558	0	340	898

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	1,118	(7)	1,111	910	1,104	6
Democratic Services	750	(24)	726	887	758	(32)
Governance Management	909	(88)	822	149	334	487
Legal	1,086	(113)	972	767	992	(19)
	3,863	(232)	3,631	2,713	3,188	442
<u>Exchequer</u>						
Exchequer Services	79,760	(78,392)	1,369	2,509	506	862
	79,760	(78,392)	1,369	2,509	506	862
<u>People & Workforce Development</u>						
People and Organisational Development	3,503	(1,123)	2,380	1,664	2,198	183
	3,503	(1,123)	2,380	1,664	2,198	183
<u>Marketing & Communications</u>						
Policy, Performance and Communications	1,578	(140)	1,438	938	1,236	202
	1,578	(140)	1,438	938	1,236	202
TOTAL	88,704	(79,887)	8,818	7,823	7,128	1,690

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

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

Underspends:

- £0.539m 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
- £0.379m Reduction in the contribution to the Housing Benefit Bad Debt Reserve
- £0.190m Additional Income across all services areas from Clinical Commissioning Group, Trade Union and Secondments within HR Service, offset with loss of schools income
- £0.100m Additional Grant Income
- £0.262m 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
- (£0.084m) Summons fee increase not achievable further pressure as as result of the reduction of the court fee in year

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	1,217	1,772	405
Risk Management & Audit Services	614	(248)	366	389	272	94
	3,361	(819)	2,542	1,606	2,044	498
IT						
Digital Tameside	2,742	(731)	2,011	2,207	2,103	(92)
	2,742	(731)	2,011	2,207	2,103	(92)
TOTAL	6,103	(1,550)	4,553	3,813	4,147	406

BUDGET VARIATIONS

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

Underspends:

- £0.434m - Staffing underspends due to vacancies and timing of recruitment also staff having not taken up the pension option.
- £0.180m – Additional MFD Income to the service. This is subject to a review that will be carried out.
- £0.112m – Allocation of DSG Central Services Grant not previously budgeted for

Pressures:

- (£0.029m) - School Income target - underachieved due to academy conversions.
- (£0.257m) - Additional year on year Corporate Costs increasing including additional Microsoft Licenses, Increase of back up costs, Wireless access point maintenance and increased security products.
- (£0.034m) - Other Minor Variations

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	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	1	7,852	1,786
Contingency	4,163	(6,823)	(2,660)	(871)	(6,246)	3,586
Corporate Costs	8,721	(6,857)	1,865	(2,029)	(464)	2,328
TOTAL	23,882	(15,040)	8,843	(2,900)	1,142	7,701

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 instalment of the Manchester Airport Investment took place in July 2018 with a second instalment 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 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.
- Corporate Costs budgets include dividend income from the Council's shareholding in Manchester Airport Group. Total dividend in 2018/19 is £1.635m 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.
- 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.

BUDGET VARIATIONS

- 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.
- The adverse movement in the contingency forecast outturn since period 9 relates to an expected increase in the provision for non-recovery of sundry debtors. A review of debtor balances is in progress and the level of provision required will be reviewed again before year end once this review has been concluded.

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	18,836	12,066	17,473	1,363
Investment & Development	4,253	1,366	2,371	1,882
Estates	716	0	624	92
Operations and Neighbourhoods				
Engineers	13,442	5,419	11,233	2,209
Environmental Services	400	137	379	21
Transport (Fleet)	362	0	250	112
Corporate Landlord	245	67	159	86
Stronger Communities	35	1	31	4
Children's				
Education	8,126	1,427	4,688	3,438
Finance & IT				
Finance	11,300	11,278	11,278	22
Digital Tameside	3,855	1,916	3,345	510
Population Health				
Active Tameside	4,410	2,530	4,350	60
Adults				
Adults	250	0	200	50
Governance				
Exchequer	10	0	10	0
Total	66,240	36,207	56,391	9,849

Capital Expenditure

	2018/19 Budget £000	Actual to Date £000	Forecast Outturn £000	Variance £000
Education	8,126	1,427	4,688	3,438
Vision Tameside	18,836	12,066	17,473	1,363
Digital Tameside	3,855	1,916	3,345	510
Investment & Development	4,253	1,366	2,371	1,882
Engineers	13,442	5,419	11,233	2,209
Transport (Fleet)	362	0	250	112

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 (£1.000m) and Alder High School (£0.718m) - The build is due to commence shortly, but the completion will not be scheduled until August 2019 ready for the September school intake.

