

Committee Escalation and Assurance Report – Alert, Advise, Assure

Report from: Leeds Finance, Value and Performance Sub-Committee

Date of meeting: 28 January 2026

Report to: Leeds Committee of the West Yorkshire Integrated Care Board

Date of meeting reported to: 11 February 2026

Report completed by: Karen Lambe, Corporate Governance Officer, WY ICB, on behalf of Cheryl Hobson, Independent Member and Chair of Finance and Best Value Sub-Committee

Key escalation and discussion points from the meeting

Alert:

A discussion was held in lieu of the scheduled meeting of the Leeds Finance, Value and Performance (FVP) Sub-Committee as that meeting was inquorate and therefore could not be conducted.

Advise:

People's Voice

An update was presented on the How Does It Feel For Me? (HDIFFM) project which aimed to understand the experiences of people moving across health and care services in Leeds and how joined up those services were. People's experiences were captured via video diaries and summary reports and a balanced scorecard approach was taken to measure joined-up care.

The project identified the 3Cs of communication, coordination, and compassion as the three core elements of good health and care experiences identified by service users. Leeds Teaching Hospitals NHS Trust (LTHT) was leading on work to measure the three Cs within each business unit.

Those present wished to advise the Leeds Committee of the value of the HDIFFM videos in presenting individuals' experiences at the start of committee meetings and recommended that the focus on the 3Cs should continue during the transition to new provider partnership arrangements.

Sub-Committee Annual Report and Changes to the NHS WY ICB Governance Arrangements for 2026/27

An update on the upcoming changes to the WY ICB's governance was presented. The changes included the standing down of Place sub-committees and the transition to Place Provider Partnerships arrangements for 2026-27. Those present wished to advise the Leeds Committee of the value in combining finance and performance in one forum to improve understanding of challenges going forward.

Assure:

Financial Position Update for Month 9

An update was received on the Month 9 financial position for the ICB in Leeds, Leeds Health and Care Partnership (LHCP) and the Integrated Care System (ICS).

Leeds ICB was on track to deliver a £5.2 million surplus, with overspending in mental health (MH), acute and community services offset by underspends in primary care, prescribing and continuing healthcare (CHC). Efficiency programmes, particularly in CHC and Prescribing had contributed to the positive position. While risk to the ICB financial position had reduced significantly in the latter half of 2025-26, key risks included: a data lag in the independent sector (IS) elective position; volatility around neurodivergence (ND) services and prescribing; winter pressures; and local authority pressure around children's services. Members noted the significant achievement in the ICB meeting its efficiency target and forecasting to deliver plan.

Overall, the Leeds Place was reporting a £23.1m deficit at Month 9, which was c£10.5m adverse to plan. This was driven by the position in LTHT, which was £14.3m adverse to plan, and offset by positive variances in the ICB, Leeds Community Healthcare NHS Trust (LCH) and Leeds and York Partnership NHS Foundation Trust (LYPFT). The LTHT position was driven by investment in maternity and neonatal services and loss of Maternity Incentive Scheme (MIS) rebate as well as increased referral demand driving elective activity above planned value at additional cost. Overall, the Leeds Place was forecasting delivery of a £7m surplus position which was ahead of plan by £1.8m. Confidence in the delivery of the Leeds Place position had improved although it was noted that the LTHT position remained a key risk.

The ICS was forecasting a significant deficit, mainly due to acute provider overspends and the loss of deficit support funding, with Leeds being the only Place forecasting to deliver its plan. NHS England (NHSE) had confirmed the WY ICS would not receive Deficit Support Funding (DSF) for Q4.

Those present noted the considerable work that had been undertaken to meet efficiency targets and the significant achievement in projecting financial balance.

Draft 2026/27 Financial Plan

The draft plan for the ICB in Leeds was currently a £5.5m deficit position for 2026/27. This was based on a £3.5m underlying deficit entering 2026-27 after adjusting for non-recurrent items. Two key pressures were highlighted including high-cost LD care packages and the commitments against the Mental Health Investment Standard (MHIS). While there was a £2-4m cost pressure due to the MHIS, system partners had agreed to live within the allocation which would reduce the deficit. The sub-committee were briefed on the basis of the allocation to Leeds and key expenditure assumptions. Most uplifts had been applied in line with national assumptions consistent with WY ICB. The MH uplift of 2% and prescribing at 0.1% were highlighted as key areas of concern.

Key risks to delivery of the plan included: delivery of stretching referral to treatment time (RTT), cancer and diagnostic targets; delivery of MH asks within 2% uplift

including pressures on ND, IS and high-cost care packages including s117 and CHC and children with complex needs; non-elective demand pressures; maternity; medicines management spend; development of the neighbourhood health model and impact; and Primary Care. Those present noted the significant work undertaken in recovering the underlying financial deficit.

A funding allocation review would be undertaken by the Advisory Committee on Resource Allocation (ACRA) in 2026-27.

Leeds Quarterly Performance Report

The Leeds Quarterly Performance Report was presented which highlighted a decline in performance for RTT, cancer and diagnostics, reflecting winter pressures.

With regard to Q2 of the NHS Oversight Framework for WY providers, LYPFT had moved down from segment 2 to segment 3. Assurance was given that improvement work was ongoing. While ICBs were not segmented due to ongoing structural changes in 2025-26; segmentation for ICBs would be introduced from 2026/27.

In terms of NHS Medium Term Planning Framework 2026- 2029, Leeds Place partners had worked collaboratively to develop activity, finance and workforce plans within each NHS organisation. Following the first draft submission to NHSE on 17 December 2025, LYPFT had submitted a compliant plan. LCH had submitted a financially balanced plan.

LTHT had submitted a deficit position, reflecting challenges around the RTT 18-week target where the national target to provide 7% improvement was not operationally or financially possible for the Trust. LTHT was working with the Cancer Alliance to address delayed transfers which were impacting compliance around the 62-day cancer standard.

With regard to the ICB position, 18 week RTT was 68.4% and impacted by the LTHT position, with the ICB failing to meet the WY target of 78.2%. Work was ongoing across the system to review capacity to improve the RTT and diagnostic position.

Risk Management Report (Leeds Place Risks 2529, 2354)

The Risk Management report for risk cycle 4 of 2025/26 was presented. Five risks were aligned to the FVP Sub-Committee and two risks were shared with the Quality and People's Experience Sub-Committee (QPEC).

Two risk scores had been reduced. The first was risk 2529 - 'There is a risk that the ICB in Leeds will not deliver the 2025/26 financial requirement of breakeven'. The risk score had reduced from 16 to 12 as the ICB was forecasting achieving the financial plan position for 2025/26 following extensive work around efficiencies and cost reductions.

The second risk which had a reduced score, was risk 2354 - 'There is a risk of unsustainable Neurodevelopmental assessment and treatment pathways for adults (autism and ADHD)'. The risk score had reduced from 15 to 12 due to ongoing activity to equalise waits across available capacity and the successful introduction of

the front door for ADHD meaning that support was being offered at the point of referral.