



## Finance & Investment Committee (F&IC) Minutes

**Venue:** Kirkstall & Fountains, Springhill 1, WF2 0XQ  
**Date:** Thursday 14 July 2016  
**Time:** 1400 hours  
**Chairman:** Mary Wareing

### Membership:

Mary Wareing	(MW)	Non-Executive Director & Chairman of F&IC
Pat Drake	(PD)	Non-Executive Director
David Macklin	(DM)	Executive Director of Operations
Robert D Toole	(RDT)	Executive Director of Finance & Performance (Interim)
John Nutton	(JN)	Non-Executive Director
Alex Crickmar	(AC)	Deputy Director of Finance
Roberta Barker	(RBa)	Interim Executive Director of HR

### Apologies:

Robert D Toole	(RDT)	Executive Director of Finance & Performance (Interim)
Roberta Barker	(RBa)	Executive Director of HR (Interim)
Barrie Senior	(BS)	Non-Executive Director (Observing)
Ronnie Coutts	(RC)	Non- Executive Director (Observing)
John Nutton	(JN)	Non-Executive Director

### In Attendance:

Anne Allen	(AA)	Trust Secretary
Leaf Mobbs	(LM)	Director of Business Development
Mike Fairbotham	(MF)	Associate Director of Procurement and Logistics (Items 9.0)
Jeff Gott	(JG)	Fleet Area Team Manager (Item 10.0)
Julie Bennett	(JB)	Head of Contracting (Observing)

### Minutes produced by:

Joanne Lancaster	(JL)	Committee Services Manager
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		<b>Action</b>
	The meeting commenced at 1415 hours.	
<b>1.</b>	<p><b>Introduction and Apologies</b>            MW welcomed everyone to the meeting and apologised for the delay to the start of the meeting.</p> <p>Apologies were noted as above.</p>	

		<b>Action</b>
<b>2.</b>	<p><b>Declaration of Interests for any item on the agenda</b> There were no interests to be declared in relation to the agenda items but would be noted throughout the meeting should they arise.</p>	
<b>3.</b>	<p><b>Feedback from Board Meetings</b> This item was not discussed.</p>	
<b>4.0</b>	<p><b>Minutes of the Meeting held on 12 May 2016</b> The Minutes of the Finance &amp; Investment Committee Meeting held on 12 May 2016 were approved as a true and fair representation of the meeting.</p>	
<b>4.1</b>	<p><b>Action Log and Matters Arising</b> The Action Log was reviewed and updated.</p> <p>Action 2016/001 – Consideration to resource released in PTS to be matched up with the workforce requirements in A&amp;E – Action remains open.</p> <p>Action 2016/004 - A paper on Medical Gases/Drugs/Medical Consumables and Equipment to be presented at the next Joint F&amp;IC and QC meeting - This item had been discussed at Quality Committee. Action closed.</p> <p>Action 2016/007 - For a paper on Agency Caps to be discussed at the Board meeting in July - AC advised that the paper was complete and was ready to be presented at either the Audit Committee or a Board Development Day. Action closed.</p> <p>Action 2016/009 - A group to be allocated to coordinate the response to the Carter review - This item was on the agenda. Item closed.</p>	
<b>5.0</b>	<p><b>For Assurance: PTS Service Transformation &amp; Financial Plans Update</b> MW advised that Chris Dexter, Managing Director of PTS, was attending to other urgent Trust business so was unable to be at the day's meeting. She asked that points raised would be emailed to Chris for response. He would attend the September meeting in person.</p> <p>DM asked whether the Terms of Reference for the Finance and Investment Committee required amendment to reflect that PF was the Director of Planned and Urgent Care.</p> <p>AA advised that the Governance Review would address this and that it was due to go to the 26 July 2016 Trust Board for discussion.</p> <p>PD asked if it had been made clear that the extra income received by PTS would not be used to offset against the CIP and that the original CIP target still remained.</p>	

