

Integrated Care Board

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| Date of meeting | 22 January 2026 | | | |
| Title of paper | Finance and Contracting Committee Escalation and Assurance Report – 21 November 2025 and 7 January 2026 | | | |
| Presented by | Steve Igoe, Finance and Contracting Committee Chair | | | |
| Author | Board Secretary and Committee Officers | | | |
| Agenda item | 13 | | | |
| Confidential | No | | | |
| Executive summary | | | | |
| <p>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 27 November 2025 to alert, advise and assure the Board.</p> <p>The summary report also highlights any issues, items referred or escalated to other committees or to the Board.</p> <p>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.</p> | | | | |
| Public and Stakeholder Engagement | | | | |
| N/A | | | | |
| Recommendations | | | | |
| <p>The Board is asked to:</p> <ul style="list-style-type: none"> 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 | |

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| Finance and Contracting Committee | 21 November 2025 and 7 January 2026 | To provide the Board of committee business during this period. |
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Conflicts of interest associated with this report

Not applicable.

Impact assessments

| | Yes | No | N/A | Comments |
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| Quality impact assessment completed | | | ✓ | |
| Equality impact assessment completed | | | ✓ | |
| Data privacy impact assessment completed | | | ✓ | |

Report authorised by:

ICB Committee Chair

Integrated Care Board – 22 January 2026

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 27 November 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

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| Date: 21 November 2025 | | Chair: Steve Igoe |
| Key Items Discussed | | |
| Item | Issue | Action |
| Alert | | |
| Month 7 finance report and forecast outturn | <p>The ICB is declaring a balanced position at month 7 for both year to date and forecast outturn, however, there remains a significant amount of risk to be managed in order to meet the financial plan for 2025/26.</p> <p>Improvement is required in the waste reduction programme delivery, effective management of operational pressures and further mitigations.</p> <p>The risk adjusted position continues to be assessed and information suggests that pre-mitigations, this figure in a likely scenario could be circa £105m deficit to plan. However, identified total mitigations exceed this value and are currently being pursued/implemented by the ICB.</p> <p>The committee was encouraged that plans were in place for more detailed work to be undertaken with risk owners – delivery needs to be seen.</p> | <p>The committee noted the month 7 financial report, including the waste reduction programme update and associated reports covering All Age Continuing Care.</p> <p>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.</p> |

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| All Age Continuing Care (AACC) | The committee received an update on the AACC month 7 financial and operational performance. The risk-based forecast indicated a projected overspend. The month 7 forecast outturn has slightly improved and actions were being taken to further reduce this, including progressing the schemes previously approved by the ICB Board. Discharge to assess packages have increased and in turn costs have increased in line with this. | Escalate to the ICB Board to provide assurance and oversight. |
| Advise | | |
| Planning for 2026/27 | Planning guidance has now been released and the committee received an update on key aspects in relation to the ICB. | The committee will receive further information at appropriate stages throughout the planning process. |
| Assure | | |
| All Age Continuing Care (AACC) | The overall activity trend has seen a decrease and progress is being made to take forward two key initiatives to support the recovery of the waste reduction programme. | To note. |
| Commissioning intentions for 2026/27 | An update on progress to date, the development of the commissioning intentions for 2026/27 and critical steps to ensure the commissioning intentions drive transformation towards financial stability across Lancashire and South Cumbria was received by the committee. Resources will remain tight. Communications will be considered to manage expectations. | To note. |
| Primary care statutory compliance | The primary care statutory compliance review of primary care accommodation across Lancashire and South Cumbria is underway. The building responsibility remains with the building owner, however, the ICB needs to be assured that these statutory requirements are being discharged. A programme is being developed for quarterly reporting to the ICB Health and Safety Oversight Group and it, alongside initial findings will be shared in quarter 4. | To note. |
| Financial undertakings and exit criteria | The ICB's financial undertakings and exit criteria were presented to NHS England Northwest Region at a meeting at the beginning of November 2025. This meeting | To note. |

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| | <p>included a mid-year review of confidence in the 2025/26 operational and financial plans, and a presentation from the ICB on progress against the Recovery Support Programme and Single Improvement Plan. The committee received an update of the position, intentions and risks against the ICB's financial undertakings that were presented. NHS England scrutiny and oversight of the ICB's financial position against plan continues to be through Improvement Assurance Group meetings.</p> | |
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| Date: 7 January 2026 | | Chair: Steve Igoe |
| Key Items Discussed | | |
| Item | Issue | Action |
| Alert | | |
| Month 8 finance report | <p>The committee received a detailed finance performance report for the ICB covering the period to end November 2025. The ICB is reporting being on plan after deploying 100% of the available and previously reported mitigations of £45.7m. Key areas driving these cost pressures with an adverse variance to plan continue to be the independent sector £13m, mental health / learning disability and autism £9m; All Age Continuing Care £29.4m and prescribing £5.3m. Shortfalls in initial unidentified waste reduction programme items also account for a negative variance of £13m.</p> <p>The provider sector is £46m off plan (month 7 £38.2m) due to a shortfall in cost reduction/CIP delivery. Providers are forecasting a potential year end negative variance of £49.2m on a risk adjusted basis.</p> <p>Deficit support funding for the system has been withheld for months 8 and 9. This may by the year end amount to 5/12ths of the</p> | <p>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.</p> |

