

**Minutes of the Finance and Performance Committee
26 September 2023 at 9am (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
Miss Katy Wilburn, Non-executive Director
Mr Martin Wright, Non-executive Director

In attendance: Ms Rose Cooper, Deputy Head of Corporate Governance (Committee Secretariat)
Mr Warren Duffy, Head of Operations: Estates & Facilities (agenda item 10)
Mr Keith Rowley, Managing Director: North of England Commercial Procurement Collaborative (agenda item 11)
Mr Jonathan Saxton, Deputy Director of Finance
Ms Nicola Woodhead, Head of Procurement (agenda item 11)

		Action
23/071	<p>Welcome and Introduction</p> <p>Mr Henry welcomed everyone to the meeting.</p>	
23/072	<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> <p>Apologies from attendees had been received from Mr Jonathan Campbell, Associate Director of Estates and Facilities; Mr Gerard Enright, Assistant Director of Finance; and Mr Bill Fawcett, Chief Information Officer.</p>	
23/073	<p>Declaration of any conflicts of interest in respect of agenda items (agenda item 2)</p> <p>No declarations of interest were made.</p>	
23/074	<p>Minutes of the meeting held on the 23 May 2023 (agenda item 3)</p> <p>The minutes of the meeting on the 23 May 2023 were accepted as a true record.</p>	
23/075	<p>Approval for the minutes of the meeting held on the 23 May 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 23 May 2023 were suitable to be uploaded to the Trust's external website.</p>	

23/076 Matters arising (agenda item 4)

Mr Wright asked about the governance arrangements of the Private Finance Initiative (PFI) Concession Steering Group. Mrs Hanwell explained that a proposal was going to September Board recommending that the PFI Concession Steering Group report progress and assurance to this Committee on a regular basis with key milestones and decisions reported to the Board of Directors as and when required. Mrs Hanwell agreed to liaise with Ms Cooper to programme in the updates to this Committee. Mr Wright also requested verbal updates on the National Inpatient Centre for Psychological Medicine (NICPM) and the Northern School of Child and Adolescent Psychotherapy (NSCAP), and it was agreed these would be covered under the Chief Operating Officer Report.

RC / DH

The Committee **noted** the matters arising.

23/077 Cumulative action log (agenda item 5)

The Committee discussed the open actions and received the following updates:

Action 298: due to current progress, it was agreed that November would be more appropriate timing for this work to come back to the Committee.

Action 319: the Committee agreed that the Information Management Steering Group would prepare a briefing paper to a future Committee meeting on the use of electronic signatures to authorise documents (such as tender waivers) and their view as to which solution provides the best value for money.

Action 317: Mrs Hanwell informed the Committee that the email containing the links to the training videos had come from an unknown source and Board colleagues had been concerned that it was not legitimate. She explained that Mr Galsinh had been asked to contact the Board directly with instructions on how to access the videos.

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

23/078 Chief Operating Officer Report (agenda item 6)

The Committee received the report from the Chief Operating Officer and noted the escalations from a service delivery and performance perspective. Firstly, the Committee discussed workforce availability which continued to be a significant risk with increased Covid-19 rates impacting on staff availability and likely to worsen over the winter period. The Committee then discussed the Trust's continued reliance on out of area placements (OAPs), particularly for female beds which was linked to increased lengths of stay and reduced patient flow. The Committee heard about the adaptations being made to the Trust's service provision in response to this and plans to use intelligence from Public Health to ascertain if this demand is a long or short term trend.

Next, the Committee noted that staff deployed into community services as part of the stabilisation plan had returned to their substantive roles, discussed the legacy of previous rounds of redeployment and the impact on staff, and received assurance on the proactive approach being taken to avoid large scale redeployment in the future, led by the Reducing Vacancies workstream. The Committee was also mindful of the potential impact on quality of care and staff wellbeing of day to day movement between wards due to workforce availability.

The Committee then received an update on the findings from the Attain listening exercise with staff from the Forensic Service and Mrs Forster Adams suggested that a full report on this including priority actions was presented to a future Board of Directors' meeting. The Committee also received an update on recruitment within the Forensic Service's leadership team.

