

APPENDIX 2 – Strategic Commission Detailed Analysis

Contents:

Overview of Progress	2 – 5
-----------------------------	--------------

Local Authority Savings and Pressures	2 - 3
---------------------------------------	-------

CCG Recovery Plan & TEP Update	4
--------------------------------	---

Service Area Monitoring	5 –32
--------------------------------	--------------

Adults Services

Children's Services – Children's Social Care

Children's Services – Education

Population Health

Quality and Safeguarding

Operations and Neighbourhoods

Growth

Governance

Finance and IT

Capital Financing, Contingency and Corporate Costs

Capital Expenditure

Acute

Mental Health

Primary Care

Continuing Care

Community

Other

CCG Running Costs

Local Authority Savings Progress

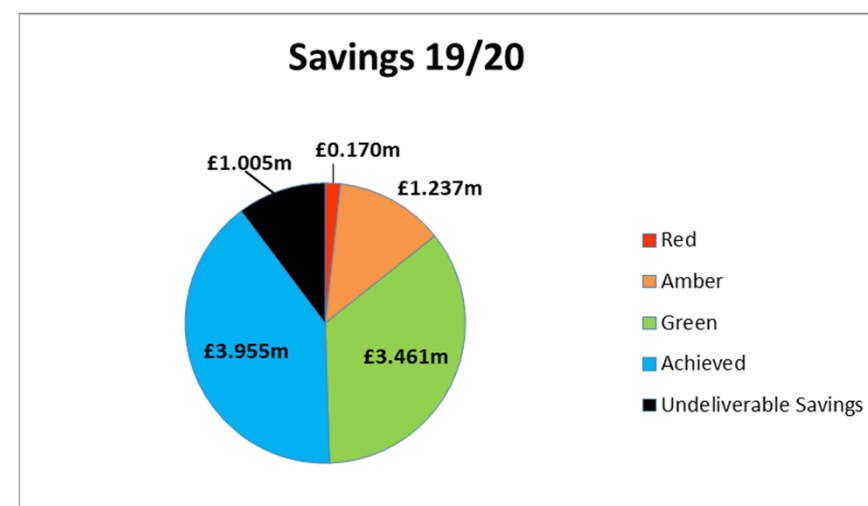
Directorate	Opening Target £000s	Not expected to be delivered £000s	Red £000s	Amber £000s	Green £000s	Achieved £000s	Total forecast savings £000s
Adults	1,778	669	70	747	292	0	1,109
Children's Services	696	0	0	0	696	0	696
Children's - Education	235	0	0	115	0	230	345
Population Health	375	95	0	0	280	0	280
Operations and Neighbourhoods	1,217	0	100	5	511	601	1,217
Growth	285	207	0	0	78	0	78
Governance	1,125	27	0	193	347	558	1,098
Finance & IT	411	0	0	7	693	283	983
Quality and Safeguarding	10	0	0	10	0	0	10
Capital and Financing	1,764	0	0	125	564	1,766	2,455
Contingency	100	0	0	0	0	100	100
Corporate Costs	424	7	0	35	0	417	452
Total	8,420	1,005	170	1,237	3,461	3,955	8,823

SAVINGS PROGRESS

The 2019/20 Revenue Budget, approved by Full Council on 27 February 2019, included savings targets in respect of a vacancy factor, additional fees and charges, and savings to be delivered by management. Combined with savings identified in previous years, the total savings target for the Council in 2019/20 is £8,420k.

Vacancy Factor - The total vacancy factor for the year is £2,387k. As at the end of period 6, total underspends relating to vacant posts were £2,099k, therefore overachieving the annual target.

Other Savings – Overall the Council is forecasting to achieve savings of £8,823k against a target of £8,420k, although £1,407k remains rated as Red or Amber with risks to delivery. Savings of £3,461k are rated green and £3,955k already achieved as at the end of September 2019. Just over £1m of planned savings will not be delivered with alternatives now being delivered in place of the original targets.



Local Authority Pressures

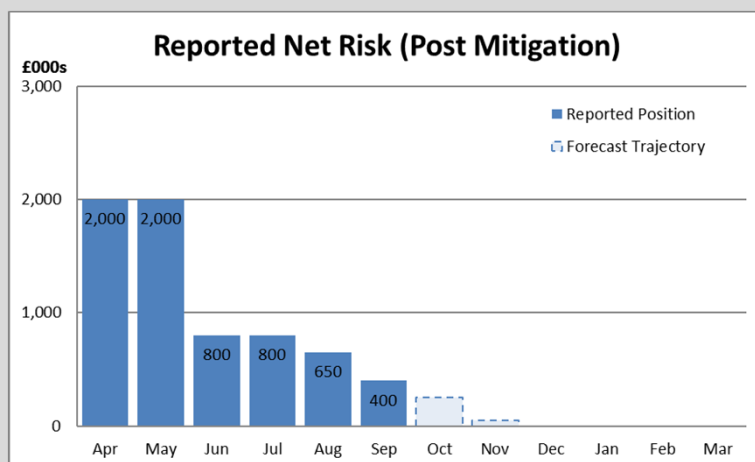
PRESSURES

The 2019/20 Council Revenue Budget included funding for pressures across the services of £20,166k. As at month 3 total forecast pressures have increased across a number of areas as set out below. Further narrative on increased pressures in each area is included in the narrative for each service later in this report. The main reduction in pressures relates to funding setting aside for increased staffing costs as a result of the implementation of the new NJC pay structure on 1 April 2019. This funding will be used to offset pressures in other areas.

Directorate	Pressures funded in budget £000s	Pressures materialised to date £000s	Total pressures forecast £000s	(Increase)/decrease in pressures £000s
Adults	1,401	701	1,401	0
Children's Services	9,300	7,987	15,973	(6,673)
Children's - Education	631	448	985	(354)
Population Health	67	34	67	0
Operations and Neighbourhoods	1,501	1,026	1,450	52
Growth	741	847	841	(100)
Governance	903	245	705	198
Finance & IT	185	93	185	0
Quality and Safeguarding	0	0	0	0
Capital and Financing	242	242	242	0
Contingency	5,001	2,381	4,417	584
Corporate Costs	194	56	96	98
Total	20,166	14,060	26,361	(6,195)

2019/20 Financial Risk & TEP Update: M6 – September 2019

- The CCG has a Targeted Efficiency Plan (TEP, also known as QIPP) target for 2019/20 of £11m.
- In submitted plans at the start of the year, the CCG reported that financial control totals would be met, but that there was material risk (£2m) associated with this.
- Based on the latest assessment of TEP achievement, the CCG is reporting net risk of £400k at M6. An improvement of £250k relative to the M5 position:



- As shown in the chart above we are optimistic that over the next few months we will be in a position to further reduce reported risk.
- The trajectory above assumes that net risk can be reduced internally using CCG resources. However, as part of our wider Integrated Commissioning Fund (ICF), the CCG has entered into a risk share agreement with TMBC. This would allow the Local Authority to increase contributions into the pooled budget, in order to balance the CCG position on a non-recurrent basis if required.

