

# ONE Stockport Health and Care Board Finance Report

- This report provides:
  - An update on the financial position of NHS Greater Manchester (Stockport) as at 31 August 2024 (Month 5)
  - Cost Improvement Programme (CIP) update
  - Recovery Plan update

# Financial Position as at 31 August 2024 (Month 5)

The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £3.603m (M4 £1.924m adjusted for prescribing) and a forecast outturn adverse variance of £7.135m (M4 £5.707m adjusted for prescribing) 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 After Care) and neurodiversity assessments and ADHD treatment costs as patients exercise their right to choose.

The £1.428m deterioration in the forecast position is mainly due to:

- Cost of new CHC placements and uplifts on existing placements £1.262m
- Neurodiversity assessments and ADHD treatment £0.147m

Expenditure Category	YTD Budget	YTD Actual	YTD	Annual Budget	Forecast	Forecast
	£million	£million	Variance £ million		£ million	Outturn £ million
Acute	£0.914	£0.918	£0.004	£2.195	£2.203	£0.009
Community	£13.932	£13.566	(£0.366)	£32.112	£32.052	(£0.061)
Mental Health	£7.408	£8.602	£1.193	£17.507	£20.398	£2.891
Continuing Health Care	£14.241	£17.074	£2.833	£33.281	£37.614	£4.333
Other	£0.265	£0.226	(£0.039)	£0.637	£0.600	(£0.037)
Primary Care	£5.497	£5.475	(£0.022)	£12.872	£12.872	£0.000
Prescribing*	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000
<b>Grand Total</b>	<b>£42.258</b>	<b>£45.861</b>	<b>£3.603</b>	<b>£98.603</b>	<b>£105.738</b>	<b>£7.135</b>

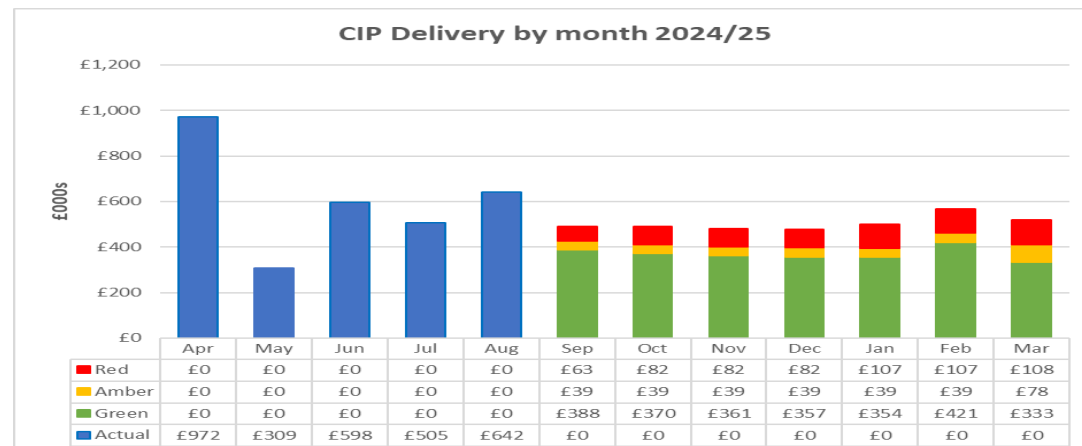
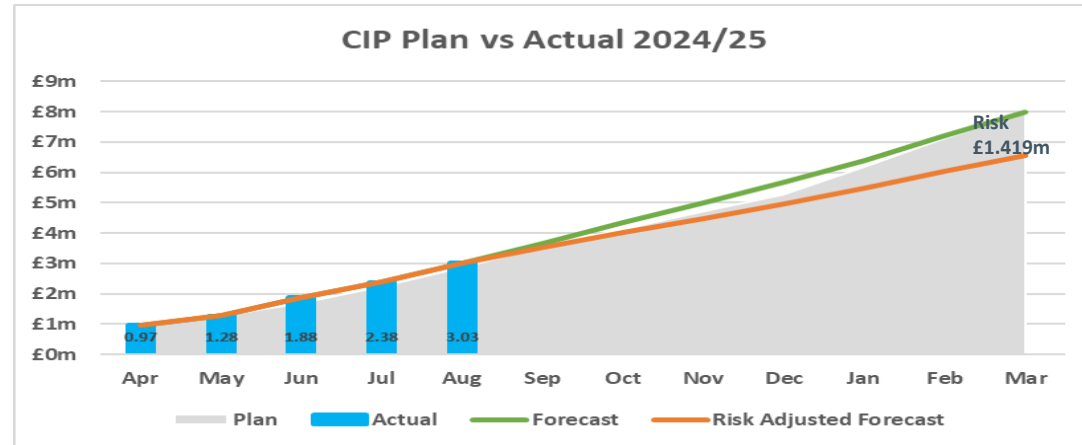
\* From August prescribing budgets are reported centrally however the operational delivery of the prescribing function remains a locality responsibility.

