

**Minutes of the Finance and Performance Committee
29 October 2019 at 9.30am
in Meeting Room 1&2 at Trust Headquarters,
2150 Century Way, Thorpe Park, Leeds LS15 8ZB**

Present: Mrs Sue White, Non-executive Director (Chair of Committee)
Mrs Joanna Forster Adams, Chief Operating Officer
Mrs Dawn Hanwell, Chief Financial Officer and Deputy Chief Executive
Mr Andrew Marran, Non-executive Director
Mr Martin Wright, Non-executive Director

In attendance: Mr David Brewin, Assistant Director of Finance
Ms Rose Cooper, Corporate Governance Officer (Committee Secretariat)
Mr Bill Fawcett, Chief Information Officer (for agenda items 8 and 12)
Mr Myles Callaway, Interim Head of Finance (for agenda items 10 and 9)

		Action
19/085	Welcome and Introduction	
	Mrs White welcomed everyone to the meeting.	
19/086	Apologies for absence (agenda item 1)	
	No apologies had been received. The Committee was quorate.	
19/087	Members and attendees declaration of any conflict of interest in respect of any agenda items (agenda item 2)	
	No declarations of interest were made.	
19/088	Minutes of the meeting held on 24 September 2019 (agenda item 3.1)	
	The minutes of the meeting held on the 24 September 2019 were accepted as a true record.	
19/089	Matters arising (agenda item 4)	
	There were no matters arising.	
19/090	Cumulative action log (agenda item 5)	

The Committee **received** the cumulative action log and **agreed** the actions that should be closed. Mrs Hanwell **provided** a timescale for action log number 92 and **advised** that action log number 124 would be covered under agenda item 6.

19/091

Financial Position Month 6 and Range Forecasts (agenda item 6)

Mr Brewin introduced the report which provided an overview of the financial position at month 6 (September 2019) and forecast outturn range positions. The position at month 6 was within the plan tolerance and the Trust reported a finance score of '2'. He noted that this position was underpinned by significant variances between planned budgets and actual expenditure, with a high degree of reliance on underspending budgets to offset pressure areas. He highlighted that the main underlying expenditure pressures continued to be Out of Area Placements (OAPs) and inpatient staffing levels, and the identification of unmet Cost Improvement Plans (CIPs) (non-recurrently offset). He advised that an assessment of the forecast outturn had been undertaken, based on various assumptions and this had generated a range of potential positions. The expectation remained that the base planned position of £43k deficit (excluding Provider Sustainability Fund (PSF)) would be achieved. The unpredictability of OAPs expenditure was the key variable factor, and the significant on going reliance on "offsetting" variances and slippage was not a sustainable position. These issues remained the main focus of financial planning discussions. The Committee noted that 15% of the PSF was committed to delivering the system control total.

The Committee noted that the outputs from the CIP workshop on the 1 November 2019 would be produced for the joint Quality Committee and Finance and Performance Committee meeting in November. Mrs Hanwell explained that at this workshop they had discussed budget efficiencies and financial planning in terms of service delivery in the context of the financial landscape and with reference to the population health management work. The Committee also noted the progress made with the service line reporting analysis of income and costs which was considered to be a useful tool by managers.

DH

The Committee discussed the risks and opportunities around moving some of the Trust's transactional functions into shared services to increase efficiency through critical mass. The Committee also discussed the process of identifying CIP opportunities across the system and how these would be approached going forward whilst staying in keeping with the Trust's values.

Mrs Hanwell provided an update on the engagement work with staff which had concluded that the move of ward 4 from the Newsam Centre to the Becklin Centre was not practical due to the major works required and the level of risk involved, and considering the fact that there was only eight years left to run on the life on the asset. This position was accepted by staff and Mrs Hanwell assured the Committee that they

planned to make improvement works to the Becklin Centre and the Newsam Centre in the near future. With regard to housing the Liaison Psychiatry Outpatient Service, Mrs Hanwell advised that they were working with partners at Leeds Teaching Hospitals Trust to discuss a way forward with them in light of the recent Leeds Way funding. This would also be looked at by the Board in early 2020 as part of the recalibration of the Strategic Estates Plan.

