



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

Report to: Leeds Health and Wellbeing Board

Date: 6th December 2021

Subject: Leeds Health and Care Financial Reporting at end of September 2021 (M6 2021/22)

Strapline: Overview of the financial positions of the health and care organisations in Leeds

Comms & Engagement: Please provide 3 key points that you would want to communicate with the public about this paper / item for use on social media to promote engagement with this meeting

N/A

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)

NHS organisations continue to operate under a revised financial regime due to the covid pandemic. This includes planning and funding arrangements only being confirmed initially for the first 6 months of the financial year, known as the H1 period. Therefore, there is no full year forecast position provided at this point.

Financial plans for October to March 2022 (H2 2021/22) for NHS organisations across the region are due to be submitted to NHSEI, via the West Yorkshire and Harrogate Integrated Care System (WY & H ICS), on 22nd November 2021.

At the end of September 2021, the position across the three Leeds NHS providers was a small surplus, The CCG reported an overspend of £2m, prior to anticipated retrospective reimbursements for covid out of envelope items such as the Hospital Discharge Programme (HDP). This funding is subject to validation by NHSEI and given quarterly in arrears. The allocations have subsequently been confirmed and bring the CCG to a breakeven position.

Leeds City Council (LCC) has also been impacted by the covid pandemic with Childrens & Families reporting a projected overspend of £8.99m at the end of September, this mostly relates to a £6.5m overspend for Children Looked After (CLA) and non-CLA placements. Adult Social Care have a balanced position at M6 but with pressures going into winter which will impact both the NHS and Social Care workforce.

Recommendations

The Health and Wellbeing Board is asked to:

- Note the M6 2021/22 partner financial positions
- Note the financial plan submission for H2 2021/22 for NHS organisations

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 financial report (Appendix 1). This report is for the period ending September 2021.
- 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 continue to operate under a revised financial regime due to the covid pandemic
- 3.2 This includes planning and funding arrangements only being agreed initially for the first 6 months of the financial year, known as the H1 period. Therefore, there is no full year forecast position provided at this point.
- 3.3 The plans for NHS organisations in Leeds collectively for the H1 period demonstrated a break-even position
- 3.4 At the end of M6 2021/22 there was a small surplus position across the 3 NHS providers in Leeds, and an overspend of £2m shown at the CCG, before retrospective reimbursement of Q2 covid out of envelope items such as the Hospital Discharge Programme. This funding has subsequently been confirmed resulting in the CCG achieving break even.
- 3.5 Leeds City Council (LCC) has also been impacted by the covid pandemic with Childrens & Families reporting a projected overspend of £8.99m at the end of September, this mostly relates to a £6.5m overspend for Children Looked After (CLA) and non-CLA placements. Adult Social Care have a balanced position at M6 but with pressures going into winter which will impact both the NHS and Social Care workforce.

3.6 Financial plans for October to March 2022 (H2 2021/22) for NHS organisations across the region are due to be submitted to NHSEI, via the West Yorkshire and Harrogate Integrated Care System (WY &H ICS), on 22nd November

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 continues to be significant challenges and risks across the system, with recurrent and non recurrent additional costs related to the covid pandemic. But also, significant non recurrent funding available in this period, Workforce capacity also remains an issue.
- 5.2 The NHS organisations across Leeds end the H1 period with a small collective surplus. Leeds City Council are reporting a £9m overspend at the end of September 2021.

6 Recommendations

The Health and Wellbeing Board is asked to:

- Note the M6 2021/22 partner financial positions
- Note the financial plan submission for H2 2021/22 for NHS organisations

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 the Leeds Health and Wellbeing Board as at end of September 2021 (H1 2021/22)

Outturn for 6 months ended 30th September 2021	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 - Adult Social Care	173.08	192.54	19.46	58.01	57.72	0.29	310.28	330.03	(19.75)	368.29	387.75	(19.46)	(195.21)	(195.21)	0.00
Leeds City Council - Childrens and Families	188.60	185.20	(3.40)	97.60	96.20	1.40	208.00	215.00	(7.00)	305.60	311.20	(5.60)	(117.00)	(126.00)	(9.00)
Leeds Community Healthcare NHS Trust	94.70	98.20	3.50	64.60	64.70	(0.10)	30.10	33.50	(3.40)	94.70	98.20	(3.50)	0.00	0.00	0.00
Leeds Teaching Hospitals NHS Trust	785.78	818.15	32.37	464.55	469.45	(4.90)	321.23	348.67	(27.44)	785.78	818.12	(32.34)	0.00	0.03	0.03
Leeds & York Partnership NHS Foundation Trust	102.66	102.69	0.03	72.30	71.81	0.49	30.36	30.81	(0.45)	102.66	102.62	0.04	0.00	0.07	0.07
NHS Leeds CCG	690.59	688.46	(2.12)	7.69	7.55	0.14	680.77	683.03	(2.26)	690.58	690.58	(0.00)	0.00	(2.12)	(2.12)

Sign convention - (negative numbers) = ADVERSE variances

Narrative on YTD Position

Leeds City Council - Adult Social Care

At month 6 A&H reporting a balanced budget for 2021-22 financial year. There remain challenges / uncertainties going into Winter 2021-22 around impact of pressures on the NHS and Social Care workforce. Extension of the Infection Control Fund (ICF3 2021-22), £4.65m and the new Workforce Development & Recruitment Grant for £2.2m will provide financial support for the market. Demand as always continues to be a key risk, however labour capacity is restricting the ability to deliver all required social care.

Leeds City Council - Childrens and Families

At month 6 C&F a reporting a projected overspend of £8.99m. The key pressure relates to the budget for Children Looked After (CLA) and non-CLA placements, which is currently forecast to overspend by £6.485m. This is in part due to increased CLA placement numbers. The CLA service also has increased staffing costs which have resulted in a projected pressure of £735k. In addition to the CLA pressure the directorate is also projecting a net loss of £1.5m across its Nursery settings.

Leeds Community Healthcare NHS Trust

At the end of H1 the Trust is reporting breakeven. There are recurrent and non-recurrent Covid-19 related additional costs expected to continue throughout H2. In line with other H&SC organisations, the level of vacancies and the recruitment of staff is a significant challenge. Despite allocating resources to address waiting lists in 2021/22 progress in addressing these is slower than anticipated as staff are weary, there are less temporary staff available and both are continuing to support the Leeds vaccination programme.

Leeds and York Partnership NHS Foundation Trust

At month 6 the Trust reported an income and expenditure surplus of £67k against a planned balanced position.

Leeds Teaching Hospitals NHS Trust

In September the Trust reported income and expenditure to date of £818.1m resulting in a breakeven position. Income includes pay award funding, increased income to offset high cost drugs and devices spend and £15.4m ERF. Expenditure to date includes £22.6m of costs associated with COVID-19.

NHS Leeds CCG

The year-to-date position at the end of September shows an overspend of £2.1m for the H1 period, prior to anticipated reimbursements for covid out of envelope items such as the Hospital Discharge Programme (HDP). These anticipated allocations are subject to validation by NHSEI. Confirmed amounts will be awarded retrospectively on a quarterly basis. Quarter 1 reimbursement has been received in full after validation by NHSE. Retrospective allocations anticipated for quarter 2 are £2.1m, which would bring the year-to-date position to breakeven.