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 7 September 2023, 10:00hrs At Pemberton House, Sunderland

Present:	Jon Rush, Chair Ken Bremner, Chief Executive, South Tyneside & Sunderland NHS FT Levi Buckley, Executive Director of Place Based Delivery (North and North Cumbria) / Executive Lead for Mental Health, Learning Disability and Autism David Chandler, Executive Director of Finance Richard Henderson, Director of Finance (Corporate) Jen Lawson, General Manager and Governance Lead Jacqueline Myers, Executive Chief of Strategy and Operations Rajesh Nadkarni, Executive Medical Director, Cumbria, Northumberland, Tyne & Wear NHS FT Neil O'Brien, Executive Medical Director (via MS teams)
In attendance:	Emma Ottignon-Harris, Executive Assistant (minutes) Kate O'Brien, Transformation Director (Mental Health, Learning Disabilities and Autism)

FPI/2023/92	**Welcome and introductions** The Chair welcomed everyone to the Finance, Performance and Investment Committee (FPIC). It was noted that the Executive Place Director would arrive slightly later to the meeting start time.
FPI/2023/93	**Apologies for absence** • Dave Gallagher (Executive Director of Place Based Delivery) and Eileen Kaner (Non Executive Director)
FPI/2023/94	**Declarations of interest** None
FPI/2023/95	**Minutes of the previous meeting** **RESOLVED:** The FPI Committee **AGREED** that the minutes accurately reflected the meeting held on 3 August 2023.

FPI/2023/96	**Matters arising from the minutes** There were no matters arising from the minutes.
FPI/2023/97	**Action log update** **FPI/2023/51/02:** Paper on Children and Young People (CYP) scheduled on meeting agenda. **Action closed.** **FPI/2023/80/01:** Chair to liaise with committee members regarding nominated Provider Trust deputies for future meetings. There was a discussion regarding the value to the discussion in the meetings when a Provider Trust representative was in attendance. It was suggested that when neither Provider Trust committee members were available to attend a request would be made to invite Lyn Simpson from the Provider Collaborative as a deputy for exceptional agenda items. The Chief Executive, STSFT, agreed to follow this up outside of the meeting. **FPI/2023/88/01** FPI Terms of Reference amendment regarding financial oversight arrangements. Due to annual leave this action was outstanding. **FPI/2023/91/01** Circulate MTFP slides from August meeting. Complete. **Action closed.**
FPI/2023/98	**ICB financial performance update** It was explained that due to a recent medium term financial plan (MTFP) submission made to NHS England (NHSE), a verbal update would be provided at the meeting and a more up to date presentation would be circulated via email. The Executive Director of Finance proceeded to present the finance report for the period to 31 July 2023 which included the Month 4 financial position. Key points and risks were highlighted: • The ICS revenue position reported a £6.2m year to date overspend compared to plan which included a £4.3m pressure in provider positions relating to costs associated with strike action, pay awards and Microsoft license costs; which have been resolved, and £2m of continuing healthcare (CHC) and prescribing pressures within the ICB. The variance is expected to be brought back in line with plan by the end of the year. The Committee were reminded of the NHSE 2% adjustment which had been made to Elective Recovery Fund (ERF) targets due to the industrial action impact over the bank holidays in April and early May 2023. Further adjustments are expected due to ongoing periods of industrial action but are subject to Treasury approval.

	Additional industrial action related risks raised included the impact to performance and financial positions and the cost of replacing activity which will be in excess of tariff. The net cost of industrial action versus normal activity is higher and there are increasing pressures for acute clinical cover arrangements to ensure patient safety. A continuing trend is expected with the M5 financial position despite the resolution of the Microsoft license issue, and FT providers will submit additional risk information to NHSE and the ICB to allow this position to be reviewed in more detail. Systemwide additional ERF funding is expected due to the higher level of acute independent sector activity. The ICS is forecasting efficiency targets in line with plan but it was highlighted that recurrent efficiencies are adrift by £36.9m and have been offset by savings on non-recurrent schemes. Dialogue is underway with 3 foundation trusts to understand their current position on recurring savings of 1% or less versus the average of 1.4%. A total of £96m net ICS unmitigated risks was reported. Net ICB risks (at £21 for M4) are updated on a monthly basis and net system unmitigated provider risks (at £75 for M4) are updated per plan. A full ICS risk review will be carried out in M6. In M5 when more data is available it is expected that Prescribing costs will increase by £25m. It was explained that national prescribing costs are increasing disproportionately to volume and in M6 the ICB position will be assessed to agree if it can be mitigated, however this was highlighted as a significant risk to the ICB position. There is a piece of analysis work regarding the historic prescribing process underway and it was explained that some growth areas of prescribing costs were for preventive drugs and non-medicines which did have clinical advantages. An offer was made to present a more detailed update on managing prescribing costs to the Committee at the next meeting. ICS capital spending forecasts are currently in line with plan which includes an allowable 5% 'over-programming' but some pressures in Northumbria Healthcare Foundation Trust (NHCFT) were referenced due to building restitution works. Directors of Finance (DoFs) are working closely with two Trusts where there are some areas of concern regarding the breakeven forecast position and in M6 a full review will be undertaken on the NENC ICB and Foundation Trust overall positions in order to assess if financial adjustments may be required and will be brought to the attention of the FPI Committee. It was clarified that agency costs had been taken into account in latest forecasts. A description of the spending control conditions was given in anticipation of if adjustments were to be made.

