

**Minutes of the Finance and Performance Committee
28 January 2020 at 1pm
in Meeting Room 3 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 Financial Officer
Mr Hergy Galsinh, Head of Network Services and Cyber Security (agenda item 14)

		Action
20/001	<p>Welcome and Introduction</p> <p>Mrs White welcomed everyone to the meeting.</p>	
20/001	<p>Apologies for absence (agenda item 1)</p> <p>No apologies had been received.</p> <p>The Committee was quorate.</p>	
20/002	<p>Members and attendees declaration of any conflict of interest in respect of any agenda items (agenda item 2)</p> <p>No declarations of interest were made.</p>	
20/003	<p>Minutes of the meeting held on 26 November 2019 (agenda item 3)</p> <p>The minutes of the meeting held on the 26 November 2019 were accepted as a true record.</p>	
20/004	<p>Approval for the minutes of the meeting held on the 26 November 2019 to be uploaded to the Trust's external website (agenda item 3.1)</p> <p>The Committee agreed that the minutes of the Finance and Committee</p>	

meeting held on the 26 November 2019 were suitable to be uploaded to the Trust's external website.

20/005 Matters arising (agenda item 4)

There were no matters arising.

20/006 Cumulative action log (agenda item 5)

The Committee **received** the cumulative action log and **agreed** the actions that should be closed.

With regard to action log 143, Mr Fawcett provided an update. He noted that he had met with senior managers of Advanced Healthcare and they had provided assurances around their future direction and commitment to developing the business relationship going forward. He noted that the Programme Committee, which included Mrs Forster Adams and Mrs Hanwell, was expected to continue post-live to ensure Executive Director oversight. The Committee agreed that an update would be brought back to the Committee in 6 months' time which would review the partnership with CareWorks and provide assurance going forward. Any issues would be escalated to the Committee via Mrs Hanwell in the meantime.

With regard to action log number 141, Mr Wright updated the Committee on the discussion that took place at the Audit Committee on the 23 January 2020 where they had received assurance that Estimated Discharge Dates were a focus for the Internal Audit team and that they had agreed to do a follow-up in the new financial year. Mrs Forster Adams noted that compliance at the date of this meeting was 82.1%. The Committee agreed this action could be closed.

BF

20/007 Combined Quality Performance Report (agenda item 6)

The Committee received the Combined Quality Performance Report, which included activity and financial information through to December 2019. The Committee discussed presentation of the report. Mrs White felt it would be helpful for assurance purposes for the report to provide timescales for when improvements to underperforming areas might be expected. Mr Wright also felt there was some disconnect between the dials and the narrative in the structure of the report.

Mr Wright was concerned about the time delay in discharge summaries being communicated to GPs and noted that performance was well below target and asked for assurance that action was being taken to address this. The Committee discussed this in some detail and what factors may be contributing to it and Mrs Forster Adams noted that this had been escalated through the Trustwide Clinical Governance Group. At this

meeting clinicians had agreed that the amount of information being transferred to GPs was sufficient from a clinical risk perspective. Mr Fawcett suggested this could be something for the digital exemplar programme to look at as part of a targeted approach. It was agreed that Mrs Forster Adams would provide a brief report to the Committee on progress with discharge summaries being communicated to GPs in a timely way and assurance around a plan going forward at the March 2020 meeting.

JFA

The Committee also had concerns regarding physical health check targets not being met and asked for a timeframe of when they might see improvement. The Committee also discussed a risk relating to Cygnet Healthcare and asked if their services were used in the Trust. Mrs Forster Adams noted that Quality Committee had looked at this but she would revisit this work to see if it needed to be refreshed.

JFA

JFA

The Committee was pleased to note that the Leeds Autism Diagnostic Service (LADS) was exceeding its target. The Committee also noted that there was one acute out of area patient as of today and were assured that progress being made. However, Mrs Forster Adams noted there had been a rise in Psychiatric Intensive Care Unit (PICU) out of area placements (OAPs) but that they were working to understand what was causing this.

The Committee **reviewed** and **noted** the contents of the report which outlined the Trust's current performance position.

20/008

Acute Patient Flow and Capacity Update (agenda item 7)

Mrs Forster Adams introduced the paper which provided an update on the internal work they were undertaking in relation to capacity, demand and patient flow and the work being done with commissioners and partners to create additional out of hospital provision and capacity.

The Committee understood the impact that the delay in the building of the Crisis House and the delay in the Crisis Resolution Intensive Support Service (CRISS) achieving its full potential had impacted on the Trust achieving its OAPs trajectory. It was agreed that for the April 2020 Committee meeting they would review progress with this and requested that they see a revised trajectory for OAPs for the year ahead. The Committee also noted that discussions were underway with the CCG (Clinical Commissioning Group) about them providing financial support to compensate for the financial risk caused by the delay with Crisis House but were concerned that this would still leave a risk relating to service provision. The Committee noted that there would be no OAPs funding from the CCG next year.

JFA

The Committee **discussed** the assurance provided by the internal actions currently in place and **identified** where further work was required.

20/009

Update on the Acute Care Excellence Collaborative (agenda item 8)

The Committee discussed the Acute Care Excellence workstreams detailed in the report. With regard to unwarranted clinical variation, Mrs Forster Adam explained how they were tracking measures for improvement of inpatient treatment elements. The Committee noted the importance of clinical leadership to progress this work.

The Committee **noted** the progress of the work to date.

20/010

Financial Position Month 9 (agenda item 9)

Mr Brewin introduced the report which provided an overview of the financial position at month 9 (December 2019). The overall financial position at month 9 was significantly better than plan and the Trust reported a finance score of '1'. He noted that this income and expenditure position continued to be underpinned by significant variances between planned budgets and actual expenditure, with a high degree of reliance on underspending budgets to offset pressure areas. There was also significant non recurrent benefit from slippage on development reserves, and some prior year fortuitous benefit.

