

Manchester Partnership Board System & Locality Position

Introduction

- MPB is asked to:
 - Note the financial risks and mitigations for NHS Greater Manchester
 - Note the financial position at Month 6 for the Locality
 - Note the 24/25 forecast running costs for Manchester Locality



Overview of Financial Risk – ICBs plan is to deliver a balanced financial position in 2024, this includes several financial challenges:

- **Planning Risks c£220m** - Targets at planning, primarily CIP and targeted reduction in allocations.
- **Emerging Risks c£60m** - CHC, Mental Health and Prescribing materially over budgets set in June.
- **Mitigations identified** - Two themes:
 1. **£220m** - Progress against challenges identified against planning
 2. **£61m** - New mitigations targeted against emerging risks.
 3. **£63m** - Currently flagged as high risk in the ICBs recovery plan.



Processes being put in place in addition to the oversight and work the ICB is delivering:

- **PWC** – The workstream mandated nationally is being focussed on individualised packages of care, Mental Health and particular focus on two localities.
- **Liaison** – Supporting two localities to drive reductions in run-rates relating to individualised packages of care.
- **Deep Dive Manchester** – ICB deployed report into the Manchester locality to drive down costs and drive clinical improvements.
- **Neuro Rehab** – NHSE supporting driving improvements.

Planning Position	
Identified at planning	£m
ICB CIP	£103.0
Slippage or substitution	£42.0
Pressures need Commissioning decision	£20.0
23/24 Corporate savings	£20.0
Planning gap	£9.1
Safer staffing GMMH	£7.3
Allocation management	£7.0
CIP Delegated	£5.2
Spec comm target	£3.5
Additional Income	£2.7
Balance of risks identified at planning	£219.8

Emerging Risks		
Emerging Risks	Reference	£m
GM Mental Health	Slide 7 -8	£28.0
GM Individual Packages of Care	Slide 9	£13.9
GM Prescribing	Slide 10	£15.0
GM Community - Neuro Rehab	Forecast	£3.0
Total Risks		£59.9

Mitigations based on planning risks	Reference	£m
CIP current forecast	Slide 13 -15	-£48.1
		-£26.0
		-£28.9
Slippage or substitution identified	Slide 16	-£42.0
Commissioning decision Not identified	Slide 17	-£8.1
Commissioning decision identified		-£11.9
23/24 Corporate savings identified	Removed from ledger	-£20.0
Balance sheet review	Delivered	-£9.1
Allocation management	Dependent on NHSE	-£7.0
CIP Delegated	Delivered	-£5.2
Spec Comm reserves	Delivered	-£5.0
Spec comm target	Delivered	-£3.5
Additional Income	Delivered	-£2.7
Home Oxygen VAT Claim	Delivered	-£1.6
Mitigations based on planning		-£219.1
Balance of risks identified at planning		£0.7

Mitigations aligned to National Policy	Reference	£m	
GM Mental Health - Bed model	Slide 18	-£2.7	
GM Mental Health other		-£10.5	
Locality - Individualised Packages of Care/CHC/FN	Slide 19	-£4.8	
Locality Mental Health/S117		-£1.0	
Locality Other		-£5.3	
Address run rate Prescribing	Slide 20	-£5.0	
UEC / Elective Funding	Slide 21 - 22	-£5.0	
Corporate savings through grip and control		-£1.0	
Balance Sheet - Other		-£5.0	
Prescribing accrual		-£5.0	
Pay award assumption		-£2.4	
Cost of Capital		-£0.9	
Industrial Action funding		-£5.0	
Further reduce programme funding		-£7.0	
Emerging risks and current mitigations totals			-£60.6
Balance of risks identified at planning			-£0.7

High risks	£m
CIP current forecast	-£28.9
GM Mental Health	-£10.5
Commissioning decision Not identified	-£8.1
Further reduce programme funding	-£7.0
Address run rate Prescribing	-£5.0
Pay award assumption	-£2.4
Corporate savings through grip and control	-£1.0
High risks	-£62.9

£63m

Red risks currently included within recovery

Slide 4 articulates rational for inclusion.



CIP £29m – To date, £26m (25.2%) delivered to date, £2.7m ahead of plan – with 78% being recurrent. There is a pipeline of themes being worked through to address the £28m gap and the ICB has a strong track record of delivering organisational ICB. The ICB has a PMO process which links into Locality Assurance Meetings to drive improvements and provide assurance on delivery.



GM Mental Health £10.5m – Illustrated on slide 7, GM has a recovery plan, working closely with providers to drive improvements in-year and recurrently.



Commissioning Decisions £8.1 – Pipeline of additional work already identified, including a further £1m to be identified on ERF.



Programme Funding £7m – System's allocation was £181m, £42m has been reduced centrally and £89m included in contracts – resulting in c£50m that will this will still go through STAR and ICB governance and if necessary, this is where the £7m is targeted.



Prescribing £5m – Slide 20 illustrates the mitigations. There are risks in prescribing that new drugs could come online, but the system has a coherent plan.