- Any increase in council contribution this year would result in an increased CCG contribution in future years. Therefore it is not appropriate to use the ICF as justification to reduce reported net risk in 2019/20.
- 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	729,833	200,000	929,833	929,833	0
Medium Risk	1,048,000	300,000	1,348,000	1,870,000	-522,000
Low Risk	1,484,848	2,746,401	4,231,249	4,611,320	-380,071
Saving Posted	2,050,969	3,567,002	5,617,971	4,711,900	906,071
Total	5,313,650	6,813,403	12,127,053	12,123,053	4,000

Expected Savings (after application of optimism bias)

	Recurrent	Non Recurrent	Total	Prior Month	Movement
High Risk	72,983	20,000	92,983	92,983	0
Medium Risk	524,000	150,000	674,000	935,000	-261,000
Low Risk	1,484,848	2,746,401	4,231,249	4,611,320	-380,071
Saving Posted	2,050,969	3,567,002	5,617,971	4,711,900	906,071
Total	4,132,800	6,483,403	10,616,203	10,351,203	265,000

QIPP Target

11,000,000	11,000,000	0
------------	------------	---

Savings Still to Find

383,797	648,797	265,000
---------	---------	---------

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

9,849,220

Adults Services

A

Adults	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast £000's	Variance £000's
Adults - Out of Hours Team	158	0	158	63	118	40
Adults Senior Management	1,568	(1,159)	409	(2,612)	354	55
BCF	8	(20,339)	(20,331)	(5,486)	(20,331)	0
Community Response Service	1,172	(688)	484	(159)	508	(24)
Funded Nursing Care	1,930	(1,930)	0	49	0	0
Homecare - Support at Home	7,930	(6,031)	1,899	2,424	2,306	(407)
Improved Better Care Fund	1,633	(1,633)	0	506	0	0
Joint Commissioning Service	3,677	(1,221)	2,456	1,418	2,473	(17)
Localities	9,431	(150)	9,281	5,308	9,281	0
Long Term Support	7,289	(416)	6,873	3,762	7,509	(636)
Mental Health	3,882	(486)	3,396	1,839	3,541	(145)
Reablement	2,441	0	2,441	1,169	2,426	15
Residential & Nursing Placements	26,540	(9,437)	17,103	9,605	16,722	381
Sensory Services	293	(48)	245	131	279	(34)
Shared Lives & Property Management	2,565	(717)	1,848	827	1,748	100
Supported Accommodation	11,546	(2,494)	9,052	4,372	9,020	32
Urgent Integrated Care	2,019	0	2,019	985	2,019	0
TOTAL	84,082	(46,749)	37,333	24,201	37,973	(640)

BUDGET VARIATIONS

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

Underspends:

- **£740k**- Residential and Nursing Care placements: increased income
- **£100k**- Shared Lives : increased income (£50k) , reduction in staffing costs (£50k)
- **£136k**- Minor variations

Adults Services

A

BUDGET VARIATIONS

Pressures:

- **(142k)**- Town Lane - OOB Resettlement - staffing requirements
- **(145k)**- Mental Health service: over budget on out of hours and agency staff due to lag in recruitment
- **(170k)**- Residential and Nursing Care placements: increased expenditure
- **(490k)**- Long Term support : increase in homemakers assessed hours

SAVINGS

Savings Performance:

- **(£26k)** - Review of out of borough LD placements: currently projected to make a part year saving in 2019-20. Currently identifying placements to meet this target as there is scope
- **(79k)**- Oxford Park: will not be delivered as scheme is being reassessed.
- **(164k)**- Review of residential placements: currently not projected to make this saving but identifying placements to meet this target as there is scope
- **(400k)**- Review of manual handling – single handed: currently not projected to make this saving but identifying packages to address the projected shortfall

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Review of out of borough LD placements	125	26		99			99
Oxford Park	79	79					0
Review of residential placements	191	164		27			27
Review of manual handling	540	400	70	70			140
Vacancy Factor	551			551			551
Fees & charges increase 2019/20	292				292		292
Total	1,778	669	70	747	292	0	1,109

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 £000's	Variance £000's
Assistant Executive Director - Children's	1,238	(2,009)	(771)	1,445	413	(1,183)
Specialist Services	32,464	(774)	31,691	17,360	36,757	(5,066)
Childrens Safeguarding	2,001	(10)	1,991	880	2,010	(20)
Early Help, Early Years & Neighbourhoods	3,623	(1,727)	1,897	1,705	2,006	(109)
Looked After Children	5,341	(28)	5,313	2,551	5,472	(159)
Child Protection & Children In Need	8,123	0	8,123	4,201	8,218	(96)
Youth Offending Team	965	(652)	312	450	353	(41)
TOTAL	53,756	(5,199)	48,556	28,591	55,230	(6,673)

SAVINGS

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Vacancy Factor	676				676		676
Fees & charges increase 2019/20	20				20		20
Total	696	-	0	0	696	0	696

BUDGET VARIATIONS

Pressures:

As previously reported, the level of increased demand since the 2019/20 budget was approved by the Council is the principal reason for the significant adverse projected outturn variation. There has been an increase of 8%, which as at October 2019 equates to 700 children looked after. The projected outturn includes a further estimated increase of 4% in the number of children looked after to 31 March 2020. This is based on the demand increase during the first six months of 2019/20 adjusted for the estimated number of children that are expected to leave the care system. Further financial modelling has also taken place on a further increase in demand for the first six months of the 2020/21 financial year, the details of which will be included in the 2020/21 Council budget report and medium term financial planning assumptions of the Strategic Commission. Members should note that there is a separate report on the agenda with supporting context on the related Children's Services Improvement Programme sustainability projects currently in progress. These include :

Strengthening early help and prevention across the locality

-Supporting the spread, scale and sustainability of Team Around the School

-The development of a Family Intervention service) across the continuum of need Early Help, Children In Need, Child Protection, Looked After Children and to also enable Family Group Conference services to intervene at an earlier point on the continuum

