



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

**Venue:** Kirkstall & Fountains, Springhill 1, WF2 0XQ  
**Date:** Thursday 12 May 2016  
**Time:** 1330 hours  
**Chairman:** Mary Wareing

### Membership:

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

### Apologies:

Roberta Barker	(RBa)	Executive Director of HR (Interim)
David Macklin	(DM)	Executive Director of Operations
Barrie Senior	(BS)	Non-Executive Director (Observing)
Anne Allen	(AA)	Trust Secretary (Observing)

### In Attendance:

Ronnie Coutts	(RC)	Non- Executive Director (Observing)
Chris Dexter	(CD)	Managing Director, PTS (Item 7)
Mark Phillips	(MP)	Financial Performance Manager (Items 8 & 9)
Eleanor Wood	(EW)	Project Manager (For Item 13.1)
John Loughran	(JLo)	Head of Capital & Investment (For Item 13.1)
Mike Fairbotham	(MF)	Head of Procurement (Items 15.1 & 15.4)
Ian Walton	(IW)	Deputy Director of Operations (Deputising for Dr David Macklin)
Mike Shanahan	(MS)	Head of Special Operations (for Item 15.5)
Dr Peter Cutler	(PC)	Interim Director of Business Development (For Items 12 & 14)

### Minutes produced by:

Joanne Lancaster	(JL)	Committee Services Manager
------------------	------	----------------------------

		Action
	The meeting commenced at 1335 hours.	
1.	<b>Introduction and Apologies</b> MW welcomed everyone to the meeting and apologised for the delay to the start of the meeting.	

		<b>Action</b>
	Apologies were noted as above.	
<b>2.</b>	<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.	
<b>3.</b>	<b>Feedback from Board Meetings</b> This item was not discussed.	
<b>4.0</b>	<b>Minutes of the Meeting held on 3 March 2016</b> The Minutes of the Finance & Investment Committee Meeting held on 3 March 2016 were approved as a true and fair representation of the meeting.	
<b>4.1</b>	<b>Minutes of the Joint Quality Committee and Finance and Investment Committee Meeting held on 3 March 2016</b> The Minutes of the Joint Quality Committee and Finance and Investment Committee Meeting held on 3 March 2016 were approved as a true and fair representation of the meeting, subject to the following amendment:  Ronnie Coutts was in attendance.	
<b>4.2</b>	<b>Minutes of the Extraordinary Meeting held on 15 March 2016</b> The Minutes of the Extraordinary Finance & Investment Committee Meeting held on 15 March 2016 were approved as a true and fair representation of the meeting, subject to the following amendment:  First page, amend to 'Extraordinary'.	
<b>4.3</b>	<b>Action Log and Matters Arising</b> The Action Log was reviewed and updated.  Action 2016/002 – National Cap on Agency Costs – This item was on the agenda. Action closed.  Action 2016/005 – Timescales and Deliverability of CIPs – This item was on the agenda. Action closed.	
<b>15.5</b>	<b>For Assurance/Agreement: Purchase of HART secondary response vehicles and Ground Technology (Capital)</b> This item was taken out of order of the published agenda. MW welcomed Mike Shanahan, Head of Special Operations to the meeting.  IW introduced the item and explained that since its introduction a number of years ago the HART vehicles and equipment now required replacement and that re-tendering would take place to a national specification.	

MS outlined the details of the report which was to provide the Committee with the background information to approve the capital replacement of the HART assets which had now reached end of life. He advised that the replacement of these vehicles was in line with the Fleet Strategy 2012/2017 replacement profile and would be procured via an existing Framework Agreement and meets the NARU HART Service Specification requirements.

MS informed the Committee which vehicles would be replaced in line with the national specification:

- Three [REDACTED];
- Long wheel based 4x4 vans;
- Personnel Carrier;
- Welfare vehicle;
- 11 sets of Mobile Data Terminals;
- HART Incident Ground Technology equipment.

MS explained the life cycle and usage of the current equipment and informed the F&IC of the national HART Service Specification that determined when vehicles and equipment should be replaced.

RC asked about the mileage on the current vehicles.

