NHS Derby and Derbyshire Integrated Care Board

MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE

HELD ON 8 AUGUST 2024 VIA MS TEAMS AT 2.00PM

Present:		
Sue Sunderland	SS	Non-Executive Director/Audit Chair
Jill Dentith	JD	Non-Executive Director
In Attendance:		
Dawn Atkinson	DA	Programme Director – ICS Digital Programme (part)
Ruth Batt	RB	Integration Director 999/111 – East Midlands (part)
Hannah Belcher	HB	Assistant Director Primary Care (part)
Lisa Butler	LB	Complaints and PALs Manager (part)
Andrew Cardoza	AC	Audit Director, KPMG
Will Chappell	WC	EPRR Manager
Ged Connolly-Thompson	GCT	Head of Digital and Information Governance & Digital Health Skills Development Network Lead (part)
Craig Cook	CCo	Director of Acute Commissioning Contracting and Performance/JUCD Chief Data Analyst (part)
Helen Dillistone	HD	Chief of Staff
Debbie Donaldson	DD	EA to Chief Finance Officer (note taker)
Keith Griffiths	KG	Chief Finance Officer
David Hughes	DH	Director of Finance (Ops & Delivery)
Karen Lloyd	KL	Head of Engagement (part)
Kathy McLean	KM	Chair of ICB (part)
Georgina Mills	GM	Assistant Director of Finance (part)
Usman Niazi	UN	Client Manager, 360 Assurance
Glynis Onley	GO	Assistant Director, 360 Assurance
Suzanne Pickering	SP	Head of Governance
Arpit Sarraf	AS	KPMG
Chrissy Tucker	CT	Director of Corporate Delivery
Timothy Wakefield	TW	Audit Manager, KPMG
Apologies:		
Jim Austin	JA	Chief Information & Transformation Officer, DCHS/ Chief Digital and Technology Officer, JUCD
Margaret Gildea	MG	Non-Executive Director

Item No.	Item	Action
AG/2425/038	**Welcome, introductions and apologies.** Sue Sunderland as Chair welcomed all members to the meeting. Apologies were received from Jim Austin and Margaret Gildea.	
AG/2425/039	**Confirmation of Quoracy** The Chair declared the meeting quorate.	
AG/2425/040	**Declarations of Interest** The Chair reminded Committee members of their obligation to declare any interest they may have on any issues arising at	

	committee meetings which might conflict with the business of the Integrated Care Board (ICB). Declarations declared by members of the Audit and Governance Committee are listed in the ICB's Register of Interests and included with the meeting papers. The Register is also available either via the Executive Assistant to the Board or the ICB website at the following link: www.derbyandderbyshire.icb.nhs.uk No declarations of interest were made at today's meeting.	
INTERNAL AND EXTERNAL AUDIT		
AG/2425/041	**External Audit** **Auditor's Annual Report 2023/24** Andrew Cardoza presented KPMG's final report for 2023-24 Audit, part of which was the Auditors Annual Report. This was a public facing document which would require to be published on the ICB's website together with the annual reported accounts before the end of September 2024. Andrew Cardoza reported that working with DDICB had been excellent experience, the working papers provided and the communication between KPMG and DDICB had meant that issues could be dealt with quickly and professionally as they arose in the Audit and final set of accounts. It was noted that the two Audit Managers from KPMG enjoyed working with DDICB. Tim Wakefield highlighted the following key messages: • P11 of the pack summarised the findings from KPMG's Audit and their conclusion. • KPMG confirmed that they had filed their Audit opinion on time and all submissions were appropriately made. • KPMG had not identified any issues regarding the Annual Report or regularity of reporting. There had been challenging conversations to ensure that KPMG had got to that position particularly with regards to the approval of payments. • In terms of Value for Money (VfM), which formed the main bulk of this report, nothing significant had been identified over the ICB's arrangements which would be considered to be a weakness. • It was noted that KPMG were required to consider whether the ICB had made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources or 'Value for Money'. KPMG had considered whether there were sufficient arrangements in place for the ICB for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:	

	○ Financial sustainability: How the ICB planned and managed its resources to ensure it could continue to deliver its services. ○ Governance: How the ICB ensured that it makes informed decisions and properly managed its risks. ○ Improving economy, efficiency, and effectiveness: How the ICB used information about its cost and performance to improve the way it managed and delivered its services. • It was noted that Financial Sustainability was a risk across every NHS organisation that KPMG Audited, given the nature of what was happening in the NHS and the difficulty for funding, and the position of some of the Providers. • Whilst KPMG had not identified any significant weakness, there was a recognised challenge across the Derbyshire System. The System had submitted a very challenging budget and there was a significant proportion of risk associated to achieving bits within that. • It was noted that the ICB understood that risk, had been transparent about it, and had discussed the risks prior to submission. • The Chair thanked KPMG for their report and found it very helpful to hear the comments about the relationship between the Finance team and KPMG. • Jill Dentith thanked Tim Wakefield for referencing the risks in this report not only for DDICB but across the System. She wondered whether there was any learning that we could take from other organisations in terms of delivering our position for 2024/25. • Andrew Cardoza reported that, if anything, KPMG were sharing things that DDICB had done with others because the governance and reporting that DDICB had done was much clearer, and much earlier and had described the issues to the System in a clear and transparent way; this had not happened with other organisations that they had audited. • Andrew Cardoza reported that we now had a new Government, and they were sticking to the same fiscal envelopes that the previous Government had, so the pressure on DDICB for 24/25 was not going to get any easier. The ICB (as holders of the 'ring') would be the ones that people focused on and would be the ones to be seen to be the leaders and driving other System partners to deliver what was a difficult budget. He went on to add that if KPMG saw anything from its other clients that they thought would be a better way of doing something or was more finely honed they would bring it to the attention of DDICB. • The Chair requested that Keith Griffiths pass the positive comments shared by KPMG with our System partners and the finance team. • Keith Griffiths thanked KPMG and their Audit team for making DDICB's life as straightforward as it could possibly be in what was an increasingly challenging time. **The Audit and Governance Committee NOTED the Auditor's Annual Report for 2023/24.**	

AG/2425/042	**Internal Audit** Usman Niazi presented the 360 Assurance Progress Report and highlighted the following key messages: • Since the last report to Committee in May, 360 Assurance had issued 7 reports from the 23/24 Internal Audit Plan. • These were all advisory pieces of work with the exception of the Section 117 Aftercare Payments report which was issued with limited assurance. The reason for providing that limited assurance was that 360 Assurance had found that the ICB's Section 117 Aftercare Policy did not include monitoring of compliance against the Policy. • 360 Assurance had also found that patient records within the Local Authority did not include any details of the Section 117 discharge plans, and that the health and social care plans also lacked any detail about how frequently entitlement reviews should take place. • There was just one review from the 23/24 Plan that remained outstanding, which was the Mental Health Act Assessments benchmarking. There had been a delay in concluding this piece of work due to a 360 Assurance Audit colleague being on long term sick leave. This work had now been picked up by another colleague who was in the process of concluding the draft report with a view to sending it out for approval. Once this piece of work had been concluded that would complete the 23/24 Internal Audit Plan. • It was noted that a report on Section 117 was included separately on the agenda today. • The Chair referred to the comment on P60 of the agenda pack about 360 Assurance not being able to assess a large sample of patient records due to challenges relating to engagement during the audit testing, and she asked for further clarification on this. If there were staff not engaging, with 360 Assurance, she felt that was something that would be of concern to this Committee. • Usman Niazi explained that 360 Assurance were not able to access the records that they needed from Derby City Council within the timeframes for the Audit. However, they had managed to do testing at Derbyshire County Council. This had been escalated within the ICB, and ICB colleagues had tried to liaise with Local Authority colleagues at Derby City Council to enable this to happen, without success due to the timeframes involved. • The Chair felt that there was some learning from this, that in future when we had Audits involving other partners, that they understood the processes and timeframes involved, they were signed up to the Terms of Reference, and that we ensured we built enough time in around them. • Usman Niazi agreed with the Chairs comments and would ensure that Audits involving partners were reviewed earlier in the Plan; unfortunately, the Section 117 review did not start until Q4.	

