NHS Lancashire and South Cumbria Integrated Care Board

Approved 29 April 2024

Minutes of the ICB Finance and Performance Committee
Held on Monday, 25 March 2024 at 1.00pm
In the Lune Meeting Room, ICB Offices, County Hall, Preston

Name	Job Title	Organisation
Members		
Jim Birrell	Acting Chair/Non-Executive Member	L&SC ICB
Debbie Corcoran (up to item 9)	Non-Executive Member	L&SC ICB
Sam Proffitt	Chief Finance Officer	L&SC ICB
Katherine Disley	Director of Operational Finance	L&SC ICB
Andrew Harrison	Director of Place and Programme Finance	L&SC ICB
Stephen Downs	Director of Strategic Finance	L&SC ICB
Sarah O'Brien	Chief Nursing Officer	L&SC ICB
Craig Harris (up to item 8)	Chief Operating Officer	
Debra Atkinson	Company Secretary/Director of Corporate Governance	L&SC ICB
Roger Parr	Director of Assurance	L&SC ICB
Attendees		
Glenn Mather	Associate Director of Performance and Assurance	L&SC ICB
Ian Lythgoe	Deputy Director of Commissioning Finance	NHS England North West
Alex Wells	Head of Recovery and Transformation PMO	L&SC ICB
Sandra Lishman	Committee and Governance Officer	L&SC ICB

Item No	Item	Action
1.	**Welcome and Introductions** The Chair, Jim Birrell, welcomed all to the meeting, including Craig Harris, being recently added to the committee membership and Ian Lythgoe from NHS England who was attending to provide support to the delegated specialist services item on the agenda. Roy Fisher was currently undertaking the role of Acting Chair of the ICB, and for the duration of this time, Jim Birrell would act as Chair of the Finance and Performance Committee. It was explained that the current finance and performance risk scores were 25, albeit challenged in other areas. The score of 25 meets the categorisation as 'highly likely' and 'catastrophic'. At a recent Audit Committee meeting, auditors had expressed that controls were not working if a risk scored 25. It was highlighted that the importance of minuting the reasoning behind a change in risk scoring was imperative and members agreed that the risk ICB-008 and ICB-010 should remain at 25.	
2.	**Apologies for Absence / Quoracy of Meeting** Apologies for absence had been received from Roy Fisher, Asim Patel and	

	Maggie Oldham. The meeting was quorate.	
3.	**Declarations of Interest** **(a) Finance and Performance Committee Register of Interests –** Noted. **RESOLVED: There were no declarations of interest relating to items on the agenda. Members were asked that if at any point during the meeting a conflict arose, to declare at that time.**	
4.	**(a) Minutes of the Meeting held on 29 January 2024 and Matters Arising** **RESOLVED: That the committee approved the minutes of the meeting held on 29 January 2024.** **(b) Action Log** The action log was reviewed and the following discussed:- 1. **Trajectory mapping** – Action closed. 2. **System Recovery and Transformation Update** – Item closed as detail circulated on 23 February 2024. 3. **UEC Performance – Representative from the national team to attend a Finance and Performance Committee meeting** – Christopher Green had recently attended other ICB meetings. Members agreed to close this action as meetings had taken place outside of this forum. Action closed. 4. **Action Log – Performance Report** – D Corcoran explained that at the March Primary Care Commissioning Committee meeting, an update on various dashboards had been requested, with an integrated approach in terms of presenting a dashboard that would look at primary care finance and performance. It was noted that more detail around contracts from a performance and finance perspective was also required at certain committees. C Harris confirmed that an integrated performance report was not yet available, however, there were dashboards for each specialty. C Harris to update the timeline to achieve an integrated performance report. This work should stem from an overarching position as would be pertinent to various committees. 5. **Winter** – The committee required feedback/reflection on how services had performed during winter. C Harris updated that the £12m additional funding that was received for winter included funding for respiratory hubs but the ICB Board had previously agreed to put this funding against existing expenditure, rather than new developments. A workshop to review winter was planned to be held in April; discussion and outcomes would be reported to this committee. 6. **ICB Commissioning Reset** – Action closed. 7. **Committee Business Cycle** – Focus of committee to be reviewed. Ongoing issues were noted. Action closed. 8. **Future meeting schedule –** Action closed.	

