

HARROGATE HEALTHCARE FACILITIES MANAGEMENT LIMITED
Company number: 11048040
(the "Company") t/a Harrogate Integrated Facilities (HIF)

APPROVED Minutes of a Meeting of the Company Board of Directors
held on Tuesday 27th June 2023, Cedar Court Hotel, Harrogate

Present: Mark Chamberlain, Chairman
 Lucy Hind, Non-Executive Director (LH)
 Roger Taylor, Non-Executive Director (RT)
 Gary Barrett, Non-Executive Director (GB)
 Angie Gillett, Managing Director (AG)
 Matt Graham, Director of Strategy (Stakeholder Non-Executive Director)
 Richard Stiff, HDFT Non-Executive Director (Stakeholder Non-Executive Director) (RS)

In attendance: xxxxxxxxxxxx, Deputy Director of People and Culture (HDFT)
 xxxxxxxxxxxx, Head of Financial Management (HDFT)
 xxxxxxxxxxxx, Associate Director of Quality and Corporate Affairs – for
 item **HIF/06/27/6**
 xxxxxxxxxxxx, Interim Director of Finance (HDFT) – for item **HIF/06/27/6**
 xxxxxxxxxxxx, Executive Assistant (HDFT) – Minute-taker

HIF/06/27/1	Welcome and Introductions
1.1	The Chairman welcomed everyone to the meeting.
1.2	It was noted that the Interim Director of Finance (HDFT) and Associate Director of Quality and Corporate Affairs (HDFT) were in attendance to provide an update on the filing of the Company's annual accounts.
HIF/06/27/2	Apologies for Absence
2.1	There were no apologies to note.
HIF/06/27/3	Declarations of Interest
3.1	There were no interests declared in relation to the business of the meeting.
HIF/06/27/4	Minutes of the previous Meetings
4.1	The minutes of the Extraordinary Meeting of the Board held on 6 th March 2023 and minutes of the Board meeting held on 24 th April 2023 were approved as an accurate record.
4.2	Resolved: The minutes of the previous meetings were approved as an accurate record.
HIF/06/27/5	Matters Arising and Action Log
5.1	Matters Arising There were no matters arising from the minutes not already included on the agenda.
5.2	Action Log The action log was reviewed, updates received and completed actions noted.

Ref 12 & 23 - HIF/02/21/4 - CQC Inspection Readiness – The briefing note had been circulated, walkabouts ongoing and prepared as much as possible. The Associate Director of Quality and Corporate Affairs, HDFT, reported that she understood the inspection programme had been delayed whilst the CQC launched its new framework, however it remained important to be prepared as the organisation had not had an inspection for a significant period of time. *Action complete.*

Ref 18 - HIF/12/20/9.1 - National Sickness Target – It was confirmed that no national sickness target exists. Contact would be made with other wholly owned subsidiaries (three within WYAAT and one in Yorkshire) to try and obtain data for benchmarking purposes. However, it was noted that other organisations may be unwilling to share as HIF is viewed as a competitor. Deputy Director of People and Culture, HDFT, to consider what would be a reasonable target to measure against. An update would be received at the next meeting.

Action: Deputy Director of People and Culture to propose sickness target to measure against.

Ref - 19 - HIF/12/20/9.2 – Catering Service – A significant amount of work underway.

Action: Deputy Director of Estates and Facilities to update on progress at August’s Board of Directors.

Ref 29 - HIF/02/21/15 - Workforce Report – Food Hygiene Training – The data was more accurate than originally thought however not recording sufficiently well to quantify. **Action:** Managing Director - Data to be validated and update to be received at August’s meeting.

Ref 30 - HIF/04/24/5.8 – Annual Accounts 2022/23 – Progress shown as “amber” – noted it should be shown as “red” as the accounts were still to be filed at Companies House. Board members were being kept updated.

Ref 33 - HIF/04/24/12/5 - Workforce Report – The report has been re-worked completely and was now in line with new reporting across HDFT’s directorates. Feedback from SMT had been positive, with some additional information requested for inclusion. The final draft to be approved by SMT prior to being included in next month’s IBR. It was noted comparators had been included for the previous year. In terms of the current position and any areas the Board should be aware of, it was confirmed that the majority of indicators were moving in the right direction. The report would be received at the People & Culture Committee on 22 August. *Action complete.*

HIF/06/27/6

Chair’s Update

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The Chair invited the Interim Director of Finance and Associate Director of Quality and Corporate Affairs for HDFT to update the Board on the progress towards filing the annual accounts.