	<b>Action</b>
<p>AC responded that Chris Dexter and Executive team was aware that was the case. The team were looking at options to achieve the CIP target.</p> <p>PD asked whether information could be supplied on the non-financial benefits of progress made against the transformation programme. MW added that evidence of delivery would be welcomed.</p> <p>AC advised that the non-financial benefits were flagged against the workstream area. The second table at Appendix A detailed some of the non-financial benefits and Chris would need to provide more detail in regards to the non-financial benefits at the next meeting.</p> <p><b>Action:</b>  <b>To provide more detail on the progress of non-financial benefits of the PTS transformation programme.</b></p> <p>MW referred to Appendix A and the penultimate line which referenced – PTS Non delivery of 2015/16 CIPs and delivery of auto scheduler benefits.</p> <p>AC explained that this was the benefits expected from the implementation of auto scheduler.</p> <p>AC referred to renal patients and advised this issue had been discussed at the Quality Committee earlier that day and would be discussed through the exception reporting at TMG/TEG and Programme Board.</p> <p>MW asked whether the information detailed at Appendix B included indirect income/overhead income.</p> <p>AC would clarify this and inform MW.</p> <p>MW stated that it was disappointing that Chris Dexter had not been able to attend to provide the detail alongside of the report. As it stood she believed there was still only limited assurance against the delivery of the PTS Transformation Programme.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and gained limited assurance regarding the PTS transformation programme.</b></p>	<p><b>CD</b>  <b>2016/012</b></p>
<p><b>6.0</b></p> <p><b>Sustainability Transformation Plans (STPs) – Finance Update</b>  AC outlined the details of the report which was to provide the Committee with an overview of the Sustainability and Transformation Plans (STPs) Finance Template submitted to STPs in the YAS footprint.</p> <p>AC explained the makeup of the 4 STP footprints in the YAS region.</p>	

	<b>Action</b>
<p>There was a focus for the STPs on strategy and service delivery and financial sustainability. It was expected by NHS England that the STPs should bring the system into financial balance by 2020/21.</p> <p>He advised that to inform the baseline modelling for the STPs YAS had been asked to submit nationally developed templates to the STP leads. YAS had been asked to submit individual templates for each STP plus a supplementary template to YAS' lead Commissioners as the Trust covered more than one STP.</p> <p>AC informed the Committee that the first step was to complete the 5 year 'do nothing' financial template (if everyone continued on as they were what would be the financial gap across the STP footprint) he added that a draft had been submitted in June with the final version due in September. The next stage would be to model the 'do something' scenario with agreed solutions across the system.</p> <p>AC referred to paragraph 3.4 and outlined the key assumptions that had been made in developing the STP templates.</p> <p>He made reference to the Hear, See and Treat pathway, he advised that the Trust would continue to work with partners to develop the solutions and deliver the outcomes, which would in turn form the basis of future modelling.</p> <p>He advised that the Trust was actively engaged with the STPs and outlined the challenges in reducing the financial gap across the STP footprints. He informed the Committee that the finance team were linking in with Dr Phil Foster, Leaf Mobbs and TEG.</p> <p>Discussion took place around the North of the region and the impact on commissioning in this regard.</p> <p>MW stated her belief that she was encouraged by the work being undertaken by the Trust in respect of the STPs.</p> <p>PD responded that it was positive that YAS was visible at a senior level within the STP footprints however she questioned the visibility of the next layer of management. She asked how local authorities were engaged with the process.</p> <p>AC replied that Leeds City Council had been at the West Yorkshire STP financial forum but he was not aware of the level of engagement of the other local authorities within the YAS region.</p> <p>AC outlined the next steps, adding that management would keep the Committee appraised of developments as appropriate.</p> <p>MW thanked AC for the update and asked for a further update to be brought to a future F&amp;IC depending on timescales. She felt that the Committee had gained significant assurance from the process</p>	

