

Approved 7 January 2026

**Minutes of the ICB Finance and Contracting Committee  
Held on Friday 21 November 2025 at 2 pm  
by MS Teams**

| <b>Members</b>                  |  |                                      |
|---------------------------------|--|--------------------------------------|
| 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                             |
| Mark Bakewell                   | Interim Chief Finance Officer                                    | L&SC ICB                             |
| Jane Scattergood                | Interim Chief Nursing Officer                                    | L&SC ICB                             |
| Andy Knox                       | Acting Medical Director  | L&SC ICB                             |
| Jane Cass (for Craig Harris)    | Director of Partnerships and Collaboration                       | L&SC ICB                             |
| <b>Regular Participants</b>     |  |                                      |
| 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                             |
| Alistair Rose                   | Director of Strategic Estates, Infrastructure and Sustainability | L&SC ICB                             |
| Elaine Collier                  | Deputy Director Operational Finance                              | L&SC ICB                             |
| <b>Attendees</b>                |  |                                      |
| Aaron Cummins                   | Chief Executive Officer  | L&SC ICB                             |
| Nancy Park (for item 141)       | All Age Continuing Care Turnaround Director                      | Pricewaterhouse<br>Coopers LLP (PwC) |
| Saba Sadiq (for item 141)       | Director of Finance  | L&SC ICB                             |
| Jessica Williams (for item 143) | Strategic Commissioner   | L&SC ICB                             |
| Sandra Lishman (minutes)        | Committee and Governance Officer                                 | L&SC ICB                             |

| <b>No</b>            | <b>Item</b>   | <b>Action</b> |
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| <b>135<br/>25/26</b> | <p><b><u>Welcome, Introductions and Chair's Remarks</u></b></p> <p>The Chair welcomed everyone to the meeting, including Aaron Cummins, ICB Chief Executive Officer, and Jane Cass, deputising for the ICB Chief Operating Officer/Chief Commissioner. Members noted that N Park and S Sadiq would join the meeting for the All Age Continuing Care updates and J Williams for the commissioning items. Due to the presenter being unwell, winter planning and urgent and emergency care investment schemes had been deferred to the 19 December committee meeting.</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> |               |
| <b>136<br/>25/26</b> | <p><b><u>Apologies for Absence/Quoracy of Meeting</u></b></p> <p>Apologies had been received from Asim Patel and Craig Harris.</p> <p>The meeting was quorate.</p>  |               |
| <b>137<br/>25/26</b> | <p><b><u>Declarations of Interest</u></b></p> <p><b>(a) Finance and Performance Committee Register of Interests – Noted.</b></p>  |               |

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|                             | <p><b>RESOLVED: That there were no further declarations of interest raised. Should any other conflicts arise during the meeting, the Chair should be advised accordingly.</b></p>   |  |
| <p><b>138<br/>25/26</b></p> | <p><b>(a) <u>Minutes of the Meeting held on 22 October 2025 and Matters Arising</u></b></p> <p><b>RESOLVED: That the committee approve the minutes as a true and accurate record of the meeting held on 22 October 2025.</b></p> <p><b>(b) <u>Action Log</u></b></p> <p><b>Ref 17 – AACC reporting</b> – Ongoing discussion. Action to remain open.</p> <p><b>Ref 19 Commissioning for outcomes</b> – Further discussion to be held within the commissioning update on this agenda. Agreed to close.</p> <p><b>Ref 28 2025/26 contract and contract monitoring</b> – An update had been provided within the action log. Agreed to close.</p> <p><b>12C to C</b> – Update confirmed the action was being discussed by the People and Culture Committee, as requested. Agreed to close.</p> <p>All other actions were not yet due and progress updates had been provided within the action log.</p>   |  |
| <p><b>139<br/>25/26</b></p> | <p><b><u>Month 7 System Financial Position</u></b></p> <p>M Bakewell reminded members of the recent implementation of the new national ledger system and reported ongoing issues which were currently impacting work. It was expected that these issues would continue for a couple of months following implementation. He acknowledged excellent efforts of the team in managing the challenges associated with the new system.</p> <p>M Bakewell provided an update to the committee on the month 7 system (ICB and providers) finance position, highlighting the following key points regarding the provider position:</p> <ul style="list-style-type: none"> <li>- Month 7 reported a cumulative year-to-date system deficit of £65.7m (£129.3m excluding deficit support funding) representing a deterioration from month 6, and £38.2m worse than plan.</li> <li>- The position was predominantly driven by a shortfall against the efficiency plan of £38.5m, reflecting unidentified elements from the start of the year.</li> <li>- Work continued through established governance structures to understand organisations financial positions, assess risks and identify available mitigations to achieve the required 2025/26 year-end position.</li> <li>- Improvement Assurance Group (IAG) meetings continued to hold providers to account on delivery.</li> </ul> <p>In relation to the above, A Cummins explained the ICB’s role in provider oversight, noting that under the 2025/26 legislation and guidance, responsibility for aggregate system performance still rests with the ICB but much of this oversight was driven by the IAGs and PwC.</p> <p>He commented on the expected transition during quarter 4, with PwC’s planned exit during quarter 4; engagement would take place with the regional team to seek clarity on provider financial oversight arrangements for quarter 4. He highlighted the risk that,</p> |  |