Following updates as previous meetings, the Interim Director of Finance updated the Board on the latest position and following on from the email to Board members the previous evening. As this was the first year of **xxxxxxxxxxxx** auditing the accounts, a number of issues had been highlighted, which were not material but had delayed the completion of the audit of the accounts as more work had been required. In particular, in relation to the treatment of fixed assets and it had been necessary to revise how this was reflected in the accounts. The changes had resulted in a positive change to the Company’s balance sheet, moving from a loss to a surplus.

This delay had resulted in unaudited accounts being submitted to Companies House in order to meet the deadline for submission, based on advice received in

	<p>respect of options available. However, Companies House had advised that unaudited accounts could not be accepted and despite conversations/emails with them to explain the position, the Company's Directors had been notified of potential legal action including prosecution if the accounts were not submitted within 28 days. Legal advice had subsequently been taken and shared with the Company's Directors. This correspondence from Companies House had been received on 16th June therefore accounts must be submitted by 14th July.</p>
6.4	<p>The draft output report from [REDACTED] had been shared and it was noted that four actions remained outstanding in order to complete their work:</p> <ol style="list-style-type: none"> 1. To share and discuss the communication from [REDACTED] with the Board, which had now been actioned. 2. To note the post balance sheet event and that nothing would be picked up in relation to 2021/22. 3. Letter of management representation drafted by auditors to be signed on receipt by a director and company secretary and returned to [REDACTED], at which point the accounts would be approved and could be submitted to Companies House. 4. The timeline set by [REDACTED] for this was 7th July, however, the Interim Director of Finance, HDFT, had requested this be brought forward bearing in mind the deadline of 14th July. Discussions were ongoing regarding this.
6.5	<p>Both Non-Executive Directors (RS and RT) disagreed with the legal advice received, noting failure to file accounts on time was a criminal offence, resulting in prosecution/potential fine for individual directors, as stated in the Companies Act. The Non-Executive Director (RS) highlighted that he was aware that several thousand companies had been fined in the previous year.</p>
6.6	<p>The Associate Director of Quality and Corporate Affairs noted that legal advice, from [REDACTED], had confirmed that Companies House can refer companies for prosecution to another body as they do not have powers to prosecute themselves. However, their priority is getting an up-to-date set of accounts on record and the likelihood of criminal proceedings being enacted was small particularly if there is evidence of actively pursuing completion of the audited accounts. It was confirmed the Company would be responsible for any fine in relation to late filing of accounts.</p> <p>Referring to the issue of late filing of accounts the previous year, it was noted that the delay had been due to a different issue.</p>
6.7	<p>In response to a question as to why the auditors had set 7th July as the deadline, it was noted that this was in order to meet the Company's criteria of being 100% complete, in case of any issues in completion from their perspective. As despite providing all information requested over the last few months and believing the work was almost complete, further information had been requested. It was also understood that one of the senior partners was not available prior to 7th July. It was agreed that [REDACTED] focus should be on completion of the work to enable accounts to be filed and recommendations and actions required could be addressed later. The Associate Director of Quality and Corporate Affairs confirmed that the recommendations would be addressed and these would not prevent the accounts being filed. [REDACTED] was aware of the urgency and potential implications for individual directors of the Company and had been surprised by Companies House response. It was also noted that they have other clients and this time of year is their busiest.</p>
6.8	<p>All information requested by [REDACTED] had been provided the previous day, it was therefore believed that nothing further would be required. Confirmation had been requested that a discussion had taken place at today's Board meeting</p>

