



North East and North Cumbria Integrated Care Board

Finance, Performance and Investment Committee

**Minutes of the meeting held on Thursday 7 December, 10:00hrs
Via MS teams**

Present: Jon Rush, Chair
 Ken Bremner Chief Executive, South Tyneside & Sunderland NHS FT
 David Chandler, Executive Director of Finance
 Dave Gallagher, Executive Area Director (Tees Valley and Central)
 Richard Henderson, Director of Finance (Corporate)
 Eileen Kaner, Independent Non Executive Director
 Jen Lawson, General Manager and Governance Lead
 Jacqueline Myers, Executive Chief of Strategy and Operations
 Dr Neil O'Brien, Executive Medical Director
 Dr Michael Smith, Primary Medical Services Partner Member

In attendance: Emma Ottignon-Harris, Executive Assistant (minutes)
 David Stout, Independent Non Executive Member

FPI/2023/131	<p>Welcome and introductions</p> <p>The Chair welcomed all those present to the meeting and confirmed that the meeting was quorate.</p> <p>It was agreed that the meeting would be recorded for the purpose of minutes.</p>
FPI/2023/132	<p>Apologies for absence</p> <p>Rajesh Nadkarni (Executive Medical Director, Cumbria, Northumberland, Tyne & Wear NHS FT) and Levi Buckley (Executive Area Director - North and North Cumbria / Executive Lead for Mental Health, Learning Disability and Autism)</p>
FPI/2023/133	<p>Declarations of interest</p> <p>The Chair raised a potential conflict of interest for Provider Trust Committee members with regard to the request in the financial report to note and support the approach on ERF residual incentive monies for now, but it was deemed appropriate to proceed with discussions as no decisions would be made at this meeting, a further paper would be presented and to raise the potential conflict again at the next committee meeting.</p> <p>The Executive Director of Finance also raised a conflict of interest regarding ERF allocations as his spouse is employed by Gateshead Health NHS FT as</p>

	Deputy Director of Finance. It was deemed appropriate to proceed with discussions as no decisions or recommendations would be made at this meeting.
FPI/2023/134	<p>Minutes of the previous meeting</p> <p>RESOLVED: The FPI Committee AGREED that the minutes accurately reflected the meeting held on 2 November 2023.</p>
FPI/2023/135	<p>Matters arising from the minutes</p> <p>There were no matters arising from the minutes.</p>
FPI/2023/136	<p>Notification of urgent items of any other business</p> <p>There were no urgent items of any other business.</p>
FPI/2023/137	<p>Action log update</p> <p>FPI/2023/125/01 Financial Performance Update:</p> <ul style="list-style-type: none"> • There have been no further changes to NHSE rules regarding transfer of revenue to capital although exceptions might be made on particular material cases. Action closed. <p>FPI/2023/126/01 Independent Sector Review:</p> <ul style="list-style-type: none"> • Additional information regarding mental health spend in the independent sector to be included in next financial report. <p>FPI/2023/126/02 Independent Sector Review:</p> <ul style="list-style-type: none"> • A query regarding differentials in NHS versus independent sector costs was raised with NHSE national colleagues and it is anticipated that tariff prices will be updated for 2025/26. There was a further discussion with regard to contracting arrangements and training which resulted in a new action (FPI/2023/126/03) for The Executive Director of Finance and Chief Executive STS FT to explore the best approach with NHSE and ICS colleagues and if a working group should be formed.
FPI/2023/138	<p>ICB financial performance update</p> <p>The Chair made a request that only recent updates be discussed as an extraordinary board meeting and ICB board meeting had taken place in November 2023.</p> <p>The Chair gave a reminder of the conflict of interest that had been raised at the start of the meeting with regard to the request in the financial report to note and support the approach on ERF residual incentive monies for now.</p> <p>The Executive Director of Finance presented the finance report for the period to 31 October 2023 which included the Month 7 financial position.</p>

Key points and risks were highlighted:

- An H2 forecast ICS deficit position of £35m had been submitted to NHSE and to date there had been no formal response. A meeting had taken place with NHSE colleagues which was considered as positive, and work will continue to improve the position.
- NHSE had reported a significant national deficit which was predominantly driven by 50% of ICSs being off plan but it was noted that NENC ICB are not in this category. Work has started with the regional team to undertake a "bridge analysis" of movements in year to date and forecast positions, focusing on individual organisation risks, flexibility and industrial action impact. Further updates will be provided to the committee at a later stage.
- NHSE have shared an approach to balance sheet reviews which has already been used in other regions which will offer transparency.
- The Committee were reminded of the previous approved approach to provide an additional incentive to increase performance above 2019/20 levels with the £40m residual ERF allocation. Given the variability of elective performance and significant impact of industrial action, the need to provide certainty to providers and the new H2 performance expectation, a paper will come to the next committee with options and to formally seek approval to pay providers for this element of ERF per plan rather than on a performance basis, in order to aid provider and system financial management.

