



North East and North Cumbria Integrated Care Board

North East and North Cumbria

Finance, Performance and Investment Committee

Minutes of the meeting held on Thursday 3 November 2022, 10:00hrs at Joseph Swan Suite, Pemberton House, Colima Avenue, Sunderland

Present: Jon Rush, Chair
 Nic Bailey, Interim Executive Director of Place Based Delivery
 David Chandler, Interim Executive Director of Finance
 Dave Gallagher, Executive Director of Place Based Delivery
 Eileen Kaner, Vice Chair
 Jacqueline Myers, Executive Director of Strategy and System Oversight
 Rajesh Nadkarni, Executive Medical Director, CNTW
 Neil O'Brien, Executive Medical Director
 David Purdue, Executive Chief Nurse

Apologies for absence: Samantha Allen, Chief Executive
 Ken Bremner, Chief Executive, South Tyneside and Sunderland NHS FT
 Graham Evans, Executive Chief Digital and Information Officer
 Annie Laverty, Executive Director of People
 Aejaz Zahid, Executive Director of Innovation

In attendance: Richard Henderson, Director of Finance
 Jennifer Lawson, Governance Lead
 David Stout, ICB Audit Committee Chair
 Gillian Sheppard, Executive Assistant (minutes)

FPI/2022/11/01	<p>Welcome and introductions</p> <p>The Chair welcomed everyone to the Finance, Performance and Investment Committee (FPIC) meeting.</p>
FPI/2022/11/02	<p>Declarations of interest</p> <p>There we no declarations of interest declared.</p> <p>The Chair highlighted that should a specific conflict of interest be evident during the course of the meeting for the two Provider representatives, they will be dealt with by the Chair as and when they occur.</p>
FPI/2022/11/03	<p>Minutes of the previous meeting (6 October 2022 - enclosure 1)</p> <p>It was AGREED that the minutes accurately reflected the meeting with the</p>

	<p>following exception:</p> <p>Page 5; item Review Terms of Refence; 4th paragraph - "to recommend SFIs and financial delegations and limits to the Audit Committee for consideration and subsequent recommendations where appropriate". This task is to be deleted from the terms of reference and be included in Audit Committee responsibilities.</p> <p><u>Action:</u> To delete reference of SFIs in the terms of reference (ToR) and to include as a responsibility for Audit Committee.</p>
<p>FPI/2022/11/04</p>	<p>Matters arising from the minutes</p> <p>There were no matters arising from the minutes.</p>
<p>FPI/2022/11/05</p>	<p>Action log updates (enclosure 2)</p> <p>The action log was reviewed with the following updates provided:</p> <p>FPI/2022/09/01: Jacqueline Myers said the discussion of the committee membership is ongoing and will be brought to the Executive team meeting on 08/11/2022 for further consideration. A further update will be provided at the December meeting.</p> <p>FPI/2022/10/09/02: Jacqueline Myers confirmed amendments to the ToR are complete and include a section on Performance. Agreed action closed.</p> <p>FPI/2022/06/01: Jon Rush agreed to link with Richard Henderson and amend ToR as discussed. This will be circulated to all non executive members for consideration and approval ahead of being presented to the ICB Board on 29/11/2022 for final ratification.</p> <p>A discussion took place on the possible need for representation at the committee from local authority and social care. It was agreed that current membership remain until the ICB has fully formed and Place Based governance arrangements have been confirmed. It was agreed that this will be considered in a review of the committees ToR in March/April 2023.</p> <p><u>Action:</u> ToR membership of the FPIC be reviewed in March 2023 and to consider representation from local authority and social care. To be added to the Forward Plan.</p>
<p>FPI/2022/11/06</p>	<p>Notification of urgent items of any other business</p> <p>There were no urgent items of any other business raised.</p>
<p>FPI/2022/11/07</p>	<p>ICB Performance position update (enclosure 3)</p>

Jacqueline Myers presented a high-level update on the integrated quality and performance report for the North East and North Cumbria Integrated Care Board (ICB) and the Integrated Care System (ICS). The focus of all future integrated reports will be on performance, with the quality element being discussed in more detail at the Quality and Safety Committee.

Jacqueline Myers asked committee members on their opinion of the report as it is a current work in progress with the content and format of the report evolving.

It was agreed that although the integrated performance report will be presented to different committees, they will each have a different focus, therefore a fully integrated performance report was preferred with key highlights pulled out at each meeting and an executive summary provided relevant to each committee.

