NHS
Lancashire and South Cumbria
Integrated Care Board

Approved 15 April 2025

Minutes of the ICB Finance and Performance Committee
Held on Wednesday 12 March 2025
By MS Teams

Members		
Roy Fisher	Chair	L&SC ICB
Jim Birrell	Non-Executive Member	L&SC ICB
Debbie Corcoran	Non-Executive Member	L&SC ICB
Asim Patel	Chief Digital Officer	L&SC ICB
Sarah O'Brien	Chief Nursing Officer	L&SC ICB
Sam Proffitt	Chief Finance Officer	L&SC ICB
Craig Harris	Chief Operating Officer	L&SC ICB
Stephen Downs	Director of Finance – Recovery and Assurance	L&SC ICB
Roger Parr	Director of Assurance	L&SC ICB
Debra Atkinson	Company Secretary / Director of Corporate Governance	L&SC ICB
Attendees		
Alex Wells (from item 130)	Head of Recovery and Transformation PMO	L&SC ICB
Simon Gilmore (to observe)	Deputy Director of National Recovery Support Team	NHS England
Glenn Mather	Associate Director of Performance and Analysis	L&SC ICB
Sandra Lishman	Committee and Governance Officer	L&SC ICB

No	Item	Action
126 24/25	**Welcome, Introductions and Chair's remarks** The Chair welcomed everyone to the meeting including Simon Gilmore from the National Recovery Support Team who had joined to observe the meeting. Members were made aware that from 1 March 2025, Katherine Disley was no longer a member of this committee due to no longer working for the ICB. The committee wished Katherine all best in her new role and for contributions made to the committee over the years that she was a member. The Chair continued that Alex Wells, ICB Head of Recovery and Transformation PMO, would be joining the meeting for the discussion on the draft business case process.	
126 24/25	**Apologies for Absence/Quoracy of Meeting** Apologies for absence had been received from Andrew Harrison. The meeting was quorate.	
127 24/25	**Declarations of Interest** **(a) Finance and Performance Committee Register of Interests –** Noted. **RESOLVED: There were no declarations of interest relating to items on the agenda. Members were asked that if at any point during the meeting a conflict arose, to declare at that time.**	

128 24/25	**(a) <u>Minutes of the Meeting held on 6 January 2025 and Matters Arising</u>** **RESOLVED: That the committee approve the minutes of the meeting held on 6 January 2025.** **(b) Action Log** **Ref 16 - IAG Triple A reports –** The Primary Care Commissioning Committee receive an integrated primary care performance report on a bi-monthly basis. Agreed to close. **Ref 20 - Month 6 performance report (ERF funding) –** An update had been provided within the action log and discussion would take place as part of a separate agenda item. **Ref 23 - Provider financial summary to be included within future meeting reports –** It was confirmed that discussion had been held to re-style the report. Agreed to close. **Ref 11CtoC – Transfer of specialist learning disability service to a new provider –** Regional colleagues had not yet shared the final version of the report and work was ongoing. It was confirmed that was an action from the Audit Committee around the tender waiver and ongoing costs. **Ref 12CtoC – Formalised Business Case Process -** On agenda at this meeting. Agreed to close. **14CtoC – All age continuing care QIPP schemes –** It was confirmed that this area of work was being overseen by the Improvement Assurance Groups and ICB Board. Members agreed that data should also be reviewed by the Finance and Performance Committee. S Proffitt highlighted that the action refers to the request for a deep dive which would have been taken through the ICB Board, noting that the committee need the detail of all QIPP schemes, to enable the committee to scrutinise prior to presentation to the ICB Board. It was confirmed that a review of committees would be presented to the ICB Board at its next meeting, with the recommendation to approve a new Finance and Contracting Committee whose remit would include the scrutiny of contract arrangements particularly all age continuing care. Any points of forward arrangements in relation to finance or performance would be brought forward as part of the relevant committee's business plan. Members noted that following the move to intervention and support, the ICB Board had been overseeing and receiving assurance in some areas from a finance perspective. Outside of this meeting, S O'Brien and D Atkinson would look at all age continuing care reporting lines, where turnaround or recovery sits and how this is reported to committees. The committee asked that this action remain open in order to receive an update on the 2024/25 QIPP schemes with learning and 2025/26 QIPP plans, recognising the importance for the finance committee to continue to scrutinise spend.	**SO'B / DA**
129 24/25	**<u>System Finance Report – Month 10</u>** S Proffitt spoke to a previously circulated paper reporting the ICB position, providing a summary of the overall system position. The following points were highlighted:- - The final 2024/5 plan set out a system deficit of £175m support funding	

