

**Minutes of the Finance and Performance Committee  
23 April 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 Warren Duffy, Head of Operations: Estates & Facilities (for agenda item 7)  
Mrs Clare Edwards, Associate Director for Corporate Governance  
Mr Gerard Enright, Assistant Director of Finance  
Mr Ian Hogan, Chief Information Officer  
Mr Peter Ongley, Carer Governor (observing)  
Mr Jonathan Saxton, Deputy Director of Finance

		Action
24/036	<p><b>Welcome and Introduction</b></p> <p>Mr Henry welcomed everyone to the meeting.</p>	
24/037	<p><b>Apologies for absence</b> (agenda item 1)</p> <p>No apologies had been received from members or attendees of the Committee.</p>	
24/038	<p><b>Declaration of any conflicts of interest in respect of agenda items</b> (agenda item 2)</p> <p>Miss Wilburn informed the Committee that her current employer also used Advanced as a supplier. The Committee noted this and agreed that it did not present a conflict of interest in relation to agenda item 8.</p>	
24/039	<p><b>Minutes of the meeting held on the 25 March 2024</b> (agenda item 3)</p> <p>The minutes of the meeting on the 25 March 2024 were <b>accepted</b> as a true record.</p>	
24/040	<p><b>Approval for the minutes of the meeting held on the 25 March 2024 to be uploaded to the Trust's external website</b> (agenda item 3.1)</p> <p>The Committee <b>agreed</b> that the minutes of the meeting held on the 25 March 2024 were suitable to be uploaded to the Trust's external website.</p>	

**24/041 Matters arising** (agenda item 4)

The Committee requested an update on the Specialist Supported Living Service and heard that promising progress had been made with some of the voids now filled and that work was ongoing jointly with Leeds City Council (LCC) to continue to fill the voids. The Committee noted that review points were scheduled over the coming weeks and a position would be shared with the Financial Planning Group at the end of April. The Committee also received an update on the ongoing contract negotiations with LCC regarding inflationary uplift and the use of voids. The Committee thanked Mrs Hanwell and Mrs Forster Adams for the information provided and requested that a further update was given at a future meeting.

JFA / DH

The Committee **noted** the update provided.

**24/042 Cumulative action log** (agenda item 5)

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

Action 334: Mrs Forster Adams requested that the remit of the Emergency Preparedness, Resilience and Response (EPRR) paper was changed to encompass a broader update on the EPRR standards rather than focus on the costs to achieve compliance. The Committee supported the wider remit for the paper which was due to come back to the May meeting, noting that there should be further clarity on the changes to the EPRR requirements and implications for the Trust by this time.

Action 328: the Committee noted that there was still no indication of when NHS England would release the learning from the Advanced cyber security incident. The Committee agreed that this would still be useful information to receive when available particularly any learning regarding the trusts' response to the incident and agreed to keep this action open on the log.

Action 339: the Committee noted that a Workforce and Agency Group had been established which monitored the work of the Vacancy Management Panel and now had a wider remit which included reducing agency spend. It was agreed that a report should come to each Committee meeting on the outputs of the Workforce and Agency Group linked to the metrics for monitoring cost improvement plans. Mrs Hanwell and Mr Skinner to agree the best format for this update.

Action 298: the Committee considered what benchmarking information it would be useful to receive and agreed that it wanted assurance that the Trust benchmarked similarly to other organisations in the region and, further to this, to understand what was driving trends in areas such as spending and inpatient occupancy across trusts in West Yorkshire and what could be done to manage this. It was agreed that this action could be closed on the basis that Mrs Forster Adams would start to include benchmarking more regularly and routinely in reports to the Committee.

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

**24/043 Estates and Clinical Environments Report (agenda item 7)**

Mr Duffy introduced the report, advised the Committee that there were no significant issues for escalation, and highlighted the key updates from the Clinical Environments Group and the Estates Steering Group (ESG) as well as an update on recruitment to the Health and Safety Team. The Committee noted that the Private Finance Initiative (PFI) benchmarking exercise undertaken by Equitix had identified that catering services would fall outside the benchmark meaning that an increase in costs would be necessary. Mr Duffy informed the Committee that negotiations were ongoing with the facilities management provider and that nursing and dietetics teams had been involved in the discussions to minimise the impact on quality and patient choice. The Committee also noted that key performance indicators were being developed by the team and supported these being included in future reports.

The Committee then noted the large number of business cases reviewed by ESG during the period covered by the report and queried if these would exceed the Trust's capital plan. Mrs Hanwell expected that this would be the case and explained that business cases would have to be prioritised using a risk-based approach as the Trust was already committed to some capital schemes and restricted by the resource limit of the Integrated Care System (ICS). She added that this review of capital schemes would be undertaken ahead of the final plan being presented to the Board of Directors in May 2024. The Committee asked if patch options were considered as short-term solutions if full works could not be funded. The Committee understood that this was built into the decision-making process and the assessment of risk, and that each business case would consider various options as part of the process which could vary between a revenue or capital cost. The Committee noted the position and the concerns linked to the capital constraints and thanked Mr Duffy for the update provided.

