

Integrated Care Board

Date of meeting	27 November 2025			
Title of paper	Finance and Contracting Committee Escalation and Assurance Report			
Presented by	Steve Igoe, Finance and Contracting Committee Chair			
Author	Board Secretary and Committee Officers			
Agenda item	12			
Confidential	No			
Executive summary				
This report highlights key matters, issues, and risks discussed at the Finance and Contracting Committee meeting held since the last report to the Board on 25 September 2025 to alert, advise and assure the Board. The summary report also highlights any issues, items referred or escalated to other committees or to the Board. Minutes approved by the committee to date are presented to the Board to provide assurance that they have met in accordance with their terms of reference and to advise the Board of business transacted at their meetings.				
Public and Stakeholder Engagement				
N/A				
Recommendations				
The Board is asked to: - Note the Alert, Advise and Assure and approve any recommendations as listed. - Note any summary of items or issues referred to other committees of the Board over the reporting period. - Note the ratified minutes of the committee meetings.				
Which Strategic Objective/s does the report relate to:				Tick
SO1	Improve quality, including safety, clinical outcomes, and patient experience			✓
SO2	To equalise opportunities and clinical outcomes across the area			✓
SO3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees			✓
SO4	Meet financial targets and deliver improved productivity			✓
SO5	Meet national and locally determined performance standards and targets			✓
SO6	To develop and implement ambitious, deliverable strategies			✓
Implications				
	Yes	No	N/A	Comments
Associated risks		✓		
Are associated risks detailed on the ICB Risk Register?			✓	
Financial Implications			✓	
Where paper has been discussed (list other committees/forums that have discussed this paper)				
Meeting	Date		Outcomes	

Finance and Contracting Committee	22 September and 22 October 2025	To provide the Board of committee business during this period.		
Conflicts of interest associated with this report				
Not applicable.				
Impact assessments				
	Yes	No	N/A	Comments
Quality impact assessment completed			✓	
Equality impact assessment completed			✓	
Data privacy impact assessment completed			✓	
Report authorised by:				
	ICB Committee Chair			

Integrated Care Board – 27 November 2025

Finance and Contracting Committee Escalation and Assurance Report

1. Introduction

- 1.1 This report highlights key matters, issues, and risks discussed at ICB Finance and Contracting committee held since the last report to the Board on 25 September 2025 to alert, advise and assure the Board.
- 1.2 The summary report also highlights any issues, items referred or escalated to other committees or to the Board.
- 1.3 Minutes approved by the committee to date are presented to the Board to provide assurance that they have met in accordance with their terms of reference and to advise the Board of business transacted at their meetings.

2. Finance and Contracting Committee Report and Approved Minutes

Date: 22 September 2025		Chair: Steve Igoe
Key Items Discussed		
Item	Issue	Action
Alert		
Month 5 finance report	The committee received a detailed finance performance report for the ICB covering the period to end August 2025. The ICB is reporting being on plan although the relative financial position has deteriorated since the last report based on trends in a number of key programme expenditure areas. The ICB is reporting a net break even position after deploying £23.4m of mitigations year to date against these operational pressures and underdelivery on WRP. Key areas driving these cost pressures and adverse variance to plan are acute independent sector contracts £7.2m, mental health/learning disability and autism £4m, All Age Continuing Care £16.7m and prescribing £3.7m. The L&SC provider sector is £23m off plan due to a shortfall in cost reduction/CIP delivery and the	Escalate to the ICB Board to provide assurance and oversight.