-The development of a core multi-disciplinary early help service in each neighbourhood / locality

-The restructure of duty/ locality teams

-The development of residential respite and assessment unit capacity

-The implementation of a Fostering Service improvement plan

-The improvement of LAC sustainability and the implementation of the placements sufficiency action plan for LAC

-The development and enhancement of the Independent Reviewing Officer role to ensure that robust oversight and challenge is provided to children's care planning and that permanency options are considered at the earliest opportunity

-The development of the role of Social Workers and managers in permanency planning to support the most effective progress of children through the care system and where appropriate exit to permanency

Children's Services – Education

A

Education	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast £000's	Variance £000's
Access & Inclusion	16,110	(13,741)	2,369	7,189	2,529	(160)
Assistant Executive Director - Education	384	(89)	296	54	189	107
Schools Centrally Managed	2,596	(760)	1,836	(4,375)	1,724	112
Schools Centrally Managed - DSG Funded	(1,078)	1,081	3	(58,790)	3	0
School Performance and Standards	538	(294)	245	33	245	(0)
Pupil Support Services	9,558	(8,302)	1,256	3,668	1,356	(99)
TOTAL	28,109	(22,104)	6,005	(52,221)	6,045	(41)

BUDGET VARIATIONS

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

Underspends:

- **£139k** - There is a projected under spend in the overall Education service due to utilisation of grant funding and surplus budget identified to support pressures within the overall service.
- **£64k** - Other minor variations.

Pressures:

- **(£315k)**-SEN Transport - pressure has materialised. A further pressure of £315k is projected for the service in 19/20. The demand for SEN Transport continues to rise. It is suggested the additional savings on teachers retirement pension costs assist in offsetting this additional pressure in-year.
- **(£39k)** -Education Psychology - pressure has materialised. A further pressure of £39k is projected for the service in 19/20. The increase in ECHPs and panel hearings continues.

SAVINGS

Savings Performance:

- **0k**- The traded services saving is projected to be achieved due to an increase in traded income from academies, partially negated by a decrease in maintained schools traded income. The change in position since last reporting is due to increase in trade for Education Psychology and the School Library Service.
- **£110k** – There is further reduced demand on the budget for Teachers retirement pension costs. It is suggested that this additional saving is supports the pressure occurring on SEN Transport.
- **£0k** - The Central DSG grant saving has been achieved by reducing initial budget.

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Traded Services to Tameside schools and academies	5	0	0	5	0	0	5
Teachers Pension	130	0	0	110	0	130	240
Central DSG grant	100	0	0	0	0	100	100
Total	235	0	0	115	0	230	345

Population Health

A

Population Health	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast £000's	Variance £000's
Public Health	16,262	(170)	16,092	4,941	16,327	(235)
TOTAL	16,262	(170)	16,092	4,941	16,327	(235)

BUDGET VARIATIONS

Pressures

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

- **(35k)** - Pennine Care contracts- inflation uplift
- **(200k)** – Community Services contract- inflationary uplift due to revised grading on NHS pay scales

SAVINGS

Savings Performance:

- **(25k)**- Recommissioning of sexual health services - forecast to be achieved
- **(200k)**- Integrated Drug and Alcohol services - forecast to be achieved
- **(28k)**- Prescribing - forecast to be achieved
- **(27k)**- Vacancy Factor - forecast to be achieved
- **0k**- Reduction to Active Tameside management fee

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Recommissioning of sexual health services	25				25		25
Integrated Drug and Alcohol services	200				200		200
Prescribing	28				28		28
Reduction to Active Tameside management fee	95	95					0
Vacancy Factor	27				27		27
Total	375	95	0	0	280	0	280

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 £000's	Variance £000's
Quality & Safeguarding - Adults	116	(32)	84	59	84	(0)
Quality & Safeguarding - Childrens	324	(272)	52	23	52	0
TOTAL	440	(304)	136	82	136	(0)

SAVINGS

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Vacancy Factor	8			8			8
Fees & charges increase 2019/20	2			2			2
Total	10	-	0	10	0	0	10

Operations and Neighbourhoods

G

Operations & Neighbourhoods	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast £000's	Variance £000's
Operations and Emergency Planning	1,298	(2,578)	(1,279)	(491)	(1,220)	(60)
Community Safety & Homelessness	5,388	(1,806)	3,582	(146)	3,582	0
Cultural and Customer Services	3,529	(332)	3,197	1,240	3,051	147
Design and Delivery	11,470	(9,650)	1,820	3,189	1,842	(22)
Environmental Services Management	31,305	(32)	31,273	25,217	29,697	1,576
Highways & Transport	8,862	(9,660)	(798)	(1,000)	203	(1,001)
Markets	1,040	(1,532)	(492)	(467)	(212)	(280)
Operations and Greenspace	5,979	(447)	5,531	2,705	5,066	466
Public Protection	3,633	(948)	2,685	1,166	2,607	79
Waste Management	5,890	(1,184)	4,706	2,502	4,774	(68)
Youth	446	(43)	403	147	468	(65)
TOTAL	78,840	(28,213)	50,627	34,061	49,857	770

BUDGET VARIATIONS

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

Underspends:

- **£64k** – Saving on disposal of street sweepings expected to be achieved from January due to new method of disposal
- **£1,032k** -There are a number of vacancies across Operations and Neighbourhoods. Within Culture & Customer Services there have been difficulties with recruitment however, this service getting closer to being fully staffed. There have also been some vacancies held for a period of time within the Call Centre and Customer Services to allow a full assessment of demand following the move into Tameside One. Within the engineers service there is a large level of vacancies however the saving on this is offset by additional spend on subcontractors. (This is net of vacancy factor)
- **£341k** -One off in year savings on vehicle costs within operations and greenspace have been identified.
- **£311k**- GMCA have approved an adjustment to this year's Transport Levy resulting in a reduction to Tameside of £311k.
- **£1,262k**- GMCA have approved the use of some reserves to reduce the levy cost in this financial year resulting in a one off rebate.

