

**Greater Manchester Integrated Care Board
Finance Committee**

**AGENDA
30 March 2023
10:00-11:00am
Microsoft Teams Meeting
Chair – Kal Kay**

Item	Note	Action Required	Time	Lead	Papers
	PART A (PUBLIC)				
1.	Introductions and Apologies Apologies: Manisha Kumar, Attendance Matrix	Noting For Information	10:00	Chair	Item 1
2.	Declarations of Interests / Conflicts of Interests	Noting	10:00	All	Verbal
3.	Minutes of February Meeting (PUBLIC)	Approval	10:00	Chair	Item 3
4.	Action Log	Approval	10:00	Chair	Item 4
5.	Risk Register - update	Approval	10:00	BG	Item 5
6.	GM Month 11 Financial Position and Efficiency Update	Discussion/Noting	10:10	BG	Item 6
7.	Finance Recovery Plan Update	Discussion/Noting	10:20	KR	Verbal
8.	Any Other Business	Discussion/Noting	11:00	All	Verbal
9.	Date and Time of Future Meeting 27 th April 2023 – 14:00-15:30	Noting	11:00	Chair	

Minutes

NHS Greater Manchester Integrated Care Finance Committee

Date: Thursday 23rd February 2023

Time: 09.30am – 11.00am

Venue: Microsoft Teams

MEMBERS:		
Kal Kay	KK	Non-Executive Director, Finance Committee Chair
Manisha Kumar	MK	Chief Medical Officer
Sam Simpson	SS	Chief Finance Officer
IN ATTENDANCE:		
Kathy Roe	KR	Deputy Chief Finance Officer
Jackie Murray	JM	Chief Finance Officer – GMSS
Sue Bailey	SB	Non-Executive Director
Richard Paver	RP	Non-Executive Director
Alison Ormrod	AM	MIAA (Observing)
Stephen Kennedy	SK	Financial Strategic Lead
Gill Gibson	GG	(Attending on behalf of Mandy Philbin)
Ben Galbraith	BG	Finance Programme Director
Patrick Kelly	PK	Interim Project Team – Finance & Governance - Minute Taker
APOLOGIES:		
Mark Fisher	MF	Chief Executive
Paul Dennett	PD	Local Authority Partner Chair, Integrated Care Partnership
Vish Mehra	VM	GP/Partner Member
Steve Dixon	SD	Chief Delivery Officer
Mandy Philbin	MP	Chief Nurse
Izhar Chaudhary	IC	Associate Chief Finance Officer, Finance Governance Lead

Item No	Item
PART A (PUBLIC)	
1.	<p>Introductions and Apologies (Chair)</p> <p>KK welcomed everyone to the meeting, including Alison Ormond from MIAA and Richard Paver, both in an observer capacity.</p> <p>Apologies were received from: Mark Fisher, Paul Dennett, Vish Mehra, Steve Dixon, Mandy Philbin, and Izhar Chaudhary.</p>