without changes, issues could be narrated by external parties, resulting in the ICB not being actively involved in oversight, challenge, scrutiny or system support.

M Bakewell highlighted the following in relation to the ICB position:

- The ICB continued to report a balanced position against its year to date and forecast outturn positions, however, a significant risk remained in the delivery of this position for the remainder of the financial year.
- There was some available mitigations which were being used in terms of balancing the year-to-date position.
- Improvement needs to be delivered in the waste reduction programme (WRP) in order to meet the required position.
- A review of the month 7 position was in progress, particularly in relation to risk based assessment.
- There had been a £4.7m deterioration in month, primarily due to under delivery within the WRP; this had been anticipated following profiling of the WRP programme, however, remained within the overall planned value available to the ICB. The main areas of variance continued to relate to the independent sector contracts, continuing healthcare, some historical issues around transforming care in the learning disability pool and prescribing. Mitigations and close monitoring continued to ensure delivery.
- Provider activity management plans were being implemented across the NHS and the independent sector. Conversations were taking place in contract meetings.
- Actions had commenced around further mitigations and opportunities to close the WRP gap for continuing healthcare and continue improvements in the run rate.
- Positive dialogue had taken place with local authorities to repair and restore historical issues and set the platform going forward.
- Volatility continued in prescribing, with a number of challenges. A positive improvement had been seen in month 7 in some of the underlying trends. The ICB's overall position remained strong, with further work to be undertaken.
- Ongoing operational issues, weight management, ADHD and contracts in primary care were being monitored, and a mitigation plan was being developed.
- Reporting to NHS England was taking place at the IAG meetings. The reporting pack was being refined to ensure clarity on risk and mitigation issues, which could then be used as a basis for reporting to the Finance and Contracting Committee.

J Birrell expressed significant concern regarding the current financial position and the lack of progress since month 6, noting minimal improvement. He highlighted that a substantial proportion of the WRP and financial mitigations were categorised as high risk, raising questions about the realism of delivery plans for the remainder of the year. He stressed the need for deeper analysis to validate assumptions and observed that provider positions had deteriorated at the most challenging period of the year.

J Birrell commented on the absence of new schemes within the WRP pipeline, contrasting this with the previous year when numerous ideas were brought forward, and emphasised the urgent need to identify new schemes to address next year's challenges. Furthermore, he reported no visible progress on decommissioning, despite a strong paper on commissioning intentions, and reiterated that current expenditure levels were unsustainable.

It was noted that All Age Continuing Care (AACC) spending continued to exceed

planned levels.

J Birrell also questioned how the regional team might respond, anticipating that they would seek assurance that uncertainties and high-risk areas were being addressed promptly. Timing was highlighted as a critical issue, given that any actions taken now may not have an impact until late December, leaving a narrow window for intervention. He acknowledged the significant amount of work underway but emphasised that there remained a level of risk in the figures.

M Bakewell provided an update on the actions underway to address financial challenges. Activity management plans had been progressed by the commissioning and contracting teams since late August/September, with work continuing on individual contracts. He noted that capacity constraints within some teams had slowed engagement with all providers and highlighted that the national contract process required adherence to a multiple step procedure with fixed timescales, which contributed to delays. Despite this, he confirmed that due process was being followed and expected these actions to deliver results within the financial year. Conversations in provider meetings held so far remained constructive, and there was ongoing dialogue with providers to secure agreement.

He further reported significant engagement with local authorities to resolve historical issues and through the 'reset' should enable transactions that support savings and future options.

He acknowledged concerns raised regarding provider positions, in particular the deterioration between months 6 and 7 and confirmed that discussions with providers had reflected a change, with some requiring more focused attention. Provider engagement continued, and whilst providers remained committed to delivering the plan, significant risks persisted.