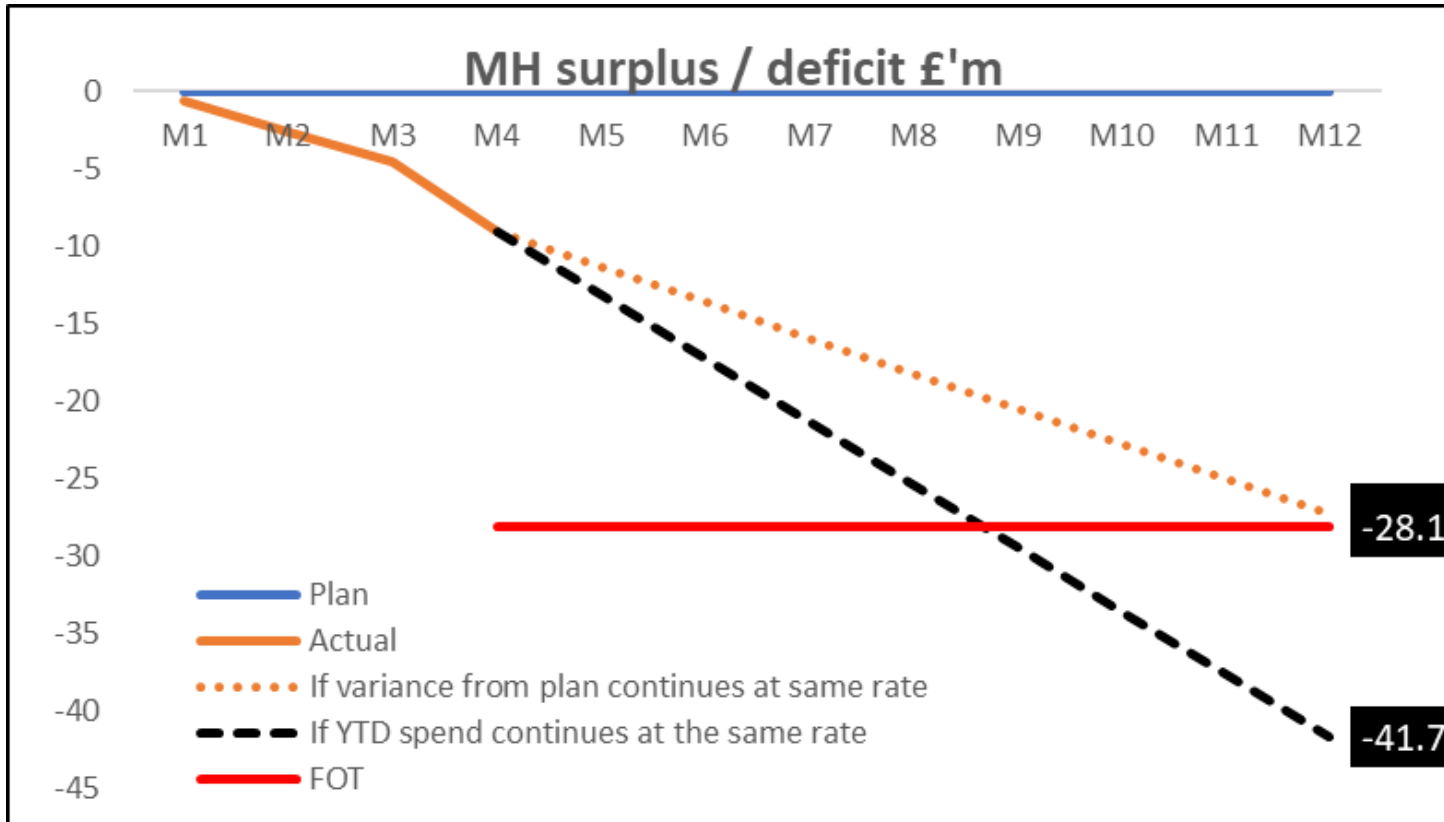


Pay award £2.4m – Funding normally includes several non-GM streams and the ICB's intention would be to follow national guidance and retain any funding.



Corporate grip and control £1m – Firebreak on all recruitment across the ICB (external and recruitment), delivery of corporate targets and a freeze on all new non pay, all courses and any new corporate spend. To note, the ICB has a business-critical panel that reviews all vacancies. Only posts that are linked to the undertakings, statutory must do's or will deliver savings above their costs (Mental Health/CHC etc) are even considered against external recruitment.

Additionally, all expenditure over £10k goes through a STAR panel and is then considered by Chief Officers.

