

# ONE Stockport Health and Care Board Finance Report

The NHS Greater Manchester (Stockport) is reporting a year-to-date (YTD) adverse variance of £4.500m (M5 £3.603m) and a forecast outturn adverse variance of £7.749m (M5 £7.135m) 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 and neurodiversity assessments and ADHD treatment costs as patients exercise their right to choose.

The £0.614m deterioration in the forecast position is largely due to:

- Mental health placements £0.477m
- CHC child placement £0.123m

Due to the Locality's deteriorating financial position an additional assurance meeting was held on 10 October with NHS Greater Manchester (NHS GM). The meeting had a finance focus at which it was reiterated the need to enact a recovery plan to significantly reduce the forecast overspend.

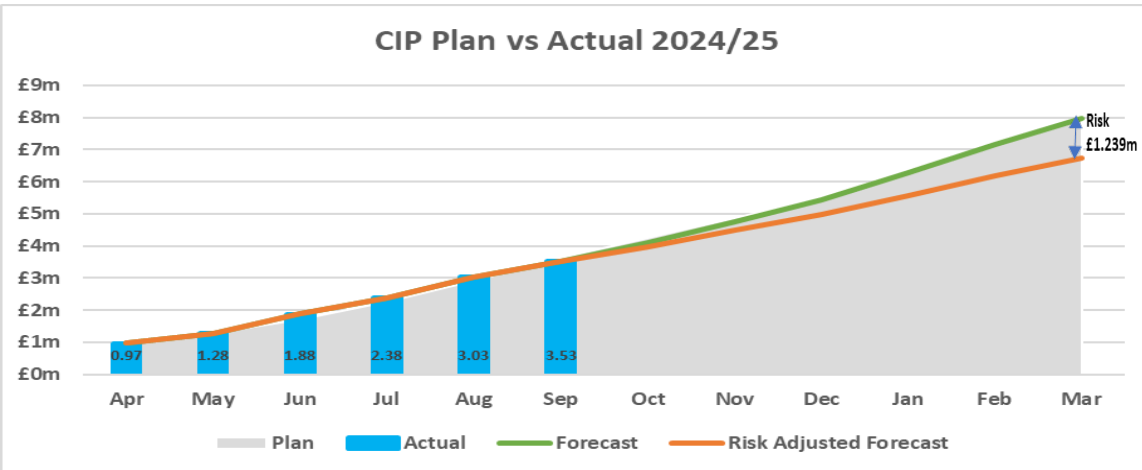
Expenditure Category	YTD Budget	YTD Actual	YTD	Annual Budget	Forecast	Forecast
	£million	£million	Variance £ million		£ million	Outturn £ million
Acute	£1.097	£1.099	£0.001	£2.195	£2.197	£0.002
Community	£16.659	£16.274	(£0.386)	£32.112	£32.033	(£0.079)
Mental Health	£8.850	£10.761	£1.911	£17.507	£20.914	£3.407
Continuing Health Care	£16.875	£19.910	£3.034	£33.281	£37.737	£4.456
Other	£0.318	£0.279	(£0.039)	£0.637	£0.600	(£0.037)
Primary Care	£6.564	£6.542	(£0.022)	£13.042	£13.042	£0.000
<b>Grand Total</b>	<b>£50.364</b>	<b>£54.865</b>	<b>£4.500</b>	<b>£98.774</b>	<b>£106.523</b>	<b>£7.749</b>

