

Approved 29 August 2023

**Minutes of the Finance and Performance Committee
held on Thursday 26 June 2023 at 1 pm
in the Boardroom, Chorley House, Leyland**

Name	Job Title	Organisation
<u>Members</u>		
Roy Fisher (RF)	Chair / Non-Executive Member	L&SC ICB
Sam Proffitt (SP)	Chief Finance Officer	L&SC ICB
Asim Patel (AP)	Chief Digital Officer	L&SC ICB
Katherine Disley (KD)	Director of Operational Finance	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
Maggie Oldham (MO)	Deputy Chief Executive Officer / Chief of Transformation and Recovery	L&SC ICB
<u>Attendees</u>		
Terry Whalley	ICS Recovery and Transformation Programme Director	MIAA
Feroz Patel	Recovery and Transformation Portfolio Director	L&SC ICB
Sandra Lishman (SL)	Committee and Governance Officer	L&SC ICB

Item No	Item	Action
1.	<p><u>Welcome and Introductions</u></p> <p>The Chair welcomed all to the meeting, and introduced Feroz Patel and Terry Whalley as observers in attendance for the next few meetings.</p>	
2.	<p><u>Apologies for Absence</u></p> <p>Apologies had been received from Jim Birrell, Debra Atkinson, and Debbie Corcoran.</p> <p>Jim Birrell had provided comments on the meeting papers to the Chair, prior to the meeting.</p>	
3.	<p><u>Declarations of Interest</u></p> <p>RESOLVED: That there were no declarations of interest relating to the items on the agenda.</p>	

<p>4.</p>	<p><u>Minutes of the Meeting held on 11 May 2023, Matters Arising and Action Log</u></p> <p>Minutes: RESOLVED: That the minutes of the meeting held on 11 May 2023 be approved as a correct record.</p> <p>Matters arising: Item 6, Integrated Performance Report – Roger Parr updated that he had held discussion with the Cancer Alliance around potential to support cancer waits through mutual aid. Modalities of diagnostics were consistent across Lancashire and South Cumbria. Cancer and non-cancer capacity would not ordinarily be separated, therefore, assumptions would need to be made as to the capacity required. Work was ongoing. It was noted that endoscopy was below plan at East Lancashire Teaching Hospitals and Lancashire Teaching Hospitals, however, Blackpool Teaching Hospitals and University Hospitals of Morecambe Bay were running above plan, potentially highlighting spare capacity at Morecambe Bay and Blackpool. If mutual aid was provided, this would significantly impact performance for the Trust providing support. Patients travelling to Morecambe Bay may also prove an issue. Andrew Harrison reported that University Hospitals of Morecambe Bay had recently put together a business case around further enhancing endoscopy, the offer was around their willingness and acceptability to use a mutual aid approach, with teams going to other Trusts to provide support. It was noted that some of the work Blackpool Teaching Hospitals and University Hospitals of Morecambe Bay were undertaking was at extra cost from a locum and agency perspective. It was acknowledged there were pressures on electives. To ensure the ICB Board were kept informed, Roger would provide detail on a piece of work that had been commissioned to gain better understanding around diagnostics.</p> <p>Action Log: The action log was reviewed and discussion took place as follows:</p> <p>Draft ToR – The Chair confirmed that discussions continued – Action to remain on hold.</p> <p>Performance highlight report: position and plans for improvement – Roger Parr updated that development of the dashboard was underway. Roger to find out timescales for completion of the dashboard and balanced scorecard.</p> <p>Establishing an effective system PMO – This was part of the transformation recovery work and on today’s meeting agenda. Action closed.</p> <p>Financial assurance framework – To be updated at the August meeting.</p> <p>7-week LTHFT turnaround report – Sam Proffitt updated that she was now in receipt of a copy of the work Simon Barbar had been commissioned to undertake by the Trust. The report included the work that had been undertaken around tightening governance and around CIP. Sam expressed disappointment that the ICB had been referenced as the owner of a number of recommendations within the report, without discussion. The report, along with an update would be provided to the Committee at the next meeting.</p> <p>Future meeting venues – It was noted that County Hall would be the default venue for future meetings. Action closed.</p> <p>Integrated Performance report (a) Strengthening key actions in areas of concern – Report for this meeting had been revised. Action closed. (b) Up to date reporting on still births and neonatal deaths – Included within</p>	<p>RP</p> <p>RP</p>
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	<p>performance report at this meeting. Action closed.</p> <p>Month 12 provider position – Ensure provider deficit at month 12 reported appropriately to the ICB Board and members of the public – Sam Proffitt to provide wording for the committee effectiveness report to the ICB Board for the 5 July meeting.</p> <p>ICB Budget for 2023/24 – detailed breakdown around QIPP plan to be included within report – Detailed within ICB Recovery Plan report at today’s meeting. Action closed.</p>	<p>SP</p>
<p>Additional item</p>		
	<p>Financial Risk</p> <p>Sam Proffitt shared a presentation setting out the financial risk for 2023/24, to prompt Committee discussion and to influence the ICB Board report for the 5 July meeting. The slide showed a picture of how the ICB was trying to meet the £535m deficit, to move to an £80m deficit plan. It was felt it was important to articulate risk, rather than look at the position in month 2. NHS England had accepted a submitted £80m deficit plan on the basis of break-even next year and to reach recurrent financial sustainability by year 3, therefore, this amount must be reduced by the end of this financial year. It was noted that an £80m deficit breached statutory duties. Discussion had taken place at an assurance meeting with regional colleagues this morning. A level of CIP plans were currently being worked up with Trusts around delivering £190m savings. Another contributor to deliver the deficit would be to stretch the position. £76m had been stretched on the review of budgets which was being looked at every 2 weeks by the sustainability group. Providers were looking at a £72m stretch and Out of Area Treatments £20m. Amalgamating shared functions would potentially be extra. By focusing on reducing capacity or closing services, the target should be met.</p> <p>Sam reflected that the Audit Committee had asked to understand the contract work currently being undertaken. Katherine Disley was working closely with Craig Harris, Chief of Strategy, Commissioning and Integration on the contract review. Stephen Downs was holding monthly monitoring meetings with acute trusts. Following discussion, it was agreed that the Finance and Performance Committee receive progress reports on the contract review schemes by exception. It was noted that provider CIP would be picked up through assurance, formally starting next month, and be reported to the Recovery Board, feeding direct to the ICB Board. Detailed discussion on detail the Committee require to be reported around the contract review would be held outside of this meeting. The Finance and Performance Committee would not oversee commissioning decisions. Katherine updated that the first review was nearly completed, when this committee would be updated. Specific schemes within QIPP programmes would be reported within the ICB recovery plan report.</p>	<p>KD/Craig Harris</p>
<p>Business Items</p>		
<p>6.</p>	<p>Performance Report</p> <p>Roger Parr provided an overview of the circulated report providing the Finance and Performance Committee with further detail on performance metrics where there was an increased level of concern along with the latest published performance data. Focus was provided on the following critical areas of concern where risks had been identified within the system:-</p> <ul style="list-style-type: none"> • Patient initiated follow-ups • Diagnostic activity and waiting times – specifically endoscopy 	

