

**Minutes of the Finance and Performance Committee
30 October 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
Mr Martin Wright, Non-executive Director

In attendance: Ms Jackie Bene, The Value Circle (observer)
Ms Rose Cooper, Deputy Head of Corporate Governance (Committee Secretariat)
Mr Warren Duffy, (Acting) Associate Director of Estates and Facilities (for item 10)
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
24/109	Welcome and Introduction	
	Mr Henry welcomed everyone to the meeting.	
24/110	Apologies for absence (agenda item 1)	
	Apologies from members had been received from Miss Katy Wilburn, Non-executive Director. No apologies had been received from attendees of the Committee.	
24/111	Declaration of any conflicts of interest in respect of agenda items (agenda item 2)	
	No declarations of interest were made.	
24/112	Minutes of the meeting held on the 23 September 2024 (agenda item 3)	
	The minutes of the meeting held on the 23 September 2024 were accepted as a true record.	
24/113	Approval for the minutes of the meeting held on the 23 September 2024 to be uploaded to the Trust's external website (agenda item 3.1)	
	The Committee agreed that the minutes of the meeting held on the 23 September 2024 were suitable to be uploaded to the Trust's external website.	
24/114	Matters arising (agenda item 4)	

There were no matters arising.

24/115 Cumulative action log (agenda item 5)

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

Action 349: Mrs Hanwell informed the Committee that it had been agreed with the West Yorkshire Integrated Care Board (ICB) that funding for three items of Service Development Funding (SDF) for projects that had not yet been started would be paused in order to support the ICB's financial target. She explained that this had been agreed to on the basis that the money would be released from 1 April 2025 and that this had now been confirmed in writing. It was agreed that Mr Saxton would provide the details of the three items of SDF that had been paused.

JS

Action 355: it was agreed that this would be covered as part of the report from the Chief Financial Officer under agenda item 7.

Action 356: the Committee noted this had been actioned for the October Chief Financial Officer's Report and therefore agreed this action could be marked as complete.

Action 357: the Committee noted that a range forecast had been included in the October Chief Financial Officer's Report and therefore agreed this action could be marked as complete.

Action 354: the Committee noted that an update on the evaluation of the Crisis cafes would be provided in the Chief Operating Officer's Report to the November meeting.

Action 350: Mr Saxton informed the Committee that NHS England had not yet provided a timescale for the re-release of the 2022/23 National Cost Collection results and agreed to keep this action open on the log.

Action 360: Mrs Hanwell explained that the memorandum of understanding (MoU) for the shadow form of the Yorkshire and Humber Perinatal Provider Collaborative had been signed with NHS England but provided reassurance that there were no changes or risks associated with it for the Committee to be aware of; therefore, on this basis, it was agreed that the MoU did not need to come back to a future meeting and the action could be closed. Mrs Hanwell went on to inform the Committee that the revised business case, partnership agreement and risk share agreement for this Provider Collaborative would need to be presented at a future Committee meeting ahead of go-live in April 2025 and it was agreed that a review of these documents would be provisionally scheduled for the January 2025 meeting. It was understood that if the documents were not ready for this meeting, then they would either be presented to the March 2025 meeting, or, if required, an extraordinary meeting in February 2025.

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

24/116 Workforce and Agency Group Trajectories (agenda item 7.1)

The Committee reviewed the Workforce and Agency Group trajectories at month 6 and the supporting narrative and noted that the Trust was slightly under trajectory as of the end of September 2024. The Committee understood that agency spend continued to be an issue, largely attributable to the use of medical locums, with agency usage in the Trust currently accounting for 5.2% of its workforce bill, which was 2% higher than the requirement. The Committee heard about the plans to reduce locum spend which were subject to agreement at the Financial Planning Group. The Committee also heard about NHS England's blanket ban on agency usage for Band 2 and 3 staff from March 2025 but was reassured to note that the Trust had a limited number of agency staff in those bands and was on a downward trajectory working towards zero.