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

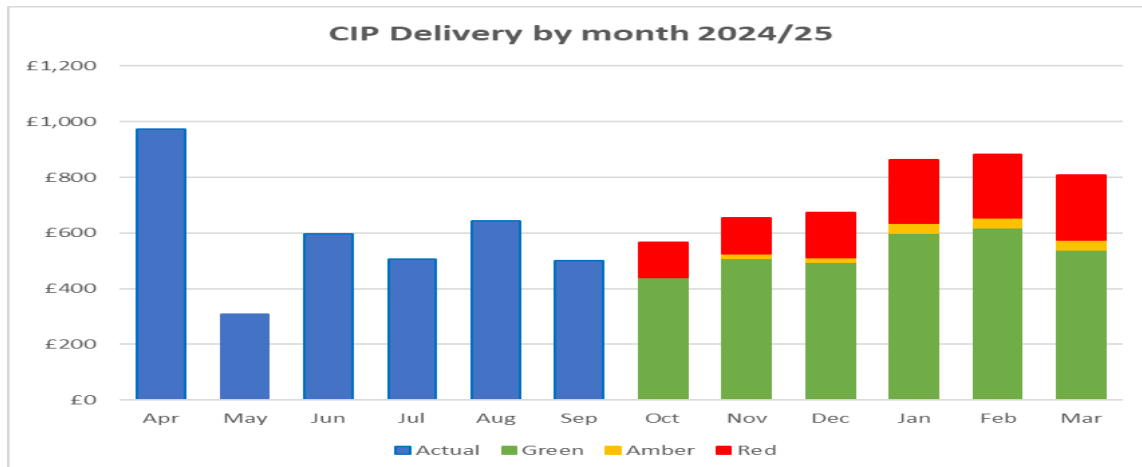
- Continued growth in the number and cost of continuing health care placements and retrospective payments.
- Continued growth in the number and cost mental health placements and number of people exercising their right to choose to obtain neurodiversity assessments and ADHD treatment .
- Non-delivery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

As at 30 September 2024 (M6) £3.527m of savings have been achieved against a target of £7.973m which is £0.115m below plan. The savings target is forecast to be delivered in full however there is £1.239m (M5 £1.419m) of risk associated with the delivery of the target.

CIP Plan vs Actual 2024/25



CIP Delivery by month 2024/25



Additional schemes to deliver the £0.341m of the savings target which was still unidentified at M5 have been identified. Schemes identified included additional prescribing initiatives, and it has been assumed that additional prescribing savings can be reported as CIP delivery against the Locality savings target even though prescribing budgets are reported centrally.

### 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.
- The Granary Lane scheme has been delayed by 4 months, in addition transitional costs and the cost of the community placement have increased. As a result, scheme savings will be £0.300m less than planned. **Mitigation:** 1. s117 Reviews. 2. Additional Out of Area Placement savings.

CIP Summary Position	
Target	£7,972,730
Forecast	£7,972,730
Forecast Variance	£0
YTD Actuals	£3,526,882
YTD Plan	£3,641,541
YTD Variance	(£114,659)

Forecast Savings	
Rec	£7,635,809
Non-Rec	£336,921
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	£343,929	£326,835	£317,305	£308,617	£300,712	£285,343	£279,471	£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	£0	£0	£0	£0	£58,333	£58,333	£58,333	£175,000	£583,333	(£408,333)
Acute and Psychiatric Intensive Care (Female PICU)	G	£0	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£37,500	£37,500	£37,500	£37,500	£325,000	£275,000	£50,000
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	£37,500	£37,500	£32,330	£35,000	£400,000	£300,000	£100,000
Continuing Healthcare	R	£0	£0	£133,716	£77,123	£45,601	£105,965	£190,000	£190,000	£190,000	£289,198	£289,198	£299,199	£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	(£100)	£0	£0	£0	£0	£0	£0	£22,000	£44,000	(£22,000)
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	£46,608	£0	£40,000	£0	£0	£505,938	£0	£505,938
s117 Review	R							£0		£50,000	£50,000	£50,000	£50,000	£200,000	£0	£200,000
Prescribing Stretch	A							£0	£49,206	£49,206	£49,206	£49,206	£49,208	£246,032	£0	£246,032
Unidentified	G	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£1,802,231	(£1,802,231)
<b>Total</b>		<b>£972,488</b>	<b>£309,226</b>	<b>£597,901</b>	<b>£505,269</b>	<b>£642,204</b>	<b>£499,794</b>	<b>£566,835</b>	<b>£653,119</b>	<b>£672,823</b>	<b>£862,449</b>	<b>£881,910</b>	<b>£808,711</b>	<b>£7,972,730</b>	<b>£7,972,730</b>	<b>£0</b>

