



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

Report to: Leeds Health and Wellbeing Board

Date: 30th September 2020

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:

- NHS organisations are operating under a revised financial regime due to the covid pandemic. These arrangements currently apply until the end of September, and aim to ensure that NHS organisations retain a balanced position during this period. The arrangements that will be in place after 30th September 2020 are not yet finalised.
- Therefore NHS organisations are working on actual spend to date, and are unable to provide a full year forecast at this point. So quarter 1 actuals and year to date at the end of August are provided. All the NHS organisations are anticipating a year to date balanced position, but the August figures are subject to confirmation.
- Leeds City Council's (LCC) Children's Social Care, Adults Social Care and Public Health figures are for quarter 1 and a full year forecast, these figures are also heavily affected by the Covid pandemic. LCC is showing a deficit against plan of £3.3m as at end of June 2020, and forecasting a deficit of £9.4m at the end of the financial year.

Recommendations

The Health and Wellbeing Board is asked to:

Note the 2020-21 April to June partner organisation financial positions and the current uncertainty in the system

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 June 2020.
- 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 are operating under a revised financial regime due to the Covid pandemic. These arrangements currently apply until the end of September, and aim to ensure that NHS organisations retain a balanced position during this period. The arrangements that will be in place after 30th September 2020 are not yet finalised
- 3.2 Therefore NHS organisations are working on actual spend to date, and are unable to provide a full year forecast at this point. So quarter 1 actuals and year to date at the end of August are provided. All the NHS organisations are anticipating a year to date balanced position, but the August figures are subject to confirmation.
- 3.3 Leeds City Council's (LCC) Children's Social Care, Adults Social Care and Public Health figures are for quarter 1 and a full year forecast, these figures are also heavily affected by the Covid pandemic. LCC is showing a deficit against plan of £3.3m as at end of June 2020, and forecasting a deficit of £9.4m at the end of the financial year.

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 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 There are significant challenges and risks across the system. There is a lot of uncertainty in the system at the current time due to the Covid pandemic and particularly around the revised financial regime for NHS organisations which will be in place after 30th September 2020. Leeds City Council also faces pressures in relation to the Covid pandemic and is forecasting a deficit position at year end.

6 Recommendations

The Health and Wellbeing Board is asked to:

- Note the 2020-21 April to June partner organisation financial positions and the current uncertainty in the system

7 Background documents

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	
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 1 (April to June financial position for 2020-21)

A1 City Summary

NHS organisations are operating under a revised financial regime due to the covid pandemic. These arrangements currently apply until the end of September, and aim to ensure that NHS organisations retain a balanced position during this period. The arrangements that will be in place after 30th September 2020 are not yet finalised

Therefore NHS organisations are working on actual spend to date, and are unable to provide a full year forecast at this point. So quarter 1 actuals and year to date at the end of August are provided. All the NHS organisations are anticipating a year to date balanced position, but the August figures are subject to confirmation.

Leeds City Council's (LCC) Children's Social Care, Adults Social Care and Public Health figures are for quarter 1 and a full year forecast, these figures are also heavily affected by the covid pandemic. LCC is showing a deficit against plan of £3.3m as at end of June 2020, and forecasting a deficit of £9.4m at the end of the financial year

City Summary

3 months ended 30th June 2020	Total Income/Funding			Pay Costs			Other Costs			Total Costs			Net surplus/(deficit)		
	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	162.7	165.5	2.8	40.1	39.9	- 0.2	122.6	129.0	6.3	162.7	168.9	- 6.2	-	- 3.3	- 3.3
Leeds Community Healthcare Trust		43.1	43.1		30.3	30.3		12.8	12.8	-	43.1	- 43.1	-	-	-
Leeds Teaching Hospitals NHS Trust		368.7	368.7		211.3	211.3		157.4	157.4	-	368.7	- 368.7	-	-	-
Leeds & York Partnership Foundation Trust		45.8	45.8		32.6	32.6		13.2	13.2	-	45.8	- 45.8	-	-	-
Leeds CCG		327.0	327.0		4.4	4.4		322.6	322.6	-	327.0	- 327.0	-	-	-

