

**Minutes of the Finance and Performance Committee  
23 September 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  
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 Ian Hogan, Chief Digital Information Officer  
Mr Jonathan Saxton, Deputy Director of Finance

		Action
24/091	<b>Welcome and Introduction</b>	
	Mr Henry welcomed everyone to the meeting.	
24/092	<b>Apologies for absence</b> (agenda item 1)	
	No apologies had been received from members or attendees of the Committee.	
24/093	<b>Declaration of any conflicts of interest in respect of agenda items</b> (agenda item 2)	
	No declarations of interest were made.	
24/094	<b>Minutes of the meeting held on the 23 July 2024</b> (agenda item 3)	
	The minutes of the meeting on the 23 July 2024 were <b>accepted</b> as a true record.	
24/095	<b>Approval for the minutes of the meeting held on the 23 July 2024 to be uploaded to the Trust's external website</b> (agenda item 3.1)	
	The Committee <b>agreed</b> that the minutes of the meeting held on the 23 July 2024 were suitable to be uploaded to the Trust's external website.	
24/096	<b>Matters arising</b> (agenda item 4)	
	There were no matters arising.	

**24/097 Cumulative action log (agenda item 5)**

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

Action 328: the Committee discussed the update provided and heard that this was the extent of the information available at the current time. Mr Hogan assured the Committee that the Trust had multi-factor authentication in place across the organisation for every user when accessing both the network and NHSmail and was therefore mitigating the vulnerabilities exploited by this attack. The Committee also received assurance that because the Trust's patient record system was hosted separately and not linked to CareNotes, none of the records that had been affected belonged to the Trust.

Action 346: Mr Saxton confirmed that the reference to "contingency schemes" had been removed from Appendix D and the line now referred to the completion of prior year schemes.

Action 349: Mrs Hanwell informed the Committee that a conclusion had been reached to not start spending the three new items of Service Development Funding (SDF) and explained the reasons for this. The Committee heard that this had been agreed to on the basis that the money would get rolled back recurrently into the Trust's allocations from April next year. It was agreed that a further update on this, including details of the three items of SDF that had been paused, would be provided in the next Chief Financial Officer's Report once the decision had been formally signed off by the Integrated Care Board (ICB).

**DH / JS**

Action 350: Mr Saxton informed the Committee that since the last meeting NHS England had revoked the results of the 2022/23 National Cost Collection, and it agreed that the analysis of the variances would only take place if the results were re-released. The Committee heard that NHS England had not yet provided a timescale for this and agreed to keep this action open on the log.

Action 352: Mrs Hanwell explained that for the time being the Committee's finance reports could not be prepared any earlier due to the current timing of the financial month-end cycle. The Committee understood the reasons for papers not being circulated any earlier but highlighted that the Committee's Terms of Reference stated that papers should be circulated a minimum of three working days prior to the meeting and asked that this was adhered to.

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

**24/098 Chief Operating Officer's Report (agenda item 6)**

Mrs Forster Adams introduced her report and highlighted the areas where there were material changes for the Committee to be aware of. Firstly, she discussed the significant challenge regarding access and waiting times to the Trust's Attention Deficit Hyperactivity Disorder (ADHD) service and informed the Committee that a more detailed update would be provided in the Part B meeting. She also highlighted the decline in Crisis response times during July 2024 and reassured the Committee that the position was recovering but that more work

needed to be done to unpick the issues, adding that there had been no significant incidents as a consequence of people waiting for a response. It was agreed that a more comprehensive update on this would be included in the October Chief Operating Officer's Report.

Mrs Forster Adams also highlighted the stabilising staffing position at Red Kite View and the positive impact of the enhanced leadership arrangements. She explained that there was currently a small number of people inappropriately placed out of area which presented both a quality and financial risk; however, due to the stabilising staffing position, the service was making progress with repatriating some people from out of area and it was anticipated that the General Assessment Unit would return to full occupancy by December 2024.