In relation to new schemes and pipeline development, M Bakewell advised that planning conversations had commenced for both the current and next financial year. A dedicated session had been scheduled in the coming weeks to consolidate plans from programme leads and extend the pipeline. He acknowledged that current-year plans had not delivered recurrent benefits as anticipated, which would be a key focus for next year's planning. Benchmarking was underway, as well as a review of continuing healthcare data and exploration of tools to identify further opportunities. He highlighted that future planning would require deconstructing block arrangements and non-recurring commitments within contracts would need addressing due to implications for the 2026/27 position. Discussions on commissioning and decommissioning would continue as part of the next agenda item. Whilst the regional team recognised the existence of a reasonable plan and a clear path to improvement, concerns remained around the level of risk and the need for delivery in the second half of the year. The Integrated Assurance Groups (IAGs) had been reinstated for quarter 3 and the ICB would be clear with PwC in terms of risk and process.

A Cummins acknowledged the challenges raised and identified 2 key actions required. There was a need for greater clarity on the "what, by when, and who" for each mitigation, alongside a clear trajectory for benefit release to enable tracking of cause and effect through months 8–12. He noted that whilst some business-as-usual measures, such as activity and medicines management, were showing impact, several mitigations had slipped, and delivery was not yet at the expected level. The executive team would be asked to provide more precise timelines and accountability for each mitigation. He also highlighted the importance of strengthening market management and signalling to providers ahead of next year's planning cycle. Resources should be directed towards

the most productive areas of service delivery, such as GIRFT, model health system, diagnostic hubs, and surgical centres, whilst also managing demand growth and exploring more efficient pathways. This approach should complement existing measures such as contract adjustments and medicines savings.

He reported that regional colleagues had expressed reasonable concern about the month 6 checkpoint and the roadmap to break even and confirmed that the ICB did not feature among the highest-risk organisations nationally. While the response from stakeholders had been encouraging, tighter accountability and clearer delivery trajectories were essential in the coming weeks.

D Corcoran acknowledged the challenges around the timeliness of financial reporting and ledger issues, thanking the team for their efforts in producing reports under difficult circumstances. She sought assurance on whether the delays related solely to access or whether there were gaps in the insight normally available to the committee and Board and asked for clarity on when the ledger issues were expected to be resolved. If the team were not confident that full functionality would be restored for the next reporting cycle, she suggested consideration of alternative measures to ensure the committee had the necessary information to assess risk and performance. D Corcoran also highlighted concerns regarding the financial position and the WRP, noting that all areas appeared to be worsening, suggesting that planned interventions were not delivering the expected impact. She questioned whether the current assumption that high, medium, and low-risk programmes would deliver by year-end remained realistic and asked at what stage the organisation should consider alternative plans. She emphasised the need to understand whether contingency options were being actively developed or if reliance remained on existing mitigations.

M Bakewell responded acknowledging the challenges with the ledger and timeliness of reporting. He confirmed that the team had faced significant difficulties with the new system and commended the team for producing reports that were considered reliable despite these constraints. While improvements were expected by month 8, the system was not yet fully resolved and may require additional cycles to stabilise.

In relation to the WRP, M Bakewell expressed that some schemes would remain at high risk through year-end due to contractual processes and timing. Examples included activity management plans, which required formal steps under national contract rules before adjustments could be transacted, and continuing care, where additional resources were being deployed to improve eligibility reviews and fast-track processes. He explained that these actions were the right steps, but it would take time to deliver measurable impact, which accounted for the limited movement between months 6 and 7.

M Bakewell confirmed that contingency planning options were being actively considered and implemented where possible. These included engagement with local authorities, stopping non-essential investments, and decommitting expenditure. He acknowledged that these decisions were challenging and not perfect for long-term sustainability but were necessary to manage immediate financial risk. Further updates on mitigations and pipeline development would be provided to the committee as data and confidence improved over the coming weeks.

E Collier provided an update on the ledger and reporting challenges, confirming that whilst the system was improving incrementally, it remained far from ideal and would require time to stabilise. She commended the team for their significant effort in producing a robust month 7 position, noting confidence that the reported year-to-date and forecast figures were as reliable as those produced under the previous system.

