



Greater Manchester
Integrated Care

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 of 31 July 2023 (Month 4)
 - Efficiency programme update

Financial Position Month 4

Summary

- The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £0.930m and a forecast outturn adverse variance of £1.081m.
- The adverse variance is due to:
 - a complex mental health patient who required a high cost package of care.
 - High-cost personal health budget.
 - Increase in community contract activity above planned levels.
- 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 and price and volume increases.
 - mental health placement costs.
 - not delivering the required level of efficiencies in full.

Summary continued ...

Due to Greater Manchester ICB challenged financial position the System for Thorough Assessment of Resources (STAR) process was introduced as another step in the NHS Greater Manchester expenditure approval process. All new expenditure requests greater than £10,000 are required to go through the STAR process. At month 3 Greater Manchester ICB reported a £86.5m deficit (£65.5m adverse variance to plan) with significant risk to the delivery of a breakeven position. As a result, the STAR panel may not approve any new expenditure for localities, such as Stockport, forecasting an adverse variance to plan.

As part of the Greater Manchester financial recovery plan all parts of the system have been asked to detail how they plan to deliver a breakeven. Deep dive sessions on the current efficiency programme and significant areas of spend are being led by the Deputy Placed Based Lead and Locality Finance Lead and will be reported back to the next meeting of the Locality Board.

NHS Greater Manchester (Stockport) financial position as at 31 July 2023 (Month 4)

Expenditure Category	YTD			Annual Budget £ million	Forecast Outturn £ million	Forecast Variance £ million
	YTD Budget £million	YTD Actual £million	Variance £ million			
Acute	£0.002	£0.003	£0.001	£0.007	£0.007	£0.000
Community	£9.285	£9.316	£0.031	£28.282	£28.345	£0.063
Mental Health	£3.673	£4.125	£0.452	£11.514	£12.504	£0.990
Continuing Health Care	£10.214	£10.304	£0.090	£32.693	£32.913	£0.220
Other	£0.224	£0.215	(£0.008)	£0.671	£0.671	£0.000
Primary Care	£4.683	£4.729	£0.045	£13.485	£13.555	£0.070
Prescribing	£19.288	£19.607	£0.320	£57.955	£57.693	(£0.262)
Reserves	£0.000	£0.000	£0.000	(£1.219)	(£1.219)	£0.000
Grand Total	£47.369	£48.299	£0.930	£143.387	£144.468	£1.081

Community Health – the YTD £0.031m and forecast outturn £0.063m adverse variance reflects IVF and Termination of Pregnancy (TOP) activity being above planned levels.

Mental Health – the YTD and forecast outturn adverse variances of £0.452m and £0.990m respectively is due to a complex mental health patient who required a high cost package of care. The patient has been making good progress and no longer requires the high cost package of care. Work is ongoing to find an onward placement the cost of which is now assumed to be within the forecast.

Continuing Health Care – the YTD and forecast outturn adverse variances of £0.090m and £0.220m respectively is due to a high cost personal health budget (PHB)

Primary Care – the YTD £0.045m and forecast outturn £0.070m adverse variance reflects Community Urgent Eyecare Service (CUES) activity being above planned levels.

Prescribing – prescribing expenditure information is published 2 months in arrears, therefore an estimate for June and July has been made arriving at a £0.320m YTD adverse variance. The £0.207m forecast outturn favourable variance has been maintained at the value reported at month 3 as instructed by NHS Greater Manchester. The prescribing forecast at month 4 has been managed and transacted centrally by NHS Greater Manchester and an adverse variance of £23.3m, reflecting price concessions and cost and volume increases, has been identified which localities will be required to transact at month 5. Stockport's share of the £23.3m adverse variance is £2.3m. 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. Continued activity growth above 22/23 activity levels is a risk and the materialisation of this risk is seen in IVF, termination of pregnancy and CUES contract overperformance.
- The prescribing adverse variance of £2.3m being Stockport's share of the Greater Manchester £23.3m adverse variance held centrally will be transacted by localities at month 5. Further price concessions and price and volume increase is an additional risk.
- Continuing Health Care retrospective claims with several high cost claims currently being assessed.
- Additional high cost mental health placements.
- 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.



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Efficiency Programme

Efficiency Programme

Efficiencies delivered YTD total £2.196m with the target of £3.582m (includes £0.167m locality corporate budget efficiency target) forecast to be delivered in full however there is significant risk to the delivery of the target particularly whether prescribing schemes will deliver the level of efficiencies planned.

Stockport Savings Summary (£)	
Target	£3,582,422
Plan	£5,027,651
YTD Actuals Savings	£2,195,721
Forecast Savings	£3,582,422
Variance to Target	£0

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	£46,362	£105,000	£105,000	£105,000	£105,000	£105,000	£105,000	£105,000	£104,413	£885,775	(£1,935,225)
CHC Placements	£189,000	R	£0	£0	£0	£0	£21,000	£21,000	£21,000	£21,000	£21,000	£21,000	£21,000	£21,000	£168,000	(£21,000)
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	£283,710	£0	£0	£0	£0	£0	£0	£0	£0	£443,841	£443,841
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	G	£0	£0	£0	£672,601	£0	£0	£0	£0	£0	£0	£0	£0	£672,601	£101,976
Budgeting Review	£0	G	£0	£0	£0	£435,757	£0	£0	£0	£0	£0	£0	£0	£0	£435,757	£435,757
															£0	£0
Subtotal - Target Programme Savings	£5,027,651		£139,418	£30,660	£190,791	£1,834,852	£157,682	£180,661	£174,824	£174,824	£174,824	£174,824	£174,824	£174,235	£3,582,422	(£1,445,229)

Efficiency Programme continued

- **Prescribing:** The forecast of efficiencies to be delivered from prescribing initiatives has been reduced down to £0.886m from a plan of £2.821m. The level of efficiencies planned will not be delivered due to capacity issues and lack of communications and business intelligence resources to deliver schemes.
- **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 totalling £0.443m.
- **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.
- **Technical:** The £0.672m is a non-recurrent benefit relates to actual 22/23 expenditure being less than the 22/23 accruals transacted at year end.
- **Budgeting Review:** A detailed review of budgets identified recurrent savings of £0.435m

Recommendations

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