The Committee then discussed out of area placements (OAPs) in more detail and was pleased to note the improving position supported by the capacity and flow work. However, the Committee noted that the Trust was off trajectory in terms of cost due to the higher than anticipated cost of placements and noted that the Improving Patient Flow Programme was looking at how to address this. The Committee was also mindful that continuing the OAPs trajectory depended on improving delayed discharges which were often linked to housing issues or delays in agreeing packages of care for people outside of hospital. The Committee noted that further analysis on this was being done by the discharge workstream of the Improving Patient Flow Programme, including looking at facilitating discharges internally, but recognised that this also needed to be addressed in collaboration with system partners.

The Committee then discussed the update on those experiencing delays in admission when presenting at the Accident and Emergency (A&E) department at Leeds Teaching Hospitals Trust. Mrs Forster Adams explained that currently the data used at a national level which looked at long waits in A&E was derived from acute hospitals and was not seen by the Trust and informed the Committee that she had asked for this dataset to be included in the Trust's performance dashboard for improved oversight. The Committee also heard that further analysis on the ambulance pathway was being looked at as part of the Crisis Transformation Programme and highlighted this as being important given the pressures associated with the winter period.

The Committee also discussed the changes in clinical presentation to the Deaf CAMHS service which had impacted on the waiting times for initial assessment. Mrs Forster Adams informed the Committee that the clinical lead for the service was due to provide a more detailed update on this to the Care Services Delivery and Development Group, including what this had led to in terms of changes in the assessment tool and what further support was needed to improve the position. The Committee also highlighted that the percentage of Section 136 referrals assessed within three hours of arrival had been low for some time and noted what factors had contributed to this.

The Committee then referred to the update on the evaluation of the Crisis cafes and heard more about what had caused the delay. The Committee noted the time pressure associated with the evaluation given the approaching winter season and was mindful of the impact of the delay on the third sector. It was agreed that Mrs Forster Adams would provide a further update, including a timescale for completion, in the October Chief Operating Officer's Report.

The Committee **discussed** the updates, **noted** the good progress and the areas that continued to be a concern and **identified** the issues requiring further analysis.

**24/099 Chief Financial Officer's Report** (agenda item 7)

The Committee received an overview of the Trust's financial performance at month 5, noted that the position was broadly stable, and the Trust had reported a £1.0m deficit against the year-to-date planned deficit of £1.4m, supported by the final settlement of gainshare from the Collaborative Procurement Partnership. The Committee noted positive reductions in agency spend and OAPs, and that inpatient wards continued to be a key area of focus for overspending. The Committee also received an update on the Trust's efficiency programme and noted that £5.2m of the recurrent budget cost improvement plan (CIP) target had been devolved to Corporate and Care services.

The Committee then discussed the West Yorkshire System position and noted that the West Yorkshire ICB was off-plan and, based on its current trajectory, could breach the threshold and trigger NHS England's formal investigation and rapid intervention process. The Committee noted that, although the Trust's position was broadly stable at this point in time, all partners within the system would be subject to interventions should the overall position worsen and agreed to highlight this to the Board of Directors via the Chair's Report. The Committee also discussed the non-recurrent deficit support revenue allocation for West Yorkshire, noting that this would be distributed to the most financially challenged organisations and therefore the Trust would not receive any of this funding.

Next, the Committee noted that the West Yorkshire system had taken the decision to go into a voluntary investigation and rapid intervention process which would be undertaken by PricewaterhouseCoopers (PwC) in early October 2024. Mrs Hanwell explained the reasons for this which were noted by the Committee. The Committee heard that PwC would provide the Trust with weekly updates as part of this process, and it was agreed that a verbal update would be provided to the Committee at its next meeting.

**DH / JS**

The Committee then asked for a more detailed explanation on the tables provided in section 3 of the report which related to the efficiency programme, particularly the references to "plan", "budget" and "run rate". Mrs Hanwell explained that the references to "plan" and "budget" were not interchangeable, and the Committee asked that this was made clearer in future reports. The Committee noted that the run rate position at month 5 was broadly on track and asked if the efficiency programme should be re-profiled in order to hit the year-end target given that earlier months' trajectories were not met. Mrs Hanwell explained that the Trust's financial plan was monitored externally and fixed for the year ahead and in order to close the gap the Trust would need to be achieving over its run rate trajectory towards the end of the year.