	Action
<p>surrounding the STPs.</p> <p><b>Action:</b>  <b>An update to be presented at a future F&amp;IC on the Sustainability Transformation Plans.</b></p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the updated and gained significant assurance that the YAS' process for the STPs (Finance) was being managed effectively.</b></p>	<p><b>AC/Jo Wilson 2016/013</b></p>
<p><b>7.0 For Assurance: Financial Review 2016/17 (Month 2)</b></p> <ul style="list-style-type: none"> <li>• <b>Financial Risks;</b></li> <li>• <b>Year to date Financial Performance;</b></li> <li>• <b>IPR – Finance Section;</b></li> <li>• <b>CIP Tracker</b></li> </ul> <p>AC outlined the details of the paper which provided F&amp;IC with an overview of the key points in relation to the Month 2 finance position; the Integrated Performance Report; and an update on the Trust's financial risks and any exceptional budgetary items of note.</p> <p>AC advised that at the beginning of the year the Trust submitted a financial plan to NHS Improvement with an annual planned surplus of £2.1m for 2016/17, he added that this had now changed due to the Trust's agreement to the nationally (NHSI) determined £5.1m control total.</p> <p>He outlined the key variances against the original budget for year to date at Month 2. He highlighted the continued pressure on the fleet maintenance budget, adding that the vehicle parts tender was being evaluated.</p> <p>DM referred to the A&amp;E subsistence budget and questioned whether the baseline used was correct and whether it included assumptions on meal breaks.AC responded that he believed the baseline was correct but he would clarify the position with DM outside of the meeting.</p> <p>AA asked about the position on agency spend.</p> <p>AC replied that the usage of approved frameworks had come into effect from the 1 April 2016, adding that the price caps had come into effect on 1 July 2016 nationally. He explained that the Trust would need to carefully manage spend in this regard over the coming months given the Trust is currently above the total Trust agency cap at Month 3.</p> <p>Discussion took place around agency spending. AC had advised that it would appear that most Trusts were finding the agency cap a challenge. It was noted that private providers were not subject to the</p>	

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<p>same NHSI agency cap. The need for an internal bank was emphasised.</p> <p>AC advised that in order to achieve the control total of £5.1m the budget has been updated to show:</p> <ul style="list-style-type: none"> <li>• The release of reserves of £1.5m with no corresponding expenditure requirements/additional cost pressures;</li> <li>• Related to this would be an increase in income of £1.5m to account for the General Fund additional monies.</li> </ul> <p>AC explained that the impact of this was that overspends in service lines and support services would no longer be able to be offset from/by contingency reserves.</p> <p>DM stated his belief that the A&amp;E budget would be a challenge for a number of reasons including an increase in demand and the block contract. The service was addressing how to try and manage the budget to a balanced position.</p> <p>AC informed the Committee of the actions that were being taken to meet the control total and also the key risks.</p> <p>MW expressed concerns regarding the release of £1.5m contingency as she felt that it would put the Trust at risk financially.</p> <p>AC responded that a report would be going to TEG outlining the targets and actions to support the Trust to reach the control total. He added that there would be greater clarity in later months of the overall financial position against the control total target.</p> <p>MW responded that she was keen to get a level of assurance on this as quickly as possible; she added that she acknowledged the scale of the challenge that the Trust faced. She stated that there was limited assurance on the control total. AC acknowledged that there were significant risks to not achieving the control total unless action was taken.</p> <p>AC outlined the details of the Capital Plan. He advised that the programme approved by the Board in March 2016 showed an over commitment against the CRL (statutory limit) based on historic capital slippage. AC added that there continued to be significant risk to the overall funding for the capital plan as the capital plan for the Trust had not yet been signed off by NHS Improvement. Initial feedback on the financial plan from NHS Improvement had included comments that both the use of the financial surplus or disposals or cap to revenue related to 15/16 may be at risk due to the national NHS finance position. Therefore there is a risk that funding assumed for the capital programme (relating to capital slippage from 2015/16 £3.6m and the 2015/16 retained surplus £2.1m) may not be available to the Trust. Therefore the Trust would need to look at mitigations to this risk should the funding not be available as originally planned.</p>	

	<b>Action</b>
<p>The plan was to re-convene the capital bid panel to review this. He added that the biggest spend within the Capital Plan was A&amp;E vehicles.</p> <p>DM advised that the final sign-off process for the first vehicle was anticipated within the next few weeks, once this had been signed there would be no further changes and he believed there would not be any slippage in the programme.</p> <p>AC outlined potential risk around the Doncaster and Bentley project if a suitable site could not be found, adding that if this occurred then another potential area would be looked at to be brought forward.</p> <p>He explained that there were interdependencies between some of the capital programmes and work was being undertaken to understand and articulate these better.</p> <p>MW thanked AC for the update and the F&amp;IC noted the additional pressure and challenge the control total presented to the Trust.</p> <p><b>Approval:</b>  <b>The Finance and investment Committee noted the update and gained appropriate assurance on the financial performance to date including the risks to the delivery of the financial plan. The Finance and Investment Committee gained limited assurance on achieving the control total.</b></p>	
<p><b>8.0</b></p> <p><b>For Assurance: Contracting Update</b></p> <p>AC outlined the details of the report which set out the current commissioning arrangements for the Trust's key business areas; A&amp;E, PTS and NHS/111/Urgent Care including the outcome of the 2016/17 contract negotiations.</p> <p>AC advised that the A&amp;E contract had been signed.</p> <p>AC updated the F&amp;IC on the contract negotiations within PTS as follows:</p> <ul style="list-style-type: none"> <li>• South Yorkshire – this had been signed;</li> <li>• East Yorkshire – this had been agreed and the Trust was waiting for the agreed site list to be included;</li> <li>• North Yorkshire – the contract had been received and was awaiting signature;</li> <li>• West Yorkshire – there had been some small amendments and the 2<sup>nd</sup> version of the contract had been received on the day of the meeting.</li> </ul> <div style="background-color: black; width: 100%; height: 50px; margin-top: 20px;"></div>	