	The addendum to the Provider Collaborative agreement regarding delegated responsibility for capital funding had been drafted and was expected to be signed off shortly. It was clarified that this confirmed that the FPI Committee would receive more detailed capital spend information for oversight purposes. An example of work done by NENC ICB and Foundation Trust colleagues on the Microsoft licensing issues which had led to a national change in policy was given and Provider Trust Committee members agreed that there appeared to be more evidence of improved system working. **Medium Term Financial Plan:** The Executive Director of Finance provided a top line verbal update of the MTFP and a detailed presentation containing information on principles, timetable, deficit summary, recovery plan overview and programme risks would be circulated to FPI Committee members after the meeting. A CEO review session is scheduled on 15 September 2023 and final versions will be submitted between 25 to 29 September. The current ICS underlying financial starting position is £424m. Drivers of the existing deficit are categorised by operational, system and structural. The MTFP covered 5 years from 23/24 to 27/28. A 'do nothing' model has been constructed for NENC using a standard model across the North East and Yorkshire region. Material modelling assumptions to highlight included 2% recurrent and 1% non recurrent efficiencies for ICB and Providers delivery and system efficiency savings of 0.5% per annum on top. Further modelling work is required with regard to the growth funding of £100m assumed not spent in 24/25 and 25% used non-recurrently for 2 years to support transformation. Based on the assumptions modelling this would result in a deficit of £160m (2%) in 24/25, £80m (1%) the year after followed by breakeven. However, it is not predicted that a breakeven position in 2 years will be achieved without additional income sources and Deloitte LLP have been tasked to identify a suite of radical solutions and potential mitigations. In response to a question regarding how much clinical transformation is included in MTFP it was clarified that the work is generally finance led but clinical system savings will be included in the Deloitte work as well as assumptions for double running or investment in transformation. It was also explained that a process had been established through the Provide Collaborative which includes engagement from all NENC providers and the ICB, but the extent of the task and challenging clinical decisions to be made was emphasised. There was a discussion regarding the requirement of a joint clinical and

	finance led approach and solution due to the volume of unmet patient demand, inherited dental issues, CYP access, elective recovery and variation of performance. A description of the transformational programmes in place which work with the resources available was given and it was highlighted that clinical reconfigurations will be challenging due to limited access to capital. The clinical risk and backlash from general practice and the public was highlighted if a halt in certain services was made. **<u>RESOLVED:</u>** 1) The Committee **NOTED** the latest year to date and forecast financial position for 2023/23, 2) The Committee **NOTED** there are a number of financial risks across the system still to be managed.
FPI/2023/99	**ICB performance update** The Executive Chief of Strategy and Operations introduced the integrated delivery report which provided an ICS overview of quality and performance using data covering June 2023 for most metrics and July 2023 for others, unless otherwise specified. The finance data was for 23 (Month 4). Due to meeting time constraints and to allow for a more in-depth discussion regarding the report on Children and Young People (CYP) waiting times for mental health services, only the key issues were highlighted. **Dental:** Dental activity data which had recently been included in the dashboard was reported at 74.4% in May 2023 which is below the national benchmarking target of 76.8% and, although has improved, is still some way off from 2019/20 levels. The ICB is developing an overall oral health strategy. **Primary Care:** There were an additional 40,000 appointments versus plan and pressures have increased with achieving GP practice appointments within two weeks although it was noted is slightly above the national benchmarking position. The Out of Hours increased activity during periods of industrial action was referenced which can impact on Primary Care performance. **Urgent and Emergency Care:** The A&E waiting times within 4 hours position of 78.6% was slightly below plan at 78.3% but was above the national benchmarking position of 74%. NENC ICB had been identified as one of the top 4 performing Urgent and Emergency Care (UEC) systems and recently received a visit from the NHSE National Clinical Advisor to Hospitals and a follow up report is awaited. However, it was emphasised that this position is far below the constitutional standard of 95% and amounts to nearly 25% of patients waiting more than 4 hours in A&E during July when pressures are usually lower.