- Smoking at time of delivery (SATOD) – Blackpool being a significant outlier
- Early cancer diagnosis
- Out of area placements
- IAPT access rates
- GP appointments per 10,000 weighted population (also GP FTE per 10k weighted patients).

Elective recovery – The Trust was doing well in addressing long waiters, and at the end of June 78-week waiters were expected, impacted by industrial action. List size was 120,000 at the beginning of COVID and this had not reduced. In response to Jim Birrell’s concern in relation to the underachievement of the elective recovery programme, Roger explained that the tier 1 regime for elective targets and day case rates at Lancashire Teaching Hospitals was regularly scrutinised, however, actual improvement in performance was slow. Maggie continued that there had been positive comments on improved practices, expanding that growth impacted on the ability to show consistent high level of achievement, which had been discussed with regional colleagues earlier today. It was noted that industrial action had caused significant impact. The Chair expressed concern that more than half of the 52-week waiters were at Lancashire Teaching Hospitals, acknowledging that this had decreased from the February position. Andrew Harrison updated that in terms of setting the plan, the trajectory looked positive irrespective of the recent industrial action.

Urgent Care - Performance was reported at 76.8% in April, above target for waits.

Children and Young People – The Committee was reminded that the local forecast for infant deaths was an estimate as this had been locally calculated and not subject to national benchmarking. Signs were positive but it was not known at this stage if improvement had been made. The Chair reported that Jim Birrell had commented that the data suggested an underperformance in neonatal deaths, suggesting that the Quality Committee look at still birth neonatal mortality.

A&E Performance – Roger highlighted that performance at Blackpool Teaching Hospitals had stronger performance against target, however, with low patient experience in the A&E department. Concern was raised that 12 hour waits were poor; more in-depth detail would be included within the next meeting report to enable the Committee to take a view to refer to the Quality Committee. Following discussion, it was agreed that a deep dive on 12 hour waits be reported to the integrated assurance meeting due to there being more appropriate membership to receive.

Following discussion in relation to performance data reported to the Finance and Performance Committee, it was agreed that actions being taken to improve positions should be discussed at the assurance meetings. An aggregated report on the impact of finances triangulated with the ICB position, including actions for underperforming Trusts by exception, would be reported to the Finance and Performance Committee, to inform non-executive members and informing debate that may be undertaken at the ICB Board meeting.