	9. **ICB Risk Management Report –** A Board session to review was planned to be held on 10 April. Action closed. 10. **ICB Risk ICB-010 Risk that improvement and sustainability of NHS Trust performance against key measures recovery is not achieved -** Action closed. 11. **Dying Well** – D Corcoran reminded members that Lindsey Dickinson originally updated the Public Involvement and Engagement Advisory Committee around a structured approach to dying well, subject to funding and resource agreement. S Proffitt confirmed that dying well was being considered by the ICB executives as part of a programme of work around recovery and transformation, building in the end-of-life programme, and also looking at the resource model. S O'Brien updated that a related discussion had been held by the Quality Committee last week - there was scarce resource, but the committee questioned whether there was clarity on what the strategic priorities were. This was now in the new Health and Care Act, however, difficult and strategic decisions would have to be made on resource. S Proffitt responded that spending and investment/disinvestment is being looked at as part of the map for recovery and transformation. It was noted that dying well had always been the responsibility of the NHS, so would be considered during the reprioritisation of potential developments and existing spending. It was confirmed that this has been included in the new commissioning intentions and was being mapped to see how this related to the integrated care strategy through ICPs. As this was being dealt with via the recovery process, action closed. 12. **Finance and Performance Committee Terms of Reference –** Agreed review to be undertaken on Terms of Reference to better reflect the work of the group in providing assurance to the Board - D Corcoran, J Birrell, D Atkinson to discuss outside of this meeting. With regards to commissioning, the Finance and Performance Committee would continue to review most aspects of the ICB's commissioning programme, but the Primary Care Commissioning Committee will oversee primary care issues.	
5.	**Key Messages and Overview of Agenda** S Proffitt verbally summarised the agenda for this meeting, highlighting the following key messages:- - Month 11 position on performance was overall good although national targets were not being met. - Month 11 ICB finance was reporting a forecast revised deficit plan of £198m for this year but the historic billing of local authorities does not appear to be feasible. This would leave the new control total at £220m. Drivers for the ICB's deficit were predominantly around continuing healthcare and prescribing. There was risk around providers meeting their required position at year end, eg, Blackpool Teaching Hospitals and Morecambe Bay Hospitals were currently extremely pressured. - Planning guidance for next year had not been published to date, however, the ICB had submitted a plan last week. Key items highlighted were finance and 52 week waits, both being challenging in the operational plan. Finance had submitted a £95m unresolved deficit position for the ICB, and £97m for providers, totaling £192m. NHS England had stated that totals need to be significantly lower. S Proffitt continued that there was potential to close the gap	

and deliver £192m with focus to address the urgent and emergency care pathway and continuing healthcare work.

RESOLVED: That the Finance and Performance Committee note the key messages and overview.

6. **<u>Delegated Specialised Services Draft Financial Plan 2024/25</u>**

I Lythgoe explained that the ICB was one of only three areas delegated to take on the specialised services commissioning in 2024/25. The plan was to break-even, although challenges in Lancashire included that not enough had been spent on specialised services from a needs point of view. Lancashire and South Cumbria accounts for 22.4% of the north-west allocation, the rest being with Greater Manchester and Cheshire and Mersey. 96% of spend was on contracts and this had already been agreed. A number of conversations were taking place with regard to how to move forward in 2024/25. Finance was ring-fenced, therefore, any money required to be utilised elsewhere, would need NHS England approval.

Reporting was being developed and this was being looked at with K Disley. C Harris clarified that it was the ICB's responsibility to host a team, and provide oversight of the team's work across the north-west. Delegated services for Lancashire and South Cumbria would be reported through ICB governance if it related to this area only. Anything relating to the wider system would be reported through the Joint Committee. A report explaining the reporting arrangements would be presented to the ICB Board at its April meeting.

S O'Brien highlighted that there was no specialist children's hospital in Lancashire and South Cumbria, resulting in equity of access for children in the area being more difficult. It was thought that the ICB taking on specialist services could be an advantage in terms of bringing this type of service closer.

S Downs expressed that in-year reporting would be undertaken across ICBs as this would effectively share risk share arrangements.

It was felt there would be opportunities around the wider pathway, with benefits for the population.

RESOLVED: That the Finance and Performance Committee:-

- **Note the approach taken to develop the financial plan**
- **Note the financial risks and mitigations within the financial plan**
- **Note the financial condition**
- **Approve the draft financial plan for delegated services in 2024/25 as breakeven against its allocation.**

The agenda was taken out of order.

10. **<u>Operational Plans 2024/25</u>**

A meeting report had previously been circulated to members setting out the high-level detail of the process and principles applied to operational plans. C Harris spoke to a presentation, highlighting the following points to note. The ICB had submitted a portfolio of documents and templates to NHS England, by the deadline of 21 March. Guidance on submission suggested that there would be a further opportunity to submit

