

**Minutes of the Finance and Performance Committee
23 January 2024 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 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)
Mr Jon Campbell, Associate Director of Estates and Facilities (agenda items 8 - 10)
Mrs Clare Edwards, Associate Director for Corporate Governance
Mr Gerard Enright, Assistant Director of Finance
Mr Jonathan Saxton, Deputy Director of Finance

		Action
24/001	<p>Welcome and Introduction</p> <p>Mr Henry welcomed everyone to the meeting.</p>	
24/002	<p>Apologies for absence (agenda item 1)</p> <p>No apologies had been received from members of the Committee. Apologies from attendees had been received from Mr Ian Hogan, Chief Information Officer.</p>	
24/003	<p>Declaration of any conflicts of interest in respect of agenda items (agenda item 2)</p> <p>No declarations of interest were made.</p>	
24/004	<p>Minutes of the meeting held on the 28 November 2023 (agenda item 3)</p> <p>The minutes of the meeting on the 28 November 2023 were accepted as a true record.</p>	
24/005	<p>Approval for the minutes of the meeting held on the 28 November 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 November 2023 were suitable to be uploaded to the Trust’s external website.</p>	
24/006	<p>Matters arising (agenda item 4)</p> <p>There were no matters arising.</p>	

24/007 Cumulative action log (agenda item 5)

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

Action 308: Mrs Hanwell informed the Committee that the Trust had received the Private Finance Initiative (PFI) benchmarking data from Equitex. She explained that a report would be presented to the Estates Steering Group in February on the outcome of the benchmarking report and what this means for the Trust's ability to take forward the cost pressure for the catering pilot, with a subsequent update to be included in the Estates and Clinical Environments Report to this Committee in April.

Action 327: the Committee noted the update provided and agreed to schedule the cyber exercise debrief for the March meeting.

Action 337: the Committee noted that the financial consequences of the application of IFRS 16 to the measurement of the Trust's PFI liabilities had been included in the Chief Financial Officer's Report and therefore the action could be closed.

Action 298: Mrs Forster Adams informed the Committee that the inpatient benchmarking data would be incorporated into the Chief Operating Officer's Report once the data had been sufficiently weighted. She explained that the West Yorkshire Secondary Care Pathways Group was the holding group for this information which would be used locally to make improvements and influence decision making.

Action 317: the Committee noted that the next stage of the process was for the MetaCompliance cyber training to be rolled out to the Trust's non-executive directors.

Action 319: the Committee noted the update provided and agreed to schedule the briefing on electronic signatures for the March meeting.

Action 332: Mrs Forster Adams informed the Committee that she was awaiting assurance from finance colleagues at the local authority about their financial commitment to the development of Dolphin Manor; however, she had received confirmation that progress was on track for 'go live' in May 2024 from a capital works and operational perspective.

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

24/008 Chief Operating Officer Report (agenda item 6)

The Committee received the report from the Chief Operating Officer and noted the key escalations from a service delivery and performance perspective. Firstly, the Committee discussed the current out of area placements (OAPs) position and the risks and challenges associated with sustained demand, capacity and flow for both staff and service users. The Committee noted that this was a national and regional trend that required a system solution and understood that admissions

may need to be paused or capped in order to manage capacity and supported this approach being taken as and when required. The Committee also recognised the need to establish whether the position was compounded by poor system flow or reflected a genuine growth in demand and noted that estates capacity for additional beds would be scoped as part of the Strategic Estates Plan. Mrs Forster Adams reassured the Committee that out of area placements were subject to quality oversight by the Quality Committee and that issues related to OAPs and patient capacity and flow would be discussed in more detail at the Board development session in March 2024.

The Committee then discussed the vacancy levels at Red Kite View which had been exacerbated by staff turnover and short-term sickness, despite recent recruitment successes. The Committee noted that a recommendation was due to be made to the Provider Collaborative in response to the vacancy position which would support the service to manage the short-term pressure. Mrs Forster Adams added that they would also be revisiting the recruitment and retention plan for the service.

The Committee noted that the demand for the Gender Service continued to exceed its capacity and queried the Gender Service underspend referenced in the Chief Financial Officer's Report. Mr Saxton explained that the underspend could be attributed to the vacant posts in the Gender Service at the start of the year which were now recruited to; the rest sat with the other services in the service line. The Committee then discussed the international shortage of key medicines for people with Attention Deficit Hyperactivity Disorder which was now expected to continue until April 2024. The Committee noted that the Board was due to consider the longer-term quality and patient safety implications of this in more detail at an upcoming meeting.

Next, the Committee noted the unusual variations in sickness both in terms of type and length highlighted in the report. The Committee heard that the trends and operational implications of this were being considered by the Deputy Director of Operations and workforce colleagues and agreed that the findings would be included in the next Chief Operating Officer's (COO) Report.