Hyde Community College (£0.525m) - It is anticipated that while some work may start in the current financial year and the majority of the works will now occur in 2019/20 continuing into the summer 2019 holidays.

There are a number of schemes (£1.198m) 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.
- VISION TAMESIDE** - The streetscape works for this scheme will be largely undertaken in the 2019/20 financial year. It is not possible to undertake the streetscape works at this junction until the new shared services centre has been completed.
- DIGITAL TAMESIDE** - Due to delays in the building programme and bedding in period which will now result in some spend occurring after April 2019. This includes recharges for change orders which will come through in the beginning of next financial year.
- 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 there will be a need for £0.700m slippage into the next financial year.

Hattersley Passenger Facilities £0.678m - Northern Rail have nearly completed the option selection for the scheme. From the beginning of February 2019 through to mid-November 2019, single option design and detailed design will be undertaken.
- ENGINEERS-** Roads borough wide - Road work has been impacted by restricted contractor numbers and road space availability. A number of major schemes have been rescheduled for March 2019 (subject to weather conditions). Given this issue there will be a need for £1.666m slippage into the next financial year.
- PROCUREMENT OF 58 FLEET VEHICLES-** The vehicles now being procured have had a change to the original specification as no one could supply what was requested. Due to the change in specification, costs are less than expected although as the tender is still out the exact cost cannot be confirmed. We are expecting delivery March 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	156,972	158,309	(1,337)	189,284	190,110	(826)
Tameside & Glossop ICFT	106,312	106,308	4	127,605	127,620	(16)
Manchester FT	25,927	27,150	(1,223)	31,152	32,578	(1,425)
Stockport FT	8,654	7,997	657	10,385	9,610	775
Salford Royal FT	4,448	4,517	(69)	5,340	5,366	(26)
Pennine Acute	2,962	2,816	146	3,539	3,366	172
The Christie	1,551	1,697	(146)	1,862	2,031	(170)
BMI Healthcare	1,408	1,842	(434)	1,703	2,291	(587)
Wrightington, Wigan & Leigh	966	853	113	1,154	1,012	142
Spamedica	949	864	85	1,138	1,106	32
Other Providers	3,796	4,234	(438)	5,406	5,130	277
Ambulance Services	6,854	6,910	(55)	8,243	8,355	(112)
Clinical Assessment & Treatment Centres	1,221	1,144	76	1,481	1,391	91
Collaborative Commissioning	12	16	(4)	15	20	(5)
High Cost Drugs	172	167	5	206	219	(13)
NCAS/OATS	1,694	1,482	212	2,060	1,935	125
Winter Resilience	1,273	1,280	(7)	1,529	1,529	0
Total - Acute	168,198	169,308	(1,109)	202,819	203,559	(740)

- Activity levels at Manchester FT remain stable and in line with previously reported forecasts. The position does include two significantly high cost critical care patients of circa £0.3m combined whereby they have had 4 or more organs supported. The CCG is challenging the trust to determine if this should be chargeable to NHSE, the outcome of the TARN scoring will be known in March. RTT target remains a significant concern as they are 16.5% above the Mar 18 baseline at the end of Dec 18. The main areas are within Ophthalmology and Cardiology.
- Stockport FT is forecast to underspend by £0.8m. The key reason for this is the transfer of cardiology services to MFT £0.3m, Reduction in Maternity £0.3m and £0.2m related to strokes.
- BMI is significantly overspending by £0.6m. The key driver is within Trauma & Orthopaedic, as the independent sector provides capacity for NHS trusts struggling with RTT demands. This is a similar scenario with Spire Healthcare and is mainly within General Surgery & Trauma and Orthopaedics for hip and knee replacements.
- The underspend against other providers includes a benefit of £0.4m relating to neuro rehab placement costs, which offsets pressures in CHC.