**DH / JS**

The Committee also noted that the graphs in section 3 of the report showed a "prudent" forecast and asked if a realistic estimate could be provided for future reports. Mrs Hanwell informed the Committee that work was being done to develop a range forecast and agreed to include this in the Chief Financial Officer's month 6 report due at the October meeting. The Committee also received more

**DH / JS**

detail on what the variance in the reserves and developments line in Appendix B referred to and heard that this would be fleshed out in more detail as part of the month 6 exercise.

The Committee went on to discuss the update on the Public Dividend Capital (PDC), noting the risk to the funding for the Perinatal expansion. The Committee understood that the Trust was proceeding at risk whilst negotiations regarding the financial backing of the scheme were ongoing. The Committee also referred to the update on Thrive by Design's financial position and heard that an item on Thrive by Design was due to come to the private meeting in October following consideration by the Executive Management Team. Ms Cooper would note this for the Committee's forward plan.

RC

The Committee **noted** the Trust's revenue and capital plans position for 2024/25 and **noted** the intervention that would take place if the West Yorkshire system went significantly off plan.

**24/100 Workforce and Agency Group Trajectories at Month 5** (agenda item 7.1)

The Committee reviewed the Workforce and Agency Group trajectories at month 5 and noted that, although the Trust was slightly behind trajectory, good progress had been made since the last update in July. Mr Skinner provided an update on the key areas of focus which included reducing locum spend through the recruitment of substantive medical staff, and reducing Bank expenditure, which he advised may be hindered by the approaching winter pressures season when the requirement for Bank staff was likely to increase.

Mr Skinner also provided an update on the work to reduce vacancies over 12 months and noted that the requirement for services to find CIPs in their own areas may accelerate progress with this. Mr Skinner also referenced the work that was taking place to align services' budgets with their establishment and safer staffing requirements. The Committee thanked Mr Skinner for the update and asked that a summary cover sheet was provided to accompany the slides in the future and Mr Skinner agreed to include this going forward.

DS

The Committee **noted** the update provided and the progress made so far and **thanked** those involved for their work to achieve this position.

**24/101 Contract Development Analysis** (agenda item 8)

The Committee received the report on the current service development opportunities and risks. Firstly, the Committee discussed the update on the Yorkshire and Humber Perinatal Provider Collaborative and noted that, due to delays in receiving the required information to complete the financial due diligence, it had been agreed with NHS England that the Provider Collaborative (PC) would commence on a "Shadow Basis" from 1 October 2024 with a revised full go-live date of 1 April 2025 and that the Trust would not take on financial responsibility until this date. The Committee noted that the memorandum of understanding for the shadow form would be signed with NHS England before 1

October 2024 and would come back to a future meeting for the Committee's oversight. The Committee understood that the PC was between seven statutory providers across three ICBs and noted the challenges associated with this in terms of getting the partnership agreement approved by each individual governance structure and that a timeframe for completing this had been set for February 2025. The Executive Directors on the Committee also agreed to review the oversight arrangements of the PC at internal Board level to ensure they were robust.

DH / JS

DH, NS &  
JFA

The Committee then discussed the update on the Northern School of Child and Adolescent Psychotherapy (NSCAP) contract and noted the risks and issues associated with this which were being worked through with NHS England. The Committee was concerned to note the contractual obligation outlined in the paper which would present the Trust with an ongoing commitment for a significant period beyond February 2026. The Committee also noted the update on the Specialist Supported Living contract and supported the approach being taken by the Trust to attempt to resolve the financial and contractual issues.

The Committee then discussed the positive news regarding the Community Transformation Service Development Funding for additional medical staff. The Committee heard that the portion of this to be received in 2024/25 would be used to offset some of the agency costs within Community Transformation. The Committee heard that this funding would be a potential upside to the Trust's run rate this financial year and this would be factored into the planning assumptions at month 6.

The Committee **received** the update on the current service development opportunities and risks and **considered** what additional governance arrangements were required going forward.