Neil O'Brien arrived 10:35hrs

The key exceptions within the report were highlighted:

- **Primary care:** the increase in overall activity of demand continues and is rising, with GP appointment levels at pre-pandemic levels. The DNA rates as a proportion of all appointments remain high at 4.7% in August 2022, but this is reflected in the national average.
- **Urgent and Emergency Care (UEC):** the system as a whole is seeing unprecedented levels of pressure and the ICS system is working to increase capacity and operational resilience ahead of additional winter pressures. This is a specific area of focus for the ICB.
- **NEAS ambulance response times:** the response times are longer than the national standards, although Category 1 target of 7 mins response is being met. Category 2 targets are not being met and September performance showed a worsening position of 40:45mins response compared to the 18 mins standard. It was noted that the standard was not met anywhere within England.
- **Ambulance handover delays:** the performance is static and hours lost is rising due to crews waiting resulting in approx. average of 61 hours lost per day in October 2022.
- **A&E 4 hour wait:** in September 2022 the expected standard of 95% patients treated/discharged in ED had not been met, this is currently 75.8% compared to 63.3% nationally. There is an increase in the number of patients waiting over 12 hours following decision to treat in ED, to 909 patients.
- **Length of stay:** patients residing in hospital over 7 and 21 days has continued to increase, particularly for patients who do not meet the criteria to reside (patients need package of care before discharged) is at 16.6% (acute bed base as patients need a package of care before discharge) against target level of 9.2% across the system. This does not reflect previous seasonal patterns which puts pressure on the emergency

- department and an increase in hospital stay; this is a national issue.
- **Bed occupancy:** this has increased to 91.9% in October 2022 for general and acute, the standard of which is 85%.

David Stout asked if the target of 9.2% of criteria to reside was achievable across the system. David Purdue said there is variation across the Trusts in the NENC system, some of which are below target. Specific work is taking place with North Cumbria and South Tees Trusts to address this, some of the issue is related to the domiciliary care market within these two areas. Nic Bailey said this was compounded by patients' choice and not moving from hospital until their place of choice is found. A national mandate had been issued previously to patients in hospital to advise they may need to be discharged from hospital to an alternative venue until their place of choice has been confirmed.

Action:

David Purdue to investigate if the discharge mandate is being followed with patients receiving routine letters advising on the criteria to reside in hospital.

Rajesh Nadkarni asked what process was in place so the committee can be assured that all actions are taken to resolve any issues raised and any key areas of difficulty are highlighted.

Jacqueline Myers said there are strategic programmes in place addressing priorities, one of which is specific to UEC and a summary of the actions that have been delivered can be provided in a future report, for example the winter resilience plan. Further detail on developing metrics which are related to actions being taken can also be shared in future reports to assure the committee.

Action:

Future performance reports to summarise metrics on actions taken across the ICB to address key issues and include additional narrative to provide assurance.

David Stout asked for assurance that the ICB performance management system in place was fit for purpose and queried how this was accomplished. Jacqueline Myers said the delegations for performance management are reserved to the Executive Committee and an oversight framework has been developed and awaiting ratification at the November meeting. The ICB does not have full delegation of the framework, but each Trust is signed a set of metrics and it is the ICBs responsibility to deliver accountability arrangements.

Action:

Jacqueline Myers to share the oversight framework presented to ICB Executives to this committee in December 2022.

Jacqueline Myers continued to highlight the following exceptions of the report.

- **Elective care:** the total number of patients on the waiting list for routine elective treatment continues to rise in contrary to the national ask that overall waiting lists size does not increase.
- **104+ww:** there is a national ask to eliminate 104+ww for all NENC providers by June 2022. Most providers have confirmed they can meet this request with the exception of NUTH due to an issue with complex spinal surgery which is a national issue. A discussion has taken place with NUTH and all avenues for treatment have been investigated but will look to move degenerative work to alternative centres and continue work on the complex cases, currently 30 patients at over 104+ww.
- **78+ww:** the number of patients waiting over 78 weeks is currently over the NENC plan. Trusts have recently been asked to confirm their plans for the end of March 2023 and have confirmed they can meet the national ask of zero, with the exception of NUTH, who have confirmed they can achieve their plan of 180.
- **52+ww:** the number of patients continue to increase and are above planned levels. The restoration of elective volumes is struggling to achieve the 104% increase in activity that was requested. This is a national issue and though there are transformation opportunities in outpatient pathways the challenge is capacity in the system compared to the demand.

Jon Rush asked what impact it could have on the receipt of Elective Recovery Fund (ERF) if the 104% increase in activity target was not met. Richard Henderson confirmed that providers have been advised to work on the assumption there is no clawback on ERF funding in month 7 returns.

Jacqueline Myers said she has requested a plan of actions taken and modelling of impact of the waiting list from Lynn Simpson, Chair of the Elective Recovery Board and will present this to a future committee when available.

Action:

Jacqueline Myers to share information on the plan of actions taken and modelling of impact on the waiting list from the Elective Recovery Board at a future meeting.

