



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

Report to: Leeds Health and Wellbeing Board

Date: 14th June 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 system headlines:

- At the end of March 2018/19, the system is reporting a pre-audit year end overall surplus position against plan of £11.4m. The year end position has moved by £23.2m (from a forecast deficit position of £11.8m reported to the Board in February)
- £20.1m of this movement was as the result of additional incentive payments received from the NHS central Provider Sustainability Fund (PSF)
- Key headlines from each sector are reported in appendix 1

Recommendations

The Health and Wellbeing Board is asked to:

- Note the 2018/19 April to March partner organisation pre-audit financial positions.

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).
- 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.
- 1.4 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 March 2018/19, the system is reporting a pre-audit year end overall surplus position against plan of £11.4m. The year-end position has moved by £23.2m (from a forecast deficit position of £11.8m reported to the Board in February)
 - Leeds Teaching Hospitals ended the year with a total surplus of £52m which was £17.6m better than the Quarter 3 best case forecast. A significant part of this was as the result of the year end distribution of funding from the central NHS Provider Sustainability Fund (PSF).
 - Adults and Health are projecting a balanced position. The majority of savings plans have been delivered successfully. In year funding for Winter Pressures has ensured that demand based pressures have been offset.
 - Children and Families are reporting an overspend of £2.5m. The pressure is primarily within Children Looked After (CLA), financially supported Non-CLA and the Leeds contribution to One Adoption West
 - Leeds and York Partnership Foundation Trust (LYPFT) are reporting a £4.4m surplus variance for 2018/19. This position is attributable to additional incentive Provider Sustainability Funding of £3.5m and other general improvements in run rate (out of area placements improved towards end of year).

- Leeds Community Healthcare Trust exceeded the planned £4m surplus as the result of £1.6m of additional funding received from the central NHS Provider Sustainability Fund (PSF)
- Leeds Clinical Commissioning Group delivered its required control total for the 2018/19 year which was increased by £5m mid-year to provide system wide support to the NHS. This increased surplus will be returned to Leeds in 2019/20.

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 the 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 are 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 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 At the end of 2018/19, partner organisations have collectively achieved an overall surplus against plan of £11.4 (pre-audit) despite significant challenges. Moving into 2019/20 the system continues to deal with significant challenges.

6. Recommendations

- 6.1 The Health and Wellbeing Board is asked to:

- Note the 2018/19 April to March partner organisation pre-audit financial positions.

7. Background documents

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 4 (Apr-March) pre-audit financial position for 2018/19

A1 - City Summary

At the end of March 2018/19, the system is reporting a pre-audit year end overall surplus position against plan of £11.4m. The yearend position has moved by £23.2m (from a forecast deficit position of £11.8m reported to the Board in February)

- Leeds Teaching Hospitals ended the year with a total surplus of £52.0m which was £17.6m better than the Q3 best case forecast. A significant part of this was as the result of the year end distribution of funding from the central NHS Provider Sustainability fund (PSF)
- Children and Families are reporting an overspend of £2.5m. The pressure is primarily within Children Looked After (CLA), financially supported Non-CLA and the Leeds contribution to One Adoption West
- Leeds and York Partnership Foundation Trust (LYPFT) are reporting a £4.4m surplus variance for 2018/19. This position is attributable to additional incentive Provider Sustainability Funding of £3.5m and other general improvements in run rate (out of area placements improved towards end of year).
- Leeds Community Healthcare Trust exceeded the planned £4.0m surplus as the result of £1.6m of additional funding received from the central NHS Provider Sustainability Fund (PSF)
- Leeds Clinical Commissioning Group delivered its required control total for the 2018/19 year which was increased by £5m mid-year to provide system wide support to the NHS. This increased surplus will be returned to Leeds in 2019/20.

| 12 months ended 31st March 2019 | Total Income/Funding | | | Pay Costs | | | Other Costs | | | Total Costs | | | Net surplus/(deficit) | | | Movement from Previous quarter) |
|---|----------------------|---------|------|-----------|--------|--------|-------------|---------|--------|-------------|---------|--------|-----------------------|--------|-------|---------------------------------|
| | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | |
| Leeds City Council | 636.0 | 643.6 | 7.6 | 144.1 | 143.7 | 0.4 | 491.9 | 502.4 | - 10.5 | 636.0 | 646.1 | - 10.1 | - | - 2.5 | - 2.5 | -0.9 |
| Leeds Community Healthcare Trust | 154.3 | 155.6 | 1.3 | 107.7 | 107.1 | 0.6 | 42.6 | 42.9 | - 0.3 | 150.3 | 150.0 | 0.3 | 4.0 | 5.6 | 1.6 | 1.3 |
| Leeds Teaching Hospitals NHS Trust | 1,269.9 | 1,332.8 | 62.9 | 709.3 | 745.3 | - 36.0 | 515.5 | 534.5 | - 19.0 | 1,224.8 | 1,279.8 | - 55.0 | 45.1 | 53.0 | 7.9 | 14.2 |
| Leeds & York Partnership Foundation Trust | 186.2 | 195.1 | 9.0 | 113.3 | 113.5 | - 0.1 | 44.8 | 49.3 | - 4.5 | 158.1 | 162.7 | - 4.6 | 28.0 | 32.4 | 4.4 | - 1.2 |
| Leeds CCG Partnership | 1,232.8 | 1,232.8 | - | 15.8 | 14.8 | 1.0 | 1,217.0 | 1,218.0 | - 1.0 | 1,232.8 | 1,232.8 | - | - | - | - | - |

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 the Adults and Health directorate (which includes Adult Social Care and Public Health) and Children & Families directorate in relation to Children's Social Care.

Adults and Health are projecting a balanced position. The majority of savings plans have been delivered successfully. In year funding for Winter Pressures has ensured that demand based pressures have been offset.

Children and Families are reporting an overspend of £2.5m. 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

Financial performance for 2018/19 was good. In the Trust's draft accounts, which were submitted on 24 April, all statutory targets were met. There was a small 3% shortfall on the delivery of recurrent CIPs and £0.3m of financial penalties were applied across various contracts; these were identified and mitigated earlier in the year so as not to impact on overall performance. Underspending on pay is as a result of the release of a redundancy provision that was no longer required. The Trust's outturn position includes Provider Sustainability Fund (PSF) income agreed with NHS Improvement. The Trust exceeded the planned £4.0m surplus as £1.6m additional PSF was issued at the end of the financial year.

c. Leeds Teaching Hospitals Trust

The Trust ended the year with a total surplus of £52.9m, which was £17.6m better than the Q3 best case forecast. The Q3 pre PSF forecast was equal to the control total, and the organisation was able to deliver a position which was £2.6m better than that. As a result, the Trust received additional incentive PSF of the same amount, and year-end distribution of £12.4m, which when all taken together results in the net £17.6m favourable variance to forecast.

d. Leeds and York Partnership Trust

The Trust reported a £4.4m surplus variance for 2018/19. This position is attributable to:

- Additional incentive Provider Sustainability Funding of £3.5m
- Other general improvements in run rate (out of area placements improved towards end of year).

e. NHS Leeds CCG

The CCG has achieved its financial control total, subject to final audit, making a small additional in year surplus of £85k. This is over and above the agreed £5m of resource given to support the wider system. Of the £34.3m QIPP target, £23m has been achieved through a mixture of contract negotiations/budget discussions and commissioning for value programmes, and this together with risks identified during the planning stage which have now been mitigated or reduced, has enabled the CCG to achieve its overall in year financial target.