



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

**Finance, Performance and Investment Committee**

**Minutes of the meeting held on Thursday 4 May 2023, 10:00hrs  
Via MS TEAMS**

**Present:** Jon Rush, Chair  
 Ken Bremner, Chief Executive, South Tyneside and Sunderland NHS FT  
 David Chandler, Interim Executive Director of Finance  
 Dave Gallagher, Executive Director of Place Based Delivery  
 Eileen Kaner, Non Executive Director  
 Jen Lawson, Governance Lead  
 Jacqueline Myers, Executive Chief of Strategy and Operations  
 Rajesh Nadkarni, Executive Medical Director, Cumbria, Northumberland, Tyne and Wear NHS FT  
 Neil O'Brien, Executive Medical Director

**In attendance:** Richard Henderson, Director of Finance  
 David Stout, ICB Audit Committee Chair  
 Emma Ottignon-Harris, Executive Assistant (minutes)

<b>FPI/2023/54</b>	<p><b>Welcome and introductions</b></p> <p>The Chair welcomed everyone to the Finance, Performance and Investment Committee (FPIC) meeting which was held via MS teams. There was a brief discussion regarding quoracy and it was agreed to add to the agenda for the next meeting.</p>
<b>FPI/2023/55</b>	<p><b>Apologies for absence</b></p> <p>There were no apologies received.</p>
<b>FPI/2023/56</b>	<p><b>Declarations of interest</b></p> <p>There were no declarations of interest.</p>
<b>FPI/2023/57</b>	<p><b>Minutes of the previous meeting (6 April 2023)</b></p> <p>It was <b>AGREED</b> that the minutes accurately reflected the FPIC meeting held on 6 April 2023.</p>
<b>FPI/2023/58</b>	<p><b>Matters arising from the minutes</b></p>

	There were no matters arising from the minutes.
<b>FPI/2023/59</b>	<p><b>Action log update</b></p> <p>The action log was reviewed and the following updates were provided:</p> <p><b>FPI/2023/18/01:</b> The delivery work plan of the revision to the overall approach to the ICB performance position would be provided during the Performance update in the meeting. Action closed</p> <p><b>FPI/2023/37/01:</b> Risk management update deferred to next meeting.</p> <p><b>FPI/2023/51/01 &amp; 02:</b> Paper on Children and Young People (CYP) Mental Health Services access to be submitted to FPIC at next meeting.</p> <p><b>FPI/2023/40/01:</b> Update of Ophthalmology, Dentistry and Pharmacy (POD) to be provided during the Finance Performance update and included in report. Action closed.</p>
<b>FPI/2023/60</b>	<p><b>Notification of urgent items of any other business</b></p> <p>There were no urgent items of any other business raised.</p>
<b>FPI/2023/61</b>	<p><b>ICB financial performance update</b></p> <p>The Director of Finance presented the finance report for the period to 31 March 2023 which included the Month 12 financial position. Key points and risks were highlighted:</p> <p>The ICB is reporting an outturn surplus of £2.7m which is consistent with forecast plan, subject to audit.</p> <p>The ICS outturn position is a surplus of £58.2m, predominantly driven by significant income received by Northumbrian Healthcare FT (NHCFT) relating to settlement of a court case in respect of building rectification work. It was explained that plans to defer this income for capital costs of rectification were not feasible due to accounting requirements and that work is underway with NHS England (NHSE) regarding the transfer of revenue to capital resource and has been recognised as a planned surplus.</p> <p>A risk of understated revenue funding for non-consolidated pay award was raised as the offer does not appear to cover maternity, sickness and annual leave. It was confirmed that there was no funding available for community interest companies with staff on NHS terms and conditions, which also applied to subsidiaries within NENC. NHSE had specified that if there is a contractual requirement for Trusts to pay staff within those organisations, this would be deemed as an acceptable reason to not achieve financial target. It was noted that this will impact on South Tees Hospital Trust and assurance was provided that this will not affect the additional capital resources received</p>

for 2023/24, arising from delivery of 2022/23 forecast positions.

