



Kirklees Place
Financial Update 2022/23
Update by Finance leads



Overview

- The new West Yorkshire Integrated Care System (WYICS) commences on the 1st July 2022 and Kirklees CCG in its current form will end from the end of June and become the Kirklees Health and Care Partnership.
- The Kirklees Place is being developed to support the Health and Social Care needs of its population and how it makes the right decisions, whilst ensuring financial sustainability.
- It will be responsible to achieve financial balance in the Kirklees place as part of the WY ICS. However, the statutory duties are held by the ICS
- Our financial position will be fed into the wider system financial position.
- There is a clear direction to work together, to manage financial issues as a group – not shifting problems – but solving things together.
- The finance function of West Yorkshire has been working together for a number of years, including the development of joint financial plans. These system plans originate by the development of local level plans in each place. It is considered creation of a more formal approach, that the ICS will be bring, will allow greater, cohesive working.
- The current ICS financial plans only include NHS Providers and the current CCG. However, information in relation to the Locala and the Local Authority has been shared.
- The plans are current still to be approved in individual organisation and due to Purdah are not presented here. However, each finance lead will provide an overview.
- As a Kirklees place and as finance leads it is our overall aim to provide a comprehensive overview of the wider financial position of other key stakeholders.
- The next future years will be challenging as we come out of Covid and the ongoing backlog and health and social care challenges

How are we going to work – as part of ICS

- There are a number of financial principles that we are working towards to develop a joint financial plan as part of West Yorkshire these include
 - Decisions are clinically led
 - There is a collaborative approach
 - Transparency of financial information and plans
 - Simplify where possible
 - Comprehensive and inclusive
 - Deliverable
 - Fairness
 - Consistent
 - Includes specialist commissioning
 - Future Proofing

Approach to funds management

Place based partnership are key to financial decision making – along existing governance

Resources received in the ICS will be delegated to place wherever appropriate

Financial flows (wherever possible) to providers will be routed via the place rather than at system level

The system will ensure that there is a consistency in allocations for baseline funding

The system will take account of population health needs in place when agreeing allocation disbursement

The Mental Health Investment, Primary Care and Community services targets will continue and will be met by both place and system

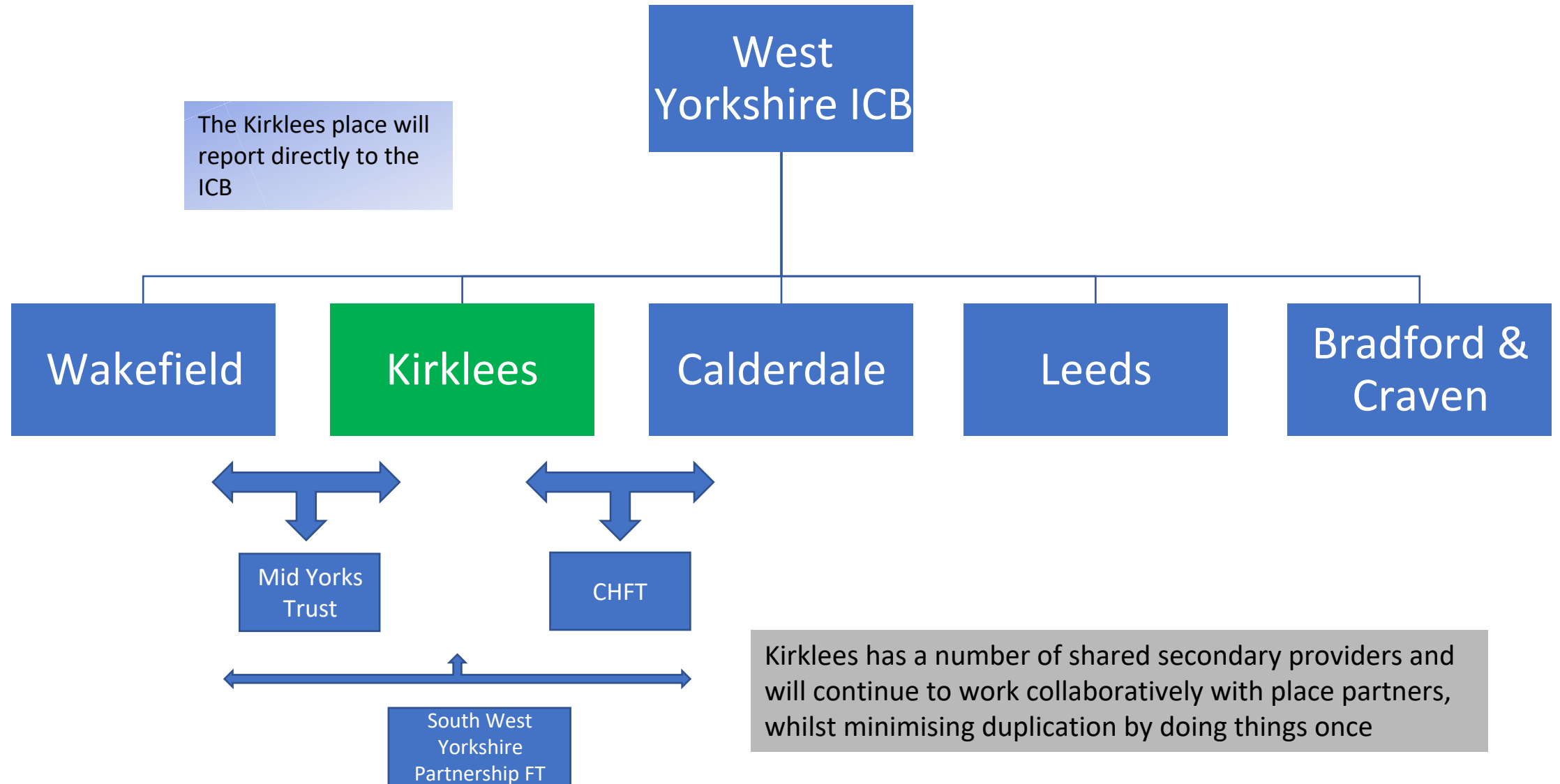
The system will develop efficiency and productivity plans at organisation, place and at a system level

