

Approved 22 October 2025

Minutes of the ICB Finance and Contracting Committee Held on Wednesday 22 September 2025, 10 am – 12 noon by MS Teams

Members		
Steve Igoe	Chair/Non-Executive Member	L&SC ICB
Jim Birrell	Non-Executive Member	L&SC ICB
Debbie Corcoran	Non-Executive Member	L&SC ICB
Stephen Downs	Acting Chief Finance Officer	L&SC ICB
Asim Patel	Chief Digital Officer	L&SC ICB
Craig Harris	Chief Operating Officer/Chief Commissioner	L&SC ICB
Regular Participants		
Alistair Rose	Director of Strategic Estates, Infrastructure and Sustainability	L&SC ICB
Elaine Collier	Deputy Director Operational Finance	L&SC ICB
Neil Greaves	Director of Communications and Engagement	L&SC ICB
Debra Atkinson	Director of Corporate Governance/ Company Secretary	L&SC ICB
Peter Tinson	Director of Primary and Community Care	L&SC ICB
Attendees		
Mark Bakewell	From 1 October 2025, Interim Chief Finance Officer	L&SC ICB
Nancy Park (for item 103)	All Age Continuing Care Turnaround Director	Pricewaterhouse Coopers LLP (PwC)
Saba Sadiq (for item 103)	Director of Finance	L&SC ICB
Sandra Lishman	Committee and Governance Officer	L&SC ICB

No	Item	Action
97 25/26	<p><u>Welcome, Introductions and Chair's Remarks</u></p> <p>The Chair welcomed everyone to the meeting, including Mark Bakewell who would assume the role of the ICB Interim Chief Finance Officer from 1 October 2025. Members noted that Nancy Park and Saba Sadiq would join the meeting for the All Age Continuing Care update.</p> <p>Members were in agreement that Copilot transcription would be used throughout the meeting to aid in the production of the meeting minutes.</p>	
98 25/26	<p><u>Apologies for Absence/Quoracy of Meeting</u></p> <p>Apologies had been received from Jane Scattergood and Andy Knox.</p> <p>The meeting was quorate.</p>	
99 25/26	<p><u>Declarations of Interest</u></p> <p>(a) Finance and Performance Committee Register of Interests – Noted.</p> <p>RESOLVED: That other than the above declarations, there were no further declarations of interest raised. Should any other conflicts arise during the meeting, the Chair should be advised accordingly.</p>	

<p>100 25/26</p>	<p>(a) <u>Minutes of the Meeting held on 27 August 2025 and Matters Arising</u></p> <p>RESOLVED: That the committee approve the minutes as a true and accurate record of the meeting held on 27 August 2025.</p> <p>(b) <u>Action Log</u></p> <p>Ref 12, 16 and 19 – Not yet due.</p> <p>Ref 17 – AACC reporting – A meeting was in the process of being arranged for N Park, K Lord, J Birrell and D Corcoran to discuss outside of this meeting.</p> <p>Ref 20 Mid-year forecast – On today’s agenda. Agreed to close.</p> <p>Ref 21 AACC transactions above £300k – DA confirmed that the Scheme of Delegation set out that the committee’s role was to be kept apprised of packages of care. Going forward, the report would be reformatted to ensure clarity of purpose and presentation of data, with assurances from the internal control system. Agreed to close.</p> <p>11C to C – Transfer of specialist learning disability service to a new provider – Not yet due.</p>	<p>SS/SD (emailed)</p>
<p>101 25/26</p>	<p><u>Month 5 System Finance Report</u></p> <p>The meeting report set out both the ICB and provider financial positions at month 5. Members were reminded of the criteria for NHS England to approve quarter 3 deficit support funding for the system. S Downs reported that at month 5 the ICB position was breakeven having deployed £23m of mitigating actions. The provider position was a £23m year to date variance form plan. Month 5 ICB waste reduction programme delivery was £47.1m, against a year-to-date plan of £52.6m. Reserves, reflecting unidentified QIPP target, was reported to be the biggest area below plan. Pressure continued to be seen in the independent sector with month 5 being an assumption of £7m over plan, based on month 3 freeze and month 4 flex. This was driven by £1m prior year pressures and £6m in-year over performance based on the latest data. The forecast pressure without mitigating actions was £16m.</p> <p>All Age Continuing Care year-to-date overspend was being driven by £12m prior year pressures and £5.9m in-year pressure on individual packages, offset by small underspends in other areas. Work had both been undertaken internally and MIAA had been commissioned to undertake an independent review looking at the drivers of the prior year position. In addition to the prior year pressure, there was a run rate pressure of circa £20m due to the way the budget was set.</p> <p>S Downs continued that there were QIPP mitigations for the £10m pressure in prescribing. Providers had confirmed they continued to work and expected to deliver the plan.</p> <p>Members discussion included that the run rate must be reduced. In order to understand All Age Continuing Care, the committee advised that they need to be aware what controls are in place to manage this area of work given this was a demand led system, whether certain things were affecting flow, and receive assurance that controls are in place to be able to manage the increase in higher value packages.</p> <p>In response, S Downs confirmed that the run rate continued to reduce, however,</p>	