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

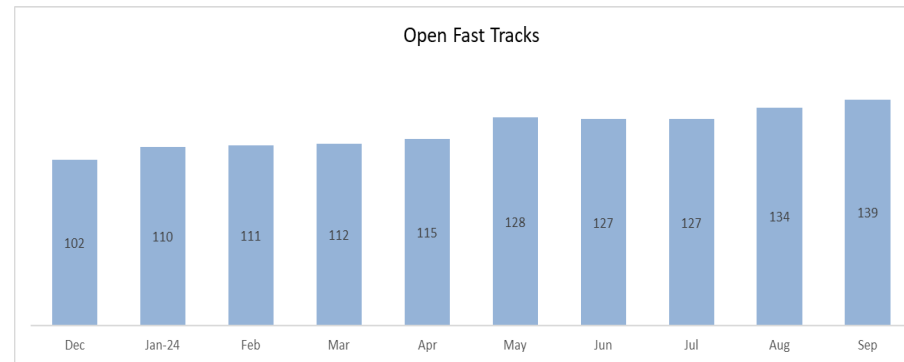
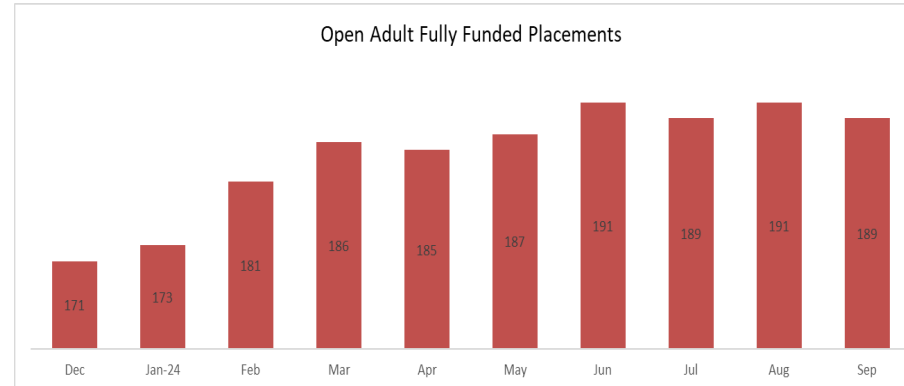
Since Dec-23, the period on which the 2024/25 plan is based open Adult Fully Funded (including Personal Health Budgets (PHB) placements have increased by 18 (11%)

Open Fast Track placements have increased by 37 (36%).

Additional placements are costing £0.294m more per month / £3.528m annualised.

The reasons for these increases are

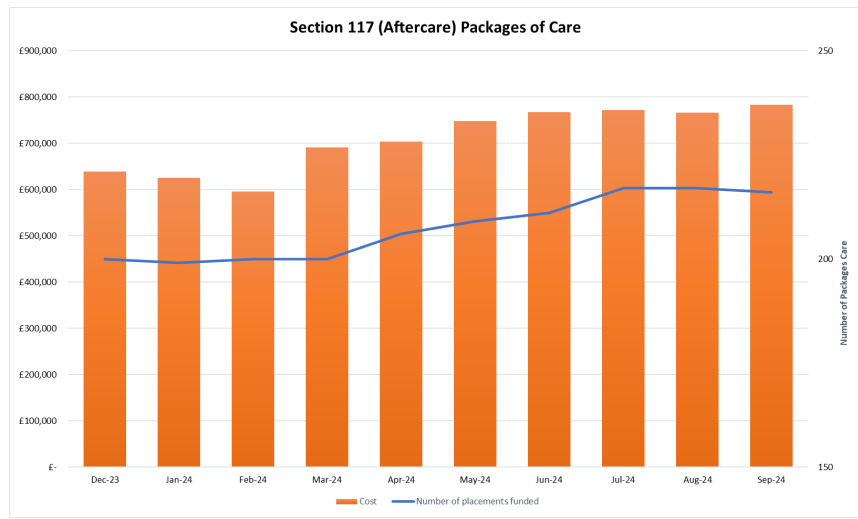
- Increased demand which is reflective of Stockport's aging population
- Increase in the average cost of a package of care
- Over prescribing of care
- CHC team under resourced impacting capacity to undertake placement reviews



