Leeds Health & Care Partnership

Current situation

You will be aware that at the end of September the ICB in Leeds wrote to everyone who holds a contract with the NHS setting out the challenging financial environment for next year and the need to resize our spending to fit the available budget. This included indicative implications for contracts and grants. You will also since then have had a briefing from our colleagues in Leeds City Council describing the very difficult position, they are in. The NHS, both within Leeds and across West Yorkshire, has continued to work together with all our partners and I thought it would be useful to write to update you on the current position and the work that is underway to meet our statutory duties.

The NHS in Leeds has a collective income of about £2billion per year. We are looking at requiring 8-10% efficiencies to stay in financial balance next year. This builds on the opening gap of 3% signalled previously and the addition of 5-7% of inflationary pressures facing all our partners. This is without doubt the most challenging position the NHS in Leeds has faced in recent years and comes at a time when there are increases in demand and remaining post-covid recovery in areas such as obesity, mental health, neurodiversity, cancer and elective activity.

Across the West Yorkshire ICS the pressure is also being felt

All West Yorkshire places - Leeds, Bradford, Calderdale, Kirklees and Wakefield - are struggling with 4 main issues which are also recognised nationally as cost pressures; 1) Increased prescribing costs (a 4% cost increase was assumed with the actual reaching 10%), 2) Continuing Health Care (CHC) packages/ADHD right to choose (complex care packages) have cost more than expected, 3) Cost of waiting list reductions outside of the main NHS hospital (elective recovery),and 4) the impact of industrial action

Given the financial position this year the NHS in Leeds is already under financial control measures by our regulator NHS England. This instruction requires us to review all areas of spend and inhibits our freedom to act and invest. If we are unable to set a balanced plan next year the level of intervention would increase significantly with the possibility of being put into special measures and the removal of discretionary spending with the consequence being a short-term focus solely on delivering national performance standards.

The NHS partners are determined not to be in this position as it inevitably has the most significant impact on our ability to work with some of the most vulnerable in our communities. We remain committed to working with partners across the city to improve health outcomes and address health inequality. In the work we are doing

now we will be seeking to protect some investment in genuinely transformational approaches that address the demand for our core business through reducing inequality.

However, this means that difficult decisions will have to be made. These will impact across all sectors funded through the NHS, affecting service users, our workforce, and all partners. Work will be done to assess the impact of any changes to services though Quality and Equality Impact Assessments (QEIAs), with particular focus on populations and the impact on groups facing the greatest health inequalities. We are reviewing, with advice from our multi-sector Population and Care Boards and other joint forums, how we can fit the service offer to the budget envelope we have available. We are exploring efficiency saving/waste reduction opportunities for 2024-25 and ensuring collective understanding of the financial risks and pressures for 2024-25. We will do this whilst delivering our core business of providing access to general practice, diagnosis, treatment, and on-going care.

As a consequence of some additional non-recurrent national funding received (about 25% of the gap), difficult decisions already taken, significant efficiency improvements in NHS providers, and a lot of non-recurrent measures we have made progress in addressing the in-year gap. Not all these decisions have been easy and include for example not continuing a range of pilot schemes. Like many other organisations across the city most NHS organisations have vacancy freezes in place and/or are actively reducing the number of people they employ. The ICB team in Leeds will be reduced by 20% this year ahead of April 2024 and we are currently concluding consultation on proposals to do this, doing all we can with union colleagues to minimise compulsory redundancy.

Approach to setting balanced plan for 2024-25

The Leeds Committee of the West Yorkshire ICB will be required to set a balanced plan for the year 2024-25 by March 2024. This committee has membership of all the key Leeds partners. The NHS statutory bodies in Leeds, who are collectively accountable for setting the balanced plan, will be using the next few months to develop it and will continue to engage with partners on how best to achieve this.

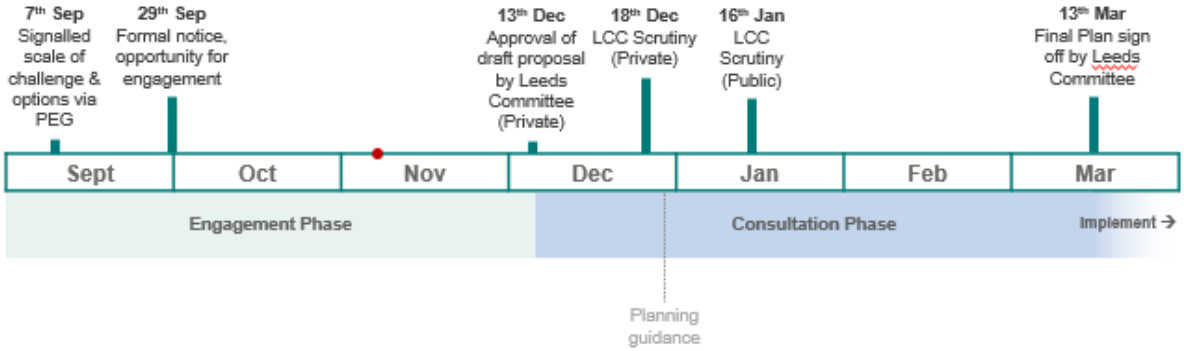
To support us with this we have established a new Strategic Finance Executive Group (SFEG) drawing membership from our NHS Statutory Partners. The NHS statutory bodies in Leeds, who are collectively accountable for setting the balanced

plan, will be using the next few months to develop it and will continue to actively engage with partners on how best to achieve this.

This group will advise and support the Leeds Committee of the WYICB, through oversight of key financial and performance plans, ensuring alignment with Healthy Leeds Plan Priorities with the focus on inequality as well and achieving and maintaining financial balance. We will continue to engage with our wider partners through our Population and Care Boards and Joint Forums and we have appointed a Lead Director of Finance for place – Simon Worthington who will support us to consolidate our approach across the partnership as a key member of this Group.

Timeline for our planned approach

We plan to work in parallel with the Leeds City Council Adults and Health Scrutiny Process to ensure any changes proposed are considered in the round in terms of their impact on the People of Leeds. The timeline for this work is outlined in the diagram below:



This joint approach will enable us to describe the “total picture”, avoid a piecemeal approach to each individual service change and understand how to collectively avoid unbalancing partners when making contract adjustments, for example by making cuts in one part of the system that effectively increase demand in another.

The more we can work together and keep the people of Leeds, especially those who are most disadvantaged, rather than our organisations at the fore we are confident that we will minimise but not remove all the implications.