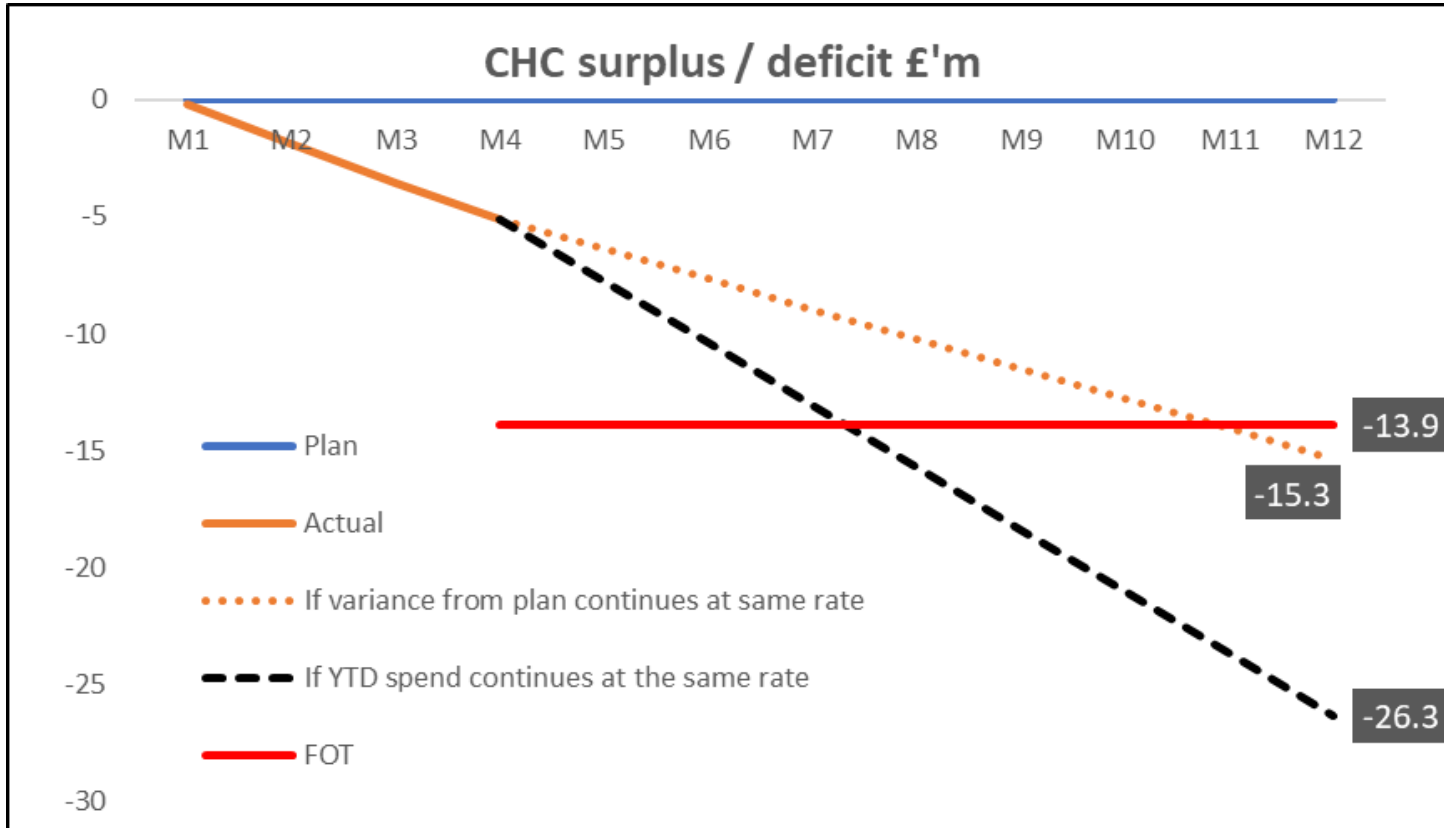


Key issues

- **£41.7m trajectory** – Based on spend at Month 4 YTD extrapolated.
- **£5.2m (M5-12) monthly improvement** - To achieve plan, £41.7m needs to be recovered over 8 months.
- **FOT deficit of £28.1m** - Assumes delivery of £9m CIPs in M5-M12, so a £1.1m per month reduction

Mitigations

1. ICB working with PWC to focus where they can accelerate plans and add value
2. Proposal has been developed potentially saving c£3m to reduce Independent Sector Placements.
3. Team deployed in Manchester to try and support the reduction of independent Sector Placements.

