

ONE Stockport Health and Care Board





Greater Manchester
Integrated Care

Financial Plan 2023/24

Greater Manchester ICB Financial Plan

NHS Greater Manchester (NHS GM) has submitted a balanced plan to NHSE. Achievement of this plan is predicated on a number of assumptions and management of risk, and specifically requires the delivery of £130m system savings, which is in addition to the challenging efficiency targets already built into all organisational plans. For planning purposes, the £130m system target currently sits within the NHS GM plan, but all NHS organisations recognise that there is a collective responsibility of all organisations in the system to manage and mitigate this risk. To deliver savings at this level, all organisations and all parts of the system will be impacted.

Delivery of this level of savings needs to focus on cost reduction, rather than an expectation of new income, though every opportunity to mitigate will be explored. Current examples include:

1. Output from the PWC diagnostic and productivity opportunities identified both for the system and at an organisational level.
2. Review of enduring costs resultant from COVID, examples include additional G&A and Critical Care beds as well as specific COVID services such as testing and Medicine Delivery Unit.
3. Wider efficiencies and productivity measures, above efficiency plans, which could include reviewing more sustainable commissioning of services including decommissioning.

NHS Greater Manchester Financial Plan

As a result of the findings from the Carnall Farrah review, governance in the GM system is expected to be revised. The current proposal to oversee not just the delivery of the £130m system savings, but also the wider underlying financial pressures and risks, is to develop a system wide Programme Management Office (PMO) that will report into the NHS GM ICB Board via a Board Committee. The PMO will also ensure that GM has sufficient narrative to adequately articulate why the system has seen material increases in its workforce, but a corresponding reduction in activity when compared to pre-COVID levels. The PMO will facilitate the process and agree with system partners the impact on money, workforce, activity and performance metrics, and agree the changes on the impacted organisations.

Delivery of financial and wider performance indicators is not the sole responsibility of finance; leaders across all disciplines must be accountable, recognising that decisions ultimately may impact patients. Consequently, the system must undertake appropriate engagement and complete Quality Impact Assessments (QIA) to ensure there are no unintended consequences resultant from any proposed changes. The Joint Committee of the ICB will balance the QIA and financial benefits in making the decision to approve the implementation of any changes.

The GM system is facing a significant financial challenge, which has been building over several years, and will continue to increase unless recurrent savings are delivered at pace and at scale. It is expected that decisions taken that benefit the overall system could impact differentially on individual organisations. This might include cost reduction schemes that target specific organisations/sectors as opportunities are identified and prioritised, or decisions about how income is allocated, recognising that whilst there will be engagement with partners, NHS GM has ultimate the responsibility and accountability for how resources allocated to the ICB are deployed.”

NHS GM (Stockport) Financial Plan 2023/24

The NHS GM financial plan submitted includes expenditure plans for the Stockport locality of £152.252m before efficiencies.

Currently the Stockport locality has been set an efficiency target of £4.539m (3.3%) against which schemes of £5.027m have been identified.

Expenditure Category	23/24 Plan £000s	Percentage of Expenditure Plan £000s	Efficiency Schemes identified £000s	Efficiency Schemes Percentage of Expenditure Plan £000s
Acute Services	£3	0.0%	£0	0.0%
Community Health Services	£29,913	19.6%	£0	0.0%
Continuing Care Services	£32,055	21.1%	£189	3.8%
Mental Health Services	£11,542	7.6%	£399	7.9%
Other Programme Services	£671	0.4%	£0	0.0%
Primary Care Services	£16,170	10.6%	£485	9.6%
Prescribing	£57,528	37.8%	£2,821	56.1%
Technical	£0	0.0%	£570	11.3%
Sub Total	£147,882	97.1%	£4,464	88.8%
Locality Corporate	£4,370	2.9%	£563	11.2%
Total	£152,252	100.0%	£5,027	100.0%

Financial Risks

Identified financial risks:

- Delivery of the efficiency target. There is risk that some of the efficiency schemes will not deliver the required reduction in expenditure in full. To mitigate this risk additional schemes will need to be identified during the financial year.
- The financial plan assumes no activity growth as directed by NHS GM



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Financial Recovery Group and Efficiency Plan 2023/24

Financial Recovery Group

The financial recovery group has been meeting fortnightly to develop the NHS GM (Stockport) efficiency programme.

During the meeting held on the 16th May 2023 members reviewed the terms of reference (ToR) of the group. The outcome of the review was the groups purpose should include:

- Reviewing proposed investments and make a recommendation to locality board
- Considering and discussing performance issues escalated from the Performance, Improvement and Assurance group

The revised ToR are detailed at Appendix 1 for consideration and approval.

Efficiency Plan 2023/24

The financial recovery group has developed an efficiency plan which will reduce expenditure by £5.027m against a current efficiency target of £4.539m.

There is risk that some of the efficiency schemes will not deliver the required reduction in expenditure in full. To mitigate this risk schemes totalling more than the efficiency target have been identified and additional schemes will need to be identified during the financial year.

The locality efficiency plan will be developed further by including and aligning with Greater Manchester system work and the emerging Finance, Performance and Outcomes Standards framework which is initially looking at flows in and out of acute settings.

Localities are required to identify three initiatives to be implemented which will have the most impact on reducing referrals as well as A&E and NEL demand. In addition initiatives are to be identified to; reduce the number patients who no longer meet the criteria to reside for inpatient care in an acute hospital setting; reduce the number of mental health patients clinically ready for discharge and reduce the number of mental health out of area placements.

Efficiency Plan 2023/24



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Efficiency Schemes Identified

- Prescribing** – various schemes including patient initiated repeat prescriptions, *stop prescribing gluten free products*, reduce high-dose opioids prescribing, *switch DOAC to Edoxaban first-line where clinically appropriate*, switch blood glucose testing strips to a select locally approved options and reduce the number of test-strips issued where clinically appropriate, *reduce items which should not routinely be prescribed in primary care as per NHSE guidance*, reduce ‘Do Not Prescribe’ items as per GMMMG primary care formulary, *reduce ‘Do Not Prescribe’ items as per GMMMG primary care formulary*, reduce special preparations to cheaper pack size/alternatives, *switch insulin original brands to biosimilar equivalent*
- Primary Care** - Decommission referral management and remove safeguarding and flu incentive duplication. Reduction in GP Federation contract value.
- Continuing Healthcare** – review high-cost placements and commissioning of 1:1 support.
- Mental Health** – repatriate female PICU patients from non-NHS placements to Pennine Care female PICU from November 2023, two high-cost mental health placements to be provided care in the community from Sept 2023, s117 placement reviews
- Technical** – element of medicines optimisation team previously funded from locality programme budget to be funded from locality staffing budget
- Staff Vacancy Factor on Corporate Budgets** - were possible delay recruitment into vacant posts. There needs to be a balance between delaying recruitments and having the capacity and resource to deliver other aspects of the efficiency programme.

Delivery Programmes	£ Target
Prescribing	£2,821,000
Primary care	£484,740
Continuing Healthcare	£189,000
Mental Health	£399,286
Technical	£570,625
Staff vacancy factor on corporate budget	£563,000
Total	£5,027,651

Risk or Issue

- Capacity and resources to deliver plan due to existing workloads, staff vacancies and long-term sickness
- Delays in mobilisation of prescribing schemes which are 56% of the efficiency plan
- Relationship with partner organisations

Additional Support Required

Resources to undertake continuing healthcare and mental health reviews

Recommendations

- **Note** the Financial Plan 2023/24 including financial risks.
- **Approve** the Financial Recovery Group Terms of Reference
- **Approve** the Efficiency Plan 2023/24