Maggie Oldham highlighted that from Quarter 2, system improvement for Trusts in SOF3 and 4 would become the responsibility of the ICB. Finance meetings had been held with professional leads within the ICB raising concern that financial conversations may have an impact on quality. Following associated individual Trust deep dives, an aggregated report would be presented to the Sustainability Board, and subsequently at this Committee when the Sustainability Board had been stood down. The system was currently at SOF3, a review to the process would be taken bi-annually to ensure support and improvement actions were understood.

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	<p>It was highlighted that although Lancashire and South Cumbria were in the lowest quartile nationally in relation to general practice appointments per 10,000 weighted patients in the North West, metrics were impacted by a relatively small primary care workforce and it was suggested that the number of appointments per full time equivalent GP would be helpful in future. It was recognised that GPs were working hard, however, more GPs were required within the workforce.</p> <p>Concern was raised around mental health being the most cause for workforce sickness for every organisation in the North West. Discussion was held regarding how to support the health and wellbeing of staff further within the ICB.</p> <p>RESOLVED: That the Committee note the report with particular attention to the areas of critical attention highlighted.</p>	
7.	<p><u>Month 2 ICB Finance Report</u></p> <p>Katherine Disley reported on the month 2 (May 2023) financial performance for the Lancashire and South Cumbria ICB being a year-to-date break even position, in line with the final plan submitted on 10 May 2023. The ICB was currently forecast to deliver its planned full year £0.5m surplus position, which included the assumption that the risk identified as part of the planning process of £76m was fully mitigated and that the QIPP programme would deliver the full target of £97m. Members noted a typing error in the report that should read that acute services had overspent on independent/commercial sector providers by £1m. Month 1 prescribing data for activity would soon be able to be seen, however, it was too early to assess if this was on track with plans for 2023/24. The ICB was not in a position to have contingency at this time.</p> <p>Discussion was held with regard to the elective recovery fund (ERF). Stephen Downs would check the ERF in terms of what was submitted and received.</p> <p>Sam Proffitt highlighted that the ICB had received an additional £252m, of which, £189.9m was in relation to the delegated POD functions from NHS England, £51.5m in respect of the nationally agreed pay award and £11.1m additional inflation funding. Savings of £8.3m had been delivered by the ICB, 62% of which had been delivered recurrently, an improvement from 2022/23. Sam reminded members that stretch for the ICB was non-recurrent, therefore, delivery of the contract review was imperative. Key actions had been agreed to ensure risk mitigations and QIPP programmes were delivered in full to secure the forecast break-even year end position, overseen through the ICB sustainability group.</p> <p>RESOLVED: That the Committee note the content of the report and the remaining risk associated with delivering the planned £0.5m surplus.</p>	SD
8.	<p><u>Month 2 Provider Position</u></p> <p>Stephen Downs spoke to a paper setting out the provider position at month 2 and the latest financial forecast. It was highlighted that the month 2 position was a deficit of £50.4m, of which, £6.4m was worse than plan. This reflected a significant backloading of the plan whilst CIP and system recovery plans were developed. Lancashire Teaching Hospitals had exhausted its cash and was now receiving revenue support from the Department of Health and Social Care. It was expected that Blackpool Teaching Hospitals and University Hospitals of Morecambe Bay would need to access revenue support later in the year. The ICB was working with providers to minimise the need and timing of revenue support by agreeing and paying invoices on a timely basis. Providers had forecast significant differences in the level of recurrent and non-recurrent efficiencies, due to differences in what was considered non-recurrent savings by each individual Trust. Assurance meetings</p>	

