

North East and North Cumbria Integrated Care Board

Finance, Performance and Investment Committee

**Minutes of the meeting held on Thursday 6 February 2025 at 10:00hrs
Via MS teams**

Present: Jon Rush, Independent Non-Executive Director and Chair
Richard Henderson, Director of Finance Corporate
Ken Bremner, Chief Executive South Tyneside & Sunderland NHS FT
Richard Henderson, Director of Finance, Corporate
Eileen Kaner (Independent Non-Executive Director)
Jen Lawson, Head of Corporate Governance
Jacqueline Myers, Chief Strategy Officer
Rajesh Nadkarni (Executive Medical Director, Cumbria Northumberland
Tyne and Wear NHS FT),
Dr Mike Smith, Primary Medical Services Partner Member and Vice-Chair

In attendance: Phil Argent, Director of Finance, North
Ewan Maule, Clinical Director
Emma Ottignon-Harris, Executive Assistant (minutes)
David Stout, Independent Non-Executive Member

FPI/2024-25/108 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/2024-25/109 Apologies for absence

David Chandler (Chief Finance Officer), Levi Buckley, Chief Delivery Officer/ SRO for Mental Health, Learning Disability and Autism and Neil O'Brien, Chief Medical Officer.

The Chief of Strategy explained that a number of Chief Officers were unable to attend the FPI Committee meeting due to a series of internal decommissioning and financial sustainability meetings.

FPI/2024-25/110 Declarations of interest

The Chair asked to note the discussions that would take place regarding financial allocations but it was deemed appropriate to include Provider Trust committee members as no decisions would be made at the meeting.

Eileen Kaner made reference to the research undertaken with Advanced Care Research Centre (ARC) and Applied Research Collaboration NENC for the policy brief documents regarding virtual wards as part of the performance deep dive that was scheduled on the meeting agenda.

FPI/2024-25/111 Minutes of the previous meeting held on 5 December 2024

RESOLVED:

The FPI Committee **AGREED** that the minutes of the meeting held on 5 December 2024 were a true and accurate record.

FPI/2024-25/112 Matters arising from the minutes

FPI/2024-25/102: It was confirmed that the report by AuditOne and PWC had been received and an action plan and recommendations would be presented to NENC Committees in due course.

FPI/2024-25/107: It was confirmed that FPI Committee meeting scheduled on 2 January 2025 was stood down due to lack of quoracy during the festive holiday period.

FPI/2024-25/113 Action Log

FPI/2024-25/101/01 ICB performance update: It was confirmed that the next performance deep dive would focus on the A&E 4 hour wait and presented at the next committee meeting scheduled on 6 March 2025. **Close action**

FPI/2024-25/114 Notification of urgent items of any other business

None received.

FPI/2024-25/115 ICB financial update

The Director of Finance introduced the finance report for the nine months to 31 December 2024 which included the month 9 position. The investment oversight and vacancy control panel schedule for December 2024 was also included in the report.

Key points and risks were highlighted:

- The ICS is reporting a year-to-date deficit of £24.49m which was a worsened position compared to the previous month largely due to pay award pressures. Reference was made to the private discussion at the recent NENC Board regarding one provider who had identified that they will be unable to deliver their planned position due to significant pressures. It was confirmed that the NHSE Change in Forecast Outturn Protocol had been followed and one other provider had improved their forecast position to breakeven. Changes will be enacted in month 10 but will be net neutral across the ICS and it was clarified that no additional funding will be allocated, as there is a requirement to improve financial positions across the system to offset pressures.

- At month 9 the unmitigated financial risk reported to NHSE was at £36.1m, which was a reduction from £47.5m at month. Work is continuing to improve the position and cost pressures predominantly related to pay award, NICE approved drugs and devices and escalation beds.
- The ICB is reporting a M9 position slightly ahead of plan. The ICB surplus will increase at month 10 due to some one-off benefits which included rate rebates, additional NHSE allocations and VAT rebate on home oxygen.
- Excluding IFRS 16, ICS capital spending forecasts are now back in line with the confirmed capital allocation. A forecast overspend compared to capital allocation of £5.8m was reported at month 9 in line with the previous month which related to rent reviews from NHS Property Services and is being reviewed with NHSE against identified IFRS 16 funding allocations.
- On 28 January 2025, the ICB Board approved a proposal for a non-recurrent reduction in the ICB forecast outturn surplus of £50m which is similar to the approach taken in 2023/24, and follows the same principle as the deficit support funding received from NHSE at month 6. It was noted that this is still subject to NHSE approval and may cause cash issues in a number of foundation trusts if not approved.