	'wash up' plans on 2 May, following a national review. The submitted finance plans showed a deficit of £198.2m. Not all CIPs were fully developed/worked up. Workforce plans showed reductions in WTE in post, both in acute Trusts and across the system through 2024/25. Key activity/performance metrics showed compliance across current system plans. Within the submission, plans were included to address each of these. Further detailed conversations were being held in relation to the diagnostics turnaround target, which remained an area of concern. 52-week waits were also an area of concern and members felt that productivity needed to be pushed from a performance management perspective. S O'Brien questioned whether quality impact had been considered if 52-week waits were not met. C Harris confirmed that prior to re-submission, a challenge on performance would be undertaken to look at what was required/sacrifice to meet delivery. The executive team and ICB Board had been alerted that the plans would be reported to the Finance and Performance Committee retrospectively, due to requested dates of submission and the timeline of receipt of provider plans. Members of the committee felt that retrospective approval of plans was not acceptable. C Harris continued that plans submitted were, in the main, compliant with national objectives, with the exception being the financial position. However, the system plan submitted was in line with recent regional and national discussions. The late agreement to set finance plans within new control totals had increased levels of unidentified CIPs that were not reflected in workforce plans. Full consideration of the impact of CIPs on mostly compliant performance plans had not been considered. C Harris confirmed that the dynamics of 52-week waits would be reported to the ICB Board at its meeting on 10 April, as part of the commissioning paper. Overall, the committee felt that moving forward, challenge was required around areas not compliant. **RESOLVED: That the Committee:-** - **Note the process for development of the plans in the absence of national guidance** - **Note the status of the submitted operational plans for 2024/25** - **Retrospectively sign off plan, for ICB Board agreement.**	
The agenda reverted to its original order.		
7.	**<u>Month 11 Performance Report</u>** G Mather spoke to a presentation, which had not been circulated to members, highlighting the following key points. *Urgent Care* - The ambulance category 2 mean response time target had now been refreshed to 30 minutes. In February 2024, NWAS' average position was at 29 minutes. 4-hour waits were behind plan and performed at 74.5%, behind the 76% target, however, performance was showing to be above the north-west and national positions. There were variations by provider, however, University Hospitals of Morecambe Bay and Lancashire Teaching Hospitals were most challenged. *Elective Recovery* - All Lancashire and South Cumbria providers were committed to deliver zero 78+ week waiters by the end of March 2024, although risks had been	

	identified. Currently, there were 141 78+ week waits within the system, with 20% of those being within the independent sector. The forecast position at the end of March 2024 for the 4 NHS providers showed there would be 7 admitted breaches; options were being explored to see these patients prior to month end, however, some patients had chosen to wait longer. By the end of September 2024, the planned target was for all organisations to have zero 65-week waiters, the number of waits had reduced significantly, now standing at 2313. *Cancer* - Although the cancer standard to deliver 75% had been met in aggregate over the past 12 months, in January 2024 across the 4 providers, this had not been met. The number of patients waiting over 62 days for cancer treatment remained ahead of trajectory for February 2024. *Virtual Ward* bed capacity was above the national average, although occupancy rates remained low and not at planned levels. *2-Hour Urgent Community Response* – Lancashire and South Cumbria were reporting 93.2% against the 70% national target. *General practice appointments* per weighted population was delivering at a similar level to previous months, and in January 2024 delivered a higher volume of appointments than initially planned. It was noted that Lancashire and South Cumbria offered fewer general practice appointments per head of population than the national average, and were above the national average for the proportion of appointments conducted face to face. ***C Harris left the meeting.*** It was noted that virtual wards were not being filled effectively, being a system problem. A clinical response was required in order to encourage greater utilisation of the wards; S O'Brien would discuss this with S Proffitt and C Harris, as part of recovery and transformation. G Mather highlighted the difficulty in preparing a timely committee report for some meetings due to the date publicly available data was released. D Corcoran expressed that in order to scrutinise reports, etc, it was imperative that committee members have the opportunity to see reports in advance of meetings. To help the committee understand its business and be assured, discussion included that future reports should include a feel for volume, exceptions, implications from a community perspective and performance gaps; G Mather to incorporate into future reports. D Atkinson would look at revising meeting dates to accommodate both finance and performance receipt of data. **RESOLVED: That the committee note the performance report.**	**SO/SP/CH** **GM** **DA**
8.	**<u>Month 11 Finance Report – ICB and Provider Position</u>** Members noted that at month 11, the ICS was reporting a deficit of £148.8m, comprising of £81.6m ICB and £67.2m provider. The year-end system target was £118.5m, being the £198.5m forecast deficit less £80m deficit funding from NHS England. The ICB was reporting a year-to-date deficit position of £81.6m with a year-end revised deficit plan of £59m that the ICB was forecasting to deliver against. A £30m risk against this position remained, reflected in the year-to-date reported deficit position. The deficit position continued to be driven by prior and in-year cost pressures, along with undelivered	