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The Committee then discussed some performance information in more detail. Firstly, Graph 2 in the COO Report which indicated that there were longer lengths of stay on some Becklin Centre wards compared to others and asked what was understood about these variances. Mrs Forster Adams explained that Ward 5 at the Becklin Centre was an outlier due to the different clinical presentations on that ward; however, she explained that clinical variance was being looked at as part of the Acute Care Excellence work which was driving improvements both in terms of reducing clinical variation and lengths of stay.

The Committee also discussed a graph on page 12 of the Service Performance Report which showed that early intervention into psychosis response times were on a sustained downward trend. Mrs Forster Adams explained that the service, which was delivered by a third sector organisation, was falling slightly short of its target. She advised that there were no significant quality concerns associated with this and that assessments were still being undertaken in a reasonable timeframe. However, a recovery plan was in place to improve response times with the Trust's Deputy Director of Service Development managing the contract on an interim basis while the Head of Operations was appointed to.

Finally, the Committee discussed emergency preparedness, resilience and response (EPRR) planning and management and the ongoing work to mitigate the risks associated with industrial action. The Committee noted that additional resource had been put in place to support internal teams and services to update their business continuity plans and that the Trust was working with Forum Central to support third sector providers to meet the requirement to have appropriate business continuity plans in place. The Committee noted the risks associated with not being compliant with the standard, and the increased resource required to support this work.

The Committee also noted that a recovery plan was being developed for the Memory Assessment Service following periods of industrial action and understood that this service had been disproportionately affected due to the scheduled activities of junior doctors. Mrs Forster Adams reassured the Committee that appointments had been rescheduled relatively quickly, and a plan was in place to minimise future disruption.

The Committee **reviewed** the report and **agreed** the areas of concern to highlight to the Board via the Chair's Report.

24/009 Chief Financial Officer Report – Month 9 (agenda item 7)

The Committee received an overview of financial performance at month 9 including the revenue and capital position, noted the key risks linked to agency spend, OAPs and unidentified cost improvement plans and noted that progress was being made with the four thematic areas for efficiency, with work underway to equality and quality impact assess the efficiency schemes. The Committee was reminded of the unwinding of the CPC redundancy provision in the Trust's financial forecast, as discussed at the previous meeting, which supported the Trust's forecasted surplus position. The Committee also received an update on the financial position of the Integrated Care Board. Regarding 2024/25 operational planning, the Committee noted that final planning guidance had not yet been released which could affect current planning timescales.

The Committee noted the position with overdue creditors and heard that work was ongoing to address this with payments to small and medium enterprises being prioritised to minimise the risk to them. The Committee noted that the Better Payment Practice Code metric did not convey an accurate picture of the percentage of bills paid within target as it excluded invoices which were on hold for query or in dispute. The Committee also received an update on the financial consequences of the application of IFRS 16 to the measurement of the Trust's PFI liabilities as requested by the Audit Committee.

Next, the Committee discussed the role of the Reducing Vacancies Group and the important check and challenge provided by the Vacancy Management Panel which had brought to light some inconsistencies across the organisation in terms of recruitment practices and processes. The Committee noted that the Deputy Director of Operations and the professional leads were supporting recruiting managers to improve practice in this area. The Committee also noted that the Group was undertaking a review of vacancies over 12 months which had the

potential to create efficiencies. The Committee recognised the need for a systematised, organisational approach to workforce redesign and it was agreed that a summary of the findings of the Reducing Vacancies Group would come to a future meeting to provide more detail on how the Group was supporting the Trust's efficiency programme.

The Committee **noted** the revenue and capital position at month 9 and the actions being taken to ensure the delivery of the plan, in the context of the wider system challenges and the work to achieve financial balance; and **noted** that work continued on 2024/25 planning.

24/010 **Costing Assurance** (agenda item 8)

The Committee received assurance on the successful submission of the 2022/23 National Cost Collection (NCC) in line with the approved costing guidance. The Committee noted that once the relevant outputs of the NCC were published, the findings would be reviewed and investigated with services and reported to this Committee as per its cycle of business. The Committee also noted that the outputs of this exercise could help to inform future cost improvement plans.

The Committee noted that both the cost base for the NCC and the inpatient activity had increased since 2021/22 and noted the reasons for this as explained in the report. Mr Saxton confirmed that the increases were expected and there were no significant concerns associated with this. He added that the reduction in non-admitted patient care was being looked at in more depth but similarly there were no significant concerns associated with this at the current time.

The Committee **noted** the successful submission for 2022/23.