	Total Income/Funding			Pay Costs			Other Costs			Total Costs			Net surplus/(deficit)		
	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 FULL YEAR FORECAST	362.4	373.8	11.4	58.4	57.5	- 0.9	304.0	325.7	21.7	362.4	383.2	- 20.8	-	- 9.4	- 9.4
Year to date - 5 months ended August 2020 for NHS organisations:															
Leeds Community Healthcare Trust		71.6	71.6		49.9	49.9		21.7	21.7	-	71.6	- 71.6	-	-	-
Leeds Teaching Hospitals NHS Trust		610.9	610.9		351.9	351.9		258.9	258.9	-	610.9	- 610.9	-	-	-
Leeds & York Partnership Foundation Trust		76.8	76.8		54.5	54.5		22.3	22.3	-	76.8	- 76.8	-	-	-
Leeds CCG		553.1	553.1		7.4	7.4		545.7	545.7	-	553.1	553.1	-	-	-

A2 – Organisational commentary on Quarter 1 position

a. Leeds City Council

The numbers quoted above relate solely to Adult Social Care, 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 i.e. test and trace and infection control as well as early discharge funding. There is a significant uncertainty over costs for the remainder of the year; even if no second wave appears, the usual (and major areas of cost) demand trends have been significantly affected.

b. Leeds Community Healthcare Trust

Costs include £570k of additional Covid-19 related expenditure to the end of Q1. Forecast to the end of August includes £752k of Covid costs. It has been assumed that the current top up regime continues to the end of August. The August position has still to be reviewed therefore the position reported here is M04 actuals plus forecast for M05

c. Leeds Teaching Hospitals Trust

Due to the impact of Covid-19 on NHS services, amended financial arrangements have been put in place by the Department of Health and Social Care (DHSC) for the six month period of 1st April to 30th September 2020. These arrangements are to ensure that trusts retain a balanced financial position during this period. The arrangements that will be in place after 30th September 2020 are not yet finalised.

3 Months Ended 30th June 2020

In June Leeds Teaching Hospitals NHS Trust reported income and expenditure to date of £368.7 million resulting in a break even position in line with NHS England / Improvement (NHSE/I) national guidance. Expenditure (and income) to date includes £32.6 million of costs associated with the Covid-19 pandemic, £18.7 million relating to the Leeds Teaching Hospitals main sites and £13.9 million relating to the construction of the NHS Nightingale Hospital Yorkshire and the Humber facility.

Year to Date - 5 months ended 31st August 2020

In August Leeds Teaching Hospitals NHS Trust reported income and expenditure to date of £610.9 million resulting in a break even position in line with NHS England / Improvement (NHSE/I) national guidance. Expenditure (and income) to date includes £45 million of costs associated with the Covid-19 pandemic, £31.6 million relating to the Leeds Teaching Hospitals main sites and £13.4 million relating to the construction of the NHS Nightingale Hospital Yorkshire and the Humber facility.

The reduction in costs associated with NHS Nightingale is due to estimated construction costs being included in the financial position in the earlier part of the year. Contractor estimates have been replaced with actual costs in the latter months.

Other Comments

At an Extraordinary Board meeting on 29th March 2020, Leeds Teaching Hospitals NHS Trust agreed to a request from NHS England to host the NHS Nightingale Hospital Yorkshire and the Humber, including the building and operation of the facility.

d. Leeds and York Partnership Trust

In line with the COVID interim financial framework LYPFT have reported a balanced I&E position at Q1 and month 5.

e. NHS Leeds CCG

NHS Leeds CCG is reporting a balanced position at end of June (Quarter 1) and at end of August (Month 5), under the current financial regime. August figures are subject to confirmation. Costs include £5.8m of covid related expenditure at end of June, and the position at the end of August includes covid related expenditure of £14.4m