



Report to:	STRATEGIC COMMISSIONING BOARD
Date:	24 April 2019
Officer of Strategic Commissioning Board	Kathy Roe – Director Of Finance – Tameside & Glossop CCG and Tameside MBC
Subject:	TAMESIDE AND GLOSSOP STRATEGIC COMMISSION – INTEGRATED COMMISSIONING FUND 2019/20
Report Summary:	This report provides a summary of the 2019/20 budget allocations of the Tameside and Glossop Integrated Commissioning Fund. The report provides a summary of the key assumptions that underpin the budget, and commentary on any significant areas of risk. Targeted Efficiency Programme (TEP) savings for the 2019/20 financial year are also summarised, together with proposals for the risk share. The 2019/20 budgets and delivery of the TEP will be closely monitored and reported in the monthly ICF consolidated revenue monitoring reports.
Recommendations:	<p>Strategic Commissioning Board Members are recommended to:</p> <ol style="list-style-type: none"> 1. To note the 2019/20 budget allocations for the Integrated Commissioning Fund. 2. To note the proposals for the rolling two year risk share. 3. To note the five year forecasts and projected funding gap for the Strategic Commission. 4. To note that Tameside Council will continue to be the host organisation for the Section 75 pooled fund agreement. 5. To note the proposed construct of the Commissioning Improvement Scheme for 2019/20 and 2020/21
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>This report provides details of the agreed budget allocations for the 2019/20 financial year. These budgets have been formally approved by the Tameside MBC Full Council on 26 February 2019 and the Tameside and Glossop Clinical Commissioning Group Governing Body on 20 March 2019.</p> <p>The report emphasises that there is a clear urgency to implement associated strategies to ensure the required TEP savings for 2019/20 are delivered and the projected funding gap in future years is addressed and closed on a recurrent basis across the whole economy. The report also sets out the key assumptions and identified risk areas which may have an impact on the delivery of budgets and savings in 2019/20 and future years.</p> <p>It should be noted that the Integrated Commissioning Fund (ICF) for the Strategic Commission is bound by the terms within the Section 75 and associated Financial Framework agreements.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>There is a statutory duty to ensure the Council sets a balanced budget and that it is monitored to ensure statutory commitments are met. There are a number of areas that require a clear strategy to ensure in the face of demand they achieve this. It is not possible in Local Authority budgets to be overspent in law.</p> <p>Given the implications for each of the constituent organisations this report will be required to be presented to the decision making body of each one to ensure good governance.</p>

It is necessary that any cost sharing arrangements and implications of the same are agreed in advance with external auditors.

It should be noted that brackets around numbers and being 'in red' ink means overspend in this report in addition to minus signs.

How do proposals align with Health & Wellbeing Strategy?	The Integrated Commissioning Fund supports the delivery of the Tameside and Glossop Health and Wellbeing Strategy
How do proposals align with Locality Plan?	The Integrated Commissioning Fund supports the delivery of the Tameside and Glossop Locality Plan
How do proposals align with the Commissioning Strategy?	The Integrated Commissioning Fund supports the delivery of the Tameside and Glossop Strategic Commissioning Strategy
Recommendations / views of the Health and Care Advisory Group:	A summary of this report is presented to the Health and Care Advisory Group for reference.
Public and Patient Implications:	Service reconfiguration and transformation has the patient at the forefront of any service re-design. The overarching objective of Care Together is to improve outcomes for all of our citizens whilst creating a high quality, clinically safe and financially sustainable health and social care system. The comments and views of our public and patients are incorporated into all services provided.
Quality Implications:	As above.
How do the proposals help to reduce health inequalities?	The reconfiguration and reform of services within Health and Social Care of the Tameside and Glossop economy will be delivered within the available resource allocations. Improved outcomes for the public and patients should reduce health inequalities across the economy.
What are the Equality and Diversity implications?	Equality and Diversity considerations are included in the re-design and transformation of all services
What are the safeguarding implications?	Safeguarding considerations are included in the re-design and transformation of all services
What are the Information Governance implications? Has a privacy impact assessment been conducted?	There are no information governance implications within this report and therefore a privacy impact assessment has not been carried out.
Risk Management:	Associated details are specified within the presentation
Access to Information :	Background papers relating to this report can be inspected by contacting : Tom Wilkinson, Assistant Director of Finance, Tameside Metropolitan Borough Council

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1 BACKGROUND

- 1.1 The 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. The creation of a single fund has resulted in 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 are intrinsically linked to the corporate strategic priorities.
- 1.2 Since the beginning of 2018/19 the Integrated Commissioning Fund reporting arrangements have been supported by a single economy wide monthly monitoring report. This single consolidated report will continue in 2019/20.
- 1.3 The functions of NHS bodies and Local Authorities are covered by a wide range of legislation and work will continue to be undertaken to explore any potential issues including the impact on decision making and governance, grant funding and VAT issues, reporting requirements and risk share arrangements.

