Report to:	**STRATEGIC COMMISSIONING BOARD**
Date:	25 March 2020
Executive Member / Clinical Lead / Reporting Officer:	Councillor Ryan, Executive Member, Finance and Economic Growth Dr Ashwin Ramachandra – CCG Chair Kathy Roe – Director of Finance Tracey Simpson – Deputy Chief Finance Officer
Subject:	**2020-21 CCG FINANCIAL PLANNING AND BUDGET SETTING**
Report Summary:	This report is an update to the Financial Planning report presented to CCG Finance and QIPP Assurance Group in January 2020 to include the pertinent 2020-21 financial planning detail included in the NHS England and NHS Improvement guidance received in February 2020. This report comprises details of the salient points from the 2020-21 CCG Allocations and NHS financial planning guidance which have been used to inform the 2020-21 budgets and result in a QIPP target of £12.5m. This report highlights an underlying risk of £9m in 2020-21 which will be stringently monitored and reported throughout 2020-21.
Recommendations:	The Board are recommended to: o Note the contents of this report and the assumptions used to inform 2020-21 financial plans. o Approve the proposed financial plan and budgets contained in this paper. o Approve the £12.5m QIPP target. o Approve the commissioning of STAR to provide a procurement service to the CCG. o Acknowledge the underlying risk of £9m in the 2020-21 budgets. o Note the new approach to Locally Commissioned Services proposed for 2020-21. o Note the content and categorisation of budgets in the proposed 2020-21 Integrated Commissioning Fund.
Links to Corporate Plan:	2020-21 budgets have been prepared in accordance with CCG financial planning guidance and corporate strategy.
Policy Implications:	The budgets have been prepared in accordance with NHS and CCG policy.
Financial Implications:	As reported.
Legal Implications:	The guidance and regulations which need to be complied with when undertaking the CCG financial planning and budget setting are referenced in the main body of this report.
Risk Management :	Failure to properly manage and monitor the CCG budgets could result in the CCG overspending against budgets and failing to deliver the QIPP target. This will lead to the CCG failing its statutory duties as it would not meet its control total of delivering a 1% surplus stipulated by NHS England & Improvement. This would have significant consequences not only for the CCG and Strategic Commission but also across the wider

GM as we operate as a GM STP and this would put at risk access to additional external funding. As part of the Integrated Commissioning Fund, there is a risk share facility whereby the Council could increase its contribution to the Pooled Fund whilst the CCG reduced its contribution by the same value. This would have the benefit of providing some temporary financial resource over a two year period up to a threshold but this arrangement would then be reciprocated in the following two years. Such financial support is reducing resources available for future investment and is therefore not a long-term sustainable option.

Access to Information : The background papers relating to this report can be inspected by contacting Tracey Simpson, Deputy Chief Finance Officer.

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1. INTRODUCTION AND CONTEXT

1.1 Following considerable delay, the main financial planning guidance was published by NHS England and Improvement (NHSE&I) on the 3rd February 2020. Additional guidance relating specifically to the GP Contract Agreement was published a few days later and this latter guidance has highlighted the potential for significant financial risk in primary care budgets and this is being raised with GM Health and Social Care Partnership (GMH&SCP).

1.2 This report focuses on the 2020-21 budgets for the CCG following receipt of the new guidance. A separate report including a high level summary of the 2020-21 budgets across the Strategic Commission (ie. CCG and Council budgets) has been prepared under a different cover for consideration at SCB in February. Due to the governance timelines for the Council budgets to be formally accepted and approved by the Full Council, the high level summary included CCG budgets as per the November 2019 submission to NHSE&I in the absence of the 2020-21 financial planning guidance. This report therefore includes the updated position for the CCG budgets.

1.3 A key point to highlight is the underlying financial risk in the 2020-21 opening budgets which totals £9m. This comprises the unfunded recurrent costs of GM transformation funding, 2019-20 QIPP where savings were only achieved non-recurrently.

1.4 A key feature of the financial planning guidance is the commitment to strengthen the governance of health and care systems in the move to a "system by default" operational model whereby all systems become an Integrated Care System (ICS) by April 2021.

