



**North East and North Cumbria Integrated Care Board  
Finance, Performance and Investment Committee**

**Draft Minutes of the meeting held on Thursday 3 October 2024 at 10:00hrs  
Via MS teams**

**Present:** Ken Bremner, Chief Executive South Tyneside & Sunderland NHS FT  
Jon Rush, Independent Non-Executive Director & Chair  
Richard Henderson, Director of Finance Corporate  
Eileen Kaner, Independent Non-Executive Director  
Jen Lawson, Head of Corporate Governance  
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  
Lis Dunning, Deputy Finance Director and Head of Customer Finance  
Martin Short, Director of Delivery Tees Valley  
David Stout, Independent Non-Executive Member

**FPI/2024-25/66 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/2024-25/67 Apologies for absence**

Levi Buckley (Chief Delivery Officer/ SRO for Mental Health, Learning Disability and Autism), Jacqueline Myers (Chief of Strategy) and David Chandler (Chief Finance Officer).

**FPI/2024-25/68 Declarations of interest**

There were no declarations of interest raised.

**FPI/2024-25/69 Minutes of the previous meeting held on 5 September 2024**

**RESOLVED:**

The FPI Committee **AGREED** that the public and private minutes of the meeting held on 5 September 2024 were a true and accurate record.

**FPI/2024-25/70 Matters arising from the minutes**

There were no matters arising.

**FPI/2024-25/71 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:**

- Work is ongoing with DoFs regarding information on prevention programme spend and an update will be provided at the November committee meeting.

**FPI/2024-25/35-01 Finance Performance Update – Workforce:**

A decision was made to cancel the action regarding non-foundation trust workforce plans as it was considered that no further data would be available and of use. Action cancelled.

**FPI/2024-25/72 Notification of urgent items of any other business**

None received.

**FPI/2024-25/73 ICB financial performance update**

The Director of Finance introduced the finance report for the period of the financial year 2024/25 for the five months to 31 August 2024 which included the Month 5 position. The investment oversight and vacancy control panel schedule for August 2024 was also included in the report.

Key points and risks were highlighted:

- The ICS is reporting a year-to-date deficit of £45.4m compared to a planned deficit of £44.94m although this is an improvement on the Month 4 position which showed an adverse year-to-date variance of £1.7m. This does include around £5m of additional costs relating to industrial action, for which funding has been received in month 6, and is expected to be managed back in line with plan by the end of the year, but it was noted that NHSE are concerned with the overall national deficit position.
- There has been a £25m increase in cost for NICE approved drugs and devices across primary and secondary care which had been escalated to NHSE and a financial impact data collection exercise is underway.
- At Month 5 the unmitigated financial risk across the system was estimated at £82m which is a reduction from Month 4. Work continues across the system to review this but Q3 and Q4 are expected to be more challenging.
- The ICB is reporting a year-to-date surplus of £22.88m and a forecast surplus of £53.6m which is in line with plan.
- The ICB is reporting an underspend position against running cost budgets of £2.25m year-to-date and forecast underspend of £3.1m which helps to

offset pressures on programme budgets. The full reduction in running cost allowance will not materialise until 2025/26 with the recurrent staffing budget position still a potential financial risk.

- ICS capital spending forecasts are currently in line with plan however this includes an allowable 5% 'over programming' which will be managed via the Capital Collaborative group.
- An additional allocation of £50m for deficit support is expected in month 6 which will be used to support cash requirements and should lead to a breakeven position.
- A default position to allocate deficit support funding to those providers with planned deficits, in proportion to the size of the deficit, is proposed and was the expectation from NHSE.

There was an opportunity for comments and questions:

There was a discussion regarding the pressures relating to the implementation of NICE guidance and it was explained that there had been a challenge to deliver recommended treatments due to service and availability, which had been escalated to NHSE by the medical directorate. This led to a request for the Chief Medical Officer to seek further clarity from NHSE with regard to the intended solutions.

