

ONE Stockport Health and Care Board

Finance Report



Contents

- This report provides:
 - An update on the financial position of NHS Greater Manchester (Stockport) as at 31 July 2024 (Month 4)
 - Cost Improvement Programme (CIP) update

Financial Position as at 31 July 2024 (Month 4)

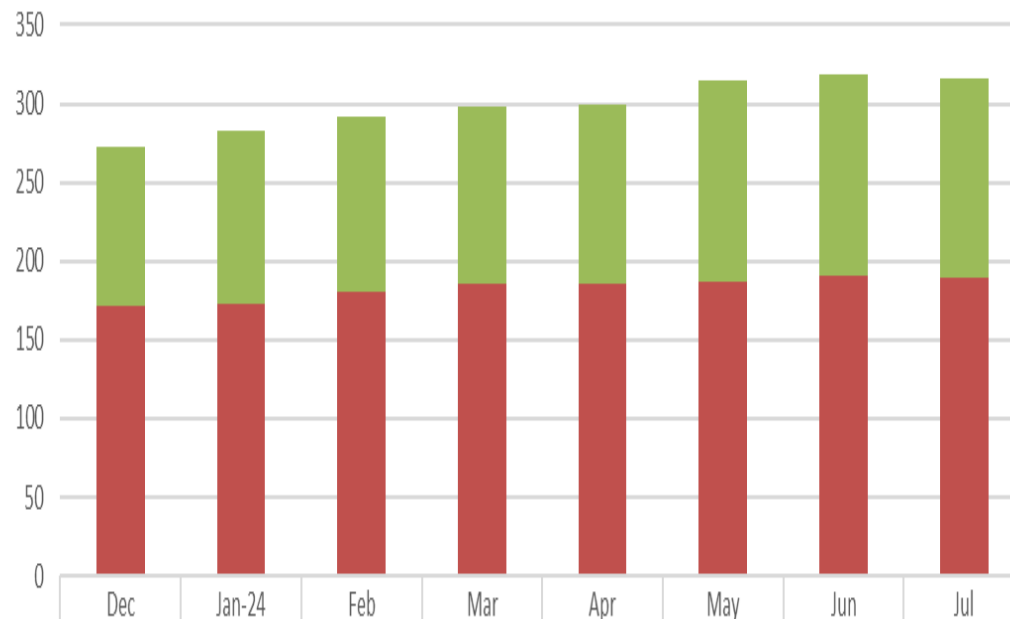
The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £2.120m and a forecast outturn adverse variance of £6.756m which assumes full achievement of the cost improvement programme (CIP). The adverse variance is due to increasing cost and demand for continuing health care (CHC) and mental health placements (s117), neurodiversity assessments and ADHD treatment costs as patients exercise their right to choose and prescribing cost and volume increases. A recovery plan to mitigate the adverse variance has been requested by NHS Greater Manchester.

Expenditure Category	YTD Budget	YTD Actual	YTD	Annual Budget	Forecast	Forecast
	£million	£million	Variance £ million		£ million	Outturn £ million
Acute	£0.732	£0.732	£0.000	£2.195	£2.195	£0.000
Community	£11.006	£10.883	(£0.123)	£31.696	£31.645	(£0.051)
Mental Health	£5.967	£6.940	£0.974	£17.507	£20.232	£2.725
Continuing Health Care	£11.507	£12.642	£1.135	£33.281	£36.351	£3.070
Other	£0.212	£0.172	(£0.040)	£0.637	£0.600	(£0.037)
Primary Care	£4.442	£4.420	(£0.022)	£13.014	£13.014	£0.000
Prescribing*	£19.713	£19.909	£0.196	£57.978	£59.026	£1.049
Grand Total	£53.579	£55.699	£2.120	£156.307	£163.063	£6.756

* Prescribing budgets will not be reported within locality positions from August. Prescribing budgets will be managed and reported centrally however the operational delivery of the prescribing function remains a locality responsibility.

The main drivers of the CHC adverse variance are increased number and cost of Adult Fully Funded and Fast Track placements.

