



Report of: Leeds Health and Care Partnership Executive Group (PEG)

Report to: Leeds Health and Wellbeing Board

Date: 29th April 2021

Subject: Leeds Health and Care Financial Reporting

Are specific geographical areas affected? If relevant, name(s) of area(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

This report provides the Health and Wellbeing Board with an overview of the financial positions of the health and care organisations in Leeds, brought together to provide a single citywide financial report (Appendix 1) at the end of month 11 2020/21.

NHS organisations have been operating under revised financial regimes due to the covid pandemic. The arrangements for the first six months of the year aimed to ensure that all NHS organisations retained a balanced position during this period. There was a different regime for the final six months of the year, including a form of planning process. The plans for NHS organisations in Leeds collectively resulted in a planned deficit position of £21m, against the anticipated funding for this period. However with further review of cost pressures, and application of additional funding, the NHS organisations at place are now forecasting a surplus of £3.2m at year end.

Leeds City Council's (LCC) Children's Social Care, Adults Social Care and Public Health figures are also heavily affected by the covid pandemic. LCC is forecasting a deficit of £13m at the end of the financial year, as a result of cost pressures relating to the covid pandemic, and cost pressures on the Looked After Children budget.

Recommendations

The Health and Wellbeing Board is asked to:

- Note the M11 2020/21 partner organisations financial positions and forecast position at year end

1 Purpose of this report

- 1.1 This report provides the Health and Wellbeing Board with a brief overview of the financial positions of the health and care organisations in Leeds, brought together to provide a single citywide quarterly financial report (Appendix 1). This report is for the period ending February 2021, and the forecast year end position at that point.
- 1.2 Together, this financial information and associated narrative aims to provide a greater understanding of the collective and individual financial performance of the health and care organisations in Leeds. This provides the Health and Wellbeing Board with an opportunity to direct action which will support an appropriate and effective response
- 1.3 This paper supports the Board's role in having strategic oversight of both the financial sustainability of the Leeds health and care system and of the executive function carried out by the Partnership Executive Group (PEG).

2 Background information

- 2.1 The financial information contained within this report has been contributed by Directors of Finance from Leeds City Council (LCC), Leeds Community Healthcare Trust (LCH), Leeds Teaching Hospital Trust (LTHT), Leeds and York Partnership Trust (LYPFT) and NHS Leeds Clinical Commissioning Group (CCG).

3 Main issues

- 3.1 NHS organisations operated under a revised financial regime due to the covid pandemic for the first 6 months of the financial year. These aimed to ensure that NHS organisations retained a balanced position during this period, and included retrospective top up funding from NHSE across a variety of areas.
- 3.2 There was a revised regime for the final 6 months of the year, with submission of NHS system and organisational plans for M7-12. Some funding was given to systems to distribute, and there also remained some retrospective tops up funding.
- 3.3 The plans for NHS organisations in Leeds collectively resulted in a planned deficit position of £21m, against the anticipated funding for this period. However with further review of cost pressures, and application of additional funding, the NHS organisations at place are now forecasting a surplus of £3.2m at year end.
- 3.4 Leeds City Council's (LCC) Children's Social Care, Adults Social Care and Public Health figures are also heavily affected by the covid pandemic. LCC is forecasting a deficit of £13m at the end of the financial year, as a result of cost pressures relating to the covid pandemic, and cost pressures on the Looked After Children budgets

4 Health and Wellbeing Board governance

4.1 Consultation, engagement and hearing citizen voice

4.1.1 Development of the Leeds health & care quarterly financial report is overseen by the Directors of Finance and equivalents from Leeds City Council, Leeds Community Healthcare Trust, Leeds Teaching Hospital Trust, Leeds and York Partnership Trust and the Leeds Clinical Commissioning Group.

4.1.2 Individual organisations engage with citizens through their own internal process and spending priorities are aligned to the Leeds Health and Wellbeing Strategy 2016-2021, which was developed through significant engagement activity.