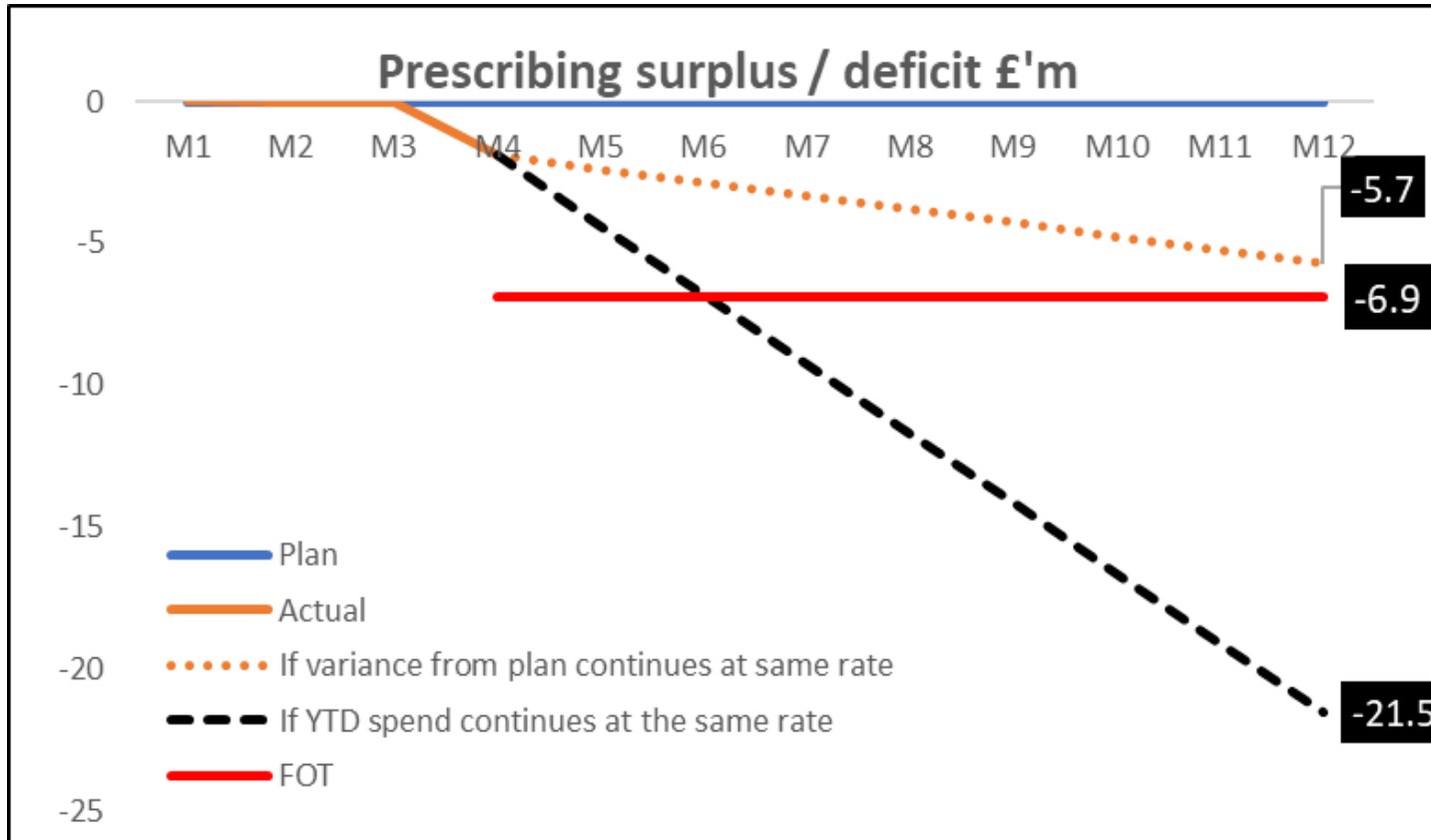


Key issues

- **£26.3m trajectory** – Based on spend at Month 4 YTD extrapolated.
- **£3.3m (M5-12) monthly improvement** - To achieve plan, £26.3m needs to be recovered over 8 months.
- **The current FOT deficit of £13.9m** - Assumes delivery of £12.4m CIPs in M5-M12, so £1.6m per month