	<p>Attendance Matrix This was for information.</p>
2.	<p>Declarations of Interest/Conflicts of Interest (All) No declarations or conflicts of interest were declared.</p>
3.	<p>Minutes of the Previous Meeting (Part A) Minutes of the meeting held on the 26 January 2023 were presented for sign off. GM ICB Finance Committee APPROVED the minutes from January's meeting.</p>
4. / 5. / 6	<p>Action Log (Chair) Action 23: SS advised that the review of future meeting dates should consider providing sufficient time to allow debate and provide the level of assurance required against the workplan. The action is ongoing and will be presented to a future meeting. Action 24: [Item 5] - BG advised that the most recently provided recurrent / non recurrent funding gave an analysis of a constantly updating position and this action is now closed. Action 25: [Item 6] - KK acknowledged the update on nursing recruitment and retention and advised that the action is now closed. Action 26: SS advised that this action is now complete as the Financial Recovery Sub Committee would continue to meet throughout 2023/24. GM ICB Finance Committee APPROVED the Action Log.</p>
7.	<p>Risks Register – update (Ben Galbraith) BG informed the Committee that work is continuing with finance team colleagues to embed the finance risk register and manage the three existing Strategic Finance Risks. In relation t the first risk, Failure to deliver Financial Balance both for NHS GM ICB and as an ICS, BG advised that conversations on both for this year and next year's plans are ongoing. For the second risk, Inability to deliver required QIPP savings due to ongoing COVID challenges and ICS transition work, current reporting is a net open risk of circa £100m across the GM ICS, BG advised that this risk will be refreshed as the 2023/24 financial year approaches because, challenges remain, such as COVID and strikes, which impacting on providers ability to develop and deliver savings plans. BG advised that the third risk, Use of Non-Recurrent money used to fund recurrent costs. For example, non-recurrent allocations service development or Covid, generates a big gap in relation to realigning services built up to respond to COVID, now that, in some cases, the funding for these is reducing based on a needs-based formula. SB sought assurance that a proactive approach to risk management was being pursued.</p>

	<p>SS advised that risks are communication across all Committees, and that whilst Execs, don't sit on all Committees, the risk sits predominantly with providers and triangulation of risks takes place there initially in their overarching Risk Register, which is reported through the BAF. Any quality impacts are assessed as part of the triangulation for planning purposes and risks arising from savings are addressed.</p>
8.	<p>GM Month 10 Financial Position (Jackie Murray)</p> <p>JM informed the Committee that GM ICS is reporting a year-to-date deficit of £32.9m against planned deficit of £4.9m, which now means a year-to-date overspend of £28m. This is an improvement of £34.8m since last month. The £28m is predominantly due to shortfall in delivery against the efficiency targets across both NHS GM and the NHS Providers.</p> <p>JM advised that significant work has been undertaken across the system to deliver a break-even position and the work included a Board approved proposal to realign delivery timescales against some system efficiencies.</p> <p>JM outlined the proposal and confirmed that due to Board reporting timescales on Month 10, the realignment has been reflected in forecast position presented to this Finance Committee, but that the year-to-date impacts will be reflected in the March Finance Committee report. The outcome of these actions is to bring the position to break-even and identifies variances against the original plans.</p> <p>JM continued that despite the break-even position being reached, there remains a gross system risk of £50.2 million, down from £66.9m in the previous month. Mitigations of £30.2m have been identified against the £50.2m, bringing the bringing the net risks down to £20m. The £20m consists of £14.7m relating to delivery of efficiency and £5.3m relates to operational risk in particular the prescribing, independent sector, and mental health placements.</p> <p>KR asked the committee to acknowledge the level of collaboration and work undertaken to reach this point. However, work continues across the system to understand and manage the risks and actions required to reach the break-even position.</p> <p>KR advised the Committee that £5.3m of the £20m arises from national impacts relating to pressures on prescribing budgets arising from supply shortages of cheaper generic drugs and that issues like these are outside of NHS GM's control. Work continues to address the remaining £14.7m and progress against this will be reported to the March Committee meeting.</p> <p>SB congratulated those involved in reaching the current position and asked if the ICB was being realistic about the mental health risk which within the control of NHS GM?</p> <p>KR responded that work was ongoing with our locality mental health providers as part of the 2023/24 planning arrangements to ensure we've got the right bed capacity aligned to forecast demand, despite seeing some sharp increases in mental health out of area placements. There is the combined issue of aligning staff resources for the required level of bed capacity.</p> <p>SS assured the Committee that the GM Mental Health Programme Board is prioritising addressing the out of area placements, because, whilst it is not good from a financial perspective, but it absolutely is not good from a patient and their family perspective. The</p>

