



**North East and
North Cumbria**

North East and North Cumbria Integrated Care Board

Finance, Performance and Investment Committee

**Minutes of the meeting held on Thursday 2 March 2023, 10:00hrs
Pemberton House, Sunderland**

Present: Jon Rush, Chair
Ken Bremner, Chief Executive, South Tyneside and Sunderland NHS FT
David Chandler, Interim Executive Director of Finance
Jacqueline Myers, Executive Chief of Strategy and Operations
Rajesh Nadkarni, Executive Medical Director, CNTW
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)

FPI/2023/28	Welcome and introductions The Chair welcomed everyone to the Finance, Performance and Investment Committee (FPIC) meeting. It was noted that the Interim Director of Finance would join the meeting late, therefore the agenda would be adjusted accordingly.
FPI/2023/29	Apologies for absence Apologies for absence were received from Dave Gallagher (Executive Director of Place Based Delivery), Nic Bailey (Interim Executive Director of Place Based Delivery), Eileen Kaner (Non-Executive Director) and Jen Lawson (Governance Lead).
FPI/2023/30	Declarations of interest There were no declarations of interest.
FPI/2023/31	Minutes of the previous meeting (2 February 2023) It was AGREED that the minutes accurately reflected the FPIC meeting held on 2 February 2023.
FPI/2023/32	Matters arising from the minutes There were no matters arising from the minutes.

<p>FPI/2023/33</p>	<p>Action log update</p> <p>The action log was reviewed and the following updates were provided:</p> <p>FPI/2023/25/01: The Resource Allocation Group terms of reference were confirmed as approved by the FPI Committee on 2 March, subject to the inclusion of the vision and top line strategy goals.</p> <p>FPI/2022/12/12/01: action is closed. The Risk Management report had been updated to include operational planning performance commitments for risk NENC007 and regular mitigations to performance risks are carried out.</p> <p>FPI/2023/18/01: Delivery plan of the revision to the overall approach to the ICB performance position update to be provided at FPIC meeting in April.</p> <p>FPI/2023/20/01: FPIC revised Terms of Reference on meeting agenda.</p> <p>FPI/2023/24/01: Operational planning submission 2023/24 update on meeting agenda.</p>
<p>FPI/2023/34</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/2023/35</p>	<p>ICB Financial performance update</p> <p>The Director of Finance presented the finance report for the financial year 2022/23 for the period to 31 December 2022 which included the Month 10 financial position. It was noted that this reflected the position that was presented by the Interim Director of Finance at the previous FPIC meeting in February 2023.</p> <p>Month 10 key highlights included:</p> <ul style="list-style-type: none"> • Revised forecast positions were agreed across the ICS as a result of work undertaken with the ICS Directors of Finance (DoF) to review positions and allocate additional support funding expected from NHSE. The ICB surplus was previously increased by £3m to offset a forecast deficit across NENC ICB providers. Within the revised positions, the ICB will report a forecast surplus of £2.7m against a planned surplus of £2.6m. • NHS Provider Foundation Trusts (FT) are forecasting an overall net deficit of £2.3m compared to a planned deficit of £2.6m. Combined with the ICB forecast this gives an overall net forecast surplus of £0.4m for the ICS. Deterioration across plan has been forecast by three Foundation Trusts but are at a breakeven position which will be offset by three Trusts showing an improved position versus plan. Two Trusts have a forecast deficit position which is the same at plan.

