

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

**Finance, Performance and Investment Committee**

**Minutes of the meeting held on Thursday 7 November 2024 at 10:00hrs  
Via MS teams**

**Present:** David Chandler, Chief Finance Officer  
Jon Rush, Independent Non-Executive Director & Chair  
Richard Henderson, Director of Finance Corporate  
Eileen Kaner, Independent Non-Executive Director  
Rajesh Nadkarni, Executive Medical Director, Cumbria Northumberland  
Tyne and Wear NHS FT  
Neil O'Brien, Chief Medical Officer  
Dr Mike Smith, Primary Medical Services Partner Member

**In attendance:** Emma Ottignon-Harris, Executive Assistant (minutes)  
Craig Blair, Director of Strategy, Planning and Performance  
James Duncan, Chair NENC Infrastructure Board  
Lis Dunning, Deputy Finance Director and Head of Customer Finance  
James Drury, Director of Finance, North Cumbria Integrated Care NHS FT  
Neil Hawkins, Strategic Head of Corporate Governance  
Saymul Islam, Finance Placement Student  
David Stout, Independent Non-Executive Member  
Richard Turnbull, Deputy Director of Finance (Strategy)

**FPI/2024-25/79 Welcome and introductions**

The 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/2024-25/80 Apologies for absence**

Levi Buckley (Chief Delivery Officer/ SRO for Mental Health, Learning Disability and Autism), Jacqueline Myers (Chief of Strategy), Ken Bremner (Chief Executive South Tyneside & Sunderland NHS FT) and Jen Lawson (Head of Corporate Governance).

**FPI/2024-25/81 Declarations of interest**

There were no declarations of interest raised.

**FPI/2024-25/82 Minutes of the previous meeting held on 3 October 2024**

**RESOLVED:**

The FPI Committee **AGREED** that the public and private minutes of the meeting held on 3 October 2024 were a true and accurate record, apart from a minor alteration with a duplication in attendance and apologies received which had already been rectified.

**FPI/2024-25/83 Matters arising from the minutes**

There was a brief discussion regarding the funding allocations for the pay scale uplift and level of support to mental health and ambulance trusts due to an increase in the number of employees in comparison to the national NHS formula.

**FPI/2024-25/84 Action log update**

The action log was reviewed and updates were provided for the following actions:

**FPI/2023-24/169/02-03** Finance Performance Update – Inequalities: Prevention spend report and update on meeting agenda. **Close actions**

**FPI/2024-25/73/01** Finance Performance Update – NICE guidance: Dr O'Brien and Ewan Maule have been working with ICB CMO's and Chief Pharmacists in NEY and NHSE region to highlight the issue of affordability in relation to NICE guidance. These concerns are being escalated nationally through the medical, pharmacy and CEO routes, in the meantime a draft executive paper is to be taken to all 4 ICB executives at roughly the same time. This will propose a framework that seeks to align to clinical and strategic priorities which will then influence the 'speed' of the roll-out of a new product, rather than an absolute blanket yes or no. An explanation was given that if a drug had been licensed then GPs are able to prescribe it and that prescribing of weight loss drugs is expected to increase.

The discussion continued regarding the decision making of how drugs and services that are stopped and replaced and value for money assessments of certain drugs for conditions such as alopecia and weight loss. It was confirmed that there are members of NICE on the Clinical Effectiveness Committee and it is expected that an Ethics Committee will be established where referrals will be considered. For any NICE guidance with financial implications to the ICS this would be escalated to Executive Committee and Board, and it was explained that affordability issues are heightened due to the scale and pace of implementation. **Close action**

**FPI/2024-25/85 Notification of urgent items of any other business**

None received.

## **FPI/2024-25/86    Infrastructure Board update**

The Chair of the Infrastructure Board provided a presentation to accompany the final NENC Infrastructure Strategy that was submitted to NHSE on 31 July 2024 and had been included in the meeting papers.

Formal feedback is expected in November 2024 but informal feedback had indicated that the NENC Strategy has been positively received. A recent request had been made by NSHE to resubmit a detailed capital template; an update will be provided to FPIC at a later stage but there are no foreseen fundamental issues.