Strong and robust risk management approaches will be put in place

Financial Planning – system headlines

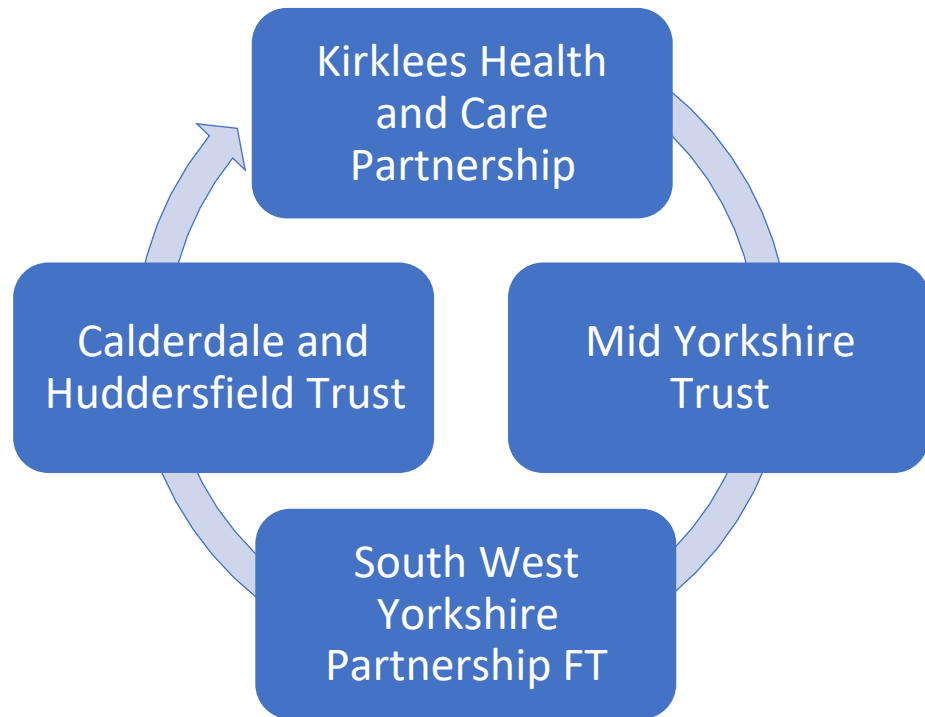
- System plans being pulled together from a West Yorkshire place.
- Moving out of the current financial framework that was in place due to Covid
- Some elements of funding have ended
- Recognised that it will be financially challenging
- Real focus on clearing backlogs, but continuing to deliver services to get them provided in the right place – system working
- Looking at things that can be done once to promote the best value for money, but not losing the local place focus