The Executive Area Director joined the meeting.

The ICS is reporting an outturn underspend against the confirmed ICS capital departmental expenditure limit (CDEL) allocation of £7.2m, following receipt of New Hospitals programme additional funding for the CEDARS development programme at Cumbria, Northumberland, Tyne and Wear (CNTW) which had increased from £17m to £19m. The Committee were asked to acknowledge the challenging and ongoing discussions with NHSE and CNTW regarding programme cost and overspend issues. At this point the Executive Medical Director of CNTW asked to register a conflict of interest and it was agreed that further information regarding any financial impact would be addressed outside of the meeting.

It was reported that the latest ICB financial plan position for 2023/24 was at £49.9m deficit, which included additional resources from NHSE of £15m. It was explained that additional excess inflation funding had been allocated on a non-recurrent basis to those Trusts in deficit as they were being required to find additional savings, and the additional funding provided a revenue benefit versus borrowing. The deficit position has been accepted by NHSE but there will be an expectation to improve the position which will be a challenge due to the financial risks identified.

The Pharmacy, Ophthalmic and Dental (POD) month 12 position was presented for information and reported a £20m underspend in 2022/23. It was explained that this was due to £10m of non-recurrent benefits due to prior year accruals no longer required, release of contingency, lack of growth in Ophthalmic activity and slippage in dental contracts. Permission has been granted by NHSE to assume unplanned slippage in dental budgets for 2023/24.

Next steps for financial plans include:

- Progress work to reduce ICB running costs by 30%
- Develop a full ICS medium term financial plan by August 2023, although it was noted that this will be unrealistic and therefore a request will be made to NHSE for an extension on the timescale.

The Committee were asked for questions and comments;

With regard to the non-consolidated staff pay award for subsidiaries, there was a discussion regarding Provider Trusts having a moral and ethical obligation to pay staff as they are recognised as key operating clinical teams, therefore the financial impact should be monitored. A question was raised if there was an ICB sliding scale for payments and if it could be considered for discussion at a later stage.

It was reported that the Transformation Director of Primary Care is

undertaking a piece of work around efficiencies and enhanced schemes within Primary Care but a nationally agreed contract for General Practice was highlighted.

Assurance was provided that due diligence work is underway with regard to risks and issues regarding the transfer of POD services to the ICB. A risk register has been developed. There will be a wider piece of work undertaken to look at the health and need challenges across the NENC region. A request was made for assurance of equal scrutiny be applied to POD efficiencies, running costs and savings targets as per the rest of the system and that it would be useful to have sight of a strategy.

The Committee agreed that the timescales given for submitting a credible medium term financial plan to NHSE was not realistic, particularly given the absence of a medium term national framework, the size of the system and consideration would be required for the ICB approach. It was suggested that the Executive Director of Finance would acknowledge the Committee support at the forthcoming finance meetings with ICB and NHSE colleagues. However, there would be an opportunity to focus on underlying deficits in the system.

A request was made to prepare a document which could show a comparison of the 42 ICS's for a percentage comparison across turnover deficit, breakeven and CIP comparators which the Executive Director agreed to provide when the data became available.

**ACTION: Executive Director of Finance to provide a percentage comparative data document of all 42 ICS's when the data is available.**

Provider Trust committee members were asked if the ICB could provide any further support with regard to efficiency savings. In response it was suggested that this should be raised with the Provider Collaborative and to identify what clinical impact can be done across the system to aid financial savings and develop a sustainable strategy. It was confirmed that ICB input is currently provided at appropriate times and levels with mutual collaboration, but it should be the responsibility of Provider Trusts to develop a clinical strategy which the ICB can support.

Work is ongoing to develop an overarching clinical strategy which will include acute services and primary care transformation plans to enable a framework of prioritisation of investment.

There is an opportunity to deliver good ICB models already in place by supporting the delivery of change to pathways and services and measuring the impact. Following a recent community mental health hospital visit, a description of some positive work through a reorganisation of resources and building relationships with partner organisations such as local authority was given which had resulted in a greater response to patients.

