

**Minutes of the Finance and Performance Committee
25 April 2023 at 1pm (via Teams).**

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

In attendance: Mr Jonathan Campbell, Associate Director of Estates and Facilities (agenda item 8)
Ms Rose Cooper, Corporate Governance Officer (Committee Secretariat)
Mr Gerard Enright, Financial Controller
Mr Bill Fawcett, Chief Information Officer
Mrs Cath Hill, Associate Director for Corporate Governance
Mr Jonathan Saxton, Deputy Director of Finance
Mr Ian Andrews, Non-clinical Staff Governor (observing)
Mr Matthew Knight, Appointed Governor (observing)

		Action
23/039	<p>Welcome and Introduction</p> <p>Mr Henry welcomed everyone to the meeting.</p>	
23/040	<p>Apologies for absence (agenda item 1)</p> <p>Apologies from members had been received from Mr Darren Skinner, Director of People and Organisational Development.</p>	
23/041	<p>Declaration of any conflicts of interest in respect of agenda items (agenda item 2)</p> <p>No declarations of interest were made.</p>	
23/042	<p>Minutes of the meeting held on the 28 March 2023 (agenda item 3)</p> <p>Mr Wright queried the date of the internal audit into the electronic document management (EDM) system recorded in the minutes as 2025/26. Mr Fawcett confirmed that this should be amended to 2024/25 and the Committee requested that Ms Cooper update the minutes accordingly.</p> <p>The minutes of the meeting held on the 28 March 2023 were accepted as a true record, subject to the above amendment.</p>	RC
23/043	<p>Approval for the minutes of the meeting held on the 28 March 2023 to be uploaded to the Trust’s external website (agenda item 3.1)</p> <p>The Committee agreed that the minutes of the meeting held on the 28 March 2023 were suitable to be uploaded to the Trust’s external website.</p>	

23/044 Matters arising (agenda item 4)

There were no matters arising.

23/045 Cumulative action log (agenda item 5)

Action 297: the Committee agreed that the Red Kite View post project evaluation report would be deferred to the July 2023 meeting as the technical evaluation work was not yet complete.

Action 298: the Committee agreed that the inpatient benchmarking work would come to the May 2023 meeting. Mrs Hanwell asked that the wider benchmarking work based on national data collections was provisionally scheduled for July.

Action 301: Mrs Hanwell confirmed that the updated version of the Operational Plan would refer to the Private Finance Initiative (PFI) expiry work as a 2023/24 organisational priority. The Committee agreed that this action could be closed.

The Committee **received** the action log and **noted** the updates provided.

23/046 Chief Financial Officer Report (agenda item 6)

The Committee noted that the Trust had provisionally (subject to external audit) achieved both capital and revenue plans in 2022/23 and noted that the Trust had submitted a break-even plan for 2023/24, within the context of the overall system plan still being in deficit. Mr Saxton explained that work continued to improve the financial plan position for 2023/24 with further updates to be provided at the next meeting.

The Committee received the update on agency spending which was now monitored at system level with a target applied to each provider and noted that the Trust had exceeded the spending limit for 2022/23 (£11.8m against a target of £8.3m). Mr Saxton explained that medical agency accounted for 58% of the total spend, but highlighted some positive news in terms of recent consultant appointments which would help to reduce this.

The Committee then discussed the high-level variance analysis and Mr Wright asked for more detail on the corporate savings which had helped the Trust to achieve its financial efficiency challenge. Mr Saxton explained that the in-year base rate increase had led to an increase in interest receivable which had non-recurrently wiped out the efficiency challenge. He also noted that vacancies in medical and pharmacy staff groups had contributed to this position. The Committee sought clarification regarding the Clifton House variance and noted that there were no substantive medical staff in post at this time which had led to increased spending on medical agency staff.

The Committee then noted the timeline for signing off the year-end accounts and understood that the redundancy provision for commercial activities had been kept in the Trust's accounts as an unadjusted item. Mrs Hanwell also confirmed that

all trusts within the West Yorkshire Integrated Care Board (ICB) had achieved their plans overall.

The Committee then discussed the plan update for 2023/24 and noted that the West Yorkshire plan had a combined deficit and had come under increased scrutiny from NHS England who had set a minimum improvement target to be achieved before the next submission on 3 May 2023. The Committee noted that linked to this the Trust may be tasked with further reducing out of area placements. The Committee also heard that NHS England had agreed to provide additional support for excess inflation, but it was unclear how this would be distributed at Leeds Place level.