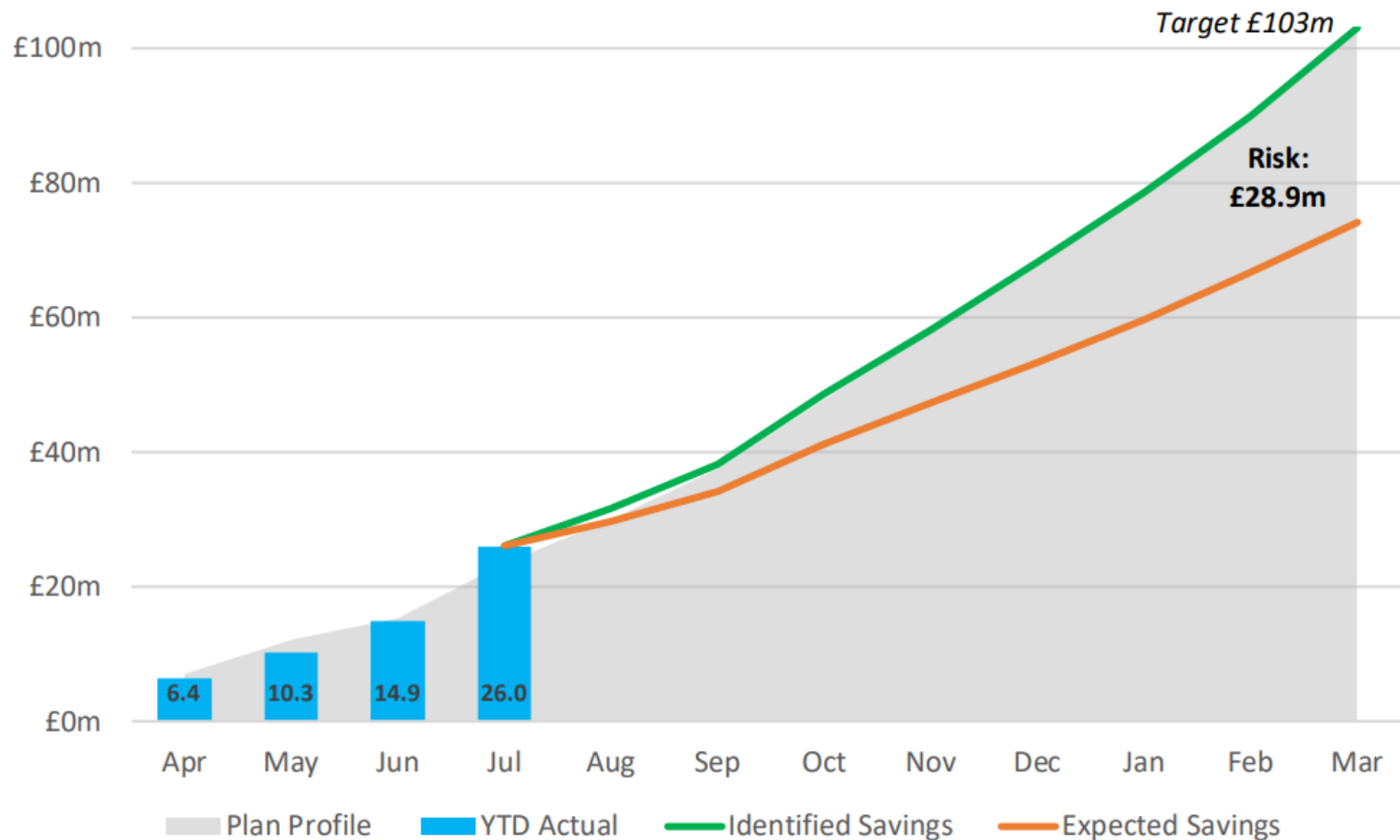
Mitigations

1. PWC Scope has a workstream to help rapidly understand the challenges within the system's CHC expenditure.
2. Additionally, the system has deployed Liaison in Manchester and Stockport to support identifying reduction on spend.
3. System efficiency group established (first meeting x) to drive overall improvements.



Key issues

- **£21.5m trajectory** – Based on spend at Month 4 YTD extrapolated.
- **£1.9m YTD deficit** - £6.9m Forecast deficit has been reported at M4
- **£2.7m (M5-12) monthly improvement** - To achieve plan, £21.5m needs to be recovered over 8 months.
- Prescribing forecast increased resultant from challenges seen in latest data



- The chart to the left shows expected efficiency against the £103m NHS GM target. The grey background represents the profiled plan from the 12th June submitted plan.
- Total YTD savings of £26m are shown in blue. At M4 YTD savings are £2.7m ahead of the planned trajectory.
- The green and orange lines represent the forecast position before and after risk adjustments.
- The green line shows total identified savings by month. This is before the application of optimism bias. It is currently forecast that CIP will be delivered in full, the forecast trajectory is broadly in line with the plan trajectory.
- However, there is risk associated with delivery of this target. The orange line shows total expected achievement following application of optimism bias adjustment (assume full realisation of low-risk schemes, $\frac{2}{3}$ for medium risk and $\frac{1}{3}$ for high-risk schemes). The gap between the two lines represents £28.9m risk associated with CIP delivery.

	Forecast Outturn		Plan £m	Actual £m	Variance £m	Plan £m	Forecast £m	Variance £m
	Recurrent/Non Recurrent Split							
	Recurrent	Non Recurrent						
Recurrent Efficiencies			19.3	20.8	1.4	82.4	57.7	(24.7)
Non Recurrent Efficiencies			4.0	5.2	1.2	20.6	16.4	(4.2)
Total Efficiencies	78%	22%	23.3	26.0	2.7	103.0	74.1	(28.9)
Savings Area								
Continuing Health Care (CHC)	66%	34%	2.4	3.4	1.0	13.0	10.8	(2.2)
Medicine Optimisation	98%	2%	8.0	6.8	(1.2)	33.0	25.9	(7.1)
Mental Health Out of Area	90%	10%	1.3	1.0	(0.3)	10.0	4.6	(5.4)
Estates	88%	12%	0.4	0.8	0.4	5.0	2.3	(2.7)
Autism & LD	100%		0.0	0.0	0.0	0.3	0.3	0.0
Non Healthcare Contract	100%		0.0	0.0	0.0	1.2	0.4	(0.8)
Independent Sector (IS)		100%	0.0	0.0	0.0	3.0	2.0	(1.0)
Workforce External Drivers	100%		0.3	0.0	(0.3)	1.5	0.5	(1.0)
Legal Services	100%		0.1	0.0	(0.1)	0.5	0.2	(0.3)
Translation & Interpretation	100%		0.1	0.0	(0.1)	0.5	0.2	(0.3)
Virtual Wards		100%	0.0	0.0	0.0	5.0	5.0	0.0
Better Care Fund	77%	23%	1.6	2.2	0.6	4.5	3.5	(1.0)
Community Services	89%	11%	2.0	3.4	1.4	4.0	3.8	(0.2)
Optimal Organisational Structure	100%		2.0	2.4	0.4	8.5	6.5	(2.0)
Locality individual schemes	61%	39%	5.1	5.9	0.8	13.1	8.1	(5.0)
Total Efficiencies	78%	22%	23.3	26.0	2.7	103.0	74.1	(28.9)