4.2 Equality and diversity / cohesion and integration

4.2.1 Through the Leeds health & care quarterly financial report we are better able to understand a citywide position and identify challenges and opportunities across the health and care system to contribute to the delivery of the vision that 'Leeds will be a healthy and caring city for all ages, where people who are the poorest improve their health the fastest', which underpins the Leeds Health and Wellbeing Strategy 2016-2021.

4.3 Resources and value for money

4.3.1 The Health and Wellbeing Board has oversight of the financial stability of the Leeds system with PEG committed to using the 'Leeds £', our money and other resources, wisely for the good of the people we serve in a way in which also balances the books for the city. Bringing together financial updates from health and care organisations in a single place has multiple benefits; we are better able to understand a citywide position, identify challenges and opportunities across the health and care system and ensure that people of Leeds are getting good value for the collective Leeds £.

4.4 Legal Implications, access to information and call in

4.4.1 There is no legal, access to information and call-in implications from this report.

4.5 Risk management

4.5.1 The Leeds health & care quarterly financial report outlines the extent of the financial challenge facing the Leeds health and care system. These risks are actively monitored and mitigated against, through regular partnership meetings including the Citywide Director of Finance group and reporting to the PEG and other partnership groups as needed. Furthermore, each individual organisation has financial risk management processes and reporting mechanisms in place.

5 Conclusions

5.1 This has been a year of significant challenges and risks across the system. However it looks like the NHS organisations in Leeds will end the year with a collective surplus position of £3.2m. Leeds City Council has faced significant

pressures in relation to the covid pandemic, and is forecasting a deficit position of £13m

- 5.2 Next year is likely to bring further challenges, as organisations deal with the still ongoing covid pandemic, and its aftermath. In addition the financial regime for NHS organisations will be on another revised basis, with initial planning guidance and funding being just for the first 6 months of 2021/22. Plus the prospect of potential further reorganisations, and need for closer working both at a place level and at a system level.

6 Recommendations

The Health and Wellbeing Board is asked to:

- Note the M11 2020/21 partner organisations financial positions and forecast position at year end

7 Background documents

- 7.1 None

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How does this help reduce health inequalities in Leeds?

An efficient health and care system in financial balance enables us to use resources more effectively and target these in areas of greatest need

How does this help create a high quality health and care system?

Driving up quality depends on having the resources to meet the health and care needs of the people of Leeds. Spending every penny wisely on evidence based interventions and ensuring we have an appropriate workforce and can manage our workforce effectively promotes system-wide sustainability

How does this help to have a financially sustainable health and care system?

It maintains visibility of the financial position of the statutory partners in the city

Future challenges or opportunities

Future updates will be brought to the Health and Wellbeing Board as requested and should be factored into the work plan of the Board

**Priorities of the Leeds Health and Wellbeing Strategy 2016-21
(please tick all that apply to this report)**

A Child Friendly City and the best start in life	X
An Age Friendly City where people age well	X
Strong, engaged and well-connected communities	X
Housing and the environment enable all people of Leeds to be healthy	X
A strong economy with quality, local jobs	X
Get more people, more physically active, more often	X
Maximise the benefits of information and technology	X
A stronger focus on prevention	X
Support self-care, with more people managing their own conditions	X
Promote mental and physical health equally	X
A valued, well trained and supported workforce	X
The best care, in the right place, at the right time	X

Appendix 1

Finance Report to Leeds Health and Wellbeing Board As at end February 2021 (M11)

Overview

NHS organisations operated under a revised financial regime due to the covid pandemic for the first 6 months of the financial year. These aimed to ensure that NHS organisations retained a balanced position during this period, and included retrospective top up funding from NHSE across a variety of areas.

There was a revised regime for the final 6 months of the year, with submission of NHS system and organisational plans for M7-12. Some funding was given to systems to distribute, and there also remained some retrospective tops up funding.

