Joined Up Care Derbyshire

NHS Derby and Derbyshire Integrated Care Board

# Financial Update

## July 2022

The newly formed Derby and Derbyshire ICB has a duty to deliver breakeven which means every health care organisation must achieve financial breakeven in order to ensure fairness and equity across the system. However, it must be stressed at the outset that achieving breakeven is not an end in itself.

It is widely acknowledged that there is a 10-year difference in life expectancy and a 15-year difference in healthy life expectancy between our most and least deprived local communities. Thus, we need to ensure all our organisations and delivery boards manage our financial resources effectively, in order to ensure we have the financial headroom to invest in out of hospital and transformation programmes that would benefit our most disadvantaged citizens and reduce health inequalities.

To achieve this, we need to be as efficient and effective in our current models of care and at the same time, transform our clinical pathways / configuration of services. This challenge is not new, but what is new is how we compare with our efficiency levels pre the Covid pandemic. At a macro level, the data tells us that compared to 2019/20, we are spending 10% more whilst delivering 16% less activity. Implicit in these statistics is the fact that workforce numbers have grown by 8% - 14%. Clearly there are many factors and drivers behind these statistics so we should not be judgemental in how we analyse them, but the fact remains that we are not as productive, and hence significantly more costly in delivering healthcare across Derby and Derbyshire. This is set in the context of patients waiting significant lengths of time for elective treatment and prolonged waits to enter and be discharged from urgent and emergency care services. Thus, we must urgently understand and address the drivers behind this macro view.

As regards the specifics, at the end of June 2022 the Derby and Derbyshire health system was overspent by £12m, predicted to rise to £75m by the end of March 2023 if we carry on as we are. Clearly this is not tenable on many levels, but most importantly it will hinder our ability to address the significant health inequalities in our communities.

The collective focus now needs to be on resetting the productivity / financial landscape and our delivery boards, PLACEs' and provider collaboratives all have a role to play here. Our goal is to develop an affordable and deliverable 5 year forward look for our finances and for this strategy to have at its heart a demonstrable reduction in health inequalities and a stable NHS provision infrastructure.

**Keith D Griffiths**
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**Derby and Derbyshire ICB**