6.9	<p>following receipt of their report, circulated the previous evening. From the Company's perspective, this was the final action required in order to receive the audited accounts. The timeline also needed to include mailing the accounts by Special Delivery as it was not possible to upload directly to the Companies House website. Following today's meeting and confirmation of receipt of [REDACTED] report, it was hoped the accounts could be signed off or by 3rd July at the latest.</p>
6.10	<p>In response to a suggestion from the Non-Executive Directors (LH and RT), it was confirmed that a "wash up" session would be useful and would take place once the accounts had been filed. Assurance would also be sought that a similar situation would not occur next year. The Interim Director of Finance noted the need to reflect the timeline in the overall Group's governance arrangements.</p>
6.11	<p>In response to a query from the Non-Executive Director (RS), it was confirmed that it would be an unqualified report from the auditors. It was also confirmed that the Company does not hold any leases.</p>
6.12	<p>The Director of Strategy observed that if the accounts were not received by Companies House on 14th July and all Directors were to resign at that point, from a legal point of view, Directors would still face prosecution and asked if they would be indemnified by the Trust, noting that it would result in a criminal conviction and the impact this would have on careers going forward. It was confirmed legal advice had been sought and this would not be identified in a fit and proper person test as part of a recruitment process, but would be flagged through Companies House.</p>
6.13	<p>The Chair of the Committee queried what was required of the Board in terms of receiving the report in order to ensure the appropriate response to [REDACTED]. The Interim Director of Finance confirmed it was requested that the report was shared with the Board and suggested it would be useful to review the recommendations:</p> <ul style="list-style-type: none"> • Governance arrangements and documentation – [REDACTED] were not comfortable with the previous arrangements in relation to fixed assets, where previously the Group had been audited as a whole and the valuation based on the District Valuation Office. It was agreed a review of the register of assets and leases in place for the Trust would take place. It was noted this did not need to be completed in order to complete the accounts. • [REDACTED] work – No signed contract with [REDACTED] for the [REDACTED] work taking place. The Company was aware of this concern and information could be shared with the auditors including legal advice taken. • VAT - Advice had been shared from inception of the Company together with tax returns. Advice is periodically reviewed. It was agreed the recommendation was a useful reminder that it was timely to review VAT advice. • Cash takings – It was noted there was a lack of audit trail in respect of till reports and car parking information and how information is retained would be reviewed as part of the ongoing work in relation to catering and car parking. • In terms of deliveries, information is captured via Oracle. • Contracts of employment – A similar issue for the Trust had been raised by [REDACTED]. Historically, many contracts within the group were paper-based and not held centrally. Since 2014 electronic records had been kept by the resourcing team. However, a large number of employees had no contract on file and job descriptions were also not up-to-date, particularly in the case of long standing employees. The rostering system/payroll records provide evidence of employees in their roles. Work was ongoing to record where personnel files are held and information to be retained, which would be a significant piece of work. • Creditor / Ledger reconciliations – This is undertaken monthly and is a manual process as it was not possible to directly reconcile the two.

<p>6.14</p> <p>6.15</p>	<p>Resolved: The Chair's report was noted. The Board received the report from [REDACTED] and noted the recommendations therein. Board members would be updated daily on progress towards submission of the accounts.</p> <p>The Interim Director of Finance and Associate Director of Quality and Corporate Affairs left the meeting.</p>
<p>HIF/06/27/7</p>	<p>Managing Director's Update</p>
<p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p> <p>7.6</p> <p>7.7</p> <p>7.8</p>	<p>The report was received and taken as read. Angie Gillett highlighted key points for the Committee to note:-</p> <ul style="list-style-type: none"> • [REDACTED] <ul style="list-style-type: none"> - In terms of the contract dispute and prolongation claim, [REDACTED] had proposed a [REDACTED]. Following legal advice, the Company had proposed [REDACTED] and [REDACTED] was reflecting on this. With regard to the guaranteed savings, this was under review with [REDACTED] and the prolongation claim was under discussion with HIF/[REDACTED] as a full prolongation claim with associated back up information to support [REDACTED] position was still awaited. The Board would be kept updated on progress. • Portering Staff <ul style="list-style-type: none"> - An effectiveness workshop had taken place following the same agenda as the previous workshops held with other teams. - Some behavioural issues were still to be addressed. • Car Parking <ul style="list-style-type: none"> - Work ongoing with [REDACTED] who were currently onsite doing survey work. - Presentations on the new arrangements had been delivered to the Trust's Senior Management Team and members of the consultant workforce. • General Office – Cash Handling <ul style="list-style-type: none"> - Investigation underway following further issues. - The ambition for the future would be to go cashless, including in Herriots, as this would resolve the issues and undertaking quality impact assessment in relation to this. • National Estates and Facilities Day <ul style="list-style-type: none"> - This had been really well supported and had also raised £200 for the Charity. <p>Referring to car parking, the Chair highlighted comments from Team Talk and from presentations to stakeholder groups to allay concerns, showing people were feeling more positive about the implementation of the changes and recognise that action is needed to address the queues on Lancaster Park Road. It had been stressed that if people park appropriately there would be no issues.</p> <p>Resolved: The Managing Director's report was noted and the ongoing work across the organisation.</p>
<p>HIF/06/27/8</p>	<p>Integrated Board Report (IBR)</p>
<p>8.1</p> <p>8.2</p>	<p>The report was received and taken as read. The Managing Director highlighted key points to note:</p>