	impact of Industrial action during Q2.	
Mid-year reforecast	The forecast work discussed by the committee shows different scenarios for the best, likely and worst-case financial positions for the ICB using month 5 actual as a basis for potential forecast outturn positions. A number of working assumptions have been used to model/evaluate these scenarios producing best to worst case scenarios. Whilst month 5 reporting is showing the ICB as being on plan the risk-based reforecast indicates a best-case deficit outturn of £20.4m, a likely outturn of £92.9m and a worst-case outturn of £136.4m. These are after the application of the £45.7m in mitigations referenced in previous months. The paper does however indicate that the bulk of the likely deficit position can be mitigated through ensuring delivering of cost savings already identified and through some internal measures that are being progressed by the management team.	A further quarterly report will be provided to the committee in early 2026 based on the Q3 financial outcome. Escalate to the ICB Board to provide assurance and oversight.
All Age Continuing Care (AACC)	The detailed work undertaken for the reforecast showed a potential significant overspend against 'AACC' in year arising from a number of factors. Work continues with the programme lead to implement recovery plans with further work required to understand benchmark against national data where available and to focus on real run rate reductions. The forecast has suggested that the risk based overspend on AACC could be anywhere between £86m and £115m, however, over £50m of this relates to prior year issues as previously reported.	The committee note the progress on the AACC waste reduction programme, operational performance, turnaround delivery and the risk-based forecast outturn. The committee support the defined next steps on recovering the initial financial forecast which includes the waste reduction programme. Escalate to the ICB Board to provide assurance and oversight.
Waste reduction programme (WRP)	£186.6m of WRP/programme savings have been identified, delivered through £123.2m of cost savings and £45.7m of mitigations discussed earlier. Current delivery	Escalate to the ICB Board to provide assurance and oversight.

	of mitigations is enabling the ICB to report as on plan although these are being utilised more rapidly than a pro-rata share of the plan. WRP/costs reductions are progressing although at end month 5 they are behind plan by some £5.44m. Since the last report no new schemes have been added to the pipeline and it is felt that the actual delivery of the WRP/cost saving schemes is increasingly challenging. The ICB needs to continue to focus on increasing the likelihood of savings delivery in relation to the independent sector, prescribing, AACC, and joint funding costs with the local authorities.	
Advise		
All Age Continuing Care (AACC)	The committee noted the positive metrics in relation to the delivery of the turnaround plan, however, as noted above, the committee were concerned as to delivery in an increasingly challenged environment. The team were congratulated on the work to date, which despite the challenging data, indicated grip and control which has undoubtedly saved many millions of pounds.	To note
Assure		
All Age Continuing Care (AACC)	The turnaround arrangements continue to demonstrate enhanced grip and control within the AACC agenda. The committee is well sighted on the issues within the report from the Turnaround Director and has requested further amendments to reporting to highlight specific matters that the committee would continue to seek assurance on. The committee supported the ongoing risk mitigation and detailed validation of pipeline schemes.	The committee will continue to maintain oversight in this area and provide assurance to the Board
Waste reduction programme (WRP)	The committee discussed the current position in relation to the WRP programme and mitigations. The programme was showing WRP's of £183m and mitigations of £47m. The ICB is actively managing these issues and is clear on the	Escalate to the ICB Board to provide assurance and oversight.

	position although, as noted above, substantial risk still exists in relation to delivery as we progress throughout the rest of this financial year.	
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Date: 22 October 2025		Chair: Steve Igoe
Key Items Discussed		
Item	Issue	Action
Alert		
Month 6 finance report and forecast outturn	Despite the ICB declaring a balanced position at month 6, there remains significant risk to delivery of the same at the end of the financial year. Both waste reduction programme outcomes and the risk-based forecasts had deteriorated in the month. The committee were concerned as to the ability to deliver the mitigations identified. The risk-based forecast showed a £150m gross projected deficit ignoring mitigations. The paper showed a set of mitigations amounting to £96.2m, however, the committee were not assured on the possible delivery and execution of plans to deliver the financial benefits. Even if these benefits were achieved, the year-end forecast showed a remaining £8m deficit.	The committee noted the month 6 financial report and associated reports covering All Age Continuing Care and the waste reduction programme. Escalate to the ICB Board to provide assurance and oversight and highlight concern as to the deliverability of the required cost savings to enable the year end balanced position to be delivered.
Digital and data strategy update	The committee received and welcomed a detailed update on the plans for the ICB in 2025/26 and beyond. There is a requirement to continue to support digital investment as set out in the 10-year plan although the financial challenges are recognised. It was felt that short term cost savings in this area whilst straightforward to achieve would present a longer-term detriment.	To note.
All Age Continuing Care (AACC)	The detailed work undertaken for the reforecast showed a potential substantial overspend against	Escalate to the ICB Board – whilst the committee supported the opportunity to consider a different