	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	(243)	(246)	2	(216)	(219)	3
Improving Access To Psychological Therapies	153	128	25	183	182	2
Learning Disabilities	517	522	(6)	623	629	(6)
Mental Capacity Act	100	64	35	120	83	36
Mental Health Contracts	20,156	20,156	0	24,194	24,194	0
Mental Health Services - Adults	4,194	4,585	(390)	5,009	5,530	(521)
MH - Collaborative Commissioning	403	402	1	406	407	(1)
MH - Non Contracted Activity	59	59	(0)	71	71	0
Mental Health Services - Other	1,490	1,586	(96)	1,641	1,576	65
MH - Specialist Services	489	642	(153)	587	784	(196)
Total - Mental Health	27,318	27,899	(581)	32,618	33,236	(618)

- 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 M10 includes non-recurrent slippage of £1.125m. 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 11 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. Both arrangements are factored into the forecast above and a quarterly reconciliation will be undertaken based on commissioner utilisation.
- The £196k forecast overspend in Specialist Services 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 forecast overspend now assumes all patients will continue to remain in the service throughout 18/19.
- The £0.526m pressure forecast for Adults MH services relates to Individualised Commissioning packages of care. Although there is an 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	33,554	33,554	0	40,369	40,369	(0)
Delegated Co-commissioning	27,047	27,054	(7)	33,074	32,821	253
Out of Hours	2,085	2,081	4	2,467	2,463	4
Local Enhanced Services	1,259	1,206	53	1,510	1,445	65
Primary Care IT	1,080	805	275	1,318	1,199	119
Central Drugs	998	1,031	(32)	1,201	1,223	(23)
Primary Care Investments	877	770	107	877	765	112
GP Forward View	790	790	(0)	790	790	(0)
Oxygen	421	347	75	515	454	61
Medicines Management - Clinical	324	320	3	400	395	5
Commissioning Schemes	266	278	(12)	319	327	(8)
Total - Primary Care	68,700	68,235	465	82,840	82,252	588

- Continued efficiencies in Prescribing spend have contributed year to date TEP savings of £2.518m, it is anticipated that total TEP savings of £3.0m will be achieved by year end.
- Significant savings have been achieved to date through reduced spend on drugs such as Tadalafil (£82k) and Rosuvastatin (£135k) . Savings have also been achieved by the reduction in the amount of drugs prescribed which are readily available to purchase, eg paracetamol.
- The impacts of Brexit on availability of medications continues to be closely monitored. There has already been an increase in reimbursement prices paid for certain medications due to cheaper stock no longer being available, contingency is built into the current forecast to mitigate any potential risks.
- The underspend on Delegated Co- Commissioning further increased from month 9, this is in part due to the recalculation of PMS/GMS/APMS contract payments reflecting updated list sizes as at 1st Jan 2019. Quality & Outcome Framework (QOF) payments have also been revised as these incorporate the list size factor as at Jan 19 into the final payment, this has increased the underspend by 15k
- A review of Enhanced Services sign up has identified 5 practices that have not signed up to provide DES Extended Hours, however a forecast had been included by NHSE for these - this has been corrected and has resulted in underspend of 52k
- There has been a non-recurrent reduction in costs on Primary Care IT from the GMSS service provided to GP Practices

	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	8,349	8,712	(363)	10,096	10,903	(808)
CHC Adult Joint Funded	323	393	(71)	387	516	(129)
CHC Adult Personal Health Budgets	700	1,637	(936)	841	1,964	(1,124)
CHC Assessment & Support	785	753	32	950	919	31
Children's CHC Personal Health Budgets	24	17	7	29	20	8
Children's Continuing Care Funded Nursing Care	97	81	17	117	97	20
	1,415	1,563	(148)	1,699	1,865	(167)
Total - Continuing Care	11,694	13,157	(1,463)	14,118	16,285	(2,167)

- 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 are still forecasting an overspend of £2.167m, the historic growth rates have slowed and we are starting to make inroads into the pressures.
- 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. As a result of this work, TEP targets for 2018/19 have been achieved
- This quarter has seen a further reduction in the anticipated number of Fully Funded CHC packages placements. At Q2, the forecast had anticipated a seasonal variation which has been seen in previous years. However winter pressures are yet to fully materialise. Current indications suggest an increase in placement numbers is likely throughout February and March due to an increase in referrals into the service.
- Whilst there has been a slight decrease in the number Funded Nursing Care patients over recent months, the number of packages is high than in previous years.