1.5 Tameside and Glossop have been operating in this way as part of our Care Together vision and under Greater Manchester devolution. We are accustomed to working within a system control total whereby the release of revenue transformation funding depends upon the agreement of system plans with NHSE&I. We are therefore well placed to move to a Combined System Oversight Framework for providers and CCGs which is proposed later in the year following a period of consultation.

2. ALLOCATIONS

2.1 The CCG allocations comprise 3 separate elements and are set using an ACRA (Advisory Committee on Resource Allocation) formula. There has been a growth in total recurrent allocation for the CCG of £15.1 million in 2020-21 and this growth is to fund inflation, service transfers to CCGs from Specialist Commissioning and funding for CNST (Clinical Negligence Scheme for Trusts).

2.2 The CCG's allocations are set out in Table 1. The annual percentage growth rates are outlined in Table 2 and the areas in which the £15.1 million growth in CCG recurrent allocation has been applied in 2020-21 are detailed in Table 3.

Table 1 – T&G CCG Allocations: 2019-20 to 2023-24

Allocation (£ 000)	2019/20	2020/21	2021/22	2022/23	2023/24
Published Core	373,507	387,153	401,027	414,409	427,099
Primary Care	34,371	36,204	37,674	39,348	41,267
Running Cost	5,164	4,556	4,556	4,556	4,556
Published Recurrent Allocation	**413,042**	**427,913**	**443,257**	**458,313**	**472,922**
AfC Pay Award	0	0	0	0	0
Other	3	280	0	0	0
Paramedic Re-banding	189	0	0	0	0
Ambulance Winter Funding	85	0	0	0	0
2018/19 FYE - Information rules	-79	0	0	0	0
2019/20 IR - Primary Education	-219	0	0	0	0
IR Exercise	2	0	0	0	0
Additional Recurrent Allocation	**-18**	**280**	**0**	**0**	**0**
Total Recurrent Funding	**413,024**	**428,193**	**443,257**	**458,313**	**472,922**
Draw Down	6,000	4,860	0	0	0
Other GM Adjustments	0	0	0	0	0
Non Recurrent Funding	**6,000**	**4,860**	**0**	**0**	**0**
Total In Year Funding	**419,024**	**433,053**	**443,257**	**458,313**	**472,922**

Table 2 – Allocation Growth Rates: 2019/20 to 2023/24

Percentage Growth Rates	2019/20	2020/21	2021/22	2022/23	2023/24
Published Core	5.13%	3.73%	3.51%	3.34%	3.06%
Primary Care	4.03%	5.33%	4.06%	4.44%	4.88%
Running Cost	0.33%	-11.77%	0.00%	0.00%	0.00%
Total	**4.97%**	**3.67%**	**3.52%**	**3.40%**	**3.19%**

Table 3 – Application of Growth in Allocation 2020-21

2020-21	£000	£000
Growth in Allocation		15,169
Areas of application:		
Acute Contracts	8,025	
Community Health Services	2,200	
Continuing Care	1,200	
Mental Health	2,100	
Other *(eg. Long-term plan commitments, estates, BCF, Healthier Together)*	9,944	
Primary Care - CCG Discretionary *(eg. Prescribing, Locally Commissioned Services etc)*	2,300	
Primary Care - Delegated (Non Discretionary)	1,900	
	27,669	
QIPP Savings Target:	- 12,500	
Total:	**15,169**	**15,169**

2.3 The 2020/21 allocation builds on the detailed allocations guidance issued last year which covered the period to 2023-24 with a particular focus on the mental health investment standard and the commitment that primary medical health and community services should grow faster that the overall NHS revenue funding settlement.

2.4 The NHS Long Term Plan (LTP) committed to an increase of £4.5 billion in real terms expenditure on primary medical and community health services by 2023-24. In 2020-21 systems and commissioners are therefore being asked to plan to:

- Spend the primary care medical (GP) allocations in full to increase the number of GPs;
- Increase overall spending from CCG (core services) allocations on the aggregate of primary medical care, community services and continuing healthcare services taken together so that by 2023-24 they deliver the STP targets set through system planning. This includes meeting the commitment to provide £1.50 per registered patient to Primary Care Networks (PCNs) to help them develop indicative plans, to support them to recruit people to roles and to ensure PCN needs are factored into wider system workforce planning. Tameside and Glossop CCG have already made considerable progress in factoring GPs into wider system workforce planning through the extensive work of the five neighbourhoods.