CHC Placements



Since Dec-23, the period on which the 2024/25 plan is based Adult Fully Funded (including Personal Health Budgets (PHB) placements have increased by 18 (11%) and Fast Track placements have increased by 25 (25%). Additional placements are costing £0.304m more per month / £3.642m per year

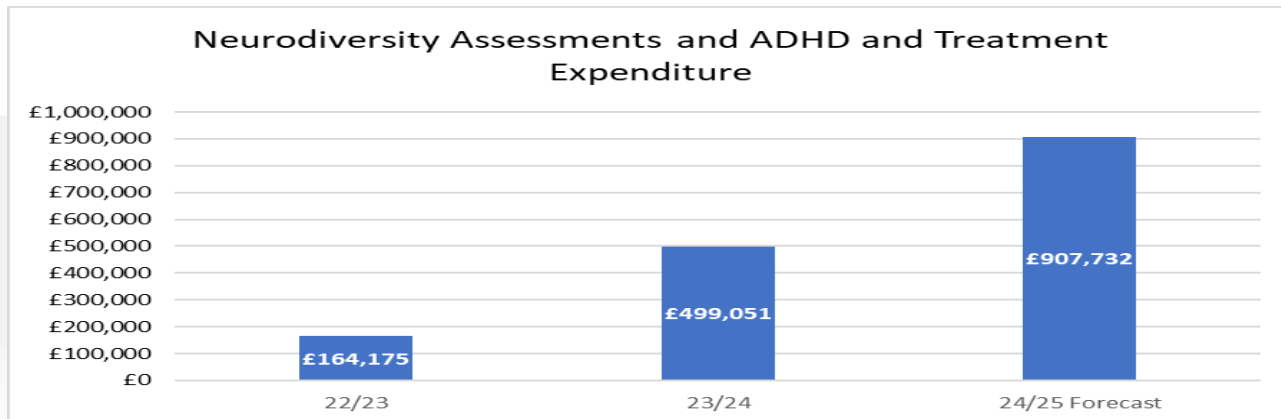
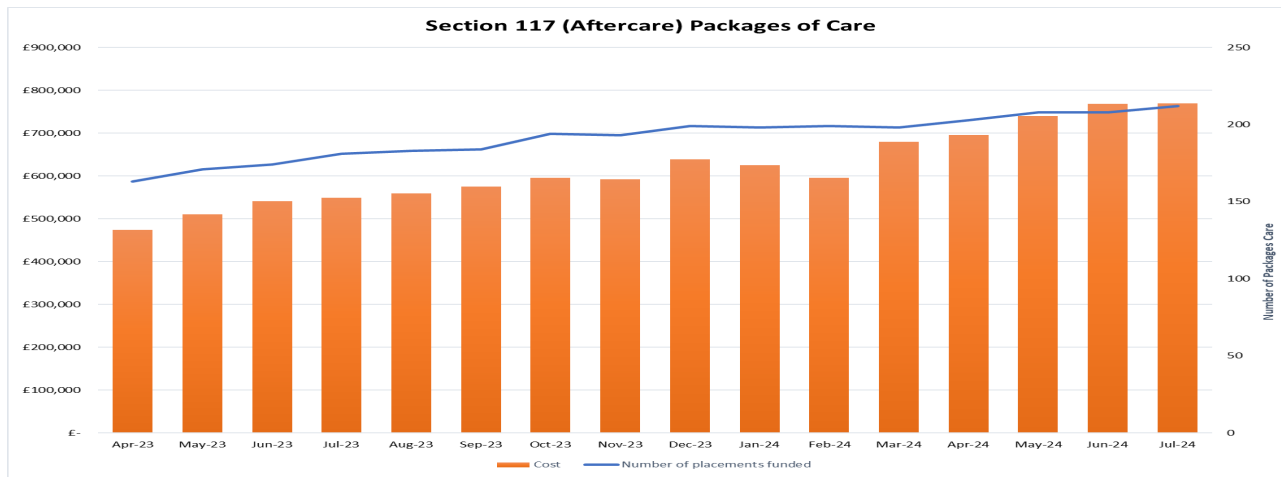
The reasons for these increases are

- CHC team under resourced impacting capacity to undertake placement reviews
- Over prescribing of care
- Increased demand which is reflective of Stockport's aging population

Mitigations:

- Recruit into all CHC vacancies (Clinical and Admin) and build resilience.
- Additional capacity commissioned to progress outstanding reviews of Fully Funded placements
- Identified resource to address backlog of Fast Track Reviews
- PHB audits progressed
- Review of equipment purchases, usage and processes. Implement a single framework for Local Authority and NHS
- Strategic commissioning / market management

Increasing cost and number of packages of care (s117) and patients exercising their right to choose to obtain neurodiversity assessments and ADHD treatment are the main drivers of the mental health adverse variance.



