Lancashire and South Cumbria Integrated Care Board

Approved 26 June 2023

Minutes of the Finance and Performance Committee held on Thursday 11 May 2023 at 10.00am in Boardroom 2, Chorley House, Leyland

Name	Job Title	Organisation
Members		
Roy Fisher (RF)	Chair / Non-Executive Member	L&SC ICB
Debbie Corcoran (DC)	Non-Executive Member	L&SC ICB
Jim Birrell (JB)	Non-Executive Member	L&SC ICB
Sam Proffitt (SP)	Chief Finance Officer	L&SC ICB
Asim Patel (AP) (up to item 10)	Chief Digital Officer	L&SC ICB
Katherine Disley (KD)	Director of Operational Finance	L&SC ICB
Debra Atkinson (DA)	Company Secretary / Director of Corporate Governance	L&SC ICB
Andrew Harrison (AH)	Director of Place and Programme Finance	L&SC ICB
Stephen Downs (SD)	Director of Strategic Finance	L&SC ICB
Roger Parr (RP)	Director of Performance and Assurance	L&SC ICB
Attendees		
Jayne Mellor (JM)	Director of Urgent, Emergency and Planned Care	L&SC ICB
Craig Harris (CH) (from item 6)	Chief of Health and Care Integration	L&SC ICB
Sharon Robson (SH) (up to item 6)	Director of Procurement	Lancashire Procurement Cluster
Sandra Lishman (SL)	Corporate Governance Manager	L&SC ICB

Item No	Item	Action
1.	**Welcome and Introductions** The Chair welcomed all to the meeting, and introduced Sharon Robson, Director of Procurement, East Lancashire Hospitals NHS Trust who would be presenting the item relating to the draft provider collaborative procurement strategy. Members noted that Craig Harris, ICB Chief of Health and Care Integration, would also be joining the meeting to present the contract review update.	
2.	**Apologies for Absence** Apologies had been received from Maggie Oldham.	

3.	**<u>Declarations of Interest</u>** **RESOLVED: That there were no declarations of interest relating to the items on the agenda.**	
4.	**<u>Minutes of the Meeting held on 2 March 2023, Matters Arising and Action Log</u>** ***Minutes*:** **RESOLVED: That the minutes of the meeting held on 15 March 2023 be approved as a correct record.** ***Action Log:*** The action log was reviewed and discussion took place as follows: **Performance highlight report: position and plans for improvement –** RP confirmed that Kate Newton was taking forward the development dashboard. **Establishing an effective system PMO -** SP updated that discussion had been held with Maggie Oldham and the design was being worked up. As part of recovery work, it had been agreed that the PMO would sit within the Strategic Planning and Performance directorate. The Recovery Board infrastructure had been finalised and the PMO would underpin this. **Consideration of AAA report –** SP reported that the report from the 7-week turnaround work, commissioned by Kevin McGee and undertaken by Simon Barbar, MIAA, had now been shared with ICB executives. A number of recommendations were around CIP planning and governance; SP was working with the Trusts around the cash position. SP to provide a further update at the next meeting and would discuss with Kevin Lavery and Kevin McGee regarding the committee having sight of the report. **Financial assurance framework** – SP updated that ICB Directors of Finance were using the MIAA report to agree a proposed financial assurance framework, following 2023/24 planning and as part of the ICB objectives for this year. Components within the assurance framework include an MOU, which was currently in draft, and a roadmap of opportunities in terms of all programmes, along with how it could work as a group. This work tied into the recovery structure. SD commented that a more rounded assurance process was required and there was a System Oversight Framework (SOF) covering a full range of metrics with providers, workforce, quality and performance. Financial assurance meetings were currently being held monthly, however, completion time was being directed by external events. RP updated that in terms of how the framework was managed a further MoU, between the ICB and NHS England, was expected. David Levy was currently working on a proposal to bring together the move from SOF 1 to SOF 2; governance would be reported to the Quality Committee, with the Finance and Performance Committee having sight of the proposal and terms of reference for information, prior to finalising. DC raised the importance of tying this together with providers and felt that this Committee should receive all information. NHS England had indicated a possible SOF rating step down. 3 Trust's were in license breach with financial undertakings, therefore, could not step down from a level 3 to a level 2. Discussion was held with regard to clarity of the SOF and the importance of some of the	**SP**