2 2018/19 FINANCIAL PERFORMANCE

- 2.1 In February and March 2018, budgets were agreed for Tameside and Glossop Clinical Commissioning Group (CCG) and Tameside Council in accordance with each statutory organisation's formal governance process. These budgets were set in the context of continued funding cuts in local government, and significant growing demographic and demand pressures across the economy.
- 2.2 Children's Social Care and Continuing Health Care were identified as particularly significant pressures and budgets included significant Targeted Efficiency Programme (TEP) savings targets which need to be delivered to achieve a balanced position by 31 March 2019.
- 2.3 As at the end of February 2019, the CCG are forecasting to deliver a balanced budget, with a small underspend of £24k on Council Budgets. This net position masks a number of significant variances, including a forecast overspend of £7.8million on Children's Services. Further detail is summarised in **Appendix 2**.

3 2019/20 INTEGRATED COMMISSIONING FUND BUDGET

- 3.1 Due to the statutory timelines and reporting requirements for the Council and CCG, detailed budget setting reports have been considered by Full Council on 26 February 2019 and the CCG Governing Body on 20 March 2019. The budgets approved at each of these meetings are consolidated below.

Table 1: 2019/20 Integrated Commissioning Fund Budget

Budget area	Expenditure Budget	Income Budget	Net Budget
Acute	214,429	0	214,429
Mental Health	35,966	0	35,966
Primary Care	85,193	0	85,193
Continuing Care	16,911	0	16,911
Community	32,846	0	32,846
Other CCG	29,810	0	29,810
CCG Running Costs	4,164	0	4,164
Adults	83,680	(46,112)	37,568
Children's Services - Social Care	53,830	(4,869)	48,961
Children's Services - Education	23,768	(17,720)	6,048
Individual Schools Budgets	115,024	(115,024)	0
Population Health	16,176	(81)	16,095
Operations and Neighbourhoods	77,081	(26,301)	50,780
Growth	43,808	(34,984)	8,824
Governance	89,024	(79,881)	9,143
Finance & IT	6,251	(1,432)	4,819
Quality and Safeguarding	418	(290)	128
Capital and Financing	10,763	(6,647)	4,116
Corporate Budgets	13,178	(2,857)	10,321
Integrated Commissioning Fund	952,320	(336,198)	616,122
CCG Expenditure	419,320	0	419,320
TMBC Expenditure	533,000	(336,198)	196,802
Integrated Commissioning Fund	952,320	(336,198)	616,122
A: Section 75 Services	363,158	(46,093)	317,065
B: Aligned Services	323,137	(93,533)	229,604
C: In Collaboration Services	266,025	(196,572)	69,453
Integrated Commissioning Fund	952,320	(336,198)	616,122

3.2 Further analysis of the 2019/20 Integrated Commissioning Fund Budget is set out in **Appendix 1**. This consolidated Integrated Commissioning Fund Budget will be the starting point for the consolidated revenue monitoring report during 2019/20.

