

**Minutes of the Finance and Performance Committee
24 May 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
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 Ian Hogan, Chief Information Officer
Mr Andrew Jackson, Resilience Lead & Corporate Business Manager (item 11)
Mr Jonathan Saxton, Deputy Director of Finance

		Action
24/049	<p>Welcome and Introduction</p> <p>Mr Henry welcomed everyone to the meeting.</p>	
24/050	<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. Apologies from attendees had been received from Mr Gerard Enright, Assistant Director of Finance.</p>	
24/051	<p>Declaration of any conflicts of interest in respect of agenda items (agenda item 2)</p> <p>No declarations of interest were made.</p>	
24/052	<p>Minutes of the meeting held on the 23 April 2024 (agenda item 3)</p> <p>The minutes of the meeting on the 23 April 2024 were accepted as a true record.</p>	
24/053	<p>Approval for the minutes of the meeting held on the 23 April 2024 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 April 2024 were suitable to be uploaded to the Trust’s external website.</p>	
24/054	<p>Matters arising (agenda item 4)</p> <p>There were no matters arising.</p>	

24/055 Cumulative action log (agenda item 5)

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

Action 339: Mr Saxton informed the Committee that the Financial Planning Group had recently received a workplan for the Workforce and Agency Group and had signed off the associated workstreams; therefore, it was agreed that a full update would come to the July Committee meeting.

Action 343: the Committee noted that an update on the Specialist Supported Living Service would be received as part of the report from the Chief Operating Officer later on the agenda where a date to bring back further information would also be agreed.

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

Mrs Hanwell joined the meeting.

24/056 Chief Operating Officer Report (agenda item 6)

Mrs Forster Adams introduced the report and provided a verbal update on staffing at Red Kite View. The Committee heard that the situation had deteriorated further since the report was circulated but received reassurance on the interventions being taken in response to this and noted that a further update would be provided at the May Board of Directors' meeting. The Committee noted that Emergency Preparedness, Resilience and Response (EPRR) updates had been provided in line with the new regulatory requirements and received the update on industrial action included in the report. The Committee also noted the continued demand for acute inpatient beds and the update on out of area placements (OAPs), which was behind trajectory but was being closely monitored by the Improving Flow Programme. The Committee also received an update on the estates work to improve the seclusion facilities at both the Leeds and York Forensic Service.

The Committee then received an update on the Specialist Supported Living Service and the ongoing work to fill the voids in the service. The Committee heard that the situation was being reviewed and a plan put in place, and thus far some but not all of the voids had been recovered. The Committee also received an update on the contract negotiations with the Local Authority in respect of the financial arrangements, with a conclusion expected in time for an update to the July Committee meeting. Ms Cooper would note this for action log number 343.

The Committee then discussed the OAPs position in more detail which, although still behind trajectory, was improving. The Committee thanked Mrs Forster Adams for providing the map showing placements by type and locality and highlighted the considerable distance of some of the placements and was mindful of the potential quality implications of this and the impact on patients. Mrs Forster Adams outlined what measures were in place to monitor the quality of the placements and reassured the Committee that the quality surveillance of OAPs and the associated data were overseen by the Quality Committee.

The Committee then discussed lengths of stay and Mr Wright highlighted the variation in average length of stay across inpatient wards and asked for more information on this. Mrs Forster Adams explained that client mix, clinical presentation, and issues with finding supported housing could all impact on length of stay. However, she informed the Committee that the average length of stay had increased across a range of clinical diagnoses over the last five years which was being investigated further by the Improving Flow Programme.

The Committee also highlighted the issue of water ingress at the Brotherton Wing at Leeds General Infirmary and asked for more information on this. Mrs Forster Adams reassured the Committee that the immediate capital works were happening for repairs to the building. The Committee noted that the estate is owned by Leeds Teaching Hospitals Trust but houses the National Inpatient Centre for Psychological Medicine (NICPM) which is a Trust service.

The Committee then discussed the update on the Gender Service and heard that work would be taking place to review the delivery model and capacity of the service in light of the additional staffing resource from NHS England. The Committee also noted the update on staffing in relation to the Children's Gender Identity Development Service and agreed to discuss this in the Part B meeting.

