

ONE Stockport Health and Care Board



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 - An update on the financial position of NHS Greater Manchester (Stockport) as at 30 September 2023 (Month 6)
 - Efficiency programme update

Financial Position September 2023 (Month 6)

Summary

- The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £2.696m (M4 £0.930m) and a forecast outturn adverse variance of £2.597m (M4 £1.081m).

The forecast outturn adverse variance is due to:

- Continuing Health Care pressures (£1.789m) driven by an increase in the number and cost of placements, increase in the value of retrospective payments and 22/23 under accrual. This is the main reason for the deterioration in the position from month 4.
 - A complex mental health patient who required a high-cost package of care (£0.614m).
 - Increase in community contract activity which planned levels which were set at 22/23 outturn (£0.201m).
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- Risks not included in the forecast are:
 - Additional high-cost mental health placements.
 - Community contract activity growth above forecast levels.
 - Continued growth in the number and cost of continuing health care placements.
 - Not delivering the required level of efficiencies in full.
 - Prescribing price concessions and price and volume increases, this risk is being held centrally by NHS Greater Manchester.

Summary continued ...

As reported previously, due to NHS Greater Manchester's challenged financial position the System for Thorough Assessment of Resources (STAR) process was introduced as a step in the NHS Greater Manchester expenditure approval process. As a result, there is a risk that the STAR panel may not approve new expenditure for localities even if there is sufficient budget identified.

NHS Greater Manchester (Stockport) financial position as at 30 September 2023 (Month 6)

Expenditure Category	YTD Budget £million	YTD Actual £million	YTD Variance £ million	Annual Budget £ million	Forecast Outturn £ million	Forecast Variance £ million
Acute	£0.004	£0.007	£0.004	£0.007	£0.017	£0.010
Community	£14.049	£14.067	£0.018	£29.800	£29.919	£0.119
Mental Health	£5.543	£5.924	£0.381	£11.200	£11.814	£0.614
Continuing Health Care	£15.834	£17.298	£1.464	£32.693	£34.482	£1.789
Other	£0.335	£0.317	(£0.018)	£0.671	£0.671	£0.000
Primary Care	£7.145	£7.180	£0.036	£13.745	£13.828	£0.083
Prescribing	£28.948	£29.760	£0.812	£57.949	£57.932	(£0.017)
Reserves	£0.000	£0.000	£0.000	(£0.838)	(£0.838)	£0.000
Grand Total	£71.858	£74.553	£2.696	£145.227	£147.824	£2.597

Community Health – the YTD £0.018m and forecast outturn £0.119m adverse variance reflects IVF and Termination of Pregnancy (TOP) activity being above planned levels.

Mental Health – the YTD and forecast outturn adverse variances of £0.381m and £0.614m respectively is due to a complex mental health patient who required a high-cost package of care. The patient no longer requires the high-cost package of care and work is ongoing to find an onward placement the cost of which is now assumed to be within the forecast position .

Continuing Health Care – the YTD and forecast outturn adverse variances of £1.464m and £1.788m respectively is due to an increase in the number and cost of placements, increase in the value of retrospective payments and 22/23 under accrual.

Primary Care – the YTD £0.036m and forecast outturn £0.083m 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 August and September has been made arriving at a £0.812m YTD adverse variance. The prescribing forecast outturn is managed and transacted centrally by NHS Greater Manchester. A £0.017m favourable variance has been reported locally and an adverse variance of £20.9m held centrally, reflecting price concessions and cost and volume increases. Localities may be required to transact and report the £20.9m adverse variance held centrally within their position at a later date. 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. The materialisation of this risk is seen in IVF, termination of pregnancy and CUES contract overperformance.
- Continued growth in the number and cost of continuing health care placements
- 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
- If the £20.9m prescribing adverse variance held centrally by NHS Greater Manchester is transacted at locality level Stockport's financial position would deteriorate by c£2.1m, being Stockport's share of the forecast adverse variance.



Greater Manchester
Integrated Care

Efficiency Programme

Efficiency Programme

Efficiencies delivered YTD total £2.227m 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.

NHS Greater Manchester (Stockport) Saving Summary	
Target	£3,582,000
Plan	£5,027,651
YTD Actuals Savings	£2,577,387
Forecast Savings	£3,582,000
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	£0	£6,482	£120,000	£120,000	£120,000	£120,000	£120,000	£117,613	£770,457	(£2,050,543)
CHC Placements	£189,000	R	£0	£0	£0	£0	£0	£0	£0	£24,000	£24,000	£24,000	£24,000	£24,000	£120,000	(£69,000)
Acute and Pyschiatric 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	R	£19,418	£30,660	£30,660	£31,682	£31,682	£0	£0	£0	£0	£0	£0	£0	£144,102	(£180,184)
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	£0	£100,000	£15,000	£15,000	£15,000	£12,000	£10,000	£167,000	(£396,000)
Technical	£570,625	G	£0	£0	£0	£672,601	£0	£0	£0	£0	£0	£0	£0	£0	£672,601	£101,976
Budget Review	£0	G	£0	£0	£0	£435,757	£0	£330,850	£0	£0	£0	£0	£0	£0	£766,607	£766,607
Decommission INR Anticoag	£0	G	£0	£0	£0	£0	£0	£12,652	£0	£0	£0	£0	£0	£0	£12,652	£12,652
Total	£5,027,651		£139,418	£30,660	£190,791	£1,834,852	£31,682	£349,984	£220,000	£159,000	£159,000	£159,000	£156,000	£151,613	£3,582,000	(£1,458,303)

Efficiency Programme continued

- **Prescribing:** The forecast of efficiencies to be delivered from prescribing initiatives has been reduced down to £0.770m 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 resource to deliver schemes.
- **Continuing Health Care:** There is risk that CHC efficiencies will not be achieved due to vacancies in the CHC team which has a significant impact on the ability to undertake reviews to ensure patients continue to be CHC eligible. This has been escalated to GM for months and is still unresolved.
- **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.
- **High-Cost Mental Health Placements:** Planned efficiencies from providing care in community for two service users in high-cost placements will not be achieved. The community facility was due to become operational from September 2023 however due to delays in building works the services users are not expected to move into the community facility until 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 as a result of actual 22/23 expenditure being less than the 22/23 accrual estimate transacted at year end.
- **Budgeting Review:** A detailed review of budgets identified recurrent savings of £0.766m

Recommendations

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