CH

Mrs White asked if there was a plan around medical agency spend and when this would come into fruition. Mrs Forster Adams acknowledged that this was an ongoing challenge and noted the strengthening of controls around authorisation and the monitoring of spend being put in place by the Operational Delivery Group. She outlined the work that had already been completed, including the medical staffing plan but noted that a plan for the coming years needed to be developed. She also advised that Dr Chris Hosker had taken on a Professional Lead for Medics role in Care Services and was working with consultants to do succession planning which would help to mitigate medical staffing risks in the long term. The Committee discussed the operational challenges caused by this issue and looked at it in the context of the demand for medical staff as a whole in Leeds. Mr Wright noted that he was assured that this had been a predicted position for the Trust and plans were being put in place to address it.

With regard to two variances on capital spend, Mr Wright asked about CareDirector being behind plan and Mrs Hanwell explained this was due to a phasing of the payments based on the delayed milestones as a consequence of having deliberately slipped the 'go live' date. Mr Wright also asked about the IT network infrastructure overspend and Mrs Hanwell explained that this related to the timing of the payment which was made in full for the year.

Ms Cooper would look at establishing a process for the NEDs to receive the blogs written by executive directors which were advertised through the Trustwide emails as they were unable to access them via Staffnet. The recent blogs would also be circulated.

RC

The Committee **noted** that the month six reported financial position was within plan tolerances with an overall surplus (excluding unplanned PSF funding relating to 2018/19) and a finance score of '2'. The Committee also **noted** the underlying assumptions informing the range forecasts and **noted** the significant unmitigated cost pressures in relation to OAPs and inpatient services, rising medical agency costs and unidentified CIPs and the risk associated with reliance on "offsetting" variances.

19/092

Contract Development Analysis (agenda items 7 & 7.1,7.2,7.3,7.4)

Mr Brewin introduced the report which provided an update on the key contractual risks and opportunities with a specific focus on the Adult Eating Disorders Provider Collaborative lead provider requirements. He advised that the business case for this was to be submitted to NHS

England by the 29 November 2019.

The Committee understood that the governance arrangements being proposed were untested and this was because the Trust was in the first wave and had no other contemporary arrangements to use as a model. The Committee noted that there was to be a task and finish group established across the MHLDA Collaborative to design more robust governance arrangements and establish a risk sharing agreement. They also understood that Robert McGough (Solicitor, Hill Dickinson) was being brought in to provide some assurance around the models and look at creating some legal advice across the collaborative.

The Committee reviewed the arrangements in detail. Mr Wright outlined concerns relating to the Trust's commitment to the fixed four year contract term and the limited flexibility of this; the risk in terms of taking on a commissioning role that had not been done before and the administrative capacity and risk associated with this; as well as the lack of clarity as to how the Trust will manage the process as leader of collaborative. Mrs White expressed concerns relating to the proposed governance structure which she felt was not robust and the risks associated with reporting to a body which was not a statutory organisation (the WY&H H&C Partnership). She also had concerns around the Trust having sufficient resources to do the commissioning work and asked what the role of NHS England would be going forwards.

Mrs Hanwell responded that the Memorandum of Understanding and Committee in Common would be fundamental to the partnership working with providers going forward and agreed that the principles around the risk share needed strengthening. She assured the Committee that in law NHS England could not discharge their statutory duty for strategic commissioning. She added that the Trust already had current experience in contract management and that the Eating Disorders model well established. Mrs Hanwell felt it was a positive opportunity for the Trust.

The Committee discussed the importance of investing now to get the principles and model right from the outset as there may be higher risk with future projects. The Committee discussed the resource implications of this work and Mrs Hanwell responded that there was still work to be done to ensure the correct people were in place. Mr Brewin then outlined the process going forwards and the tight timeline for delivery. He explained that because the Trust employed all of the staff there was currently no risk share as part of the Eating Disorders project.