#### 24/102 **Cyber Security Update** (agenda item 9)

The Committee received the Cyber Security Dashboard and discussed the key updates. Mr Hogan outlined their plans to utilise nationally available solutions and services for areas such as Phishing and MetaCompliance which he reassured the Committee would provide financial savings but would not increase the Trust's vulnerability to cyber-attacks. He also noted the development of a coordinated cyber strategy at West Yorkshire ICB level and informed the Committee that there were plans for additional cyber funding to be channelled through the ICBs which he would be able to confirm the details of at a future meeting.

The Committee then discussed some of the other red and amber rated items on the dashboard and received reassurance that the security risk in relation to CareCert (NetScaler) was being mitigated as much as possible whilst arrangements were being made to remove the software entirely. The Committee also discussed supply chain security and noted that the recommendations from Internal Audit's limited assurance report into the cyber security of the Trust's external suppliers were being followed up which would help the Trust to understand and mitigate the risks in this area.

The Committee then asked how the learning from the Phishing exercise and Penetration testing was captured and taken forward. The Committee heard that there was a detailed action plan in place following the last Penetration test and that progress with this was reported to the Digital Steering Group. Mr Hogan explained that a number of the actions sat with Advanced but reassured the Committee that there were no major concerns associated with any of the ongoing actions. The Committee also discussed the Phishing exercise completed in April 2024 and suggested that further analysis was done on the small cohort of staff who were caught out by the exercise to better understand how to mitigate the cyber risks linked to the Trust's workforce.

The Committee **received** the cyber security update, **noted** that good progress was being made against the key projects, and was **assured** that the Trust continued to maintain a robust position in relation to its cyber defences and continued to invest in the appropriate technologies to improve its cyber defenses.

**24/103 Board Assurance Framework** (agenda item 10)

The Committee received the Board Assurance Framework (BAF) in its new format and considered if any amendments were required and if the risk scores were still appropriate. The Committee considered if the risk score for Strategic Risk (SR) 4 should be increased from an amber to a red risk to reflect the ongoing challenge linked to delivering recurrent CIPs which could impact on the Trust's financial sustainability and ability to meet its objectives. The Committee discussed if the increase was appropriate at this time given that the Trust's internal financial position had not notably changed since the last review and the organisation was still in category two of NHS England's oversight framework. The Committee decided to escalate the recommendation that SR4 was increased from an amber to a red risk to the Board of Directors via the Chair's Report.

The Committee then asked to see the Equality and Health Inequalities Impact Assessment tool referenced as part of the mitigating actions for SR7 and it was agreed that this would be shared at a future Board of Directors' meeting alongside the Health Equity Strategy. Mrs Edwards would note this for the Board's forward plan. The Committee also noted the reference to Thrive by Design as a mitigating action for SR6 and agreed to review the appropriateness of this being listed as a mitigating action after the update on Thrive by Design had been received at the October meeting.

The Committee **reviewed** the latest version of the Board Assurance Framework, noted the recommendations of the report, **considered** if an increase was required to the overall risk rating for SR4 and **agreed** to recommend that it was increased to a red 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.

**24/104 Suggestions for future internal audits** (agenda item 11)

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

**CE**  
**F&P**

**24/105 Review of the Finance and Performance Committee Terms of Reference**  
(agenda item 12)

The Committee reviewed and approved the proposed changes to its Terms of Reference. It was also agreed that Mr Skinner and Ms Sanderson would be added to the Schedule of Deputies in Appendix 1 as they were both now formal members of the Committee. Ms Cooper agreed to amend accordingly.

**RC**

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

**24/106 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 26 September 2024.

**24/107 Any actions agreed today that ameliorate the strategic risks for which the Committee is assurance lead** (agenda item 14)

The Committee **considered** if any actions agreed in the meeting ameliorated the strategic risks for which it is assurance lead. The Committee **agreed** that there were no new actions linked to Strategic Risks 4,5, 6 or 7.

**24/108 Any other business** (agenda item 15)

The Committee did not discuss any other business.