However, she explained that much of this assurance had come from extensive manual work outside the ledger due to system limitations. Key issues included slower processes, capacity constraints preventing report generation during peak periods, and the absence of reports previously available. The ledger's forecasting functionality was flawed and did not align with the complexity of ICB commissioning. Small improvements were being seen, but significant concerns remained, including potential audit implications. She advised that discussions were underway with other ICBs to escalate issues nationally, with a proposal to write to NHS England highlighting the risks and requesting urgent action.

***Jessica Williams, Saba Sadiq and Nancy Park joined the meeting.***

The Chair reflected on the recent meeting with PwC, noting positivity and feeling like there was a shared journey towards achieving financial recovery. He observed that PwC recognised that delivery of the plan impacted their credibility, and the expectation was that PwC would provide constructive support to reach a position acceptable to both parties, emphasising a focus on achieving genuine improvements. He highlighted that the current financial reporting model presented challenges, with month 6 figures forming the basis of previous discussions while month 7 data and recent initiatives, such as contracting with the independent sector, medicines optimisation, and changes within All Age Accountable Care, were only beginning to take effect. While plans and risk ownership were in place, credibility depended on visible delivery, and it was stressed that reductions in variances must start to appear in months 8 and 9. He concluded that execution was now critical, and the committee must see evidence of grip and control translating into financial improvement.

A Cummins added that clarity on the underlying financial position in risk mitigations and actions remained a challenge and this had been reflected in the papers presented at today's meeting. He reiterated that whilst the ICB was not currently considered the highest risk within the system or region, this position could change quickly if months 7 and 8 trajectories did not improve. Using flexibility to offset a plan results in finance being unavailable for other priorities. While contingency measures may be necessary, A Cummins emphasised the need to avoid this wherever possible and highlighted that there were 20 weeks remaining to deliver improvements.

The quality and clarity of financial information and reporting was critical to providing assurance and enabling effective oversight. The Chair added that the narrative must clearly demonstrate progress against plan and provide confidence that delivery was on track. He observed that challenges were not unique to the ICB, referencing issues within other systems, and stressed the importance of maintaining credibility through transparent reporting and execution.

J Birrell expressed that the scale of issues in All Age Continuing Care had not been fully addressed and represented a significant challenge. He acknowledged the effort and commitment of teams working to deliver the WRP, highlighting that the organisation was still far from where it needs to be, with the problem estimated to exceed £100m.

M Bakewell confirmed that work was underway to revise and refresh financial reporting pack in conversations with PwC.

The Chair expressed concern about the values in the different (best/likely/worst) and stressed the need for credible delivery plans.

D Corcoran reflected the need to refine financial reporting for future meetings as while improvements had been made, the current format did not provide a clear line of sight to key challenges and assurance. She suggested working with the team to reframe reports

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|                                    | <p>so that likely areas of committee concern were highlighted upfront, enabling quicker and more focused scrutiny.</p> <p>The committee were asked to feedback to M Bakewell in relation to future reporting. To ensure alignment of reporting, the Chair emphasised the importance that the committee's report should be reflective of the detail shared with PwC. M Bakewell confirmed that the intention was to maintain a single report format and agreed to circulate PwC correspondence and the System Delivery Meeting outputs to the committee as appropriate.</p> <p>The Chair expressed appreciation to M Bakewell, E Collier and all colleagues for their efforts in preparing the necessary materials for discussion. It was acknowledged that the team had faced significant challenges in delivering these outputs within the context of substantial system changes.</p> <p><b>RESOLVED: That the Finance and Contracting Committee note the content of this report.</b></p>  | <p><b>ALL</b><br/><b>(Action log)</b></p> <p><b>MB</b><br/><b>(Action log)</b></p> |
| <p><b>140</b><br/><b>25/26</b></p> | <p><b><u>Financial Undertakings and Exit Criteria</u></b></p> <p>The committee received an update on the Recovery Support Programme (RSP) exit position, noting that the information presented was an extract from the material shared at the RSP exit meeting held on 4 November as part of the System Delivery Meeting (SDM) process. It was acknowledged that the position remained fluid and subject to change, with further feedback expected at the next SDM meeting in early December. The committee noted that the anticipated focus would be on actions to support transition out of oversight, leadership and governance. Financial undertakings would continue to be monitored under the existing Integrated Assurance Group arrangements. The update was provided for information, enabling the committee to review the current approach within the single improvement plan and the context presented at the 4 November meeting.</p> <p><b>RESOLVED: That the committee:</b></p> <ul style="list-style-type: none"> <li>- <b>Note the content of this report and the position, intentions and risks against the ICB's financial undertakings that were presented in the System Delivery Meeting held on 4 November</b></li> <li>- <b>Receive a verbal update on key messages from the ICB's IAG held on 11 November.</b></li> </ul>   |  |
| <p><b>141</b><br/><b>25/26</b></p> | <p><b><u>All Age Continuing Care Update: Month 7 Financial and Operational Performance</u></b></p> <p>N Park provided a financial update on All Age Continuing Care (AACC) for Month 7. She reported that the system was currently showing an overspend of £29.7 million, of which £14.4 million related to prior year costs. Work was ongoing to validate outstanding invoices for the prior year, which could increase the figure significantly. Waste Reduction Programme (WRP) delivery was progressing in line with the original plan, with an average of £3 million achieved each month, however, the challenge remained to deliver beyond this level to meet the stretch target of £60 million. Operational metrics indicated that package volumes and expenditure were broadly tracking downwards, reflecting positive progress compared to national and regional benchmarking, although pricing fluctuations and case complexity continued to impact overall expenditure. The committee noted the focus on mitigations to close the financial gap in the remaining months of the year, including engagement with local authorities under the agreed reset and principles, the Memorandum of Understanding, and new ways of working under a number of WRP schemes that were reliant on local authority engagement. Outstanding disputes were being worked through. Other broader areas,</p> |  |