Since Dec-23 the period on which the 2024/25 plan is based there the number of **s117** packages of care has increased by 13 costing £0.130m more per month / £1.560m per annum.

The average cost of each **s117** package of care has increase depicted by the line representing the number of packages of care converging with the bars representing the monthly cost.

Neurodiversity assessments and ADHD treatment costs are forecast to increase by £0.406m when compared to 23/24

Mitigations:

Children and Young Person (CYP) neurodevelopment pathway transformation, moving from a diagnostic to a needs led approach.

s117 Aftercare – working collaboratively with partners undertake review of s117 packages of care.

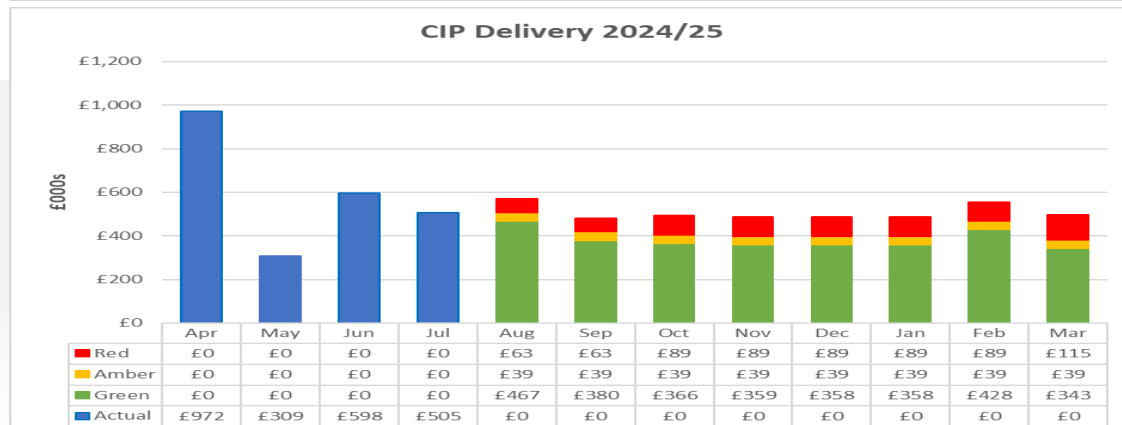
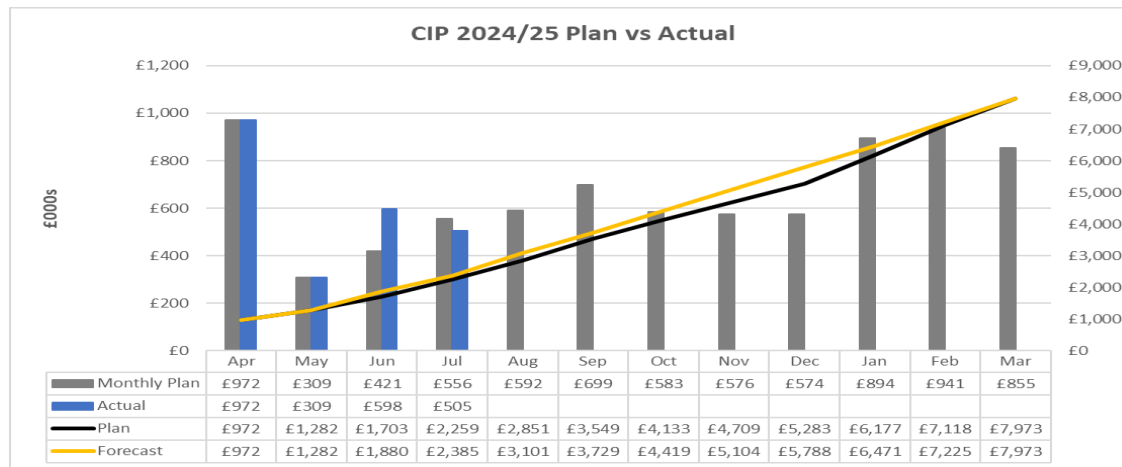
Strategic commissioning / market management