	metrics. Guidance stated that if an organisation was rated as inadequate by the CQC, it would be unable to be rated as SOF level 2, however, this was not always the case and may provide some parameters to work with. Due to the assurance required and the national framework not being known at this stage, it was unlikely that the financial assurance framework would be completed by June. It was agreed that an ongoing update, providing assurance on progress made and how this was being delivered would be provided to this committee on an ongoing basis. **Month 10 Financial report – Timing of receipt of financial information -** SP updated that the timing of receipt of financial information was proving difficult in timely reporting to the Finance and Performance Committee. As a consequence, timings of meetings had reviewed and following discussion, members were in agreement to change Committee meetings to be held on the 4th Monday of the month, 1 pm start. It was hoped that Board meetings would be held the 2nd week of the month in 2024/25, to coincide with information receipt from closedown of providers. JB raised concern around car parking for meetings when the ICB headquarters relocate to County Hall; DA would explore the viability of holding future meetings at Jubilee House. Members were not opposed to holding some meetings by MS Teams. **Month 10 Financial report – Further detail on income and expenditure** – KD updated that further detail on income and expenditure, performance around it, the owner of each line in the budget and what was being done to improve the position would be included in future financial performance reports. Action closed. **Month 10 Provider position** – **National report on productivity of provider organisations –** Documents circulated to members on 2 May 2023. Action closed. **Month 10 Provider position** – **Efficiency and productivity -** L&SC key productivity metrics circulated to members on 2 May 2023. Focussed time would be made at a future meeting. ***Month 10 provider position* – Provider Collaborative Board minutes** - The minutes of the Provider Collaborative Board would be circulated to the Committee with the meeting papers and was on this agenda. Action closed. ***Performance report –*** Action resolved and the item was higher on this and future agenda's. Action closed.	**DA**
Business Items		
5.	**<u>Draft Provider Collaborative Procurement Strategy</u>** SR introduced the item which set out a collaborative vision for procurement across NHS Trusts in Lancashire and South Cumbria to create a single leadership team with an aligned strategy, policy, process and systems, providing a framework for system working for procurement teams and their customers. The strategy would be the foundation to build shared capability and ensure that future system-wide decisions regarding service transformation consider critical, third-party contracts, supplier and market management enablers. Acute Trusts had endorsed an explicit explanation for staff to collaborate on all procurement matters, review the way investment was made in contract management across the area, and look to adopt a single data platform. In terms of the ICB, it was proposed that the strategy was a precursor for an ICS wide procurement strategy and a	