	- At month 10, the system reporting showed that the ICS was reporting a full year 2024/25 breakeven position, however, it was noted that this forecast would be updated at month 11 as the risk against this position was a deficit position that would be unable to be mitigated by the end of the year - It was likely that the system would end the year with a circa £350m deficit - Year to date deficit position showed that the system was £112m behind plan with a current shortfall of £89.6m on the year to date delivery of efficiency savings and high delivery risks were emerging on the forecast savings plan - Forecast year end pressures were predominantly related to All Age Continuing Care (AACC). Most other pressures were around high cost drugs and acute contracts. A deep dive had been undertaken to assess the position. Pressure being seen was predominantly Continuing Health Care (CHC) and a number of other community/mental health packages, which are included in the budget for AACC. The AACC budget is £500m, however, the likely year end position would be £564m - AACC delivery difficulties this year were mainly pressures and timing issues being seen in the processing of cases, with a number of cases being carried over from the previous year. Recommendations and actions were in place to ensure this does not continue going forward. The ICB Audit Committee would receive a progress update and a level of assurance on this area - The audit plan was set this year looking at high risk. The fraud plan noted potential fraud in CHC at the beginning of the financial year, the internal audit plan was informed by that and an internal review of CHC took place. A number of outcomes and actions were being followed up - It was predicted the likely position at the end of the year would be circa £350m deficit and £20m off plan - 7.5% growth forecast had been applied to the starting budget position for AACC this year and was likely to be replicated next year. There was £4m growth uplift - ERF funding for 2024/25 had been paid. From a provider perspective, this would start again from April 2025 as there will be deficits going into 2025/26. S Proffitt continued that since writing the report, it had been announced that £50m of winter surge funding would be available to the ICB. Ongoing discussions were taking place with Trusts and an allocation to providers would be confirmed in the next few days and be reported to the ICB Board. During discussion, members raised the following questions/comments:- - In the report, primary care services showed an underspend at 31 January 2025, however, months 11 and 12 had shown an overspend. It was questioned how this could change in a short time - In the report, system efficiency performance is detailed in table 5, showing that providers would deliver cost improvement targets. It was questioned how this could be possible if they must deliver £257m savings - How contingency/reserves are included within budgets and how is this used within the system. In relation to the differing over/under spend in primary care services, S Proffitt explained that this was due to a number of movements around the QIPP; S Proffitt would contact J Birrell outside of this meeting to provide an analysis. S Downs responded that with regard to system efficiency performance, the forecast reporting the position at month 10 to NHS England had not been changed. The forecast for month 11 could be changed and therefore, the submission for month 11 would move for all providers and the ICB, with CIPs updated to reflect this. If the providers reflected this in month 10 this would drive a deficit. Nationally all positions would be changed at month 11, also reflecting the additional £9m cash nationally. Committee reporting was	**SP**

	usually on risk as opposed to forecast – an understanding of the risk due to reporting rules was important. It was confirmed that reserves had been reported to the ICB Board around the way the ICB was trying to manage the year end position through the £50m technical areas (allocations being received and budget slippage). S Proffitt would contact J Birrell outside of this meeting to provide an analysis of the finance being taken through reserves. S Proffitt updated members that £50m surge funding would be allocated to the ICB, members were asked to note that this would alter the figures presented in today's report. The underlying position would not change. To provide assurance to the ICB Board, the finance team were looking at future committee reporting in order to provide the committee with up to date information, including cash forecast. Members acknowledged that reporting was proving a challenge due to weekly Board meetings being held prior to committee meetings. D Atkinson confirmed that since the ICB had enforcement undertakings, it had been agreed that the ICB Board would oversee actions from the IAG meetings and responses, including this year's forecast outturn position and planning for 2025/26, providing a high level of governance, and scrutiny. During this period the Finance and Performance Committee continued to meet with an oversight remit. Subject to ICB Board approval at its next meeting, it was proposed that from 1 April 2025/26, the Finance and Contracting Committee would meet in week 3 of the month to receive the most up to date position, in order to inform the ICB Board at its private session. ***Alex Wells joined the meeting.*** S Proffitt commented that the £50m surge funding reported verbally at today's meeting would enable the ICB to report as a break-even position. **RESOLVED: That the committee note the month 10 system finance report.**	**SP**
130 24/25	**<u>Provider Finance and Workforce Report – Month 10</u>** The previously circulated meeting report described the forecast provider position at year end. At month 10 Trusts reported a year to date deficit of £128m, including deficit support funding of £87.5m. S Downs reported that providers described an improving position, forecasting this to be at £155m deficit at year end. This would be partly due to the level of ERF income and also the pay bill which had started to reduce. At month 3, the pay bill was at £239m, and the trend was reducing, reflecting work from the improvement and intervention process around grip and control. As part of planning, exit run rates and the full impacts of improvements were being looked at. Income spiked at £5m from months 10 to 11. Non-pay reported to be static. Providers were being encouraged to plan to look at rolling run rates, rather than reporting variances. A re-forecast would be undertaken every month to allow the ICB to model where providers were, based on the current run rate the plan would not be met and action could be taken to avoid this. Pressure around agency staff reflected £7.3m under plan. Capital showed a £5.2m underspend which at month 11 had reduced to a £1.7m underspend. Providers had been asked to bring forward capital from next year which resulted in improvement was now seen, albeit with a slight underspend. Provider capital forecast would change as a consequence of the ICB allocating the £50m to trusts.	