MS responded with the mileage and usage of the current HART fleet.

RC advised that he had extensive experience and knowledge of buying and managing low use emergency response vehicles. He stated that whilst he understood the need to replace the current vehicles he did not believe that they should be depreciated over a five year period. He stated that in terms of the [REDACTED] he would expect that these should be depreciated over 10 years with a life expectancy of 15 years.

MS responded that the terms and timescales were set nationally through NHS England.

RC stated his belief that once depreciation was zero then it shouldn't be that the vehicles were automatically replaced at that point as the life expectancy of the vehicles was much longer than five years. He added that he believed that the conversion costs of the vehicles also appeared high.

MS advised that all English HART services would be securing the new vehicles and equipment under the Service Specification. He added that he could feedback the F&IC's observations in this regard. IW added that it was NHS England's intention that there would be a national asset in terms of HART vehicles and equipment and as this would be standardised under this scheme it would mean staff from around the country would be able to use any vehicle no matter where they were deployed. He stated that today's discussions could be taken to the National Ambulance Resilience Group.

	<b>Action</b>
<p>RC stated his belief that the vehicles should be replaced, however, he felt that the Trust should seek to have a much great life cycle out of the vehicles.</p> <p>RDT responded that he agreed with RC's comments and the Trust would recommend back to NHS England that conversion costs were too high and that depreciation should take place over seven years.</p> <p>MW sought clarification of what F&amp;IC would be recommending to Board as there was no overall Capital Allocation figure referred to in the paper. She asked that this be rectified for Trust Board.</p> <p>RDT advised that the paper would be to approve the procurement of the vehicles and equipment subject to clarification on the issues raised with regards to the price and depreciation timescale.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee approved the purchase via capital of the assets to go to Trust Board as detailed in the paper subject to clarification on the issues raised with regards to the price and depreciation timescale.</b></p>	
<p><b>5. For Approval: F&amp;IC Terms of Reference</b></p> <p>RDT introduced the paper and advised it was to inform the annual review of committee effectiveness and forward view of the committee work plan for 2016/17.</p> <p>RDT advised that there had been a discussion at TEG regarding how the Trust meetings and committees should be supported subject to the Chairs' approval.</p> <p>The F&amp;IC draft Terms of Reference was attached to the agenda and he would ask AA to consider these and if there should be any changes.</p> <p>PD advised that at that morning's Quality Committee they had agreed to establish who should attend the Committee and then it would go to Trust Board for agreement.</p> <p>MW asked that any comments be provided to RDT via email with AA and herself copied in. She also stated, in her opinion, non-voting members of the Trust Board who were members of a Committee should also be non-voting members of the Committee.</p> <p><b>Approval:</b>  <b>The F&amp;IC noted the Terms of Reference and agreed to the Terms of Reference subject to clarification on Members of the Committee and any further comments being received.</b></p>	

	<b>Action</b>
<p><b>6. For Assurance: Service Line Management</b></p> <p>AC outlined the details of the paper which was to provide F&amp;IC with an update on the Trust's Service Line Management Programme, specifically with relation to the implementation of a Patient Level Information Costing System (PLICS).</p> <p>AC advised that following the presentation of the PLICS at the last F&amp;IC meeting the implementation team had presented the system at numerous internal meetings with senior stakeholders across the organisation.</p> <p>AC reported that discussions had taken place on the methodologies used to apportion support service costs to service lines and to individual incident. He added that due to this process some minor amendments would be made prior to apportionments being signed by budget holders and Service Leads.</p> <p>AC informed the F&amp;IC that the next developmental stage would be to agree and develop applicable dashboards with the Service Line Leads and to sign off the apportionment methodologies.</p> <p>AC advised that as part of the launch of the Programme Management Office (PMO) all programmes in the Trust had been rationalised into four key programmes, under this new structure, the SLM Programme would cease to be a programme on its own. He added that it would now sit under the Organisational Development and Learning Programme.</p> <p>AC added that going forward it was important that there was ownership of the PLICS and that it helped drive improvement and was embedded into PDRs and performance discussions.</p> <p>JN stated his belief that this was a positive development but added that for it to be effective it would need to be embedded effectively within the organisation, the information was robust and that the information was acted upon to deliver change.</p> <p>RDT responded that under the new TMG meetings framework that performance issues would be considered bi-monthly and the PLICS would help to inform some of those discussions.</p> <p>JN asked if the integrity of the information was robust. AC advised that the information was abstracted from the Ledger and Data Warehouse and that the Business Intelligence team had been heavily involved in the process to support data integrity.</p> <p>RDT added that the numbers could be reconciled to financial records. He acknowledged that at the moment the Trust had some weakness in activity data but that it was working on this area.</p> <p>JN asked about the apportionment of overheads.</p>	