- **Diagnostics >6wks:** performance for the 15 key diagnostic tests have shown a slight improvement and is below the requirement of 1% patients having to waiting longer than 6wks.

11:15hrs Jennifer Lawson arrived

- **Cancer:** the NENC are not achieving the 75% faster diagnosis target, currently standing at 74.3%, it was noted there is a variation in performance across the Trusts. There is a focus for Trusts on cancer performance through Tier 1 and 2 cancer meetings in collaboration with

	<p>NHSE.</p> <ul style="list-style-type: none"> • MH/Autism: <i>to note that the data had not been updated in month due to changes within the NHSE publication.</i> There is a pressure on services overall, with an increase in waiting times for the IAPT service with 38% of patients waiting 90 days between their 1st and 2nd appointments. There is a newly appointed Director of Transformation (MH/LD & Autism) within the ICB, Kate O'Brien, and there will be a focused programme of work on transformation resources and priorities across places. <p>Rajesh Nadkarni commented that the demand on MH/LD bed occupancy has been at over 100% for a number of years, particularly for those out of areas and needing detention and said this information is missing within the data presented to the committee.</p> <p><u>Action:</u> Jacqueline Myers/Kate O'Brien to work with Rajesh Nadkarni to include MH/LD specific information to the performance pack for future committees.</p> <p><i>11:30hrs Rajesh Nadkarni left the meeting</i></p> <p><u>RESOLVED:</u> The committee RECEIVED the report for assurance and AGREED that an identical integrated performance report will be presented to each committee, but the executive summary narrative may change dependent on the committees focus.</p>
<p>FPI/2022/11/08</p>	<p>ICB Financial position update (enclosure 4)</p> <p>Richard Henderson presented a high-level update for the North East and North Cumbria Integrated Care Board (ICB) and the Integrated Care System (ICS) for the period to 30 September 2022, with the key points from the report highlighted.</p> <p>The ICB is currently reporting a forecast outturn deficit of £5.8m, prior to expected retrospective central funding of £11.46m relating to the Primary Care Additional Roles Reimbursement Scheme (ARRS). Once this funding is received, the ICB will report a forecast surplus of £5.6m against a planned surplus of £2.6m. The additional £3.0m surplus will offset a forecast deficit across relevant NHS providers, resulting in a balanced financial position across the ICS.</p> <p>There are movements across some organisations. The total ICS financial position at month 6 was a £39k forecast surplus for the year with a movement of £3m between ICB and providers. One provider has moved from a planned £5.6m surplus to a breakeven position, which was partially offset by another provider improving its forecast outturn by £2.6m. The</p>

improvement in the ICB forecast position included a £1m rebate agreed with NECS along with slippage on reserves and other non-recurrent measures.

Within ICB budgets, there is a significant overspend of £13m on acute services, mainly due to the Independent Sector providers activity where additional Elective Recovery Fund (ERF) income was anticipated but as a system overall targets have not been delivered.

There are pressures in Mental Health for the S117 packages and Continuing Healthcare, these are partially offset through underspends on prescribing costs and use of programme reserves.

There is a small underspend forecast on running costs, due to vacancies and contingencies not being used, there is a potential recurring pressure on running costs which will need to be managed in future years.

The financial plan of the ICB required an overall efficiency target of £48.4m and the ICB is on track to deliver this.

Whilst at M6 a balanced position is forecast it was highlighted that there are substantial risks to be managed across the ICS totalling £95m. Most of the risks will be mitigated by a range of non-recurring measures, but there is a potential unmitigated risk of £39m for the ICS. This included a specific risk across the providers due to the pay award impact of £15-20m.

David Stout asked if the £39m unmitigated risk will increase throughout the year as providers identify additional problems and if conversations were taking place to address this. Richard Henderson said the impact of the pay award was now known and that risk was not expected to increase. There was a potential for additional risks to be identified but it was felt the position presented here was a realistic estimate of potential pressures identified through conversations with providers.

In response to an earlier question from Rajesh Nadkarni asking how the ICB risks totalling £18m were being mitigated, David Chandler noted this was through a combination of slippage on budgets and other non-recurring measures.

Neil O'Brien asked what preparation work was being carried out in relation to the non-recurrent funding and potential cuts for future years. David Chandler said this will be more than a financial challenge and there will be conversations at Chief Executive level of providers and within the finance community to agree any action to be taken to produce balanced plans going forward. Information on funding for 2023/24 was expected to be received in the next few weeks and it was recognised that there is a lot of pressure in the system.