BUDGET VARIATIONS

Pressures:

- **(£766k)** – There is a projected shortfall in income from car parks. Of this, (£408k) relates to the new Darnton Road car parks which is in part as a result of delays in these car parks becoming operational. A further (£150K) relates to the non delivery of charges being applied to additional car parks.
- **(£199k)** - Additional construction costs of £199k will materialise in this year relating to the new hospital car parks. This is in part due to the cost of electric charging points.
- **(£165k)** - The cameras on bus lanes are working well as a deterrent to stop people using the bus lanes inappropriately. However this means that there is a projected shortfall in expected income.
- **(£217k)** - Nationally, markets have experienced a decline and alongside this, there is the ongoing development of Ashton Town Centre. Overall, footfall is reduced and the market ground is suffering from a reduction in traders resulting in a shortfall in projected income.
- **(£80k)** - Additional costs incurred for the Tour of Britain and associated events.
- **(£751k)** - Increased spend on subcontractors within the engineers service in order to maintain capacity.
- **(62k)**-Other Minor Variations including increases in skip charges, system upgrades within Transport Services and an increase in security costs for opening and closing the cemeteries.

SAVINGS

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Recovery of expenditure from new car parks	100		100				100
LED Street Lighting	250				250		250
Review of contracts and purchasing – using STAR/Oxygen	50	0			8	42	50
Advertising on Vehicles	5			5			5
Vacancy Factor	559					559	559
Fees & charges increase 2019/20	253				253		253
Total	1,217	-	100	5	511	601	1,217

Growth

R

Growth	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast £000's	Variance £000's
Development Growth & Investment	315	0	315	(270)	191	124
Employment & Skills	2,068	(882)	1,187	(53)	1,126	60
Estates	1,920	(2,689)	(769)	(443)	(367)	(403)
Investment & Development	2,166	(1,122)	1,044	914	927	117
Planning	1,170	(998)	171	100	468	(296)
Strategic Infrastructure	637	(188)	449	102	368	81
School Catering	2,776	(2,772)	4	(36)	64	(60)
Corporate Landlord	8,414	(2,219)	6,195	2,931	6,673	(478)
Environmental Development	447	(79)	369	136	357	12
BSF, PFI & Programme Delivery	22,878	(22,878)	0	2,673	0	0
TOTAL	42,791	(33,828)	8,964	6,056	9,806	(842)

BUDGET VARIATIONS

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

Underspends:

- **£117k** – Expenditure less than budget due to vacancies in Investment and Development recruited to part way through the year.
- **£136k** - Expenditure less than budget due to vacancies in the Estates team. Recruitment is underway and a number of posts have been filled. There is also an over achievement of income on commercial investments.
- **£81k** - Expenditure less than budget due to vacancies in Strategic Infrastructure.

Pressures:

Estates budget pressures relate to a shortfall in income due to a number of factors.

- **(£539k)** - A number of posts have been vacant and this has led to a reduction in the number of chargeable hours within the service. There is also a hold on disposals and there are several vacant industrial units.

There are budget pressures in Corporate Landlord

- **(£478k)** - Rental income for tenants in Tameside one will not be realised in the early years. This has been anticipated and will be funded from contingency. There is uncertainty around the costs of operating Tameside One. This is reflected in high forecast spend for gas and electricity. There were additional costs as a result of keeping Two Trees open later in the year than planned.

BUDGET VARIATIONS

Planning Services

- **(£296k)** - Fee income from building control fees is less than budget. The planned recruitment of additional staff is underway as following a review of the service. The service plans to undertake another review following this

SAVINGS

Savings Performance:

- **(£60k)** Growth savings of £60k will not be delivered in 2019/20 due to delays recruiting staff to review Industrial rents and fewer large scale planning applications being made.
- **(£147k)** Increases in Fees and Charges will not be delivered due to staff vacancies and other issues highlighted above.

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Sponsorship of events	2	0			2		2
Planning fees income	30	30					0
Review of rents and leases	30	30					0
Vacancy Factor 2019/20	76	0			76		76
Fees & charges increase 2019/20	147	147					0
Total	285	207	0	0	78	0	78

Governance

G

Governance	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast £000's	Variance £000's
<u>Governance</u>						
Executive and Business Support	1,726	(111)	1,615	666	1,453	161
Democratic Services	1,043	(311)	732	407	732	(0)
Governance Management	174	(88)	86	90	95	(8)
Legal	1,355	(82)	1,273	573	1,385	(112)
	4,298	(593)	3,705	1,737	3,665	41
<u>Exchequer</u>						
Exchequer Services	64,309	(62,733)	1,576	6,217	1,318	259
	64,309	(62,733)	1,576	6,217	1,318	259
<u>People & Workforce Development</u>						
People and Organisational Development	3,810	(1,325)	2,484	1,003	2,625	(141)
	3,810	(1,325)	2,484	1,003	2,625	(141)
<u>Marketing & Communications</u>						
Policy, Performance and Communications	1,728	(245)	1,483	714	1,483	(0)
	1,728	(245)	1,483	714	1,483	(0)
TOTAL	74,144	(64,896)	9,248	9,671	9,091	158

Underspends

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

- **£553k** – Employee related expenditure including training related expenses is less than budget due to a number of vacant posts and maternity across the service over the course of the year
- **£90k** - Cost Collection for Council Tax and Business rates are forecast under budget

- **£146k** - The Housing Benefit overpayment collection team have collected cash of £701k, this is in excess of expectations which has resulted in an over achievement of the in-year saving allocated, the effect on the revenue account has resulted in the service being able to forecast a reduction in the bad debt provision by £54k, which gives an overall total underspend of £146k in this area.
- **£19k** - Other net minor variations across the individual service areas of less than £50k

Pressures

- **(£147k)** – Currently there is no forecast draw down of the £120k reserve funding in relation to the Workforce Development Service Review in 19/20 and £27k in relation to the Early Help Module.
- **(£42k)** - Government Grant related income is less than budgeted income target
- **(£71k)** - Projected income is less than budgeted Income target due to non take up of HR, Payroll and Recruitment and various other income streams
- **(£56k)** - There is current forecast spend in relation to Population Health Marketing and Communication activities, where funds are held in reserve
- **(£307k)** - Based on the Housing Benefit Mid-Year Estimate the forecast is currently £307k in excess of budget

SAVINGS

Savings Performance:

- **(£27k)** - Priority Account Service (Oxygen) savings target of £50k will not be fully achieved, current forecast £23k

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Continuous Improvement	550					550	550
Oxygen Finance Project	50	27		15		8	23
Recovering of overclaims/old debts	175			175			175
Vacancy Factor	347				347		347
Fees & charges increase 2019/20	3			3			3
Total	1,125	27	0	193	347	558	1,098

Finance and IT	Gross Expenditure Budget £000's	Gross Income Budget £000's	Net Budget £000's	Actual to date £000's	Forecast £000's	Variance £000's
FINANCE						
Financial Management	2,993	(538)	2,455	720	2,234	221
Risk Management & Audit Services	3,554	(1,067)	2,486	559	1,884	602
	6,546	(1,605)	4,941	1,279	4,118	823
IT						
Digital Tameside	2,784	(632)	2,151	1,205	2,241	(90)
	2,784	(632)	2,151	1,205	2,241	(90)
TOTAL	9,330	(2,237)	7,092	2,483	6,359	733

BUDGET VARIATIONS

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

Underspends:

- **£268k** – Staffing underspends due to vacancies, timing of recruitment and staff having not taken up the pension option. This includes the combined vacancy factor of £128k.
- **£78k** - Projected reduction in spend on Cashier related payment systems.
- **£171k** - Projected additional MFD Income to the service and spend is anticipated to be lower than budget.