There was an opportunity for comments and questions:

Due to confirmed further industrial action at the end of December and start of January there will be additional system pressures and an inevitable shift in elective activity, therefore there will be a focus on maintaining UEC and Cancer services. The direct and indirect financial impact will need to be captured.

The Executive Director of Finance was asked if there were any liquidity issues that the Committee should be sighted on. In response it was advised that provider trust run rates are anticipated to accelerate and that further work is required. A request was made to add income and expenditure (I&E) and organisation cash positions for 2024/25 planning on a future meeting agenda.

ACTION: Executive Director of Finance to add income and expenditure (I&E) and organisation cash positions for 2024/25 planning on a future meeting agenda.

The Committee were advised, in confidence, that during meetings with NHSE and Region colleagues, potential private finance initiative (PFI) contract opportunities to generate savings for next year were discussed and further updates will be provided as discussions and work progress.

The discussion continued regarding business cases and a question was raised if there was a process in whereby the FPI Committee could consider strong business cases in the future strategy. In response it was advised that work is

	<p>underway with other NENC ICB Exec Directors to improve on the reviewing process of prioritising programmes and infrastructure. Due to different accounting techniques across the Department of Health (DoH) and NHSE, technical support had been sought as this can create challenges and it was pointed out that medical benefits should also be considered when reviewing business cases.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 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. 3) The Committee NOTED the H2 paper that went to Board in November. 4) The Committee NOTED and SUPPORTED the approach of ERF residual incentive monies for now.
<p>FPI/2023/139</p>	<p>ICB CDEL plan 2023/24</p> <p>A brief update was provided and will be formalised in future financial reports. Capital allocation of £5.5m will be split with £4m to Primary Care digital replacement and infrastructure and £1.5m to Estates. A slight risk due to a delay in NHSE approval of project initiation documents (PID) was highlighted.</p>
<p>FPI/2023/140</p>	<p>Capital oversight arrangements</p> <p>A description of the work in progress, terms of reference and working groups was given. The Operational Capital group will be led by Directors of Finance (DoFs) to monitor and review the capital plan on a monthly basis and provide a quarterly update to the Infrastructure Group, which will be vice-chaired by the ICB Chief Digital Infrastructure Officer; it's role will be to make recommendations for the infrastructure strategy and annual capital plan. The FPI Committee will receive a report for assurance to deliver the capital plan prior to submission to the Board for approval. Any issues by exception will be accelerated.</p> <p>There had been some issues with IFRS-16 and Diagnostics in the approved capital plan which have been resolved.</p> <p>A query was raised regarding challenges with gaining consensus management for capital allocations. In response it was confirmed that the ICB Board is responsible for final decisions although to date consensus has been agreed by the ICB and Providers. However, further consideration might be required depending on CDEL limit spend which would require national discussions for additional allocations.</p> <p>A discussion took place regarding significant costs and investment for infection control facilities which are required in order to drive performance, which should be considered in clinical strategy discussions.</p>