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

**24/044 Chief Financial Officer Report – Month 12 (agenda item 6)**

The Committee received an overview of the draft 2023/24 financial outturn performance (subject to external audit) and noted that the Trust had achieved a surplus broadly in line with its planned forecast and had met its objective from the Integrated Care Board (ICB); however, it was mindful that the Trust had technically posted a deficit as a consequence of fixed asset impairments which were excluded from the financial performance measurement and did not count toward the ICB control total.

Mr Saxton informed the Committee that a plan to deliver a breakeven position had been developed which included a range of mitigations and efficiencies that were staggered towards the year-end and would be reported on going forward to enable the Committee to track the delivery of efficiencies against the plan. The Committee welcomed this. However, Mrs Hanwell expressed some concerns with having a plan that was staggered in this way and emphasised that further

mitigations would be required if efficiencies were tail ended and subsequently not delivered.

The Committee then highlighted the overspend on external consultants and asked if this was something that could be addressed to save costs. Mr Enright explained that the term did not refer to management consultants and that any usage of management consultants was reported through the Audit Committee. Mrs Hanwell then informed the Committee that discretionary spend over £10k was now subject to scrutiny and sign off by the Financial Planning Group which would provide more robust oversight of this type of spend. The Committee then discussed non-clinical overspend, in particular domestics, and noted the reasons for this service being over budget. Mrs Hanwell explained that Mr Duffy was undertaking a piece of work to understand the impact of NHS England's revised cleaning standards and any potential cost pressures associated with this. She added that there was further work to do to understand how staffing costs across non-clinical areas compared to pre-pandemic levels and whether any adjustments needed to be made.

The Committee also queried the high costs associated with patient damage. Mrs Hanwell explained that the Trust was contractually responsible for patient damage costs on PFI sites and that the Clinical Environments Group reviewed detailed trend analysis on damage and monitored any actions associated with this. She added that in some instances the estate was not configured correctly, which was exacerbating the problem. The Committee also asked for clarity on the underspend on trainee budgets within the Chief Nurse directorate. Mr Saxton explained that this mainly related to training nurse associates and nurse apprentices and that the small underspend this financial year was the result of an increase in recruitment, with the expectation that they would be on budget next year. The Committee also noted that Thrive by Design had ended the financial year with an overspend due to reduced income which would be discussed in more detail in the Part B meeting.

The Committee **noted** that the revenue and capital financial plans for 2023/24 had been fully achieved in year, albeit the revenue position through a range of non-recurrent benefits, meaning reduced flexibility in 2024/25; and **noted** the risks and issues in the underlying Trust run-rate entering into 2024/25.

#### **24/045 Chief Information Officer's Report (agenda item 8)**

Mr Hogan presented the report on the work being undertaken by the Digital Service and highlighted key areas for the Committee to note across operational governance, cyber and compliance, and the digital portfolio. The Committee was concerned to note the delays in the delivery of work by Advanced, the Trust's supplier of healthcare systems, and that further delays were expected which could impact on the Trust's ability to complete key projects. Noting that Advanced would remain as the Trust's supplier for the next few years, the Committee suggested that the team undertake a dependency mapping and risk assessment exercise against Advanced and other key suppliers in order to better understand the risks and impacts for the Trust. Mr Hogan confirmed that this was planned in as the next phase of their risk management process. The Committee welcomed this.

The Committee then discussed the use of digital in the Trust and how it could be used to mitigate current workforce and financial challenges. Mrs Hanwell highlighted the need to utilise existing technology better and more efficiently in the Trust in order to realise the benefits of technology that was already enabled but may not be being transacted fully. The Committee supported this approach, noting the shift in culture that would be required to achieve this. The Committee asked what the Trust could learn from other organisations in terms of what good looks like and how we could improve our own use of technology, systems, and data reporting. Mr Hogan confirmed that he was looking into this and planned to bring a report to a future Board of Directors' meeting.

The Committee then discussed the data included in appendix 1, in particular the digital service desk performance and noted the spike in access over summer 2023 and asked what was behind this. Mr Hogan explained that during this period a number of new systems and applications had been implemented such as Duo and password changes that had caused a spike in demand which was now returning to normal levels as staff adjusted to the new requirements. The Committee also noted the delays in some of the digital portfolio projects, a few of which exceeded a year, and asked Mr Hogan if any of these were a cause for concern. He confirmed that none were of concern, and that they were looking at ways to report progress and slippage more clearly using RAG ratings and show how dependencies were impacting on the final delivery of projects.

The Committee thanked Mr Hogan for the updates and the assurance provided, noting the large volume of projects that were currently being undertaken by the team. The Committee also requested that future reports from the Chief Information Officer were written using less technical jargon.

The Committee **noted** the operational performance and delivery of the digital portfolio and plan.

**24/046 Cyber Exercise Debrief** (agenda item 8.1)

The Committee received the debrief report following the cyber exercise that took place on the 25 October 2023. The Committee heard that the event had been successful and that an action plan had been developed following the exercise which was being monitored by the EPRR Group, and that there were no issues of concern to be alert to.

The Committee **received** the Cyber Exercise Debrief and was **assured** by the response and actions of the document.

**24/047 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee** (agenda item 9)

The Committee **agreed** the items to be included in the Chair's Report to the next public Board of Directors' Meeting on the 30 May 2024.

**24/048 Any other business** (agenda item 10)

The Committee did not discuss any other business.