	<p>key is to ensure that we are not just looking at things from a finance perspective, but we absolutely understand it from a clinical quality, safety, and outcomes perspective.</p> <p>GM ICB Finance Committee NOTED the following recommendations which were part of the GM Month 10 Finance Position</p> <ul style="list-style-type: none"> ▪ Note the approved redistribution of system efficiencies to enable the delivery of an actual breakeven forecast position in both providers collectively and NHS GM ▪ Note the financial position presented for both year to date and forecast ▪ Note the remaining moderate level of financial risk in the system
9.	<p>Financial Recovery Update including Finance Recovery Committee</p> <p>KR informed the Committee that the ICB is facing a multitude of challenges covering finance, performance, productivity, and efficiency challenges which need to be prioritised and addressed. KR advised the Committee that the ICB is working with NHS England to secure funding for additional external capacity to help understand these challenges.</p> <p>GM ICB Finance Committee NOTED the Financial Recovery Update including Finance Recovery Committee.</p>
10.	<p>Finance Training and Awareness</p> <p>JM advised the Committee of the latest updates which were:</p> <ul style="list-style-type: none"> • Each budget holder was issued with a finance pack and underwent a self-certification process to ensure awareness and understanding of their responsibilities under key areas such as SFIs etc. • The Audit Committee members have also undergone awareness and responsibility training in relation to NHS accounting etc. • The Board have had several finance training sessions, • The ICB has a finance skills development and accreditation process and network with other NHS organisations and indeed is an exemplar in several areas. <p>JM continued to explain that further training being developed and delivered will cover, Financial Management, a review of the Budget Holder Training Pack and indeed the finance training requirements for everybody across the organisation</p> <p>KK was pleased to hear the progress.</p> <p>GM ICB Finance Committee NOTED the Finance Training and Awareness update</p>
11.	<p>Approach to Financial Planning 2023/24</p> <p>SK displayed a presentation and advised the Committee that the first draft of the 2023/24 planning submission was being submitted to NHS England and this was an alignment of finance between the ICB and the providers in the region.</p> <p>SK continued to outline how the planning guidance evolved since before Christmas 2022, resulting in extensive work on behalf of NHS GM and the NHS Providers as part of one of the largest systems in the country.</p>

	<p>SK referred to the alignment of income and expenditure assumptions and the application of 4.5% of predominantly non recurrent efficiencies during 2022/23. The impact of these non-recurrent efficiencies will form part of the ongoing work with our additional NHSE funded capacity to ensure the resulting challenges are addressed through the planning process.</p> <p>SK noted that a triangulation process had been undertaken to align correlation between funding and activity changes and workforce. SK confirmed that a lot of work had gone into the submission by a lot of people across the region and that regular updates to the Committee would continue.</p> <p>ACTION: SK to share the presentation with the rest of the Committee.</p> <p>MK thanked SK for the update and enquired whether requirements for the NICE technology TAs and HST appraisals within 90 days had been factored in.</p> <p>SK advised he would review the details and revert back.</p> <p>ACTION: SK to advise on NICE appraisal requirements within the plan.</p> <p>KK enquired as to when the detailed plan would be brought to the Committee.</p> <p>KR confirmed that the details will be presented to the March Finance Committee.</p> <p>GM ICB Finance Committee NOTED the Approach to Financial Planning 2023/24</p>
12.	<p>Work Plan</p> <p>KK noted that this was for information and thanked the team for updating this item.</p> <p>GM ICB Finance Committee NOTED the Work Plan</p>
13.	<p>Any Other Business</p> <p>No other business was raised, under Part A of the agenda.</p>
13.	<p>Date and Time of Future Meeting</p> <p>30th March 2023, 10:00am-11:30am</p>