West Yorkshire system - structure

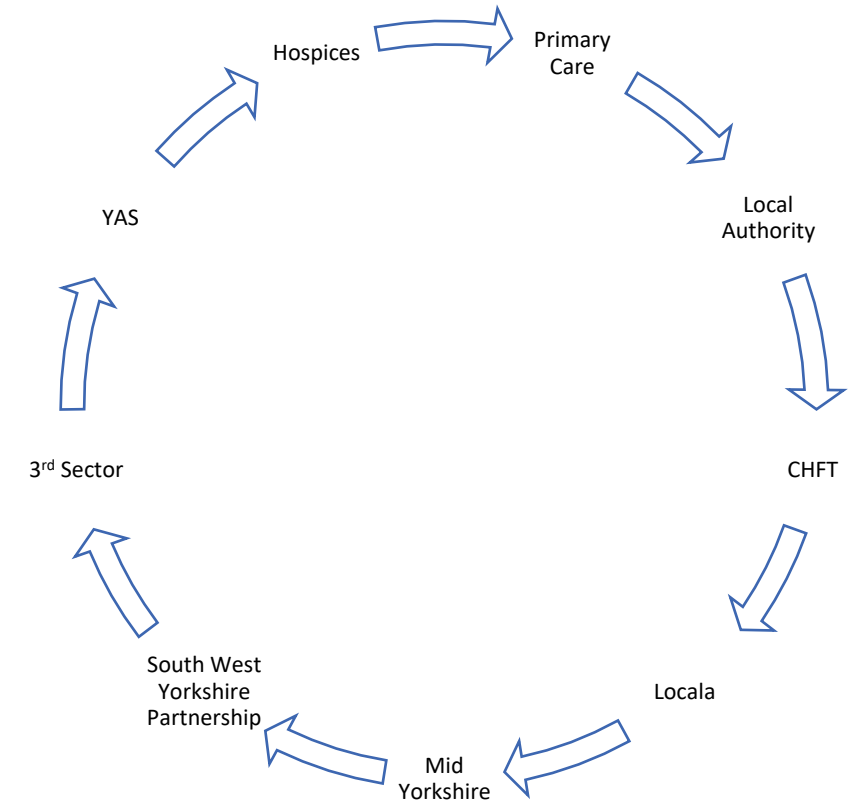


Kirklees Financial Place

The following areas will be reported and be part of the WYICS financial overall plan



Kirklees has a much wider financial position and as we move together a wider financial system position will be reported



Financial Overview

The following provides an overview of the financial position of the Kirklees place by individual provider



Key Risks and Opportunities

Kirklees Health and Wellbeing Partnership

Calderdale and Huddersfield Foundation Trust

Mid Yorkshire Foundation Trust

South and West Partnership Foundation Trust

Kirklees Local Authority

Locala Health and Wellbeing

Kirklees Place - Overview

- The West Yorkshire system is currently working on developing its high level financial and activity plans
- The Kirklees place includes four main commissioner/providers
- The complexity of Kirklees is that we share providers with Wakefield and Calderdale Place
- Committed to do things once to limit bureaucracy
- Kirklees will have a financial challenge moving into 2022/23, the scale is currently being worked through
- NHS Financial plan submission on the 28th April 2022
- Working to understand how we manage as a place – managing risk, doing things once, joint working

- There are a number of risks as a system as we move forward including inflationary pressures and resurgence of Covid

- The following give a general overview of the key stakeholders position and will be discussed by each lead

Kirklees Health and Care Partnership

- Allocation received from ICS to support Kirklees – some transfers direct to providers included in this
- Plans focus on all elements of commissioning of services for Acute, Mental Health, Continuing Health Care, Primary Care and Community Services
- All plans align with national expectations
- Focus on supporting system to develop services in the right place
- Continued pressures in a number of areas
- Continued focus on delivery of financial balance, and recognising this will be challenging this year
- Plans adhere to all the planning asks both local and national
- Continued support in Mental Health Services
- Work to align services with providers – getting the £ in the right place