The Committee then discussed International Recruitment, noted that the current liability figure was missing from the narrative and received an approximation of the amount. Mr Skinner explained that Certificates of Sponsorship were currently only supported for clinical posts and intelligence was being gathered at a system level with a view to ensuring consistency and parity across the region. The Committee recognised that further thought needed to be given to supporting this going forward, noting the ongoing cost pressure for services who choose to engage applicants requiring sponsorship or renewal of sponsorship certificates. Ms Sanderson added that the Trust was moving away from International Recruitment and towards a "grow your own" approach which was supported by the Committee.

The Committee then noted the significant reduction in Bank expenditure that was due to start in October 2024 and asked for an update on progress with delivering this. Mr Saxton explained that the timing of this was linked to the scheduled completion of the Reducing Bank Expenditure workstream but that the results for October were not yet available and therefore he could not confirm whether the trajectory had been achieved for this month; however, he expected that the anticipated reduction would not be met.

The Committee recognised that the Trust was far off some of its targets, with the understanding that some savings were yet to materialise due to the timing of the workstreams. Mr Skinner emphasised that the previously positive position had deteriorated, and the Trust was now only marginally ahead of plan. The Committee agreed to alert the Board to this via the Chair's Report. The Committee acknowledged that there may be improvement at month 7 when re-forecasting would take place; however, it noted the risks associated with the Trust's approach of "tail-ending" its cost improvement plans especially given the expected increase in pressure over winter. The Committee asked that some analysis of the trajectories was provided in the next report which identified actions that had not had the expected impact, which were delayed but still likely to make an impact, and which had exceeded expectations.

JS

The Committee **discussed** the update provided and **noted** the areas of spending which were off trajectory and required focused attention and the areas where good progress was being made to achieve or exceed the trajectories.

24/117 Chief Operating Officer's Report (agenda item 6)

Mrs Forster Adams introduced her highlight report which had been provided in addition to the routine reporting cycle to ensure that Committee members were alerted to any significant variation in performance and service delivery ahead of winter. The Committee noted that there was no Service Performance Report appended to the main report due to there being no formal Board of Directors' meeting scheduled this month.

Mrs Forster Adams discussed the suspension of non-urgent referrals to the Trust's Attention Deficit Hyperactivity Disorder (ADHD) service which had now been enacted and outlined the GP offer which was expected to help meet some of the demand. She highlighted the urgent need for a Leeds pathway model and informed the Committee that discussions were taking place on this. The Committee also discussed the financial impact of the Right to Choose scheme on the West Yorkshire system and heard that this was being monitored through the Strategic Finance Executive Group (SFEG). Mrs Forster Adams also referred to the internal audit report into waiting list management which had been discussed at the Audit Committee and informed this Committee that the Board would have a focused session on waiting times and access in the near future. The Committee thanked Mrs Forster Adams for the update and agreed that the suspension of non-urgent referrals to the ADHD service had been managed well.

The Committee then noted the update on the work to improve Crisis response times included in the report as per the request from the previous meeting and received assurance that this was not an issue related to the safety and quality of the service. Mrs Forster Adams reiterated that there had been no clinical concerns as a result of not meeting the 4-hour response target, but they had identified some data quality issues, and the service model was being reviewed to ensure an urgent response could be provided when needed. She also highlighted the positive impact of the rollout of the 111 service which had released time for staff to see people face to face and should help support recovery toward the Crisis response times standard. The Committee was assured by the update and asked that the graph detailing Time to Crisis Assessment was included in next month's Chief Operating Officer's Report.

JFA

The Committee noted that the Improving Patient Flow Programme was broadly on trajectory but had been impacted by a spike in female demand. Mrs Forster Adams reassured the Committee that it was not uncommon to see seasonal changes in demand and that recovery could be made. She then highlighted that the programme was off-track financially and that following recalibration of the financial plan, worst and best case scenarios for improving patient flow would be presented to the Board of Directors' meeting in November. The Committee was pleased to note that distances of out of area placements (OAPs) were improving; however, Mrs Forster Adams cautioned that the bed availability at a national level was having an impact on the Trust's bed capacity, particularly Psychiatric Intensive Care Unit (PICU) OAPs which were limiting access into the Trust's PICU service.

Finally, the Committee noted the update on the annual assessment against the Emergency Preparedness, Resilience and Response Core Standards and heard that the Trust had achieved 74% compliance this year (a small increase on the

initial score provided in the report). The Committee noted that the outcome would be reported retrospectively to the public Board of Directors' meeting in November 2024.