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

24/057 Care Services Delivery and Development Group Annual Report (agenda item 7)

The Committee received the annual report and found it to be a helpful and informative summary of the activities of the Care Services Delivery and Development Group over 2023/24. The Committee asked that it was shared with the rest of the non-executive directors on the Board once some typographical amendments had been made at the request of Mr Wright. Ms Cooper would circulate the report on behalf of Mrs Forster Adams once it was finalised. The Committee then agreed to receive this report on an annual basis going forward and Ms Cooper would note this for the Committee's cycle of business.

JFA / RC
RC

The Committee **received** and **noted** the work carried out within the Care Services' Directorate through 2023/24 as reported via the Operational Delivery Group, Service Development Group and latterly the combined Care Services Delivery and Development Group.

24/058 2024/2025 Operational Plan – Financial Position (agenda item 8.1)

The Committee received the update on the Trust's final financial plan submission for 2024/25. The Committee was reminded that the Trust had submitted a breakeven position and that depreciation funding from the Integrated Care Board (ICB) had offset the deficit caused by the accounting treatment of Private Finance Initiative (PFI) contracts. The Committee noted the reduced income and subsequent cost pressure for 2024/25 and the increased efficiency requirement

to mitigate this. The Committee also noted the West Yorkshire ICB deficit position and heard about the plan for reducing this. Mrs Hanwell then updated the Committee on the review of all Service Development Funding (SDF) as part of the measures to help reduce the system deficit and noted that negotiations were taking place to ensure that Mental Health SDF was not adversely affected by this review, with a decision on this to be made before the end of May 2024.

The Committee then considered the Trust's approach to internal budget setting and a summary of this discussion can be found in the confidential appendix to the Part A minutes.

The Committee **considered** the report and **noted** the actions being taken to deliver a balanced plan; **noted** the capital allocation of £3.35m for 2024/25; **agreed** to recommend that the Board of Directors approve the financial plan; **noted** the risk that whilst a balanced plan for LYPFT was being recommended, the scale of the risk in the system may mean that the Trust is asked to further review its position; and **approved** the proposed breakeven internal budget and **noted** the work being undertaken to deliver the cost improvement plan (CIP) therein.

24/059 Chief Financial Officer Report – Month 1 (agenda item 8.2)

The Committee received an overview of the Trust's financial performance at month 1 and noted the deficit position against a balanced budget. The Committee was reassured that an efficiencies plan was in place and that savings were expected to increase over the year to help meet the financial gap. Mr Saxton added that budgetary CIPs would be reported on from month 2. The Committee also noted that the cumulative year to date capital expenditure was slightly ahead of plan. The Committee then received an update on the West Yorkshire system and Leeds 'Place' financial position at month 1.

Mr Wright queried the reference to "contingency" schemes in Appendix D and Mrs Hanwell explained that this referred to money spent on brought forward capital schemes as they had yet to formally assign a split of the resource between estates and information technology. The Committee requested that this was described more clearly in future reports to avoid confusion. Mrs Hanwell added that Appendix D had been removed from the Chief Financial Officer's Report to the Board for this reason.

JS

The Committee **noted** the Trust's revenue and capital plans position for 2024/25.

24/060 Contract Development Analysis (agenda item 9)

The Committee received the report on the current service development opportunities and risks and noted that it provided an early position for 2024/25 with some contracts still to be finalised. Mr Saxton confirmed that there were no issues to report in the contract figures. He also informed the Committee that some 'deep dive' contract reviews would be undertaken in 2024/25 to ensure value for money. The Committee then asked that future reports provide a clearer indication

of whether the reported position was on track with the expected position and more clearly highlight any issues of concern or areas of assurance. Mr Saxton agreed to include this in future reports.

JS

Next, the Committee was informed that a key member of the contracts team was leaving the Trust and heard what arrangements were being put in place to cover this role in light of the changes to corporate recruitment. The Committee noted that the new arrangements may create some additional risk within the team and understood that the situation would be clearer by the July meeting when a further update could be provided.

Finally, Mr Henry noted that the report stated that the mental health contract from the Leeds ICB was expected in late April 2024, which had now passed, and asked that this timescale was updated for the next report.

JS

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

24/061 2023 – 2024 Organisational Priorities Quarter 4 Progress Report (agenda item 10)

The Committee reviewed the Quarter 4 close down report and noted that a more streamlined set of organisation-wide priorities had been developed for 2024/25 which would be reported on from Quarter 1. The Committee noted the year-end position and supported there being a more refined list of priorities to monitor this financial year. Mrs Hanwell added that individual service lines would have their business-as-usual deliverables alongside the organisational priorities.