The presentation detailed the following areas:

- Immediate priorities to support strategy delivery:
  - Immediate review of governance and set up relevant programmes.
  - Provide PMO function to develop the NENC Infrastructure delivery plan.
  - Develop an infrastructure dashboard.
  - Set up an investment function.
  - Identify collective financial efficiencies.
- A half year review of delivery against 2024-25 ICS allocation had been undertaken which forecast a total provider capital position expected outturn of £253,153m. A number of organisation variances had been identified. Provider Leadership Board had agreed on capital principles which included organisations that overspent would have its allocation deducted in subsequent years and that a further governance and decision-making review is required.
- ICB approval had been given for an opportunity to receive c. £30m brokerage from a neighbouring ICB and a letter has been prepared by the Chief Finance Officer to go to NHSE. It was highlighted that this will need to be reimbursed.
- Undertake an additional review of outturn and what can be held back.
- A further ICS capital position update will be provided to FPIC as work progresses.
- Other issues were listed from the Capital Collaborative Group and Infrastructure Board.
- Further work will be required to understand the 2025-26 impact and how to mitigate risks with regard to the brokerage arrangement.
- There was a discussion regarding the links to clinical priorities and potential risks. A Strategic Approach to Clinical Services (SACS) board had recently been established but an ICS review and vision for the next ten years is required and is anticipated to take at least 12 to 18 months, but this should not impact on innovation across neighbouring hospital sites.
- It was clarified that the role of the Investment function would be to explore alternative sources of funding, if and when, the capital regime changes.
- A review of the lifespan and rolling 10-year programme of linear equipment (LINAC) equipment will be undertaken as there are c. 4 machines within the

end-of-life span.

- The project is inhibited by insufficient PMO workforce capacity which needs to be addressed.
- It was agreed that a revised Infrastructure Strategy position update would be presented to the FPI Committee for support in advance of Board approval in January 2025.

**ACTION: Schedule a further Infrastructure Strategy position update on agenda for January 2025 meeting in advance of Board.**

**RESOLVED:**

The Finance, Performance and Investment Committee:

**NOTED** that the final version of the Strategy was submitted for information purposes given that the document was in a draft version when previously taken to FPIC in July 2024.

**FPI/2024-25/87 ICB performance update**

The Director of Strategy, Planning and Performance introduced the full integrated delivery report which provided an ICS overview of quality and performance using data covering September 2024 for most metrics and August 2024 for others, unless otherwise specified. The finance data was for September 2024 (Month 6).

The Chair outlined that following a recent board development session related to performance and insights, going forward the FPI Committee had requested to receive further assurance via deep dives focussed on performance. Committee members asked if there was the ability to explore other elements of specific pathways and the factors which contribute to them such as workforce, patient experience and patient outcomes in addition to performance data. Committee members proposed that areas where the deep-dive approach could add value included Elective, Cancer and Diagnostic care, Primary and Community Care, and Mental Health.

It was acknowledged that a deep dive on Urgent and Emergency Care performance had already been scheduled for the next ICB Board meeting.

Key changes from the previous report for attention were highlighted:

- There is some benchmarking analysis work underway for healthcare acquired infections which will be presented to the Quality and Safety Committee and Board in due course.
- Work is underway to enhance quality reporting within NENC which is expected to appear in the integrated delivery report from early 2025.

Key performance areas for attention were highlighted:

**Urgent and Emergency Care (UEC):**

- Following strong performance during the summer period, performance had

declined since September 2024. Although A&E 4-hour waits remained above the national average, ambulance handovers and NEAS Category 2 ambulance response times had deteriorated. The proportion of patients not meeting the criteria to reside had increased again to 9.7% of patients occupying hospital beds which will impact on flow, emergency department performance and ambulance handovers.