Mrs Forster Adams then referred to the upcoming joint industrial action between junior doctors and consultants which was likely to cause significant disruption to the Trust's services. She explained what arrangements were being put in place to mitigate the risks associated with this and noted that a further update would be provided at the Board of Directors' meeting later that week.

Next, Mr Saxton provided an update on the project to reduce NSCAP costs in response to the funding gap identified from 2024/25 onwards and outlined the steps they were taking to review the delivery model of the service. He described some of the issues which had delayed progress but noted that work was getting back on track with recommendations on the future model due at the November Financial Planning Group (FPG).

The Committee also received an update on the review of the NICPM and ME/CFS clinical pathway and service model for West Yorkshire which would take into account the fixed inpatient capacity under the current block contract arrangements and use intelligence from Public Health to ascertain future demand. Mrs Hanwell informed the Committee that NICPM would be allowed to continue using its current inpatient capacity at Leeds Teaching Hospitals NHS Trust until 2032.

Miss Wilburn noted that most Emergency Preparedness, Resilience and Response (EPRR) plans and policies had recently been reviewed and approved as per the new mandatory compliance in the NHS EPRR Core Standards and highlighted that this could cause a bottleneck of work this time next year. Mrs Forster Adams agreed they would need to look at dispersing the workload over the coming year to avoid this.

Mr Wright then asked for more detail on the data quality issue which had resulted in the under reporting of out of area bed days. Mrs Forster Adams confirmed that this was a technical issue rather than a data entry issue and assured the Committee that it was now resolved.

The Committee **considered** the report and the assurance it provided in relation to key escalations, **noted** that there were no new issues but continued deterioration in some existing areas, and **agreed** the areas of concern to highlight to the Board.

23/079 Chief Financial Officer Report - Month 5 (agenda item 7)

The Committee received an overview of financial performance and noted that the Trust had achieved a £0.1m surplus as at the end of August but recognised there were a number of risks to this financial position. The Committee noted that the West Yorkshire Integrated Care Board (ICB) revenue position at month 5 was in deficit and off plan and that enhanced financial controls were now in place across the system which were helping to strengthen the Trust's governance arrangements and standing operating procedures. The Committee was alert to the risks and challenges associated with the system's deficit position, particularly given the Trust's healthy cash position which was in part due to interest receivable.

Mr Saxton explained that progress against the four thematic efficiency areas was key to delivering a break-even position at the end of the financial year. He outlined the remit of each thematic area, provided an update on progress from each of the working groups, and noted that a high-level summary of the efficiency dashboard containing all potential efficiency schemes and their feasibility would be brought to the Committee in October. Mrs Hanwell then advised the Committee that the FPG had oversight of the Trust's cost improvement programme, noted the challenges with materialising the efficiencies in the current climate, but was assured that robust processes were in place which would support the Trust to achieve its break-even plan.

The Committee noted a potential risk relating to the treatment of IFRS16 capital expenditure which may lead to a significant shortfall in West Yorkshire, depending on the allocation value for each ICB.

The Committee also noted the reducing income reported by Thrive by Design and agreed to discuss this further in the private meeting.

The Committee **noted** the revenue and capital position at month 5 and the actions being taken to ensure the delivery of the plan in the context of the wider system challenges.

23/080 Contract Development Analysis (agenda item 8)

The Committee noted that the go-live date for the Yorkshire and Humber Perinatal Provider Collaborative, of which the Trust is Lead Provider, had been pushed back from 1 October 2023 to 1 April 2024 to allow additional time for due diligence and assurance to take place. The Committee understood that the reasons for the delay were necessary and valid.

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

23/081 National Cost Collection Submission Report (agenda item 9)

The Committee received the briefing on the 2022/23 National Cost Collection (NCC) pre-submission assurance requirements as outlined in NHS England's NCC Guidance for 2023. The Committee confirmed that it was satisfied with the Trust's costing processes and systems, and that the Trust would submit its costing return in accordance with the guidance.

The Committee noted that the 2021/22 NCC results had been received but had limited value in terms of benchmarking due to data quality issues and a lack of consistency in terms of reporting mental health data at a national level. The Committee noted that a more detailed report on benchmarking was due at the November meeting. The Committee also noted the finance department's intention to recruit to an additional post within the costing team to support local benchmarking work.