The Committee **discussed** the updates, **noted** the good progress and the areas of concern, **identified** the issues requiring further analysis and **agreed** timeframes and prioritisation.

Mr Skinner left the meeting.

24/118 **Chief Financial Officer's Report** (agenda item 7)

The Committee received an overview of the Trust's financial performance at month 6 and noted that the position was broadly stable, and the year-to-date position was better than plan with a 0.9 deficit supported by the final settlement of gainshare from the Collaborative Procurement Partnership. The Committee noted that the income and expenditure position was in deficit at the halfway point of the financial year and noted the significant risk associated with "tail-ending" the Trust's cost improvement programme. The Committee noted this also presented a risk at system-level where there was a similar expectation that trusts and ICBs across the region would improve towards the end of the year. The Committee understood that the efficiency programme was unlikely to be delivered in full.

The Committee then noted that the West Yorkshire ICB had moved from a level 2 to a newly introduced level 3+ rating of the national oversight framework. The Committee understood that significant accelerated action was required to deliver the Trust's plan and move towards a sustainable position with a particular focus on the productivity and efficiency of the organisation. The Committee agreed that a more detailed discussion on this and the implications for the Trust should take place at the private Board of Directors' meeting in November 2024.

The Committee then discussed the three areas which could worsen the Trust's financial position further as outlined in the paper. With regard to the pay award update the Committee noted that the shortfall included the decision to extend the pay uplift to Bank staff but there were additional unaccounted costs linked to the staggered payments for higher bands due later in the year. Mrs Hanwell notified the Committee that there was a potential further shortfall to the system linked to the funding of the local authority pay award. The Committee then noted the additional potential non-recurrent measures outlined in the paper which could help to address the in-year shortfall and support the Trust to deliver its plan, one of which was subject to external audit approval. The Committee noted that the position would be reviewed again in November 2024 as part of the Chief Financial Officer's Report to this Committee and the Board of Directors.

The Committee then discussed Provider Collaboratives (PCs) and received confirmation that the financial risk relating to the Children and Young People's PC was sighted on across the PC and had been factored into the financial plans of other organisations. Mrs Forster Adams then noted the financial risk linked to the Adult Secure Forensic PC and asked if there was a financial recovery plan in place. She also referred to the current PICU numbers and queried if the financial pressure on services could be leading to patients being discharged earlier. It was

DH

agreed that Mrs Forster Adams would liaise with Ms Sanderson and Mrs Hanwell on this issue. The Committee then noted the analysis on reserves provided in Appendix D and asked that more of an explanation about what was behind the reserve items was included in next month's report given the potential impact on the Trust's numbers. It was also agreed that PCs needed to be covered in more detail in reports to the Committee, noting that there were issues linked to governance and risk allocation that the Committee needed to be fully sighted on.

JFA

JS / DH

The Committee then heard about an additional risk for 2026/27 and beyond relating to specialist commissioning allocations which were to be delegated to the relevant ICBs from 1 April 2025. The Committee understood that the Trust was protected by contracts that ran until 2025/26 but beyond that there was the potential to lose some of the benefits associated with PCs and specialist contracts.

Lastly, the Committee noted that the external review by PricewaterhouseCoopers (PwC) was due to conclude in early November and heard that an update on the findings would be provided at the November Board of Directors' meeting.

DH

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.

24/119 Off-payroll Engagements Report (agenda item 8)

The Committee received the annual update on off-payroll engagements as of 30 September 2024 and noted that the number of engagements had reduced compared to September 2023. The Committee asked what could be done to reduce the number of off-payroll engagements further and heard that this was dependent on the Trust reducing its use of locums which was being overseen by the Medical Agency Reduction workstream.

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

24/120 Digital Plan Update (agenda item 9)

The Committee received the update on the Digital Plan for 2023-2025 and noted progress against the portfolio projects, workstreams and initiatives. The Committee received the update on progress with replacing the Trust's Electronic Patient Record (EPR) and the Patient Portal both of which were key initiatives relating to the Trust's strategic priorities for 2024/25. The Committee also received an update on the Electronic Prescribing and Medicines Administration (EPMA) solution and noted the issue linked to upgrading the current platform.