	<p>An explanation of the decision process for excess inflation financial allocations to Provider Trusts in deficits was requested. The Executive Director of Finance described the process undertaken with Directors of Finance and Chief Executive Officers across the ICS and therefore the Committee confirmed their support, particularly noting the short timeframes set during the financial planning process.</p> <p><b><u>RESOLVED:</u></b> The Finance, Performance and Investment Committee <b>NOTED</b> the content of the report for assurance.</p>
<p><b>FPI/2023/62</b></p>	<p><b>Task and finish group update</b></p> <p>The Allocation Group had made recommendations to the current financial plan and identified areas with below target funding. There is further work required to report on spend versus allocation by sector and geographical area.</p> <p>A question was asked if it was possible to establish if some Provider Trusts had overspent or been underfunded, what were the reasons and how this could be corrected. It was explained that changes had been made due to the COVID pandemic such as allocation of top up monies but a variety of metrics would be required and it was confirmed that NHSE had carried out some independent reviews.</p> <p>The Coding and Recording Group will work on allocations of resources to other areas.</p>
<p><b>FPI/2023/63</b></p>	<p><b>ICB Performance position update</b></p> <p>The Executive Chief of Strategy and Operations introduced the Integrated Delivery report which provided an ICS overview of quality and performance using data covering February 2023 for most metrics and March 2023 for others, unless otherwise stated. Finance data is for Month 11.</p> <p>The Committee were asked to provide feedback on the revised format and reporting style of the report, which will improve when further business intelligence work is complete. It was noted that the report included some quality metrics which are not yet received through official data sources and the report reflected the year end position.</p> <p>Key changes and points to note from the previous report highlighted were:</p> <p>Positive changes with the NHSE escalation tier process as County Durham and Darlington NHS Foundation Trust (CDDFT) had been removed from Tier 2 for elective care and Newcastle upon Tyne Hospitals Trust (NUTH) had been removed from Tier 2 for cancer. Both Trusts will now be placed into routine oversight with the ICB.</p>

Accident and Emergency (A&E) 4 hour wait time performance had dipped from 76.7% to 75.2%. Industrial action did not appear to have impacted A&E performance but could be linked to the sustained improvement in ambulance handover times. The ICB will need to monitor performance but it was noted that 23/24 improvement targets had been set above the national planning ask of 76%.

NUTH remains in Tier 1 for elective care as they have not been able to develop a plan to meet the national ambition to eliminate over 65 week waits at the end of March 2024, due to some complex degenerative spinal cases, and it was reported that this has been a national issue across spinal centres. A pathway has been developed to transfer less complex spinal cases from NUTH in the early stage of the treatment pathway to South Tees Hospitals NHS FT, and this should improve waiting times in the future.

Currently there are no Provider Trusts in the tiering process for Urgent and Emergency Care.

NENC ICB achieved ahead of trajectory for 78+ and 104+ week wait lists for 2022/23, although further monitoring will be required to achieve the national zero position ambition. Revised trajectories for NUTH have been agreed with NHSE and further information will be provided in future reports.

A reminder of the national supply issue for corneal grafts was given as this will continue to impact on 78+ week breaches, but it was confirmed that NHSE do recognise this as an exemption, although this can only be reported within the report narrative. It was advised that international work was underway to supply grafts and further updates will be provided.

The dashboards highlighted an improvement to diagnostic tests within six weeks. However, there were areas within Mental Health and People with Learning Disability and Autism services that did not compare favourably against the 2023/24 national objectives. It was explained that, whilst the ICB would achieve the Mental Health Investment Standard in 2023/24, there had been limited scope for investment into the NHS talking therapies and community mental health services, due to the cost pressures within mental health inpatient services. Further work was required to develop a medium-term plan for capacity and to understand waiting times. A counting issue was also reported in the data. The Committee were advised that updates will be provided for further discussion at future meetings.

