



**North East and  
North Cumbria**

**North East and North Cumbria Integrated Care Board**

**Finance, Performance and Investment Committee**

**Minutes of the meeting held on Thursday 5 December 2024  
at 10:00hrs Via MS teams**

**Present:** Richard Henderson, Director of Finance Corporate  
Ken Bremner, Chief Executive South Tyneside & Sunderland NHS FT  
Neil O'Brien, Chief Medical Officer  
Levi Buckley, Chief Delivery Officer/ SRO for Mental Health, Learning Disability and Autism  
Jen Lawson, Head of Corporate Governance  
Jacqueline Myers, Chief Strategy Officer  
Dr Mike Smith, Primary Medical Services Partner Member and Vice-Chair

**In attendance:** Emma Ottignon-Harris, Executive Assistant (minutes)  
Craig Blair, Director of Strategy, Planning and Performance  
Lis Dunning, Director of Finance, System Medium Term Financial Planning and Recovery  
James Duncan, Chair, NENC Infrastructure Board  
David Stout, Independent Non-Executive Member

**FPI/2024-25/94 Welcome and introductions**

The Vice-Chair welcomed all those present to the meeting, introductions were made and it was confirmed that the meeting was quorate.

It was agreed that the meeting would be recorded for the purpose of minutes.

**FPI/2024-25/95 Apologies for absence**

Jon Rush (Independent Non-Executive Director and Chair), David Chandler (Chief Finance Officer), Eileen Kaner (Independent Non-Executive Director) and Rajesh Nadkarni (Executive Medical Director, Cumbria Northumberland Tyne and Wear NHS FT)

**FPI/2024-25/96 Declarations of interest**

There were no declarations of interest raised.

**FPI/2024-25/97 Minutes of the previous meeting held on 7 November 2024**

**RESOLVED:**

The FPI Committee **AGREED** that the minutes of the meeting held on 7 November 2024 were a true and accurate record.

**FPI/2024-25/98 Matters arising from the minutes**

There were no matters arising.

**FPI/2024-25/99 Action Log**

**FPI/2024-25/86/01** Infrastructure board update: Schedule a further Infrastructure Strategy position update in advance of submission to Board. On meeting agenda for 5/12/24. **Close action**

**FPI/2024-25/100 Notification of urgent items of any other business**

None received.

**FPI/2024-25/101 ICB performance update**

**Deep dive approach discussion:**

The Chief Strategy Officer gave a reminder of the outcome from a recent Board development day which was to provide Committee and Board members with deep dives in specific areas of performance concern. A discussion had taken place with the FPIC Chair regarding a proposed approach to schedule deep dives on specific areas of performance concern with a hypothesis question for each, starting with UEC. Some examples of specific pathways were given which included inside the emergency department such as acuity levels, patient types, external factors or Category 2 ambulance times.

It was clarified that NENC colleagues do engage with the Provider Collaborative who undertake similar deep dive reviews, but this new work would involve engagement with wider business intelligence teams. Work is also due to commence which will focus on the 18-week referral to treat pathway.

A further discussion took place regarding the content and reasons for assurance of deep dives which included constraints, impediments, mitigations and actions which could lead to performance benefits and improvement.

A query was also raised if it could be widened to include a quality and safety perspective, linked to performance.

The Vice-Chair summarised that the purpose of the deep dives is to provide assurance to Committee and Board members and that specific pathways will be selected from the integrated delivery report for a deep dive review on a monthly basis which should predominantly focus on performance and financial challenges. However, the Quality and Safety Committee would be able to trigger deep dives and it was acknowledged that there is still more work to do on the reporting of the quality section of the integrated delivery report. The

Committee were advised that a more detailed report will be available in the future via a business intelligence portal.

It was agreed that the FPI Committee would ask a hypothesis question which would trigger the deep dive, and could also be presented to Board on the recommendation of the FPI Committee.

**Integrated delivery report:**

The Director of Strategy, Planning and Performance introduced the shortened integrated delivery report which provided an ICS overview of quality and performance using data covering September 2024 for most metrics and October 2024 for others, unless otherwise specified. The finance data was for October 2024 (Month 7).

Key changes from the previous report highlighted in the executive summary were:

**Mental Health, Learning Disabilities and Neurodevelopment:**

- The number of adults with learning disabilities and autism in in-patient care (both secure and ICB commissioned) had improved from 181 as at end of Q2 to 171 as at end Oct 24, so good progress towards the plan of 157 by end of Q3. A description of the Assuring Transformation (AT) patient dashboard was given – it uses patient level detail to achieve and/or sustain community living arrangements. It was noted that although the ICB is ahead of trajectory, specialised commissioning had remained static. Work is ongoing with Local Authorities regarding housing and complex care strategies and NHSE capital bids for bespoke accommodation. However, a risk was raised with regard to the cost of expensive out of hospital support packages due to the uncertainty of future funding settlements.
- Work is ongoing regarding community mental health pathways and detailed service development funding action plans.