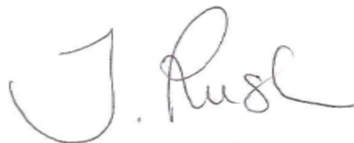
	Although Category 2 ambulance response times had slightly exceeded plan there is a concern as NEAS have dropped in the national rankings to 8/11 of ambulance providers for Category 2. A formal recovery plan is in development which incorporates additional national funding and plans to achieve the 30 minute response time across the year and better winter performance, although this was highlighted as a challenge and risk. Changes to clinical triage and a proposed new model for use by healthcare professionals will be included. An update on the recovery plan would be available for the next meeting. In general, ambulance handover, waits from arrival to discharge or admission longer than 12 hours and bed occupancy performance are on track but a caveat for the seasonal impact should be noted as the current position should be better at this point in time. **Diagnostics:** The Committee were reminded of the 95% target for diagnostic tests within six weeks by March 2025. The ICB position is slowly improving with a position of 83.3% which is better than the national benchmark. However there are variations across Trusts and tests and more improvement work is needed to align mutual aid across the system. A lack of Sonographers was highlighted as a national capacity issue and investment in technology was identified as part of a potential longer-term solution. **Elective Care:** NUTH continues to have a small number of patients waiting in excess of 104 weeks for spinal surgery. 65 weeks is ahead of plan but 78 week waits are behind with 91 patients and for the first time on record in excess of 400,000 patients were waiting in excess of 52 weeks. The challenge to restore activity levels due to the impact of industrial action was emphasised. **Cancer:** Cancer and diagnostics over 62 day wait was ahead of plan at the end of July. A formal announcement had been made of the new 28 day Faster Diagnosis Standard (FDS) from October 2023 to replace the 2 week wait target. Further consideration is required in order to deliver the single 62 day target. **MHLDA:** There was no specific update to report since the last meeting and the number of people accessing Talking Therapies for Anxiety (TTAD) remain well behind plan. OOA placements and to reduce reliance on inpatient care for adults was reported as worsening and an increase of admissions had outweighed the increase of complex discharges. A question was asked if the ICB were aware of the system capacity required in order to avoid OOA placements. In response it was confirmed that the NENC ICB are over occupancy and plans and trajectories are being developed. As part of the inpatient quality transformation a full bed review will

	be undertaken across all specialities in NENC which will involve a different community infrastructure, and workforce issues were highlighted as key. It was clarified that the data in the report referred to OOA bed days and not patients. The significant length of delays was highlighted and a request was made to focus on the arrangements for medically optimised patients in future reporting. Further updates from the MHLDA sub-committee will be brought back to the FPI committee for assurance. **Maternity:** It was suggested that an update on the reported increase in still births and neonatal deaths per 1000 births should be addressed via the ICB Quality and Safety Committee. **RESOLVED:** The Finance, Performance and Investment Committee **NOTED** the content of the report for assurance.
FPI/2023/100	**CYP access** The context to the request for the report was provided and the Executive Area Director (North and North Cumbria) / Executive Lead for Mental Health, Learning Disability and Autism acknowledged the detailed work that had been undertaken by ICB colleagues to produce the report. The report provided an overview of waiting times by pathway and locality and an overview of related improvement and transformation work. It was noted that this report had also been received and reviewed by the ICB Mental Health and Learning Disability Sub-Committee on 18 August 2023 where the recommendations were supported. For several services areas there is no national data collection, or minimum data set, therefore this report has been built using local data collections which are not fully consistent, as they are based on provider data submissions. However, North East Commissioning Services (NECS) are working alongside our Provider Trusts to establish an improved reporting system. There is a mixed commissioning portfolio across the ICB made up of MHLDA FT, Acute FTs, Voluntary Sector and other sectors, all of which are experiencing extremely long waits into CYP services. Key issues highlighted were: The pandemic has had a significant impact on the mental health and wellbeing of children and young people. Since 2019/20 monthly referrals have increased from 4,500 to over 7,000 per month and are anticipated to