- It was noted that due to the changing forecast positions a pragmatic approach had been adopted to the NHSE protocol and assurance was given that Provider Trusts have confirmed guidelines have been adhered to.
- Significant pressures have continued in the independent sector (IS) acute activity linked to elective recovery and prescribing linked to the impact of price concessions, which has been offset by additional NHSE funding of £5.7 and further funding is expected for the second half of the year.
- Unmitigated financial risk to the ICS had reduced significantly to £7m versus £13m at month 9 which reflected the continued work to manage the system position and additional agreed NHSE funding. This forecast and risk mitigations include the additional £19.9m of funding offered from NHSE to support system pressures and funding receipt is dependent on the ICS delivery of a breakeven position for year end.
- ICS and Provider Trust DoFs continue to collectively work on managing risks although unforeseen additional income or pressure reduction which could result in a greater surplus was highlighted.
- Forecast capital overspend had reduced to £4.74m at Month 10. It is anticipated that capital spending will be within the allocation by the end of the year.
- As a result of ongoing discussions throughout the year with NHSE, approximately £20m of additional funding is expected for the Care Environment Development and Re-provision (CEDAR) at CNTW which will result in an underspend on capital.

The Chair asked the Committee if there were any questions or comments regarding 2022/2023 financial performance:

A request was made to check the accuracy of abbreviations used in the financial report when referencing Provider Trusts.

In Table 4: ICB Mental Health Services on page 25 in the report a request was made to provide more detail with regard to the allocation of £162,570 to Non NHS Mental Health Providers.

ACTION:

Director of Finance to provide an update regarding the financial allocations to non NHS Mental Health Providers to the Committee at the meeting scheduled on 6 April.

A request was made to provide an aggregate position for the ICB in Table 15: Better Payment Practice Code to indicate any specific supplier payment issues.

	<p>ACTION: Director of Finance to include Better Payment Practice Code aggregate position for the ICB on a quarterly basis in the financial performance report.</p> <p>RESOLVED: The Finance, Performance and Investment Committee NOTED the content of the report for assurance.</p>
<p>FPI/2023/36</p>	<p>ICB Performance position update</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 December 2022 for most metrics and January 2023 for others, unless otherwise stated.</p> <p>It was noted that additional narrative had been added and feedback from the Committee would be welcomed to assist in further development work on the format and content of the report.</p> <p>System Oversight:</p> <ul style="list-style-type: none"> • The first round of oversight meetings with Provider Trusts is underway and advance provision of data packs had resulted in some good quality and value added discussions to enable an elevated level of support and assurance. A consistent approach, agreeing common messages and transparency was highlighted as key to success. There is still some work required on contacts in organisations but it is anticipated that through regular dialogue, wider team building and site visits, the frequency of meetings can be reduced. At the end of each meeting there had been a useful feedback session. • A formal review of the System Oversight process will be undertaken at a later stage once it has been in operation for a full year. • A description of recent support provided to produce a Memorandum of Understanding (MOU) between Northumbria HealthCare Foundation Trust (NHCFT) and North East Ambulance Service (NEAS) was given as an example of good practice. • The segmentation decision allocated to each Trust was discussed which indicates the frequency, scale and general nature of support needs and it was highlighted that no Trusts had been aligned to segment 4 at this point in time. <p>Key changes from the previous report highlighted were:</p> <ul style="list-style-type: none"> • Ambulance handover delays had continued to improve. A new approach whereby North East Ambulance Service (NEAS) ambulance crews will

handover patients to emergency care staff at 59 minutes went live in February 2023 and handover delays under 30 and 60 minutes are monitored on a weekly basis. However, it was noted that performance levels would require further monitoring to establish if improvements were due to new processes or a reduction in general system pressures as less COVID and Flu admissions.