He noted that a detailed forecast was being undertaken to assess the likely range of outturn positions (agenda item 9.1). There was a high level of confidence and expectation that the Trust would significantly exceed its planned £43k deficit plan, given the year to date position and the expected additional funding from the CCG. However, the underlying financial position remained a concern due to the level of "offsetting" variances.

The Committee noted that the Trust had returned to a finance score of '1' and that this was owing to a strong cash position. The Committee also noted the Trust was 12% over its planned agency spend (this was largely driven by medical agency at a consultant level) but understood that the new NHS Improvement restrictions were now in place and that further a reduction was expected soon, with the appropriate exceptions.

The Committee noted the revised capital forecast position which was 0.7m behind plan at this point due partly to some minor slippage on timelines. As a result of this they had reassessed forecast capital spend down from £7.9m to £6.9m. Mr Wright was assured by this but asked for more information on the under and over spend in the IT capital programme. Mr Fawcett advised that the overspend was partly due to the costs associated with the PC replacement programme to upgrade kit in order to move users onto Windows 10. Mr Fawcett also explained that the underspent areas related to the Electronic Patient Record (EPR) project and their decision not to recruit external staff to support the transition but to source the relevant skills internally.

The Committee **noted** that the month 9 reported financial position was significantly better than plan with an overall surplus (excluding unplanned PSF funding relating to 18/19) and a Finance Score of '1'. The Committee also **noted** the cost pressures in relation to OAPs and inpatient services; rising medical agency costs and unidentified CIPs; the revised capital forecast position and risk associated with reliance on "offsetting" variances.

20/011 Quarter End and Forecast Out-turn (agenda item 9.1)

Please refer to the private minutes of the 28 January 2020 meeting.

20/012 Contract Development Analysis (agenda item 10)

Please refer to the private minutes of the 28 January 2020 meeting.

20/013 Reference Costing and Benchmarking (agenda item 11)

Mrs Hanwell introduced the report which provided an overview of the final notified Reference Cost position for 2018/19 and an update on benchmarking activities undertaken since the last Committee meeting. The final results from the national reference cost consolidation exercise indicated that the Trust's costs were 38% higher than the national average, indicating that there was an opportunity to improve productivity and efficiency.

Mrs Hanwell explained that the Trust had undertaken efficiency and productivity reviews with representatives from each of the clinical service lines which had identified opportunities for efficiency and productivity improvements informed by national mental health and local benchmarking information. The outputs from this would inform the Trust's efficiency plan. In addition, they had benchmarked corporate services and inpatient staffing establishments with peers and this had identified both further opportunities to improve efficiency and build a case for additional investment.

The Committee reviewed the latest benchmarking data for the Trust and discussed the Trust's performance and how they planned to improve it. The Committee noted that this data had been triangulated with the Model Hospital data and that similar themes had surfaced. Mrs Hanwell noted that they had tried to combine this with more useful benchmarking data to see if there were any commonalities. Mr Brewin also drew the Committee's attention to the inpatient staffing benchmarking which evidenced that the Trust's establishment was lower than its peers.

The Committee registered its concern that the Trust was an outlier among other organisations and understood that action needed to be

taken on both clinical and corporate fronts to improve its position. The Committee noted that the Board would be reviewing an Operational Plan in April 2020 which would include the efficiency proposals.

The Committee agreed to feedback on the discussion had at this Committee meeting to the Board on the 30 January 2020 during the 'achieving financial sustainability' agenda item.

The Committee **noted** the 2018/19 Reference Cost position and **noted** the benchmarking activities undertaken and opportunities identified for efficiency and productivity improvements. The Committee also **considered** the specific additional actions that were required.

20/014 Review of mHabitat and Co-Space North (agenda item 12)

Please refer to the private minutes of the 28 January meeting.

20/015 Strategic Estates Plan Progress Update (agenda item 13)

Mrs Hanwell introduced the paper which updated the Committee on the progress made in delivering the Strategic Estates Plan since the last report in July 2019.

The Committee **reviewed** the progress made since the last update and **noted** the issues and risks specifically in relation to PFI, the St James' Development and capacity within the Estates teams.

20/016 Quarterly Reports from the Information Governance Group from the Meetings on the 24 October and 28 November 2019 (agenda item 15)

The Committee **received** and **noted** the assurance provided and had nothing further to raise.

20/017 Internal Audit Planning 2020/21 – 2022/23 – suggestions for Internal Audit (agenda item 16)

Mrs Hanwell **informed** the Committee that Internal Audit would use some of their contingency days to carry out an audit on how Estates processes interact with each other as they had identified some gaps and issues with how the Estates meetings currently function. The Committee also **discussed** the relationship between Clinical Audit and Internal Audit and how the two functions could be triangulated. The Committee **noted** that any new suggestions should be sent to Ms Cooper for forwarding to the Internal Audit team.

20/018

Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 17)

The Committee **agreed** the items that would be included in the Chair's Report to the public Board of Directors' Meeting on the 30 January 2020.

20/019

Any other business (agenda item 18)

The Committee noted that this was Mr Marran's last meeting and thanked him for his contribution to the Committee over the last 10 months.

20/020

IT Health Assurance Dashboard (agenda item 14)

The Committee received the first proposal for the IT dashboard and discussed some key indicators that were of particular interest. These included delivering necessary patches across the Trust, assurance around managing care sets, and cyber security. It was agreed that the Committee would see a draft of how this would be presented at Board and sub-committee level at the May 2020 meeting. The Committee also discussed the importance of staff that are not desk-based having access to a laptop to complete compulsory training.

The Committee **received** the demonstration on the IT Health Assurance Dashboard for information.

BF