

# ONE Stockport Health and Care Board



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- This report provides:
  - An update on the financial position of NHS Greater Manchester (Stockport) as at 30 June 2023 (Month 3)
  - Efficiency programme update

# Financial Position Month 3

## Summary

- The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £0.403m and a forecast outturn adverse variance of £0.783m.
- The adverse variance is mainly due to a complex mental health patient requiring significant support.
- Risks not included in the forecast are activity growth above 22/23 levels, Continuing Health Care retrospective claims with several high cost claims currently being assessed, prescribing price concessions, mental health placement costs and not delivering the required level of efficiencies in full.

# NHS Greater Manchester (Stockport) financial position as at 30 June 2023 (Month 3)

Expenditure Category	YTD			Annual Budget £ million	Forecast Outturn £ million	Forecast Variance £ million
	YTD Budget £million	YTD Actual £million	Variance £ million			
Acute	£0.002	£0.001	(£0.001)	£0.007	£0.007	£0.000
Community	£7.076	£7.092	£0.016	£29.153	£29.153	£0.000
Mental Health	£2.771	£3.101	£0.330	£11.565	£12.555	£0.990
Continuing Health Care	£8.269	£8.269	£0.000	£33.558	£33.558	£0.000
Other	£0.168	£0.161	(£0.007)	£0.671	£0.671	£0.000
Primary Care	£3.519	£3.573	£0.054	£13.395	£13.395	(£0.000)
Prescribing	£14.500	£14.511	£0.010	£58.002	£57.795	(£0.207)
Reserves	£0.000	£0.000	£0.000	(£3.054)	(£3.054)	£0.000
<b>Grand Total</b>	<b>£36.305</b>	<b>£36.708</b>	<b>£0.403</b>	<b>£143.296</b>	<b>£144.079</b>	<b>£0.783</b>

**Community Health** – the YTD £0.016m adverse variance reflects Audiology and Termination of Pregnancy activity being above planned levels. The current assumption is both Audiology and Termination of Pregnancy activity will reduce to planned levels by the end of the financial year and therefore no forecast variance has been reported.

**Mental Health** – the YTD and forecast outturn adverse variances of £0.330m and £0.990m respectively is due to a complex mental health patient who currently requires significant support. The forecast assumption is that the significant support will continue for another 5 months however the forecast **does not** include any costs related to a future placement cost as these are unknown at this time.

**Primary Care** – the YTD £0.054m adverse variance reflects Community Urgent Eyecare Service (CUES) activity being above planned levels. The current assumption is CUES activity will reduce to planned levels by the end of the financial year and therefore no forecast variance has been reported.

**Prescribing** – prescribing expenditure information is published 2 months in arrears, therefore an estimate for May and June has been made arriving at a £0.010m YTD adverse variance. The £0.207m forecast outturn favourable variance has been derived based on the assumption, required to be used by all Greater Manchester localities, that the cost of price concessions will reduce during the financial year. Price concessions are national NHS short term agreements to pay for more expensive versions of a generic medicine because pharmacists are unable to obtain the generic at its usual price.

# Financial Risks

Identified financial risks not included in the forecast outturn:

- The financial plan assumes no activity growth above 22/23 levels. The materialisation of this risk is seen in YTD Audiology, TOPS and CUES contract overperformance.
- The expected decrease in the cost of prescribing price concessions do not materialise as forecast.
- Continuing Health Care retrospective claims with several high cost claims currently being assessed.
- Any subsequent mental health placement cost for the patient with complex needs and significant resource implications
- Delivery of the efficiency target. Not all efficiency schemes will deliver the required reduction in expenditure in full. To mitigate this risk additional schemes will need to be identified during the financial year.



Greater Manchester  
Integrated Care

# Efficiency Programme

# Efficiency Programme

Efficiencies delivered YTD total £0.361m with £4.641m forecast to be delivered against a target of £3.582m (includes £0.167m locality corporate budget efficiency target) however there is significant risk to the delivery of the target particularly whether prescribing schemes will deliver the level of efficiencies planned. The risk adjusted forecast is to deliver the efficiency target of £3.582m in full.

Efficiency Summary (£)	
Target	£3,582,422
Plan	£5,027,651
YTD Actuals Efficiencies	£360,869
Forecast Efficiencies	£4,640,683
Forecast Efficiencies - Risk Adjusted	£3,582,422
Forecast Efficiency Variance to Target	£1,058,261

QIPP Scheme	Plan Approved by Locality Board 30 May 2023	Risk	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Total	Variance to Plan
Viaduct Contract reduction	£120,000	G	£120,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£120,000	£0
Review of Primary Care LCS Contract	£325,000	G	£0	£0	£0	£325,000	£0	£0	£0	£0	£0	£0	£0	£0	£325,000	£0
Phlebotomy clinics	£39,740	G	£0	£0	£0	£39,740	£0	£0	£0	£0	£0	£0	£0	£0	£39,740	£0
Prescribing	£2,821,000	R	£0	£0	£0	£230,716	£230,716	£230,716	£300,216	£300,216	£300,216	£300,216	£300,216	£300,216	£2,493,446	(£327,555)
CHC Placements	£189,000	R	£0	£0	£0	£21,000	£21,000	£21,000	£21,000	£21,000	£21,000	£21,000	£21,000	£21,000	£189,000	£0
Acute and Psychiatric Intensive Care (PICU)	£75,000	R	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	(£75,000)
High cost MH placements	£324,286	G	£19,418	£30,660	£30,660	£31,682	£31,682	£30,744	£24,907	£24,907	£24,907	£24,907	£24,907	£24,905	£324,286	£0
s117 placement reviews	£0	R	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Personal Health Budgets	£0	G	£0	£0	£160,131	£240,000	£0	£0	£0	£0	£0	£0	£0	£0	£400,131	£400,131
Corporate Vacancy Factor	£563,000	G	£0	£0	£0	£0	£0	£23,917	£23,917	£23,917	£23,917	£23,917	£23,917	£23,917	£167,422	(£395,578)
Technical	£570,625	R	£0	£0	£0	£581,658	£0	£0	£0	£0	£0	£0	£0	£0	£581,658	£11,033
<b>Subtotal - Target Programme Savings</b>	<b>£5,027,651</b>		<b>£139,418</b>	<b>£30,660</b>	<b>£190,791</b>	<b>£1,469,796</b>	<b>£283,398</b>	<b>£306,378</b>	<b>£370,041</b>	<b>£370,041</b>	<b>£370,041</b>	<b>£370,041</b>	<b>£370,041</b>	<b>£370,039</b>	<b>£4,640,683</b>	<b>(£386,969)</b>



## Efficiency Programme continued ....

- **Prescribing:** The forecast of efficiencies to be delivered from prescribing initiatives has been reduced down to £2.493m from a plan of £2.821m. The analysis of April prescribing information to determine if efficiencies have been delivered are still in progress but early indications are the level of efficiencies planned will not be delivered.
- **Acute and Psychiatric Intensive Care (PICU):** Planned efficiencies from repatriating patients from private sector placements into the new Pennine Care female PICU facility will not be achieved due to building delays which has caused the operational date of the facility to be pushed back to March 2024.
- **Personal Health Budgets:** Audits of personal health budgets resulting in the return of unused funding.
- **Corporate Vacancy Factor:** Locality corporate budget efficiencies were initially set at £0.563m which have now been revised down to £0.167m. The locality corporate efficiency target is forecast to be delivered in full.

## Recommendations

- **Discuss and note** the financial position including identified financial risks.
- **Discuss and note** the efficiency programme update.