8.3	<ul style="list-style-type: none"> • KPIs - Estates and Management – PPMs – The compliance manager was now in post. A lot of work remained to be done however moving in the right direction. • PLACE – Catering – Work ongoing including on a potential solution in respect of serving meals on wards. • Risks – Continuing to work with teams and Trust colleagues in terms of safety and addressing violence and aggression. Some new risks had been added to the risk register. <p>The Non-Executive Director (LH) noted it was helpful to see how risks are being mitigated being documented.</p> <p>The Director of Strategy highlighted the significant amount of backlog maintenance work required, which would impact on the capital programme, and that some of the risks would remain risks for a significant time. A workshop was being considered to raise awareness of the work being undertaken and the strategic direction.</p> <p>The Non-Executive Director (GB) observed that not all actions had a date for completion and it would be helpful to have consistency and show dates for all so progress could be tracked. It was agreed this would be addressed. Action: Managing Director to ensure dates shown against all actions.</p> <p>With reference to the risk in relation to water temperatures and mitigation in place, it was noted the narrative in the report differed from the Trust’s understanding. The Non-Executive Director (RS) noted the risk had been discussed by the Quality Committee and what was shown in the report differed to the update received at that meeting, when it had been reported that it was not the entire hospital site. It was confirmed that the HIF risk register highlights the overall risk as a result of all water temperatures not being at the right temperature. The Trust was content with the mitigation in place of regular flushing, with increased flushing in Strayside Wing where levels of legionella had been found to be higher. The issue continued to be discussed at the Trust’s Infection, Prevention and Control Committee and Quality Governance Management Group.</p> <p>Resolved: The Integrated Board Report was noted.</p>	
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HIF/06/27/9		Board Assurance Framework (BAF)
9.1		The Board Assurance Framework was received for information and taken as read. There were no questions from the Board.
9.2	Resolved: The BAF was received and noted. Any comments were to be sent directly to the Managing Director.	
HIF/06/27/10	Finance Report	
10.1	<p>The Head of Financial Management, HDFT, presented the financial report for Month 2, which was taken as read. The key messages included:</p> <ul style="list-style-type: none"> • Year to date xxxxxxxxxxxx at May 2023. • Cash balance xxxxxxxxxxxx as at May 2023. • CIP not yet delivered xxxxxxxxxxxx • Potential forecast xxxxxxxxxxxx if run rate continued. • Balance sheet – some adjustments were required to reflect the current position. • Income performance remained good despite car parking being down on run rate as a result of barriers not in use. An increase in income from the coffee shop was starting to be seen following extension of opening hours. • Non pay expenditure was significantly higher than Month 1. There had been an increase in the value of third party contracts processed for xxxxxxxxxxxx in month xxxxxxxxxxxx and work ongoing to reconcile the position. Energy costs 	