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| | total annual amount not being awarded amounting to £64.8m. | |
| Risk based reforecasts | The forecast work discussed by the committee shows different scenarios for the best, likely and worst-case financial positions for the ICB using month 8 actual as a basis for the forecasts. As ever, a number of assumptions have been used to evaluate out these scenarios hence the range from best to worst case scenario. Whilst month 8 reporting is showing the ICB as being on plan the net risk-based reforecast indicates a best deficit outturn of breakeven, a likely outturn of £14.5mm and a worst-case outturn of £59.1m. These are after the application of the £45.7m in mitigations referenced in previous months. Alongside further mitigations are identified and covered by the enhanced grip and control of between £61m and £32.6m. | Escalate to the ICB Board to provide assurance and oversight. |
| Waste reduction programme (WRP) | As at month 8 WRP's of £68.8m have been delivered compared to a plan target of £90.6m. The value of schemes now stands at £126m of which £31.4m remains high risk (execution risk), of which £25.1m related to AACC. | Escalate to the ICB Board for assurance and oversight. |
| Advise | | |
| All Age Continuing Care (AACC) | Risk based forecasts for AACC indicate a likely projected overspend of £48.9m comprising in year costs of £29m and prior year costs of £19m. The original budget savings against which this is to be judged, is £60m comprising the original required £32 reduction and a further £28m stretch target. Ignoring the prior year costs this would suggest the team could deliver within its original target. The team is continuing to work up further mitigations to manage the full year outturn, however, this is being hampered by substantial staffing absence rates approaching 25%. | To note. |
| Planning guidance | The committee discussed the latest detail related to the planning guidance for the medium-term | The committee agreed to review in detail at its next meeting on 30 January 2026. |

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| | <p>financial plan.</p> <p>There will be a substantial financial challenge to deliver a compliant plan. Should the ICB fail to deliver on its 2025/26 plan this will inevitably add to the cost reduction requirements for 2026/27 (bigger WRP requirement) alongside a reduction in running costs of £35.9m.</p> <p>The committee noted the substantial risks in creating the medium term for submission and the very short timescales.</p> | |
| Urgent and emergency care (UEC) | <p>No Regional Transformation Funding has been received for UEC.</p> <p>All schemes are monitored against key performance indicators including financial performance.</p> <p>The UEC capacity investment underspend at end of Q2 is circa £1.65m.</p> | Committee to maintain assurance and oversight. |
| Assure | | |
| All Age Continuing Care (AACC) | <p>The turnaround arrangements continue to demonstrate grip and control over AACC payments. The committee is fully engaged with the detail within the report from the Turnaround Director and has, through feedback, enhanced the detailed reporting demonstrating the grip and control in the area.</p> <p>A detailed report on the management and controls systems covering the payments over £300k was presented and provided good assurance of the ongoing tight management of financial, value for money and quality risks in the area.</p> | To support the ongoing work in the area. |
| Financial Management | <p>The committee reviewed in detail the month 8 outturn and the revised and updated risk-based forecasts. There remains a substantial level of risk in delivering the necessary cost management through the remainder of the year, however, the quality of information and detailed discussion confirmed the engagement of the executive in</p> | To support the ongoing work in the area. |

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| | <p>seeking to actively manage the outturn.</p> <p>Weekly CIP performance is reviewed in detail through the ICB executive management team meeting.</p> | |
| Board Assurance Framework (BAF) and Risks | <p>The committee discussed the current BAF risks which are overseen by the Finance and Contracting Committee.</p> <p>The risks were confirmed as being appropriate and relevant and that the work of the committee was focussed on the relevant area.</p> <p>The trajectory for the remainder of the year was briefly discussed noting for a planned reduction, albeit recognising that this would be dependent upon actual conditions at the time of discussion.</p> | To note. |

- **Appendix A** – Approved minutes of the Finance and Contracting Committee held on 22 October 2025. [Item 13 Appx A - Approved F&C Committee Minutes - 22 October 2025 v1.pdf](#)
- **Appendix B** – Approved minutes of the Finance and Contracting Committee held on 21 November 2025. [Item 13 Appx B - Approved F&C Committee Minutes - 21 November 2025 v2.pdf](#)

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

| Committee | Item or Issue | Referred to |
|-----------|---------------|-------------|
| N/A | | |

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
January 2026**