- Systemwide winter resilience plans have been developed in preparation for the busier winter period. Alongside this joint ICB and NHSE site visits have been scheduled at North Cumbria Integrated Care (NCIC) NHS FT, South Tyneside and Sunderland (STSFT) NHS FT, County Durham and Darlington (CDDFT) NHS FT and South Tees Hospitals (STSFT) NHS FT to further review UEC pathways.
- There was no specific evidence to date regarding the impact of GP collective action to UEC performance but additional primary care appointments will be stood up due to the implementation of ARI hubs. This is expected to offer some mitigation of GP winter demand pressures.
- It was clarified that increasing the utilisation of virtual wards will feature in the UEC deep dive. A reference was made to an evaluation report which had engaged with ARC researchers.

**Action: Eileen Kaner to forward virtual wards engagement report briefing to the Chief Medical Officer.**

**Elective Care:**

- NENC ICS continues to make good progress with referral to treatment (RTT) performance and 104+ and 78+ week waits.
- Despite the reported progress, pressures continue around referral to treatment (RTT) recovery and there was an under-performance to eliminate the 65+ week wait target at the end of September. It was noted that NHSE have a revised target delivery date to eliminate 65+ week waits by 22 December 2024.
- Three Trusts were anticipating 65+ week waits at that point; NUTH for Spinal and Ophthalmology, South Tees for Neurology and ST&SFT for Ophthalmology, therefore work is underway to consider mutual support from other NENC providers and neighbouring ICBs.

**Cancer:**

- The most challenged pathways for 62 day performance remain Lung and Urology with performance below 60% in August and this appears to be a systemwide issue.

**Mental Health, learning disability and neurodiversity:**

- A submission was made recently to NHSE in relation to Community Mental Health wait times; the 104+ week challenge was an exercise focused around improving data quality and addressing the longest of waits. This work was undertaken by the NENC Mental Health Data Improvement Group which will provide an understanding of provider positions and the differences in the application of the national definition covering how wait times are reported.

**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** future deep dives in specific focus areas.

**FPI/2024-25/88 North Cumbria Integrated Care NHS FT electronic patient record letter of support**

The Chief Finance Officer gave an overview of the purpose of the report which was to ask the FPC committee to ratify the ICB's support in principle for the North Cumbria Integrated Care (NCIC) NHS FT's electronic patient records (EPR) platform, full business case dated 22 October 2024.

The Director of Finance (NCIC) joined the meeting and explained that NCIC had been identified as a key site for national investment to move to a new EPR platform owing to NCIC's poor digital maturity. The capital and revenue costs of the scheme were detailed in the report and it was deemed to be a positive investment opportunity.

It was confirmed that the business case had recently received NCIC Board approval, undergone an NHSE regional functional review and passed to the national review process. It was highlighted that this was essential to ensure interoperability between the NENC digital systems and great north care record.

In response to a query raised regarding risks of revenue benefit, it was explained that the business case had been worked through with the front-line digitalisation benefits team and was consistent with other EPR programme business cases. A significant benefit included the opportunity to reduce the number of escalation beds for medially fit for discharge patients in hospital, as well as cash releasing benefits to improve the trust financial position.

It was clarified that there was more of a risk of not making the investment and that there should be minimum risk during the implementation phase as there was no planned change to supplier.

**RESOLVED:**

The Finance, Performance and Investment Committee:

**RATIFIED** the letter of support for the NCIC electronic patient records full business case

**FPI/2024-25/89 Prevention Programme**

The Chief Finance Officer and Deputy Director of Finance (Strategy) introduced the prevention data reporting update which provided an update on the work carried out to date for the action to explore further reporting data on in-sector spending in prevention programmes.

A working group has been established to look at how best to extract prevention data from financial information. A methodology has been agreed for recording data going forwards but it was noted that there had not been any significant similar work undertaken in the past apart from COVID related data.

Further work is required in defining prevention as it is such a broad concept open to subjective interpretation across Primary, Secondary and Tertiary prevention definitions. This will be an ongoing piece of work due to limited capacity and it was suggested that engagement with HMFA might be beneficial to compare and form consistency with definitions of prevention across other systems. It was noted that NENC were not an outlier in the regional system on this work but it is foreseen as part of the 10 year plan.