24/011 **Green Plan Update** (agenda item 9)

The Committee received the update on the Trust's Green Plan, noted the progress to date, and the reduced capacity within the Sustainability Team. The Committee also noted that an external consultancy (JRP Solutions) had been appointed to undertake a review of the Green Plan, including a revision of the plans to become net zero by 2040, which was due to be completed by April and would be presented to this Committee in July 2024 as per its cycle of business.

The Committee discussed the update and agreed on the importance of capturing the initiatives already contributing to the sustainability agenda as well as properly baselining and developing a clear work plan, in order to embed the Green Plan across the Trust. The Committee also noted that a staff travel survey had been carried out by the Sustainability Team and Mr Campbell confirmed that the findings of this would help to inform the Strategic Estates Plan.

Finally, the Committee was reminded that the Board of Directors did not currently have a non-executive director champion for sustainability, and it was proposed that Miss Katy Wilburn would take up this position, subject to further consideration outside of the meeting.

The Committee **received** the update on the delivery of the Green Plan.

24/012 Estates and Clinical Environments Report (agenda item 10)

Mr Campbell introduced the Estates and Clinical Environments Report and highlighted areas for the Committee to note, including an update on lone working devices, the development of a new security management policy, and progress with the security infrastructure project which relates to CCTV and access control.

The Committee noted the update on the catering pilot and the news that the Trust had received the PFI benchmarking report which would be reviewed by the Estates Steering Group next month with an update scheduled for this Committee in April 2024. The Committee supported the approach and the benefits of providing improved menus but noted the challenge of funding such initiatives out of an already stretched budget.

The Committee **received** the Estates and Clinical Environments Report and was **assured** that good progress was being made against the key projects.

24/013 2023/24 Organisational Priorities Quarter 3 Progress Report (agenda item 11)

The Committee received an update on progress regarding the Trust's 2023/24 organisational priorities and the high-level objectives taken from directorate strategic plans. The Committee was reassured to note that work would be undertaken to streamline the number of priorities for 2024/25 with a view that future priorities should contribute to quality and safety improvement and the financial sustainability of the organisation. It was agreed that this process of refinement would make it easier for Committee members to monitor progress and slippage in key areas which may be masked by the current quantity of priorities.

The Committee referred to the red rated tasks which were categorised as incomplete with timescales that may not be achievable and noted that the majority of these had already been discussed earlier in the meeting and were monitored regularly by the Committee via standing reports. Mrs Hanwell then drew the Committee's attention to the revised timescale for the redesign of the Specialised Supported Living Service and associated cost pressure. The Committee agreed that this would be discussed in more detail at the private meeting. The Committee also received an update on the future viability of the Northern School of Child and Adolescent Psychotherapy contract and noted that discussions with NHS England were ongoing with progress being monitored via the Financial Planning Group.

The Committee **considered** the Trust's position against its 2023/24 organisational priorities; was **assured** as to the systems and processes in place for monitoring and supporting the delivery of the objectives and underpinning tasks; **considered** the Gantt chart which set out the interdependent tasks; and was **assured** as to the processes in place to manage the annual planning round.

24/014 Board Assurance Framework (agenda item 12)

The Committee reviewed the Board Assurance Framework (BAF) and noted that, as agreed at the Board of Directors' meeting in November 2023, the PFI strategic risk was no longer required as a standalone risk and had been closed on Datix and removed from the BAF document with the detail subsumed into the estates strategic risk (SR5). The Committee noted that the BAF would next be reviewed in quarter one of 2024/25 once the work to develop the Trust's strategic priorities and objectives had taken place to ensure that the strategic risks were still applicable and correctly aligned.

Mr Wright referred to SR4 and noted that some of the assurances in relation to key controls were dated from 2022 and asked that these were updated. Mrs Edwards agreed to review this with Mrs Hanwell.

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Mr Wright also referred to risk number 1142 on SR5 which related to the increasing frequency and severity of periods of summertime extreme heating and asked if this should be broadened to reflect the risks associated with winter. Mrs Hanwell explained that this risk reflected the specific challenge of cooling and ventilating premises during high temperatures which was of greater difficulty than heating buildings during low temperatures but acknowledged that other extreme weather risks related to climate change, such as flooding, may need to be reflected. Mrs Forster Adams reassured the Committee that a range of winter weather related risks were monitored as part of the EPRR risk register.

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

24/015 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 13)

The Committee **agreed** the items to be included in the Chair's Report to the next public Board of Directors' Meeting on the 25 January 2024.

24/016 Any other business (agenda item 14)

Mrs Hanwell shared an update on key personnel changes amongst directors of finance within the Leeds Place. The Committee noted that this had implications for continuity and corporate memory and could pose a risk at Leeds system level. The Committee agreed to bring this to the attention of the Board of Directors via the Chair's Report.

The Committee **noted** the update provided.