

**Minutes of the Finance and Performance Committee
24 October 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
Ms Nichola Sanderson, Director of Nursing and Professions
Mr Darren Skinner, Director of People and Organisational Development
Miss Katy Wilburn, Non-executive Director
Mr Martin Wright, Non-executive Director

In attendance: Ms Rose Cooper, Deputy Head of Corporate Governance (Committee Secretariat)
Mrs Clare Edwards, Associate Director for Corporate Governance
Mr Gerard Enright, Assistant Director of Finance
Mr Bill Fawcett, Chief Information Officer
Mr Ian Hogan, Chief Information Officer
Mr Jonathan Saxton, Deputy Director of Finance (agenda items 1 - 6)

		Action
23/090	<p>Welcome and Introduction</p> <p>Mr Henry welcomed everyone to the meeting.</p>	
23/091	<p>Apologies for absence (agenda item 1)</p> <p>No apologies had been received from members or attendees of the Committee.</p>	
23/092	<p>Declaration of any conflicts of interest in respect of agenda items (agenda item 2)</p> <p>No declarations of interest were made.</p>	
23/093	<p>Minutes of the meeting held on the 26 September 2023 (agenda item 3)</p> <p>The minutes of the meeting on the 26 September 2023 were accepted as a true record.</p>	
23/094	<p>Approval for the minutes of the meeting held on the 26 September 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 26 September 2023 were suitable to be uploaded to the Trust's external website.</p>	

23/095 Matters arising (agenda item 4)

The Committee noted that the update on winter planning arrangements would be presented to the November meeting rather than the October meeting as originally planned. Mrs Forster Adams explained that the delay was due to the winter planning timetable having changed because of some additional requirements for mental health trusts from NHS England. She informed the Committee that they were working with teams and services to ensure these were properly incorporated and this would take a few more weeks to conclude. She noted that there were no concerns with the Trust's winter planning arrangements over and above what the Committee had discussed at previous meetings.

JFA

The Committee also received an update on progress with the Emergency Preparedness, Resilience and Response (EPRR) Standards Compliance Report. Mrs Forster Adams reminded the Committee that the process had recently changed and confirmed that the standards had been submitted to NHS England, but they were yet to receive their feedback. She advised the Committee that this report would be presented to the November meeting.

JFA

The Committee **noted** the matters arising and **supported** the revised reporting schedule for these items.

23/096 Cumulative action log (agenda item 5)

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

Action 319: Mr Fawcett confirmed that the Information Management Steering Group would review the technical options available for electronic signatures, and the costs associated with these, which would be summarised in a paper to a future Committee meeting with a recommended way forward. The Committee noted that the security features of NHSmail helped to mitigate the risks associated with multiple signatures being used to approve financial documentation.

Action 308: Mrs Hanwell explained that Private Finance Initiative (PFI) partners had not yet released the benchmarking information relating to soft facilities management, and they had given an indicative timescale of the end of October for the outputs to be shared. The Committee noted that an update should be available for the November meeting.

Action 323: the Committee thanked Mr Skinner and Ms Sanderson for attending this meeting, welcomed their attendance at future meetings, and agreed that this action could be closed.

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

23/097 Chief Financial Officer Report (agenda item 6)

The Committee received the overview of financial performance and noted the Trust's income and expenditure deficit position as at the end of September 2023.

The Committee noted that the key risks to this financial position related to out of area placements (OAPs), agency expenditure, and unidentified cost improvement plans (CIPs) and received an update on progress against each of the four thematic efficiency areas. The Committee noted that the West Yorkshire Integrated Care Board (ICB) position at month 6 was in deficit and off plan and that enhanced financial controls continued to be in place across the system. The Committee was informed that going forward all requests for non-clinical agency staff would need to go through the ICB and NHS England for approval and noted that the Trust's governance processes were being adapted accordingly and work was ongoing to mitigate any risks associated with this.

Miss Wilburn referred to the ICB position being significantly off plan, noted that the drivers for this were unlikely to change and asked how realistic it was for the ICB to forecast being back on plan in six months' time and what the consequences were if this was not achieved. Mr Saxton explained that a forecasting exercise was being undertaken by all organisations within the ICB to identify when they might be off plan and how they could work together to help each other deliver efficiencies before the end of the financial year. He explained that some deficit in the system was tolerable, but not to the extent that was currently being forecast and that financial controls would continue to be used as a consequence of this. He added that some additional funding may become available from the centre following the recent industrial action, but this had not been confirmed.

Miss Wilburn then referred to the list of efficiency schemes included as appendix H, noted that some projects had zero costs identified and queried if this was realistic. Mr Saxton explained that some of the work had already taken place, with the efficiencies yet to be collected, and would therefore incur no further costs. Mrs Hanwell added that some of the costs were already included in the organisation's infrastructure as part of business as usual and were achievable without additional costs. She agreed that there might be some one-off investments to achieve longer term savings, but these would be handled on a case-by-case basis. The Committee noted that the next step in the process would be a probability rating and risk assessment for each of the schemes. Mr Saxton confirmed that both quality and equality impact assessments would be carried out for all CIPs made to establishment before they are transacted. The Committee noted that this could be a lengthy process given the scale of the CIPs programme and suggested that the process may need to be simplified.

The Committee noted that reducing OAPs and agency was central to achieving the efficiency total as per appendix H and the Committee received an update on progress with reducing clinical and non-clinical agency costs. Mr Wright also referred to the Limited Assurance Report into the Utilisation of the E-rostering system and noted that the recommendations from that audit may identify further savings to be had in terms of agency costs.