The Committee then discussed the EPR update in more detail and heard that the aim was to have a new EPR provider by mid-2027 ahead of the October 2029 deadline. The Committee discussed the potential funding options linked to the Frontline Digitalisation Programme but understood that being successful in applying for money may be impacted by the Trust's status as a cash rich

organisation. The Committee also discussed the review of a single solution verses best of breed approach and heard that the Frontline Digitalisation Programme had previously used a single solution approach. Mr Henry recommended that the Trust was mindful of this given that it was likely to go with a best of breed approach. Mrs Hanwell also highlighted that the Trust could lose some of the good functionality of CareDirector and needed to be clear where this was the case.

The Committee then discussed the convergence between EPR systems both with NHS and third sector partners in the region, noting the issues caused by the current lack of interoperability, and highlighting the opportunity for collaboration as part of the West Yorkshire Integrated Care System (ICS). Mr Wright referred to a recent visit he had undertaken to learn more about the Community Transformation Programme and discussed the issues with system interoperability that he had witnessed and stressed the importance of considering this as part of the future EPR solution. Mr Hogan reassured the Committee that interoperability and collaboration was a priority for the Trust and the region, and the Committee went on to discuss how to maximise interoperability with voluntary sector partners in Leeds given they are key stakeholders in the Community Transformation Programme.

The Committee then discussed the update on the Patient Portal in more detail and noted that the intention was to engage the same solution as Leeds Teaching Hospitals NHS Trust (LTHT). The Committee asked Mr Hogan to confirm if LTHT had completed a full market assessment ahead of selecting their provider, or if they had also opted to do a single tender waiver in support of their preferred provider. The Committee felt it was important to understand what scrutiny had already taken place ahead of the Trust making its own decision. Mr Hogan agreed to report back to the Committee on this. He went on to provide reassurance to the Committee on the soft market engagement and demonstrations that had already taken place and his level of confidence regarding the functionality of the system.

Mrs Forster Adams then referred to the recent EPRR submission which had stated that the Trust was non-compliant in three areas of the deep dive into cyber and received assurance that this would be covered as a component part of the cyber, compliance and standards work as per section 4 of the report. Mr Hogan also confirmed that the mandated and legal equity data would form part of the existing performance and data work as per section 6 of the report.

The Committee **noted** the progress of initiatives associated to the Digital Plan and wider digital portfolio and sought further assurance as required.

24/121 Estates and Clinical Environments Report (agenda item 10)

The Committee received the report, noted that there were no high-risk issues for escalation, and noted that good progress was being made across the key projects.

The Committee noted the update on Fire Risk Assessments and the number of outstanding significant actions presented in Table B of the report and received reassurance that good progress had been made with completing these actions which would be reflected in the quarter 3 update to the Committee.

IH

The Committee then discussed the update on the Premises Assurance Model (PAM). The Committee highlighted that there were a number of inadequate rated items for June 2024, albeit a sizeable reduction since June 2023, and asked for more information on what inadequate meant in this context. Mr Duffy explained that the actions mostly related to the updating of policies and procedures, as opposed to live risks and that he did not feel any of the issues needed to be escalated to the Committee. The Committee noted that the quarter 3 report would provide more detail on the PAM once the first formal report had been to the Estates Steering Group in October 2024.

The Committee then noted the cost increase on catering services across the Private Finance Initiative (PFI) estate linked to the benchmarking of Soft Facilities Management services and heard that a mid-range position had been negotiated. The Committee also noted the update on the remediation of the patient facing doors at Red Kite View and received verbal confirmation that the engineering solution successfully trialled on seven of the doors had now been accepted by the clinical teams. The Committee also received assurance that the digi-locks issue was being resolved as part of the building safety alarms project.

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

24/122 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 11)

The Committee **agreed** the items to be included in the Chair's Report to the next public Board of Directors' Meeting on the 28 November 2024.

24/123 Any actions agreed today that ameliorate the strategic risks for which the Committee is assurance lead (agenda item 12)

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.

24/124 Any other business (agenda item 13)

The Committee did not discuss any other business.