Mrs Hanwell emphasised that, at this stage, there was no intention to change the Trust's plan as a consequence of these factors. However, the Committee noted that even though the Trust remained at a break-even plan, due to the significant challenge in the system, the Trust may be targeted to offer resources back to the wider system or increase its efficiency requirement. The Committee also noted the risk of potential slippage in terms of service development funding.

The Committee agreed that Mrs Hanwell / Mr Saxton would circulate an update on the West Yorkshire ICB position to Committee members offline after the Directors of Finance meeting on the 28 April 2023, ahead of a fuller update at the next Committee meeting.

DH / JS

The Committee **noted** the achievement of the revenue plan in 2022/23 and **noted** the capital expenditure position of £8.0m.

23/047 Estates and Clinical Environments Report (agenda item 8)

Mr Campbell introduced the Estates and Clinical Environments Report and highlighted a few areas for the Committee to note. These included an update on inpatient door alarms which had been paused awaiting the completion of a research project by another trust; and the installation of lockable safes to all service user bedrooms which was estimated to be complete by early quarter two.

The Committee noted that an independent architect had been appointed to undertake an objective review of the design and build of Red Kite View to check that the construction met the agreed specification. Mr Campbell advised that they were not expecting any significant matters to come to light and had already received additional assurance around fire safety and compartmentation. The Committee noted that this review was also referred to as the technical evaluation and that a full report was scheduled for the July meeting as per action log number 297.

The Committee also discussed the flooring issue in the circulation spaces at the Mount and Mr Henry asked if the current position was having any impact on service users or service delivery. Mrs Forster Adams explained that this was a long-standing issue which was regularly reviewed and at this point in time the service leadership team felt it was better to continue with the current levels of occupancy (which were reduced) and manage the risk of falls due to the challenges in terms of decanting the ward in order to replace the flooring. The

Committee noted that robust falls risk assessments were undertaken on a regular basis for every individual but agreed that further assurance was needed around where the increased risk of falls was being monitored and if this was being followed through in terms of additional staffing requirements. Mrs Forster Adams agreed to provide further assurance on this at a future meeting.

JFA

The Committee then discussed the catering pilot and noted this had been extended until the PFI benchmarking exercise had taken place in order to get a better understanding of the expected cost pressure in terms of soft facilities management. The Committee noted that this was likely to be complete by June 2023 and agreed that an update on this would be provided at a subsequent meeting.

JC / DH

The Committee **received** the Estates and Clinical Environments Report.

23/048 Contract Development Analysis (agenda item 7)

It was agreed that the value of the previous year's contract would be included alongside the outcome of the 2023/24 Leeds ICB Mental Health contract (once it was known), so that Committee members could understand the movement between the two amounts.

JS

The Committee **received** the update on the current service development opportunities and risks.

23/049 Board Assurance Framework (agenda item 9)

Mr Wright noted that references to Mr David Brewin and Mr David Sanderson in the contributory risks section of the Board Assurance Framework (BAF) needed to be updated as they had now left the Trust. He also identified two corrections on page 45 and page 46 relating to date errors. Mrs Hill agreed to make the amendments to the BAF and reflect on Datix as required.

Chi

Mr Wright also suggested that the Trust's 'change leads' were included as a mitigation to the risk around cultural and staff ability and aptitude preventing the optimum and appropriate use of technology. Mr Fawcett agreed to add this as part of the next update.

BF

The Committee **reviewed** the latest version of the Board Assurance Framework and was **assured** that the risks were being adequately controlled.

23/050 Annual Report of the Committee (agenda item 10.1)

The Committee **reviewed** and **approved** its Annual Report for 2022/23 ahead of submission to the Board of Directors in June 2023.

23/051 Review of the Terms of Reference (agenda item 10.2)

Mr Wright noted that the Audit Committee and Quality Committee terms of reference had recently been updated. It was agreed that Ms Cooper would review the terms of reference for this Committee to ensure consistency with those of other Board subcommittees.

RC

The Committee **reviewed** the proposed amendments and **approved** the Terms of Reference for the Finance and Performance Committee, **subject** to the additional amendments to ensure consistency with other Board subcommittee terms of reference.

23/052 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 11)

The Committee **agreed** the items to be included in the Chair's Report to the next public Board of Directors' Meeting on the 25 May 2023.

23/053 Any other business (agenda item 12)

The Committee did not discuss any other business.