There was an opportunity for comments and questions.

- With regard to the variance in financial pressures related to insulin pumps at South Tyneside and Sunderland NHS FT it was clarified that contractual arrangements had recently been revised which would resolve that issue.
- NENC are awaiting further guidance regarding dental services underspend and it was confirmed that the benefit is currently being held within ICB reserves so it is not assumed within the ICB bottom line position.
- Discussions are ongoing regarding additional resource capacity for continuing healthcare due to the backlog of reviews and will be included in NENC efficiency plans.
- A query was raised if it was an independent issue regarding case 112 on the investment oversight and vacancy control panel log which was a request for additional funding for children looked after in Gateshead NHS FT, in order to meet the statutory timescales for health assessments. A reference was made to a similar and historic issue in County Durham CCG. An action was raised to seek further information as the Director of Finance (Corporate) was not able to provide clarification.

ACTION: Director of Finance (Corporate) to seek further information regarding business case 112 on the investment oversight and vacancy control panel schedule regarding a request for additional funding for children looked after in Gateshead NHS FT and if this was an individual case or could be expected in other areas of the system in order to meet statutory timescales for health assessments.

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 December 2024 for assurance purposes.

FPI/2024-25/116 Weight loss drugs risk

A presentation was provided by the Clinical Director regarding the financial challenges faced with prescribing of GLP1 agonists, which are drugs used to lower blood sugar, reduce appetite and hunger and slow digestion.

- There was a summary of the three NICE approved drugs: Semaglutide, Liraglutide and Tirzepatide. It was clarified that these have not yet been prescribed through NENC specialist weight management services due to ongoing funding discussions and a paper was expected to be presented at the next Executive Committee detailing funding and eligibility criteria.
- This market is expected to grow significantly and it was reported that there are 149 similar treatments in development as well as people taking weight loss drugs through the legitimate private market and illicit supplies, which has led to hospitalisations in the region.
- Details of the Primary Care pathway for Tirzepatide were listed. Costs are still under review due to uncertainty of the eligible cohort and is expected to increase particularly after festive holidays.
- The process variation over a 2-year treatment cost highlighted the increase with Oviva as a right to choose provider and legal advice had confirmed that it is not possible to restrict referrals.
- A plan is in place to manage public demand despite challenges faced due to uncertainties around funding, clinical eligibility criteria, operationalisation, legal challenges, however the potential positive impact for prevention was highlighted but there remains a lack of clear national guidance.

There was an opportunity for comments and questions:

- It was explained that it is the constitution of the NHS to make NICE drugs available and the possibility of local legal challenges had been brought to the attention of the national NHS legal team but no formal legal advice had been received to date. It is expected that ICBs will gain further contractual control but NENC are not able to apply other commissioning and referral guidelines to the existing commissioning ICB. However, a more robust NENC primary care pathway will be developed.
- There was a discussion regarding the quality and safety of right to choose providers which is ongoing and managed according to the contract of the host ICB. It was clarified that Oviva does provide a digital online consultation service and that NICE technology appraisal is in the NHS constitution. A comparison was made with similar right to choose issues with ADHD drugs.
- The discussion continued regarding price and return on investment. Competitive pricing is not expected until oral versions of the drug have been in use. Long term studies are not yet available to quantify the longer-term benefits but a 20% weight loss can be expected over a period of 18 to 24

months which will lead to a reduction in pre-diabetes and other obesity related hospital admissions. It was acknowledged that there will be a significant long-term benefit although is dependent on appropriate commissioning and usage of the drugs and sustaining weight loss.

- In response to a question raised with regard to where in NENC will decision making take place for ethics and eligibility, how to link in with population health management and inequalities and appropriate pathways, it was explained that NHS guidance is still to be confirmed but NENC could explore business cases for prevention to expand the eligibility. An example was given to suggest prescribing to a cohort of people in their 20s to 40s with pre-diabetes, therefore leading to a longer, healthier life. It was confirmed that there is an existing ethical framework for decision making within NENC which can be applied.
- Primary Care comms have included a public facing web page and bulletins.
- The challenges faced due to NICE guidance, public demand and affordability were highlighted throughout the discussion and are part of NENC investment priority cases under review.
- The Chair requested if discussion could be progressed at Board level with a long-term focus but was noted that it should be in the context of the current planning round. The Chair and Clinical Director agreed to follow up outside of the meeting.