	<b>Action</b>
<p>[REDACTED]</p> <p>[REDACTED]</p> <p>On A&amp;E DM referred to the HCP calls and asked if the additional call length for these had been modelled.            JB explained that it would not be possible to provide this information at the moment but she would share where they were up to with this outside of the meeting.</p> <p>[REDACTED]</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and gained assurance on the contract negotiations.</b></p>	
<p><b>8.1 For Assurance: Business Development Update</b>            LM introduced the paper which provided an update of progress in establishing the new Business Development Directorate and delivery of operating plan objectives.</p> <p>She advised that substantive recruitment to the Directorate was taking place. She explained that the post of Stakeholder Manager had been deferred for the time being while other options were considered.</p> <p>LM reported that the SPDMS were working closely with the Business Development Team on stakeholder engagement by undertaking a stakeholder analysis and mapping exercise.</p> <p>She advised that a bid team was beginning to be formed.</p> <p>She informed the Committee that the organisational strategy was developing well and the business plan objectives had been included at appendix 2 of the report.</p> <p>She reported that roles within the Communications and Engagement team would be aligned to the Communications and Engagement Strategy implementation plan to ensure that the team was fit for purpose and that it was delivering specific outcomes for the coming year.</p> <p>LM advised that the Independant Scheme had been paused for a few weeks whilst she explored the business case around the scheme.</p>	



	<b>Action</b>
<p>PD stated that she welcomed the use of the RAG rating against the workplan.</p> <p>LM outlined where the Directorate was up to in terms of bidding for the PTS contracts. She advised that South Yorkshire had declared their intention to tender for contracts but the Trust had not received a formal contract notice to date.</p> <p>She advised that Hull CCG was likely to go out for tender within this financial year, adding that it appeared that they had separated from the East Riding in this regard. She reported that West Yorkshire had undertaken a transport review but there had been no indication of their intention to date.</p> <p>LM referred to the Joint Strategic Commissioning Board and advised that the Trust had lots to offer in this regard.</p> <p>MW thanked LM for the update.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and the current position.</b></p>	
<p><b>9.0 For Assurance : Procurement Update</b></p> <ul style="list-style-type: none"> <li>• <b>Local Contracting and Tendering;</b></li> <li>• <b>National Framework and e-procurement Update;</b></li> <li>• <b>Lord Carter Report – Ownership of Recommendations.</b></li> </ul> <p>MW welcomed MF to the meeting.</p> <p>MF outlined the details of the paper which updated the Committee on key procurement activity which had taken place since the previous Finance and Investment Committee.</p> <p>MF advised that the £1.2m of savings that had been achieved through procurement for 2015/16. He advised that indicative savings for the first quarter of 2016/17 were £700k.</p> <p>MF referred to the Lord Carter report and the Trust’s response to this which was tabled as a separate paper on the agenda.</p> <p>He updated the Committee on the work the Trust was undertaking with the Northern Ambulance Alliance, adding that they were looking at aggregating for maintenance of garage doors and looking at a shared specification for base chassis.</p> <p>MF outlined procurement activities within each of the procurement types which were detailed at 3.5 – 3.29 of the report.</p> <p>Discussion took place around HQ Canteen Services and future options for training moving to Springhill. It was agreed that DM would seek clarification from TEG what the current thinking was in</p>	