	• Helen Dillistone reported that a lot of work had been done with this year's Plan to ensure we had set timescales for reviews to make sure that they were realistic and doable. The corporate team would act as a conduit to help work with other Directorates, multiple Stakeholders and Local Authorities going forwards. • The Chair felt there was a need to make stretching, but realistic deadlines for responding and delivering on these actions. • Kathy McLean agreed with the last comment. It was noted that Helen Dillistone and Kathy McLean had discussed plans to do a number of things both for ICB Board and across the System about risk appetite, risk sharing and understanding what risk was; this may go into the future work that supported that particular area soon. **2024/25 Plan** • 360 Assurance requested Committee's formal approval to change the Plan. They asked to replace the Integrated Care Strategy Review with a Risk Management Workshop to support the Board in reviewing the BAF and the risk appetite in the context of the Joint Forward Plan. It was noted that discussions had taken place with the Chair, Helen Dillistone, Glynis Onley, and Usman Niazi regarding this change. • Helen Dillistone shared some of the rationale behind this change, which linked into what Kathy McLean had shared above regarding the need to focus on BAF, risk appetite, risk sharing etc. It had been agreed that Kevin Watkins would support the Board with this work in October. • Helen Dillistone reported that linked into this conversation around multiple stakeholders and the complexity of what that initial review would entail, asking partners in the System to sign up to that would be tricky and complex regarding governance. She reported that we needed to be mindful that the CQC may have some responsibilities for reviewing ICBs (although this was yet to be confirmed) and ensure that we were not overly complicating what was already a complicated footprint of governance and assurance. • The Chair felt we needed to be clear exactly what we were covering in that workshop. She reported that she had a meeting planned with Kevin Watkins to chat through what he was planning to do for the workshop, so that we could ensure that it was addressing the points raised in this meeting today. • Jill Dentith reported that feedback had been received from some Board members a few months ago, that some of them had not got a clear understanding of the purpose of the BAF and the focus required on it. The workshop needed to bring that engagement together, whilst not overlapping what was already going on. It should be about adding value from the ICB's perspective and not just doing what the Providers were doing and duplicating that work. She felt this would be an important and valuable piece of work.	

	• The Chair reported that at a recent System Audit Chairs meeting, they had had a useful discussion regarding the BAF. Feedback from that meeting was that the System Audit Chairs were supportive of the fact that the risks showing on the ICB BAF were System issues and not just duplicating the points on their individual BAFs. We needed to make sure that we used that workshop effectively to ensure the whole Board was sighted on what the BAFs purpose was, how we were managing it and how it fitted with all the other elements of risk management. • Committee were happy with the change suggested by 360 Assurance. • Usman Niazi informed Committee that one report had been issued from 24/25 Plan so far – DSPT. This had been issued with moderate assurance, which was an NHSE opinion. • 360 Assurance had agreed Terms of Reference for a number of reviews from the Plan including Elective Recovery Fund (ERF), Quality Governance Framework, Head of Internal Audit Opinion and the BAF. **Implementation of Audit Actions** • P31 of the agenda pack highlighted the follow up rate for high and medium risks. At the time of writing this report it was 60% and the first follow up rate for all risks was 79%. • However, since writing this report, 360 Assurance had marked three further actions as implemented within their original due date, and that had increased the first follow up rate to 100% on both counts. There were currently no overdue actions, which was obviously, a positive for the ICB. • The Chair asked for an update regarding the System wide review; it had stated in the report that we were awaiting a decision on topic, but from discussions, she felt that there had been some progress on this. • Glynis Onley reported that there had been an agreement with Keith Griffiths and Helen Dillistone that this review would be for MSK Triage. She reported that she was trying to arrange a planning meeting with Craig Cook to review the detailed scope of this work. **The Audit and Governance Committee:** • **APPROVED the replacement of the Integrated Care Strategy review with a risk management workshop to support the Board in reviewing the BAF and risk appetite in the context of the Joint Forward Plan.** • **NOTED the key messages and progress made against the 2023/24 and 2024/25 Internal Audit Plans since the last meeting; and** • **RECEIVED the information and guidance papers produced by 360 Assurance. Committee gave assurance from the ICB that the issues raised were being considered and, where necessary, addressed by the ICB.**	

AG/2425/043	**Internal Audit Recommendations Report** Chrissy Tucker reported that the purpose of this paper was to assure the Audit and Governance Committee of the status and completion of the recommendations made to the organisation following any internal audits completed by 360 Assurance. The Committee was required to review these actions to ensure that they were being implemented within the agreed completion dates. The Internal Audit Recommendations Tracker detailed the recommendations required from the outcome of the individual audit reports. Responsible leads were required to upload evidence to demonstrate the completion of the required recommendations and actions. The online tracker also identified those that were outstanding, and the Corporate Delivery Team were required to monitor and request updates on these to ensure that the ICB meets its aim of a 100% completion on all actions. This percentage was a key area of the Head of Internal Audit Opinion. It was noted that Appendix 1 of the report showed the progress against all the actions, which were RAG rated. Chrissy Tucker reported that we had agreed with 360 Assurance a way of strengthening the process further when it came to tracking actions. It was noted that the corporate team met with Usman Niazi monthly to update progress on the actions, so that we could support getting them completed. The Chair was pleased to see that we had such a good record of implementation, as it meant we were getting value out of the work that Internal Audit were doing for us. **The Audit and Governance Committee NOTED the Internal Audit Recommendations Tracker.**	
AG/2425/044	**Post Payment Verification (PPV) – Primary Care Audit Report Update** Hannah Belcher explained that the purpose of the report was to provide an update to the Committee on the process and outcomes of undertaking PPV. The following was highlighted: • PPV was an integral part of the GP contract for locally commissioned enhanced services that we commissioned as an ICB, and for the national directed enhanced services commissioned as part of the national contract. • Included with the paper was the latest report from 360 Assurance regarding the minor surgery PPV that was undertaken in 2023/24. • This review had two elements to it, financial, to ensure that claims were accurate and any overclaims and under claims	

	were addressed, the second and more importantly, the quality, to ensure that practices were claiming correctly. • It was noted that within the report that the ICB team regularly reviewed quarterly claims that came in from several practices. Last year, either from practice reported errors in claims, or from ICB teams reported errors in claims, this amounted to £220k. There were robust processes in place to triangulate information, not only with the Medicines Management Team, but also with UHDB around some of the enhanced services that we commissioned. • There were probably a handful of practices where we had greater concerns around the claims, and that could be new practices managers in post, changes, or just incorrect coding. • It was proposed for this year to do some targeted work, with the support of 360 Assurance, with targeted individual practices, particularly where we had found common themes around some of the claims. • Jill Dentith found the report helpful but stressed the need to share/embed the learning from the Audit in order to get a good return. • Hannah Belcher reported that learning was regularly shared. Over the last two years, we had concentrated on minor surgery, and one of the positive outcomes from this report, was that learning and best practice had been shared with practices, and as a result the accuracy of the claims had significantly reduced on the second Audit. • Hannah Belcher reported that regular newsletters were sent out to practices in various forms, just to ensure that the learning was embedded within practices. Practices knew that they would be checked and that had improved the accuracy of the claims from a financial and due diligence point of view. • The Chair reported that Committee could take assurance from the work that was being done and supported the approach as described for 2024/25. **The Audit and Governance Committee NOTED the approach for post payment verification (PPV) of the local enhanced services provided by General Practice and supported the approach for 2024/25.**	
ITEMS FOR DECISION		
AG/2425/045	**Corporate Policies** **Policy Management Framework** Chrissy Tucker explained that after the implementation of the framework within the ICB over the last two years, it was felt that a policy refresh was needed to further enhance the management of policies and to provide more guidance to staff on the process and expectations when drafting and updating policies. The policy now included specific sections around:	