Pressures:

- **(£319k)** – The Corporate Costs budget covers equipment, software and maintenance for the Council's network, including security and backup software. It also covers the cost of operating system licence for laptops. The overspend is due to increased costs such as the operating system, extra power costs for the Data Centre, Wi-Fi and backup software as well as additional requirements for security systems. Costs have further increased in this area due to the requirement to upgrade essential software for the server infrastructure, which is used by all council systems, in order to remain secure and supported by the supplier.
- **(£37k)** - Other minor variations below £50k.

SAVINGS

Savings Performance:

- **£565k** - Insurance Review - Further to actuarial review in 2018/19 savings have been identified in relation to insurance provision.
- **£7k** - External Audit Fees - It is anticipated there will be a further £7k saving on top of the £69k planned saving. This is based on current projected spend.

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Insurance review	150				565	150	715
External audit fees	69			7		69	76
Internal audit restructure	12					12	12
Central DSG grant	50					50	50
Vacancy Factor	128				128		128
Fees & charges increase 2019/20	2					2	2
Total	411	-	0	7	693	283	983

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 £000's	Variance £000's
Capital and Financing	10,788	(7,986)	2,803	(4,129)	(680)	3,483
Contingency	5,551	(235)	5,316	(3,377)	2,293	3,023
Corporate Costs	5,104	(473)	4,631	1,203	4,471	160
TOTAL	21,443	(8,693)	12,750	(6,303)	6,084	6,665

BUDGET VARIATIONS

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

Underspends:

- **£2,113k**- Anticipated income from investment in Manchester Airport Group
- **£572k**- Revised Minimum Revenue Position (MRP) calculations
- **£697k**- Anticipated reduction in interest costs due to planned borrowing not being taken up and revised interest projections
- **£50k**- Included within corporate costs are anticipated savings of £50k in respect of the coroners service based on updated projections provided by Stockport MBC.
- **£75k**- Other minor variations under £50k
- **£1,573k**- Release of contingency budgets to offset service overspends
- **£1,450k**- Waste & transport levy one-off benefit in year

Pressures:

- **(£70k)**- Increase internal interest charges based on final 2018/19 figures
- **(14k)**- Minor Variations transferred from CDC

Capital Financing, Contingency and Corporate Costs

G

SAVINGS

Savings Performance:

- **35k** - Pensions Increase Act - These historic pension costs have reduced and it is anticipated there will be a further £35k saving on top of the £90k planned saving. This is based on current projected spend.
- **(£12k)** - Venture Fund no longer being progressed

Scheme	Savings Target 19/20 £000's	Not expected to be delivered £000s	Red £000's	Amber £000's	Green £000's	Achieved £000's	Total £000's
Venture fund	12						0
Treasury Investment Income	130			125		255	380
Minimum Revenue Provision (MRP)	375					947	947
Capital Financing	232						0
Manchester Airport Investment (Exec Cabinet Approved Feb 18) £11m investment	1,015				564	564	1128
Income Generation - Increased income from Council Tax Rates	100					100	100
AGMA/GMCA	302					302	302
Pensions Increase Act	90			35		90	125
Review of the Town Council support	25					25	25
Vacancy Factor	7	7					0
Total	2,288	7	0	160	564	2,283	3,007

Capital Expenditure

- This is the second capital monitoring report for 2019/20, summarising the forecast outturn based on the financial activity to 30 September 2019.
- The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2019/20 financial year. The approved budget for 2019/20 is £76.764m. Additional schemes will be added to future detailed monitoring reports once business cases have been approved by Executive Cabinet.
- The current forecast is for service areas to have spent £55.484m on capital investment in 2019/20, which is £21.280m less than the current capital budget for the year. This variation is spread across a number of areas, and is made up of a number of additional costs due to overspend against a number of specific schemes (£1.610m) less the re-phasing of expenditure in other areas totalling £22.890m.

CAPITAL MONITORING STATEMENT – SEPTEMBER 2019

	2019/20 Budget	Actual to 30 September 2019	Projected 2019/20 Outturn	Projected Outturn Variation
	£000	£000	£000	£000
Growth				
Investment & Development	5,848	1,037	3,100	2,748
Corporate Landlord	421	97	225	196
Estates	114	0	50	64
Operations and Neighbourhoods				
Engineers	13,350	4,467	13,047	303
Vision Tameside	8,708	1,153	3,156	5,552
Environmental Services	3,640	233	2,059	1,581
Transport (Fleet)	260	94	260	0
Stronger Communities	27	0	27	0
Children's				
Education	17,539	2,070	12,850	4,689
Finance & IT				
Finance	5,700	0	5,700	0
Digital Tameside	3,959	999	4,310	(351)
Population Health				
Active Tameside	15,970	5,560	10,360	5,610
Adults				
Adults	1,228	20	340	888
Total	76,764	15,730	55,484	21,280