	grow, therefore a focus on an improvement approach to deal with the current backlog and future proof model is required to deal with diagnostic pathways versus meeting current demand. Representatives from lived in experience, local authorities, children's network and education are involved in the service redesign, with a particular link to SEND inspections. The assessment for attention deficit hyperactivity disorder (ADHD) and autism spectrum disorder (ASD) in children is multifaceted which can be time consuming and requires access to a limited specialist workforce. There are currently over 1,500 children waiting over in excess of 104 weeks (over 5s) which requires scrutiny and the ICB is proposing taking a similar approach to the acute elective recovery approach to monitoring and improving the CYP pathway. It has been difficult to obtain data regarding children under the age of 5 in paediatric pathways due to the variation in data recording and clinical pathways across the provider sector. Providers have processes for keeping in touch with families on waiting lists however further assurance for escalation due to deterioration of health is required. Northumberland and Tees have been identified as better performing areas where learning can be drawn from. Impacts from Right to Choose Providers include quality issues with consistency of referrals and assessments, inequity and the impact of shared care costs into Primary Care. There are a combination of improvement, transformation, oversight and governance recommendations made in the report which will be delivered in two phases. Phase 1 which has commenced incudes working with clinicians to agree clinical pathways and phase 2 is a commitment from providers and partners to attend a three to five day rapid improvement event for a system overview and to realign resources into the areas with the greatest pressures which will include mutual aid provision. Work is ongoing with the overarching programme around performance oversight and visibility. The complexity of aligning partners was explained which should take into account existing plans with partners including SEND inspection reports, Health and Wellbeing Board and Place Plans which have been developed as part of the NENC Joint Forward Plan. There was an opportunity for comments and questions. Feedback from the planned joint improvement event would be welcomed and there was a query if the Provider Collaborative could explore different models across the country for the Under 5's provision where there is a significant variation in wait times. A suggestion was made to look at the value in commissioning external

	providers for diagnostic services and the increasing volume of adult ADHD referrals was highlighted. In response it was confirmed that the ICB will focus on a needs based versus diagnostic approach and a piece of work is underway regarding the complexity of commissioning, levers to manage the provision and levels of activity and cost across multi providers. There was a question regarding the variation in workforce and activity across two Provider Trusts. It was explained that the increase in workforce has been identified in general areas and not sub speciality and that it is thought that there is a different commissioning needs-based model at Tees, Esk, Wear Valley NHS FT (TEWV) with a different service pathway and lower conversation rate. A request had been made to look at if this model could be adapted and scaled across the ICB. A question was raised regarding how to measure the interventions and outcomes. Some examples included key stage 3 and 5 education achievements, school exclusions and suicide incidents for people with neuro divergence. It was explained that the SEND inspection report detailed some core KPIs which could be used and was designed as a single version to allow consistency and a holistic style model approach. The benefits of children receiving intervention at an earlier stage was highlighted as a positive outcome. It was confirmed that referrals information is received from the Individual Funding Requests (IFR) panel via the ICB Medical Directorate. It was explained that the Right to Choose providers accreditation process will be used as an architecture for developing the emerging services provision and in parallel work is underway on a programme to use personal health budgets more flexibly to make more efficiencies and improve the quality of people's experiences and outcomes. At this point the Executive Medical Director left the meeting. There was a final discussion regarding the FPI Committee assurance and oversight. Updates and impacts will be visible as an exception report in future Integrated Delivery Performance reports and a suggestion was made for any further detailed updates to be given on request. A request was made for any issues regarding realignment of resources that were not resolved at Executive Committee to be brought to the attention of the FPI Committee and the important of understanding the priority of investment was highlighted. **RESOLVED:** The Finance, Performance and Investment Committee **NOTED** the content of the report for assurance and **ENDORSED** the recommendations from the Mental Health and Learning Difficulties Sub-Committee.

FPI/2023/101	**Risk management** The Governance Lead for FPIC introduced the Risk Management quarterly report. There were seven risks on the NENC ICB risk register related to finance, performance and investment, of which six were due an update. Due to a deficit plan it was agreed that the narrative should be revised in Risk NENC/0035 regarding the delivery of a robust, and credible balanced financial plan for 2023/24 and that that there should be a sub-section or more information to reflect industrial action related risks. **ACTION: Executive Director of Finance and Director of Finance (Corporate) to update the description narrative for risk NENC/0035 and discuss and revise descriptions to reflect industrial action related risks.** **RESOLVED:** The Finance, Performance and Investment Committee **NOTED** the content of the report for assurance subject to updated revisions.
FPI/2023/102	**Any other business** There was no further business for discussion.
FPI/2023/103	**Meeting review and date of next meeting** The FPI Committee were asked for any future agenda item requests which included prescribing costs, independent sector and the M6 financial review. The next meeting is confirmed to take place on Thursday 5 October 2023 at 10.00am via MS teams. Meeting concluded.

Signed: 

Position: Chair
Date: 5 October 2023