

**Minutes of the Finance and Performance Committee
26 November 2019 at 2pm
in Room 4, St. George's Centre,
Great George Street, Leeds, LS1 3DL.**

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)
Mrs Cath Hill, Associate Director for Corporate Governance

| | | Action |
|---------------|--|---------------|
| 19/100 | <p>Welcome and Introduction</p> <p>Mrs White welcomed everyone to the meeting.</p> | |
| 19/101 | <p>Apologies for absence (agenda item 1)</p> <p>Apologies from attendees had been received from Mr Bill Fawcett, Chief Financial Officer.</p> <p>The Committee was quorate.</p> | |
| 19/102 | <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> | |
| 19/103 | <p>Minutes of the meeting held on 29 October 2019 (agenda item 3)</p> <p>The minutes of the meeting held on the 29 October 2019 were accepted as a true record.</p> | |
| 19/104 | <p>Approval for the minutes of the meeting held on the 29 October 2019 to be uploaded to the Trust's external website 2019 (agenda item 3.1)</p> <p>The Committee agreed that the minutes of the Finance and Committee meeting held on the 29 October 2019 were suitable to be uploaded to</p> | |

the Trust's external website.

19/105 Matters arising (agenda item 4)

There were no matters arising.

19/106 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 number 137, Mr Wright referred to the takeover of CareDirector by Advanced Healthcare and asked if it was known what the new company's intention for purchasing CareDirector was; for example, whether it was being bought to be closed down as a competitor or whether their intention was to invest in it. Mrs Hanwell was unclear if this information was known at this time. Mr Marran had some concerns regarding the new company's use of the Trust's healthcare data and how we could be assured that changes would not be made to who has the rights to this information after the takeover has happened. Mr Fawcett would be contacted for a written response to the above concerns.

RC

With regard to action log number 129, the Committee agreed that an update on the financial implications of the apprenticeship levy would be included as part of the Finance Report to the July 2020 Committee meeting.

DB

19/107 Combined Quality Performance Report (agenda item 6)

The Committee received the Combined Quality Performance Report, which included activity and financial information through to October 2019. The Committee noted that there was steady progress being made with the Crisis Service and Mrs Forster Adams advised that staffing challenges were being resolved. However, she noted that the Clinical Lead Dr Julie Robinson, who had led on the improvement work in the Crisis Service, was moving to the Perinatal Service and this presented a staffing risk.

Mr Wright asked for an update on the Acute Care Excellence Programme. Mrs Forster Adams outlined the progress to date, including improvements to delayed discharges, and some of the challenging circumstances to progressing this work which was around six weeks behind schedule. The Committee noted that the Acute Care Excellence workshop had been scheduled for this week and that objectives would be refined following the event. It was noted that going forward the priority would be to demonstrate improving efficiency throughout inpatient services.

Mrs Forster Adams advised that the Trust was not meeting the local trajectory for Out of Area Placements (OAPs) for this year and explained some of the factors behind this. This included a delay in the build of a six bed 'crisis house' in Leeds which the CCG had initially estimated would be ready in early 2020. However, the Committee noted that the Trust was on a national trajectory for OAPs which was working to eliminate them by the end of March 2021. Mr Brewin advised that there were ongoing negotiations with the CCG for extra resource to mitigate the current financial risk.

The Committee noted the recent high demand for the Psychiatric Intensive Care Unit (PICU) which presented a significant risk. This issue was being looked at an Integrated Care System (ICS) level because it was being seen across the region. The Committee was also informed of the plan to repurpose some community hospital beds as complex dementia beds which could help to reduce Delayed Transfers of Care (DToC) over time. Mrs Forster Adams advised that the beds should be available to use from March 2020.

The Committee was concerned that the figures for physical health assessments in adult services were significantly below target but noted that this was being picked up through the Quality Committee. Mrs White also noted the further delay in the awarding of the tender for the Gender Dysphoria Clinic due to the election purdah. The Committee registered its concern regarding waiting times for accessing and receiving treatment from the current service due to it being oversubscribed.

Finally, Mr Wright asked about the delay with inpatient discharge summaries being handed over to GPs, noting that CareDirector and BigHand would help in the future but asked what was being done in the interim. Mrs Forster Adams responded that she had planned to raise this issue at a future meeting of the Senior Medical Council. The Committee noted its concern.

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

19/108

Update on the Acute Care Excellence Collaborative (agenda item 7)

As above.

19/109

Financial Position Month 7 (agenda item 8)

Mr Brewin introduced the report which provided an overview of the financial position at month 7 (October 2019). The position at month 7 was within the planned 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 OAPs and inpatient staffing levels, and identification of unmet CIP (non-recurrently offset). He advised that the expectation remained that the base annual plan position of £43k deficit (excluding 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 understood that progress had been made to move groups of agency staff onto the Trust’s Bank Staff or onto temporary contracts in line with the new NHS England ‘agency rules’. However, the Committee was still concerned about the high level of agency spend on Health Support Workers. Mr Wright then updated the Committee on a recent service visit to the Workforce Team where he had learnt about some poor practice amongst ward and service managers in their use of Bank staff to cover certain wards. The Committee noted that Mr Wright had asked for this issue to be raised at the Workforce Committee.