The Committee **approved** the current process in place as sufficient to assure the Board on the plan to complete the mandated costing submission for 2022/23.

23/082 Estates and Clinical Environments Report (agenda item 10)

Mr Duffy introduced the Estates and Clinical Environments Report and highlighted a few areas for the Committee to note, including an update on the catering pilot at the Newsam Centre. The Committee noted that the outcome of the PFI benchmarking exercise had not yet been returned and the team were still waiting for a date for this.

Miss Wilburn noted the introduction of a new standard operating procedure in response to the high volume of requests received for minor estates works and asked if this new process would enable minor works to be more aligned to the strategic direction of the Trust. Mr Duffy confirmed that future requests would go through the new MICAD system and be grouped accordingly to support a more efficient and cost-effective approach which was aligned to the Trust's Strategic Estates Plan.

The Committee noted the update on the flooring issue at the Mount and the challenges associated with decanting the ward in order to complete the works. Mrs Hanwell felt that the position needed to be revisited in order to find a permanent solution now that the Trust had certainty on the PFI contract and confirmed that this would be looked at as part of the Strategic Estates Plan.

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

23/083 Procurement Strategy Update (agenda item 11)

The Committee noted that the Procurement transformation had concluded, recognised the progress made so far, but noted there were some residual issues particularly relating to transactional procurement which were leading to payment backlogs and overdue creditors. The Committee heard that a task and finish group

had been established to focus on this issue and work was ongoing with NHS Shared Business Services (SBS) and finance colleagues to improve the processes and quality of data. Ms Woodhead also confirmed that she had instructed SBS to reinstate the 10% tolerance on invoice payments and Mrs Hanwell emphasised that this needed to be progressed as quickly as possible.

The Committee **noted** the update provided.

23/084 2023-2024 Business Continuity and EPRR Policy statements and the Business Continuity Management System (agenda item 12)

The Committee noted the new governance arrangements for the approval of the EPRR policy, and supported the revisions made to the documents ahead of them being presented at the September Board of Directors' meeting.

The Committee **supported** the revisions made to the EPRR policy.

23/085 Chair's Report from the Information Governance Group (agenda item 13)

The Committee **received** the Chair's Report from the Information Governance Group and was **assured** by the update provided.

23/086 Finance and Performance Committee Terms of Reference (agenda item 14)

The Committee reviewed the proposed changes and approved the Terms of Reference for the Finance and Performance Committee. The Committee agreed some additional amendments relating to the minimum timeframe for the circulation of paperwork and the Committee's duty to approve the Trust's Health Informatics Plan. The Committee also noted that 'Payment by Results tariff system' needed updating to 'payment mechanisms and tariff system'. The Committee also agreed to remove the statement that up to four meetings a year would be deemed as strategic meetings which the Committee felt was not reflective of how meetings were being run. Ms Cooper agreed to make the changes as directed.

RC

Mr Wright then queried the current quoracy rule, which stated that the minimum number of members for a meeting to be quorate was two, providing one of those members at the meeting was a non-executive director, which he felt may not be robust enough. Ms Cooper agreed to check if this was consistent with the quoracy rules of other Board subcommittees.

RC

Mr Wright also raised the executive director representation on the Finance and Performance Committee, noting that Mr Skinner was listed as a member but had not attended for some time. The Committee suggested that it might be helpful to have additional executive representation given the links to workforce and quality and agreed to review the executive director membership on this Committee.

All

The Committee **reviewed** the proposed amendments and **approved** the Terms of Reference for the Finance and Performance Committee, subject to some additional amendments. The Committee **noted** the revised Terms of Reference would be presented to the November Board of Directors' meeting for ratification.

23/087 Suggestions for future internal audits (agenda item 15)

The Committee did not suggest any areas for future internal audit.

23/088 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 16)

The Committee **agreed** the items to be included in the Chair's Report to the next public Board of Directors' Meeting on the 28 September 2023.

23/089 Any other business (agenda item 17)

The Committee did not discuss any other business.