4 TARGETED EFFICIENCY PROGRAMME (TEP) 2019/20

4.1 The 2019/20 budget process has resulted in a significant TEP target that must be delivered across the economy.

Table 2: 2019/20 Targeted Efficiency Programme

2019/20 Strategic Commission TEP Opening Position (£000's)	Opening Target	High Risk	Medium Risk	Low Risk	Total	Expected Saving
Star Chamber	2,384	2,384	0	0	2,384	238
GP Prescribing	1,000	0	500	500	1,000	750
Individualised Commissioning	1,000	0	1,000	0	1,000	500
Other Established Schemes	5,811	415	3,517	2,879	6,811	4,679
Technical Financial Adjustments	806	0	1,000	2,299	3,299	2,799
CCG Sub-total	11,000	2,799	6,017	5,678	14,493	8,966
Adults	935	0	810	125	935	530
Children's - Social Care	0	0	0	0	0	0
Children's - Education	235	0	105	130	235	183
Finance & IT	62	0	50	12	62	37
Governance	175	175	0	0	175	18
Operations and Neighbourhoods	55	0	0	55	55	55
Growth	62	30	30	2	62	20
Population Health	123	95	0	28	123	38
Corporate Costs	636	0	175	461	636	549
Vacancy Factor	2,380	633	618	1,129	2,380	1,501
Fees and Charges	719	147	319	253	719	0
Capital and Financing	1,764	0	517	1,247	1,764	1,506
TMBC Sub-Total	7,146	1,080	2,624	3,442	7,146	4,435
Total	18,146	3,879	8,641	9,120	21,639	13,401

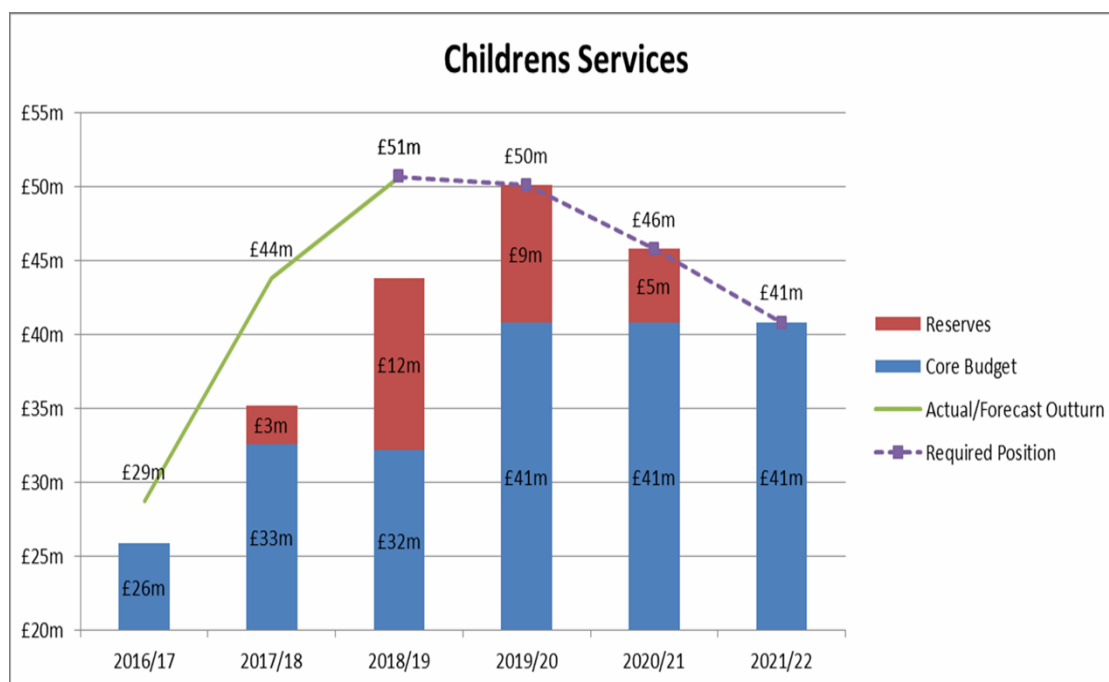
4.2 The TEP target for 2019/20 is comparable with 2018/19, although significant challenges were faced in the delivery of schemes. Further work is required to move identified schemes to 'green' or identify alternative savings that are deliverable in 2019/20.

4.3 Delivery of savings will be closely monitored throughout the year, with progress reported in the monthly consolidated revenue monitoring report for the ICF.

5 RISKS AND PRESSURES

5.1 The assumptions, risks and pressures for 2019/20 and beyond have been documented in detail in the respective budget reports to Council and Governing Body as referenced above. Delivery of the 2019/20 budget is dependent on the delivery of TEP savings as set out in section 4 above, with further potential pressures identified in the following areas.

5.2 **Children's Social Care:** The financial pressures in this area are the single greatest risk facing currently facing the Council, and are driven primarily by the cost of placements for Looked After Children. The implementation and development of the Looked After Children Reduction Strategy is a key priority for the service which should improve outcomes for Children whilst also reducing financial pressures. The medium term financial plan assumes that spending reductions can be achieved in Children's Services in the medium term. Delivery within budget is essential to ensure the financial sustainability of the ICF.