not included in the numbers reported and relating to updates in policies and procedures, include agreement of Section 117 with local authorities. These actions carry risk but were expected to yield financial benefits if enacted.

A Cummins reported that he had met with N Park, J Scattergood and M Bakewell looking at actions to take forward which were believed to deliver material improvements. He emphasised the need to lock these down with monthly expectations for delivery.

A Cummins reflected on recent behaviours observing that within IMT and executive structures, plans and stretch targets were being described as optional rather than agreed commitments. He stressed that this narrative must change, and teams should commit to delivering the agreed year-end plan, recognising that adjustments may be necessary due to risks and mitigations, and without diluting accountability.

The committee acknowledged the significant work undertaken to improve financial performance. While progress had been made towards aligning spend closer to the national average, it was noted that the ICB remained materially above this benchmark. J Birrell highlighted that the difference represented a substantial financial challenge, emphasising that despite improvements, the organisation was not on target and called for clarity on how to achieve the required level of spend. He suggested that forthcoming benchmarking information may provide valuable insight, as current data may be outdated.

N Park responded that the ICB was spending more than expected, but reductions were anticipated through the WRP and mitigation measures, including engagement with local authorities. Historical arrangements had resulted in the ICB funding care packages that should fall under local authority responsibility. Work was ongoing to resolve these issues, which should reduce overall spend per 50,000 population over time. However, progress was complex and dependent on collaboration across multiple local authorities.

M Bakewell highlighted ongoing conversations with colleagues regarding national data comparisons, noting potential inconsistencies in categorisations. He referenced discussions with the ICB Director of Nursing – Adult Health and Care, who stressed that some expenditure coded under continuing healthcare (CHC) may not align with national definitions. The new ledger was expected to improve coding accuracy and comparability across systems. He also emphasised the importance of obtaining benchmark information from the national team, as current charts often placed Lancashire and South Cumbria ICB among the highest spenders nationally, which may relate to systemic issues. These factors may indirectly influence CHC expenditure and underlined the need for a comprehensive commissioning approach.

D Corcoran sought clarification on the implications of resetting relationships with local authorities, particularly regarding potential delays to WRPs and associated financial exposure. S Sadiq confirmed that the WRP included £21.2m of schemes reliant on local authority engagement, currently profiled for delivery in month 12. Conversations with local authorities were progressing positively, and confidence remained that these savings would be achieved within the financial year.

The Chair summarised the discussion, acknowledging:

- Appreciation for the significant work undertaken by N Park, S Sadiq and colleagues
- Recognition of the complexity and scale of the financial challenge
- The need for improved execution and delivery of programmes
- Importance of accurate coding and benchmarking to inform decision-making
- Confirmation that the agreed plan included stretch targets and must be delivered as a single commitment