	Substantive workforce was reporting as under plan and overall, this had not changed. Bank staffing had reduced, however, this remained over plan. Agency staff had halved, however, it was recognised there had been a large movement to bank staff, being less costly but at an enhanced rate. J Birrell noted that the combined substantive, bank and agency numbers show that total staff employed has reduced by 840 in the year to date, which suggests that the planned reduction of 4000, which had been mentioned for 2025/6, will be a significant ask; the scale of this needs to be reflected in discussions. It was noted that the significant in-year reduction in agency staff was a big achievement. J Birrell asked whether there was a need to review future capital investment as a result of deferral of the new hospital programme. This would likely place a greater emphasis on the need to address the backlog of maintenance at some of the hospitals. S Downs continued that in relation to head count, acute, NWAS and Lancashire and South Cumbria Foundation Trust headcount should be included, with acute trusts being separated from non-acute trusts from the overall head count. £16m had been provided for maintenance backlog work and estates were working up a proposal on which areas to target. The biggest allocations were with Lancashire Teaching Hospitals and University Hospitals of Morecambe Bay, with maternity and neonatal areas being prioritised. Allocations without revenue had been given for urgent and emergency care, elective, mental health out of area placement and diagnostics; this would be reported to the committee next year. The diagnostics expansion programme had not started; it was noted that the ICB would be unable to fund this if elective income was capped. S Downs responded to D Corcoran's queries that reporting was now being shown as split into, eg, month 9 and the last 3 months, to provide more discipline around the forecast, also forcing challenge. It was highlighted that the actuals position was most important. Provider positions were improving into next year, however, trusts had to deliver 3% efficiency to stand still. The planned position for providers showed the exit run rate equaling the current draft plan, delivering £120m CIP. Numbers had not improved due to the delivery of 3% efficiency. S Downs would work with the finance team to provide more detail on capital in future committee reports. S Proffitt reflected that the Improvement and Assurance Groups were challenging, bringing discipline. Simon Worthington was undertaking work at the Trusts, bringing in standardised processes, with improved focus and granular detail. Scrutiny of profiling and run rates would also be looked at. It was confirmed that within the committee review for 2025/26, the terms of reference for the Finance and Contracting Committee would include a focus on estates and capital, including primary care estate and infrastructure. Members expressed their appreciation for the detailed work included in this report, which had been helpful. **RESOLVED: That the committee note the month 10 provider finance and workforce report.**	
131 24/25	**<u>Performance Assurance Report</u>** G Mather spoke to a previously circulated report detailing key headline metrics in elective care, urgent care, along with other key areas including All Age Continuing Care	

	(AACC). The report provided detail around different categories and eligibility criteria. The following areas were highlighted:- *Elective care* – Numbers had increased marginally in December. The report was based on information in the midst of winter and there was expectation that some areas would deteriorate. In December, approximately 23,900 patients were awaiting treatment across provider organisations. Both 78 and 65 week waits remained and were under intense scrutiny with NHS England colleagues. Since the paper had been written, numbers had slightly improved. It was predicted that by the end of March 2025, there would be no 78 week waits within main providers, however, a few were expected within the independent sector. Some of this was associated to late inter-provider transfers and work was underway with providers to move this forward; patient choice was driving timescales. Some 65 week breaches were expected to remain, predominantly around gynaecological services at Blackpool Teaching Hospitals. Focus remained on 2025/26 planning guidance and 18 week constitutional standards. *Diagnostics* – Figures were behind both the North West and national figures, largely driven by the position at Lancashire Teaching Hospitals. The Trust is now out of the tiering process and dialogue was being managed with NHS England around improving the position in ultrasound and echo cardiograph. Overall waiting lists were reducing, however, remained high against the national position. *Cancer* – In December, all Trusts met the faster diagnostic standard. 62 day referral to treatment was the most challenged pathway; the action plan was being supported by the Cancer Alliance. Providers had fed back that waiting list efficiencies may impact on performance going forward. *Urgent and Emergency Care (UEC)* – The 4 hour position nationally had dropped in January 2025. Local intelligence showed an improved position close to the 78% performance which was required by March 2025. Local data suggested a slight improvement in 12 hour delays in A&E in February. Work was being undertaken in the background, supported by the System Oversight Board and Place colleagues, with delivery plans and pulling out financial challenges around UEC. The NWAS category 2 position was worse than the overall England position, partly associated to Cheshire and Mersey performance. The Ambulance Improvement Group were undertaking a piece of work around turnaround. *All Age Continuing Care* – The overall patient case load had not changed over the last 12 months. A fluctuation had been seen in terms of referrals, with 45% being fast track. Work through the QIPP process had impacted and referral numbers were dropping overall. The cause for this was mainly around eligibility criteria, and work and support was being undertaken to reduce this. G Mather noted that the committee required future reporting to include volumetric data and key indicators for AACC should be developed outside of this meeting. **RESOLVED: That the committee note the performance assurance report.**	
	The agenda was taken out of order.	
132 24/25	**Business Case Process – Draft** The committee were asked to consider support and approval of the draft business case process presented within the meeting papers. The process was outlined in detail, providing guidance through each stage. Members noted that the report stipulated that the ICB would continue to work on the benefits realisation, however, this had been	