	QIPP/mitigation plans. The risk in achieving the £59m deficit position was the historical billing of continuing healthcare cases, which had not yet been agreed. S Proffitt confirmed that the external auditors had submitted a Secretary of State referral regarding the planned in-year overspend. **RESOLVED: That the Finance and Performance Committee note the report.**	
9.	**<u>System Recovery and Transformation Update</u>** ***D Corcoran left the meeting.*** S Proffitt spoke to a presentation setting out the system proposal for recovery and transformation (SR&T). The system's vision was to have a high quality, community-centric health and care system by 2034. In order to achieve this, many challenges would need to be addressed. Current cost drivers included unfunded posts since pre-COVID, agency/locum costs, out of area placements, All Age Continuing Care spend, configuration of clinical services and corporate functions. In terms of action being taken, it was noted that Strasys, an analytics and innovation agency, had been commissioned to look at the clinical footprint in the new hospital, focusing on shared services and single shared services. Since pre-covid, 7000 additional staff had been employed, 4200 being unfunded, much of this was driving local agency spend. Discussions need to take place to look at issues in the mental health pathway from urgent and emergency care. A number of things could be driving the high cost per head for All Age Continuing Care which was being looked at through market management. Mersey Internal Audit were looking at controls. Big increases had been seen in non-elective activity. Alongside the financial element, S O'Brien was looking at key metrics, to improve quality. In the longer term, the clinical roadmap relating to transformation would be looked at; work had started in this area. Initial thoughts on SR&T governance structures were shared and these are being socialised across the Lancashire and South Cumbria system to formulate a robust structure going forward. S Proffitt continued that a Place implementation plan needs to be undertaken on an ICB wide basis and it was highlighted that providers would not be allocated to places. It was felt that the urgent and emergency care pathway would have the biggest impact in reducing length of stay and admissions avoidance. Members were supportive of the approach taken, including links to the committee and PMO testing of recovery plans. It was acknowledged that good progress had been made but governance discussions need to continue. **RESOLVED: That members note the update.**	
11.	**<u>Planning Update</u>** Slides on the ICB QIPP portfolio were shared and S Proffitt highlighted that a working group for the QIPP portfolio had been set up within the ICB. All identified QIPP opportunities had gone through a defined prioritisation scoring tool, developed with key stakeholders across the ICB. Work had now been extended to commissioning intentions, around prioritisation and how to build in elements to consider when prioritising. A Wells spoke to a presentation highlighting that some initiatives within the existing QIPP portfolio were complex and a roadmap to stratify work undertaken was being looked at. Outcomes from the prioritisation tool would be used to define governance and ways of delivering. From a QIPP perspective, work had been put into quadrants which provided clear governance, some of which was transactional and could	

	be mobilised quickly. **RESOLVED: That the Finance and Performance Committee note the update.**	
12.	**<u>Lancashire and South Cumbria Provider Collaboration Board Minutes</u>** **RESOLVED: That the Finance and Performance Committee note the Lancashire and South Cumbria Provider Collaboration Board minutes of the meetings held on 18 January and 15 February 2024.**	
13.	**<u>System Finance Group Minutes (Draft)</u>** **RESOLVED: That the Finance and Performance Committee note the draft System Finance Group Minutes of the meeting held on 23 February 2024.**	
14.	**<u>Committee Escalation and Assurance Report to the Board</u>** *Alert* – 2023/24 financial projections, performance targets, 2024/24 financial plan, virtual wards. *Advise* – Primary care commissioning to oversee primary care issues, 2024/25 operational plans, Finance and Performance Committee's Terms of Reference. *Assure* – Delegated specialised services, Recovery and transformation governance.	
15.	**<u>Items Referred to Other Committees</u>** There were no items referred to other committees.	
16.	**<u>Any Other Business</u>** There were no matters raised.	
17.	**<u>Items for the Risk Register</u>** There were no items.	
18.	**<u>Reflections from the Meeting</u>** The Chair summarised that the meeting had considered a range of topics that collectively provided assurance that effective processes were being developed and the organisation was becoming more robust and sustainable. S Proffitt reflected that changes to the agenda and focus had been the right approach. The Committee needs to be clear on its objectives, which would partly be seen in the Terms of Reference review. S Downs reported that monthly commissioning contracting meetings were being established with providers. The Improvement Assurance Group was the formal assurance group for NHS England which should not duplicate the commissioning contracting meeting. The Chair expressed that conversations need to take place with providers to ensure they were addressing issues whilst practicing best practice, to ensure that the commissioning contracting group could report to the ICB Board that work was being undertaken around all statutory targets. D Atkinson reflected that this would be an opportune time to look at and re-define all	

	committee Terms of Reference, partliculary around quality and performance.	
19.	**<u>Date, Time and Venue of Next Meeting</u>** The next meeting would be held on Monday, 29 April 2024 at 10 am in the Lune Meeting Room 1, ICB Offices, County Hall, Preston.	