**UEC:**

- A&E 4 hour waits performance had deteriorated to a below plan level of 75.8% against a 80.1% target. It was clarified that there had been a slight discrepancy in the end of October data due to conforming to a Region reporting convention excluded 4 hour breaches in urgent treatment centres, this has now been reversed in the historic and current data.
- Ambulance handovers deteriorated in October 24. Processes to support improvement are being developed including navigation, capacity and alternative pathways such as Same Day Emergency Care (SDEC) and other community services.
- NEAS Cat 2 response mean time had also deteriorated in Oct 24. NEAS have remodelled their forecast position and reported to NHSE that the average 30 mins national ambition across 2024-25 will not be achieved and are forecasting to report 31.24 mins, although other measures will continue to be sought to improve the position.
- As part of the NHSE oversight approach, site visits have been scheduled across NENC. Acute Respiratory Hubs (ARI) hubs will be stood up to

relieve winter pressures. Capital funding has been confirmed for a new urgent treatment centre at the Cumberland Infirmary in Carlisle which is expected to open by the end of 2025 which will provide out of hours GP services.

**Elective Care:**

- A number of Trusts did not achieve the September 65+ww zero target position due to ongoing national pressures with corneal tissue supply in ophthalmology, complex spinal cases and neurology. South Tees Hospital are running "neurology super clinics" to reduce the significant number of 65+ week waits but are reliant on one consultant.
- Although it had been acknowledged by NHSE that the zero position will not be achievable for these challenging pathways it was noted that the position had improved in October and November and mutual aid discussions across Trusts continue.

**Cancer:**

- The Cancer 62-day standard was below plan at 65.8% but work is ongoing with Trusts to deliver the 70% target position by March 2025.

There was an opportunity for questions and comments:

The committee were informed that elective activity would continue between 22 to 31 December 24, after the reporting cut-off date which should improve the overall positions, although would be pending UEC pressures.

A discussion took place regarding the usage of virtual wards since they had been established during the COVID pandemic. It was explained that they had initially been implemented within a short timescale and limited clinical model, and future models will be dependent on clinical evaluation and future funding allocations. Further work is required to understand funding options which will be dependent on NHSE requirements and there was an overall preference for a regional clinical model.

Two areas were identified for future deep dives:

- What are the impediments to exceeding the current 4-hour A&E waiting times targets.
- Virtual wards.

It was agreed that a deep dive on the usage, impediments, financial and clinical evaluation of virtual wards would be presented to the FPI committee at the meeting on 6 February 2025.

**ACTION: E Harris (Committee Support) to schedule deep dives on Virtual Wards and 4-hour A&E waiting times on forward plan for 2025**

**RESOLVED:**

The Finance, Performance and Investment Committee **RECEIVED** the content of the report and concluded it had received the required assurance in relation to performance, noting the areas where further information was requested. It was confirmed that the Finance, Performance and Investment Committee will **RECEIVE** a deep dive in UEC Virtual Wards at the next meeting.

**FPI/2024-25/102 ICB Financial performance update**

The Director of Finance introduced the finance report for the seven months to 31 October 2024 which included the month 7 position. The investment oversight and vacancy control panel schedule for October 2024 was also included in the report.

Key points and risks were highlighted:

- As at 31 October 2024 the ICB is reporting a year to date surplus of £34.25m and a forecast surplus of £53.6m which is in line with plan, despite ongoing prescribing cost pressures.
- The ICS are forecasting a breakeven position due to receipt of £50m deficit support funding. NHSE have confirmed this deficit funding will not be repayable by the ICS as long as the planned breakeven position is delivered for the year.
- As at 31 October 2024 the ICS is reporting a year to date deficit of £20.89m, an adverse variance of £1.96m off plan. This was an adverse movement of c£5.5m in month predominantly due to the impact of the pay award. Further guidance is expected and validation work is underway on the impact of the pay award as NHSE have indicated the NEY region and NENC appear to be outliers compared to other systems.
- Work is ongoing to review and mitigate potential net risk, estimated at £25m across the ICS.. This risk includes one provider trust who have commenced discussions with partners on a potential change in forecast position, which is in line with protocol. VAT recovery of home oxygen contracts was given as an example of a backdated benefit which could help to mitigate risks. It was noted that NENC is in a relatively strong position in comparison to other systems in the region.
- Brokerage support has been agreed and additional NHSE capital support funding has been identified to manage capital pressures.
- Grip and control review work undertaken by AuditOne and PWC is complete. Recommendations and action plans will be presented to the FPI Committee in the future.

The Chief Strategy Officer left the meeting.

