



Report title: HMR Locality Health Budget 2023/24 Monitoring Report Quarter 1 2023/24

Report to: HMR Locality Board

Date of meeting: 29 August 2023

Cabinet Portfolio Holder: Cabinet Member for Health & Wellbeing

Report of: Jonathan Evans (Locality Director of Strategic Performance – Health & Social Care)

Public or private: Public

Key Issue? No

Published on the Forward Plan: Yes

1. Report summary

- 1.1 This report updates the Locality Board on the HMR Locality Health budgets for the period April – June (Q1) 2023.
- 1.2 At month 03, HMR Locality are £41k underspent with a forecast underspend of £25k. This is due to a slight underspend being forecast on prescribing offsetting a cost pressure relating to the 2023/24 schedules from Community Health Partnerships (CHP) and NHS Property Services (NHSPS) for void and subsidy costs being slightly higher than the 4% increase that Greater Manchester (GM) anticipated.
- 1.3 It should be noted that due to the cost pressure seen in 2022/23, particularly in Q4 relating to the No Cheaper Stock Obtainable (NCSO) drugs within prescribing, there is a risk that this continues into the 2023/24 financial year and increase costs significantly across not only the locality but across GM. This pressure has not been reported within the GM position upon request from the GM team.
- 1.4 As prescribing data is available 2 months in arrears, only April's data was available for the month 03 position making it difficult to accurately forecast the potential pressure. April's cost per prescribing day was 17% higher than 2022/23 which suggests the issue around NCSOs continues into this financial year.

2. Recommendations

- 2.1 Locality Board are asked to note the year-to-date Q1 position of an underspend of £41k with a forecast out turn position of an underspend of

£25k. Also, to note is the decision by GM not to report the potential impact of April's increase in prescribing costs.

3. Reason for recommendation

3.1 Locality Board approved the opening 2023/24 health budgets at the meeting held on the 30 May 2023 and in accordance with the forward plan quarterly updates will be presented to Locality Board to give assurance on meeting the financial plan.

4. Alternatives considered

4.1 None

5. Key information

5.1 This report updates the Locality Board on the HMR Locality Health budgets for the period April – June (Q1) 2023.

5.2 At month 03, HMR Locality are £41k underspent with a forecast underspend of £25k. This is due to a slight underspend being forecast on prescribing offsetting a cost pressure relating to the 2023/24 schedules from Community Health Partnerships (CHP) and NHS Property Services (NHSPS) for void and subsidy costs being slightly higher than the 4% increase that Greater Manchester (GM) anticipated.

5.3 It should be noted that due to the cost pressure seen in 2022/23, particularly in Q4 relating to the No Cheaper Stock Obtainable (NCSO) drugs within prescribing, there is a risk that this continues into the 2023/24 financial year and increase costs significantly across not only the locality but across GM. This pressure has not been reported within the GM position upon request from the GM team.

5.4 As prescribing data is available 2 months in arrears, only April's data was available for the month 03 position making it difficult to accurately forecast the potential pressure. April's cost per prescribing day was 17% higher than 2022/23 which suggests the issue around NCSOs continues into this financial year.

6. Finance

6.1 Table 1 Summarises the Financial Position at the end of Month 03:

Row Labels	Sum of YTD Budget (£000)	Sum of YTD Actual (£000)	Sum of YTD Variance (£000)	Sum of Annual Budget (£000)	Sum of Forecast Outturn (£000)	Sum of Forecast Variance (£000)
Acute	10	10	(0)	40	39	(1)
Community	7,078	7,088	11	30,593	30,601	8
Continuing Care	3,246	3,243	(4)	13,729	13,729	(0)
Mental Health	2,778	2,772	(5)	11,112	11,083	(29)
Other	319	333	14	1,276	1,340	64
Primary Care	13,748	13,692	(56)	54,993	54,925	(68)
Grand Total	27,179	27,138	(41)	111,742	111,717	(25)
QIPP	0	0	0	(1,021)	(1,021)	0

Grand Total After QIPP	27,179	27,138	(41)	110,721	110,696	(25)
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- 6.1 Acute:
The Acute budget relates to the Patient Transport Contract with Transport for Sick Children, as well as a small budget for ad hoc Patient Transport Costs. At month 03, the locality is forecasting a £1k underspend based on historic activity and costs incurred to date.
- 6.2 Community:
Community costs are forecast to be £8k overspent at month 3. The main area of overspend is Any Qualified Provider (AQP) within Audiology due to an increase in higher than anticipated level of activity. This will be monitored throughout the financial year.
- 6.3 Continuing Health Care and Funded Nursing Care:
At month 3, the Continuing Health Care (CHC) and Funded Nursing Care (FNC) budgets are forecast to break even. Whilst it is still early in the year and the need for CHC and FNC can fluctuate, the CHC team are up to date with assessments and reviews.
There is a joint adult pool with the Local Authority for existing patients whose costs are split 50/50. The pool is being reviewed this year and any financial impact from this review will be reported in the future once known.
- 6.4 Mental Health:
Mental Health services are forecast to underspend by £29k this year. Circa £1m of additional budget has been introduced in 2023/24 to support the pressure seen in 2022/23 with regards to Out of Area placements. However, it is anticipated that the work across GM to reduce Out of Area placements will ease some of this pressure and therefore allowing the locality to contribute to achieving the QIPP target.
- 6.5 Other:
Other budgets, specifically relating to Interpreting Services in Primary Care and the void and subsidy costs that the GM ICB are liable for in Community Health partnership (CHP) and NHS Property Services (NHSPS) buildings. There is a pressure of £14k at the end of month 3 and forecast pressure of £64k due to the schedules from Community Health Partnerships (CHP) and NHS Property Services (NHSPS) for void and subsidy costs being slightly higher than the 4% increase that GM anticipated through budget setting.
- 6.6 Primary Care:
Primary Care is forecasting a £68k underspend, primarily relating to prescribing.
However, it should be noted that due to the cost pressure seen in 2022/23, particularly in Q4 relating to the No Cheaper Stock Obtainable (NCSO) drugs within prescribing, there is the risk that this continues into the 2023/24 financial year and increase costs significantly across not only the locality but across GM. This pressure has not been reported within the GM position upon request from the GM team.
As prescribing data is available 2 months in arrears, only April's data was available for the month 03 position making it difficult to accurately forecast the potential pressure. However, April's cost per prescribing day was 17% higher

than in April 2022/23 which suggests the issue around NCSOs has continued into this financial year.

6.7 QIPP Achievement

The locality QIPP target is £2,585k. Due to thorough scrutiny of budgets and inflationary assumptions, the locality has been able to release £1,316k towards this target as well as £248k within CHC where the GM assumption regarding budget setting was to increase the budget by 11%, but the actual increase across HMR was closer to 8%. The CHC uplifts are in line with those agreed between providers and the Local Authority.

There is £1,021k QIPP remaining to be found in this financial year. £0.5m is planned to be released if Out of Area bed usage reduces and £0.5m from prescribing initiatives.

7. Legal

7.1 There are no legal risks associated with this report.

8. Human resource

8.1 There is no HR requirement with regards to the Locality Health Budget 2023/24 Monitoring Report for Q1.

9. Equality impact

9.1 There is no equality impact for financial monitoring reports.

10. Other considerations (corporate priorities, environmental impacts, risks)

10.1 The paper above outlines the key risks to the health budget for 2023/24. There are no further considerations in addition to those reported.

Background Papers: None

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