<p>10.2</p> <p>10.3</p> <p>10.4</p> <p>10.5</p> <p>10.6</p> <p>10.7</p> <p>10.8</p>	<p>had been estimated based on last year's usage, at April's prices, costing [REDACTED] in month. Depreciation had been higher than plan and a contract variation would be actioned after Qtr. 1.</p> <ul style="list-style-type: none"> • Pay expenditure was higher in May than April mainly due to bank holiday enhancements paid in arrears. The reduction in overtime and agency usage continued and any areas overspending were being looked into. The gap between budgeted establishment and contracted staff in post was high at circa 30 WTE and contributed to the use of non-contract pay spend, plus some high levels of sickness within hotel services. • In terms of the achievement of the efficiency programme target of [REDACTED], [REDACTED] had yet to be delivered - [REDACTED] of which had been phased into the year to date position. It was noted this was challenging and discussions continued with departmental leads in relation to their targets. <p>The Non-Executive Director (LH) referred to [REDACTED] and the contract for [REDACTED], and it was confirmed that a life cycle exercise is undertaken and things are replaced, resulting in new maintenance charges. The volume of equipment going through the contract had increased and this was been managed by the contract manager.</p> <p>The Chair asked how accurate the estimates in relation to energy were and it was confirmed this was based on historic information and usage trend, however, the aim would be to move away from estimated bills.</p> <p>In relation to a question regarding the efficiency programme and whether income generated from an external source could be offset against this, which would be helpful, it was noted income would be required for investment purposes to support the future development of the Company.</p> <p>The Non-Executive Director (GB) requested information in relation to depreciation of fixed assets be included in the finance report going forward. Action: Head of Financial Management, HDFT</p> <p>The Non-Executive Director (LH) referred to funding received to support with costs, as per the Corporate service level agreement, and the need to look at this to ensure value for money was being obtained. It was agreed this would be included in the session on finance later in the day. The Deputy Director of People and Culture noted work was underway in the People and Culture team around what is provided and what is needed to support the Company's needs. The Managing Director noted work was ongoing through the contract management side looking at KPIs and service level agreements, some of which were out of date or no longer appropriate, however this would take some time to unravel.</p> <p>The Managing Director confirmed that the focus continued on the deficit in month and managing this in the appropriate way.</p> <p>Resolved: The finance report was received and noted.</p>
<p>HIF/06/27/11</p>	<p>Business Plan 2023-24</p>
<p>11.1</p> <p>11.2</p>	<p>The draft Business Plan was received and noted, having been received at the last meeting. There were no further comments and the Board agreed it was happy for this to be published.</p> <p>Resolved: The Board agreed it was happy to approve the draft Business Plan.</p>
<p>HIF/06/27/12</p>	<p>Green Plan Annual Report</p>

12.1	The annual report was received and taken as read. The Managing Director highlighted some of the work achieved to date and yet to be taken forward including work on the travel plan, [REDACTED] and other initiatives.
12.2	Questions were welcomed from the Board.
12.3	In response to a question regarding the [REDACTED] programme and carbon savings, it was noted it was difficult to demonstrate savings but these need to be emphasized.
12.4	In terms of waste and recycling, this was being monitored and the team would be looking at this in more depth. A cultural change was required to encourage people to segregate waste. The Non-Executive Director (LH) highlighted work taking place regionally and nationally which may be useful, which had been shared with the Sustainability Manager.
12.5	A session would be taking place on the Green Plan with the Trust Board of Directors the next day and further workshops were being considered.
12.6	The Non-Executive Director (LH) left the meeting.
12.7	Resolved: The Green Plan Annual Report was noted and the work that is ongoing across the organisation.
HIF/06/27/13	[REDACTED] Bid
13.1	The Managing Director briefed the Board on work underway with [REDACTED] to scope the feasibility of a geo thermal scheme for the Harrogate District Hospital site, with a bid for [REDACTED]
13.2	The Trust had confirmed it was content for HIF to progress this. Following wider engagement, a business case would be brought to the Board in October 2023.
13.3	Resolved: The Board agreed it was content with the direction of travel.
HIF/06/27/14	HIF Sub-Committee Chair's Reports
14.1	People and Culture Committee The report, previously circulated, was taken as read. The Chair of the Committee (GB) reported that the Committee was focused on data and relevancy, i.e., what it is used for and how it is acted upon.
14.2	Resolved: The Board noted the update.
HIF/06/27/15	Future Security Management
15.1	The briefing paper was received and taken as read. The Board of Directors was asked to approve the requirement for HIF and its Directors to become Security Industry Authority (SIA) licence holders in order to provide security services to HDFT.
15.2	It was noted an interim security service was being provided through an external service provider, with a security presence in ED, however this was not sustainable and had been introduced as on a trial basis. There was an expectation that the trial would become a permanent.
15.3	The number of incidents of violence and aggression was increasing, some of which may be related to the fact that there is no longer a mental health service on the site and due to the pressures in ED people are remaining there longer. It was also recognised that security needed improving across the site and it was therefore necessary to ensure sustainable arrangements were in place that comply with