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|                            | <ul style="list-style-type: none"> <li>- Anticipation of savings materialising towards year-end, noting the risk of concentration in the final month.</li> </ul> <p>The committee agreed to maintain focus on delivery and continue monitoring progress closely.</p> <p><b>RESOLVED: That the Finance and Contracting Committee:</b></p> <ul style="list-style-type: none"> <li>- <b>Note the progress on WRP, operational performance, turnaround delivery and the risk-based forecast outturn</b></li> <li>- <b>Support the defined next steps on recovering the financial forecast which includes the WRP</b></li> <li>- <b>Endorse operational actions to address the overspent budget.</b></li> </ul> <p><b><i>N Park and S Sadiq left the meeting.</i></b></p> <p><b><u>(a) All Age Continuing Care Transactions Above £300k</u></b></p> <p>The committee received a report on high-cost All Age Continuing Care cases and noted its purpose to highlight significant expenditure within a small number of cases. M Bakewell confirmed that the report aligned with ongoing work to ensure robust reviews, appropriate costs, and market testing at suitable intervals. The Chair acknowledged the complexity of these cases and confirmed that while the committee was required to receive the report, its role was limited to noting the position.</p> <p>J Birrell raised concern that the average cost of £430,000 per case suggested the need to explore more economical options, whilst maintaining safety and quality standards. He emphasised that each case should be assessed and reviewed to identify potential cost reductions.</p> <p>In response, J Scattergood reported that all high-cost cases had been reviewed in recent months, with some subject to dispute or appeal processes where cost management had been challenged by local authorities or families. She confirmed that scrutiny was being applied appropriately.</p> <p>The committee requested a short summary outlining the review process undertaken for high-cost cases, current position and rationale for maintaining existing levels of spend, assurance that appropriate challenge and dispute processes had been followed. This would provide assurance on governance and financial oversight.</p> <p><b>RESOLVED: The committee note the report.</b></p> | <b>JS</b><br><b>(Action log)</b> |
| <b>142</b><br><b>25/26</b> | <p><b><u>Planning Guidance Update</u></b></p> <p>M Bakewell provided an update on the recently published national operational planning guidance. The guidance set out a 3-year operational planning requirement, with 2 years of financial allocations confirmed to date. The initial plan submission would be due by 17 December 2025, followed by a final plan in February 2026 comprising a 3-year financial plan and a 5-year narrative.</p> <p>He highlighted the following key points from the slides circulated with the meeting papers:</p> <ul style="list-style-type: none"> <li>- Following a change to the business rules, organisations would now be assessed individually rather than as part of a system, although collaboration was expected to ensure plans were triangulated.</li> <li>- A three-year trajectory for reducing the deficit position had been introduced, with</li> </ul>   |                                  |

associated support funding available for compliant plans. Historic deficit adjustments were noted as a significant incentive.

- Previous deficit support arrangements had now been removed, with new paths detailed in the guidance.
- Core programme growth was 2.72%, slightly higher than anticipated due to a reduced convergence factor (0.2%). The ICB remained 1.8% above target after adjustments.
- The cost uplift factor was 2.03% offset by a 2% efficiency requirement, which resulted in a net uplift of 0.03%. A further productivity expectation of 2% was anticipated.
- Deconstructing block work continued with providers, comparing the relative level of activity by price. Further work would be undertaken with colleagues over the coming weeks.
- The Better Care Fund contribution needs to increase by around 3%
- There was a continuation of the Mental Health Investment Standard Policy.

It was further noted that a well-established planning group and structure was working on all of these matters.

M Bakewell continued that there were some really challenging extra performance asks on a number of constitutional performances measures that required financial consideration, being worked through with Provider Chief Finance Officers and Chief Operating Officers.

Committee members raised the following points:

- P Tinson queried application of cost uplift factors to voluntary and hospice sectors, conscious of the impact. M Bakewell explained that an issue with the new ledger was a delay in being able to translate detail into the planning process to see what that means for the ICB and the resulting gap. He confirmed further work was required in this area and conversations would be held over the coming weeks.
- J Birrell welcomed the clarity of detail within the report. He felt the historic deficit repayment, as set out in the meeting slides, was generous and urged the ICB to maximise this opportunity. He asked how the ICB anticipated deconstructing block funding would work for them. In response, M Bakewell explained that the difference between the current contract value and the price times activity was circa £380m. The work so far has concentrated on acute contracts as the data on community and mental health contracts does not necessarily have the same robustness, which would be looked at nationally. This change would provide an opportunity for more granular conversations with local providers to look at the big areas of sway for their income. Further work was required to achieve contract conversations and providers would be expecting a level of income in accordance with historical values, which needs to be worked through.
- Concerns were expressed around potential destabilising due to the impact of large adjustments to block contracts. M Bakewell emphasised that figures were indicative and would inform pragmatic negotiations with providers and their maximum caps on movements being proposed in the national guidance.

The Chair thanked M Bakewell and the team for the comprehensive update and noted the challenging timescales. The committee agreed to receive further updates as planning progressed.