RESOLVED:

The Finance, Performance and Investment Committee:

NOTED the potential financial challenges faced due to NICE approved weight loss drugs and were **ASSURED** of the ongoing work.

FPI/2024-25/116 Finance sustainability group update

The Director of Finance (Corporate) provided a brief overview of the NENC ICB financial sustainability group (FSG) efficiency assurance report.

- Table one was highlighted which provided details of efficiency targets and reported a favourable efficiency forecast in month 8 but it was noted that the majority of savings are non-recurrent.
- Good progress has been made with the backlog in CHC package reviews due to additional resource and recurrent savings are expected to be in place by the end of the financial year, although there is a risk to in-year savings due to the timeframe of the package review process.

RESOLVED:

The Finance, Performance and Investment Committee:

Were **ASSURED** of robust process in place to provide assurance to NHS England that ICB FSG are working collectively to achieve breakeven for 2024/25.

FPI/2024-25/117 ICB performance update

The Chief Strategy Officer introduced the integrated delivery report which provided an ICS overview of quality and performance using data covering November 2024 for most metrics and December 2024 for others, unless otherwise specified. The finance data was for December 2024 (Month 9).

Urgent and Emergency Care:

- The position for January 2025 had improved slightly with A&E 4 hour waits performance at 74.1% which remained above the national average of 71.1%, and February data showed signs of sustained improvement despite high levels of infections in hospital sites over the winter period. A recent analysis had been undertaken which compared December 2024 performance to that of December 2023 and 2022.
- Category 2 ambulance response times in December had deteriorated to just below 38 minutes, although this represented a significant improvement to a response time of 47 mins in December 2023. Despite NEAS resetting the expected average response time it was noted that there was optimism that the average 30 mins national ambition across 2024-25 will be achieved.
- The 2-hour urgent community response position was below the national target although virtual ward occupancy had increased.

Elective Care:

- Improvement in long (over 65 weeks) waits had slowed in January and it was reported that there were 241 patients waiting in excess of 65 weeks predominantly at South Tees Hospitals NHS FT and Newcastle upon Tyne Hospitals NHS FT.
- Elective care reform plan and planning guidance had recently been published.

Cancer:

- Cancer 62-day standard to 70% by March 2025 position had continued to improve.

Diagnostics:

- Green shoots were evident towards improvement in the percentage of diagnostics tests being delivered within 6 weeks to achieve the March 2025 target of 92%.

MHLDA:

- The target for number of children and young people (CYP) accessing mental health services was not achieved and a new performance metric had been introduced in the 2025-26 planning guidance.
- Despite an improvement in the number of discharges, NENC had still not achieved the position to reduce reliance on inpatient care and additional cases had been reported.

There was an opportunity for comments and questions:

- In response to a question about the credibility of NENC if the long wait targets are not achieved, it was explained that the 65-week target was a national and regional challenge. However, NENC had been quick to identify and deliver on solutions and seeking mutual aid opportunities, a tiering process was in place and ICB check, challenge and support meetings were ongoing with relevant Provider Trusts. It was pointed out that some contingency plans had been hampered due to unforeseen workforce issues.
- The improvement in overall performance from year to year was acknowledged by the Committee.

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.

FPI/2024-25/118 Performance deep dive: Virtual wards

Following a request from the FPI Committee to receive more in-depth updates of specific pathways and performance areas, the Chief of Strategy provided a deep dive update on virtual wards.

- Virtual wards had been rebranded as "Hospital at Home".
- 443 virtual beds were registered across NENC which is the equivalent capacity of the QE Elizabeth Hospital in Gateshead (464 Acute Beds). 1240 beds would be required to meet the minimum ambition and NENC capacity per 100k population was at 16.5 versus a national position of 24.4. There is a national variance to the scale and approach of the virtual wards model.
- A comparison chart highlighted that NENC had lower than average availability and occupancy of virtual ward beds in comparison to other ICBs.
- Virtual ward occupancy had continued to increase across 2024 particularly in Gateshead Health NHS FT and North Tees and Hartlepool NHS FT. County Durham and Darlington NHS FT had limited use of virtual ward beds which have been targeted to the prison population.
- Key performance indicators include occupancy, step up admissions, outcomes and patients using tech enabled services. The average occupancy rate during 2024 in NENC was 50.4%, 22 points behind the national average although occupancy was rising and at its highest level during December maintaining a 71% occupancy which could release 314 beds to the system on a recurrent basis.
- 2025-26 planning guidance will include a new minimum data set for virtual wards which will provide an opportunity to follow patient experience and journeys and test hospital admission avoidance i.e. the effectiveness of the Virtual Ward or Hospital at home model.
- A number of examples and quotes of patient experience highlighted a positive outcome.
- North Tees Hospitals NHS FT and Northumbria Healthcare NHS FT account

for 48% of NENC virtual ward capacity. It was noted that the presentation did not provide details of what alternatives had been provided at other NENC trusts.