	starting point for an ICB commercial procurement strategy. Recommendations within the meeting paper set out opportunities in terms of restructure. SR explained that it was proposed to utilise spend data more intelligently, managing markets more efficiently and focussing on schemes with greatest opportunity. The vision was to deliver excellence to get the best value for money spend in Lancashire and South Cumbria. The document focussed on 4 quadruple aims, demonstrating what the team could offer, highlighting challenges, with a key challenge being how to attract, develop and retain staff teams. SP felt that this work was a great example of true collaborative working. Concern was raised around where the ICB sat with procurement and JB felt the ICB Board should agree the strategy, prior to taking an ICS approach, whilst acknowledging that the ICB could not directly influence. To ensure lay people had an understanding, it suggested to define what was being procured at the start of the document, highlighting where there was ambition around integration of services, as it was important the document was clear on how this would flow through. It was highlighted that discussion had previously been held with ICB executives and Directors of Health and Care Integration around local authorities partnering with the ICB to ensure better 'deals' for packages, ensuring there was no duplication with local authority and ICB procurement. In response to members questions, queries and comments, SR explained her employment background, essentially skills gained to take forward the procurement work. Dialogue would soon begin with colleagues in relation to influencing the wider ICS on the strategy. A query was raised regarding compliance with procurement rules and policy, and SR explained that we could use technology to track products, and compel compliance through data and automation. AP queried whether bringing the teams together would result in reducing the headcount. SR responded that this was an investment decision; at present demands on the procurement service outstrip capacity and Directors of Finance recognise that procurement teams enable significant and disproportionate elements of the saving programme year on year. It was noted that the strategy remit excluded medicines and pharmacies. A formal process to make the changes would be required and HR teams were needed to assist in creating the new leadership team. SP continued that this work was now part of the central services collaborative agenda, and it was likely that this model would be developed prior to the procurement model being taken forward. The proposition was that if the service continued to be invested in, it would continue to deliver. Members noted that recommendations had been agreed by the Provider Collaborative Board. **RESOLVED: That the Finance and Performance Committee agreed that:-** – **The strategy was a precursor for ICB and wider ICS procurement strategy** – **The strategy was precursor for ICB Commercial Strategy.** ***Sharon Robson left the meeting.***	
6.	**<u>Integrated Performance Report</u>** RP presented the current performance of the ICB, highlighting key actions. The report	

	included a focus on diagnostics. Areas for critical attention included patient initiated follow-ups, diagnostic activity and waiting times, smoking at time of delivery, early cancer diagnosis, increasing long lengths of stay with fewer patients discharged to their usual place of residence, out of area placements, IAPT access rates and GP appointments per 10,000 weighted population. The following key messages were highlighted as follows:- - Significant pressures were reported, including in urgent and planned care. The waiting list for planned care had increased considerably in size. - Patient initated follow-ups had not hit the target. - Endoscopy impacted on cancer performance and was starting to deteriorate. - Blackpool remained a significant outlier in smoking at time of delivery. - Work was ongoing to improve performance in terms of early cancer diagnosis. - Long length of stay had started to increase (over 21 days) and fewer patients were discharged to their usual place of residence, this was the Better Care Fund target and was aligned to the Health and Wellbeing Board. - An action plan was in place for out of area placements, and improvement was expected in the new financial year. - GP appointments had been restored to pre-COVID level. - There was big improvement in the over 65 week waiters at Lancashire Teaching Hospitals NHS Foundation Trust, however, other provider waits had increased, offsetting improvement. Patients waiting for orthopedics at Wrightington were experiencing waits; a piece of work was being undertaken to understand this further. RF reflected that smoking at time of delivery would be difficult to achieve in Blackpool as although there was a great smoking cessation service, this had always been an issue. At a recent Quality Committee meeting, discussion had been held with Lancashire and South Cumbria NHS Foundation Trust with regard to OAPS, and some reassurance had been made by those reporting on the position. There had always been difficulties in meeting IAPT recovery rates; RP confirmed recovery was subjective and would be included in next month's report. JB commented that detail of urgent and emergency care had been raised outside of the ICB Board and felt it would be helpful for the Finance and Performance Committee to look at the emergency dept and inpatient service in more detail to understand. The ICB Board had also requested the Committee look at diagnostic services with a view to see if cancer waits could be implemented. Mutual aid among hospitals was suggested. Diagnostics would need to be looked at to see if resource could be used better to address diagnostic waiting times. RF responded that community diagnostics had replaced diagnostic care centres in Blackpool, removing a lot of pressure. This was direct access from GPs and worked well, however, was unsure if sharing a facility would work in terms of capacity. SD confirmed that the diagnostic network was funded by NHS England and was hosted by East Lancashire Hospitals NHS Trust. The challenge was that every provider had services on site and if there was one larger centre, the recruitment issue may be resolved. The Network would work as a single service where services were fragile. Members agreed to commission a piece of work to look at capacity; SP and RP to action, liaising with JB. DC commented that more intelligence and richness should be included in future reports to ensure that planned recovery would make a difference. It was also suggested to have more 'deep dives', benefitting from colleagues attending this meeting to provide further detail when a particular item was focused. Assurance/reassurance was required around what was being counted in some indicators as there was concern that the way certain	**SP/RP**