- A significant reduction in patient treatment waiting time above 12 hours from decision to admit in A&E was reported.
- Ambulance response times in all categories had shown improvement, particularly Category 2 call mean performance from 1:36 hours in December 2022 to 32:24 minutes in January 2023 which had been consistent. NEAS have aired on the side of caution due to the impact of a reduction in demand for ambulances during periods of industrial action, but it is anticipated that February data will continue to improve.
- 78+ week waitlists had plateaued in December 2022, but all Provider Trusts have predicted zero 78+ week waiters by the end of March with the exception of approximately 180 complex spine cases at NUTH. Since the report had been published agreement had been made to move NUTH into Tier 1 escalation position due to pressures across some speciality pathways which included Ophthalmology, Dermatology and Plastic Surgery and the first Tier 1 meeting had taken place recently with the National Director for Emergency and Elective Care. Elective activity will be affected if the planned 72 hour industrial action by junior doctors goes ahead.
- Due to an increase in admissions of people with learning disabilities there is a significant risk to achievement of the end of year reducing reliance on inpatient care trajectory in the ICB. The Mental Health, Learning Difficulties and Autism (MHLDA) Transformation team are in the process of developing a strategy framework to create suitable complex packages of care which will include support from additional case managers and complex case management hubs and there is a rapid review underway with NECS on live assessments.
- It is envisaged that an up-front investment on case management capacity will provide better medium-term packages of complex care. The Executive Chief of Strategy and Operations and Executive Director of Nursing are supporting work to develop a sustainable model which will connect place, wider sectors and challenges such as housing and bed pressures and a series of local improvement plans. The newly appointed Executive Director of Place (North and North Cumbria) has expertise knowledge in the Mental Health and Learning Disabilities arena. Delays in discharge due to complex legal issues in the new Mental Health Act were highlighted as a significant risk to packages of care.
- Diagnostics waiting times had deteriorated across all providers in

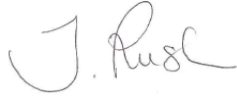
	<p>December which was below the 1% requirement, with 20% of patients waiting longer than 6 weeks. Recovery plans are included in the planning process. There was a discussion regarding the range of tests and functions taken into account in the reporting data, the absence of a national target for audiology and a national shortage in sonographers and trained workforce. New diagnostic centres will be launched at the end of 2023 and the ICB Workforce Strategic Board is in engagement with local universities. In the interim mutual aid is in place across some Provider Trusts but the long term ICB plan should ensure a provision to access local diagnostics.</p> <p><u>RESOLVED:</u> The Finance, Performance and Investment Committee NOTED the content of the report for assurance.</p>
<p>FPI/2023/37</p>	<p>Risk Management</p> <p>The Director of Finance introduced the Risk Management report on behalf of the Governance Lead. The Chair clarified that the Committee were asked to:</p> <ol style="list-style-type: none"> 1. Receive and review the risk register for assurance. 2. Review Board Assurance Framework with particular focus on FPI risks. 3. Review risk appetite and agree suggested appetite scores. 4. Note the profile of the risks as at 15 February 2023 and discuss whether this accurately reflects the organisation's risk profile. <p>There are currently seven risks on the risk register and two new risks had been identified in the reporting period. The risk type management process will be tailored to different risks depending on the perceived level of control. A further three FPI risks will be included in the 2023/24 Board Assurance Framework (BAF) and it was noted that risk reference NENC/0031 regarding ICS management of capital spend had been downgraded from red to amber.</p> <p>There was a discussion regarding the risk appetite development, which resulted in general agreement that there was a lack of clarity in the recognising the objectives and responsibilities of the Committee outlined in the four tables in section 4.3 on page 7 in the report. In response the Chair agreed to discuss in further detail with the Executive Director of Corporate Governance, Communications and Involvement who was the sponsoring director of the report.</p> <p>In conclusion the Committee agreed to note the requests 1 and 2 but further information would be required for requests 3 and 4 in the above list and that a further discussion could be brought back to the FPIC meeting in April.</p> <p>ACTION: FPIC Chair to request further information regarding risk appetite and Committee risk objectives.</p>