	<p>The Chair summarised the discussion by confirming that the Committee were assured that a decision making and governance process was in place which will be presented as a paper early in 2024.</p> <p>Any decisions required regarding ERF allocations would be done via email in the absence of a committee meeting in January 2024.</p>
<p>FPI/2023/141</p>	<p>2024/25 planning process update</p> <p>The Executive Director of Finance clarified that the medium-term financial plan (MTFP) submission to NHSE had been acknowledged, but no formal feedback or sign off had since been received. A finance lead has been asked to convert work to date into a formal document which will demonstrate forecast and investments based on inflation assumptions, but it will be an evolving document. It will also provide assurance and governance with regard to financial decisions.</p> <p>It was confirmed that the Deloitte work was coming to an end and a number of initiative documents will contain schemes for consideration to deliver over a phased timeline.</p> <p>The Executive Chief of Strategy and Operations advised that national operational guidance was expected to be published late in December 2023. However, finance and performance colleagues have already commenced work whilst reflecting on the previous year's planning rounds and what might be required to meet guidelines. This included a commissioning intentions process to establish all of the potential financial implications and deliverables, a set of milestones which will be set out for delivery of the 1-year financial plan and 5-year forward plan and create an organised process for business cases. Once guidelines are published it is anticipated that a paper containing more detail around questions, approach and planning ambitions will be presented to the FPI Committee.</p> <p>A query was raised regarding potential changes to the allocative policies conclusion process and an explanation was given that a commitment had been made in the integrated care strategy that resources would aim to be allocated on a needs versus historic basis, which should be transparent in the approach for allocations in the planning rounds.</p> <p>The Executive Director of Finance continued the update and advised that significant changes are not anticipated to the planning guidance in comparison to the previous year, but due to inflation rates it will feel like a flat cash plus 1.6% environment, there will be less non-recurrent abilities and pressures will increase nationally.</p> <p>A question was raised how the FPI Committee can add value and the outcomes from the Deloitte report. In response it was explained that the report will focus on system savings and opportunities.</p>

<p>FPI/2023/142</p>	<p>ICB performance update</p> <p>The Executive Chief of Strategy and Operations introduced the shortened version of the integrated delivery report which provided an ICS overview of quality and performance using data covering September 2023 for most metrics and October 2023 for others, unless otherwise specified. The finance data was for October 2023 (Month 7).</p> <p>Significant revisions to the H2 2023/24 operational plan trajectories that had been submitted to NSHE on 22 November and deemed as accepted and key highlights were shared:</p> <ul style="list-style-type: none"> • 78 weeks end of March 2024 plan has changed from a zero position to 167 across an array of specialities, with an additional 3 cases which are dependent on corneal transplant supply. • 65 weeks end of March 2024 plan has changes from 14 cases in the complex spine service at Newcastle upon Tyne Hospitals NHS FT (NuTH) to 1145, of those 995 were across a range of specialities at NuTH and 150 at South Tees Hospitals NHS FT (STHFT), although it was recognised that to achieve 150 from a previous position of 600 would be a significant achievement and the additional challenges faced due to industrial action was highlighted. Fortnightly Tier 1 meetings continue with NuTH and a week by week by speciality recovery plan will be provided. • A&E 4 hour wait time is 3% off plan at 79.2%, although above the national target of 76%. The position will continue to be monitored by site. • 62 day wait cancer backlog end of March 2024 plan had increased to 817 due to an 8% increase in referrals at North Tees. It was noted that this was also below the national target of 681. • Virtual wards occupancy plan reduced from 100% to 80% due to a reduction in anticipated demand for community virtual beds. • The patient-initiated requests to move provider national scheme (PIDMAS) went live on 31 October, which was introduced to reduce the waitlist for patients who have been waiting more than 40 weeks. To date there have been approximately 300 requests to transfer and of those the majority were from the Newcastle area. A separate provider hospital initiative mutual aid programme is also in place. • There are 2 further sets of junior doctor industrial action planned in December and January which are predicted to impact further on elective recovery plans, and the challenges of standing back up cancelled procedures at short notice was noted if industrial action is called off. The current focus is to ensure that emergency services are covered. <p>Cancer:</p> <ul style="list-style-type: none"> • NENC remained behind plan for backlog reduction from 1075 compared to 861, although there had been a reduction of 157 patients waiting more than 62 days. <p>Mental Health and Learning Disabilities:</p>
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- Mental health waiting times analysis was available in the appendix in the meeting pack. A newly established ICB System Performance Group met recently and will set up working groups to apply similar measures and identify opportunities in the acute sector to assist with capacity and demand.

UEC:

- Cat 2 ambulance mean response time deteriorated only slightly in October and November 2023, and it was noted that given NEAS were 110% at demand they had delivered over accrued hours compared to plan, but there will be significant pressures and challenges over the Winter.
- Enhanced support packages had been developed at all 11 acute sites. Data quality and implementation of support packages will also be a focus area for the System and Performance Group.

There was an opportunity for questions and comments:

It was clarified that PIDMAS is a national initiative although there is no national online system available. Patients are asked how far they are willing to travel for alternative treatment and if suitable adjacent ICBs will be contacted, however the majority of patients to date have indicated that they wish to stay within a 50-mile radius. Providers have agreed to report breaches and tracking will be done on a multi-stage process. Agreement has been made in principle that patients will not require repeat diagnostics with ascending trusts.

