



## Current situation – January 2024

The Leeds Committee of the West Yorkshire ICB is required to set a balanced plan for the year 2024-25 and this plan needs to be agreed at the Leeds Committee of the ICB on the 13 March. This is with the backdrop that the planning guidance, usually shared by NHSE before Christmas, has not yet been received.

The overall financial challenge for 24/25 is about **£200m**, which is **7-8%** of the overall gross turnover. 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.

We remain committed to working with partners across the city to improve health outcomes and address health inequalities, as set out in our Healthy Leeds Plan. In the work we are doing now we will be seeking to protect some investment in genuinely transformational approaches that will help us to reach our shared goals.

We all know that difficult decisions are being made and that these will impact across all sectors funded through the NHS, affecting service users, our workforce, and our partners.

## Approach to setting a balanced plan for 2024-25

The NHS statutory bodies in Leeds, who are collectively accountable for setting the balanced plan, have been working together to develop a plan and will continue to engage with partners on how best to achieve it.

You will remember that in the last finance update sent out in November, we outlined how we had established the Strategic Finance Executive Group (SFEG) drawing membership from our NHS Statutory Partners. The group has set up four workstreams, each with a CEO and Finance lead.

Workstream	Director of Finance Lead	Chief Executive Lead
Organisational Stretch Review & Cost Structure Analysis	Simon Worthington (LTHT)	Sara Munro (LYPFT)
Strategic New Cost Pressure Review	Bryan Machin (LCH)	Tim Ryley (ICB in Leeds)
Strategic Disinvestment Review	Dawn Hanwell (LYPFT)	Phil Wood (LTHT)
Strategic Transformation Review	Visseh Pejhan-Sykes (ICB in Leeds)	Sam Prince (LCH)



## Working together to reduce costs and achieve our goals

As part of this work, SFEG have undertaken a **cost structure analysis** which looked to establish, in high level terms, if the scale of the challenge was achievable and theoretically possible.

Following this analysis, the recommendation to SFEG was for NHS organisations to agree to plan for a 5.5% business as usual savings target. This would account for about £150m of the target, leaving £50m to be met through the other workstreams. The recommendation had been discussed through the Directors of Finance group in advance of presenting to SFEG and there was broad support.

NHS providers in Leeds have therefore committed to find 5.5% internally through efficiency and waste reduction programmes already in place.

In respect of the workstream looking at the **cost pressures review**, an overview has been collated from all providers and boards. The ICB is playing a role in collating these into themes, such as those we cannot avoid due to rising demand, and those where we have choices to make. It is also collating any potential mitigation. This will enable us to consider how to overcome barriers to delivering the Healthy Leeds Plan ambition in the short term, through surfacing and addressing priority risks.

In terms of **disinvestment**, we are continuing the discussions about the savings that need to be made via the population boards to ensure that all partners are sighted on the proposals. Boards are not only being asked to identify ideas for savings but also to highlight the risks associated with them. This is done with the aim of informing SFEG and Leeds Committee on the best way forward. Work is being undertaken to assess the impact of any changes to services through Quality and Equality Impact Assessments (QEIAs), with particular focus on populations and the impact on groups facing the greatest health inequalities.