GM ICB FINANCE COMMITTEE PUBLIC MEETING - ACTION LOG						Item 4
ACTION NUMBER	Date Set	Date to be completed By	Action	Person Responsible	Comment/ Update	Status
23	26/01/2023	30/03/2023	BG and CG to review meeting dates and resolve against clashes in reporting timetable, to ensure sufficient time for reports to be made available.	BG / CG	• Future meeting dates are being reviewed to align to better sequencing of Committee approval for items beng recommended to Board.	In Progress, update to the April meeting
26	26/01/2023	23/02/2023	SS to ensure the Financial Recovery Committee meeting's continue into 2023/24, to address the challenges.	SS	FRC meetings to continue through 2023/24	Complete
27	23/02/2023	30/03/2023	SK to share the presentation with the rest of the Committee	SK	Distributed on the 24th February	Complete
28	23/02/2023	30/03/2023	SK to advise on NICE appraisal requirements within the 23/24 plan.	SK	• NICE guidance forms part of the overall planning approach and this item will form part of the risk discussion in the March meeting.	In progress

Finance Committee Strategic Risk Report

30th March 2023

NHS Greater Manchester Integrated Care

MEETING:	Finance Committee
TITLE OF REPORT:	Update on Strategic Finance Risks
DATE OF MEETING:	23/02/2023
FILE CLASSIFICATION:	Final
FILE VERSION NUMBER/DATE:	Version: 23/03/2023
AUTHOR/S:	Ben Galbraith
WHICH GROUP HAS PRODUCED THIS PAPER (IF APPLICABLE):	n/a
PRESENTED BY:	Ben Galbraith
PURPOSE OF PAPER:	
Decision Requested:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
For Discussion:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
For Noting/Information:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Financial Implication:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

PURPOSE OF REPORT:

This report updates the Committee of the emerging Strategic Financial Risks escalated from the Committee and the mitigations put in place to minimise the likelihood or impact associated with those risks.

RECOMMENDATIONS:

The Committee is asked to:

- consider the risks highlighted and the mitigating actions concerned, noting increased score on risk 1
- Approve the new risks added based on previous Finance Committee conversation
- consider whether there any other Strategic Financial Risks need adding to the ICB's Risk Register

Contact Officer:

Ben Galbraith – Corporate DoF, Advisory and Assurance

1.0 INTRODUCTION

- 1.1. This report updates the Committee on the Strategic Financial Risks highlighted by the Finance Committee.
- 1.2. Work is continuing to identify Strategic Financial Risks and issues, to generate a Risk Register and ensure mitigations are in place.
- 1.3. There are two additional risks which have been added to the existing three Strategic Financial Risks and the Committee is asked to recognize these risks and their associated risk rating score.

2.0 PROGRESS IN EMBEDDING RISK MANAGEMENT

- 2.1. As a requirement to embedding the Risk Management Framework in the Finance Committee, there is an ongoing need for the Committee to identify any additional Strategic Financial Risks and issues, maintain the existing Risk Register and ensure mitigations are in place to minimise the likelihood and or impact of those risks and issues.
- 2.2. The Finance Committee should continue to update the Risk Register, highlighting those risks that would need escalating to Board.
- 2.3. The Finance Committee has already considered and identified three Strategic Financial Risks at previous meetings and these Risks have been escalated to the ICB for consideration and discussion.
- 2.4. The Finance Committee is asked to review risks on these existing three risks: #1, #2 and #3 in Appendix 1 and confirm any movement required against the scoring of those risks. The score on risk 1 has increased.
- 2.5. This risk report asks for the Committee to recognise two new risks #4 and #5 shown in Appendix 1 and confirm the scoring for these additional risks.

3.0 RISK REGISTER

- 3.1. This paper sets out the five Strategic Financial Risks that have been identified to date, relating to the delivery of the ICBs Strategic Objectives.
- 3.2. The five Strategic Financial Risks reported in Appendix 1, represent the highest risk areas to be considered by GM ICB. The process of capturing the Strategic Financial Risks / issues is perpetual and updates to this report will reveal any additional risks as they are identified.
- 3.3. The risk scoring criteria is a combination of risk score (suggested threshold of 15+) together with agreement that the risk requires either or both of intervention and awareness from the ICB. Therefore, some risks will score higher than 15 and not be included in the strategic report. This will be determined by the Finance Committee.