2.5 The CCG will receive an additional recurrent allocation of £0.280 million in 2020-21 to reflect the impact of tariff inflation above the previously assumed level including the impact of 2019-20 pay settlements for doctors, Clinical Negligence Scheme for Trusts (CNST) increases, and also the impact of adjustments to tariff such as removal of cancer genomic testing. All CCG adjustments have been distributed pro rata based on each CCG's final published annual allocation after place-based pace of change.

2.6 The published allocations do not include funding for the increased employer pension contributions which took place in 2019-20 following the government revising the discount rate used in pension scheme valuations. It has been confirmed that the government has made provision for these costs and additional funding will continue to be made available in-year as necessary for these costs as was the case in 2019-20.

2.7 CCG running cost (corporate) allocations in 2020-21 include a top sliced 20% efficiency deduction to demonstrate the continued drive for efficiency and promote wider system working to achieve economies of scale. The running cost allocation for 2020-21 is £4.556 million.

2.8 Table 4 shows Tameside and Glossop's distance from target over the next 5 years.

Table 4 – Distance from Target in Tameside & Glossop: 2019/20 to 2022/23

	2019/20	2020/21	2021/22	2022/23	2022/23
Core	0.47%	0.11%	-0.13%	-0.45%	-0.80%
Primary Care	-1.85%	-0.70%	-0.90%	-1.07%	-1.23%

3. COMMISSIONER BUSINESS RULES

3.1 The commissioner business rules for 2020/21 are summarised in Table 5 below:

Table 5 – Commissioner Business Rules

Business Rule	Requirement	Additional context
Plan triangulation	Financial plans to triangulate with efficiency plans, activity plans and agreed contracts.	Finance, efficiency and activity assumptions must be consistent between commissioners and providers
Minimum cumulative/historic underspend	1% of allocation	CCGs are required to maintain a cumulative underspend in 2020-21. The CCG will draw down its previous accumulated surplus of £4.860m in 2020-21.
Local contingency	0.5% of allocation	CCGs must also demonstrate through the assurance process that they have adequate mitigations including deployment of their local contingency to cover any risks to delivery of their 2020-21 plan.
Running (Corporate) Costs	Remain within the running (corporate) cost allocation	CCGs are asked to deliver a 20% real terms reduction against their running cost allocation in 2020/21 adjusted for the recent pay award.
Mental Health Investment Standard	Comply with the standard	In 2020/21 the standard requires the CCG to increase spend by at least the overall programme allocation growth plus an additional 1.7%. In T&G this means we must demonstrate mental health growth of 5.43% and this will be subject to an independent Audit. The new investment should be prioritised to deliver the activity commitments set out in strategic plans and consistent with the Mental Health Implementation Plan. To deliver the service expansions planned for 2020-21, CCGs need to increase the share of their total mental health expenditure that is spent with mental health providers and the share spent on children's and young people's (CYP) mental health.
Better Care Fund	Minimum contribution must be complied with which is an uplift of 5.3%	The CCG minimum contribution to the BCF and within that the minimum contribution to social care will grow by an average of 5.3% in cash terms. Since this is a real term increase, the expectation is that this will fund more social care packages than in

		2019-20. Tameside and Glossop have an Integrated Commissioning Fund for all the CCG and Council resource so this rule is covered by default in Tameside. The net contribution to the Derbyshire BCF will need to reflect minimum contributions. The total national contribution to BCF in 2020-21 will be £4.084bn. The non-recurrent allocation made to CCGs in 2019-20 to fund the late change in planning assumption will **not** be repeated in 2020-21.

3.2 Assurance of commissioner financial plans will focus on compliance with the commissioner business rules outlined above with an increased focus on system triangulation and risk management. If the CCG cannot meet one or more of the above business rules, this must be raised with GM Health and Social Care Partnership (GM H&SCP) and additional scrutiny of the CCG's financial position together with further interventions will follow.

4. PRIMARY CARE AND COMMUNITY HEALTH SERVICES

4.1 In 2020-21 Primary Care Networks (PCNs) will continue to develop and expand with significant additional funding for workforce growth. The three main priorities for PCN development support in 2020-21 are:

- Supporting workforce re-design and team development;
- Improve patient access and practice waiting times;
- Building operational relationships with community providers (including pharmacies) to support integrated care.

