



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

Report to: Leeds Health and Wellbeing Board

Date: 28 February 2019

Subject: Leeds Health and Care Quarterly 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).

Key headlines are:

- At the end of December 2018/19, the system is reporting an in year overall deficit position against plan of £2.0m with a forecast year end deficit position of £11.8m. The forecast year end position is the same as that reported at month 6.
- £9.7m of the forecast year end deficit is reported against Leeds Teaching Hospitals NHS Trust (LTHT) as a result of a forecast non-delivery of A&E performance standards, but still achieve the pre Provider Sustainability Fund (PSF) control total agreed with NHS Improvement.
- In Leeds City Council (LCC), Children and Families' Social Care is currently forecasting a year end overspend of £2.1m. The pressure is primarily within Children Looked After (CLA), financially supported non-CLA and the Leeds contribution to One Adoption West Yorkshire.

- Leeds and York Partnership Foundation Trust (LYPFT), Leeds Community Healthcare (LCH) and Leeds Clinical Commissioning Group (CCG) are forecasting at plan however there are a number of challenges and risks to these positions.

Recommendations

The Health and Wellbeing Board is asked to:

- Note the 2018/19 April to December partner organisation financial positions and the forecast end of year positions for 2018/19.

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 9 months ending 31st December, 2018.
- 1.3 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.
- 1.4 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 Leeds Health and Care 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 At the end of December 2018/19, the system is reporting an overall deficit position against plan of £2.0m with a forecast year end deficit position of £11.8m.
- 3.2 £9.8m of the forecast year end deficit is reported against LTHT as a result of non-achievement of the Emergency Care Standard Performance.
- 3.3 The Trusts continues to forecast delivery of its pre Provider Sustainability Fund (PSF) £19.8m deficit, despite a number of significant risks that could impact on the position. It continues to identify mitigating actions and will continue to work hard to achieve the full savings programme. Although work is ongoing to deliver the A&E performance standards for the remaining quarter, the year-end forecast currently takes the financially prudent view that it is not achieved, and as such would end

the year with a £9.8m adverse variance to the overall plan, but still achieve the pre PSF control total agreed with NHS Improvement.

- 3.4 Children and Families' Social Care is currently experiencing a number of budget pressures that means it will be challenging for the directorate to contain spend within the approved budget without additional proposals being identified, agreed and implemented. The projected year-end position at quarter 3 is an overspend of £2.1m. The pressure is primarily within Children Looked After (CLA), financially supported non-CLA and the Leeds contribution to One Adoption West Yorkshire.
- 3.5 LYPFT, LCH and Leeds CCG are forecasting at plan however there are a number of challenges and risks to these positions.

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 access to information and call-in implications arising 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 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 At the end of December 2018, partner organisations are predicting that there will be significant challenges in delivering against the in year financial plan, with particular pressures at LTHT and LCC (Children and Families Social Care).

6. Recommendations

- 6.1 The Health and Wellbeing Board is asked to:
- Note the 2018/19 April to December partner organisation financial positions and the forecast end of year positions for 2018/19.

7. Background documents

- 7.1 None



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	
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

Quarterly Finance Report to Leeds Health and Wellbeing Board

A. Quarter 3 (Apr-Dec) financial position for 2018/19

A1 - City Summary

At the end of December 2018/19, the system is reporting an overall deficit position against plan of £2.0m with forecast year end deficit position of £11.8m.

- £9.8m of the forecast year end deficit is reported against Leeds Teaching Hospitals NHS Trust (LTHT) as a result of non-achievement of the first two quarters of the Emergency Care Standard Performance.
- Children and Families' Social Care is currently forecasting a year end overspend of £2.1m. A number of budget pressures mean it will be challenging for the directorate to contain spend within the approved budget without additional saving proposals being identified, agreed and implemented.
- Leeds and York Partnership Foundation Trust (LYPFT), Leeds Community Healthcare (LCH) and Leeds Clinical Commissioning Group (Leeds CCG) are forecasting at plan.

Section 1 - City Summary

9 months ended 31st December 2019	Total Income/Funding			Pay Costs			Other Costs			Total Costs			Net surplus/(deficit)			Movement from Previous quarter)
	Plan £m	Actual £m	Var £m	Plan £m	Actual £m	Var £m	Plan £m	Actual £m	Var £m	Plan £m	Actual £m	Var £m	Plan £m	Actual £m	Var £m	
Leeds City Council	474.6	475.3	0.7	107.2	106.6	0.6	367.4	370.3	- 2.8	474.6	476.9	- 2.2	-	- 1.6	- 1.6	-0.6
Leeds Community Healthcare Trust	113.7	113.4	- 0.3	80.5	80.0	0.5	29.8	29.7	0.1	110.3	109.7	0.6	3.4	3.7	0.3	-
Leeds Teaching Hospitals NHS Trust	936.5	950.1	13.6	531.7	551.9	- 20.2	392.1	391.8	0.3	923.8	943.7	- 19.9	12.7	6.4	- 6.3	-3.1
Leeds & York Partnership Foundation Trust	132.8	139.9	7.1	74.9	85.0	- 0.1	33.6	34.9	- 1.4	118.4	120.0	- 1.5	14.4	19.9	5.6	4.8
Leeds CCG Partnership	918.3	918.3	-	11.9	10.6	1.3	906.4	907.7	- 1.3	918.3	918.3	-	-	-	-	-