	<p><u>RESOLVED:</u> The Finance, Performance and Investment Committee NOTED points 1 and 2 of the content of the report for assurance but further information is required for points 3 and 4.</p>
<p>FPI/2023/38</p>	<p>FPIC Terms of Reference</p> <p>The Director of Finance Corporate outlined the purpose for the Committee to consider and approve further amendments, outlined in the report, following a review of capital responsibilities.</p> <p>It was confirmed that under Capital the bullet point on page 10 regarding the coordination of the Estates strategy had been removed. A discussion took place regarding where the Estate strategy responsibility might fit within the ICB.</p> <p>The Interim Executive Director of Finance confirmed that work was underway with the DoFs for assurance on the development of a system capital programme and approach to prioritising capital development bids, ensuring this properly balances clinical, strategic and affordability drivers (bullet point 1 page 10). The absence of the Provider Collaborative accountabilities was noted.</p> <p>Further clarity was requested in the resource allocation section regarding systemwide transformation funding and there was a discussion regarding the financial autonomy of the FPIC.</p> <p>It was agreed that amendments would be made to two bullet points in Section 6 Responsibilities of the Committee and the revised terms of Reference would be circulated to the Committee for final comments. With regard to system development capital, it was noted that wording could be reviewed at a later stage.</p> <p>ACTION: Director of Finance to make amendments to FPIC Terms of Reference: Page 4 / Section 6 Responsibilities of the Committee / Resource Allocation: amend bullet point 2 to read "to review and prioritise any relevant investment proposals in line with the ICB Investment Business Case policy".</p> <p>Page 7 / Section 6 Responsibilities of the Committee / Capital: shorten bullet point 1 to read "to seek assurance on the development of a system capital programme and approach to prioritising capital funding bids".</p> <p><u>RESOVLED:</u> The Finance, Performance and Investment Committee APROVED the Resource Allocation Group Terms of Reference, subject to the above amendments to section 6: Responsibilities of the Committee.</p>

<p>FPI/2023/39</p>	<p>Update on Operational Planning Submission 2023/24</p> <p>The Executive Chief of Strategy and Operations provided a presentation which detailed a summary of the operational plan submission to date. The presentation was circulated to the Committee for reference:</p> <p>A list of areas that will meet national planning requirements was given. With regard to areas that do not meet the national planning requirements a more detailed explanation was provided:</p> <ul style="list-style-type: none"> • Ambulance category 2 response time draft submission was at 39 minutes which fell below the mean requirement of 30 minutes. Further work on NEAS modelling is required. Published NHSE data is measured on a monthly basis although the ICB receives data on a daily and weekly basis. It was noted that there was a significant spike in category 2 activity over the winter months and a joint commitment has been made to improve the position. • Concern was raised by Provider Trusts regarding the metrics used to measure hospital bed occupancy which only takes into account general and acute beds. Further work is required on capacity investment to improve the draft submission position of 92.4% to the requirement of 92%. • Reducing reliance on in-patient care for adults with a learning disability is behind plan at 47.2 against the requirement of no more than 30 per million population and is identified as a key area for planned improvement. • Mutual aid is underway across providers and the use of the independent sector to achieve an elective care position of zero 65 week waiters. • Workforce analysis was provisional due to a fault in the national system. However, a regional benchmarking exercise had provided some high level metrics which suggested the NENC ICB workforce growth was larger in comparison to other ICBs. • Risks highlighted that the national ambition for 109% elective care activity may not be achieved and that there are nuances and clinical risks to the operational plan requirement to reduce Outpatient follow up activity by 25% against the 2019/20 baseline by March 2024. Inpatient and day case activity had been impacted by bed capacity pressures. Progress has been made on 52 week waiters and is expected to be at a zero position by 2024. <p>The Interim Executive Director of Finance provided a brief update on the financial planning submission to date and a detailed presentation was circulated to the Committee for reference:</p> <ul style="list-style-type: none"> • A risk of not achieving the elective recovery fund with a gap of c. £40m based on weighted activity was highlighted.
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	<ul style="list-style-type: none">The first draft submission showed a deficit of £410m which had the lowest cost reduction target (CRT) in the NE&Y region. The Committee were given assurance that there is a significant amount of work and scrutiny underway to improve the national position.
FPI/2023/40	Any Other Business The Committee were reminded to complete the committee feedback survey form.
FPI/2023/41	Meeting Review and date of Next Meeting Thursday 6 April 10.00am at Pemberton House

Signed:



Position:

Chair

Date:

6 April 2023