It was explained that December forecast will indicate a dip in performance due to winter pressures, and although there had not been such a high level of flu outbreak to date there has been significant COVID and Norovirus related activity. Daily forecasting is not available and is based on a month-by-month basis.

In response to a request for further information regarding recovery plan work underway with the Cancer Alliance, it was explained that a formal structure and plan will sit with the System Performance Board Group and will identify if there is anything further that the ICB can do to support the Cancer Alliance work.

A question was raised if there was a timescale for the assessment and actions regarding excessive mental health wait times. It was explained that local metrics have been put in place and data is included in all Trust Oversight meeting packs. However, there is an issue with demand versus capacity which requires further transformation work and there is no relief mechanism in place similar to Elective Recovery funding (ERF). This is an area that has been highlighted of significant concern in the financial planning rounds.

Other housing, health and care programme work is ongoing as housing is identified as a key area to prevent in-patient beds. It was suggested that a wider discussion on mental health should be considered for a future meeting.

With regard to mutual aid, a question was raised if it was possible to move

	<p>workforce capacity across Trust boundaries. It was explained that work is underway, particularly with NuTH, regarding the script used for transferring patients, but the preference would be to transfer patients at the start of the treatment pathway to where there is capacity, and not staff due to other complexities.</p> <p>The Executive Chief of Strategy and Operations left the meeting.</p> <p>RESOLVED: The Finance, Performance and Investment Committee NOTED the content of the report for assurance</p>
<p>FPI/2023/143</p>	<p>Risk Register</p> <p>The Governance Lead for FPI Committee presented the risk management report and register from the period 18 August to 20 November 2023, which highlighted risks relevant to the remit of the Committee. There are currently seven risks on the register and risk movement and new risks were highlighted:</p> <p>NENC/0004 - there is a risk that the ICB is unable to deliver its planned financial position, together with a risk around delivery of the wider ICS financial position. Residual score has been increased from 16A (high) to 20 R (extreme) this is to reflect specific pressures in ICB.</p> <p>NENC/0065 - There is a risk that both the ICB and wider ICS are unable to agree a robust, and credible, medium term financial plan which delivers a balanced financial position, either in 2024/25 or future years. This risk has a residual score of 20 R (extreme).</p> <p>NENC/0069 - There is a risk that the ICB is raising patient expectations of earlier treatment on an alternative site when in reality no other provider is available. This could damage the reputation of the ICB and result in an increased number of complaints. This risk has a residual score of 10 Y (medium).</p> <p>NENC/0035 - closed and superseded with NENC/0004.- There is a risk that the ICB and wider ICS will be unable to agree and deliver a robust, and credible, balanced financial plan for 2023/24 within confirmed funding envelopes due to underlying recurring pressures across the system. This risk has been superseded and closed as the financial plan has been agreed for 23/24. Delivery of the plan is covered by risk NENC/0004 (with that risk score now increased to reflect 23/24 position).</p> <p>The Committee were advised that there may be a timing issue for the high-level financial position risks and impact due to industrial action.</p> <p>RESOLVED: The Finance, Performance and Investment Committee NOTED the content of the report for assurance.</p> <p>RESOLVED: The Finance, Performance and Investment Committee NOTED the profile of the risks as at 20 November 2023 and discussed whether this accurately</p>

	reflects the organisation's risk profile.
FPI/2023/144	<p>Any other business</p> <p>The Chair asked for further clarity with regard to governance for business investment case decisions and suggested a conversation with the ICB Chairman outside of the meeting. A recent discussion with Exec Directors had taken place regarding governance improvements, and an annual planning cycle is under consideration.</p> <p>The Committee were also informed of a quarterly financial decision summary report which is shared at provider trust meetings for transparency purposes.</p> <p>There was no further business for discussion.</p>
FPI/2023/145	<p>Meeting review and date of next meeting</p> <p>A decision was made to stand down the next committee meeting scheduled on 4 January 2024 due to annual leave over the Christmas period. In absence of the meeting it was agreed that any changes or approvals by exception would be done via email and potential declarations of interest for provider trusts members regarding ERF allocations was highlighted.</p> <p>It was agreed that the M8 finance and performance reports would be circulated by email for information.</p> <p>The next meeting is confirmed to take place on Thursday 1 February 2024 at 10.00am at Pemberton House.</p> <p>Meeting concluded.</p>

Signed:



Position:

Chair

Date:

01 February 2024