- Data in the table is presented after adjusting for risk. The reported position assumes that the target will be delivered in full, with £28.9m of risk against delivery.

- Risk is calculated by taking bottom up, risk rated CIP forecasts from localities and work stream leads. Then applying optimism bias assumptions as follows:

- Green (Low Risk) – assume 100% savings realisation
- Amber (Medium Risk) – assume $\frac{2}{3}$ (67%) savings realisation
- Red (High risk) – assume $\frac{1}{3}$ (33%) savings realisation



Action taken – All localities have been asked to submit a recovery plan, primarily as their forecasts resulted in a £27.4m overspend for the system.

Impact – Positions have been reviewed and localities have identified mitigations to current pressures equating to £11.1m.

Next Steps – Locality Assurance meetings will hold the localities to account for their monthly recovery. PWC I&I will focus on supporting Bury and potentially Stockport localities as the two localities with the most material underspend.

Improvement by locality

Locality	M4 YTD	Original	M4 FOT	Change
Bolton	£0.2	-£1.7	£0.0	£1.7
Bury	-£5.2	-£8.7	-£7.6	£1.2
HMR	£0.1	£0.3	£0.4	£0.1
Manchester	-£1.6	-£5.2	-£3.1	£2.1
Oldham	-£0.5	-£1.2	£0.0	£1.1
Salford	£0.2	-£0.1	£0.0	£0.1
Stockport	-£1.9	-£6.0	-£5.8	£0.2
Tameside	£0.4	-£0.7	£0.0	£0.7
Trafford	-£0.6	-£3.1	-£0.3	£2.8
Wigan	-£0.3	-£1.1	£0.0	£1.1
Total	-£9.2	-£27.4	-£16.3	£11.1

Improvement by theme

Area	Actual M4 YTD	Original M4 FOT	M4 FOT 29/8	Change
CHC	-£5.1	-£13.9	-£9.1	£4.8
Other	£0.4	£0.6	£1.4	£0.8
Community	£0.7	-£0.5	£1.4	£2.0
MH	-£5.5	-£13.9	-£12.9	£1.0
Primary Care	£0.3	£0.4	£3.0	£2.5
Acute	£0.0	-£0.1	-£0.1	-£0.1
Total	-£9.2	-£27.4	-£16.3	£11.1

NHS GM (Manchester) – Financial Recovery Plan

Summary

- The localities had been asked to submit a Financial Recovery Plan following Month 4 reporting to demonstrate actions to be taken to deliver a breakeven outturn position for 2024/25.
- Manchester Locality had submitted a recovery plan at £2.4m deficit, which was a net £2.8m improvement on the Month 4 £5.2m forecast deficit.
- The Locality has since then resubmitted a revised recovery plan at £1.4m deficit.
- At M6 the Locality position reported is in line with the recovery plan outturn at £1.4m deficit.
- The plan includes slippage lines against some baseline budgets, some cross year accrual benefits following review work and some re-classification of expenditure for existing services against alternative funding sources.
- The plan does not include service growth which remains a cost pressure risk in future months.

NHS GM (Manchester) – Month 6 Position

Summary

- The locality is reporting £1.4m forecast outturn overspend at Month 6 which is a £1.0m favorable movement from Month 6 relating to;
 - £1m reduction relating to recovery plan line – D2A services
 - £0.3m reduction relating to release of Cross Year Benefits
 - £0.4m Placements growth in CHC
 - £0.1m Placements reduction in MH
- The locality is reporting a net YTD underspend of £0.7m at Month 6 against a budget YTD of £84.3m relating to;
 - £2.4m underspend for recovery plan actions (£1.9m Community, £0.2m MH & £0.3m Primary Care)
 - £0.2m underachievement of CIP against planned profile
 - £1.7m CHC placements pressure
 - £0.1m MH placements pressure
 - £0.3m net underspend across Community, Primary care & Other service
- At Month 6 we have delivered £4.75m CIP against a £13.65m full year target and forecast outturn assumes CIP delivery in full.