Mr Wright then highlighted that progress with reducing unwarranted clinical variation across acute inpatient wards was rated “amber” which meant that implementation had slipped. He noted that this related to an earlier discussion on increased lengths of stay and emphasised that this was an important issue for the Committee to monitor going forward.

The Committee **considered** the position against the 2023/24 organisational priorities; was **assured** as to the systems and processes in place for monitoring and supporting the delivery of each high-level objective and underpinning tasks; **considered** the Gantt chart setting out the interdependent tasks, noting that the key themes emerging align with our five core strategic plans; and **endorsed** the 2024/25 organisational priorities.

24/062 EPRR Annual Report (agenda item 11.1)

The Committee received the report which summarised the work of the Emergency Preparedness, Resilience and Response (EPRR) function from 1 April 2023 to 31 March 2024 including changes to EPRR assurance and NHS Commander Portfolios and the main disruptive incidents of the year. The Committee was assured by the information provided and did not have any questions or queries on the report.

The Committee **accepted** the EPRR Annual Report for 2023/24, **noted** the breadth of work carried out during the year and **agreed** to recommend that the Board of Directors approve the report.

24/063 EPRR Core Standards Update (agenda item 11.2)

The Committee received an update on NHS England's Core Standards for EPRR and the proposed changes to the process for 2025. The Committee noted that a new set of principles had been developed for 2025 which should bring about positive change in the form of a move to a consistent and meaningful assurance regime; however, the 2024 process was still subject to uncertainty at the present time. The Committee recognised the challenges associated with this and heard how the EPRR team were managing the current situation. The Committee noted that the increased expectations on NHS EPRR were reflected in the size of the Trust's EPRR function which was well placed to respond effectively to the additional requirements. The Committee also discussed the potential opportunities for sharing EPRR learning and resources with neighbouring trusts to increase resilience across the patch.

The Committee then considered how the Trust's non-compliant rating from 2023 would be received by its regulators and heard that shared data showing the impact of the separate scoring regime for the North of England would provide context to the Trust's rating, noting that 2024 would be the final year under this type of inspection.

The Committee **reviewed** the paper and **supported** the overall response to the challenges of the last Core Standards assessment. The Committee also **noted** the change in overall direction in Core Standards assessment from 2025 and the uncertainty about 2024.

24/064 Board Assurance Framework (agenda item 12)

The Committee received the Board Assurance Framework (BAF) which had undergone a full update including all controls, actions, and contributory risks. As requested by the Executive Risk Management Group, the Committee was asked to consider if an increase was required to the overall risk rating for Strategic Risk (SR) 4 and SR6 given the Trust's financial position and future arrangements for CareDirector. The Committee agreed to upgrade SR4 from a level 8 risk to a level 12 risk, and to upgrade SR6 from a level 8 risk to a level 12 risk for the reasons stated above. The Committee noted that this new position would be reported to the May Board of Directors' meeting for its endorsement. The Committee also supported a further review of the controls and actions for both risks being undertaken to ensure all mitigation was reflected on the BAF.

The Committee then considered if it required any further assurance on the way in which these risks were being managed and agreed that the arrangements were sufficient for the time being but that more frequent updates on CareDirector may be required in the future. The Committee then noted that the Board of Directors was due to receive an update on the Trust's electronic patient record provision at

its private meeting in May. The Committee also discussed contributory risk 8 under SR6 and highlighted the importance of deriving the maximum clinical and business benefits from digital technologies both from a financial and productivity perspective.

The Committee **reviewed** the latest version of the Board Assurance Framework, **considered** if an increase was required to the overall risk rating for SR4 and SR6 and **agreed** to recommend that both were increased to a level 12 risk. The Committee **agreed** that it did not require any further assurance on the way in which these risks were being managed at the current time.

24/065 Annual Report from the Information Governance Group (agenda item 13)

The Committee received the report and noted the information provided regarding Information Governance / Data Protection breach incidents and noted that these were being managed at an operational level in the Trust and had been escalated to the Information Commissioner's Office (ICO) for action.

The Committee **received** the Annual Report from the Information Governance Group and was **assured** by the information provided.

24/066 Annual Report from the Finance and Performance Committee (agenda item 14)

The Committee **reviewed** and **approved** its Annual Report for 2023/24 ahead of submission to the Board of Directors in June 2024.

24/067 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 15)

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.

24/068 Any other business (agenda item 16)

The Committee did not discuss any other business.