### Mitigations:

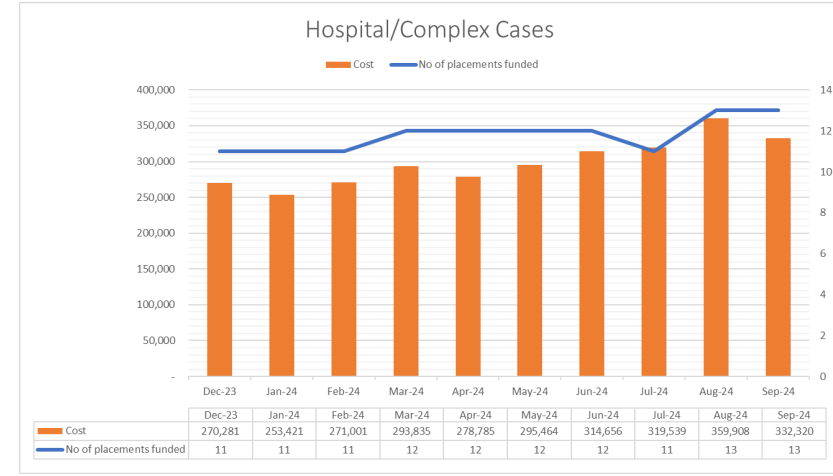
- Recruit into all CHC vacancies (Clinical and Admin) and build resilience.
- Additional capacity commissioned to progress outstanding reviews of Fully Funded placements
- Identified resource to address backlog of Fast Track Reviews
- PHB audits progressed
- Review of equipment purchases, usage and processes.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

Increasing cost and number of packages of care (s117 and Complex Cases) 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 the number of **s117 (After Care)** packages of care has increased by 16 (net) costing £0.145m more per month / £1.740m annualised.

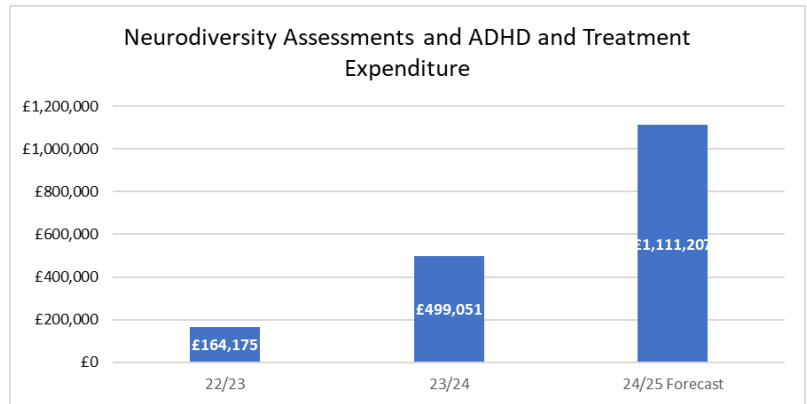
**Mitigation:** 1. Working collaboratively with partners undertake review of s117 packages of care. 2. Strategic commissioning / market management



Since Dec-23 the period on which the 2024/25 plan is based there the number of **Hospital/Complex Cases** packages of care has increased by 2 (net) costing £0.062m more per month / £0.744m annualised.

The cost of these packages can vary whilst in place depending on the level of observations required at a particular time.

**Mitigation:** Strategic commissioning / market management



**Neurodiversity** assessments and ADHD treatment costs are forecast to increase by £0.612m when compared to 23/24.

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

The 6-week external review of the financial challenges impacting the locality commenced 7 October with meetings held with locality leads of the areas in scope with data requests received and responded to.

Work is ongoing to develop a recovery plan to significantly reduce the forecast overspend with all expenditure being reviewed and system discussions ongoing. Difficult decisions will need to be made which have the potential to impact performance which will need to be considered carefully through our Equality and Quality Impact Assessment process and ensure a balanced approach with NHS GM colleagues and system partners.

The recovery plan will be presented to the Board at the November meeting



The Board are asked to:

- **Note** the financial position including identified financial risks.
- **Note** the cost improvement programme update.
- **Note** the external review of the financial challenges impacting the locality commenced 7 October 2024 and work is ongoing to develop a recovery plan to reduce the forecast overspend.