There was an opportunity for comments and questions:

- The importance of tracking new investments made into the ICB prevention programme was noted whilst awaiting further national advice and guidance, and the impact prevention drugs had on reducing other illnesses and conditions.
- It was noted that the prevention paper listed many physical health conditions but lacked data regarding mental health and behavioural management.
- Has there been any engagement with the local prevention board community whose behavioural expertise could be drawn upon?
- It was clarified that to date this had only been an internal ICB led piece of work and it was shared that the Finance team should work together with the ICB Healthier and Fairer programme team which would include clinical and local authority input.
- Give consideration to what are the next steps once further information has been received, how does it link with current financial pressures and clinical pathways, and how to improve patient outcomes and reduce the reliance on admissions to hospitals.

**RESOVLED:**

The Finance, Performance and Investment Committee:

**CONSIDERED** the work done so far and provide comment.

**CONSIDERED** the scope of work and what is the system definition of prevention.

**CONSIDERED** the timeline for future updates, given upcoming planning guidance and prioritisation of finance team resource.

**FPI/2024-25/90 ICB financial performance update**

The Director of Finance introduced the finance report for the six months to 30 September 2024 which included the month 6 position. The investment oversight and vacancy control panel schedule for September 2024 was also included in the report.

Key points and risks were highlighted:

- Deficit supporting funding of £49.95m was received in month 6 to offset the agreed deficit plan for the year. As a result, the full year ICS financial adjusted plan is now a breakeven position.
- The ICB is reporting a year to date surplus of £27.35m and a forecast surplus of £53.6m in line with plan, and unmitigated net risks of £15m predominantly relating to prescribing, CHC and delivery of efficiencies.
- The ICS is reporting an improved position from month 5 (£0.5m adverse variance) largely reflecting industrial action funding received in month 6. The month 6 position includes a number of specific financial pressures including the impact of NICE approved drugs and devices, estimated at £25m across the ICS. It is anticipated that ERF funding could be used to provide some mitigation support.
- At month 6 an estimated unmitigated financial risk of £74m has been reported to NHSE, which had reduced from £82m in month 5, and work continues to review and improve this. This equates to a total of c.1% unmitigated risk to the end of year and comparisons of other systems in the region were given ranging between 0.7% to 1.7%. It was noted that the impact of the pay award uplift to the risk position is not yet known.
- Recommendations will be available soon following work undertaken by PWC and AuditOne which had predominantly focussed on recurrent cost improvement arrangements.

**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 September 2024 for assurance purposes.

**FPI/2024-25/91 Risk management report**

The Strategic Head of Corporate Governance introduced the risk register and board assurance framework report which included the current risks which align to the finance and performance portfolio as at 18 September 2024. Key points highlighted were:

- Two risks have been closed out of eight during the reporting period:
  - NENC/0007 regarding 2023-24 operational planning objectives for our patients and NENC/0034 regarding ongoing recurring financial pressures and commitments, which had since been replaced by risks 0065 and 0004. It was noted that the 2024-25 risk related to operational planning objectives had not been included in the FPIC report at time of it being published.
  - NENC/0004 residential score has been increased from a 12 to 16.
- The Board Assurance Framework (BAF) is monitored through the ICB Committees before quarterly submission to Board.



- Risk reporting frequency and updates to risk strategy will be done on a quarterly basis going forward and any new risks identified during the interim period will be highlighted in committee report cover page. It was clarified that the financial risk related to increased cost of drugs and devices is included in the overall financial risks.

**RESOLVED:**

The Finance, Performance and Investment Committee:

**RECEIVED** and **REVIEWED** the risk registers and BAF for assurance.

**NOTED** the profile of the risks as of 18 September and discuss whether this accurately reflects the organisation's risk profile.

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

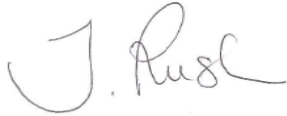
**FPI/2024-25/92 Any other business**

There was no further business raised to discuss.

**FPI/2024-25/93 Meeting review and date of next meeting**

- The next meeting is confirmed to take place on Thursday 5 December at 10.00hrs via MS teams.

**Signed:**



**Position:**

Chair

**Date:**

5 December 2024