4.2 New guidance issued on the 6th February entitled: "Update to the GP contract agreement 2020-21 – 2023-24" updates and enhances the existing five-year GP contract agreement. There are significant financial implications arising from the updated contract agreement and it is unclear from the guidance whether additional funding is forthcoming to support these enhancements. It would seem unreasonable that such scale of change would not be funded by an additional allocation, but at this stage this cannot be confirmed and this report is highlighting this risk which is estimated at circa £1.2m.

4.3 For delegated primary care commissioning budgets, Tameside and Glossop CCG has a series of internal audits planned of which some have been carried out in 2019-20 and these will continue in 2020-21 to provide assurance that this statutory function is being discharged effectively.

4.4 The CCG is already making significant progress in the delivery of our community health services as part of our neighbourhood place based model and are well placed to meet some of the specific demands for improving productivity and efficiency such as access to digital mobile services for the community workforce.

4.5 Furthermore and specifically for 2020-21, the CCG must ensure as a minimum our community provider can provide an agreed number of guaranteed two-hour home response appointments to be made available for the period November 2020 – March 2021. This has been taken into account in the compilation of our financial plans.

5. 2020-21 BUDGETS AND QIPP TARGET

5.1 Based on all the above allocation and financial planning information, expenditure plans for a 'do nothing' scenario have been developed using the growth assumptions outlined in Table 6 below:

Table 6: Expenditure Growth Assumptions

2020-21 Detailed Uplift Calculation	Net Change
Acute Tariff (NHS PbR)	3.50%
Acute Other	3.50%
Mental Health	5.43%
Ambulance	5.00%
Community	3.65%
Primary Care (Delegated)	5.33%
Primary Care (CCG)	3.65%
Continuing Health Care	6.50%
Other	2.70%
Corporate	1.70%

5.2 Using the 2019-20 month 10 forecast outturn as a baseline, the following assumptions have been made to derive a 'do nothing' spend requirement:

- Apply the planning and growth assumptions in table 5
- Identify non recurrent spend and impact of cross year benefits;
- Adjust for known pressures and changes
- Increase mental health spend to ensure Mental Health Investment Standard is met
- Set spend for delegated co-commissioning primary care and CCG running costs to match the specific allocation we receive in these areas
- Ensure all national and GM business planning rules are met

5.3 The impact of this work and expected 'do nothing' spend is shown in Table 7. This 'do nothing' spend figure has then been compared against allocations to calculate the 2020-21 QIPP target at £12.5 million.

Table 7 – 2020-21 'Do Nothing' Spend (£000's)

Directorate	£000's	Notes
Acute	224,243	Growth rates as set out in table 5.
Community Health Services	34,163	Growth rates as set out in table 5.
Continuing Care	17,787	Based on analysis of patients in Broadcare database. Reflects savings achieved in 2019-20 as part of the Individualised Commissioning continued Recovery Plan. Growth assumptions for CHC are consistent with the assumptions made in the Council for residential care.
Corporate	4,556	Budgets set at level of allocation as per guidance. Pay award is included in the position, but in line with guidance we have not planned for changes in pension contributions as the

		guidance has confirmed we will receive an additional allocation for this.
Mental Health	40,322	Meets MHIS and includes investment approved at SCB and GM as part of the MH FYFV strategy. There is potential for some slippage against budget due to workforce capacity issues in this field.
Other	33,215	BCF & Reserves are the largest values included in this value. The reserves value is based on an analysis of anticipated non-recurrent contributions and known pressures. Other lines are based on growth of as detailed in table 5.
Primary Care – CCG	55,063	Incorporates recurrent impact of prescribing QIPP savings achieved in 2019-20. Further growth, as detailed in table 5 has been applied which incorporates both financial and demographic factors.
Primary Care – Delegated	36,204	Core GMS/PMS contracts which are co-commissioned with NHS England. Budget set at level of allocation as indicated in guidance.
Grand Total	**445,553**	All expenditure is based on a 'do nothing' scenario of continuing growth over and above 2019-20 outturn and the recurrent impact of GM transformation funded schemes. Recurrent impact of 2019-20 QIPP has also been incorporated, but further schemes are required in order to balance the 2020-21 position.