	indicators were counted may not provide the true picture around performance; RP noted for future reports.	**RP**
	It was confirmed that a summary from the ICB Board meeting and timely messages from the Board into committees was fed into the executive team meeting, drawing key items. Consideration would be made how to strengthen this.	**DA**
	Concern was raised with regard to the ask of the performance team and capacity; the team would need to be strengthened to deliver the work it was being asked to undertake. JB had recently discussed this with David Flory. AP asked members to be mindful that regardless of size of the performance team, assurance should be provided by the right people around the table and suggested to invite relevant people to this meeting to provide assurance required for each service. Discussion was held as to the best way for the Committee to receive assurance within reports.	
	JM provided further assurance to members that in relation to urgent and emergency care, planned care, reporting that from the 'going forward for winter guidance', additionality for the board assurance framework was around other considerations that may be required to receive performance against. A national template was required to be completed. 7-day discharges were supported to increase capacity over the weekend, however, a deep dive was required into reasons discharges dip on a weekend, as there was scope to improve in this area. JM raised that it was crucial that actions from Board or Committees be shared with staff leading on the specific areas in a timely manner.	
	Craig Harris joined meeting.	
	JM continued that a lot of directorates and portfolios were undertaking work but not doing triangulation to 'bit ticket' areas, which would need to be addressed. UEC, planned care and ambulance commissioning would work with RP to provide updates to feed into performance reports.	
	AH expressed this was an opportunity for interactive performance reports, with all information available to drill down to the right level. It was confirmed that within future reports, only areas with most concern should be included. RP to consider balance of slides to include assurance information in future reports.	**RP**
	In response to members questions, RP confirmed that in 2020 child deaths were published every 3 years and the period of reporting was the latest published. From local intelligence it was thought this was improving, however, numbers were so small and sensitive this could change quickly. Regarding advice and guidance, evidence was that 50% of things that go would not end up as a referral. Morecambe Bay was advanced and linked to diagnostics. Cancer investment was funding with the Cancer Alliance, work was ongoing to ensure there was benefit seen, however, this was national criteria regarding investment. Mutual aid was tracked and this would be included in a future report.	
	DA commented that with regard to actions from meetings, whilst the corporate team could look at this from their perspective, the Board gives a clear ask of executives who attend committees. The corporate team could not take the responsibility to reach out to other teams, as this responsibility sits with committee and board members.	
	RP would arrange a meeting to include non-executives and Maggie Oldham around strengthening key actions in areas of concern and provide more assurance. Where there were serious concerns, a director would be invited to this meeting for a deep dive into the relevant area.	**RP**

	JB asked for more up to date information on still births and neonatal deaths within the next report. RP to action. RF thanked RP for all the work undertaken on the performance report and for JM attending for a deeper dive into urgent and emergency care, planned care and ambulance commissioning. **RESOLVED: That the Committee note the report with particular attention to the areas of critical attention highlighted.**	**RP**
7.	**<u>Month 12 ICB Finance Report</u>** KD presented the ICB finance report on the 2022-23 year end, month 12 (March 2023) financial performance for the Lancashire and South Cumbria ICB. At month 12, the ICB was reporting a year end break-even position in line with forecast, reflecting the actions taken by the ICB to manage the financial risk identified at the start of the financial year, and successfully mitigated in-year financial pressures and shortfall on QIPP delivery through the implementation of the 'Get Well Plan' during quarter 4. As an ICB, all statutory duties had been met. Members were asked to note that as much of the action to mitigate the risk was non-recurrent, further work was required in 2023/24 to ensure suitable and recurrent solutions were identified. Due to the importance of reconciliation cash, further work was being undertaken in this area. As the organisation broke even, an understanding of what was driving the outstanding debt was required; issues need to be understood in order to provide the Committee with assurance around drawing down additional cash. This would be incorporated into the report at future meetings. **RESOLVED: That members note the content of the finance report.**	
8.	**<u>Month 12 Provider Position</u>** SD highlighted key points in the provider position, as reported in the month 12 draft accounts. The position at month 12 was a deficit of £48.6m, a change from the month 11 forecast of £27m deficit. This was following a request for providers to review the month 12 position given the delay to the 2023/24 plan and the availability of month 1 data. Following discussion, members agreed that the updated position be reported to Part 2 of the next ICB Board meeting, following liaison with providers. The figure would also be shown in final accounts, reporting within the annual report, which would be presented to the ICB Board at the public meeting in July. Members noted that the ICB statutory position had not moved, showing that ICB accounts broke even. **RESOLVED: That the Committee note the content of the report.**	**RF/SP/ DA**
9.	**<u>ICB Budget for 2023/24</u>** KD highlighted key points in the paper setting out final funding and expenditure plan for all commissioned services and running costs for 2023/24, which had been used to develop the ICB high level budgets. It was highlighted that a number of actions had been taken to manage the £76m financial risk, after the delivery of a £97m QIPP plan, to achieve a balanced budget for 2023/24. A paper had been presented to the ICB Board at	