	• Legislative framework/core standards • Roles and responsibilities • Procedure (including equality impact analysis) • Flowchart for the development of policies and procedures • A revised policy implementation checklist **Complaints Policy** Chrissy Tucker reported that there were no significant material changes to this Policy, only minor amendments which related to a change in Advocacy provider for Derbyshire residents and the ICB's new headquarters contact details. **Patient and Public Involvement Payments Policy** Chrissy Tucker reported that Mental Health Commissioning colleagues in the ICB commissioned a service called Living Well. As part of this there was a contract for an Engagement Service. This was originally contracted out to Healthwatch Derbyshire, but a decision was made to take the contract in house. This had meant that the staff currently employed by the contract had TUPE'd over to the ICB, together with the Experts by Experience which were part of the service. As part of the implementation of the contract, Healthwatch agreed to pay Experts by Experience £12.50 per hour for their time dedicated to co-production as part of the service, and it was agreed that as part of the transfer of the contract from Healthwatch to the ICB, they would continue to receive this payment. The ICB up to this point had not had a participation payment policy, hence amendments had been made to the current 'out of pocket' expenses policy to reflect that where there was 'specific funding', i.e. in this case Living Well, and where the role required a significant level of skill, knowledge, expertise, and accountability, then a participation payment could be considered. Jill Dentith reported that she felt that the Policy Management Framework was a good document but had been lengthy. She went on to add that looking at some of the papers within this section she felt that some were not in the correct template format, we needed to ensure consistency. Finally, Jill Dentith referred to the Patient and Public Involvement Payments Policy, she presumed we had the budgets for this one. Chrissy Tucker confirmed that Finance had approved this policy. **The Audit and Governance Committee APPROVED the:** • **Policy Management Framework** • **Complaints Policy** • **Patient and Public Involvement Payments Policy**	

CORPORATE ASSURANCE		
GOVERNANCE		
AG/2425/046	**Procurement Highlight Report** Craig Cook presented the Procurement Highlight Report and highlighted the following: • There were two projects highlighted to the Committee in terms of risk. • Community Wheelchair Service Project: It was noted that we were currently in a legal dispute with one of the parties regarding this procurement. It was highly likely that we would be unable to enact our decision to mobilise a new service Provider from 1 September 24. Part of this issue was being managed at Executive level and we were following due process in terms of that issue. • Transactional Project – Clinical Advice and Guidance Platform: Challenges had been received both in terms of process followed, and compliance to procurement law. It had been decided not to continue with that particular contract when it ended in September 2024. We were effectively decommissioning the platform; this would now be managed with all our relevant stakeholders to ensure that we could continue to provide and facilitate clinical advice and guidance. Other options would be taken regarding this service. It was noted that this was being managed by the Population Health and Strategic Commissioning Committee (PHSCC). • Craig Cook reported that a description of the actions proposed would be taken to PHSCC, to ensure that clinical advice and guidance could continue to be provided. • It was noted that we would be working with service leads to ensure that there was a transition to the new model. • Keith Griffiths referred to the Wheelchair Services, he reported that he had had a lengthy conversation with the Executive Team yesterday about the way forward. The overriding priority was to maintain continuity of service for our patients, and so whilst we were in a legal challenge, this service was going to cost us more than we would like. There was no inference that the legal challenge was justifiable, but nonetheless, we did have to follow the legal advice that had been given to us. This was being managed through the Executive Team currently. • The Chair asked whether the challenge was mischievous or whether there were real grounds for a challenge. • Craig Cook reported that it was the view of the ICB's legal Counsel that if the claim proceeded, there was a strong likelihood that the ICB would win; our legal Counsel's view was that the claim was very weak. • The Chair asked whether there were things that we could have done better on the procurement process that had led to a complaint, versus whether it was just someone who was unhappy that they had not won the contract and they were seeking to delay matters. Ultimately, it ended up being a disservice to the people who were waiting to use the service.	

	• Jill Dentith reported that it was reassuring to hear that we were not disrupting the service in terms of the end users. We did, however, need to be ahead of the curve with some of our procurement processes and making sure that we had got the right amount of lead in time, so that we did not get into these situations. • Craig Cook reported that for Committee's information, we had commissioned Arden and GEM CSU to provide a quasi-independent view of our processes within the ICB from a commissioning perspective and in terms of how our commissioning team's work. That learning would help us develop our processes. • Keith Griffiths reported that there was no suggestion regarding the wheelchair services procurement that our process had been flawed. The Executive Team's view was that it was more of a litigious company that wanted to make a point. • Keith Griffiths referred to a discussion at the last Committee meeting, regarding a request to have a conversation with Lisa Innes about the ICB's tendering approach generally. This meeting had taken place last week and we were currently reviewing how we go to tender. We currently quoted how much money we had got to spend when we go to market as opposed to going to market and then letting companies come to us with their best bid. We always received quotes very close to the amount of money that we had stated we had for the procurement. As a result, there was a question as to whether that was driving value for money. • It was noted that there were pros and cons to not putting or putting a figure out when we go to procurement. Keith Griffiths reported that we were currently reflecting on the conversation from the meeting last week. • The other aspect, from a purely financial perspective, was that currently the financial weighting in this tendering exercise was 10% of the overall decision. So, if we put those two things together it did not really make a huge amount of difference. If you were an external company tendering, you could go in at the maximum value and then if you were slightly higher you were not going to lose much because only 10% of the decision is weighted on finance. This seemed incredibly low to Keith Griffiths based on his previous experiences. • Keith Griffiths reported that we were looking at whether we should quote a figure or not when we go to market and whether we should increase the weighting that finance had in these decisions; he believed it could not just be financially driven, and we did not appear to have got the balance quite right currently. • Keith Griffiths agreed to keep Committee up to speed once thoughts had been galvanised on this issue. • The Chair and Committee were very supportive of this review, whilst finance could not drive these procurements, we needed to sufficiently reflect the financial control pressures that the ICB were under. • The Chair highlighted the 24/25 work plan that had been under discussion for a lengthy period, she was conscious that it was	