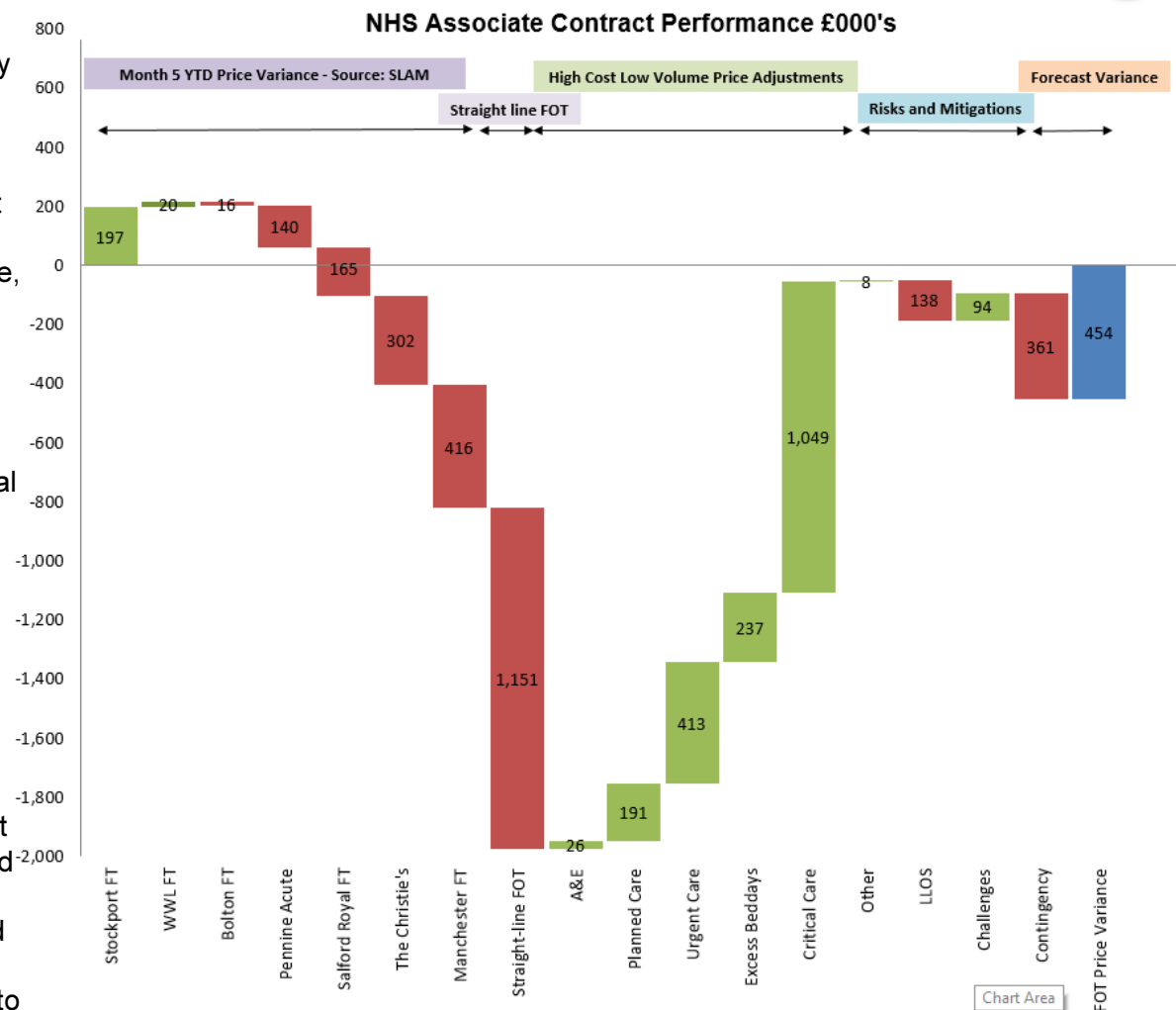
£000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's	Movement from M5
Acute Commissioning	99,426	100,221	(795)	200,798	201,278	(480)	7
Tameside & Glossop ICFT	67,995	68,040	(45)	135,991	135,991	0	0
Manchester FT	16,209	16,279	(70)	32,922	33,066	(145)	(221)
Stockport FT	4,741	4,416	325	9,755	9,111	644	87
Salford Royal FT	2,969	3,127	(157)	5,865	6,015	(150)	28
Pennine Acute	1,757	1,954	(197)	3,496	3,690	(194)	110
The Christie	1,021	1,370	(349)	2,028	2,637	(609)	5
BMI Healthcare	1,236	1,312	(76)	2,473	2,634	(161)	(14)
Wrightington, Wigan & Leigh	444	420	24	974	912	62	9
Spamedica	602	781	(179)	1,204	1,499	(295)	(70)
Other Providers	2,451	2,521	(70)	6,092	5,724	368	72
Ambulance Services	4,707	4,698	8	9,450	9,439	11	8
Clinical Assessment & Treatment Centres	795	871	(76)	1,591	1,705	(114)	0
Collaborative Commissioning	187	184	3	252	249	3	0
High Cost Drugs	68	101	(32)	136	182	(46)	0
NCAS/OATS	1,000	1,000	0	2,000	2,000	0	0
Winter Resilience	127	127	0	180	180	0	0
Total - Acute	106,310	107,202	(892)	214,407	215,033	(626)	16

- **Independent sector** – IS contracts are a key driver of overspend within the Acute forecast. Two key specialties stand out:
 - *Ophthalmology*. Spa Medica is forecast to over perform by £295k, while we also have pressures with other ophthalmology providers. The full detail of this pressure was discussed as part of the deep dive report to FQAG in August. The increase in activity is largely attributable to an ageing population, but also because previously untreatable conditions which have recently become treatable.
 - *Orthopaedics*. Pressures at BMI and In Health (CATs) are dominated by MSK. This is a specialty which NHS providers are struggling to meet RTT targets within. Therefore under patient choice, more activity is being generated in the independent sector.
- **Associate Providers** – On the face of things, the forecast for the Acute commissioning cost centre may appear odd. With a forecast over performance of £480k, against a YTD over spend at the mid point of the year of £795k. Performance at associate providers (i.e. NHS providers in Greater Manchester other than the ICFT) lies behind this anomaly. The chart below attempts to explain the movement between YTD position at M5 (the latest data available from providers) and the forecast outturn position:
 - *Stockport FT* - £197k under plan. This is mainly within Day Case and Elective (£158k under in Orthopaedics), Outpatients First of £40k and Outpatient Follow Ups of £15k
 - *WWL FT* - £20k under plan. £106k under plan relates to Elective T&O, which is off set by over performance in Critical Care £11k, Excess Bedday of £15k and Non-Elective T&O of £40k.