### Identified financial risks not included in the forecast:

- 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 neurodiversity assessments and ADHD treatment .
- Non-delivery of CIP
- Growth in activity-based community contracts.
- Impact of general practice collective action

# Cost Improvement Plan

As at 31 August 2024 (M5) £3.027m of savings have been achieved against a target of £7.973m which is £0.176m above plan. The savings target is forecast to be delivered in full however there is £1.419m (M4 £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 due to multidisciplinary team (MDT) review delays. **Mitigations:** 1. Weekly oversight meetings are taking place. 2. MDTs scheduled two weeks in advance. 3. Recruitment to all nurse assessor and administration vacancies.
- Savings schemes totalling £0.341m (£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 £0.155 less than planned. **Mitigation:** Additional Out of Area Placement savings.

CIP Summary Position	
Target	£7,972,730
Forecast	£7,972,730
YTD Actuals	£3,027,088

Forecast Savings	
Rec	£7,337,417
Non-Rec	£635,313
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	£329,705	£337,555	£320,428	£310,898	£307,210	£304,305	£293,936	£287,880	£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	£0	£58,333	£58,333	£58,333	£58,333	£58,333	£58,333	£116,666	£466,666	£583,333	(£116,667)
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	£45,601	£190,000	£190,000	£190,000	£190,000	£262,853	£262,854	£267,853	£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)
Reduction in contract inflationary uplifts	G	£0	£0	£30,000	£0	£3,768	£0	£0	£0	£0	£0	£0	£0	£33,768	£30,000	£3,768
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	£213,130	£0	£0	£0	£0	£0	£0	£0	£419,330	£0	£419,330
Unidentified	R	£0	£0	£0	£0	£0	£0	£56,812	£56,812	£56,812	£56,812	£56,812	£56,814	£340,874	£1,802,231	(£1,461,357)
<b>Total</b>		<b>£972,488</b>	<b>£309,226</b>	<b>£597,901</b>	<b>£505,269</b>	<b>£642,204</b>	<b>£635,888</b>	<b>£675,573</b>	<b>£666,043</b>	<b>£662,355</b>	<b>£732,303</b>	<b>£799,265</b>	<b>£774,213</b>	<b>£7,972,730</b>	<b>£7,972,730</b>	<b>£0</b>



# Recovery Plan

The increasing demand for CHC and mental health placements and neurodiversity assessments and ADHD treatment puts at risk the ability to redistribute resources from acute services into preventative and community services, a key aim of the One Stockport Health and Care Plan.

A recovery plan to mitigate the financial pressures is being developed and will be presented to the Board when finalised. In addition, we have jointly agreed with NHS Greater Manchester (NHS GM) to commission external support to undertake a review of the financial challenges impacting the locality.

The review will focus on:

- CHC growth including the relationship between workforce levels and testing the relationship between CHC expenditure and community investment.
- Mental health growth in s117 (after care) and neurodiversity assessments and ADHD treatment costs as patients exercise their right to choose right to choose.
- Impact of primary care investment on other services such as community services and urgent care
- Benchmarking against GM localities, statistical peers and national averages.
- Discharge & Capacity Funding utilisation and impact and the potential overreliance on bed-based care and whether this is comparable across GM in terms of contractual / funding flows.
- Complex care packages and opportunities to reduce costs together and impact of integrated commissioning (vertically and horizontally at regional and locality level).

Every effort is being made to reduce the in-year over spend however there is a risk that the position will deteriorate further due to the risks identified earlier in this report.

# Recommendations

The Board are asked to:

- **Note** the financial position including identified financial risks.
- **Note** the cost improvement programme update.
- **Note** a recovery plan is being developed and an external review of the financial challenges impacting the locality has been jointly commissioned by NHS GM and the Locality.