	now August and she had hoped, and expected, that this would have been agreed by now. • Craig Cook reported that by the next Committee meeting the 24/25 work plan would have been finalised. He reported that there was to be an important session next week with leads against each of the projects to determine whether they were real pipeline projects, and to determine whether we needed to be undertaking any actual procurement activity. He hoped to provide Committee with a clean work plan for the next meeting. • The Chair reported that apart from those two areas, where we had a legal challenge, the level of compliance seemed much stronger, and she was pleased to see that there were less areas where it stated that the ICB was 'going at risk'. This had caused Committee and the Chair concern in the past. • In terms of assurance, the Chair reported that she felt much more assured than she did six months ago. **The Audit and Governance Committee:** • **REVIEWED the highlight report for Derby and Derbyshire ICB.** • **NOTED the status of projects – Current Clinical and Transactional Procurements and completed projects.** • **REVIEWED key issues and activities over the current period.**	CCo
AG/2425/047	**NHS111 Midlands Procurement** Ruth Batt presented the NHS111 Midland Procurement Report and highlighted the following: • It was noted that this had been a huge piece of work which had started 2 years ago, with the concept of bringing three contracts together for East Midlands, West Midlands and Staffordshire and Stoke to deliver one Midlands wide contract. • The mandate to contract NHS111 at scale provided the Midlands region with an opportunity to deliver transformational change that improved patient access, quality, and outcomes. Improved use of resources and value for money could be achieved through further reduction in costs associated with separate, outdated IUC contracts and greater efficiency from a joined-up workforce that could provide regional resilience, particularly during demands of increased demand. • The regional contract enabled ICSs to deliver integrated urgent care services which were essential to success of a NHS111 service, including integration with Primary Care and Community Care, Acute Trusts, and our Emergency Ambulance Services. The effect being to reduce overall demand for urgent and emergency care through efficient and appropriate clinical assessment and triage. • The Procurement Process for the Midlands NHS111 service was described in detail in Appendix 1. The Appendix had been	

	prepared by Arden GEM CSU (CSU) which led the technical aspect of the procurement for the service. • The CSU was instructed by the Project Team on behalf of all 11 Midlands ICBs which approved the Procurement via Boards and Committees during the period January to March 2023. ICBs were involved throughout the multiple phases of procurement including through ICB engagement events, specification consultation, comms, project group attendance at ICB meetings, as well as being embedded in the evaluation and moderation phase of the Project. • Following publication of the Prior Information Notice (PIN) on 20 March 2023, a market engagement event took place on 20 April 2023 and the Invitation to Tender (ITT) was published on 5 May. Of the 24 providers expressing an interest in the service, three submitted a bid on 15 June 2023. • The CSU led a robust evaluation and moderation process that took place over a 4-week period. The process included representatives from across all 11 Midlands ICBs and was based on evaluation methodology published in the ITT. • During the evaluation and moderation phase it was identified two of the three bids were not compliant with the full requirements of the Qualification section, however, all three bids were evaluated in full as the process of evaluating the Qualification and Quality sections of the bids were completed concurrently. • Details of why the bids failed to comply with Qualification were shared in the Appendix including clarification sought from the Providers prior to the fail being confirmed. • As part of the procurement process, Heads of Finance from the three-lead commissioning ICBs agreed not to publish a contract value for the service but for bidders to complete a full Financial Modelling Template covering the full cost of service provision over the duration of the 5-year contract including all inflationary uplifts. • Bidders contract prices were scored by finance representatives from the lead commissioner ICBs based on the Bidders submission, with the lowest compliant tender price (excluding any Tenders the Commissioner rejected as being abnormally low or non-compliant) receiving 100% of the available Price marks (i.e. 35.00%). • The contract would be for a 5-year period. • Over the duration of the contract, the NHS111 provider had committed to deliver all the national KPIs, and in doing so would contribute significantly to the UEC Recovery Plan including an increase in clinicians being available for NHS111 online to offer support, advice, and referral. • The UEC Recovery Plan was clear of the expectation for ICBs during 2023/24 to commission the clinical assessment of a greater proportion of NHS 111 Category 3 or 4 ambulance dispositions which was met within the contract, supporting the Ambulance service to deliver and improve performance and quality indicators.	

	• The service delivery specification underpinned the UEC Recovery Plan to assess and refer patients to the most appropriate point of care, whether that be self-care, pharmacy, general practice, advice from a paediatrician, mental health crisis centre, an urgent treatment centre, or another setting; reducing demand on emergency services such as Ambulance and ED and was designed to make a significant contribution to the Midlands overall NHS performance and financial recovery. • Appendix 1 report was approved by the Project Oversight Board on 03 August 2023 with the recommendation to progress the decision to award the contract to the Joint Committees. • Both Joint Committees of the East and West ICBs met independently on 25 August 2023, receiving the same report and recommendation to proceed with contract award. The Committee's approved the recommendations on behalf of the 11 Midlands ICBs. • The new contract successfully went live on 9 April 2024. • It was noted that the contract had not been signed by the ICBs or the Provider. Ruth Batt reported that during the contract negotiation period, the Project Team identified VAT had been added twice to the contract value, once in the evaluated FMT, and further when invoices were raised by the Provider. Legal and specialist VAT advice had been obtained by the ICB and the VAT applied to the FMT was deemed incorrect. The Provider had been informed of this advice and we were currently working with finance and contracting colleagues to remove this cost from the contract value. • The Chair reported that she was pleased that we were picking up on the lessons learned from the contract procurement and it was an evolving process particularly around the monitoring and ensuring that those cost avoidance elements could work and demonstrate the efficiencies that effectively we needed to afford to pay for the contract. • Ruth Batt reported that we needed to continue to influence the commissioning intentions and the triangulation of performance and understand what the performance was telling us. • The Chair asked whether Ruth Batt felt she was satisfied with the escalation routes for this contract. • Ruth Batt reported that escalation routes did exist but were challenging. She highlighted the difficulties in accessing services that existed below 111; as long as the commissioned services were there and as long as the acceptance and referral criteria was right, we should not need a single point of access to then go down into the services that should be accessible already via 111. • The Chair requested that in the absence of Michelle Arrowsmith that Helen Dillstone followed up on the points that Ruth Batt, had highlighted out of this conversation to ensure that we actually had got clear ways in which issues that Ruth Batt and her team were highlighting, could be escalated appropriately to make sure that we were getting best value out of this monitoring, and that we got the right levels of assurance. It was noted that now we had got past the mobilisation stage, we were	

	getting to the point where we were receiving data and real-life experience of what this contract was and could do; we needed to make sure we captured that to get best value from it. This was a huge contract, and what we learned in these early stages could really influence how much benefit we could get out of this contract. The Chair felt that this should not necessarily come back to this Committee, rather to PHSCC, but she felt we needed assurance that there were the appropriate escalation routes. • Helen Dillistone agreed to speak with Ruth Batt and Michelle outside of this meeting. • Keith Griffiths reported that we had still got a challenge in meeting next iterations on funding for DHU pay award. It was noted that DHU staff were not on NHS payroll and the ICB had not been funded to allow for pay roll costs last year, and we had the same problem arising in 24/25. It was noted that the ICB were in discussions with the national team, supportive of DHU requests for payroll funding, but equally recognising that we did not have much influence in this space. This could affect DHU's ability to staff and resource this service. • Keith Griffiths reported that we also needed to recognise that with GP actions likely and 111 being the automatic default, anything we were trying to track on performance of this service was going to be particularly challenging for the next couple of months and for as long as the GPs were taking action. • Ruth Batt reported that we had multiple different contracts with DHU, but in relation to 111, she had written to them to reiterate that in relation to this contract, there would be no annual negotiations in relation to uplift, inflation, or any pay awards. It was noted that within ITT, the contract specifically stated that over the next 5 years that these projections should be included as part of the bid for the contract. • Ruth Batt referred to the point in relation to the impending GP action, the public and many professionals were unclear what 111 did, and what it was intended to do; 111 was not an alternative to general practice and was not a primary care service. It was noted that demand increased significantly on 111 when GP practices were closed. We needed to work with our colleagues and the public for them to understand that 111 was not an alternative to their GP practice. • Ruth Batt reported that what 111 had the capacity to do within this contract, was vary the workforce, because the demand gives the headroom to do that throughout the year. Which was why we had commissioned it in the way we had because of variations in demand and activity across the year. It was noted that 111 were on standby and did have impact and risk assessments to support and mange this, but we needed to make sure that we were not driving that demand by telling patients to ring 111. • Kathy McClean asked if ever the outcome from calling 111 told the caller to press on and manage themselves and that they did not need to go anywhere? She understood that this was hardly	