The Committee discussed and understood the risks inherent with being the lead provider but were not yet assured that the governance arrangements were in place as a collaborative to mitigate these. The Committee were supportive of the Eating Disorders project and recognised its potential benefits and were keen to see the governance and risk share arrangements strengthened so they could sign up to the new arrangements with confidence. Mrs Hanwell explained that it was the business case being signed off on the 28 November and that there was time after this for more processes to be worked through before April

2020. Mr Brewin added that as part of the criteria of the business case they needed to state the arrangements for non-executive director involvement. The Committee agreed that more detailed information would come to the November meeting taking into account the points around risk share and governance arrangements, ahead of the Board on the 28 November.

DH

The Committee understood that the Trust would be potentially accepting the Leeds Gender Dysphoria Clinic contract with no change in the baseline. The Committee noted the commissioning and contacting arrangements and continued to be frustrated by them, particularly the unsuccessful bid for extra resource. They agreed to remit this to the Board for review at the beginning of next year.

CH

The Committee **confirmed** support for LYPFT being Lead Provider for the WY&H Adult Eating Disorders Provider Collaborative in principle and **considered** the risk share arrangements. The Committee **considered** the Provider Collaborative governance arrangements including the Named Executive Director role description and **noted** areas of concern to be addressed. The Committee also **considered** the mandated financial principles, subject to the agreement of the financial baseline.

19/093

Consider how to progress the future digital agenda and identify areas that the Board needs to focus on (agenda item 8)

Mr Fawcett informed the Committee that a company called Advanced Healthcare had bought CareDirector and they were working to understand the implications of this. Mrs Hanwell thought the change would be manageable but suggested that this was added to the local risk register as they would need to carry out due diligence on the new company. Mr Fawcett also talked about the new work to digitalise all patients' paper records. He explained that they had launched a programme to go for formal procurement and a business case was likely to be ready by the summer of 2020. Their intention was to present the document management tool within CareDirector for ease of use. Mr Fawcett had also expressed interest for the Trust to be involved in virtual consultations via a company called Attend Anywhere who he believed had a robust product which could provide a good opportunity for the organisation.

BF

From her recent service visit to the Information Governance (IG) Team, Mrs White highlighted the need for the IT department to have a means of very quickly communicating with staff directly when a cyber threat was happening. Mr Fawcett responded that there was an action for him to work with the Communications Team on this. Mr Marran then asked if Mr Fawcett was assured staff knew enough about phishing scams and how to avoid them. He responded that this was a significant part of the IG training already but that they plan to do a trust-wide exercise to help identify staff who might be in need of more support. Mr Marran also asked if the Trust routinely applied for external funding for technology and innovation. Mr Fawcett responded that they had tried in the past but

had not been successful; however, he noted that the STP was proactive in their approach to this which may help in the future. The Committee also discussed the role and function of mHabitat going forwards and how it may help to connect the Trust to potential opportunities.

The Committee discussed the national pilot for Local Health and Care Record Exemplar (LHCRE) which was a platform to support key data being shared across the system and would help to improve the Trust's interoperability and support agile working. Mr Fawcett explained that they were looking at options for sharing information to help join systems together but they would need to have a clear dialogue with patients about this and the Board would need to understand any potential implications.

The Committee understood that a new dashboard on cyber security would form part of the Combined Quality Performance Report being presented to the January 2020 Committee meeting. The dashboard would cover cyber security, phishing, progress with CareDirector and the electronic data management system. There would be separate priorities around interoperability, including LHCRE (with the appropriate safeguards), and mobile and agile working. These priorities were the Committee's recommendation for the Board to concentrate on. It was agreed that Mr Fawcett would update the Committee in July 2020 with a refresh of the Informatics Strategy and the evaluation of CareDirector.

BF

The Committee **considered** how to progress the future digital agenda and **identified** areas that they felt the Board needed to focus on.

19/094

Chair's Report from the Information Governance Group 24 July, 28 August and 25 September 2019 (agenda item 12)

The Chair's Report provided assurance on Information Governance (IG) matters via a summary of the activities of the Information Governance Group and their meetings held 24 July, 28 August and 25 September 2019. Mrs White also noted significant assurance from her recent service visit to the IG Team where she had observed one of the meetings. Due to time constraints, Mr Wright raised the following points outside of the meeting and Mr Fawcett responded accordingly.