- 5.3 **Continuing Healthcare (CHC):** this remains an area of high risk for the Strategic Commission. Continued progress to manage demand of CHC packages through joint working with the ICFT remains a key area of focus.
- 5.4 **Mental Health:** Delivery of Mental Health Strategy and compliance with Mental Health Investment Standard and Five Year Forward View.
- 5.5 **Managing Demand:** Management of demand in the Acute sector and the movement of care to community based settings in line with the principals of Care Together remains a challenge. However, the transformation schemes are contributing to mitigating this risk.
- 5.6 **Primary Care:** Pro-active engagement of primary care in driving forward the development of Networks, Neighbourhoods and the Care Together Vision is critical.
- 5.7 **Education:** We are experiencing some growing pressures in Local Authority funded areas including Home to School Transport and Pupil Support Services. National trends in SEN provision indicate that these pressures may well increase in future years, resulting in further financial pressures.
- 5.8 **Adults Services:** The ICF continues to face significant demographic and other cost pressures which present a significant challenge for future years. The five year forecast plan includes costs pressures in excess of £18m for Adults Services and any notable variation in demographic forecasts and contractual assumptions could have significant financial implications.
- 5.9 **Fair Funding and Business Rates Reset:** Government have committed to a 'fair funding' review for Local Government resourcing for 2020 and beyond, which includes review of business rates, however timescales for the outcome of that review remain unclear. The treasury figures indicate that Local Government can at best expect a funding freeze, with inflation and demand pressures having to be met from efficiencies or further cuts in services. The Ministry of Housing, Communities and Local Government have stated that indicative figures will be available by 'mid-2019' however the quantum of funding available is yet to be determined by the Treasury. In the context of such a significant level of uncertainty over future funding levels, prudent assumptions have been made about further reductions to

funding allocations in 2020/21 and future years. This lack of certainty makes planning beyond 2019/20 extremely difficult.

6 RISK SHARE 2019/20

- 6.1 In March 2017, the CCG Governing Body and Council Executive Cabinet, agreed a two year risk share arrangement for the period 2017/18 and 2018/19, with any amounts being repayable over the following two years 2019/20 and 2020/21. This effectively meant the risk share arrangement was locked into a four year period regardless of whether the risk share arrangement had been fully utilised.
- 6.2 Under the risk share arrangements, each organisation shares financial risk in proportion to the respective net budget contributions they make into the Integrated Commissioning Fund (ICF), excluding any CCG expenditure associated with the residents of Glossop as the Council has no legal powers to contribute to such expenditure.
- 6.3 The risk share arrangement is in two parts. Part A comprised an additional contribution of up to £5 million per annum in 2017-18 and 2018-19 from the Council to the ICF which would create an obligation on the CCG to increase its contribution to the ICF in 2019-20 and 2020-21 to the same values respectively.
- 6.4 Part B of the risk share was applied after Part A and was based on the proportion of each Party's contribution to the ICF up to a capped threshold:
 - a cap of £2.0 million is placed on CCG related risks that the Council will contribute
 - a cap of £0.5 million is placed on Council related risks that the CCG will contribute
- 6.5 In 2017-18 the proportion of contribution to the ICF was based on an 80:20 split. However, for 2018-19 the proportion of contribution was revisited to reflect the net budget values of the ICF which was 68% for Tameside and Glossop CCG and 32% for the Council. For clarity, the risk sharing arrangement applies to the Section 75 pooled fund, the aligned fund and the in collaboration budget of the ICF, i.e. the whole ICF.
- 6.6 In 2017-18, under Part A of the agreement the Council increased its contribution to the ICF by £4.2m and under Part B the CCG made a contribution to the ICF of £0.5m in line with the capped threshold. In 2018-19 there were no transactions required under Part A or Part B of the risk share and the liability from Part A in 2017-18 will be discharged in early 2019-20 by the CCG to the ICF.
- 6.7 The original risk share arrangement effectively spanning four years from 2017-18 (as explained in paragraph 6.1) has effectively been completed early in 2019-20 and it is proposed that arrangements are reviewed to offer greater operational flexibility and take advantage of emerging opportunities. It is therefore proposed that the risk share is amended to be on a two year rolling basis.
- 6.8 For 2019/20, the gross and net contributions to the ICF are as per table 3. It is proposed to continue with the risk share contributions on the basis of net budget allocations i.e. 68% for Tameside and Glossop CCG and 32% for the Council (as per paragraph 6.5 and table 3).