	<p>suggested this was not at the pace required. In relation to All Age Continuing Care, a reduction was being seen for circa £2m per month after inflation. There was now agreement with the local authorities to move payment for the learning disability pool to a cost per case basis.</p> <p>S Downs continued that a lot of spend was non-recurrent by nature and savings were difficult to track. The risk-based forecast report at this meeting showed the run rate going forward. Currently, £18m savings had been delivered in All Age Continuing Care, against a £62m target; the current run rate did not build in the remaining waste reduction programme and mitigations, which should improve the overall position.</p> <p>The Chair summarised that impact was being seen in All Age Continuing Care, however, this was not at the pace required. Prescribing was expected to overspend unless mitigations were met. The independent sector was overspending and it was thought this would return to plan going forward. The waste reduction programme was running behind the net effect. Although reporting to plan, the position was less than it should be, which was being seen in terms of the increase in mitigations.</p> <p>RESOLVED: That the Finance and Contracting Committee note the content of this report.</p>	
<p>102 25/26</p>	<p><u>Month 5 ICB Risk-Based Forecast Report</u></p> <p>S Downs spoke to the risk-based forecast report, which highlighted the level of potential risk that could materialise without further action being agreed. The report showed different scenarios for the best, most likely and worse case positions and was based on a range of judgements and assumptions. The following points were highlighted:</p> <ul style="list-style-type: none"> - Whilst the month 5 reporting showed the ICB was on plan, the risk-based forecast work indicated that after mitigations, there could be a pressure between £20m and £136m deficit. To ensure the ICB deliver on plan, a range of potential mitigating actions had been identified for ICB consideration - A lot of high-risk delivery had been identified, with £24m risk in continuing healthcare, and £10m in prescribing. Further mitigations were being sought to cover an £11m gap in the waste reduction programme. The shortfall in community services was effectively being offset by primary care. Pressure was also seen in the independent sector and All Age Continuing Care run rate - The continuing healthcare likely forecast included £25m prior year pressures, £21m budget setting pressure and £24m waste reduction plan risk - £14m was expected for learning disability and autism transforming care, £7m of which was already assumed in the waste reduction programme. Agreement had been made with local authorities for future payment to be on a cost per case basis for learning disability pool patients, with the local authorities agreeing to pay 50:50 for transforming care - The gross risk forecast before recovery actions was most likely circa £92m above plan. To address this, the current waste reduction programme should deliver on acute trusts, All Age Continuing Care and prescribing. There was circa £7m pressure in the independent sector and activity management plans were now in place. As part of budget setting it was assumed that non-recurrent savings identified for mental health last year would be repeated and this was currently £3m short of the target. The pressure in the weight management service, ADHD and audiology need to be brought back in line with the set budget. There remained assumptions that money carried forward from last year could be spent with the ICB Board agreement to prioritise. There was significant risk and work to address this was being undertaken, linking with the Board Assurance Framework. 	