4.0 RECOMMENDATIONS

4.1. The Committee is asked to:

- consider the risks highlighted and the mitigating actions concerned, noting increased score on risk 1
- Approve the new risks added based on previous Finance Committee conversation
- consider whether any additional Strategic Financial Risks need adding to the ICB's risk register

Appendix 1: Strategic Risks and Mitigations (Risk Scores 15+)

Risk No	Risk	Mitigating Actions	Current Risk Score
FINANCE			
01	<p>Failure to deliver Financial Balance both for NHS GM organisationally and as an ICS</p> <p>Cause: Failure to develop and deliver recurrent savings schemes across both ICB and ICS, exacerbated by due to pandemic disruption and emergent organisational and system governance.</p> <p>Impact: GM's credibility damaged which may lead to formal intervention by NHSE</p>	<p>Controls:</p> <ul style="list-style-type: none"> • New SFIs and Scheme of delegation has been issued. • Training packages issued to Budget holders on the awareness of new systems and processes • Introduction of STAR Process internally <p>Mitigating Actions:</p> <ul style="list-style-type: none"> • Current structures being maintained and strengthened through ICS design process to maintain delivery capability. 	<ul style="list-style-type: none"> • Current Risk Score: 20 • Likelihood: 4 • Impact: 5 <p>Increased impact from 4 to 5 and overall score from 16 to 20</p>
02	<p>Inability to deliver required QIPP savings due to ongoing COVID challenges and ICS transition work, current reporting is a net open risk of circa £100m across the GM ICS for 2022/23</p> <p>Cause: Competing priorities from delivery of performance targets including elective recovery and ICS transition activities leads to insufficient attention on delivery of savings programmes.</p> <p>Impact: GM system fails to meet financial targets and/or does not address underlying financial challenges.</p>	<p>Controls:</p> <ul style="list-style-type: none"> • Financial Recovery Sub-Committee formed with Exec membership from across system partners • Exec led savings delivery group formed • Introduction of STAR Process to challenge any discretionary areas of spend 	<ul style="list-style-type: none"> • Current Risk Score: 15 • Likelihood: 3 • Impact: 5 <p>Unchanged</p>

Risk No	Risk	Mitigating Actions	Current Risk Score
FINANCE			
03	<p>Use of Non-Recurrent money used to fund recurrent costs. For example, non-recurrent allocations service development or Covid.</p> <p>Cause: Mismatch of commitments without clearly identifying matching funding sources</p> <p>Impact: Increases the underlying financial problem which is masked and leads to increased financial challenge in future years</p>	<p>Controls:</p> <ul style="list-style-type: none"> Month end reporting with detailed reporting on non-recurrent funds received and their application <p>Mitigating Actions:</p> <ul style="list-style-type: none"> Month end reporting and knowledge of what's in budgets and current commitments now BAU as part of Month end reporting. Across the ICS reporting is taken each month with a distinct split between recurrent and non-recurrent positions being obtained, in particular on delivery of savings 	<ul style="list-style-type: none"> Current Risk Score: 20 Likelihood: 4 Impact: 5 <p>Unchanged</p>
04	<p>Risk of failing to maximise elective recovery funding opportunity and activity</p> <p>Cause: Failure to maximise delivery of elective recovery in an efficient way</p> <p>Impact: Failure to deliver care to GM residents Failure to maximise elective income opportunity for GM System Creates a bigger underlying financial problem which is masked and leads to increased financial challenge in future years</p>	<p>Controls:</p> <ul style="list-style-type: none"> Month end reporting with detailed reporting on elective recovery funding and activity and matching of ERF funding <p>Mitigating Actions:</p> <ul style="list-style-type: none"> Month end reporting and knowledge of what's in budgets and current commitments now BAU as part of Month end reporting. Across the ICS reporting is taken each month with a distinct split of ERF funding and activity. 	<ul style="list-style-type: none"> Current Risk Score: 20 Likelihood: 4 Impact: 5 <p>New risk</p>