	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	23,951	24,088	(137)	28,742	28,967	(224)
Hospices	494	494	0	592	592	0
Wheelchair Service	430	430	0	516	516	0
Palliative Care	105	93	12	126	115	11
Total - Community	24,979	25,104	(125)	29,976	30,189	(213)

- 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.
- 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 meant that the CCG was liable to continue paying rent on the empty building. Notice was subsequently served and the CCGs liability for void costs ended on 31 December 2018.
- This is partially offset by a forecast underspend of £107k on Community Prescribing and a small underspend on Palliative Care as a result of continued contributions to the Macmillan EOL GP post
- 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	10,676	10,676	(0)	9,810	9,807	3
Property Services	3,305	3,892	(587)	3,833	4,781	(948)
Transformation Funding	5,393	4,774	619	4,675	4,675	0
Commissioning Reserve	2,615	0	2,615	6,199	2,216	3,983
Programme Projects	1,320	1,383	(63)	1,366	1,461	(95)
Patient Transport	1,093	984	109	1,312	1,200	112
NHS 111	543	531	12	652	640	12
Safeguarding	429	387	42	515	494	21
Clinical Leads	291	267	24	347	327	20
Nursing and Quality Programme	204	195	9	245	244	1
Commissioning - Non Acute	125	124	1	150	112	38
Interpreting Services	45	42	3	54	51	3
Total - Other	26,040	23,255	2,785	29,159	26,007	3,151

CCG TEP Shortfall (QIPP)	0	0
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- Transformation Fund - the full allocation of is expected to be spent this financial year. Forecasts have reduced on ICFT schemes by £327k to £5.566m at month 10. There is an expectation that the reduction in forecasts will be needed in future years and these have been factored into 19/20's forecast
- 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 £95k pressure.
- Significant work has been undertaken around estates including renegotiation of the 10% management fee and serving notice on a number of buildings. However, there remains a significant risk against this budget as we have still not been able to agree the costs of Facilities Management Services for properties for 2018/19 there remains a number of outstanding disputes relating to Facilities Management in 2017/18.
- Patient Transport Services (PTS) are forecasting an underspend position due to reduced activity levels.
- 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
QIPP	0	0	0	1,268	1,268	0
Finance	717	716	1	872	877	(5)
Commissioning	665	660	5	813	796	17
CEO/Board Office	397	396	1	482	479	3
Corporate Costs & Services	239	220	20	290	291	(1)
IM&T	237	236	1	284	275	9
ADMINISTRATION & BUSINESS						
SUPPORT	165	149	15	225	221	4
Chair & Non Execs	134	130	4	161	156	5
Communications & HR	167	167	0	201	144	57
Nursing	112	112	0	134	134	0
Contract Management	114	130	(16)	129	132	(2)
Estates & Facilities	87	87	(0)	104	104	(0)
Corporate Governance	87	87	0	102	102	0
IM&T Projects	68	70	(2)	82	87	(5)
General Reserve - Admin	0	0	0	1	82	(81)
Human Resources	40	41	(0)	40	41	(0)
Equality & Diversity	21	21	(0)	26	26	0
Total - CCG Running Costs	3,251	3,221	30	5,214	5,214	(0)

- The CCG receives an earmarked allocation of £5.214m to fund running costs and continues to operate within this allocation. We are not allowed to exceed this limit, but any underspend on running costs will be used to offset pressures in our programme budgets.
- As at M10 TEP savings of £1.267m have been achieved. A summary is included for information purposes.

YTD TEP savings £000's	In Year	Recurrent
Integration Benefits: Services (e.g. Estates payroll etc)	387	387
Integration Benefits: Staffing (e.g. CEO, HR)	159	160
Corporate reorganisation (lay members, board)	189	147
Renegotiated SLA/contracts (e.g. GMSS, Audit, mobile phones)	295	165
Non Rec In year staffing savings (i.e.vacancy factor)	237	0
Grand Total	1,267	859