**ACTION: Chief Medical Officer to seek further clarity for NICE guidance impact and solutions from NHSE.**

It is anticipated that there will be sufficient funding in the running costs budget to cover the 2024/25 pay award for ICB staff.

Further descriptions of the proposals outlined in the paper for FPI Committee were provided:

- To allocate deficit support funding to four provider trusts with planned deficits, proportionate to deficit size was given and it was confirmed that their positions will be required to improve by the equivalent amount therefore it will be a reduction in deficit positions.
- The pay award cost uplift factor (CUF) will be applied to provider contracts and the equivalent award is expected to apply to specialised commissioning contracts. There is a nuance with regard to pay award funding for CNTW, TEVV and NEAS in recognition that they are disproportionality impacted by the pay award due to higher proportion of staffing costs which is estimated at a value of £3 to 4m. It was clarified that the additional investment which was previously provided for mental health and ambulance services was for performance improvement and that there was one other ICB in the region that had applied a similar uplift.
- A discussion followed regarding funding for pay award uplifts to non-nhs and voluntary providers which would be dependent on cost pressures. It was agreed that the committee would support the proposal but requested that further discussion took place at Exec Committee with regard to what support could be provided to other organisations providing nhs-type

services under different contracts.

- The FPI Committee were advised that there was an updated proposal to allocate £5m of industrial action funding based on the proportion of resident doctor numbers from medical workforce returns of individual organisations which was the same as the national system allocation basis versus relative income from patient care activities.

**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 August 2024 for assurance purposes.

**RECOMMENDED** to executive committee the proposed allocation of funding, once received, for deficit support funding, pay award and industrial action funding with a caveat that further consideration with regard to what support could be provided to other organisations providing nhs-type services under different contracts.

**FPI/2024-25/74 Finance sustainability group update**

The Director of Finance outlined the report which provided an update of the Finance Sustainability Group (FSG) and delivery of the ICB efficiency programme. It was confirmed that the FPI Committee would receive updates on a quarterly basis.

- Table one "2024/25 ICB Efficiencies" was highlighted which showed the efficiency targets set out in the ICB financial plan and forecast delivery against those targets. At Month 4 the ICB is forecasting that it will deliver the overall target in full. However recent price increases on Apixaban and the potential impact of GP collection action present a significant risk to delivery of expected prescribing savings.
- The CHC team is anticipating delivery of the CHC target set out in the ICB financial plan and is in the process of securing additional resource due to a backlog of reviews.
- Initial work has commenced with regard to the 2025/26 position.

**RESOLVED:**

The FPI Committee **NOTED** the assurance robust process in place to provide assurance to NHSE that ICB FSGS are working collectively to achieve breakeven for 2024.25.

**FPI/2024-25/75 System recovery group update**

The Deputy Finance Director and Head of Customer Finance provided a detailed overview of the system recovery board and escalation and assurance report and explained that this was to provide assurance of programme progress made which included the establishment and governance of key

workstreams, identifying pressures and priorities. Dashboards have been set up which can be used to highlight comparison data to system partners and decision makers.

A description of the roles and work for the elective, workforce, procurement and service reform programme workstreams was given.

The principles and timetable of the medium-term financial model was explained which will be used to identify key issues and gaps in order to deliver system efficiency.

Responses were provided to a number of questions:

- It was confirmed that the work undertaken by the ICB Coding task and finish Group was linked to this work and that it had included deep dives into technical data.
- It will be critical to identify, map and target new system opportunities for system sustainability next year in advance of the planning guidance and will be updated on in the future.
- Findings from the Darzi report have been considered to work towards a sustainable workforce which includes a comms element due to the sensitivity of the subject matter.
- CHC and complex case packages were identified as opportunity areas from the work which was commissioned to Deloitte.
- An explanation was given of how the proposed MTFP model could track individual organisations and focus on how growth funding can be targeted to improve their deficit positions. It was suggested that committee members should receive additional knowledge of the mechanisms required.
- It will be challenging to quantify savings and impacts to individual organisations from the programmes by 2025/26.
- A deep dive of the programme workstreams will be undertaken by the Chairs of the Finance Sustainability Group and the Provider Collaborative Leadership Board are also engaged.
- Estates strategy was also highlighted as a significant programme particularly focussing on void spaces.
- In addition, work undertaken by AuditOne which focused on workforce controls and PWC which focused on efficiency robustness will feed into this group.
- Due to the scope of areas involved, a service reform development day has been scheduled with the Provider Collaborative in November to identify areas of opportunity, savings and different ways of working.
- Senior leadership updates are provided to non-NHS partner organisations by the ICB CEO.
- A request was made that the FPI Committee continued to receive an update on a bi-monthly basis.