	<p><i>Nancy Park and Saba Sadiq joined the meeting.</i></p> <p>The Chair shared that the 'centre' was focussing on delivery of elective work. C Harris provided assurance that there was an elective care recovery plan which would be shared through governance. A significant review had been undertaken on procedures of limited clinical value and the last review showed that more needed to be considered, however, a significant proportion of grip and control was being undertaken.</p> <p>D Corcoran asked for consideration to be made as to how the ICB Board could help the ICB reach the best case or for the committee to flag to the Board to support conversations. She also asked if there was any flexibility around prescribing to have more control in reaching the planned position. S Downs responded that there was currently £10m pressure in prescribing, however, there were mitigations to deliver that. This was similar to All Age Continuing Care where there was risk of £24m on the waste reduction programme, and there was planned mitigation to deliver this. High risk plans were in place to ensure the mitigations deliver.</p> <p>A Patel questioned whether slowing down of the run rate within the independent sector would create a problem next year, highlighting that last year's figures were lower and the patients need treatment. In response, S Downs confirmed that work was underway to look at whether a decrease in referrals for the NHS was seen as well as an increase in the independent sector. Plans had been set with certain providers to push out the waiting times to 18 weeks and it was suggested that a multi-factor response be made to this area.</p> <p>S Downs confirmed that today's meeting report had been shared with NHS England.</p> <p>The Chair recapped that the committee had looked at and discussed the mid-year forecast in detail and that the ICB would try to meet the plan at year end. He thanked the team for their work on this report. The committee requested that a similar forecast report be presented at the end of Q3 to enable tracking into the last quarter, and then on a quarterly basis going forward.</p> <p>RESOLVED: That the committee:</p> <ul style="list-style-type: none"> - Note the content of this report - Endorse and support the meeting report to the ICB Board, being mindful it is not delivering full mitigation - Support the executive team to deliver mitigations in order to meet the best case scenario - Support that going forward, spend is undertaken in accordance with the risks identified in the Board Assurance Framework. 	MB / EC (Planner)
103 25/26	<p><u>All Age Continuing Care (AACC) Month 5 Financial Performance and Operational Update</u></p> <p>S Sadiq was introduced as the lead for the AACC aspect of risk based forecast outturn exercise.</p> <p>N Park reported the following highlights from the previously shared meeting report:</p> <ul style="list-style-type: none"> - Month 5 year-to-date overspend was £17.3m, primarily driven by £12.3m prior year invoice impact. This could potentially increase to another £10m of invoices prior year and this was in the process of being validated - The additional stretch of £28.2m was enacted at month 5, increasing the monthly target from circa £3m to £6m - Waste reduction programme (wrp) remained broadly on track, helped by 	