Detailed CIP position is presented later in the slides

NHS GM (Manchester) – Month 6 Position Reported

The table below shows the Outturn position at Month 6

Board Header	Annual Budget £'000	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Outturn Forecast £'000	FOT Variance £'000	M5 FOT Variance £'000	FOT Variance Movement £'000
Acute	5,646	2,614	2,611	(3)	5,643	(3)	0	(3)
Community	46,957	23,443	20,957	(2,486)	42,911	(4,047)	(2,152)	(1,894)
Continuing Healthcare	53,645	28,728	30,669	1,941	57,637	3,992	3,595	397
Mental Health	42,056	21,314	21,411	97	43,876	1,820	1,333	487
Primary Care	15,238	7,112	6,770	(343)	14,644	(594)	(594)	0
Other	2,228	1,114	1,193	79	2,482	254	254	0
Manchester Locality Total	165,771	84,326	83,611	(715)	167,192	1,422	2,436	(1,014)

This position excludes Primary Care Prescribing budgets from Month 5 as this has now been re-aligned to central GM reported budgets.

Manchester Locality: 2024/25 CIP Plan



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Integrated Care

M5 Detailed CIP Programme reporting

Area	QIPP 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	Total
Prescribing	Meds Opt - Scriptswitch	G	7,288	13,347	20,737	28,013	32,883	32,883	32,883	32,883	32,883	32,883	32,883	32,883	332,449
Prescribing	Meds Opt - FYE From 23/24	G	173,305	155,331	136,654	121,868	106,988	93,679	77,627	56,518	41,362	26,102	10,565	0	1,000,000
Prescribing	Meds Opt - Clinical Review	G	10,198	27,955	43,074	52,619	66,530	66,530	68,000	68,000	68,000	68,000	68,000	68,095	675,000
Prescribing	Meds Opt - Do Not Do!	A	0	0	0	17	-17	0	12,500	12,500	12,500	12,500	12,500	12,500	75,000
Prescribing	Meds Opt - Cost Effective Interventions	G	1,857	3,412	4,524	12,527	22,279	22,165.37	38,889	38,889	38,889	38,889	38,889	38,791	300,000
Prescribing	Meds Opt - Blood Glucose Testing Strips	A	0	0	0	0	0	0	0	0	0	8,333	8,333	8,333	25,000
Prescribing	Meds Opt - Preferred Brands	A	11,622	32,131	51,182	61,628	69,483	85,000	88,955	90,000	90,000	90,000	90,000	90,000	850,000
Technical	Primary Care	G	0	0	600,000	0	0	0	0	0	0	0	0	0	600,000
CHC	CHC - Continence packages	G	0	0	55,000	0	0	0	0	0	0	0	0	0	55,000
CHC	CHC - Boundary issues	A	0	0	0	0	0	0	202,000	0	0	0	0	0	202,000
CHC	CHC - Out of area placements	A	0	0	0	0	336,000	0	0	164,000	0	0	0	0	500,000
CHC	CHC - Case reviews	A	0	0	0	0	0	0	83,333	83,333	83,333	83,333	83,333	83,333	500,000
MH OAPs	MH/LD	R	0	0	0	0	0	71,429	71,429	71,429	71,429	71,429	71,429	71,429	500,000
Technical	Migrant Health Rebate	G	0	0	426,400	0	0	0	73,600	0	0	0	0	0	500,000
CHC	PHB Clawbacks	G	0	0	137,000	372,000	0	0	0	0	0	0	0	0	509,000
Technical	Bridging Packages review	A	0	0	0	50,000	0	20,000	0	0	0	0	0	0	70,000
CHC	CHC Stretch	R	0	0	0	0	0	0	181,833	181,833	181,833	181,833	181,833	181,833	1,091,000
CHC	Improve Dermot Murphy Occupancy	A	0	0	0	0	0	0	0	0	250,000	250,000	250,000	250,000	1,000,000
Community	BCF linked to discharge schemes	G	0	0	0	0	0	0	462,000	0	0	0	0	0	462,000
CHC	Manchester Complex Placements – Stretch Target”	R	0	0	0	0	0	149,571	149,571	149,571	149,571	149,571	149,571	149,571	1,047,000
CHC	FNC Out of Area LA repatriation	A	0	0	0	0	125,000	0	125,000	0	0	0	0	0	250,000
CHC	CHC 5% Stretch	R	0	0	0	0	0	0	97,694	97,694	97,694	97,694	97,694	97,694	586,166
Prescribing	Meds Opt - Clinical Review: 5% Stretch	R	0	0	0	0	0	0	97,694	97,694	97,694	97,694	97,694	90,245	578,717
Mental Health	MH 5% Stretch	R	0	0	0	0	0	0	97,694	97,694	97,694	97,694	97,694	97,694	586,166
Delegated	GP Debt Estates Delegated	G	0	0	0	0	0	0	815,000	0	0	0	0	0	815,000
Technical	Primary Care Prior year Debts & CYA	G	0	0	0	540,834	0	0	0	0	0	0	0	0	540,834
	Subtotal - Manchester Programme Savings		204,270	232,176	1,474,570	1,239,507	759,146	541,258	2,775,703	1,242,040	1,312,884	1,305,957	1,290,420	1,272,403	13,650,332