Allocation (Recurrent & Non Recurrent)	433,053

QIPP Requirement	**12,500**

5.4 This QIPP target of £12.5m (3.2% of CCG core and running cost allocations) is an increase of £1.5m versus the 2019-20 QIPP target but £7.3m lower than the 2018-19 QIPP target. However, it is important to recognise the underlying risk of £9m in the 2020-21 budgets and the £12.5m QIPP has been derived by effectively stopping and deferring expenditure and funding some areas of spend non-recurrently.

5.5 Contract values by the CCG's contracted providers are still being finalised but indicative values are outlined in Table 8 following the application of the guidance and assumptions for growth. At the time of writing this report, it is important to recognise that these values are subject to change until contracts are formally agreed but any change is not considered to be material and a small contingency has been identified in the CCG plans to manage any such movements.

Table 8 – 2020-21 Indicative Contract Values with T&G's Main Providers

Provider	**Indicative Value £000**
Tameside and Glossop Integrated Care NHS FT*	153,308
Manchester University NHS FT	34,586
Stockport NHS FT	9,463
Salford Royal NHS FT	6,106

Pennine Acute NHS Trust	4,156
The Christie NHS FT	2,710
Wrightington Wigan and Leigh NHS FT	984
Leeds Teaching Hospital NHS FT	160
Royal Bolton NHS FT	127
East Cheshire NHS FT	27
Total:	**211,628**

*The CCG pays an additional indicative £25,748m to TMBC in respect of Community services provided by ICFT but commissioned by the Council.

6. ADDRESSING THE QIPP TARGET

6.1 A list of schemes which would contribute towards delivery of the £12.5m QIPP target is under development and is summarised in Table 9 across the broad areas.

6.2 We actually have schemes in development which exceed the £12.5m QIPP target. However many of the proposed schemes are high risk in nature and it is extremely unlikely that the savings can be realised in full. Following the application of optimism bias we expect to realise savings of £9.452m, meaning there is still significant work required to progress new schemes and increase certainty around existing schemes in order to fully achieve the target.

Table 9: Summary of 2020-21 QIPP Schemes

Planned Savings Before Optimism Bias - £000s	2020/21
High Risk	9,296
Medium Risk	5,800
Low Risk	5,622
Grand Total	**20,719**

Expected Savings Post Optimism Bias - £000s	2020/21
Acute	1,806
Mental Health	201
Community	40
Prescribing	1,750
Primary Care	347
CHC	550
Running Costs	70
Other Programme	4,689
	9,452

6.3 We are planning on the assumption that the shortfall in QIPP of £3.048m will be delivered during 2020-21 and the CCG will meet its control total. The net impact of this on planned expenditure is set out below in Table 10.

Table 10: Post QIPP Expenditure
Revenue Resource Limit

£ 000	2020-21
Recurrent	428,193
Non-Recurrent	4,860
Total In-Year allocation	**433,053**

Income and Expenditure

Acute	222,437
Community Health Services	34,123
Continuing Care	17,237
Mental Health	40,121
Other	25,479
Primary Care – CCG	52,966
Primary Care - Delegated	36,204
Total Programme Costs	**428,567**

Corporate (Running Costs)	4,486

Total Costs	**433,053**

6.4 These figures will form the basis of the planning submission to NHS England on 5 March. Although we report the CCG control total will be met in 2020-21, we acknowledge that there is significant risk attached to delivery of this control total which is included in the underlying net risk of £9m referenced at the start of this report.

7. LOCALLY COMMISSIONED SERVICES

7.1 A Commissioning Improvement Scheme has been in place, 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.

7.2 The Locally Commissioned Services (LCS) framework which builds a number of 'bundles', each with a set of outcomes for an area of care, was launched in 2019/20. This approach was designed with the intention of continually increasing the level and transparency of investment in general practice and to focus on collective delivery priorities. The current bundles comprise:

- Prevention, Identification and Management of Long Term Conditions
- Palliative, End of Life and Frailty
- Quality Improvement
- Alternative to Hospital/Clinic Based Services
- Public Health Services (Tameside practices only).