<p>overperformance in the previous months. This would be monitored closely due to the increase in the stretch target</p> <ul style="list-style-type: none"> - The team were focused on a piece of work both from a clinical and financial validation perspective to ensure that all wrp schemes were recognised and reflected in numbers. Work was taking place to identify further wrp opportunities - Liaison had been asked to identify further areas where they may be stretch from an ICB perspective - Members noted an update to the operational metrics in the cover sheet of the meeting report; fast track activity had risen circa 7% since month 4. Total volumes remained below historical peaks and volume price aligned with national benchmarking. <p>N Park continued that national benchmarking spanned across a number of operational package metrics as well as eligibility, quality and spend per 50,000 population, recognising that the ICB had made good progress in these areas, in particular with eligibility in fast track. AACC was now in line with national benchmarking, however, continued to show slightly above spend per 50,000 population in terms of fastrack. Whilst continuing healthcare volumes had decreased and continued to decrease, in terms of national data, the ICB was showing as the most expensive across the country, some of which was driven by prior year impact. It was felt that some of this was due to the geography, demographics and rurality of some of the providers available. Further work would be undertaken on overall packages, continuing with tightening eligibility and price caps on providers. A cap on the total hourly rate for providers would soon be implemented. Further work would be undertaken linked to some of the local authority negotiation and reset discussions. A meeting had been arranged with local authorities to discuss market management.</p> <p>S Sadiq reported that the ICB should be spending between £34m to £37m per month in cash terms, highlighting that the run rate needs to be reduced substantially over the next few years.</p> <p>Discussion was held around the accrual level and carrying financial risk from one year to another, which was influencing this year's budget. Members recognised the huge amount of work that had and was currently taking place, acknowledging that the situation had improved. However, it was noted that activity was not reducing at the rate expected. Concern was expressed that the reductions would not deliver the required position at year end. In response, N Park confirmed that agreement had now been made with local authorities for transforming care. She highlighted that national benchmarking spend was based on raw population, not weighted population.</p> <p>Discussion was held around the national average benchmarking spend and a question was raised that given the ICB's demographics, whether Midlands or northern benchmarking would be more appropriate than the national average. The committee recognised that the metrics were reducing but not at the required pace. A comparison analysis would be undertaken and reported to the committee at its next meeting, looking at northern or midlands benchmarking.</p> <p>D Corcoran reflected that the challenge was the cost of the packages being more expensive than expected. For committee understanding, she asked why this was, what control was there around it and how much of this was historic. N Park responded that these points were interlinked, explaining that in the initial period there had been grip and control along with recommendations from internal auditors, etc. All of these would impact on getting control of the package volumes and also tightening the eligibility processes, governance and the cap on providers. A review of packages was being undertaken, looking at high cost, low cost packages and tightening up, ensuring the ICB was paying for what they should be. Further work would also be undertaken in terms of</p>	<p>NP/SS (Action log)</p>
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	<p>frameworks and procurement for spot packages, dovetailing with local authorities to manage the market; this work could release further financial benefit in year.</p> <p>To help assure the committee around the work being undertaken in terms of closing the gap, the committee requested articulation of work already undertaken, work that would continue to be undertaken in the next 3 months, and work that would need to be undertaken post 3 months. M Bakewell asked that the AACC team also consider how the system could be designed to create a service, working with C Harris, M Bakewell and other colleagues around a commissioning model which would help in terms of future demand, describing the work that needs to be carried out over the next 6 to 12 months.</p> <p>The Chair recognised substantial work and benefits already seen and thanked N Park, S Sadiq and the AACC team. Acknowledgement was made to this work as this had shown clarity of the current position and reduced spend by around £200m. Further work would be undertaken short, medium and long term and the committee asked for clarity on this, including what the monthly spend should be.</p> <p>RESOLVED: That the committee:</p> <ul style="list-style-type: none"> - Note the progress on AACC WRP, operational performance, turnaround delivery and the risk-based forecast outturn - Support the defined next steps on recovering the initial financial forecast which includes the WRP - Endorse operational risk management actions (FT and CYP). <p><i>N Park and S Sadiq left the meeting.</i></p>	<p>NP/SS (action log)</p> <p>NP/SS (action log)</p>
<p>104 25/26</p>	<p><u>Waste Reduction Programme (WRP) Update</u></p> <p>S Downs reported that at 12 September 2025, £168.86m of programme savings had been identified. A key risk of delivery was that £45.67m of current identified wrp is deliverable through financial mitigations, putting further pressure on the overall achievement of the financial plan. He confirmed that there were mitigations to deliver the high-risk plans in place for All Age Continuing Care and prescribing.</p> <p>In response to a member’s question, S Downs expressed that new savings opportunities were being explored, however, none had been identified at this time. This would be highlighted to the ICB Board via the Triple A report. He confirmed that consideration would be made to reduce contracts next year which would need to be signalled through commissioning intentions, however, the national exercise on deconstructing blocks had just increased tariffs by 15%. Part of mitigations would be to cease spending. He explained that in the meeting report the full year impact was shown for schemes which were being implemented or fully developed. Prescribing showed £42m of implemented and developed schemes, albeit there was high risk within that.</p> <p>Discussion was held on how the data and analysis is presented to the committee and it was agreed that in future, cash savings to date and the projected delivery forecast to the end of the year should be reported to the committee.</p> <p>RESOLVED: That the committee note the current waste reduction programme position and the ongoing efforts to drive delivery of the £142.66m target.</p>	<p>✓</p> <p>SD/MB (action log)</p>
<p>105 25/26</p>	<p><u>2025/26 Contract and Contract Monitoring Update</u></p> <p>S Downs thanked the team for their work in this area and getting to the current position, highlighting the following from the meeting report:</p>	

	<ul style="list-style-type: none"> - Discussions continued in relation to activity plans from outside of Lancashire and South Cumbria that had not yet been received, - A block contract had been agreed with Blackpool Teaching Hospitals - Pressure was seen with providers outside of the patch, including Northern Care Alliance, Manchester Foundation Trust and discussions were being held. These providers were aware no further money was available - There was an underspend in community diagnostic centres, which the ICB was trying to manage - Pressure was seen within the independent sector - There was confidence that mental health would not overspend, therefore, releasing £1.2m to mitigations - Pressures continued to be seen in ADHD, despite £2m investment at the start of the year to try to manage this area. The other ICBs in the north west and nationally were also seeing a lot of pressure. M Bakewell would take forward with colleagues a stocktake of the steps expected to be in place from demand management and the primary care facing models, through to the activity management plans, to ensure all measures and characteristics were in place to manage demand going forward - Block deconstruction updates would be submitted to NHS England this week, which would state that the ICB had better visibility on spend in the acute contracts. There was still a disconnect between what payments should be for mental health. <p>J Birrell thanked the team for a more informative report. He asked which committee was being assured around issues with provider financial activity, quality, etc, which could be reported in brief in this report. C Harris responded that a read out from contract meetings was being presented to the executive team on a quarterly basis. S Downs clarified that the current meeting report provided detail from a finance and activity perspective, highlighting any potential financial risks. At the committee's request, detail would be shared when available. It was confirmed that NHS England and Pricewaterhouse Coopers were currently overseeing provider oversight.</p> <p>A Patel asked for clarification on evidence-based interventions exception reporting within the meeting report. This stated that there were no exceptions to report and he asked if this related to procedures of low clinical value. S Downs confirmed that from a finance perspective, there were no exceptions to report beyond the work that the ICB were already undertaking, flagging that there are no immediate concerns over the work that had been undertaken. Reporting stemmed from grip and control recommendations for this committee to have oversight. At the committee's request, S Downs would look at the integrated contracting group terms of reference for clarity of the scope of the group, where it escalates and provides assurance to; it was thought there may be a role for the executive group, the finance and contracting and the quality and outcomes committees.</p> <p>RESOLVED: That the Finance and Contracting Committee note the content of the report and agree next steps.</p>	<p>MB (emailed)</p> <p>MB/EM (action log)</p> <p>SD (action log)</p>
<p>106 25/26</p>	<p><u>Update on Implementation of New Finance System (ISFE2)</u></p> <p>S Downs reported that the new national finance information system, ISFE2, was due to go live on 1 October 2025 across organisations and the ISFE1 ledger would be closed on 24 October. The finance team were prepared for implementation of the system, however, there was nervousness that although training for the system had been held and attended by staff, this was not on the live system. An emergency payment process had been set up to ensure providers could be paid on 1 October. The team were currently looking at a way to ensure payment for all care packages is made. There was</p>	

