

# ONE Stockport Health and Care Board



# Contents

- This report provides:
  - An update on the financial position of NHS Greater Manchester (Stockport) as at 31 October 2023 (Month 7)
  - Efficiency programme update

# Financial Position October 2023 (Month 7)

## Summary

The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £2.991m (M6 £2.696m) and a forecast outturn adverse variance of £2.884m (M6 £2.597m).

The £0.287 million deterioration in the forecast is due to:

- Actual Asylum Seeker funding received being less than planned due to the Home Office distributing funding based on the number of asylum seekers in contingency hotels at a point in time instead of providing a fixed payment for each new asylum seeker accommodated in within the locality (+£0.092 million).
- Additional high-cost mental health placements (+£0.100 million).
- prescribing cost and volume increases (+£0.138 million).
- increase in patient transport costs (+£0.006 million).
- improvement in activity-based community contracts (-£0.049 million).

There are risks, which if materialise, will result in the forecast outturn position deteriorating further. Risks include CHC retrospective payments, continued growth in CHC placements, mental health cost and placement increases, prescribing price concessions and cost and volume increases and continued growth in activity-based contracts.

# NHS Greater Manchester (Stockport) financial position as at 31 October 2023 (Month 7)

Expenditure Category	Sum of YTD Budget	Sum of YTD Actual	Sum of YTD Variance	Sum of Annual Budget	Sum of Forecast Outturn	Sum of Forecast Variance
<b>Acute</b>	£4,394	£13,425	£9,031	£7,531	£23,014	£15,483
<b>Community</b>	£16,269,660	£16,272,251	£2,591	£29,787,039	£29,857,978	£70,939
<b>Mental Health</b>	£6,493,663	£7,044,625	£550,962	£11,213,090	£11,926,671	£713,581
<b>Continuing Health Care</b>	£18,643,447	£20,193,423	£1,549,976	£32,692,845	£34,481,653	£1,788,808
<b>Other</b>	£390,286	£356,804	(£33,482)	£669,069	£669,069	£0
<b>Primary Care</b>	£8,262,945	£8,345,014	£82,069	£13,766,156	£13,940,655	£174,499
<b>Prescribing</b>	£33,766,380	£34,596,039	£829,659	£57,933,794	£58,054,544	£120,750
<b>Reserves</b>	£0	£0	£0	(£822,483)	(£822,483)	£0
<b>Grand Total</b>	<b>£83,830,775</b>	<b>£86,821,581</b>	<b>£2,990,806</b>	<b>£145,247,041</b>	<b>£148,131,101</b>	<b>£2,884,060</b>

**Community Health** – the YTD £0.003m and forecast outturn £0.071m adverse variance reflects IVF and Termination of Pregnancy (TOP) activity being above planned levels.

**Mental Health** – the YTD and forecast outturn adverse variances of £0.551m and £0.714m respectively is due to increased placement costs and a complex mental health patient who required a high-cost package of care.

**Continuing Health Care (CHC)** – the YTD and forecast outturn adverse variances of £1.550m and £1.789m respectively is due to an increase in the number and cost of placements, increase in the cost of retrospective payments and 22/23 under accrual.

**Primary Care** – the YTD £0.082m and forecast outturn adverse variance of £0.174m reflects Community Urgent Eyecare Service (CUES) activity being above planned levels (+£0.082m) and Asylum Seeker funding received being less than planned due to the Home Office distributing funding based on the number of asylum seekers in contingency hotels at a point in time instead of providing a fixed payment per new asylum seeker (+£0.092 million).

**Prescribing** – prescribing expenditure information is published 2 months in arrears, therefore an estimate for September and October has been made arriving at a £0.829m YTD adverse variance. A forecast outturn adverse variance of £0.121m has been reported, reflecting cost and volume increases and 22/23 under accrual. Prescribing cost pressures due to price concessions and planning assumptions are being held centrally but may be required to be reported in the locality 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. Additional schemes have been identified during the financial year to mitigate this risk.
- If the prescribing adverse variance held centrally by NHS Greater Manchester is transact 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 £2.593m 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	£2,592,517
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	A	£0	£0	£0	£46,362	£0	£6,482	£15,130	£164,483	£164,500	£164,500	£164,500	£164,500	£890,457	(£1,930,543)
CHC Placements	£189,000	R	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	(£189,000)
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	£0	£115,000	£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
<b>Total</b>	<b>£5,027,651</b>		<b>£139,418</b>	<b>£30,660</b>	<b>£190,791</b>	<b>£1,834,852</b>	<b>£31,682</b>	<b>£349,984</b>	<b>£15,130</b>	<b>£279,483</b>	<b>£179,500</b>	<b>£179,500</b>	<b>£176,500</b>	<b>£174,500</b>	<b>£3,582,000</b>	<b>(£1,458,303)</b>



# Efficiency Programme continued ....

- **Prescribing:** The forecast of efficiencies to be delivered from prescribing initiatives has been reduced down to £0.890m from a plan of £2.821m. The level of efficiencies planned will not be delivered due to medicines optimisation staff capacity issues and lack of communications and business intelligence resource to support the delivery of schemes. Plans are being implemented to obtain additional medicines optimisation capacity and the communications and business intelligence resource capacity issues have been escalated to NHS Greater Manchester.
- **Continuing Health Care (CHC):** The 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. A recruitment plan has been mobilised however due to the length of time it takes to recruit staff CHC capacity will not improve for immediately.
- **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 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 £0.444m.
- **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 £0.673m is a non-recurrent benefit due to 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 £0.767m

# Recommendations

- **Note** the financial position including identified financial risks.
- **Note** the efficiency programme update.