Table 3: 2019/20 Integrated Commissioning Fund Contributions

2019/20 Budget					
Budget area	Expenditure Budget	%	Income Budget	Net Budget	%
CCG	419,320	44%	0	419,320	68%
TMBC	533,000	56%	(336,198)	196,802	32%
Integrated Commissioning Fund	952,320		(336,198)	616,122	

- 6.9 In the context of the savings requirements facing each organisation, and the significant cost pressures and risk in areas such as Children's Social Care and Continuing Healthcare, it is proposed that the risk share arrangement and the cap continues on the same basis for net budget contributions in 2019-20 (with the continued exclusion of any CCG expenditure associated with the residents of Glossop as the Council has no legal powers to contribute to such expenditure).
- 6.10 For 2019/20 this means the cap continues to be:
- a cap of £2.0 million is placed on CCG related risks that the Council will contribute
 - a cap of £0.5 million is placed on Council related risks that the CCG will contribute
- 6.11 The proposed two year rolling risk share will continue to apply to the whole ICF. It is proposed that the Council continues to agree to increase the value of Council resources within the ICF by a maximum sum of up to £ 5.0 million in 2019/20 and 2020/2021 on the condition that the Tameside and Glossop CCG agrees a reciprocal arrangement in 2021/22 and 2022/23 should this be necessary. The Council's cap of £2.0 million (Part B – as per paragraph 6.10) is over and above the non-recurrent contribution to the ICF of up to £ 5.0 million (Part A) in 2019/20 and 2020/21 on the condition that the Tameside and Glossop CCG agrees a reciprocal arrangement in 2021/22 and 2022/23 should this be necessary.
- 6.12 The proposed risk share arrangement will continue on a two year rolling period and will be reviewed and revisited as appropriate.

7 FIVE YEAR PROJECTIONS

- 7.1 Whilst the budget proposals for 2019/20 present a balanced position (after Council tax increases and delivery of the required TEP) the projected gap for 2020/21 and beyond is significant. This is due in part to the expected funding reductions and significant uncertainty around the allocation of Local Government Funding after 2019, but is also driven by forecast demographic and other cost pressures, particularly in Adults and Children's, Continuing Healthcare, the Acute Sector, Mental Health Services and Primary and Community services. The scale of this budget gap in future years requires immediate action to ensure transformational changes can be achieved.
- 7.2 The Council Budget report approved in February 2019 assumed that expenditure on Children's Social Care Services will reduce by £9m over the two year 2020/21 and 2021/22. Plans are not yet developed to deliver this reduction in expenditure. If this reduction is not achieved, then the forecast gap increases by £9m.

Combined Gap					
	2019/20	2020/21	2021/22	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s
Gap reported in February 2019 (Assuming £9m reduction in Children's Social Care)	2,996	19,473	26,449	30,637	36,054
Updated Gap (without a reduction in Children's Expenditure)	2,996	23,773	35,749	39,937	45,354