The plans for NHS organisations in Leeds collectively resulted in a planned deficit position of £21m, against the anticipated funding for this period. However with further review of cost pressures, and application of additional funding, the NHS organisations at place are now forecasting a surplus of £3.2m at year end.

Leeds City Council's (LCC) Children's Social Care, Adults Social Care and Public Health figures are also heavily affected by the covid pandemic. LCC is forecasting a deficit of £13m at the end of the financial year, as a result of cost pressures relating to the covid pandemic, and cost pressures on the Looked After Children budgets

Leeds Place Based Summary

Organisation	Year to Date at M11			Forecast at M11		
	Surplus / (Deficit) £m	Plan £m	Variance £m	Surplus / (Deficit) £m	Plan £m	Variance £m
NHS Leeds CCG	(5.4)	(12.3)	6.9	0.0	(12.6)	12.6
Leeds and York Partnership NHS Foundation Trust	2.5	(1.1)	3.6	1.6	(2.8)	4.4
Leeds Community Healthcare NHS Trust	1.2	0.4	0.8	1.1	0.0	1.1
Leeds Teaching Hospitals NHS Trust	7.0	(0.1)	7.1	0.5	(5.6)	6.1
Leeds City Council - Adult Social Care and Public Health, Childrens and Families	(11.9)	0.0	(11.9)	(13.0)	0.0	(13.0)
Leeds Total	(6.6)	(13.1)	6.5	(9.8)	(21.0)	11.2

Organisational commentary on position at M11 2020/21

a. NHS Leeds CCG

The CCG had a planned deficit of £12.6m (after various anticipated allocations were taken into account) for M7-12. Following detailed reviews the CCG was able to crystallise a number of opportunities and savings which enabled a breakeven position to be forecast for year end from M10 onwards.

At M11 there were still significant risks inherent in this position. The main one being whether the CCG would be reimbursed by NHSE in full for spend in a number of areas (c£4.3m). These allocations were confirmed on 31st March 2021, which should enable the CCG to exit the year with a balanced position.

b. Leeds and York Partnership NHS Foundation Trust (LYPFT)

LYPFT had a planned deficit of £2.8m for M7-12. Commercial income recovery and spend run rate lower than plan re cost pressures, out of area placements and other schemes, plus improvements in the forecasts for the annual leave provision and around the impact of the Flowers case have resulted in an expected final position of a small surplus of £1.6m.

c. Leeds Community Healthcare NHS Trust (LCH)

LCH had a plan of breakeven across the period M7-12. But improvements in the position now indicate an expected final position of a small surplus of £1.1m. The main risk to this position is around the annual leave accrual, which historically has been low at LCH, but significant leave remained untaken at end of February.

d. Leeds Teaching Hospitals NHS Trust (LTHT)

LTHT had a planned deficit of £5.6m for M7-12. But improvements in the position from a review of cost pressures and various non recurrent benefits now indicate an expected final position of a small surplus of £0.5m.

e. Leeds City Council (LCC)

The numbers quoted above relate solely to Adult Social Care (ASC), Children's Social Care and Public Health.

The figures are heavily influenced by the covid pandemic. The variances include the receipt and expenditure of government funding ie test and trace and infection control as well as early discharge funding.

ASC and Public Health directorate is projected to overspend its budget by £7.1m. This is analysed as a £10.6m Covid-19 related cost pressure, less an application of £3.5m of reserves. A number of budget action plans are expected to slip directly as a result of the Covid-19 pandemic. This is because the necessary resources to deliver these are being redirected; these total £3.6m. Covid-19 grant funding of £36.3m is reflected in the above figures, inclusive of £16m for Test and Trace and £13.5m for Infection Control Fund.

Children's Social Care directorate is forecast to overspend its budget by £5.9m, this relates to significant cost pressures around Children Looked After Demand budgets.