	licensing arrangements for security services, with appropriate training and support. There was also a need to move quickly on this.
15.4	The Non-Executive Director (LH) noted it was her understanding that directors would not be required to be licensed if the service was outsourced. However, the Managing Director advised that it had been confirmed that this was not the case as Directors would still be responsible for the service. Research had highlighted that other organisations are licenced even where services are provided by external contractors.
15.5	The Non-Executive Director (GB) referred to arrangements at other Trusts where there is a subsidiary providing a security service and a Local Management Security Specialist holds the licence, and asked if this was a potential option. The Managing Director confirmed the Trust had requested that HIF provide the service and had not looked at outsourcing – it would need to look at different options if HIF Directors did not want this responsibility. The Director of Strategy noted that separate licences are required – a frontline licence and non-front line supervision licence for directors (costing from xxxxxxxxxxxx per year) – both with an ongoing cost of training.
15.6	The Non-Executive Director (LH) highlighted that to provide the service would require recruitment into these roles, which would be separate to the role of a porter. It was confirmed that staff currently providing the service are licensed.
15.7	It was agreed that more information was required in terms of the options identified specifically as to what being a licence holder entails. It was suggested transferring the contractual arrangements to the Trust would address the issue whilst a further review took place.
15.8	Action: Managing Director Resolved: The report was noted and further information was required before a decision could be made.
HIF/06/27/16	Any Other Business
16.1	Workforce Report
16.1.1	It was noted that the new format included workforce indicators covering different aspects such as: vacancy rates, turnover by age profile, recruitment, leavers, sickness absences and reasons, detailed breakdown of mandatory training, rostering compliance and benchmarking. A copy would be circulated to Board members for information prior to it being received by the Senior Management Team in July. Further testing was then planned prior to being presented at the People and Culture Committee in August. Action: Managing Director to circulate for any comments.
16.1.2	In terms of the current position, the Deputy Director of People and Culture reported that turnover was high, particularly in relation to leavers within the first 12 months of employment, a similar position was being experienced in the Trust. The Non-Executive Director (GB) referred to turnover being quite high despite the staff survey indicating people were feeling happier and noted that he would be meeting with the Director of People and Culture in August to discuss people and culture issues.
16.1.3	It was noted that the Deputy Director of Estates and Facilities was working with HDFT's Head of Education, Learning and Development to review mandatory training and ensure topics assigned to staff groups were appropriate and, where changes were required, to take through the relevant governance process.
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<p>16.1.5</p> <p>16.2</p> <p>16.3</p> <p>16.4</p> <p>16.5</p>	<p>It was also reported that the structure within the HR team was being reviewed and more administrative support would be put in place for the HR Business Partner supporting HIF.</p> <p>The Non-Executive Director (RT) referring to the review of mandatory training suggested there might be training the Company would want to see added, HIF specific rather than NHS mandatory, and it was agreed that this would be followed up.</p> <p>Action: Managing Director</p> <p>Ripon Community Hospital</p> <p>The Non-Executive Director (RT) referred to local media coverage on the expansion of services at Ripon hospital and asked if this was correct and, if so, were there any implications for HIF. It was confirmed the expansion of services related to diagnostics – new equipment and extended opening hours. The Trust’s Director of Strategy confirmed that discussions would be taking place with the Managing Director and the Site Manager at Ripon, however, no significant impact on the footprint was anticipated.</p> <p>Board to Board meeting with HDFT</p> <p>A new date was to be advised, most likely to be in the autumn.</p> <p>There were no further items of business.</p> <p>The meeting closed at 11.50am.</p>
<p>HIF/06/27/17</p>	<p>Date and Time of Next Meeting</p>
<p>17.1</p>	<p>Tuesday 29th August 2023, 9.00am.</p>