



Greater Manchester
Integrated Care

Finance Report



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Financial Position January 2024 (Month 10)

Summary

The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £4.088m (M8 £3.396m) and a forecast outturn adverse variance of £4.155m (M8 £3.784m).

The adverse variances relate to increasing demand for Continuing Health Care (CHC) and Mental Health services. Prescribing cost and volume pressures are also adversely impacting the financial position. These demand pressures are previously highlighted risks which have now materialised.

Controls, such as the Individual Care Panel, are in place ensuring demand is managed effectively as possible. However, vacancies in the CHC team have had a significant impact on the ability to undertake reviews to ensure patients continue to be CHC eligible. The vacant head of CHC and nurse assessors posts have now been recruited into with staff expected to be in post March/April. Vacancies in the medicines optimisation team have also had a significant impact on delivering prescribing efficiencies and plans are being enacted to address the medicines optimisation capacity issues.

Reasons for deterioration in forecast position

The £0.371 million deterioration in the forecast being reported at month 10 when compared to month 8 is due to:

- Increase in the number of mental health placements and ADHD assessment and treatment costs as patients exercise their right to choose (+£0.201 million).
- Prescribing cost and volume increases (+£0.300 million).
- Increase in the number of continuing healthcare packages of care commissioned and spot purchasing discharge to assess beds to support patient flow through Stepping Hill hospital (+£0.180 million).
- Community Services improvement due to the transfer of neuro rehabilitation placement expenditure to the correct NHS GM budget and a decrease in Audiology, IVF and Vasectomy activity from previous forecast levels (-£0.338 million).

NHS Greater Manchester (Stockport) financial position as at 31 January 2024 (Month 10)

Expenditure Category	YTD			Forecast		
	YTD Budget £million	YTD Actual £million	YTD Variance £ million	Annual Budget £ million	Outturn £ million	Forecast Variance £ million
Acute	£1.769	£1.817	£0.048	£2.123	£2.182	£0.059
Community	£24.406	£24.144	(£0.263)	£29.525	£29.240	(£0.285)
Mental Health	£11.812	£13.132	£1.319	£14.152	£15.816	£1.665
Continuing Health Care	£24.675	£26.345	£1.670	£30.016	£31.985	£1.969
Other	£0.558	£0.528	(£0.029)	£0.669	£0.634	(£0.035)
Primary Care	£11.717	£11.885	£0.168	£13.982	£14.182	£0.199
Prescribing	£47.594	£48.769	£1.175	£57.136	£57.718	£0.583
Reserves	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000
Grand Total	£122.531	£126.619	£4.088	£147.603	£151.758	£4.155

NHS Greater Manchester (Stockport) financial position as at 31 January 2024 (Month 10) continued ...

- **Acute** – the YTD £0.048m and forecast outturn £0.059m adverse variance is due to an increase in the number of patients requiring patient transport services. An exercise is currently underway to establish what mitigations are available.
- **Community Health** – the YTD £0.263m and forecast outturn £0.285m favourable variance reflects audiology activity being below planned levels and the transfer of neuro rehabilitation placement expenditure to the correct NHS GM budget.
- **Mental Health** – the YTD and forecast outturn adverse variances of £1.319m and £1.665m respectively is due to increased placement costs (both hospital and s117 aftercare), a complex mental health patient who required a high-cost package of care and ADHD assessment and treatment costs as patients exercise their right to choose.
- **Continuing Health Care (CHC)** – the YTD and forecast outturn adverse variances of £1.670m and £1.969m 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 £0.168m and forecast outturn £0.199m adverse variance reflects Community Urgent Eyecare Service (CUES) activity being above planned levels and the funding received to commission health checks for Asylum Seekers being less than planned due to the Home Office changing the methodology used to distribute funding
- **Prescribing** – prescribing expenditure information is published 2 months in arrears, therefore an estimate for December and January has been made arriving at a £1.175m YTD adverse variance. The forecast outturn adverse variance of £0.583m reflects cost and volume increases and 22/23 under accrual offset by anticipated benefit from Apixaban. Adverse variances due to price concessions and planning assumptions are being held centrally and not reported in the locality position.

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.
- Continued growth in the number and cost of continuing health care placements and additional retrospective payments.
- Additional high-cost mental health placements.
- 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.



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Efficiency Programme

Efficiency Programme

Efficiencies delivered YTD total £4.230m with forecast efficiencies of £4.439m which is £0.857m above the target of £3.582m (includes £0.167m locality corporate budget efficiency target). The improvement in the reported position is due to the support provided by the Viaduct medicines optimisation team including improving the recording and reporting of prescribing efficiencies.

NHS Greater Manchester (Stockport) Saving Summary	
Target	£3,582,000
Plan	£5,027,651
YTD Actuals Savings	£4,229,621
Forecast Savings	£4,439,621
Variance to Target	£857,621

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	£24,432	£0	£0	£0	£0	£349,432	£24,432
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	£15,130	£38,888	£1,137,410	£88,211	£70,000	£70,000	£1,472,483	(£1,348,517)
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	£0	£0	£348,163	£35,000	£35,000	£418,163	(£144,837)
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	£15,130	£63,320	£1,137,410	£436,374	£105,000	£105,000	£4,439,621	(£600,682)

Efficiency Programme continued

- **Prescribing:** Prescribing efficiencies of £1.472m are forecast to be delivered which is a significant improvement on previously reported positions due to the support provided by the Viaduct medicines optimisation team including improving the recording and reporting of prescribing efficiencies. The level of efficiencies planned will not be delivered due to medicines optimisation staff capacity issues and minimal communications and business intelligence resource to support the delivery of schemes. Local 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. Head of CHC and four nurse assessors have now been recruited and are expected to be in post March/April
- **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/April 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 building work delays the service users are not expected to move into the community facility until April/May 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 YTD underspend on corporate admin budgets is £0.348m with a forecast underspend of £0.418m which is a reflection of the significant level of vacancies held during the year.
- **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.



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Financial Recovery Group Update

Financial Recovery Group

The Financial Recovery Group was established February 2023 to develop, implement and monitor a financial recovery plan which will bring the locality financial position into financial balance as well as supporting the financial sustainability of NHS Greater Manchester (NHS GM).

A review of the terms of reference of the group has been undertaken with the following changes proposed:

- Change the name of the group from Financial Recovery Group to Stockport System Finance Group to reflect that the group's membership is derived from all system partners and the remit of the group is wider than just financial recovery.
- The purpose and responsibilities of the group be updated to reflect the evolving NHS GM operating model and the recognition that the work programme of the Stockport System Finance Group needs to incorporate and align with the various NHS GM processes and workstreams.
- Streamline membership of the group from 16 to 10.

Financial Recovery Group continued ...

The workplan 2024/25 of the group includes:

- sharing of organisation efficiency plans to ensure alignment and understanding of impact across the health and social care system
- receive NHS GM (Stockport) service reviews and contracting intentions
- Inform the group of work being undertaken by the NHS GM groups including:
 - Commissioning Oversight Group (COG)
 - NHS GM QIPP Delivery Group
- System partner financial performance updates
- Analysis of system expenditure by service to triangulate with performance and quality to support the delivery of the four One Health and Care Plan aims.

The terms of reference for the group with the proposed changes are provided at Appendix 1.

Recommendations

Recommendations

- **Note** the financial position including identified financial risks.
- **Note** the efficiency programme update.
- **Approve** the System Finance Group terms of reference