	AACC in year. This was attributed to a number of factors such as increased costs arising from more accurate reporting, alongside substantial under provisions in the opening balance sheet for these costs. These numbers are substantially “skewing” current financial reporting and the team were asked to both benchmark likely costs against national data where available and to focus on real run rate rather than the current non-normalised cost profile. As a result, the team have been looking at alternative delivery models and presented a hybrid model using external partners to maximise assurance and efficiency. It was felt that this could result in more benefit than the current model. It was agreed that the proposal whilst supported from a financial perspective would benefit from a broader ICB Board discussion given the non-financial aspects of the proposal.	delivery methodology to enhance financial recovery, it was felt that this was not without risk from a quality/non-financial perspective.
Prescribing update	The prescribing budget has been a challenge from day one given the absence of any allowance for growth in year. This has not been helped by the need to implement NICE requirements which have delivered further unexpected pressures in year, particularly in relation to diabetes treatments.	To note
Waste reduction programme (WRP)	The WRP schemes position now stands at £110.7m. This was substantially decreasing month on month because of All Age Continuing Care (AACC) shortfalls. Month on month delivery was £54.8m compared to plan of £61m. Of the original £45.7m in mitigations originally identified, £33.5m or (73.3%) have been utilised by the end of month 6.	Escalate to Board to provide assurance and oversight.

	The committee had significant concerns as to delivery of the required savings, both WRP and AACC given the evidence to date (experience).	
Advise		
Integrated planning round	The committee noted the latest information relating to the planning process for 2026/27. There remains a substantial amount of information outstanding, however, the committee has agreed that it will receive regular updates on the process and key assumptions as the planning round continues	The committee will receive regular updates on the process and key assumptions as the planning round continues.
Prescribing Update	The team have a focus on opioid safety as the ICB has the highest prescribing of opioids in England. Dosages are being reduced and 843 people are no longer on them. This is estimated to have saved 13 lives.	To note and support ongoing activity.
Assure		
Grip and Control (acute and mental health)	The committee received a quarterly update regarding grip and control . It was confirmed that the majority of recommendations are now being addressed through business as usual processes. Three outstanding recommendations are due to be closed during Q3.	To support the ongoing work in the area.
Prescribing update	The committee received a high-quality report and had a good discussion on various prescribing issues. It was assured that whilst the prescribing budget was a significant challenge, active steps were being taken to manage the costs whilst also recognising that short term cost saving measures could have a longer term negative financial and quality impact. The Lancashire and South Cumbria ICB remain the lowest cost and lowest items per head ICB in the North of England despite the significant health inequalities.	To note and support ongoing activity.
Grip and Control (acute and mental health)	The committee received a quarterly update regarding grip and control . It was confirmed that the majority of recommendations are now being addressed through business as usual processes. Three outstanding	To support the ongoing work in the area.

	recommendations are due to be closed during Q3.	
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- **Appendix A** – Approved minutes of the Finance and Contracting Committee held on 27 August 2025. [Item 12 - Appx A - Approved F&C Committee Minutes - 27 August 2025 v1.pdf](#)
- **Appendix B** – Approved minutes of the Finance and Contracting Committee held on 22 September 2025. [Item 12 - Appx B - Approved F&C Committee Minutes - 22 September 2025 v1.pdf](#)

3. Summary of items or issues referred to other committees or the Board over the reporting period.

Committee	Item or Issue	Referred to
22 October 2025 – Finance and Contracting Committee	Sickness and absence were briefly touched on as a likely financial issue and the Committee suggested that the People and Culture Committee might undertake a deep dive into sickness issues with a view to establishing any opportunities to mitigate both cost and pressures on existing staffing.	People and Culture Committee

4. Conclusion

- 4.1 The committee has conducted their business in line with their terms of reference and associated business plans.

5. Recommendations

- 5.1 The Board is requested to:
- Note the Alert, Advise and Assure within the committee report and approve any recommendations as listed.
 - Note the summary of items or issues referred to other committees of the Board over the reporting period
 - Note the ratified minutes of the committee meetings.

**Committee Chair
November 2025**