Opportunities for future savings

- 7.3 In addition to the TEP schemes already included in section 4 above, the following areas have been identified as opportunities for future savings to help address the gap in future years.
- 7.4 **System Wide Review of Aging Well** – The Star Chamber has identified this as one of the key projects for transformation going forward. Discussion about the establishment of an 'Aging Well Commissioning Board' and how we improve offer to keep people at home. The PbR cost for emergency admissions for people aged over 80 is more than £16m per year. A 10% reduction in admissions would theoretically save £1.6m (less any cost of alternative provision). However, majority of admissions are at the ICFT, so the ability to realise any savings in the strategic commissioner is dependent upon our ability to re-negotiate the block contract (which may result in stranded costs which are factored into indicative savings profile).
- 7.5 **Paediatric Admissions Review:** The cost of paediatric admissions is around £5m per annum. We assume zero cost of providing alternative services and a 10% reduction in admissions, savings of £500k would be made. However note that 80% of paediatric admissions are at the ICFT, therefore realisation of savings for the commissioner would be dependent upon our ability to re-negotiate the block contract. Given that high level quantification of savings are now in place, risk is judged to be red. But work is already underway to pull data on gastro and respiratory admissions. Star Chamber discussed the potential for neighbourhood after school clinics which will be investigated as part of this project.
- 7.6 **Effective Use of Resources:** Several overlapping schemes looking at enforcement and expansion of current EUR policies have been merged together into a single scheme. More work required to look at benchmarking data to establish how the situation has improved (or not) over the last 12 months.
- 7.7 **Palliative and end of life care pathways:** Increasing the proportion of people dying in usual place of residence up to the GM average. More work required on this and some of the QIPP 4 consultancy days will be used to further scope this project. Realisation of savings may be dependent upon ability to renegotiate ICFT block.
- 7.8 **Older People Mental Health:** Redesign MH services for older people with a specific focus on support with people with serious mental illness and dementia. Service redesign to incorporate both Pennine Care Day Hospital and Age UK step down service. Assume savings from 19/20 onwards once contracts have been renegotiated. A 3 month focus group has convened to further develop this project and will report back in due course
- 7.9 **Integrated Neighbourhood Hubs Strategy:** Newly established schemes at Star Chamber 10/10/18. Strategy around future of neighbourhoods will incorporate direct estates savings, but also wider efficiencies (e.g. only need single receptionist, savings on day to day maintenance on old buildings etc). The neighbourhood model of working will also enable

savings in acute sector through better care closer to home. More work required to agreed savings target, but expect to be measured in millions

- 7.10 **Cross charging of services:** Cannot implement unilaterally in Tameside and Glossop alone, rather the policy needs to be agreed at GM level before we can benefit. Three separate initiatives contained within this scheme.
- 7.11 **Community contracts:** CCG pays £252k p.a. to providers across Greater Manchester for cross boundary community services. Do not get £252k worth of value for this, therefore potential to make savings by only paying for what we use. However, other commissioners make comparable payment to the ICFT. If GM position on historic community blocks changes the ICFT would lose income, meaning zero net savings across economy.
- 7.12 **Walk in Centres (WIC):** Approx. 650 non Tameside and Glossop patients attend WIC every month. ICFT now have data to enable recharge, but invoices currently being disputed by Manchester CCG. Need to establish how benefit shared between provider and commissioner, but savings presented assume £30 benefit per patient for CCG (from total recharge of £66).
- 7.13 **Looked After Children:** Historic GM agreement in place that we will not recharge for Looked After Children (LAC) health assessments in GM (£250 per child). Tameside and Glossop net importer of LAC, therefore benefit of £25k p.a. if we start to recharge. Group established at GM level to address this issue. Action to follow up with GM Health and Social Care Partnership to try and expedite this. Proposal that we calculate net impact at start of the year and transact on that basis so as not to create an industry of individual invoices flowing through system.
- 7.14 **STAR procurement** - In September 2018, the Council formally joined the STAR procurement shared service, a partnership arrangement between Stockport, Trafford and Rochdale. This will provide the Council with much needed capacity and expertise in an area that previously had limited resources. Limited procurement savings have been assumed in 2019/20 and it is anticipated that significant savings can be achieved in future years as we accelerate the review of contracts and areas of high spend.
- 7.15 **Strategic Asset Management Plan and Estates Strategy** -. Development of an effective Strategic Asset Management Plan and associated estates strategy, which supports the delivery of £2.4bn investment, delivers One Public Estate, generates income, realises recyclable capital receipts and provides a strategic approach to our capital programme and major projects, realising opportunities for integrated health hubs, new housing and local jobs for local people. An economy wide strategy and plan for the utilisation of the estate is expected to identify efficiencies in how we use our assets, which should result in financial savings for the economy.
- 7.16 **Economic Strategy** - Implementation of a Vibrant Economy Strategy to support new and indigenous businesses, creation of new jobs, a skilled workforce and increase in apprenticeships.
- 7.17 **Housing Strategy** - Develop and implement a new Housing Strategy and Delivery Plan and framework of delivery partners, to support the development of new homes and to raise standards in the private rented sector.
- 7.18 **Service Planning and Service Improvement** - A further drive on service planning and service improvement is planned for 2019, to identify further efficiencies and different models for service delivery. The Council will continue to seek opportunities to work with our partners across the economy and deliver services in different, more efficient and effective ways.

