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05 December 2023

To: NHS Provider Chief Executives and Place Accountable Officers

(sent via email)

Dear colleague,

## **RAPID RESET OF OPERATIONAL AND FINANCIAL PLANS**

Further to our call yesterday, I wanted to extend my thanks again for the collective focus and effort that you and your teams have directed towards the work to refresh our operational and financial plans. The response from the Partnership has demonstrated the strength of our working relationships, and I am grateful for your continued action to address the financial challenges we face.

We have agreed that we must take some difficult decisions around resource prioritisation. This will include reviewing all areas of expenditure to ensure that we are spending our limited resources in the best possible way. In all such conversations, we agreed we will ensure patient safety is paramount; that we work to consider the consequences of any changes on the public, patients and our partners; and that we will live the values that guide our actions in tough times.

Our conversation was focussed on the financial position of the West Yorkshire system for 2023 / 24, and the underpinning assumptions and actions required to deliver a balanced financial position. One of the key assumptions was that there would need to be further improvement of c.£10m across the 11 statutory NHS organisations (to which currently there are no specific unidentified mitigations). There is an indicative distribution of this across the five Places, based on relative population sizes. In considering this, it is important that each part of the system demonstrates the same level of risk appetite and consistency around decision-making to support mutual accountability and our principle of working to manage risks in organisations, Places and the system.



We agreed that there were five specific areas where your leadership and support is critical:

- Ensuring full and rigorous implementation of all of the **expenditure controls** (around vacancy controls, agency expenditure, non-pay expenditure) that were set out by NHS England in May 2023, and which have been assessed and discussed via the West Yorkshire Integrated Care System (WY ICS) Finance Forum and WY ICS System Oversight and Assurance Group.
- Reviewing all potential **flexibility** around deployment of **Service Development Funding** (other than that which is contractually obligated has been nationally determined as out of scope for review). This includes commitments where direct costs have not already been incurred. In all such instances, assessments will be made of the implications of not progressing.
- Maximising the financial income and consequence of reducing the number of patients waiting more than **52 weeks** (in line with the West Yorkshire approach to **Elective Recovery Funding**).
- Supporting the approach led by Directors of Finance to reviewing **consistency in balance sheets** as part of a West Yorkshire review, to ensure an appropriate and mutually understood approach.
- Whenever possible, **bringing forward waste reduction / efficiency / productivity** schemes where in pipeline or in discussion for 2024 / 25.

These actions combine a focus on delivering this year's financial position and laying foundations for next year's financial plans.

As noted, delivering a balanced financial system position secures access to additional operational capital (this year, c.£15m), and also put us in a better place for securing NHS England support and assistance where required (e.g. accessing early approvals for the capital development at Calderdale Royal Hospital). It is also the case that any overspend against our system allocation this year will lead to a reduction in allocation in future years, and we want to avoid this if possible.

Our plans are not without risk, and this is understood by all parties. I have continued to make this clear to our regulator and national leaders. I have continued to remind colleagues that systems like ours should be rewarded and incentivised to work in this way.

We will continue to utilise our individual organisational, Place and system governance and leadership arrangements to progress and oversee these plans. They form a bridge into next year and our medium-term financial plan.



Thanks again for your leadership at this time. We continue to demonstrate what is possible with good governance and good relationships, in service of delivering improved outcomes for local people.

Take care,

A handwritten signature in black ink, appearing to read 'R. Webster', on a light grey textured background.

**Rob Webster CBE**  
**Chief Executive**

**NHS West Yorkshire Integrated Care Board**  
**West Yorkshire Health and Care Partnership**

Cc: West Yorkshire System Leadership Team