Calderdale and Huddersfield Foundation Trust

Planning assumptions - operational

- Zero waits of over 78 weeks and improvement in waits of over 52 weeks by the end of 2022/23
- Delivery of 104% of 2019/20 elective, day case and outpatient first appointment levels
- Delivery through increased internal capacity, improved productivity and use of Independent Sector
- Bed base assumed to return to June 2021 level with Covid number of 20
- Return to Summer 2021 Covid and TOC levels assumed at 70
- 92% bed occupancy assumed with length of stay improvement vital in delivery of this

Planning assumptions - financial

- Block allocations uplifted by 3.8%
- Covid-19 funding reduced by 57%
- Assumes Elective Recovery Funding will flow to Acute Providers from local CCGs on a fair shares basis
- Pay inflation assumed as per national guidance at 3%
- Non Pay inflation includes estimated impact of current RPI based contracts and expected pressure on Utilities

Planning Assumptions

- On costs of covid with a reduction in national funding
- National efficiency target is challenging
- Inflationary pressures in excess of national inflation funding
- Local qualitative pressures

Work continues to refine plan, this will include

- Review of cost pressures
- Securing additional ICS income
- Developing more efficiency programmes to support VfM in the system

South West Yorkshire Partnership Foundation Trust

Financial Plan Covers

Financial Plan for 2022/23 is being finalised, but recognises

- Includes an efficiency to balance budgets
- Includes an indicative Covid budget to support Out of Area Placements
- Workforce expansion of 8% by March 23. Increase expected across substantive and bank etc. and include a large element of international nurse recruitment.

Kirklees investments

The in principle agreed additional investments are:

- Expansion in early intervention in psychosis services (EIP) to support the expansion to the at risk of mental health state pathway
- Expansion of perinatal services
- Consolidation of the position in relation to IAPT expansion
- Consultant psychiatrist funding for the intensive home-based treatment team
- Additional medical capacity adult mental health
- Increasing capacity of the core and enhanced community mental health teams
- Increasing capacity within the outreach team/older people's crisis
- Children and young people's eating disorders
- Expansion of Children and young people's crisis services
- Additional dietetic support for the children's and young people's avoidant restrictive food intake disorder pathway.

Kirklees Local Authority – Adult social Care and Public Health

Council context

- Budget now set - Council 16th Feb 2022
- Local Govt Finance Settlement = Only a one year settlement
- Core Spending Power increase for Kirklees of 3.7% in real terms (assumes full allowable uplift on CT (1.99%) and ASC precept (1%))
- Kirklees Council – 3rd lowest funded of 36 met. authorities (per/head)
- Difficult budget to balance against funding uncertainty (reliance on short term funding)

Kirklees Local Authority – Adult social Care and Public Health

- **Adult Social Care – Budget 2022-23**

- Provider cost pressures (including National Living Wage increase)
- Pressures on demographic growth (especially OP and MH) + Heightened pressures on complexity of packages

- **Other key ASC issues**

- 'Fair cost of care' for resi/nursing/home care – govt driven programme
 - what is the fair cost?, how do we compare?, Sustainability plan for next steps.
- Addressing market/system pressures
 - Workforce – recruitment/retention/fair rate of pay & recognition
- Charging policy reform 2023 (national)
 - Cap on care costs / Change for self funders / Impact on the market?
- New/higher levels of inflation – further pressure
 - Energy/fuel – pressures on providers and workforce
 - Increased cost of living/operating
- Continued joint working
 - Regional and local partners continue to work jointly to ensure that funding is managed flexibly within the overall system for maximum local benefit.

- **Public Health issues**

- Covid – continuing threat vs continuing funding?
- Substance misuse – Drugs & Alcohol strategy - national sign off tbc?
- Sexual Health – continuing cost pressures on prescribing

Locala Health and Wellbeing

- Plans being developed, as with other providers includes efficiency asks of approx. 3.2%
- Working closely with local colleagues
- Plans include investments on a non-recurrent basis
- A number of risks in delivery of service

Moving forward – tackling the financial challenge together

- Peer review of assumptions we have all made and how they feed into the overarching place
- Whilst there are risks, there are also opportunities
- Success in delivering efficiency
- Working together to really challenge the investments we make and how they impact staff and patient care
- Long Term aim is to ensure resources are allocated appropriately to ensure the greatest impact
- We are working now on how we will work and focussing on the Governance of our place to ensure on how we work
- This is something that we have been doing for a while and hope that this place approach together will reinforce this work.