**RESOLVED: The committee is asked to:**

- **Note the information included within the planning guidance with regards to the ICB financial position for the 2026 /27 financial year**

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|                             | <p>- <b>Note the planning deadlines as signified within this paper and the work of the ICB and the wider system to submit plans aligned to this.</b></p>   |  |
| <p><b>143<br/>25/26</b></p> | <p><b><u>Commissioning Intentions for 2026/27 Update</u></b></p> <p>J Williams presented an update on medium-term planning and the approach to delivering the 10-year plan, being closely aligned with the current planning round. Recent progress demonstrated a strong partnership approach and a commitment to quantifying the impact of commissioning intentions. She clarified that commissioning intentions referred to actions taken by commissioners to effect change, such as amending contracts or adjusting financial flows. Linking intentions to local priorities was emphasised, with transformation largely driven through the neighbourhood model of care. The four priorities agreed by the ICB in June remained in place, alongside the three strategic shifts, which had been categorised into immediate and developmental phases. Immediate commissioning intentions would be quantified for inclusion in the first or second planning submission, while developmental intentions would be assessed by the end of quarter 1 for implementation in 2026/27, recognising that only partial-year impacts may be achieved initially. PSC had supported the methodology outlined in the meeting report, and a workshop scheduled for next week would bring together stakeholders across four key workstreams to progress this work and ensure credible outputs for providers within the planning round.</p> <p>J Birrell commended the planning work as being strong and strategic, noting that it represented a comprehensive approach and aligned well with the direction requested. He highlighted concern regarding the current financial position, observing that while the proposals set the right long-term direction, they did not fully reflect the immediate financial challenges facing the ICB.</p> <p>In response, J Williams acknowledged that this was fair challenge and highlighted that a potential gap would remain at the end of this process, requiring further decisions beyond commissioning intentions to address the shortfall. The concern was shared by all involved in the process, and the need for continued review and consideration of additional measures was emphasised.</p> <p>Further discussion explored approaches to managing financial constraints, with a question raised on whether planning should adopt a bottom-up approach, specifying desired contracts and associated financial elements prior to reconciling with available budgets, or a top-down approach, starting from the total available budget and determining deployment accordingly.</p> <p>J Williams advised that commissioning intentions and planning were closely linked, with strategy driven by clinical priorities and supported by financial planning. She emphasised the need for triangulation between clinical, commissioning, and financial strategies rather than adopting a single approach.</p> <p>M Bakewell echoed the positive feedback on the work undertaken and reiterated the scale of the financial challenge. He added that while this work would help identify opportunities, it would not resolve all issues. He highlighted the importance of aligning provider intentions through the collaborative with commissioning plans alongside. Clinical, financial, and commissioning strategies must work together within a three-year planning trajectory, focusing on targeted investments and population health principles to maximise impact. He highlighted that the work the team were undertaking was going to help the ICB signify areas of important opportunity for the ICB in the short term.</p> <p>Additional points were raised regarding affordability and patient engagement. It was</p> |  |

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|                      | <p>queried when the affordability check should take place within the process, with a view that earlier consideration could prevent unnecessary work. D Corcoran emphasised the importance of factoring affordability sooner rather than later and raised concerns about patient involvement appearing late in the process. She stressed that engagement should inform decisions from the outset, rather than being treated as an optional step.</p> <p>In response, J Williams confirmed that initial engagement had taken place, including a workshop with Healthwatch at the start of the process, where they talked to the ICBs senior commissioners providing patient feedback on various themes over a period of 12-18 months. Voluntary, Community, Faith and Social Enterprise partners and hospices had also been engaged with. She acknowledged the need to strengthen ongoing involvement and ensure public feedback be incorporated once the quantification of impacts was clearer. N Greaves added that population health teams and some voluntary sector partners doing community outreach had also been involved in the workshop. He added that the next stage was working with a team to look at how to address some of the recurring themes around access and joined up care, along with people's experiences. The team would work with some of the engagement groups to sense check what was being seen and how this aligned. Feedback was consistent with a definite shift of wanting to move things into community and around data and digital. There was also a consistency in experiences due to a lack of joined-up systems. The Citizens Health Reference Group and volunteers had also been involved in parts of the process throughout.</p> <p>P Tinson assured the committee that teams working on the commissioning intentions were conscious that there would be no new money. Within the intentions, there was a clear thread around maximising the use of existing resource.</p> <p>The Chair expressed that communications would be critical in managing people's expectations, given the financial constraints and the need to prioritise delivery within existing means. While digital solutions and transformation were welcomed, members acknowledged that significant new funding was unlikely, reinforcing the importance of prioritisation and transparency throughout the process.</p> <p><b>RESOLVED: That the committee note the content of this report.</b></p> |  |
| <p>144<br/>25/26</p> | <p><b><u>Commissioning Delivery Plan Dashboard</u></b></p> <p>The committee received the Commissioning Delivery Plan dashboard report, which comprised two components, the waste reduction programme and the Commissioning Delivery Plan. It was noted that the dashboard reflected current progress and performance against these plans.</p> <p><b>RESOLVED: That the committee note the content of the report and the ongoing monitoring arrangements in place to assure on delivery and escalation of any risks or issues.</b></p> <p><i>J Williams left the meeting.</i></p>  |  |
| <p>145<br/>25/26</p> | <p><b><u>Winter Planning and UEC Investment Schemes</u></b></p> <p>This item was deferred to the next committee meeting to be held on 19 December 2025.</p>   |  |
| <p>146<br/>25/26</p> | <p><b><u>Primary Care Statutory Compliance Update</u></b></p> <p>A Rose reminded members of the previous committee update regarding compliance across the GP estate. He reported that a programme of works was now underway to</p>  |  |