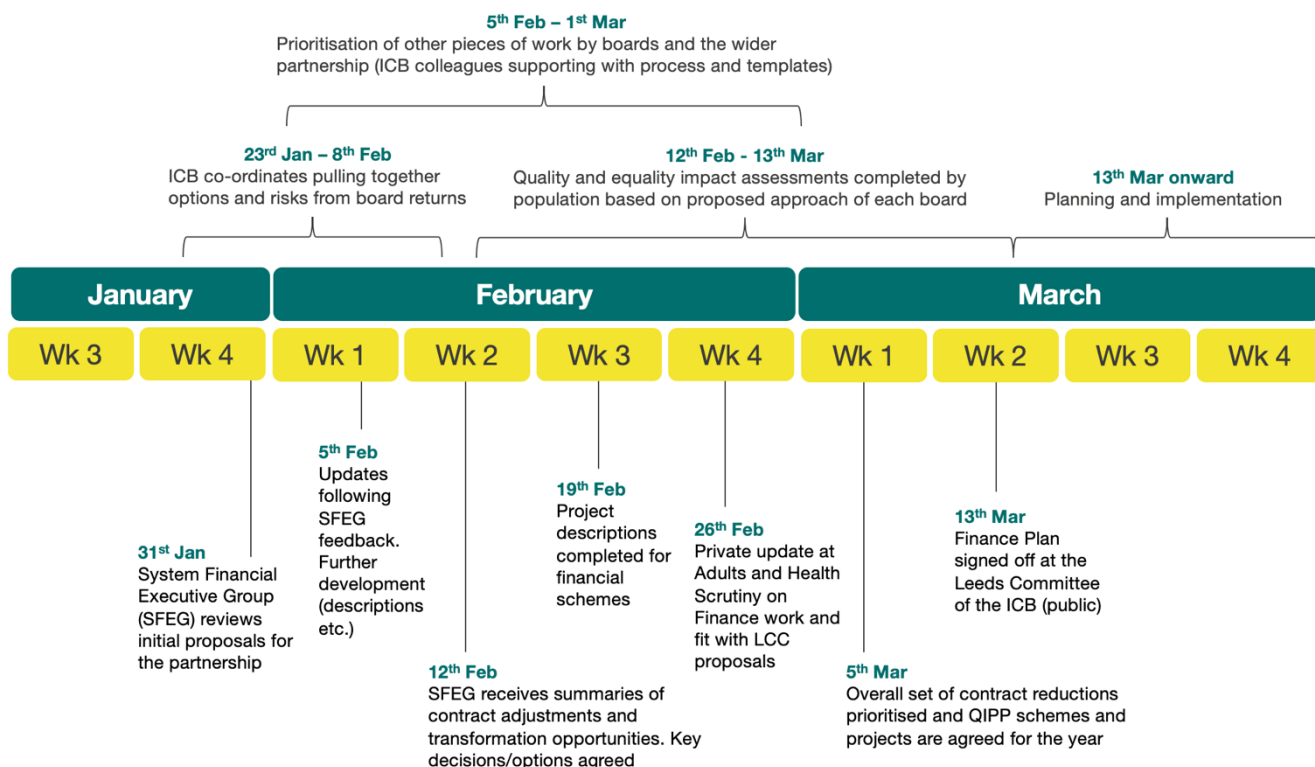
Boards and providers have also been asked to clearly identify areas of potential **transformation**. These transformation programmes could play a significant role in the delivery of the long-term Healthy Leeds Plan goals and/or on financial sustainability. A short list of transformational change programmes is being brought together and prioritised according to their likely financial impact and alignment with the HLP goals and areas of focus.

This list includes the five priorities that we have already identified within the Healthy Leeds Plan and Community Mental Health. We continue to look for ways to deliver this kind of transformational change, whether that be through financial support to programmes or by diverting existing systems resource to focus on priorities. This means that as a system we will be focused on delivery of a smaller number of things and there will be some areas of work that we will not be able to support in 2024/25.

We hope that this transformational change and focus will be the way in which we deliver our commitment to the Healthy Leeds Plan. The financial challenge makes it more important than ever to keep this focus.



# Timeline for our planned approach



Staff are being asked to engage actively with the work taking place in our Population and Care Boards and Joint Forums so that we can mitigate the impact of these savings on the people of Leeds, particularly those facing the greatest health inequalities.

We know working in a period of uncertainty is a challenge. It is something we are all dealing with, whilst also managing the consequences of the cost-of-living crisis in our own lives. Your wellbeing remains of paramount importance to all of us, and if you feel like you are struggling, we urge you to access the support available from within your respective organisations. We know that we have one of the most committed workforces, and we are extremely proud of that. By working as a team, we can support each other through this challenging period, whilst continuing to meet the needs of the people of Leeds.

## Leeds Health and Care Partnership