Risk No	Risk	Mitigating Actions	Current Risk Score
FINANCE			
05	<p>Failure to secure sufficient capital allocations required to meet ICS requirements.</p> <p>Cause: Lack of capital funding to deliver minimum safety requirements for GM system due to national funding restrictions</p> <p>Impact: Risks to service capacity and patient care quality due to inability to replace ageing infrastructure and equipment</p>	<p>Controls Capital managed through GM Provider Directors of Estates group and GM Provider DoFs to ensure funding used to greatest effect across the system</p> <p>Mitigating Actions: Quality impact assessments within each Trust will need to identify specific care impacts for each capital scheme at risk.</p>	<ul style="list-style-type: none"> • Current Risk Score: 16 • Likelihood: 4 • Impact: 4 <p>New risk</p>

NHS Greater Manchester Integrated Care

MEETING:	Finance Committee
TITLE OF REPORT:	Month 11 Finance Report
DATE OF MEETING:	30/03/2023
FILE CLASSIFICATION:	Final
FILE VERSION NUMBER/DATE:	Version: 1 22/03/2023
AUTHOR/S:	Ben Galbraith
WHICH GROUP HAS PRODUCED THIS PAPER (IF APPLICABLE):	Finance team
PRESENTED BY:	Sam Simpson
PURPOSE OF PAPER: Decision Requested: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> For Discussion: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> For Noting/Information: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Financial Implication: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

PURPOSE OF REPORT:

The purpose of the report is to update the Finance Committee on the financial position of NHS Greater Manchester and the overall ICS financial position as at month 11 and any future implications.

KEY ISSUES TO BE DISCUSSED:

System YTD Financial Position

The Month 11 position for the system is a deficit of £28.3m against a planned deficit of £2.5m, representing a year to date overspend of £25.8m. This equates to a £2.2m improvement within the YTD position from the position reported at month 10.

The following table presents the position by sector:

	Budget YTD £m	Actual YTD £m	Variance YTD £m	Budget Annual £m	Full Year Forecast £m	Variance FOT £m
GM NHS Providers	(57.5)	(23.4)	34.0	(63.6)	0.0	63.6
NHS GM (incl Q1 CCGs)	54.9	(4.9)	(59.8)	63.6	(0.0)	(63.6)
Total ICS Surplus/(Deficit)	(2.5)	(28.3)	(25.8)	0.0	0.0	0.0

The table above reflects the updated breakeven forecast position, as a result of the re-distribution of system efficiencies, for both GM Providers and NHS GM.

System Forecast Financial Position

This month, significant work has continued across the system to deliver a balanced position by year-end. The re-alignment of savings opportunities across the system has taken place during M11 and is reflected in this report.

It is expected that £11.6m of mitigations will be delivered, bringing the gross risk of £21.6m down to a net risk of £10m. This represents an overall improvement of £10m since month 10. Urgent work is continuing to mitigate the residual risk and ensure delivery of a balanced financial position, but a moderate level of risk remains including:

- Higher than budgeted activity relating to private sector surgical activity alongside higher volumes and average costs for mental health placements, along with increased prescribing costs remain a risk. £5.3m operational risk is included in the total net risk position, which is an improvement of £4.8m from the position reported at month 10.
- There are continuing pressures in Urgent and Emergency Care and operational pressures on pay due to COVID related sickness and recruitment difficulties leading to higher levels of premium pay. In addition, there is a risk of additional costs related to the on-going and expected industrial action.

RECOMMENDATIONS:

The Finance Committee is asked to:

- Note the financial position presented for both year to date and forecast
- Note the remaining level of financial risk in the system

CONTACT OFFICER:

Sam Simpson, Chief Finance Officer