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|              | <p>review compliance across all GP premises. Approximately half of the estate is owned by Department of Health property companies (NHSPS or CHP), with the remainder owned by private companies or GPs themselves. Oversight of these buildings typically rested with practice managers. In addition to the statutory rights review, work was being undertaken to develop the skills of practice managers to ensure they were better prepared for CQC reviews and adopt a more consistent approach to reporting.</p> <p>The committee welcomed the update and noted the positive progress being made.</p> <p><b>RESOLVED: That the committee note the report and to expect periodic updates. Any emerging significant risks would be highlighted through the Health and Safety Oversight Group.</b></p> |                    |
| 147<br>25/26 | <p><b><u>System Finance Group</u></b></p> <p><b>RESOLVED: That the Finance and Contracting Committee note the System Finance Group minutes of the meeting held on 26 September 2025.</b></p>  |                    |
| 148<br>25/26 | <p><b><u>Lancashire and South Cumbria Provider Collaboration Board</u></b></p> <p>The minutes included an update on the work to review the six acute clinical services under consideration. The committee requested a brief update to the ICB Board in due course.</p> <p><b>RESOLVED: That the Finance and Contracting Committee note the Lancashire and South Cumbria Provider Collaboration Board minutes of the meeting held on 11 September 2025.</b></p>  | DA<br>(Action log) |
| 149<br>25/26 | <p><b><u>Committee Escalation and Assurance Report to the Board</u></b></p> <p>Members noted the items which would be included in the committee escalation and assurance report to the ICB Board.</p> <p><b>RESOLVED: That the Finance and Contracting Committee note that a report will be taken to ICB Board.</b></p>   |                    |
| 150<br>25/26 | <p><b><u>Items Referred to Other Committees</u></b></p> <p>There were no items referred to other committees.</p>  |                    |
| 151<br>25/26 | <p><b><u>Any Other Business</u></b></p> <p>No other business was raised.</p>  |                    |
| 152<br>25/26 | <p><b><u>Items for the Risk Register</u></b></p> <p>There were no new items.</p>  |                    |
| 153<br>25/26 | <p><b><u>Reflections from the meeting</u></b></p> <p>M Bakewell acknowledged the importance of clear, accessible reporting on the financial position and the underlying numbers. He reiterated his intention to produce a simplified yet unified version of the finance report for multiple purposes, inviting feedback.</p> <p>J Birrell raised that the current finance report presented to the ICB Board was insufficiently detailed, suggesting that the report should contain analysis of how the circa</p>  |                    |

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|                                    | <p>£5b allocation was being spent. He highlighted the importance of this analysis in relation to discharging the Board’s public accountability, observing that current public-facing transparency on how funds were being spent was not available.</p> <p>M Bakewell would consider these points in future reporting.</p> <p>The Chair recognised the need to strike an appropriate balance between sufficient detail and a concise synopsis that enabled effective discussion time. He thanked members for their contributions and time at this meeting.</p> |  |
| <p><b>154</b><br/><b>25/26</b></p> | <p><b><u>Date, time and venue of next meeting</u></b></p> <p>19 December 2025, 10 am – 12 noon, by MS Teams.</p>  |  |