The Committee **noted** that the month seven reported financial position was within plan tolerances with an overall surplus (excluding unplanned PSF funding relating to 18/19) and a Finance Score of ‘2’. The Committee also **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.

19/110

Contract Development Analysis (agenda item 9)

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 application. He noted that extensive work had been carried out over the last few weeks, in collaboration with partners, and this report aimed to address the governance, capacity and risk issues raised at the last Finance and Performance Committee.

Mr Wright referred to the amount of management layering that had been built into the governance framework that could become cumbersome over time. He also noted that Mrs Hanwell and Mrs Forster Adams would not be the relevant officers for the other provider collaboratives and felt that this transition may cause problems in the future. The Committee also discussed non-executive director oversight in the longer term.

The Committee reviewed the proposed governance arrangements for the WY&H Adult Eating Disorders Provider Collaborative, including business case, partnership and risk share agreements. The Committee was assured as to the proposed governance arrangements and felt that the concerns they had raised at the October 2019 Finance and

Performance Committee meeting had been fully addressed. The Committee thanked the team for the huge amount of work to progress this to the current stage. The Committee agreed to recommend that the Board support the application for the Trust to undertake the role of Lead Provider for the WY&H Adult Eating Disorders Provider Collaborative and approve the business case and partnership agreement for submission on 29 November 2019.

The Committee **reviewed** and was **assured** by the proposed Provider Collaborative governance arrangements, including the business case, partnership and risk share agreements. The Committee **recommended** that the Board support the application for LYPFT to undertake the role of Lead Provider for the WY&H Adult Eating Disorders Provider Collaborative and approve the business case and partnership agreement for submission on 29 November 2019.

19/111

Children and Adolescent Mental Health Services (CAMHS) Unit Development (agenda item 10)

Mrs Hanwell introduced the full business case for the development of the new tier 4 Child and Adolescent Mental Health Services (CAMHS) unit on the St Mary's Hospital site. She advised that the business case had been developed in collaboration with colleagues from both Leeds and York Partnership NHS Foundation Trust and Leeds Community Healthcare and was in line with national requirements and the five stage model.

Mrs Hanwell outlined the material changes since the draft business case and highlighted the key risks. The Committee discussed the full business case in some detail and noted some concerns relating to the proposed clinical model; the revenue stream; the capacity of the site; and the risk around construction from a Guaranteed Maximum Price (GMP) perspective. However, they noted some mitigating factors in response to these points which included: having Trust staff leading on developing the model; the contingency revenue and the Trust's lease payments being secure; and there being some flexibility in the design of the building and its capacity. Mrs Hanwell also explained that in the event that the contractors fell below the GMP, the Trust would share a percentage of the cost savings.

The Committee had some concerns relating to the workforce that they felt could pose a significant risk; however, this was not something that the Trust could mitigate against as responsibility for this lay with Leeds Community Healthcare Trust. Because of this, the Trust would not be involved in any risk share regarding OAPs at this stage.

The Committee asked for an update on the plan for Littlewood House Hall to come to the Committee meeting in January 2020 as part of the Strategic Estates Plan update.

DB

The Committee **considered** the full business case and **supported** the recommendation that the Trust Board approve the full business case to progress with the new CAMHS unit development.

19/112 Private Finance Initiative (PFI) Memorandum of Understanding (MoU) Update (agenda item 11)

It was noted that this update was being presented to the Committee following concerns at the previous meeting over the delay in the completion of the Memorandum of Understanding. The current deadline was set for the end of this calendar year. Mrs Hanwell outlined some of the ongoing challenges to progress and advised of the upcoming negotiations that would take place with the Special Purpose Vehicle (SPV) regarding historic variation. Mrs Hanwell would provide a further update at the January 2020 Committee meeting.

DH

The Committee **received** the update on the current progress with the PFI MoU.

19/113 Board Assurance Framework (agenda item 12)

The Committee **reviewed** the risks detailed in the Assurance Framework and was **assured** that these were being adequately controlled. The Committee **agreed** that a contributory risk relating to the Trust's reliance on non-core income from CPC should be added under Strategic Risk 5. The Committee **requested** that a risk relating to the commissioning arrangements for the NICPM was added to the risk register and for this to be linked to the Board Assurance Framework as a contributory risk relating to Estates. Mrs Hill would also amend any references made to the 'STP' to 'ICS'.

DH

DH

CH

19/114 Finance and Performance Committee Cycle of Business for 2020/21 and Committee meeting dates for 2020/21 (agenda item 13)

The Finance and Performance Committee **agreed** the Committee's cycle of business for 2020/21 and **noted** the Committee meeting dates for 2020/21. It was **agreed** that an item relating to Winter Pressures would be added to the Performance Monitoring section of the cycle of business for November 2020 ahead of it being presented to the Board.

RC

19/115 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 14)

The Committee **agreed** the items that would be included in the Chair's

19/116

Any other business (agenda item 15)

The Committee did not discuss any other business.

DRAFT