	the end of March, reporting the reconciling item of £50m in terms of the gap and getting back into this position. At that meeting, the Board agreed to roll this into QIPP and the plan reflected that. There was risk to getting back to the balanced position and this, along with how this was being taken forward into schemes to deliver, and schemes submitted into a surplus planned position was detailed within the report. At the Committee's request, KD would include a more detailed breakdown around the £97m QIPP plan within the meeting report to the next meeting. **RESOLVED: That the Committee note the contents of the report and the actions required to mitigate the level of risk included within the plan.**	**KD**
10	**2023/24 Planning Update and Assumptions** SD highlighted key points from the presentation to NHS England, that had been circulated with meeting papers, showing key drivers for the financial pressures in the Lancashire and South Cumbria system. The latest position was a deficit of £80m, following NHS England having made £15m of excess inflation funding. This had been split with £9m to Lancashire Teaching Hospitals NHS Foundation Trust and £6m to University Hospitals of Morecambe Bay NHS Foundation Trust, reducing the need for borrowing. A revised plan had been submitted to NHS England reporting an £80m deficit with significant risk on the scale of the CIP challenge. Kevin Lavery and Sam Proffitt presented the slides to NHS England in April, setting out the history. Not delivering recurrent CIP was historic, with cumulative impact. The inability to meet decisions around clinical change was also a challenge. SP explained that as a result there would be interventions, highlighting that Maggie Oldham was leading on recovery, how this would work and what the role of region was around that. It was expected that NHS England would scrutinise the month 2 position in June. ***Asim Patel left the meeting.*** Members discussion included:- - An understanding was required as to how the £89m underlying deficit from CCGs fit with the £27m surplus - It would be helpful for NHS England to recognise the contribution made to the position around the historic inability to deliver clinical change and the reasons around thing should be recognised - Steve Warburton, internal audit, had been commissioned to undertake a piece of work regarding the transfer position. SD responded that the underlying position of £89m was through non-delivery of QIPPm highlighting that organisations need to get into the rhythm of reporting and challenging. On reporting the residual gap of £170m to NHS England, the message was that this should be under £100m; areas had been looked to target savings and Maggie Oldham was looking at how to unlock some gaps for recovery. Beds could not be closed unless pressure could be deactivated, working with local authorities, etc. SP updated that Steve Warburton had reported back in relation to the transfer position, however, further work was required. SD continued that operating assumptions was a challenging area, with challenge on workforce. **RESOLVED: That members note the current 2023/24 financial plan and the drivers for the financial pressures in the system.**	