Acute

G

- *Bolton FT* - £16k over plan. This is all critical care which is unusual, T&G had zero critical care activity at Bolton last year.
- *Pennine Acute* - £140k over plan. The key driver behind the PAHT performance is Ophthalmology, following changes to the sub-contract arrangement with the ICFT previously. But also obstetrics
- *Salford FT* - £165k over. £179k over in Critical Care, with no other material variances against contract.
- *The Christie* - £302k over plan. This is completely driven by the two main speciality areas, Clinical Haematology of £171k over plan and £71k in Medical Oncology.
- *Manchester FT* - £416k over plan. £368k on Critical Care. £105k on Excess Bed days. All other points of delivery are broadly in line with contract.
- At M5 total overspend on associate contracts is £822k (£577k of which relates to critical care including a single patient with 134 days care).
- Based on this data, a straight line extrapolation would result in a forecast over spend of £1,973k, which does not feel intuitively correct.
- As such adjustments have been made for high cost low volume items. Most notably for critical care and excess bed days, which by their very nature are difficult to plan for. But also for urgent and planned care, where high cost admissions have occurred in the first half of the year, which we wouldn't expect to be replicated in the second half of the year (e.g. pain management programme at Salford or unusual/complex procedures).
- Finally we add back risks and mitigations. This includes anticipated costs for long length of patients not yet billed to the CCG, contract challenges for non T&G registered patients and additional contingency in relation to the Christie over performance, Neuro Rehab patients and as a result of concerns around elective and day case activity.
- While the position includes some provision clear RTT backlogs in 19/20. The CCG has seen a 12.6% increase in people on the waiting lists versus the adjusted March 18 baseline. This presents a financial risk to the CCG as while the backlog is cleared.
- After all of above, associate contracts are forecast over performance by £454k, which against a combined plan of £55.4m represents a 0.8% 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	Movement from M5
Child & Adolescent Mental Health	232	215	18	325	325	0	0
Improving Access To Psychological Therapies	96	97	(1)	192	193	(1)	(1)
Learning Disabilities	359	358	1	688	688	0	0
Mental Capacity Act	63	58	5	127	124	3	3
Mental Health Contracts	13,037	13,037	0	25,932	25,932	0	0
Mental Health Services - Adults	3,180	3,099	81	6,301	7,093	(792)	(338)
MH - Collaborative Commissioning	1,061	1,062	(1)	1,061	1,061	0	(0)
MH - Non Contracted Activity	37	54	(17)	75	100	(25)	(20)
Mental Health Services - Other	1,029	1,022	7	2,266	2,041	225	225
MH - Specialist Services	411	486	(75)	822	872	(50)	0
Mental Health Transformation	270	270	0	270	270	0	0
Total - Mental Health	19,776	19,760	16	38,058	38,698	(640)	(131)

- To comply with NHS planning guidance for 2019/20, the CCG has to demonstrate increased expenditure in mental health through the Mental Health Investment Standard. Forecast spend in the core Mental Health directorate, together with MH spend in Primary Care, CHC, Community and Acute shows that the CCG will be MHIS compliant for 2019/19. However, because of changes around the categorisation of dementia and learning disabilities we are forecasting that MH spend will increase by 5.8%, which is the minimum required under MHIS.
- As such MHIS could be at risk in the event of significant slippage against any of our current expenditure plans. To safeguard against this, commissioners are in the process of developing a series of non recurrent schemes (e.g. waiting list initiative's and pump prime schemes) which would be available for immediate mobilisation if required.
- At M6 the core MH position is broadly in line with plan. With £75k over spend relating to the additional patients in the Step Down Unit offset by an under spend of £77k relating to Adult Individualised Commissioned (IC) packages of care in the first half of the year.
- While IC packages may be underspending on a YTD basis, September saw two new individual packages of care commissioned at an exceptionally high cost. This included a 2:1 PICU package at a cost of £16k per week with no definite end date, which has resulted in a significant pressure against the budget.
- Across a Pennine Care commissioner footprint, NICHE have recently presented phase 2 findings from their review of the cost of mental health services. Further work is required to establish a definitive position that all 5 commissioners and Pennine Care can agree upon. However once complete the intention is that contracts are re-based in accordance with this definitive version of the truth, which may present a risk to the CCG financial position in future 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	Movement from M5
Prescribing	18,969	18,956	13	40,753	40,751	2	0
Delegated Co-commissioning	16,813	16,511	303	34,371	34,045	326	203
Out of Hours	1,155	1,299	(145)	2,309	2,454	(145)	0
Local Enhanced Services	988	940	47	1,931	1,882	49	0
Primary Care Investments	681	681	(0)	1,377	1,377	0	0
Primary Care IT	688	596	93	1,376	1,377	(1)	0
Central Drugs	568	591	(23)	1,193	1,239	(46)	(36)
Medicines Management - Clinical	233	228	4	484	480	4	1
Oxygen	224	208	16	477	477	0	0
GP FORWARD VIEW	472	472	(0)	472	472	0	0
Commissioning Schemes	142	150	(8)	285	297	(12)	8
Total - Primary Care	40,933	40,632	301	85,028	84,851	177	175

- **Prescribing** – Based on four months of prescribing data, £522k TEP has been achieved. This is against an annual target of £1,500k, meaning that the current trajectory is encouraging and that we are theoretically on track to meet and exceed our target.
- However caution should be exercised around attainment of savings in future months, because of expected Category M price changes and potential impacts on supply and costs that will be caused by Brexit. Which is making it difficult to accurately forecast future expenditure.
- Pressure caused by items classified as No Cheaper Stock Obtainable (NCSO) seems to have reduced in the last two months but this may escalate as the date for Brexit approaches. It also remains to be seen whether there will be pressure caused by a particularly severe winter.
- The forecast for the remainder of the year does include some contingency relating to Brexit/Cat M and the situation continues to be closely monitored. We are currently forecasting that £1.25m of TEP will be achieved by year end. This includes additional budget (£22k for Q1) provided by NHSE for additional costs incurred in increasing the number of type 1 diabetes patients using flash glucose sensors
- Work continues to maximise TEP achievement this year including further reductions to unnecessary repeat prescriptions, while an additional Technician has been recruited to target prescribing of items which are routinely available over the counter.
- **Delegated Co-Commissioning** – Budgets have been set based on current commitments, and include an anticipated growth in list sizes through the financial year. Against this budget we are forecasting underspend of £326k at M6 (an improvement of £203k since last month). This underspend is generated via a non recurrent benefit in relation to estates which will not impact on delivery of front line services.
- Built into the position is £535k of contingency. A paper looking at how this will be spent was approved at Primary Care Committee in September. New initiatives including GP demand review, expansion of long term conditions function and diabetic foot screening now be funded in line with the CCG's 5 year forward view for primary care.
- **Out of Hours** – The £145k pressure relates to dual running costs following delays in opening the Urgent Treatment Centre.