	<b>Action</b>
<p>this regard and report back outside of the meeting.</p> <p>MF advised that work would take place throughout August on the refurbishment of Clinical Stores.</p> <p>MF reported that YAS' IT Department were looking at developing an in-house solution to the ePRF software issue which would be reviewed by TEG in the near future.</p> <p>MF referred to the Paramedic uniform and advised that the majority of the orders had been fulfilled. Discussion was still taking place on a national basis.</p> <p>He advised that the Private Provider A&amp;E Ambulance Provision was at the evaluation stage and that basic governance quality checks were taking place. Detailed checks would be the next stage.</p> <p>DM added that the service had extended provision with 5 providers to fit within the timescale.</p> <p>MF advised that the deliberative event had been cancelled.</p> <p>MW referred to the development of the Model Ambulance Template and advised that she would speak with RDT outside of the meeting to determine who would be best placed to report to the Committee in this regard.</p> <p><b>Action.</b>  <b>MW to speak with RDT to determine who would be the best person to update the Committee on the Model Ambulance Template.</b></p> <p>MW thanked MF for the update.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and gained assurance that the procurement process was being managed effectively.</b></p>	<p><b>MW</b>  <b>2016/014</b></p>
<p><b>10.0</b></p> <p><b>For Assurance: Six Month Review – Vehicle Replacement Plan</b>  MW welcomed JG to the meeting.</p> <p>JG detailed the report which outlined the Trust wide Fleet planned vehicle replacement profile between 2016 – 2021 based on the replacement criteria set out in the Fleet Strategy.</p> <p>JG advised that 101 RRVs required replacement, adding that there were 74 in conversion and 26 where the lease ended October 2016 – February 2017. He reported that after meeting with Bob Sunley it had been agreed to reduce the RRVs by the 26 vehicles at around 5 per month to February. This would ensure that the Trust did not</p>	

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<p>commit to any more RRVs until such a time that the workforce plan outcomes were known.</p> <p>JG reported that 10 Urgent Care Practitioner vehicles were due for replacement. A paper would be provided to the Trust Board on a suggested way forward for these.</p> <p>Discussion took place around the run rate on the different types of vehicles and it was noted that these were at the expected rate.</p> <p>JG explained the situation with PTS fleet and advised that there was a significant number that required attention. He added that discussions were taking place with Chris Dexter, PTS Managing Director about the PTS fleet.</p> <p>AC advised caution over procuring new vehicles for PTS until the outcome of the PTS tenders for the coming year was known and that the different options/scenarios needed to be worked up.</p> <p>DM stated his belief that fleet should be available in stations and deployed across the region when required.</p> <p>DM and JG would discuss this further outside of the meeting.</p> <p>MW stated that she would have expected to see what the benefits realised from the procurement of fleet, not just in terms of cost but also quality, for example, less falls.</p> <p>PD suggested that JG speak with YAS' expert patient Andrea Broadway-Parkinson as she would be able to provide advice in terms of patient experience.</p> <p>JG confirmed he had spoken with Andrea Broadway-Parkinson and that she had been invited to the procurement group.</p> <p>MW thanked JG for the update.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the contents of the paper and agreed to refer to it as a forward planning tool for expected approval requests for vehicle replacements in line with the Fleet Strategy.</b></p>	
<p><b>11.0 For Assurance: Statement to the Audit Committee</b></p> <ul style="list-style-type: none"> <li>• <b>Board Assurance Framework/Risk Register relating to the Finance and Investment Committee</b></li> </ul> <p>MW advised that the BAF had been attached for reference.</p> <p>MW listed the specific risks relevant to report to the Audit Committee, this included:</p> <ul style="list-style-type: none"> <li>• 5b – Deficit against planned financial outturn, for example,</li> </ul>	

		<b>Action</b>
	<p>due to contract target penalties (Finance update);</p> <ul style="list-style-type: none"> <li>• 5a – Insufficient alignment and responsiveness of corporate services to operational service requirements (Fleet report);</li> <li>• 4a – Impact on delivery of strategic objectives and performance delivery due to external system pressures and changes (STPs/Vanguard, PTS Transformation).</li> </ul> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the report.</b></p>	
<b>12.0</b>	<p><b>Summary of issues to the Trust Board</b>  MW advised that unusually there was nothing to recommend to the Trust Board.</p> <p>She referred to the challenges around the control total, [REDACTED]  [REDACTED]  and the limited assurance of the PTS Transformation programme.</p> <p><b>The meeting finished at 1710 hours.</b></p>	
<b>13.0</b>	<p><b>Dates and Time of Next Meeting:</b>  15 September 2016 - 1400-1700</p>	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

\_\_\_\_\_ **CHAIRMAN**

\_\_\_\_\_ **DATE**