- 7.19 **Workforce Development and Agile working** - As our models of service delivery change, the opportunities for new and different ways of working increase. The economy wide estates strategy and new service delivery models are expected to offer new ways of working which may also offer financial savings.
- 7.20 **Digital Strategy** - Technology is an integral part of modern day life, and IT developments will contribute to new ways of working and new service delivery models.

8 COMMISSIONING IMPROVEMENT SCHEME

8.1 A Commissioning Improvement Scheme (CIS) has been in place within the CCG, in various forms, since 2013/14. This has been with the aim of supporting member practices in the commissioning agenda of the CCG and securing best use of commissioning resources for our population. The current CIS model consists of two elements:

- Invest to Save;
- Financial Management - Neighbourhood CIS.

8.2 A number of options regarding the future of CIS were discussed by Finance and QIPP Assurance Group (FQAG) in February and March 2019. The recommendation of FQAG was to maintain the approach in place for 2018/19 and carry forward both elements of the scheme as a 2 year offer covering the period 1 April 2019 – 31 March 2021.

Invest to Save

8.3 The evaluation report brought to Finance and QIPP Assurance Group in January described the early learning from this £125k investment in neighbourhoods, highlighting also the relationship building and increased engagement within neighbourhoods, sharing of best practice and introduction of new and innovative ways of working this scheme has brought. This testing and learning cycle can inform future development of the Locally Commissioned Services Framework.

8.4 This is agreed at £125k per neighbourhood, therefore a total commitment of £625k. In terms of 2019-20 this is allocated as an equal split across Neighbourhoods, however in year 2 agreement on allocation of the total £625k will be devolved to Primary Care Networks.

8.5 The approach adopted in 2018/19 of proposal requests, developed by neighbourhoods but brought to Integrated Neighbourhood meeting for support before sign off by Finance & QIPP Assurance Group, will be continued. A clear marking of 'how success will be measured' will be required, recognising this will be patient experience and qualitative markers as well as any indications of activity changes.

Financial Management

8.6 There has been a financial management element of a CIS for many years, pre-dating the CCG. This approach comes with challenges, particularly around the setting of a 'fair share' practice or neighbourhood budget however has been successful to support best use of commissioning resources for our population.

8.7 When at practice level, this created one set of challenges around perceived equity of budget and 'achievability' by practices. More recently this has moved to be on a neighbourhood basis, which alleviates the impact of high cost patients and or issues with budget setting for a smaller population, however can create challenge in terms of whole neighbourhood engagement.

8.8 On consideration Finance and QIPP Assurance Group recommended the continuation of this strand of the CIS in 2019/20 in line with 2018/19, neighbourhood achievement capped at £100k. However this resource could be increased following the inclusion of a stretch target

bringing this to £150k cap per Neighbourhood. This is subject to the additional resource being available via underspends/efficiencies achieved across all Neighbourhoods.

- 8.9 Finance and QIPP Assurance Group (FQAG) recommended 2019/20 funding for CIS as follows:

Invest to Save Scheme	£625k
Financial Management	£500k
TOTAL 19/20 CIS	£1,125k

9. RECOMMENDATIONS

- 9.1 As set out on the report cover.

APPENDIX 1

INTEGRATED COMMISSIONING FUND TOTAL SPLIT 2019/20

Total ICF split	2019/2020		
	TOTAL		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
A: Section 75 Services	363,158	(46,093)	317,065
B: Aligned Services	323,137	(93,533)	229,604
C: In Collaboration Services	266,025	(196,572)	69,453
Total	952,320	(336,198)	616,122

Service	2019/2020		
	TOTAL		
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Acute	214,429	0	214,429
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Grand Total	952,320	(336,198)	616,122

Section 75 Budgets

These budgets relate to services that sit within the pooling arrangement under Section 75 of the NHS act 2006.