- A table included details of the variation of financial allocations to support the delivery of virtual ward capacity which was funding made available from the service development fund (SDF) and UEC capacity funding.
- The impact of step-up referrals on acute inpatient activity highlighted that in the last 8 weeks of 2024 virtual wards absorbed 13% of activity for patients over 65, who may otherwise have been admitted to hospital for at least one night and that non elective inpatient short stay had fallen by 7%.
- A study had been undertaken by ACRC/ARC with Northumbria Healthcare NHS FT to understand staff and patient experiences and opinions. Feedback was largely positive.
- Further work is underway through NENC Living and Ageing Well Board which had focussed on clinical model exploration, governance, digital enablement and pathways.

Further information was requested regarding a number of points:

- Data quality and variation.
- Financial funding allocation process and governance.
- Is there an optimum service delivery model and is there a business case for beds required and standard bed cost?
- What are the limiting factors to use of virtual wards?

A response was provided which confirmed that there is sufficient evidence to support a business case for an efficient virtual ward but there has not been a consistent application approach across NENC. However, it is not yet apparent virtual ward type services are being recorded in other community services.

Provider Trusts are enhancing individual virtual ward models and there was an explanation of the ongoing codifying work for a funding model. It was clarified that original funding allocations were on a bids basis and if not used for virtual wards had been spent in other essential areas.

There had been a variation in clinical response to virtual wards models which is now being supported by the Living and Ageing Well programme with effort into the out of hospital and community service experience.

A further description of the research work undertaken by ARC was given which had highlighted the positive experiences of patients, opportunity for future comms to the public and the change in government policies.

RESOLVED:

The FPI Committee:

- **ACKNOWLEDGED** the national policy shift from acute to community care settings (i.e. Left Shift) and that NENC is in the lower quartile of virtual wards bed per population.

- The FPI Committee **SUPPORTED** the concept, and the funding and governance work undertaken by NENC towards a value for money model.

FPI/2024-25/119 Finance and performance 2025-26 operational planning update

The Director of Finance (North) provided a presentation of the first update for the 2025/26 operational planning guidance since it had been recently published. The presentation had also been circulated to the Committee in advance.

- Key information included milestones, plan submission requirements, performance, finance, workforce and elective reform headline priorities.
- National headline plan submission date is 27 February 2025 and national full plan submission is 27 March 2025. A regional submission is also required.
- The short timeframes for work to complete planning templates and a nuance regarding new flexibility for independent sector activity for under 18 weeks contribution to overall performance were highlighted.

RESOLVED:

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

FPI/2024-25/120 Risk register and board assurance framework

The Head of Corporate Governance introduced the board assurance framework (BAF) and an updated position on the current risks which align to the finance and performance portfolio as at 13 December 2024. It was noted that it had been deferred from January 2025 as the committee meeting had been stood down.

- The report was received for information as a discussion had recently taken place at Board.
- The Head of Corporate Governance was asked to provide clarification if risks for NICE guidance for weight loss drugs and difficult decision making, as part of the difficult decision making and service reform work, are included in the NENC risk register.

ACTION: Head of Corporate Governance to confirm if risks are included on the NENC risk register with regard to NICE guidance for drugs and difficult decision making as part of the difficult decision making and service reform work.

RESOLVED:

The FPI Committee:

- **RECEIVED** and **REVIEWED** the risk registers and BAF for assurance.
- **NOTED** the profile of the risks as of 13 December and discuss whether this accurately reflects the organisation's risk profile.

- **CONSIDERED** if any potential new risks should be added to the risk register.

FPI/2024-25/121 Any other business

There was no further business raised to discuss but a reminder was given to members to complete the committee effectiveness survey.

FPI/2024-25/122 Meeting review and date of next meeting

The next meeting is scheduled to take place on Thursday 6 March 2025 at 10.00hrs via MS teams.

Signed:



Position:

Chair

Date:

6 March 2025