11	**ICB Get Well Plan / QIPP Schemes** AH updated the Committee on the progress and status of recovery schemes for implementing an ICB balanced financial plan for 2023/24. An inaugural business meeting was held yesterday with leads and executive colleagues around the table, partly to provide feedback around assessments that had been undertaken, and to get a headline figure on the current position. The meeting was co-chaired by Sarah O'Brien and Sam Proffitt. Discussion at the meeting included looking at additional schemes to ensure there was flexibility in numbers, therefore, stretching schemes if any schemes started to deteriorate and how to go out to the wider workforce. It had been agreed to include a communications and engagement representative to the membership and AH would draft the Terms of Reference. The Finance and Performance Committee would receive future reporting of the meetings. Assessments had been undertaken around process, rather than individual schemes. The current position showed that budgets could be uploaded by the end of May, with detailed information shared for people to work through by the end of June. DC expressed this was a helpful report with clear line of sight, however, assurance was required as whilst it was recognised that this must move at pace, it was frustrating that decisions continued to be made without quality impact assessments (QIA), resulting that full sight was not known regarding the impact around the community. As a committee, this would be an opportunity to support and challenge around delivery. SP responded that a conversation took place yesterday around the quality impact assessment and this had now progressed. The QIAs had not been completed to date as it had not been agreed which schemes would be decommissioned, therefore, plans had not been enacted. Other schemes were not statutory. There was nervousness that this was not moving quickly enough to ensure recovery was in place, however, it was important that conversations were taking place. SD continued that with regard to PBC schemes, clinical transformation was a good example of work taking place but difficult to capture; if improving, work would need to be captured in CIP. Stretch had been included in networks. At the business meeting, Kevin Lavery had challenged regarding shared rotas across Preston and Blackpool. Providers were forecasting to deliver the agency gap for 2023/24. RF expressed appreciation for the work undertaken to date on behalf of the Committee. **RESOLVED: That the Committee note the identification of the schemes and endorse the oversight and review process to be constructed to ensure in-year deliver or rectification of off-target trajectories.**	
12	**Contract Review Update** CH reported that following an ask to undertake a review of contracts, a repository had been built and the Commissioning Resource Group (CRG) had been reviewing contracts fortnightly. From April to the end of the first quarter a full review of contracts would be undertaken, considering the prioritisation framework and to understand the position. Quality Impact Assessments would be required for each contract. A standardisation in services would be looked at, considering why some areas require a service and perhaps others do not and also consideration would be made for impact on communities. Work would be undertaken with an audit trail for the prioritisation framework, allowing an update to the ICB Board and providing notice of any service change. The biggest challenge was that the largest proportion of contracts was included as part of the acute trusts, which had agreed positions. It was noted that service change was likely to	

	generate an enormous amount of political challenges in communities. KD continued that the review was about taking things back to statutory responsibilities, ensuring contracts fit within and also affordability. SD commented that the acute block contract was nearly £120m, including historic agreement for money to be put into this contract. Work had started to ensure an understanding of what activity the contract was receiving. Providers would need to be given sufficient notice of a change in contract, however, commissioning intentions were critical. If it was thought a service was underfunded, money may be moved within the contract. Members acknowledged the review would pose some difficult discussions and decisions. JB expressed that there needs to be an acceptance that the ICB could not continue to overspend, recognising the service impact and the need to ensure people were not disadvantaged. ***Jim Birrell left the meeting.*** RF welcomed the opportunity for oversight of the review at this committee and thanked CH for his work around this. **RESOLVED: That the committee note the content of the report.**	
Business Cases		
	None were reviewed.	
Items for Information		
	None were received.	
Standing Items		
13	**Committee, Highlights Report to the Board (Alert, Advise, Assure)** DA, DC and RF to complete outside of this meeting.	
14	**Consideration of items to be included on the Risk Register** No additional items.	
15	**L&SC Provider Collaboration Board minutes** **RESOLVED: Members received the minutes of 16 March 2023.**	
16	**Any other business** SP thanked the team in preparing the papers for discussion at today's meeting. Committee members recognised the amount of work required to gather the information together.	
Date and time of next meeting		
Date to be confirmed following earlier discussion at this meeting. *Post meeting note – the next meeting is due to be held on Monday 26 June, 1 pm.*		