**RESOLVED:**

The FPI Committee **NOTED** the report for assurance.

## **FPI/2024-25/76 ICB performance update**

The Director of Strategy, Planning and Performance introduced the shortened version of the integrated delivery report which provided an ICS overview of quality and performance using data covering July 2024 for most metrics and August 2024 for others, unless otherwise specified. The finance data was for August 2024 (Month 5).

Key changes from the previous report for attention were highlighted:

- Percentage of unique patients seen by NHS dentist metrics for adults and children featured in the report. NENC continues with the implementation of the national dental recovery plan in addition to a local transformation plan to improve dental access performance, which remains below plan.
- Healthcare acquired infection threshold levels have been set by NHSE and there will be an opportunity to benchmark against community acquired cases with other ICBs.
- Mental Health core data pack has now been published which has enabled the inclusion of two additional key mental health metrics. A breakdown of the key mental health key metrics now reported on was listed in the report.

Key areas for attention were highlighted:

### **UEC:**

- A&E 4 hour wait performance had improved with a caveat that the period from July to August 2024 in UEC was relatively calm, and it was noted that a dip in performance was expected from September and is likely to continue throughout the winter season.
- NEAS Cat 2 response time improved significantly in August 2024 to 22.0 minutes but remained below the national standard of 18 minutes. Improvement work is ongoing with a focus on how to deploy investment improvement funding to support additional see and treat capacity and reduce unnecessary transport to hospital.

### **Elective Care:**

- The ambition to eliminate 65+ww by September 2024 had not been achieved due to ongoing waits at Newcastle upon Tyne Hospitals NHS FT (NuTHFT), South Tees Hospitals NHS FT (STSFT), North Cumbria Integrated Care FT (NCIC) and South Tyneside and Sunderland NHS FT (STSFT). It was confirmed that action plans and mutual aid had been put in place and was noted that, since the report had been published, STSFT are expected to report a zero position with the exception of corneal grafts.

### **Cancer:**

- Cancer 62 day performance had improved from June to July 2024 to 66.9%, however it remained below the operational planning trajectory of 67.9%. Lung and Neurology were highlighted as most challenging pathways.
- The 28 day Faster Diagnosis Standard was reported at 79.3% in July 2024

which was above trajectory and the national expectation of 77% by March 2025.

There was an opportunity for comments and questions:

- Further information regarding the community mental health services 2+ contacts in a transformed Primary Care networks (PCN) was acknowledged in the report and it was queried if this assessment could be applied with a broader approach. In response it was explained that work to enact mental health investments, service development and community health transformation funding had been focussed on progression and further information could be provided to the business intelligence and performance team for future reporting if required.
- It was noted that the narrative regarding the explanation in variation and assurance for the graphs in the appendices should provide more clarity. Committee members were invited to join a separate discussion regarding data formatting, understanding variation and suggestions for the insight vision and strategic workplace overview board development session at the at the end of the committee meeting.

**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.

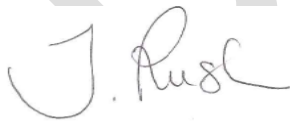
**FPI/2024-25/77 Any other business**

There was no further business raised to discuss.

**FPI/2024-25/78 Meeting review and date of next meeting**

- The next meeting is confirmed to take place on Thursday 7 November at 10.00hrs via MS teams.

**Signed:**



**Position:**

Chair

**Date:**

7 November 2024