The first issue was on page 2 of the report and related to clinical coding of inpatient discharges. The comment in the report was that "uncoded episodes" were now being reported to the Medical Director where patients had been discharged and for whom no discharge summary had been produced. In September 2019 it was reported that the backlog of "uncoded episodes" was 48 for 2018/19 and 204 for the current financial year. Mr Wright was concerned about the significant figures and asked for more information and assurance on this. Mr Fawcett advised that he had spoken with Dr Claire Kenwood (Medical Director) regarding the "un-coded episodes" and discharge summaries. Dr Kenwood acknowledged that the discharge summaries and "un-coded episodes" were a perennial issue and Mr Wright was right to raise a concern;

improvement plans were in place for The Mount and the Becklin Centre but Dr Kenwood intended to raise this further with the Clinical Directors and take this through the Quality Committee. Mr Fawcett added that the CareDirector system presented the opportunity to automate discharge summaries which they would want to pursue once the system was live.

The second point concerned the Trust's Cognos BI system being out of support and in need of an upgrade. Mr Wright asked if this system was used to gather the key performance statistics for reporting to the Board; and, if so, was there a timescale and agreed plan to achieve the upgrade and hence reduce and hopefully eliminate the risks inherent in using a system which is out of support. Mr Fawcett responded that they had commenced the project to migrate to a new version of Cognos and this programme would be completed in June/July of 2020. He added that the current live version was being supported by the supplier and that they were comfortable with the current position as the software version was very stable and mature.

Finally, Mr Wright referred to a discussion in the October Committee meeting about a new service for Paramedics that allowed them access to care records. The intention of this was to enable ambulance staff to decide how and where service users would receive the best treatment instead of automatically taking them to hospitals' emergency departments. The new service, called National Record Locator had been reported in the HSJ and he understood that eight mental health trusts and four ambulance trusts had signed up to the scheme so far. He asked whether the Trust intended to join the scheme and, if so, was there a timetable for sharing data. Mr Fawcett responded that there were no plans to join the scheme at this time primarily because the Trust needed to migrate from the Paris system and on to CareDirector first. He added that it was their intention to engage strongly with the LHCRE programme in the region which would allow the Trust to present data on to other agencies such as the ambulance service. He explained that they would follow both routes as he also felt that the National Record Locator service could present a good opportunity.

The Committee **received** the report from the Chair of the Information Governance Group.

19/095

Progress update on the PFI refinance Memorandum of Understanding (MoU) (agenda item 10)

Mr Callaway introduced the paper which provided an update on progress made to date on the Private Finance Initiative (PFI) refinance Memorandum of Understanding (MoU). He advised that work had been delayed due to the administration of Interserve PLC, but progress was now being made and the date for the conclusion had been revised to the end of 2019. The report provided an update on the improved partnership working; the historic variation review; the review of lifecycle responsibility for Fixtures Fittings and Equipment (FF&E); the review of variation management process; the general change in law provisions;

and rights in relation to assignment.

The Committee asked how confident they were that the work could be delivered by the end of 2019. Mr Callaway outlined some of the factors that may delay meeting the timeframe and what steps were being taken to mitigate these. Mrs White asked what the practical implications of the delay might be and Mr Callaway advised that they would continue to overpay on the FF&E lifecycle and that they would need to manage any potential operational impact. He noted that there was an option to refer to an FF&E step-in clause but that there had been no requirement to use it in last 12 months that had been reported. The Committee understood that work was ongoing to escalate the process to meet the timeframe and any potential practical implications to the delay were mitigated by the step in clause relating to FF&E. Mrs Forster Adams asked that this information was reiterated to the Clinical Environments Group. The Committee asked that a verbal update on the PFI MoU was provided at next meeting in November.

DH

The Committee **noted** progress on the PFI MoU and **noted** the date for the conclusion had been revised to the end of 2019.