Forecast year end 2018/19	Total Income/Funding			Pay Costs			Other Costs			Total Costs			Net surplus/(deficit)			Movement from Previous quarter)
	Plan	Forecast	Var	Plan	Forecast	Var	Plan	Forecast	Var	Plan	Forecast	Var	Plan	Forecast	Var	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Leeds City Council	632.8	633.7	0.9	142.9	142.1	0.8	489.9	493.7	- 3.8	632.8	635.8	- 3.0	-	- 2.1	- 2.1	-0.1
Leeds Community Healthcare Trust	151.8	151.4	- 0.4	107.6	107.2	0.4	40.1	40.2	- 0.1	147.7	147.4	0.3	4.1	4.0	- 0.1	-
Leeds Teaching Hospitals NHS Trust	1,269.9	1,293.9	24.0	709.3	743.0	- 33.7	515.5	515.5	-	1,224.8	1,258.5	- 33.7	45.1	35.4	- 9.7	0.1
Leeds & York Partnership Foundation Trust	187.6	187.6	-	114.8	114.8	-	44.8	44.8	-	159.6	159.6	-	28.0	28.0	-	-
Leeds CCG Partnership	1,230.6	1,230.6	-	15.8	14.2	1.6	1,214.8	1,216.4	- 1.6	1,230.6	1,230.6	-	-	-	-	-

Sign convention: (negative numbers) = adverse variances
Numbers may not sum due to roundings

A2 – Organisational commentary on year end position

a. Leeds City Council

The numbers quoted above relate solely to Adults Social Care, Public Health and Children and Families' Social Care.

Adult Social Care and Public Health are currently projecting a balanced position. At this stage it is anticipated that the majority of savings plans will be delivered successfully. Care Packages are expected to be delivered within budget. Variations include £1.0m of anticipated cost pressures relating to client transport and IT developments, these being offset by £1.0m of projected savings relating to staff turnover and slippage in employing new staff. The figures exclude the £3.3m receivable for Winter Pressures, this will be included for Q4.

Children and Families are reporting a number of budget pressures that mean it will be challenging for the directorate to contain spend within the approved budget. The projected year-end position at Quarter 3 is an overspend of £2.1m. The pressure is primarily within Children Looked After (CLA), financially supported Non-CLA and the Leeds contribution to One Adoption West Yorkshire.

b. Leeds Community Healthcare Trust

The Trust is £0.3m ahead of plan at the end of December; this is before additional costs to meet winter demand. The Year to date and Forecast outturn positions include the additional surplus and Provider Sustainability Fund (PSF) agreed with NHS Improvement. The Trusts forecast outturn surplus for the year is now £4.0m including £2.3m of PSF. The major financial risks include ensuring the loss of income from decommissioning is fully mitigated, the continued delivery of planned cost improvements and mitigation of any shortfall in income in respect of non-delivery of quality payments (CQUINs).

c. Leeds Teaching Hospitals Trust

At the end of Q3, the Trust is still on track to deliver against its PSF control total, with the year to date adverse variance of £6.3m relating almost entirely to PSF not accounted for due to A&E performance being behind trajectory. The £3.1 deterioration in variance from Q2 all relates to the same issue. Before accounting for PSF the Trusts Q3 position was a £24.5m deficit against a deficit plan of £24.6m.

The Trust continues to forecast delivery of its pre PSF £12.3m deficit, despite a number of significant risks that could impact on the position. It continues to identify mitigating actions and will continue to work hard to achieve the full savings programme. Although work is ongoing to deliver the A&E performance standards for the remaining quarter, the year end forecast currently takes the financially prudent view that it is not achieved, and as such would end the year with a £9.7m adverse variance to the overall plan, but still achieve the PSF control total agreed with NHSI.

d. Leeds and York Partnership Trust

The Trust is £5.5m ahead of plan at quarter 3. This position is attributable to

- PFI refinance (£6.5m) executed in December 2018 (planned for January 2019)
- Rescheduled final property disposal to January 2019 (planned profit on disposal in December 2018 - £0.9m)

Excluding these timing issues, the I&E position increased from £2.5m to £28m as a consequence of a technical adjustment linked to the accounting treatment of a PFI refinancing gain and associated Provider Sustainability Fund incentive scheme. The Trust continues to forecast delivery of the £28m control total.

e. NHS Leeds CCG

The CCG is on track to achieve its financial targets. The CCG has reviewed its £34.3m QIPP target against its risk profile. A number of significant risks have either slipped into future financial years or not crystallised which have reduced the target in year. In addition, in year allocations have been received from NHS England to support some of the national cost pressures the CCG had previously expected to have to fund through in year allocation growth. For 2018-19 the CCG risk reserve, the slippage on some previously anticipated areas of spend and the non-recurrent allocations received from NHS England, will mitigate against the non-achievement of in year QIPP, however the CCG's financial position moving forward is still heavily reliant on QIPP delivery. QIPP is reported and monitored through the Commissioning for Value Board.

The CCG has increased the in-year control total surplus by £5m as part of a national process to close off the NHS 2018/19 financial planning process. This increases the historic surplus held by NHS England on behalf of the CCG from £40.38m to £45.38m, with the understanding that the CCG is able to draw down up to £10m from its historic surplus in 2019-20 in return for its increased surplus in 2018-19.