	updated in the relevant section of the paper. Members discussion included:- - That it was preferred that the document be in the same format as the financial instruction and other documents, rather than PowerPoint - Concern was raised that the document was very lengthy; S Proffitt confirmed that the full document was required to ensure it gave the understanding of what is required for scrutiny and discipline for any new investment - S Proffit confirmed that the process document would be shared with external auditors for agreement prior to 31 March 2025 - A 'how-to' guide would be created to ensure an understanding of what is required - Once implemented, the committee require assurance that staff feel confident to use the process and more assurance was required around engagement and involvement with members of the public. A Wells would feedback in due course. **RESOLVED: That Finance and Performance Committee members agreed to approve the document in principle subject to changes discussed at this meeting.** ***Sarah O'Brien, Craig Harris and Alex Wells left the meeting. Members were asked to note that the meeting was not quorate from this point.***	
The agenda reverted back to its original order.		
133 24/25	**<u>Activity growth, demand management and underutilisation of services and how these relate to ERF funding</u>** S Downs reported that the 2024/25 ERF funding given at the start of 2024/25 had been 'open-ended', and at the end of December 2024, notification was received that each system had a ceiling based on forecast at the point in time. Each provider would hit the ceiling for this year, earning the level of income they are entitled to. Trusts had been advised that they would be unable to increase the income as the position had effectively been capped. Initially, the 2025/26 allocation had been a fixed sum of money, reducing in year over performance by around 11%. Contract offers were issued to providers with slightly less income than this year's forecast. As well as productivity, waiting validations, shifting activity, etc, the HSJ had yesterday announced there would be a cap on electives, however, this had not been confirmed officially. A meeting had been arranged with NHS England to discuss this later today. Providers had been reminded that growth elective income for 2024/25 did not reflect growth in activity. ***Asim Patel and Debra Atkinson left the meeting.*** There had been a big push to ensure that all advice and guidance for providers had been captured, however, a spike may be seen. Workforce and volumetric activity would be monitored as these would have the biggest impact on provider expenditure. This would be built into the ICB Board report for its meeting on 19 March providing clarity is received at today's meeting with NHS England. **RESOLVED: That members note the verbal update.**	**SD/AP**
134 24/25	**<u>Lancashire and South Cumbria Provider Collaboration Board minutes</u>** The approved minutes of the Lancashire and South Cumbria Provider Collaboration Board had been circulated to members in advance of the meeting, for information.	

	RESOLVED: That the Finance and Performance Committee note the Provider Collaboration Board minutes of the meetings held on 12 December 2024, 16 January 2025 and 30 January 2025.	
135 24/25	**System Finance Group minutes** The approved minutes of the System Finance Group had been circulated to members in advance of the meeting, for information. **RESOLVED: That the committee note the System Finance Group minutes of the meetings held on 22 November 2024.**	
136 24/25	**ICB's forward view based on updates provided / Committee escalation and assurance report to the Board** Due to the timeframe, the Triple A from this meeting would be verbally reported at the ICB Board meeting on 19 March 2025.	
137 24/25	**Items referred to other committees** There were no items referred to other committees.	
138 24/25	**Any other business** None.	
139 24/25	**Items for the Risk Register** There were no new items.	
140 24/25	**Reflections from the meeting** The Chair thanked members for their contributions and time at this meeting.	
141 24/25	**Date, time and venue of next meeting** tbc	