**RESOLVED:**

The Finance, Performance and Investment Committee:

**NOTED** the latest year to date and forecast financial position for 2024/25.

**NOTED** there are a number of financial risks across the system still to be managed.

**NOTED** the schedule of Investment Oversight Panel decisions for October 2024 for assurance purposes.

**FPI/2024-25/103 Medium term financial plan 2025-26**

The Director of Finance, System Medium Term Financial Planning (MTFP) and Recovery introduced the NENC Medium Term Financial Plan Scenario Planning update report.

Key points included:

- A MTFP financial model refresh had taken place in Q3, and is subject to finalisation.
- The model is based on an underlying deficit outturn for 2024/25 of £448m which is modelled forward and a do-nothing deficit is compared to what level of efficiency is required to reduce the system deficit to £50m in 2025/26, £25 in 2026/27 and balance in 2027/28. Work is ongoing with provider trusts regarding ongoing movement in gaps.
- The level of savings required demand that the system goes above operational efficiencies that are expected in the NHS with efficiency requirements of c.4.2% in 2025/26. Efficiency levels have been targeted at organisation, place, nested collaborative and system level.
- Priority workstreams have been set up. Significant savings opportunities had been identified in workforce and the workstream is undertaking work towards a sustainable and safe workforce. It was clarified that there is no specific workforce target and this is challenging due to local and system requirements. The Provider Collaborative Board are due to evaluate scenarios to achieve delivery of plans ranging from one to five years.
- In response to a question raised regarding efficiency and ability to invest in growth which was noted in the risks table, it was explained that transformation work had commenced and an example of a positive outcome was that pay rates had been agreed.

**RESOLVED:**

The Finance, Performance and Investment Committee:

**CONSIDERED and COMMENTED** on the MTFP planning update.

**FPI/2024-25/104 Infrastructure strategy update**

The Chair of the NENC Infrastructure Board provided a presentation which detailed an update of delivery of the ICS CDEL 2024/25 capital position.

- The current pressures against CDEL allocation is c.£40m which included £5.7m assumed 'over-programming' when setting annual plans.
- Solutions include a brokerage of £30m agreed with West Yorkshire ICB (which is repayable in 2025/26), £1.1m inter-system brokerage from TEWV and £39m further slippage across financial years.

- A bidding process has commenced due to additional national capital funding. NENC have submitted a list of schemes totalling c. £150m but it is expected to be a fair share allocation at around £15m. Due to short timescales the priority is to balance the system position.
- In M7 an IFRS16 pressure of £6m was reported due to rent reviews in South Tees Hospitals. A national allocation of IFRS16 funding is expected for ICBs which is forecast to be in excess of the total IFRS16 overspend, and the challenges around IFRS16 and CDEL allocations was highlighted.
- Assurance was provided that the Capital Oversight Collaborative Group and other working groups are working closely to manage overspend and underspend risks, but acknowledged the challenges faced in the absence of further guidance and the impact of repayable brokerage costs. The DoFs are also undertaking work to review revenue spend opportunities.

#### **FPI/2024-25/105 Finance and performance 2025-26 operational planning update**

The Director of Finance (Corporate) provided a presentation which was an introduction to the planning round in the absence of guidance.

- The governance arrangements will be similar to the previous year which will include weekly planning and checkpoint meetings.
- Although not formally confirmed, it is expected that priority areas will be in A&E 4 hour waits, Cat 2 ambulance response time, Cancer 62 days, 18 week referral to treatment, 6 week diagnostic target and to eliminate 104 week waits in mental health by March 2026. Key considerations are workforce and financial impact of delivery.
- Expected timelines include operating planning guidance on 19 December 2024, draft submissions early February, interim submission mid-March and final operational plan submissions end of April 2025. National team meetings are expected to review questionable quality of plans and weekly flash reporting will supplement submission deadlines from January to April.
- An outcome from grip and control work highlighted the requirement to develop a draft finance plan ahead of guidance which is underway.
- Financial planning principles and governance organogram were presented.
- A list of priority focus areas was provided which ranged from faster local planning to financial gain share framework and top 15 system changes.
- A recent FT Chairs workshop led by PwC had highlighted further work is required regarding delivery of transformational areas, which should be clinically led which will be subject to workforce capacity, but acknowledged that this is a longer-term challenge.

#### **RESOLVED:**

The Finance, Performance and Investment Committee were **ASSURED** of the operating planning process.

#### **FPI/2024-25/106 Any other business**

There was no further business raised to discuss.

**FPI/2024-25/107 Meeting review and date of next meeting**

- The next meeting is scheduled to take place on Thursday 2 January 2025 at 10.00hrs via MS teams but was noted may be stood down due to the number of apologies received.

**Signed:**



**Position:**

Dr Michael Smith, Vice Chair

**Date:**

6 February 2025