Continuing Care

G

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's	Movement from M5
CHC Adult Fully Funded	4,301	3,836	465	10,103	9,838	265	551
CHC Adult Joint Funded	268	246	22	536	472	63	(4)
CHC Adult Personal Health Budgets	1,217	1,051	165	2,434	2,399	34	(292)
CHC Assessment & Support	520	497	23	1,105	1,058	47	(7)
Children's CHC Personal Health Budgets	15	15	(0)	30	16	13	0
Children's Continuing Care	52	70	(18)	104	151	(47)	(9)
Funded Nursing Care	1,003	974	29	2,006	1,918	88	(184)
Total - Continuing Care	7,375	6,690	686	16,317	15,854	463	57

- At M6 £500k of TEP has been realised against a full year target of £1m. Savings have been achieved as a result of the continued work of the Individualised Commissioning team. The team are continuing to closely monitor and review the appropriate use of fast track and high cost packages of care.
- Budgets are seasonally profiled on the basis of historic activity, with adjustments for provider uplifts and demographic growth. In addition to this, budgets include an assumption of additional activity during winter and incorporate some contingency calculated on the probability of exceptional high cost packages occurring.
- The main reason for our YTD underspend is that we have not had any exceptional high cost patients charged to CHC budgets this year (though there are two exceptional mental health packages being managed by the team). These exceptional packages can cost in the region of £20k per week, making forecasting difficult and meaning an apparent underspend can quickly turn into an over spend. It is on this basis that we are presenting the variance as underspend, rather than moving to TEP.
- Demand continues to be the main driver of uncertainty around Continuing Care. Home of choice, out of area placements, exceptional high cost packages and personal health budgets are all risks that have been factored into the forecast position. The CCG is anticipating that the additional activity will start to appear as the Winter months approach and this has been assumed in our Forecast outturn estimate. Over the Winter months, the impact of additional Winter pressures will be monitored closely and reviewed each month to ascertain if the assumed increase in demand materialises.
- Based on this data we are now confident that Individualised Commissioning will achieve it's full TEP target of £1m. Subject to winter and the emergence of any exceptional high cost patients there is potential for this figure to increase.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's	Movement from M5
Community Services	15,798	15,808	(10)	32,250	32,269	(19)	0
Hospices	294	294	(0)	638	638	0	0
Wheelchair Service	181	181	0	438	438	0	0
Palliative Care	43	28	16	87	71	16	(0)
Total - Community	16,316	16,310	6	33,413	33,416	(3)	0

- 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 are not expected to change throughout the year
- Other services have delivered broadly in line with budget. The slight underspend on palliative care relates to a temporary change in working hours of the post holder.

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's	Movement from M5
Better Care Fund	6,415	6,415	0	12,830	12,830	0	0
Programme Projects	4,463	4,460	3	4,686	4,671	15	11
Property Services	2,185	2,120	65	4,254	4,325	(72)	40
Commissioning Reserve	(305)	0	(305)	2,281	1,631	650	(156)
Patient Transport	596	548	48	1,193	1,180	13	15
Transformation Funding	1,162	1,156	6	1,162	1,162	0	(4)
NHS 111	326	327	(1)	659	668	(9)	8
Safeguarding	258	240	18	519	505	14	(2)
Clinical Leads	153	150	3	340	325	15	0
Nursing and Quality Programme	109	106	3	218	215	3	0
Commissioning - Non Acute	53	24	29	76	76	0	(29)
Interpreting Services	17	17	0	17	17	0	0
Total - Other	15,432	15,565	(134)	28,235	27,607	629	(117)

- **Programme Projects** – Includes the increased contribution to the Integrated Commissioning Fund of £4,200k offset by smaller budget transfers to TEP for unrequired funding.
- **Transformation Fund** – Following increased transformation funding received in 2018/19 the total funding for 2019/20 reduced by £3.8m to accommodate a re-profiling of expenditure on Support at Home. Forecast spend until programme completion has been adjusted accordingly and the outstanding £2,323k will be received equally for each quarter of 2019/20 (£1,156k at Q2)
- **Property Services** – Work is still ongoing relating to outstanding disputes with NHS Property Services (NHSPS) – some of which date back to FY 2017/18 'true up' charges. Budgets and forecasting is based on historic intelligence, with uplifts applied. This may result in a small benefit, should the challenges put into the system, come into fruition. We have an expectation that resolution of historic disputes will contribute to TEP achievement this year.
- **Commissioning Reserve** – This represents in year contingency set aside to manage risk and provide for known pressures. The apparent underspend is required to ensure that the reported CCG position is balanced. This will reduce as TEP achievement increases. Specific contingencies currently in the position include healthier together, overseas visitors, neuro rehab, cancer transformation and GM levy.

CCG Running Costs

G

	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Annual Budget £000's	Forecast Outturn £000's	Forecast Variance £000's	Movement from M5
Finance	488	485	3	991	983	7	(3)
Commissioning	445	442	3	909	909	1	(6)
QIPP	0	0	0	893	893	0	0
CEO/Board Office	276	273	3	573	550	23	4
ADMINISTRATION & BUSINESS SUPPORT	127	127	0	341	304	37	5
Corporate Costs & Services	137	134	3	280	280	0	0
IM&T	140	140	0	280	272	8	3
Communications & HR	104	104	0	208	202	6	(4)
Nursing	69	68	1	138	136	2	0
Corporate Governance	63	62	1	126	126	0	0
Chair & Non Execs	65	65	0	111	110	1	7
Estates & Facilities	52	52	0	104	104	0	0
General Reserve - Admin	0	0	0	1	86	(85)	(85)
IM&T Projects	38	36	3	77	78	(2)	76
Contract Management	32	32	0	64	64	0	(0)
Human Resources	21	21	(0)	41	41	0	0
Equality & Diversity	14	14	0	28	26	2	2
Total - CCG Running Costs	2,071	2,053	17	5,164	5,164	(0)	(0)

- The CCG receives an earmarked allocation of £5,164k to fund running costs. We are not allowed to exceed this limit, but any underspend on running costs can be used to offset pressures across the CCG as a whole.
- Savings of £893k have been made in the first half of the year. £787k of this is recurrent and includes:
 - Integration Benefits: Staffing e.g. single CEO, Co-location
 - Corporate Re-organisation (lay members & board)
 - Renegotiated Contracts (e.g. GMSS, Audit, Vodafone)
- From 2020/21 running cost allocations nationally will be reduced by 20%. The recurrent savings above will contribute towards the CCG managing within the 2020/21 allocation.
- Total running costs savings for 19/20 are forecast at £1,034k.