7.3 In line with that original design of the LCS Framework of increased investment and transparency of investment in general practice and to improve health provision across general practices for patients, commissioners have been developing proposals for additional bundles for inclusion from 2020/21. The majority of this funding is from the CCG discretionary primary care budget (circa £2.4m) and circa £0.4m from the non- discretionary primary care budget. The following additional bundles are proposed with supporting context as outlined in Table11:

Table 11 – Proposed LCS Bundles for 2020-21

2020-21 Additional Bundles	Context
Partnership Bundle	The proposal is to create a Partnership Investment Fund of £2m (using existing CIS plus an additional £0.625m from CIS growth and PCDC growth) for investment across neighbourhoods. This is recommended to be allocated on a weighted capitation basis to reflect the population size and demographic variation across neighbourhoods. The intention is that from April 2021, this bundle will replace the Commissioning Improvement Scheme. If however, PCNs opt to sign up to this from April 2020, the new Partnership bundle will replace the CIS with immediate effect and therefore increase level of funding available to each neighbourhood.
Access Bundle	Primary Care Committee supported the continuation of the Access Outcomes Framework from 2020/21. This is being developed through Primary Care Delivery and Improvement Group (PCDIG) and will be signed off by Primary Care Committee (PCC) however with the recommendation that it be included into the LCS Framework. The focus of this bundle is to improve the range of access, timing and modes of access, use of digital approaches and to support practices to understand patient experience and requirements and to implement action plans as required. The funding for this bundle was previously funded through a non-recurrent GP Forward View (GPFV) allocation which was included in GM transformation funding. At this stage, it is unclear whether this funding will be provided in a recurrent allocation going forwards as has been the case outside of the devolved GM. We are therefore awaiting confirmation from GMH&SCP. The 2020/21 provision of this bundle which totals £0.787m will require additional funding and this therefore represents a financial risk until confirmation has been received.
Mental Health	This bundle would provide support to general practice for mental health services. Mental health is a national priority which is subject to compliance with the MHIS (referenced in Table 4). This bundle could include securing improvements in physical health care for people with Serious Mental Illness (SMI) within primary care via SMI Health Checks. This would secure local delivery of the improving physical healthcare for people living with severe mental illness (SMI) in primary care guidance for CCGs. The funding for this bundle is proposed from the existing LCS budget.

8. INTEGRATED COMMISSIONING FUND

8.1 In 2019-20 total expenditure within the Tameside & Glossop Integrated Commissioning Fund (ICF) increased to almost £1bn comprising the total CCG allocation and all Council budgets. The scale of the ICF in 2020-21 will remain broadly consistent, ensuring that we continue to benefit from:

- 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
- Provides support to strategic place based service provision priorities
- Alignment to the Strategic Leadership structure
- Operational flexibility and risk share arrangements
- All health and Council service resource decisions would be intrinsically linked to the corporate strategic priorities

8.2 A separate report will be presented through governance to outline some proposed changes to the Financial Framework underpinning the ICF in 2020-21. The proposed changes relate specifically to the risk share arrangement between the Council and CCG but the composition of the ICF across the three areas of Section 75, Aligned and In Collaboration budgets will remain unchanged.

8.3 Legislation dictates that only prescribed health-related services can be included in the Section 75 agreement. It precludes CCGs from delegating any functions relating to family health services, the commissioning of surgery, radiotherapy, termination of pregnancies, endoscopy, the use of Class 4 laser treatments and other invasive treatments and emergency ambulance services.

8.4 Table 12 outlines the proposed composition of CCG budgets by specific category of the ICF for each budget heading:

Table 12 – Proposed composition of CCG Budgets in the ICF

2020-21 Budgets before application of QIPP	£000's			
	Section 75	Wider Aligned	In Collaboration	Grand Total
Acute	112,334	111,909	0	224,243
Community Health Services	34,163	0	0	34,163
Continuing Care	17,787	0	0	17,787
Corporate	4,556	0	0	4,556
Mental Health	34,690	5,632	0	40,322
Other	33,215	0	0	33,215
Primary Care – CCG	54,735	328	0	55,063
Primary Care – Delegated	0	0	36,204	36,204
Total Spend (Do Nothing)	**291,481**	**117,868**	**36,204**	**445,553**

9. GM TRANSFORMATION FUNDING

9.1 2019/20 was the final year of the £23.2m GM Transformation Funding awarded to support implementation of the Care Together strategy. The recurrent costs of this funding has now been factored into CCG budgets.