Neil O'Brien queried the high cost of Independent Sector (IS) activity and asked if conversations were taking place across the NENC on an exit strategy

	<p>for when ERF ceases and IS reliance may not possible. David Chandler acknowledged the IS are paid on a Payment by Results (PbR) basis and there is a need to work collaboratively across the ICS with a cohesive planned strategy to manage activity appropriately across both IS and NHS providers; this would need to take account of relevant contractual frameworks.</p> <p>Jacqueline Myers said there is a need to understand how referrals into the IS is done, whether this is from patients waiting over 2 years for treatment or direct referrals from GPs to ensure there is no increase in health inequality in the service. A model of activity needs to be considered and included as part of the financial plan.</p> <p><u>Action:</u> Jacqueline Myers to work with commissioning leads and begin a conversation with the Executive team regarding potential extraction from the ERF recovery process and use of the Independent Sector.</p> <p>JM asked if consideration would be given as part of the financial plan submission for 2023/24 within the ICB allocations for the work needed around health inequalities related to population. David Chandler said he is expecting a version of ERF to be included in the 2023/24 financial plan but as yet the detail is unknown, this is a risk for the ICB. There is also ongoing work taking place with a proposed allocations task and finish group to review the NENC ICB allocation.</p> <p><u>RESOLVED:</u> The committee RECEIVED the report for assurance.</p>
<p>FPI/2022/11/09</p>	<p>Proposed Allocations Task & Finish Group update (enclosure 5)</p> <p>Richard Henderson provided a brief update on the findings and recommendations from a task and finish group following a review of the ICBs allocation for 2022/23.</p> <p>The ICB allocations for 2022/23 was announced in January 2022 where it was identified that the NENC ICB was considered to be 'overfunded' by 6.5% against target allocations for Core Programme allocations, resulting in a lower uplift in growth funding for the financial year. The latest national allocation formula showed a reduction overall for general and acute services. The Allocation Task & Finish group was established to explore this and to consider any actions that could be taken as there is a risk that the NENC ICB may not receive a fair share of national funding to providers services to the population.</p> <p>The task and finish group consisted of members from finance leads across NENC ICB, foundation trusts, business intelligence leads, analyst support and public health consultant. This group has undertaken a series of meetings to explore potential hypothesis in relation to the reduction in the relative need for</p>

	<p>general and acute services and identified two areas for further exploration:</p> <ul style="list-style-type: none"> • Use of secondary diagnosis codes in NENC foundation trusts • Appropriateness of use of secondary diagnosis codes to determine relative need of population <p>It is proposed to establish a formal Resource Allocation Group, with two further sub-groups to support the delivery of any recommendations. It is not expected that either of the groups will have decision making capability, they will be chaired by a Director of Finance and make recommendations to this committee. The proposed sub-groups will:</p> <ul style="list-style-type: none"> • Coding Improvement Group – oversee improvements in coding across NENC to reduce variation and improve diagnostic data used for allocation purposes and population health decision making in the ICB • Technical Allocation Group – oversee the technical aspects in relation to developing resource allocation methodologies for use within the ICB/ICS as well as supporting national resource allocation methodological improvements where appropriate. <p>A general discussion took place where it was agreed that there is a need to improve the quality of coding due to variations across the system, and presents an opportunity to work collaboratively and collectively to improve data and be given a fair share of the allocation.</p> <p>Jennifer Lawson noted the incorrect wording within the paper as any sub committee would need approval at ICB Board level. The FPIC is able to approve a task and finish group with a specific time limit detailed. It was agreed that the Groups being proposed were, in effect, time limited Task and Finish Groups</p> <p>Jacqueline Myers requested the membership of the sub-groups be expanded to include strategy and planning team members.</p> <p>Action:</p> <ul style="list-style-type: none"> • Terminology within the paper to be corrected and reference to subcommittee amended to task and finish group with set end time date. • Membership of the subgroups to be expanded and include members of the strategy and planning team. • Terms of Reference for the Allocation Task and Finish Group to be presented to FPIC in December 2022 for approval. <p><u>RESOLVED:</u> The committee APPROVED all recommendations proposed within the paper to review the NENC ICB allocations for 2022/23.</p>
<p>FPI/2022/11/10</p>	<p>Any Other Business</p>

	<p>A discussion took place on the frequency of the meetings and the time required to complete an integrated report with the most up to date information and consideration there may be a need for the committee to move to bi-monthly.</p> <p>Jon Rush suggested the committee meetings will remain monthly at this moment in time until used to the data presented and the frequency will be reviewed again in March 2023, along with the Terms of Reference.</p> <p>David Purdue requested the ICB governance risks to finance be reviewed at the December 2022 committee.</p> <p><u>Action:</u> ICB Governance risk review to be added to the FPIC forward plan on a quarterly basis.</p>
<p>FPI/2022/11/11</p>	<p>Review of the Meeting</p> <p>Date of the next meeting confirmed as 10:00hrs on Thursday 1 December 2022 at Pemberton House.</p>

Signed:



Position:

Chair

Date:

01 December 2022