	ever the case, and the answer was always make an appointment with your GP. • Ruth Batt confirmed that there was an NHS pathway self-care outcome, which advised someone to go to their pharmacy rather than a GP. The Chair reported that it would be useful to know how often this was used out of curiosity. • The Chair felt this had been a useful discussion, it had flagged up some issues, but also provided assurance on the procurement and mobilisation of this contract and the lessons learned. **The Audit and Governance Committee NOTED the recommendations in the Procurement and Mobilisation Overview (Appendix1).**	
AG/2425/048	**Board Assurance Framework Quarter 1 2024/25** Helen Dillistone presented the Board Assurance Framework for Q1 2024/25 and highlighted the following: • The BAF had been presented to ICB Board at its meeting on 18 July and sets out the position as at end of June 2024. It focused on the closing position at Q4. • The Board accepted the position and noted the revised Risks 3 and 5 and the wording that had been updated through the relevant Committees relating to those areas. • Appendix 1 sets out each of the risks, and the risk descriptions in terms of the scoring. • There had been no movement for Q1 and there were no significant changes to report to Committee. • We would continue with the programme of deep dives going into this year. • There would be a workshop for the Board in October to review the BAF in the context of any changes that we felt were needed, focussing on the System risks and work on risk appetite. • Jill Dentith reported that some Executive Leads had now left or were due to leave, in particular Jim Austin who was Lead for Strategic Risk 10; she asked who would replace Jim Austin on the Lead for this Risk. • Helen Dillistone reported that we had now appointed a replacement for Jim Austin, Andrew Fearn, who would work across both Nottingham and Nottinghamshire ICB and Derby and Derbyshire ICB. It was noted that there would be a handover period between Jim Austin and Andrew Fearn, and replacement Leads would be updated on the BAF in due course. • The Chair reported that we had a lot of static scores and assurance ratings in the BAF, she suggested that after the workshop we should challenge the individual Committees to express an ambition as to when they thought we could become more assured or start to see a reduction in risks. It was noted that we had a lot of actions that commenced a while ago, and we had a lot of partially assured risks that had not moved, the	

	Chair felt it would be useful to have some sort of ambition as to when they would move. • Helen Dillistone agreed and reported that the BAF should be a dynamic document and used as a management tool to appropriately manage the risks throughout the organisation, and where relevant, in the System space. • Helen Dillistone requested that this be built into the deep dives as part of the conversation when we bring through the relevant risks and leads for the Strategic Risks from the workshop. **The Audit & Governance Committee NOTED that on the 18 July 2024 the ICB Board:** • **RECEIVED the final Q1 24/25 BAF Strategic Risks 1 to 10.** • **NOTED the revised risk description for Strategic Risks 3 and 5.** • **NOTED the revised threats 3 and 4 in respect of Strategic Risk 3.**	SP/HD
AG/2425/049	**Risk Register Report – July 2024** Helen Dillistone presented the Risk Register Report for July 2024 and highlighted the following key messages: • As at July 2024, the Audit and Governance Committee were responsible for three ICB Corporate risks, one of which, Risk 11, was currently scored high. • The risk score for Risk 15 had been decreased and approved virtually and was presented for ratification by Committee. It was noted that the virtual approval process was conducted to enable the risk to be included in the ICB Board risk report for the 18 July 2024 meeting. Risk 15 was now recommended to be further decreased in risk score to 2 x 2 (4). • The risk closure for Risk 16 was approved virtually and was presented for ratification by Committee. The virtual approval process was conducted to enable the risk to be included in the ICB Board risk report for the 18 July 2024 meeting. This risk was formally approved for closure at the ICB Board meeting held on 18 July 2024. **The Audit and Governance Committee:** • **RECEIVED the risks which were the responsibility of the Committee as detailed in Appendix 2.** • **NOTED the virtual approval received for the decrease to Risk 15 relating to sufficient resource and capacity to service the functions to be delegated by NHSE and the closure of Risk 16 relating to the ICB staff re-structure.** • **APPROVED a further decrease in risk score for Risk 15 relating to sufficient resource and capacity to service the functions to be delegated by NHSE.**	

	• **RECEIVED Appendix 3 which detailed the full ICB Corporate Risk Register.**	
AG/2425/050	**Risk Management Deep Dive – Digital** Dawn Atkinson reported that Jim Austin would moving to cover the role of Chief Executive for DCHS when Tracy Allen retired, and that Andrew Fearn would be the joint Chief Digital Officer for DDICB and Notts and Nottinghamshire ICB. The next iteration of the BAF would include Andrew Fearn as Executive Lead for Strategic Risk 10. Dawn Atkinson gave a power point presentation entitled Digital Programme BAF Risk Deep Dive, a copy of which was circulated with the agenda papers. It was noted that a decision had been taken some time ago to separate the Digital and Data Risk. The Digital element of the risk was assigned to Jim Austin as Executive Lead and Chris Weiner was assigned the Executive Lead for Data. This strategic risk generated two specific threats that were actively managed by the Digital Programme and reported to the Digital and Data Delivery Board and the ICB Finance, Estates & Digital Committee for assurance. The following was noted: • Strategic Risk SR10: There is a risk the system does not identify, prioritise, and adequately resource digital transformation in order to improve outcome and enhance efficiency. • Strategic Aim: To improve health and care gaps currently experienced in the population and engineer best value, improve productivity, and ensure financial sustainability of health and care services across Derby and Derbyshire. • This Strategic Risk was currently scored at 12. • It was noted that regular reviews of the BAF framework were undertaken with ICB colleagues. The strategic threats in terms of what might cause the risk to materialise were identified as: • Agreement across the ICB on prioritisation of digital and technology activity may not be realised and therefore budget allocation and reconciliation process across ICB for digital and technology are not agreed. • Digital improvements and substitutions to clinical pathways are not delivered through either a lack of citizen engagement and/or clinical engagement. The impact of the strategic threats was identified as:	

	• Threat 1 - Processes are not agreed, and the ICS fail to meet the opportunities and efficiencies that digital enablement can realise. • Threat 2 - Failure to secure patient, workforce and financial benefits from digitally enabled care and implementation of alternative care pathways highlighted in ICB plan, e.g. limited adoption of alternative (digital) clinical solutions (e.g. PIFU, Virtual Ward, self-serve online). Failure to meet the national Digital and Data strategy key priorities (eg attain HIMMS level 5, cyber resilience) The following System gaps in control and action being undertaken was noted: Threat 1 • ICB prioritisation and investment decision making process is required to fully implement the digital and data strategy priorities. • Digital literacy programme to support staff build confidence and competency in using technology to deliver care. Action being taken: • Develop and roll out staff digital literacy programme. Linked to Project Derbyshire (Digital HR) – no resource allocated/ prioritised at this time. Planning work commenced – partially assured. • Adopt ICB prioritisation tool to enable correct resource allocation – not assured. Threat 2 • Development of a 'use case' library to help promote the benefits of digitally enabled care and now under construction for Shared Care Record • Improved information and understanding of Citizen and Community forums that could be accessed to discuss digitally enabled care delivery. • Increased collaboration with the Voluntary Sector across Derby and Derbyshire to harness capacity and expertise in place with Rural Action Derbyshire Action being taken: • Work with ICB communications team and Provider communications teams to integrate digital strategy messaging into current engagement programme – partially assured. • Deliver digital (and data) messaging through ICB communications plan. JUCD NHS Futures site established (staff facing) that provides detail on specific digital projects across the ICS. Further work and agreement on route for public facing information - partially assured.	