The Committee noted that the exceptional packages of care in the West Yorkshire Children and Young People's (CYP) Provider Collaborative (PC) related to additional staff costs and clinical services expenditure for patients who could not be supported at Red Kite View due to their exceptional needs. She informed the Committee that herself, Mrs Hanwell, and Mr Saxton were due to meet with the Trust's Head of Commissioning to understand the scale of the issue and the associated risks and consider how it could be budgeted for going forward, noting that currently investment reserves were being used to fund these exceptional

packages of care. Mrs Hanwell felt it may also be timely to revisit plans for a regional 'risk pool' that goes beyond existing PC boundaries to help manage the situation.

The Committee noted that the Board of Directors was due to receive the Red Kite View post project evaluation report at the February 2024 Strategic Discussion as part of a 'deep dive' into Red Kite View which would include the learning from the CYP PC partnership arrangements. It was agreed that this remit would be broadened to include the issues discussed today relating to payments for exceptional packages of care and governance and risks in provider collaboratives more generally. Mrs Edwards agreed to note this for the February 2024 Strategic Discussion forward plan.

CE

The Committee also discussed the key variances by department set out in appendix B and noted that work was ongoing with teams and services to rebase historic budgets with a view to reducing variances. The Committee noted that any risks associated with permanently disestablishing posts were being carefully considered; however, the Trust was offering temporary as well as permanent CIPs which would mean services could ask for some of their budget back if required. The Committee noted that good progress was being made and colleagues were working hard to build staffs' trust in the rebasing process.

The Committee **noted** the revenue and capital position at month 6 and the actions being taken to ensure the delivery of the plan, in the context of the wider system challenges.

23/098 Off-payroll Engagements 2023-24 (agenda item 7)

The Committee received the annual update on off-payroll engagements as of 30 September 2023 and noted that the figures included people employed through agencies which were recorded here for assurance that they pay tax at source.

The Committee noted the relatively high number of off-payroll engagements for corporate services and heard that these were largely made up of posts within estates and IT departments. The Committee noted the significant costs associated with these posts and the impact on the Trust's agency bill. Mr Enright reassured the Committee that the Agency Task and Finish Group was examining the employment opportunities for each of these posts and that the intention was to fill them with substantive staff.

Mr Fawcett then referred to the new approval process for non-clinical agency requests and highlighted a risk in relation to staffing the IT service desk which was generally made up of a younger more transient workforce. He explained that because of this they occasionally needed to backfill with agency staff to plug any temporary gaps at short notice in order to sustain the service.

The Committee **received** the report for information.

23/099 Health Informatics Strategic Projects Update (agenda item 8)

The Committee received an update on progress against the main IT projects. The Committee noted that as of today the electronic document management programme (MediViewer) had gone live for 101 services in the Trust and was on target to complete the roll-out by the end of November 2023. The Committee also heard that the roll-out of the two-factor authentication system (Duo) across the Trust had been completed. Mr Fawcett confirmed that the Duo application could be used on personal mobile phones and the roll-out had not required additional equipment to be provided to staff without work phones.

The Committee then discussed the project to connect to the Yorkshire and Humber Care Record and noted some of the benefits of this in terms of being able to present and extract data. The Committee noted that the systems that the Trust had in place meant it was in a strong position in terms of collecting and using its own information and data but recognised that there was a wider issue around integration and information sharing across the NHS, which could be further exacerbated by funding challenges in the digital sector.

The Committee then sought assurance around Advanced Healthcare's commitment to continuing to resource and develop CareDirector as required. Mr Fawcett explained that the Trust was in a contract with Advanced Healthcare until 2027 and emphasised that the Trust would need to continue to apply pressure with senior level colleagues at Advanced Healthcare in order to maintain robust supplier / customer relations and to ensure they continued to develop CareDirector's functionality and additional wrap around products as required. The Committee noted that this risk and corresponding mitigation was recorded on the Trust's risk register.

Finally, Ms Sanderson emphasised the importance of continued engagement with frontline staff who were the main users of CareDirector. She highlighted some of the benefits of CareDirector and welcomed the ongoing development of the system both in terms of its clinical use and improving staff productivity.

The Committee **noted** the good progress being made against the main IT projects. The Committee also **noted** that it was Mr Fawcett's last meeting and **thanked** him for the significant contribution he had made in terms of forwarding the Trust's digital agenda and **wished** him the best for the future.

23/100 Cyber Security Update (agenda item 9)

The Committee received an update on cyber security and noted that good progress was being made against the key projects. Mr Fawcett informed the Committee that consideration was being given to pooling some resources at a regional level with West Yorkshire mental health partners to increase staff skill mix and resilience across the patch. He also informed the Committee that a live cyber exercise was scheduled to take place on the 25 October 2023, and it was agreed that a report on the findings of this would come to a future meeting. The Committee also noted the upcoming internal audit into the Trust's cyber security arrangements.

IH

The Committee then discussed last year's cyber-attack which had significantly affected the use of electronic patient record software in other trusts and agreed that it would be helpful to receive the findings and learning from this to inform future cyber exercises and contingency planning. Mr Hogan advised the Committee that there was no timeframe for the release of this information yet but confirmed that it would be shared with the Committee when it was available.

IH

The Committee **received** the cyber security update and was **assured** that the Trust continued to maintain a robust position in relation to its cyber defences.

23/101 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 10)

The Committee **agreed** the items to be included in the Chair's Report to the next public Board of Directors' Meeting on the 30 November 2023.

23/102 Any other business (agenda item 11)

The Committee did not discuss any other business.