The Committee were asked for questions and comments:

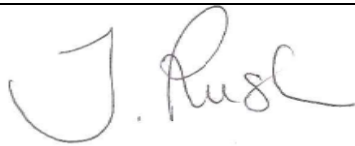
It was confirmed that the ICB Board had acknowledged and supported the work that been undertaken with regard to areas that had not met national targets.

For Committee assurance, a request was made for a deep dive on Mental Health issues, with a particular focus on learning difficulties in-patient care

	<p>and out of area placements.</p> <p>A suggestion was made to include healthcare acquired infection in future reporting.</p> <p>It was reported that ambulance Category 2 performance had been below 30 minutes in the previous 2 to 3 weeks and it was confirmed that improvement to ambulance handover times would have impacted A&amp;E performance, although it was more important to ensure getting ambulance care sooner for patient safety.</p> <p>A comment was made regarding the limited information in the report regarding Primary Care as GP access and enhanced access was a Healthwatch priority issue. In response it was confirmed that a Primary Care Strategy and Delivery sub-committee had been established which will help to refine the metrics and the agenda at the ICB Board meeting scheduled in May will focus on Primary Care.</p> <p>Further discussion and assurance regarding the safety data in mortality and serious incidents was requested at a future meeting. In response it was confirmed that the revised report will be discussed at the Quality Committee.</p> <p>There was a discussion on how the ICB committees integrate and how to understand what key risk areas require Committee attention. Work in the report which identified the key risks within Mental Health and Learning Disabilities was particularly commended.</p> <p>The Committee were advised that there are plans to reset the population health management (PHM) and business intelligence (BI) functions, produce an IDR calendar and that workshops to focus on 5 year forward plans will be scheduled. Plans are also underway to create a portal which will enable access to more detailed data. It was acknowledged that more work on metrics is required which is scheduled over the next 6 months with the potential to include safeguarding and social care data.</p> <p><b><u>RESOLVED:</u></b> The Finance, Performance and Investment Committee <b>NOTED</b> the content of the report for assurance.</p>
<p><b>FPI/2023/64</b></p>	<p><b>Committee Effectiveness Review</b></p> <p>Jen Lawson (Governance Lead) introduced the committee effectiveness survey report for Finance, Performance and Investment. It was explained that each NENC ICB committee were required to undertake an annual effectiveness assessment.</p> <p>The Committee were asked to review and comment on 3 areas:</p> <ul style="list-style-type: none"> <li>• Review and comment on the results of the 2022/23 survey.</li> </ul>

	<ul style="list-style-type: none"> <li>• Agree any improvement actions arising from the discussion regarding the survey.</li> <li>• Agree the suggested text relating to the FPIC committee's effectiveness for inclusion in the ICB's 2023/23 annual report</li> </ul> <p>Further clarification on the responsibilities of the FPI Committee and the relationship with Executive Committee was requested.</p> <p><b>RESOLVED:</b> The Finance, Performance and Investment Committee <b>AGREED</b> the content of the report for assurance.</p>
<p><b>FPI/2023/65</b></p>	<p><b>Any Other Business</b></p> <p>It was confirmed that the revised FPI Committee terms of reference regarding capital will be submitted as an appendix at the ICB Board meeting scheduled on 30 May for approval.</p> <p>A request was made for a review of the FPI Committee terms of reference to ensure that no items for consideration or approval by the Committee were omitted.</p> <p><b>Action: Governance Lead to work with Director of Finance to review FPI terms of reference to ensure no items for consideration or approval by the Committee are omitted.</b></p>
<p><b>FPI/2023/66</b></p>	<p><b>Meeting Review and date of Next Meeting</b></p> <p>A decision was made to stand down the next meeting scheduled on 1 June due to the number of apologies received.</p> <p>The next meeting is confirmed to take place on Thursday 6 July at 10.00am at Pemberton House. It was noted that both Provider Trust committee members and one non-executive director were also unavailable for the July meeting.</p>

Signed:



Position:

Chair

Date:

6 July 2023