Manchester Locality: 2024/25 CIP Plan



Greater Manchester
Integrated Care

High level CIP Programme Summary at Month 6

Delivery Programmes	CIP Achieved YTD £	CIP Balance £	24/25 Target £
Prescribing	£1,586,999	£2,249,167	£3,836,166
Technical	£1,578,902	£91,098	£1,670,000
Community	£538,332	-£35,830	£502,502
CHC	£1,047,500	£4,692,666	£5,740,166
MH OAPs	£0	£500,000	£500,000
Mental Health	£0	£586,166	£586,166
Delegated	£0	£815,000	£815,000
Total	£4,751,733	£8,898,267	£13,650,000

Area	A	G	R	Total CIP Balance
Better Care Fund		-£35,830		-£35,830
Continuing Health Care (CHC)	£988,500	£0	£3,724,166	£4,712,666
Locality individual schemes		£886,098		£886,098
Medicine Optimisation	£100,000	£1,801,915	£347,252	£2,249,167
Mental Health Out of Area Placement (MH OAP)			£500,000	£500,000
Mental Health Placement			£586,166	£586,166
Grand Total	£1,088,500	£2,652,183	£5,157,584	£8,898,267

- The locality has delivered £4.7m CIP against the revised £13.65m target to date and is forecasting delivery in full for the financial year.
- It is recognised that there is still a high level of risk in CIP delivery across the services as per the analysis.

Running Costs 24/25 as at M4



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Integrated Care

Summary	Budget Book	M4 Statement	M4 Year to Date			24/25 Forecast		
	Net Annual Budget	Net Annual Budget		Actual	Variance	Budget	Actual	Variance
Locality Leadership	84,118	794,972	264,972	283,317	(18,345)	794,972	849,788	(54,816)
Medicines Management	2,702,557	2,665,909	888,619	739,508	149,111	2,297,228	2,184,685	112,543
CHC Assessment & Support	1,831,664	1,815,431	605,116	573,605	31,511	1,815,431	1,628,739	186,692
Safeguarding	908,658	908,658	302,860	314,067	(11,207)	908,658	955,608	(46,950)
Locality Administration	339,380	339,380	113,112	117,079	(3,967)	339,380	355,859	(16,479)
Primary Care	548,635	528,556	176,165	145,916	30,249	528,556	441,625	86,931
Service Transformation / Redesign	(118,154)	(118,154)	(39,405)	(29,681)	(9,724)	(118,154)	(89,241)	(28,913)
Strategic & Operational Partnership Development	1,090,063	820,850	273,596	224,166	49,430	820,850	655,280	165,570
Total	7,386,921	7,755,602	2,585,035	2,367,977	217,058	7,386,921	6,982,343	404,578

- £7.4m annual budget
- £217k reported surplus as at Month 3 (£46k pressure as at M3)
- Forecast surplus on running costs £405k (£266k as at M3)

Running Costs 24/25 – Underlying pressure



Greater Manchester
Integrated Care

Headlines @ 31/08/24

Impact of 24/25 movements

1.	Opening pay budget	10,249,684
	Closing M4 budget	9,395,473
	Variance	(854,211)

(Re. 23/24 MARS schemes & TUPE Transfer)

CIP

2.	Opening CIP target	(1,657,764)
	Closing CIP target	(803,553)
	Variance	854,211

Forecast

3.	YTD variance	217,058
	Current Forecast variance	404,578

Focus on Pay

4.	Pay Surplus / (Pressure) @ M4	362,852
	Current Forecast variance	1,232,371

Effect of Meds Mgmt Move	Pay	Non Pay	Income	Savings	Total
M4 position	9,395,473	295,001	(1,500,000)	(803,553)	7,386,921
Remove Meds Ops Budget	(2,647,834)	(18,075)		368,681	(2,297,228)
Revised Locality Budget	6,747,639	276,926	(1,500,000)	(434,872)	5,089,693

New Locality Budget 5,089,693

Forecast Pay Surplus	752,033
Forecast NonPay Pressure	(25,126)
Forecast CIP Slippage	(434,872)
Revised Locality Forecast Surplus	292,035

RISKS

Removal of MCC Public Health Grant	(500,000)
Removal of MCC NR Contribution	(1,000,000)
Total Risks	(1,500,000)

Underlying Locality Forecast Pressure (1,207,965)

- CIP delivery of £854k has reduced pay budgets accordingly
- Currently forecasting a surplus of £405k, which would be reduced to £292k after the Meds Ops move
- However, significant risks remain around the 2 income contributions (from MCC) assumed in planning
- Which would then crystallise into a £1.2m pressure, on a £5.1m budget (24% of running costs)

• Questions?