	• Meetings with Rural Action Derbyshire completed. Derbyshire County Council agreed on-going funding support for 24/25. ICB Digital Programme team and engagement team to develop joint engagement strategy - partially assured. The Chair thanked Dawn Atkinson for her presentation and referred to the ICB prioritisation tool. She felt that this was something we should be working on sooner rather than later to ensure that the precious resources that we had got were being best allocated, and that we were clear about what was being done to move this forward. **The Audit and Governance Committee NOTED the Board Assurance Framework - Digital Programme Risks.**	
AG/2425/051/ AG/2425/052	**Digital and Cyber Security Report/Information Governance Assurance Report** Ged Connolly-Thompson presented the Digital and Cyber Security Report and highlighted the following: NECs Contract Reduction: • The ICB and NECs were able to agree a 20% reduction in the total value of the NECs contract for Primary Care IT, Corporate IT and Business Intelligence services of a total figure of around £800k. • A reduction of a further 10% (circa £400k) of the original NECs contract value was to be achieved this financial year and work was already underway between the ICB and NECs to review previous suggestions and to identify service improvement options which would achieve the necessary reductions and improvements in service. • As a result of the change in the contract between the ICB and NECs, there had been a number of project related costs moved out of running costs and into project and programme funding. This had led to a re-evaluation of priorities and active discussion with Primary Care and system partners to review priorities for investment/transformation and to work across the ICS to identify opportunities for collaboration and joint procurement. Crowdstrike Event: • On 19 July, the ICB and Primary Care (along with all JUCD partners and service providers nationally and internationally) began to see several cloud based digital services becoming unavailable and/or their performance affected by an updated component to a widely used cyber security tool provided by Crowdstrike. Whilst not directly affecting any devices operated by the ICB or Primary Care, this issue did affect the EMIS clinical information system (used by around 15% of our GP Practices) along with the national e-referral solution, the Medical Interoperability Gateway (which supports sharing of Primary	

	Care data into the wider system) and the NECs service desk application. • The ICB's Digital Development team was also asked to provide assurance on services being operated by Pharmacy, Optometry and Dentistry. Whilst the last two services were found to be unaffected, the electronic issuing of prescriptions for Pharmacy was affected and as a result paper prescriptions were being issued. There were also approaches into the system by local news providers which were diverted to the appropriate Communications team for an appropriate response. • Several working groups were established at short notice with collaborative working between the Digital and EPRR functions of the ICS and partner organisations. Additional papers were currently being prepared following wrap up meetings this week and this would be shared in future updates, specifically any learning to be taken from the incident. Windows Encryption Issues: • On 23 July, the ICB's Digital Development team was notified by NECs of an issue with the Bitlocker component of the Windows operating system affecting Primary Care and the ICB. The Bitlocker component managed the encryption/decryption of data on laptops and desktops deployed across the estate. In this instance, devices were refusing to unlock which prevented them from being used until rectified by a member of the NECs Service Desk. • The Head of Digital Development & Information Governance notified fellow Heads of IT across Joined Up Care Derbyshire and the ICB's ESRR Lead to share the alert and any pertinent updates. NECs were soon able to pinpoint the issue – a Microsoft Windows update which had been in circulation for several weeks, but which was now seemingly affecting machines at random across the estate. • The ICB's Digital Development team continued to monitor the situation and by 26 July, had been able to identify the specific Windows Update which was causing the issue and NECs were reporting that around 0.1% of the total estate were reporting problems. • The ICB continued to monitor the situation, but the number of affected devices remained low. Microsoft had recognised the issue and was working on a solution in the coming weeks. Information Governance Assurance Forum (IGAF) Report: • Confidentiality Audit Reports: All NHS organisations were required to establish robust controls to ensure that all confidential, business sensitive and patient identifiable information was processed properly and handled securely which helped to prevent unauthorised disclosure. • The Council House building was more open plan than Scarsdale and therefore different risks had to be accepted and would require different ways of working to ensure that our information	

	assets were looked after and held appropriately on the information assets register. • There was an ongoing process of working through the initial DSPT submission from June and the ICB were now picking up lessons learned from that. • IGAF were notified of the plan to carry out a confidentiality audit of Cardinal Square to ensure that all information owned by the ICB that was stored there has been appropriately handled and relocated to prevent unauthorised disclosure. • IGAF recommended that soft reminders be sent out to staff, via bulletins and communications, about their data security and protection accountabilities when handling personal and business sensitive information. • The Chair was pleased that audits had been done of the new Council House premises arrangements; staff needed to recognise that they were now working in a different environment and the space was much more accessible than was used to at Cardinal Square. We needed to get these messages out to staff so that they could act more appropriately in the environment they were now working in. **The Audit and Governance Committee NOTED:** • **The Digital and Cyber Security Report.** • **The Information Governance update for August 2024.**	
AG/2425/053	**Complaints** Lisa Butler presented the following two reports: • 2023/24 Annual Complaints Report • 2024/25 Quarter 1 Complaints Report The following was noted: • Complaints were on the increase, and it had a very busy year last year; this was due to the ICB now being responsible part way through the year for Primary Care complaints. • All complaints from last year had been closed within the statutory timeframes. • We had closed both Ombudsman referrals and there was no further action required from the ICB. • Emerging themes from last year were Continuing Healthcare processes and decisions, access to dentistry, complaints about IVF and IUI policies, particularly around same sex couples and their equal access to those treatments, and about access to ADHD assessments. • Jill Dentith referred to the complaints that had been fully and partially upheld; last year that was 43 which equated to 69%. Obviously, there were issues that needed to be addressed, but it was important that where there were genuine complaints and concerns that we were responding to those, and that we had changed our systems accordingly. She then referred to IVF and	

	asked whether any of the complaints had come from residents in the Glossop area, as Glossop had previously had a slightly different policy when they were transferred over to this ICB. • Lisa Butler reported that this ICB only offered one round, whereas other areas offered three rounds. The complaints regarding IVF were around criteria; same sex couples felt aggrieved that they were required to fund 6 rounds privately before they could access NHS services. This policy was being reviewed on a regional basis and it was hoped that we should have something in place at the start of the next financial year, which would align us all. • The Chair asked when IVF complaints were received (which were actively being consulted on), whether our responses referred to the proposed consultation on the revision of those policies. Lisa Butler confirmed that this was the case, and complainants were encouraged to register with our Engagement team so that they could contribute to that process when opened. **The Audit and Governance Committee NOTED the contents of the:** • **2023/24 Annual Complaints Report** • **2024/25 Q1 Complaints Report.**	
AG/2425/054	**2024/25 Quarter 1 Freedom of Information Report (FOI)** Chrissy Tucker presented 2024/25 Q1 Freedom of Information Report and highlighted the following key points: • The report described our performance for Q1. • We were still seeing high numbers of FOI requests, approximately a 40% increase against the same period last year. • There were no particular areas that were driving this trend, although dentistry queries were now part of the workload. • No requests were responded to during this quarter outside the statutory timescale of within 20 working days of receipt. **The Audit and Governance Committee RECEIVED the 2024/25 Q1 Freedom of Information Report describing the performance of the ICB against our statutory duties regarding responses sent to requests made under the Act.**	
AG/2425/055	**Corporate Resilience Assurance Group Update** William Chappell presented the Corporate Resilience Assurance Group update, which included six policies that required approval from this Committee: **<u>Policy Reviews</u>** **1. Health and Safety Policy & Staff Safety Handbook – Annual Review**	