	<p>risk that reporting of the financial position for months 7 and 8 would be abridged and D Atkinson confirmed this would be included on the operational risk register, being presented to the executive team at its meeting tomorrow, to agree a suggested score of 16. There are mitigations with gaps. S Downs reported that a weekly risk assessment had been submitted to NHS England. Discussion was held in relation to the risk score and E Collier described the team's concerns that they may be unable to fulfill their jobs. Concerns included that they had not seen the system and although a lot of training had been held and attended, this had been demonstrations with screenshots. There were real risks around the ability to make payments and generate standard reports from the new system. Risks and concerns had been raised through the project board and nationally and the committee were assured that the team would utilise the system to the best of their ability to ensure smooth running.</p> <p>The Chair acknowledged the risk of potential effect of implementation of ISFE2 on 1 October. He was concerned around the impact in terms of quality of reporting and whether this would be impacted.</p> <p>RESOLVED: That the ICB Finance and Contracting Committee:</p> <ul style="list-style-type: none"> - Note the contents of the report - Note the risks on implementation of ISFE2. 	
<p>107 25/26</p>	<p><u>Lancashire and South Cumbria Provider Collaboration Board Minutes</u></p> <p>The approved minutes of the Lancashire and South Cumbria Provider Collaboration Board had been circulated to members in advance of the meeting, for information.</p> <p>RESOLVED: That the Finance and Contracting Committee note the Provider Collaboration Board minutes of the meeting held on 14 August 2025.</p>	
<p>108 25/26</p>	<p><u>Committee Escalation and Assurance Report to the Board</u></p> <p>Members noted the items which would be included in the committee escalation and assurance report to the ICB Board.</p> <p>RESOLVED: That the Finance and Contracting Committee note that a report will be taken to ICB Board.</p>	
<p>109 25/26</p>	<p><u>Items Referred to Other Committees</u></p> <p>There were no items referred to other committees.</p>	
<p>110 25/26</p>	<p><u>Any Other Business</u></p> <p>Timings of meetings – D Corcoran raised around the sequencing of meetings and in particular between this committee and the ICB Board meetings. Ideally a time gap would be needed in order to improve reporting to Board to provide more in-depth assurance. The Chair confirmed that discussion had been held earlier today about this and it is hoped the meetings set for 2026/27 would normalise this.</p>	
<p>111 25/26</p>	<p><u>Items for the Risk Register</u></p> <p>There were no new items.</p>	

<p>112 25/26</p>	<p><u>Reflections from the meeting</u></p> <p>Members expressed good discussion was held in the meeting and noted the improvement in the quality of reporting. They noted the ICB remained in a difficult position with a scale of risks on a range of issues being high and not helped by the impending new financial system. There was concern around reporting for months 7 and 8.</p> <p>The Chair made members aware that this was S Downs' last meeting as Chief Finance Officer and thanked him for his support and contributions to the committee. M Bakewell was welcomed as the Chief Finance Officer from 1 October 2025.</p> <p>The Chair thanked members for their contributions and time at this meeting.</p>	
<p>113 25/26</p>	<p><u>Date, time and venue of next meeting</u></p> <p>22 October 2025, 2 pm – 4 pm, by MS Teams.</p>	