	<p>had been held over the last 2 weeks to scrutinise and challenge the financial and operational performance of providers. It was acknowledged that as an ICB in deficit, NHS England was expected to impose a number of controls, which would be welcomed. Discussion was held around the position and how this would influence the ICB deficit.</p> <p>RESOLVED: That the Committee note the content of the report.</p>	
<p>9.</p>	<p><u>ICB Recovery Plan</u></p> <p>Andrew Harrison updated members on the positional update, expressing that month 2 reports did not allow reflection of run rates as detailed information was not available at this stage. Discussions had taken place with continuing health care and prescribing teams around how to do things differently, ensuring schemes were up and running. It was highlighted that there had been a change in the tariff structure for drug cost in providers this year, resulting in providers passing through the cost of some drugs which would have previously been included in block arrangements; the ICB and providers were looking at risk share agreements and how savings could be achieved. The ICB would provide clarity on work it did not want providers to undertake and this should improve recovery, reducing the burden of resource in elective care. Outside of this meeting, Andrew and Roger Parr would discuss procedures being replaced due to not saving money, but may be accruing additional income, to ensure savings were made in the pathway and the impact.</p> <p>RESOLVED: That the Committee note the content of the ICB Recovery Plan paper.</p>	<p>AH / RP</p>
<p>10.</p>	<p><u>Outline for Scope and Structure of System Recovery and Transformation Programme</u></p> <p>Maggie Oldham introduced the item describing the approach the ICB would take in a framework for system recovery and transformation, and providing an overview of the scope, principles, governance, workstreams, roles and resources for the programme. From Quarter 2, assurance would be the responsibility of the ICB. It was proposed to put in place performance enhanced surveillance as providers were reporting as SOF3, with a System Recovery and Transformation Board set up to oversee, chaired by the ICB Chair and with membership including NHS England and provider representation.</p> <p><i>Claire Moore joined meeting.</i></p> <p>Maggie continued that work recently undertaken by The Public Service Consultants (The PSC), indicated that governance arrangements for high-risk schemes were not as robust as originally thought. Monthly assurance meetings with the lead of each prioritised workstream, covering a structured criteria-based review had been set up to ensure that an objective view of progress was seen.</p> <p>The paper proposed a change to the remit of the Finance and Performance Committee and members discussion questioned whether this was necessary. Sam Proffitt explained that for this committee there would be implications of recovery, however, updates must continue to be provided to the Committee. Assurance would continue to be provided to the Committee in light of the financial plan and current finances. Any amendments to this Committee's remit would be reflected in the terms of reference. Jim Birrell had commented outside of this meeting that as Audit Committee chair, evidence would need to be seen that Committee's were no longer needed prior to any action taken to remove or change the terms of reference. It was explained that assurance meetings would get a triangulated deeper dive.</p> <p>Maggie and Sam would review the Finance and Performance terms of reference for</p>	<p>MO / SP</p>

	discussion at the next meeting. RESOLVED: That the Committee note the content of the report.	
11.	<p><u>ICB Risk Register Report</u></p> <p>As part of an annual cycle of review during 2023/24, Claire Moore presented the risks currently held on the ICB Board Assurance Framework (BAF) and Corporate Risk Register (CRR) relating to the business of the Finance and Performance Committee, along with a committee risk dashboard, summarising those risks. The BAF holds risks that relate to the delivery of the ICBs strategic objectives and have the highest potential for external impact. The CRR holds risks that relate to the delivery of the ICBs on-going day to day business. A regular report would be provided to each Committee of the Board to ensure oversight of risk related business to that Committee. A monthly dashboard would be presented through the executive team meeting, with updates to risks being presented to committee's on a quarterly basis.</p> <p>Outside of this meeting, Jim Birrell had raised concern that the Health Infrastructure Strategy had not been discussed in depth at the ICB Board. In response, Sam Proffitt reported that the Alistair Rose, ICB Director of Strategic Estates, Infrastructure and Sustainability, had been working with the national team and asked if the strategy could be taken back to the future ICB Board meeting on the workplan. Claire would discuss this with Alistair Rose and ensure an update was provided to Jim Birrell, with a copy of the response to Roy Fisher.</p> <p>Workforce risk was highlighted, with a high number of staff sickness due to mental health related issues. It was confirmed that a strategic workforce risk was aligned to the People Board, reporting as a high risk, therefore, would be included in the risk highlights to the ICB Board at its next meeting. Discussion was held whether the Finance and Performance Committee wish to see the full risk register or a summary dashboard at future meetings; members agreed that the Committee receive specific high risks to enable focus. Sam confirmed that financial stability (risk ICB-008) was reviewed on any agreed change in order to meet its statutory financial duties.</p> <p>RESOLVED: That the Committee:-</p> <ul style="list-style-type: none"> - Note the content of the report including the full Board Assurance Framework and Corporate Risk Register risks - Receive the Finance and Performance Committee risk dashboard and review the risks which relate to the work of the committee. 	CM
Business Cases		
	None were reviewed.	
Items for Information		
12.	<p>L&SC Provider Collaboration Board minutes – April 2023</p> <p>RESOLVED: That the Finance and Performance Committee note the Lancashire and South Cumbria Provider Collaboration Board minutes of the meeting held on 20 April 2023</p>	
Standing Items		
13.	<p><u>Committee, Highlights Report to the Board (Alert, Advise, Assure)</u></p> <p>Report to include workforce sickness risk due to mental health being the highest reason for staff sickness in all organisations across the North West.</p>	

14.	<u>Consideration of items to be included on the Risk Register</u> No additional items.	
15.	<u>Any Other Business</u> No further business was raised.	
Date and time of next meeting		
Tuesday 29 August, 2 pm – 4.30 pm, venue tbc. July date to be confirmed following earlier discussion at this meeting.		