	Due to the retirement of the Business Continuity and Exercising Manager in the EPRR team, the Health and Safety responsibility structure within these documents had now been reviewed and updated to show the new responsibility structure within the ICB. Once approval had been given by this Committee, the documents would be placed on the ICB Intranet Health and Safety section and staff would be asked to read the document and confirm this by completing a Microsoft Form, which would be tracked via a download of the data from Microsoft Forms. 2. **Violence and Aggression Policy – Two Year Review** The policy had been reviewed and no material changes had been made. 3. **Violence and Aggression Strategy – Two Year Review** The strategy had been reviewed and no material changes had been made. 4. **Communications Emergency Plan** The Communications Plan has had its annual review, there had been no material changes to the plan with only updates to new named roles within the communications team. 5. **Business Continuity Management System** Minor changes following late NHS England review, changes in place in relation to third party business continuity processes oversight and monitoring as well as contract management for Derby and Derbyshire providers. It was noted that the Chair and Jill Dentith were happy to approve the policies presented to Committee. However, it was noted that Jill Dentith was not entirely happy with the format that they were presented in; they were not uniform, and contained red text, which appeared to her to be 'shouty'. Suzanne Pickering confirmed that she would work with Frances Palmer to ensure that all these policies were put into the correct format. • William Chappell reported that a few key points had changed in the report submitted with the agenda papers, these were very minor. • EPRR Training was now 74% up from 67%; there was one more training session prior to the annual Core Standards Assessment. • Health and Safety in relation to portable appliance testing (PAT) – Numerous events had now been run with the last session being held in August. We were now meeting that KPI. • The relationship between EPRR and Digital Security would be the subject of a deep dive by NHSE this year for the Core Standards Assessment. • It was noted that we now had 15 loggists, the standard to meet the KPI was 12. • Incident Reporting – there was one outstanding from Monday and was ongoing in relation to the civil unrest across the	

	country, and particularly Derbyshire. No incidents/violence had been declared by our System partners. **The Audit and Governance Committee:** • **NOTED the Corporate Resilience and Assurance Group Report and DDICB EPRR Core Standards Pre-Submission.** • **APPROVED the Employee Safety Handbook, Health and Safety Policy, Violence Prevention and Reduction Policy and Strategy, Communications Emergency Plan and Business Continuity Management System.**	
AG/2425/056	**Statutory and Mandatory Training Compliance Report** Chrissy Tucker presented the Statutory and Mandatory Training Compliance Report which reflected the position as at 26 of July 2024. It was noted that there were two areas where the training was lower than we would ideally like them to be: Carbon Literacy: The Committee noted that the low compliance level for Carbon Literacy training had been raised with the ICB's Sustainability Programme Manager. A request had been made to all outstanding staff to complete their training. Managing Conflicts of Interest: The Committee noted that this module had only recently been added to ICB employees' mandatory training records. The low compliance level was partly due to a number of employees having issues with accessing the training through the ICB's electronic staff record. Reminders had been sent out to staff to complete, and the ESR team were looking into any accessibility issues. The Chair reported that she had attended a F2F Carbon Literacy event via another Trust and asked whether she would need to complete this module again on ESR. Suzanne Pickering confirmed that there would be no need to for her to complete the Carbon Literacy module on ESR and asked the Chair to send her completed certificate through to her and she would record her compliance. Jill Dentith reported that she had completed the Managing Conflicts of Interest module but had been unable to access the Carbon Literacy module on ESR. Suzanne Pickering agreed to investigate this for her and report back. **The Audit and Governance Committee RECEIVED the Statutory and Mandatory Training Compliance Report.**	

FINANCE		
AG/2425/057	**Month 3 - Financial Position Update** David Hughes presented the M3 Financial Position update and highlighted the following: • There had been a national requirement for all systems to re-submit their plans on 12 June 2024, JUCD submitted a revised financial plan to deliver a planned deficit of £50.0m, in line with the Revenue Financial Plan Limit set for the ICS. • ICB budgets had been updated in line with the above-mentioned resubmitted plan and were reflected in this report. • As of the 30 June 2024, the ICB was reporting a £0.1m favourable variance against the plan submitted on the 12 June and was forecasting a £23.8m outturn position, in line with the revised plan submitted on the 12 June. • Emerging risks of Continuing Healthcare and S117 (uplift) along with ongoing conversations around the Better Care Fund and Adult Social Care Discharge fund, all of which involved the local authority. • Key to achieving the financial plan for 2024/25 would be the delivery of £47.0m of efficiencies, along with monitoring and mitigating risks that arise. At the time of reporting, the ICB had £26.0m identified schemes, and a further £20.2m identified as opportunities, reducing the gap on ePMO to £0.8m. The pace of the required delivery increased as we get further into the financial year, and hence it was crucial that opportunities were progressed into fully worked up schemes. • As of the 30 June 2024, the ICB had delivered £7.5m of efficiencies against a year-to-date plan of £5.8m. The over achievement of £1.7m was due to Continuing Health Care schemes that were delivering earlier than planned. • Whilst we were forecasting a surplus of £23m, there were significant challenges within that and David Hughes was keen to discuss this further in more detail next month, and in particular how we would manage some of those risks and flexibilities. • The supporting metrics were looking good, and we were operating within our running cost allowance, our cash metrics and the prompt payment of suppliers was also looking good. • The Chair thanked David Hughes for his paper and reported that whilst our plan was tough, it was still looking achievable. It appeared that everyone in the System was working together and playing their part. • The Chair referred to the autism assessments and the risks if activity was not capped; it was noted that this could not be capped. David Hughes reported that this was a problem across the country. It was noted that we had talked about this being a risk currently, but by the time we got to next month, we would be reporting that as a forecast variance. • Keith Griffiths reported that it was worth reminding ourselves of the connectivity between the components that drive us into surplus. In order to deliver our surplus, we needed to engage with Local Authorities and our Providers on things like better	

	care fund, adult social care discharge fund and service development funds; there were some challenging conversations in those areas taking place regarding funds. We were all looking hard to find where we could deliver the savings that we had committed to collectively in the plan we had submitted. • Keith Griffiths reported the other big thing that would drive our position would the opening of the dormitories. We were totally dependent on our spend on out of area placements reducing as a consequence of the dormitories opening on time. • Keith Griffiths reported that we had agreed in the plan that our surplus, when it was delivered, would be redistributed across the Providers. This would not change the £50m deficit but would improve the bottom line of our Provider organisations. **The Audit and Governance Committee NOTED the M3 ICB Financial Position.**	
AG/2425/058	**Aged Debt/Write Offs/Losses and Special Payments Report** David Hughes reported that this paper provided a quarterly update to the debtor position of NHS Derby & Derbyshire ICB, along with details of any losses and special payments incurred. Accounts receivable aged debt sits at £1.6m as at 30 June 2024, which was comparable to the prior quarter of £1.7m as at 31 March 2024. £121k with another ICB was being challenged; the Chief Strategy & Delivery Officer was aware of this. It was noted that no debts were being proposed for write-off at this stage. Accounts payable credit note debt sits at just £0.2m as at 30 June 2024, which was comparable to the prior quarter. No risk was associated with these debts at this stage. Although not covered within this period, there were two redundancy payments totalling £90k expected to be paid out in July 2024. A further £79k was expected between August and November 2024. These had received the appropriate NHSE approval. **The Audit and Governance Committee NOTED the quarterly report contents regarding the level of aged debt as at 30 June 2024.**	
AG/2425/059	**Single Tender Waivers Report – January 2024 to June 2024** David Hughes presented the Single Tender Waivers Report – January 24 to June 24. The Chair reported that the list was extensive, and asked whether it would be possible going forwards if they could be separated into different categories to draw Committees attention to STWs that were not patient related.	