Identified financial risks not included in the forecast outturn:

- Continued growth in the number and cost of continuing health care placements and retrospective payments.
- Continued growth in the number and cost mental health placements and number of people exercising their right to choose to obtain ADHD assessment and treatment.
- Prescribing cost and volume growth.
- Growth in activity-based community contracts.
- Impact of general practice collective action

Cost Improvement Plan

As at 31 July 2024 (M4) £2.384m of savings have been achieved against a target of £7.973m which is £0.126m above plan. The savings target is forecast to be delivered in full however there is £1.530m of risk associated with the delivery of the target.



Risks

- There is risk that CHC schemes will not deliver planned savings in full with MDT reviews still to be completed for those packages of care which have been identified as needing to go back through the assessment process. As such, there is no indication whether the planned savings will be delivered. **Mitigations:** 1. Weekly oversight meetings are taking place to resolve issues (including social care capacity) and progress reviews. 2. Recruitment to all nurse assessor and administration vacancies.
- Savings schemes totalling £0.462m are still to be identified. **Mitigation:** Work is ongoing to identify additional saving schemes, prescribing CIP achievement is expected to exceed the current forecast of £3.477m which will support the mitigation of this risk.
- The Granary Lane scheme has been delayed by 2 months, in addition transitional costs and the cost of the community placement have increased. As a result, scheme savings will be £0.232 less than planned. **Mitigation:** Additional Out of Area Placement savings.

Cost Improvement Plan

Analysis



Greater Manchester
Integrated Care

CIP Summary Position	
Target	7,972,730
Forecast	7,972,730
YTD Actuals	1,879,615

Forecast Savings	
Rec	7,354,737
Non-Rec	617,993
Total	7,972,730

CIP Scheme	Risk	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Forecast	Original Plan	Variance
Prescribing	G	141,652	259,226	270,215	313,816	321,699	329,699	315,572	309,042	308,354	308,449	301,080	298,022	3,476,826	2,835,000	641,826
Primary Care Contracts	G	350,000	0	0	0	0	0	0	0	0	0	0	0	350,000	350,000	0
Granary Lane Project	A	0	0	0	0	58,333	58,333	58,333	58,333	58,333	58,333	58,333	58,333	466,667	583,333	-116,666
Acute and Psychiatric Intensive Care (Female PICU)	G	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	275,000	275,000	0
Mental Health Out of Area Placements (Excluding female PICU)	G	32,670	25,000	25,000	75,000	25,000	25,000	25,000	25,000	25,000	25,000	22,330	20,000	350,000	300,000	50,000
Continuing Healthcare	R	0	0	133,716	77,123	190,000	190,000	190,000	190,000	190,000	190,000	190,000	269,161	1,810,000	1,675,000	135,000
Community Grants	G	78,166	0	0	0	0	0	0	0	0	0	0	0	78,166	78,166	0
Migrant Health Funding	G	0	0	22,100	0	0	0	0	0	0	0	0	0	22,100	44,000	-21,900
No inflation on contracts where there is discretion	G	0	0	30,000	0	0	0	0	0	0	0	0	0	30,000	30,000	0
Estate cost reduction	G	70,000	0	0	0	0	0	0	0	0	0	0	0	70,000	0	70,000
Expenditure recharge	G	0	0	0	0	0	0	0	0	0	0	80,000	0	80,000	0	80,000
Complex Case review	G	200,000	0	0	0	0	0	0	0	0	0	0	0	200,000	0	200,000
Programme expenditure reduction	G	100,000	0	91,870	14,330	95,594	0	0	0	0	0	0	0	301,794	0	301,794
Unidentified	R	0	0	0	0	0	0	77,030	77,030	77,030	77,030	77,030	77,030	462,177	0	462,177
Total		972,488	309,226	597,901	505,269	715,626	628,032	690,935	684,405	683,717	683,812	753,773	747,546	7,972,730	6,170,499	1,802,231

Recommendations

The Board are asked to:

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