10. GM LEVY

10.1 In line with previous years, it is proposed that all CCGs in Greater Manchester contribute 0.3% of core allocation into a GM collaborative budget in 2020-21. In 2020-21 this represents £1.16m for Tameside and Glossop. A detail of the expenditure proposed to be funded from the GM Levy will be shared through governance once this detail is available.

11. STAR PROCUREMENT

11.1 In 2020-21 the CCG plan to enter into a Service Level Agreement (SLA) with STAR procurement. The CCG does not have a dedicated procurement service but has purchased procurement services ad hoc as required in the past. However, it is felt the time is now appropriate to commission a procurement service to optimise efficiencies and assure due diligence in the management and compliance of waivers. The Council use STAR for their procurement services and it is considered beneficial to have a single procurement partner across the Strategic Commission. The cost to the CCG for this service in 2020-21 is £31,352 excluding VAT.

11.2 STAR offer a strategic approach to procurement which will support delivery of the CCG's corporate priorities through its procurement activities. The CCG has already accessed some of STAR's facilities on the back of the integrated relationship as a Strategic Commission with the Council but to optimise efficiencies further, it is considered worthwhile for the CCG to formalise the arrangement with a Service Level Agreement.

11.3 STAR Procurement has been awarded the CIPS Corporate Ethics Mark showing their commitment to adopting ethical values in the way it sources and manages suppliers and takes into account ethical and sustainable considerations. These include economic, social, labour and environmental factors whilst always aiming to procure and act in a way that is morally right. These values are therefore congruent with the CCG's code of ethics.

11.4 A detailed proposal and work plan was presented to the CCG Finance and QIPP Assurance Group in January and this course of action was supported.

12. FUTURE CHALLENGES, RISKS AND INITIATIVES

12.1 The CCG faces a number of significant challenges, risks and uncertainties in 2020-21 and future years and we continue to pursue a range of initiatives to improve outcomes and deliver vital services for patients and residents. These challenges, risks and initiatives include:

- Underlying financial risk of £9m in 2020-21 budgets;
- Management of demand for services;
- Uncertainty around the additional allocation for primary care to fund the enhancements stipulated in the update to the GP contract agreement document;
- Pro-active engagement of primary care in driving forward the expansion of primary and community services and the development of Networks and Neighbourhoods;
- Delivery of Mental Health Strategy and compliance with Mental Health Investment Standard and Mental Health Implementation Plan;
- Continued progress on the CHC Recovery Plan;
- Compliance with the requirements and delivery of 2020-21 NHS Long Term Plan commitments;
- Delivery of £12.5m QIPP Target and the identification of schemes where recurrent savings can be achieved.

12.2 Despite the above challenges and risks, there is the GM system wide risk of GM not agreeing the overall GM system control total. If a GM system control total cannot be agreed, financial recovery funding could be lost even though individual organisations meet their own financial trajectory. Furthermore, this could also risk the receipt of any capital monies.

13. 2020-21 PLANNING TIMELINES AND MILESTONES

Milestone	Date
GM deadline for operational plans & narratives	**2 March 2020**
National deadline for first submission of operational plans & system narrative	**5 March 2020**
2020/21 STP/ICS/GM led contract/plan alignment submission	12March 2020
Deadline for 2020/21 contract signature	27 March 2020
2020/21 STP/ICS/GM led contract/plan interim alignment submission	8 April 2020
Parties entering arbitration to present themselves to NHSE/I National Directors	6-10 April 2020
Submission of appropriate arbitration documentation	15 April 2020
GM deadline for final draft of operational plans & narratives	**22 April 2020**
Final submission of operational plans & narratives	**29 April 2020**
Publication of the People Plan and national implementation plan for the NHS LTP	Mar/Apr 2020
Arbitration panel and/or hearing	16 Apr-1 May 20
2020/21 STP/ICS/GM led contract/plan final alignment submission	6 May 2020
Contract and schedule revisions reflecting arbitration findings completed /signed	7 May 2020

14. RECOMMENDATIONS

14.1 The recommendations are as outlined on the cover sheet.