19/096

Child and Adolescent Mental Health Services - Draft Full Business Case (agenda item 9)

Mrs Hanwell introduced the working draft of the Child and Adolescent Mental Health Services (CAMHS) draft business case. She advised that it was being presented to Committee to allow for early comments and feedback to be incorporated in the final document which was due to be presented this Committee in November ahead of the Trust Board on 28 November 2019. She noted that a placeholder had been included for any sections still outstanding and where relevant the latest position was included subject to final review and agreement. The Committee noted the areas yet to be finalised.

The Committee reviewed the business case and financial arrangements for the Tier 4 CAMHS unit that was to be built on the St Mary's Hospital site. The Committee raised concerns in relation to some of the financial uncertainties but Mrs Hanwell explained that she would be reviewing the financial risks in preparation for the full business case. The Committee also had some concerns regarding the model of delivery of the clinical service in the future and asked if the number of beds was sufficient. Mrs Hanwell felt assured that accurate bed modelling had taken place and that the numbers reflected this. She also highlighted the importance of getting the out of hospital care model right to help manage patient flow. The Committee noted that the Trust had agreed to provide support to Leeds Community Healthcare NHS Trust (LCH) with the development of the clinical operational model. The Committee had some concerns regarding the proposed workforce arrangements and asked how realistic it would be for the service to employ 90 additional staff in time to run a model that was cost and clinically effective and how risks to achieving this would be mitigated. The Committee also had concerns in relation to

the interdependencies of the Trust and LCH in relation to establishing and delivering the service.

The Committee discussed having a joint meeting of the members of the Boards of this Trust and LCH in November 2019 where these matters could be discussed in greater detail prior to the full business case being presented to each Board for sign off. It was noted that Mrs Hill was looking at the arrangements for this meeting.

CH

The Committee **noted** the progress made on the Child and Adolescent Mental Health Services Draft Full Business Case and provided feedback.

19/097

Development of the West Yorkshire and Harrogate five-year Strategic Plan (agenda item 11)

The Committee noted that this was a planning document which would be part of the West Yorkshire and Harrogate Health and Care Partnership Five-year Strategic Plan and that the information in the submission was to be viewed as a planning tool and that it would also support the Trust's own operational plan. The Committee also noted that the planning guidance which would inform the Trust's Operational Plan would be released before the end of this year with draft plans due early 2020.

The Committee discussed the content of the paper in detail and understood that the submission still had a number of undeveloped CIPs and as such its achievability was caveated by this. Mrs Hanwell also advised that there was a requirement to comply with the Financial Improvement Trajectory which required the Trust to make a surplus rather than breakeven. The Committee received assurance in relation to the work being undertaken to address the undeveloped CIP plan and that further information would be presented to a joint meeting of the Finance and Performance and the Quality Committees in November 2019.

The Committee **noted** the assurance of the process and governance arrangements underpinning the development of the West Yorkshire and Harrogate Health and Care Partnership five-year Strategic Plan. The Committee also **noted** the Trust's submission noting the financial planning assumptions included and the commitment to comply with the financial improvement trajectory for 2020/21 to 2023/24.

19/098

Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 13)

The Committee **agreed** that any urgent matters would be escalated to the Extraordinary Private Board meeting on the 26 October 2019.

19/099

Any other business (agenda item 14)

Mr Wright referred to the discussion that had taken place at the 24 October 2019 Audit Committee meeting relating to estimated discharge dates (EDDs) and the cultural barriers associated with them. The Committee noted that a number of processes had been put into place and that performance data had shown a significant improvement in the setting and recording of EDDs within the acute inpatient services and that there was work ongoing to explore how effective this approach was in non-acute areas. The Committee noted the progress being made and Mr Wright asked that Internal Audit carry out a re-audit of EDDs so that they could gain further assurance.

JFA

The Committee also discussed the governance around the Acute Care Excellence programme and its reporting arrangements to Board sub-committees. They recommended removing the item from the agenda of the joint Finance and Performance Committee and Quality Committee in November and agreed that an update would come to the 26 November Committee business meeting.

JFA

DRAFT