Service	2019/2020		
	Section 75		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Acute	100,653	0	100,653
Mental Health	35,966	0	35,966
Primary Care	50,512	0	50,512
Continuing Care	16,911	0	16,911
Community	32,846	0	32,846
Other CCG	23,472	0	23,472
CCG Running Costs	4,164	0	4,164
Adults	82,458	(46,012)	36,446
Children's Services - Social Care	0	0	0
Children's Services - Education	0	0	0
Individual Schools Budgets	0	0	0
Population Health	16,176	(81)	16,095
Operations and Neighbourhoods	0	0	0
Growth	0	0	0
Governance	0	0	0
Finance & IT	0	0	0
Quality and Safeguarding	0	0	0
Capital and Financing	0	0	0
Corporate Budgets	0	0	0
Grand Total	363,158	(46,093)	317,065

Aligned Budgets

These budgets relate to services that the Regulations specify shall not be pooled under Section 75, but which will be managed alongside the Pooled Fund.

Service	2019/2020		
	Aligned		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Acute	113,776	0	113,776
Mental Health	0	0	0
Primary Care	310	0	310
Continuing Care	0	0	0
Community	0	0	0
Other CCG	6,338	0	6,338
CCG Running Costs	0	0	0
Adults	1,222	(100)	1,122
Children's Services - Social Care	53,830	(4,869)	48,961
Children's Services - Education	23,768	(17,720)	6,048
Individual Schools Budgets	0	0	0
Population Health	0	0	0
Operations and Neighbourhoods	46,016	(26,301)	19,715
Growth	43,732	(34,984)	8,748
Governance	14,299	(4,980)	9,319
Finance & IT	6,251	(1,432)	4,819
Quality and Safeguarding	418	(290)	128
Capital and Financing	0	0	0
Corporate Budgets	13,177	(2,857)	10,320
Grand Total	323,137	(93,533)	229,604

In-Collaboration Budgets

These budgets relate to services that the Regulations specify shall not be pooled under Section 75, and where the CCG and Council have limited direct influence over the utilisation of these funds, or where expenditure is not directly related to service delivery. Budgets include delegated co-commissioning in Primary Care, Dedicated Schools Grant, levies payable to the GMCA, Housing Benefits Grant and related expenditure, and Capital Financing costs.

Service	2019/2020		
	In Collaboration		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Acute	0	0	0
Mental Health	0	0	0
Primary Care	34,371	0	34,371
Continuing Care	0	0	0
Community	0	0	0
Other CCG	0	0	0
CCG Running Costs	0	0	0
Adults	0	0	0
Children's Services - Social Care	0	0	0
Children's Services - Education	0	0	0
Individual Schools Budgets	115,024	(115,024)	0
Population Health	0	0	0
Operations and Neighbourhoods	31,066	0	31,066
Growth	76	0	76
Governance	74,725	(74,900)	(175)
Finance & IT	0	0	0
Quality and Safeguarding	0	0	0
Capital and Financing	10,763	(6,647)	4,116
Corporate Budgets	0	0	0
Grand Total	266,025	(196,571)	69,454

APPENDIX 2

2018/19 Forecast at 28 February 2019

Forecast Position £000's	Forecast Position				
	Expenditure Budget	Income Budget	Net Budget	Net Forecast	Net Variance
Acute	202,683	0	202,683	203,597	(914)
Mental Health	32,832	0	32,832	33,468	(636)
Primary Care	82,701	0	82,701	82,211	489
Continuing Care	14,106	0	14,106	16,010	(1,904)
Community	29,966	0	29,966	30,104	(138)
Other CCG	30,615	0	30,615	27,514	3,101
CCG TEP Shortfall (QIPP)	0	0	0	0	0
CCG Running Costs	5,209	0	5,209	5,209	0
Adults	82,653	(42,172)	40,480	40,256	224
Children's Services	46,819	(3,051)	43,768	51,580	(7,812)
Education	30,936	(25,374)	5,562	5,570	(8)
Individual Schools Budgets	115,200	(115,200)	0	0	0
Population Health	16,912	(680)	16,232	15,971	261
Operations and Neighbourhoods	76,782	(26,448)	50,333	50,746	(412)
Growth	42,765	(34,920)	7,846	9,867	(2,021)
Governance	88,704	(79,887)	8,818	7,138	1,680
Finance & IT	6,103	(1,550)	4,553	4,188	365
Quality and Safeguarding	367	(288)	79	71	8
Capital and Financing	10,998	(1,360)	9,638	7,852	1,786
Contingency	4,163	(6,823)	(2,660)	(6,246)	3,586
Corporate Costs	8,721	(6,857)	1,865	(503)	2,368
Integrated Commissioning Fund	929,235	(344,609)	584,626	584,602	24