	David Hughes agreed to review the format of this report to make it easier for Committee to focus on non-patient related STWs. **The Audit and Governance Committee NOTED the report of Single Tender Waivers (STWs) approved by the Chief Finance Officer from January – June 2024.**	DH
AG/2425/060	**Primary Care Services Growth - Deep Dive** Georgina Mills gave a presentation entitled Primary Care Services Growth over the last 5 years. It was noted that this presentation had also been given to System Finance Estates and Digital Committee at its meeting on 23 July 2024. The following was highlighted: • Funding provided for the national contract for GP services was directed by national guidance. Extended hours and improving access had been included within the contract for the last few years. • Growth ranged from 3.3% to 5.6% annually; the current year growth was 3.7%. • There was an estimated gap of £2m between the way that the ICB was funded and the way it was expected to flow through to GP practices. This was investigated with NHSE last year and needed to be taken up again this year as an issue. • Additional Roles Reimbursement Schemes (ARRS) enabled PCNs to employ additional staff across direct and non-direct patients to deliver the PCN Directed Advanced Services. Working to nationally set targets, payments were funded recurrently and were paid on a claim-by-claim basis. Uplifts were based on additional roles and included uplifts in line with the AFC pay award. Georgina Mills reported that we awaited official confirmation that additional GPs may be employed under ARRS but were not included in the current figures. • Impact Investment Funding (IFF) - capacity and access were based on national guidance. • It was noted that the gap in ours would not be covered and would only come to fruition if all the PCNs employed up to their maximum; this was worst case scenario (1.3%), NHSE had reported that it would be an acceptable overspend if this was the case and should be fully funded. • Non-recurrent funding had been given over the last 5 years for winter respiratory infection hubs, additional access, leadership, and management of Covid; these were generally national priorities of NHSE. • It was noted that non-recurrent funding was based on national priorities and its nature was to fund individual projects for short periods to either fund a pressure or to support a launch of a project. Often this was rolled over into the baseline, however, as a breakdown was not provided there was no real evidence of this.	

	• Practices also received quality outcomes funding and was based on achieving specific long term condition targets; these were increasingly becoming protected, and a third of the payments were guaranteed. The table on slide 4 showed the estimated full achievement payment and the actual payments made. • The ICB choose to support GP practices with an additional £500k underwritten in 2022/23, for those that could evidence that they had diverted more clinical capacity to meet the same day affecting their QOF achievement. This support was extended into 2023/24, but we had not extended that into this year. • Slide 5 showed a range of discretionary services the ICB could decide to commission on. This included payments for enhanced services, GP transformation, GPIT, Aging Well and PC Other including GP Provider Board, Erewash on the day services, some translation, and courier services costs. • The general growth here had reduced from a significant rise in the Covid outbreak. However, 2023/24 payments did increase by 12.4% and the plan in the current year was also to increase by 12.4%. This did include an assumption of some additional expected allocation of around £7m that usually dropped down during the year. • Notably, enhanced services had decreased over the last 5 years, but that was due to the locality and care home payments moving into a different line on the community budget. • Directly commissioned services - these were payments that had been made for services in primary care made directly to the Providers outside of the GPs. • Out of hours was directly commissioned with DHU, and a deduction was made from the national contract of around £6m. However, the total service currently costs the ICB £13.5m. • Last year, there was a significant reduction in the 111-service contract but had been increased again this year due to a higher specification and for safety being commissioned. • The Chair referred to the gap between the out of hours cost and the amount taken from the national contract, which was a significant gap. She asked whether this was common in other areas, or whether we over specified in our out of hours contract that we commissioned. • Georgina Mills was not able to respond to this and reported that she would do some benchmarking against this and come back to the Chair. Jill Dentith asked that System Finance Estates and Digital Committee be copied into the response. • The Chair reported that this was a complicated funding mechanism, and it had been useful to have received this refresh so Committee could understand the ICBs financial position and understand what funding was available, how it was distributed and who had control of it. • Keith Griffiths reported that there was another cost that had not been reflected in this presentation, which was the cost of staff that worked in the ICB that wholistically worked on generating the income, validating, and collecting the data from GP practices	GM

	for them to receive the money. In other words that was a management commitment from the ICB which probably needed to identify the cost that currently sits within our total 400 WTE envelope. To complete the picture, it would be worthwhile seeing what the true support was from the ICB and how the cost shifted, and how we wanted to manage that moving forward; he agreed to quantify and share this. **The Audit and Governance Committee NOTED the Primary Care Services Growth - Deep Dive.**	KG
MINUTES AND MATTERS ARISING		
AG/2425/061	**Minutes from the Audit and Governance Committee Meeting held on 19 June 2024** The minutes from the meeting held on 19 June 2024 were agreed as a true and accurate record.	
AG/2425/062	**Action Log from the Audit Committee Meeting held on 29 June 2024** The action log was reviewed and updated during the meeting.	
CLOSING ITEMS		
AG/2425/063	**Forward Planner** **The forward planner for 2024/25 was presented and noted.**	
AG/2425/064	**Assurance Questions:** Has the Committee been attended by all relevant Executive Directors and Senior Managers for assurance purposes? **YES**	
	Were the papers presented to the Committee of an appropriate professional standard, did they incorporate detailed reports with sufficient factual information and clear recommendations? **YES**	
	Has the committee discussed everything identified under the BAF and/or Risk Register, and are there any changes to be made to these documents as a result of these discussions? **YES**	
	Were papers that have already been reported on at another committee presented to you in a summary form? **NO**	
	Was the content of the papers suitable and appropriate for the public domain? **NO**	
	Were the papers sent to Committee members at least 5 working days in advance of the meeting to allow for the review of papers for assurance purposes? **YES**	
	Does the Committee wish to deep dive any area on the agenda, in more detail at the next meeting, or through a separate meeting with an Executive Director in advance of the next scheduled meeting? **NO**	
	What recommendations do the Committee want to make to the ICB Board following the assurance process at today's Committee meeting? **NONE**	

AG/2425/065	**Any Other Business** It was noted that Andrew Cardoza (KPMG) would be retiring next year, and this was to be his last Audit and Governance Committee meeting with DDICB. It was noted that Richard Walton would be replacing him, and an introductory meeting had been arranged for 8 October with Keith Griffiths, Donna Johnson, and Susan Sunderland. The Chair thanked Andrew Cardoza for all his help and assistance and reported that she had enjoyed working with him over the years, as had the DDICB Finance Team, and wished him all the best for his retirement. There was no further business.	
DATE AND TIME OF NEXT MEETING		
Date: Thursday 10 October 2024 **Time:** 2.00pm **Venue:** MS Teams		

Signed: ………………………………………………………… Dated: ……………………………..
(Chair)