	<b>Action</b>
<p>RDT responded that a lot of work was being undertaken on this issue to ensure it truly reflected what costs services used.</p> <p>AC added that the finance team had engaged with service lines in this regard to agree a methodology for apportionment of overhead costs. This was due to be presented at TMG for consideration and agreement.</p> <p>JN asked if PLICS was capable of variance analysis.</p> <p>RDT advised that this is what the Trust's eventual aim would be with the system.</p> <p>MW asked the Committee how it would like to be kept informed of the progress of PLICS going forward.</p> <p>Discussion took place around this. The F&amp;IC agreed to receive the next update at the September meeting at which time a progress report on implementation and key financial metrics could be presented.</p> <p><b>Approval:</b>  <b>The F&amp;IC noted the update on the PLICS and gained assurance that it was on track for implementation. It further noted that the Service Line Management project was now contained within the Organisational Development and Learning Programme and would no longer be reported on separately to the Committee, but the Committee confirmed that it would like to receive periodic updates on progress with PLICS, the first being in September.</b></p>	
<p><b>7. For Assurance: PTS Update</b>  MW welcomed Chris Dexter, Managing Director, PTS to the meeting.</p> <p>CD introduced the item and advised that he hoped to address the issues discussed at the previous Finance and Investment Committee. He reported that a lot of work had been undertaken in the past but not particularly in regard to costings. PTS would aspire to have a quality service that was 'best in class' and would work towards achieving this.</p> <p>CD guided F&amp;IC through a presentation on the PTS.</p> <p>CD advised that there had been revenue growth and that a workforce model was now in place. He added that VCS' would increase from 154 to 190 by the year end. He explained that auto-planner would be introduced for Leeds on 23 May and then would be rolled out across the region, adding that he hoped this would take away some of the local practices that had developed over time and create more control through this centralisation process.</p>	

	<b>Action</b>
<p>MW asked what would be the benefit of using an auto planner/scheduling system.</p> <p>CD responded that it should improve key performance indicators (KPIs) for the benefit of patients in terms of both inward and outward journeys. It would also remove local practices and standardise process. The system would allow the use of resource from across the region where it tended to be localised at present. CD confirmed this could not be quantified but that he was able to provide a Quality Impact Assessment in this regard.</p> <p>Discussion took place around the staffing of the service and the various roles undertaken within PTS. It was agreed that CD discuss this with RBa in more detail.</p> <p>CD advised that 33 vehicles that had been at the end of their lease had been taken out of PTS fleet with no detriment to the service. He added that telematics had successfully been installed.</p> <p>RDT asked if the telematics system was tracking driver behaviour.</p> <p>CD advised that telematics provided an opportunity to enhance driver behaviour so that it was more efficient and effective.</p> <p>CD outlined the high level finance position of PTS from 2014/15 to 2016/17.</p> <p>RDT asked that further information be supplied in terms of the finances so that the F&amp;IC could have a better understanding of issues, adding that the finance team could help CD with this.</p> <p>Discussion took place around the finances, cost pressures, run rate by year end and how these should be reflected.</p> <p>Further discussion took place in terms of in-house and private provision and VCS' and the various issues surrounding each of these.</p> <p>MW thanked CD for the presentation and stated that it was positive to see progress in the service. She had been particularly pleased that CD had addressed what YAS had undertaken in response to the Curzon findings. However, there were still issues to be addressed and she asked that more detail be provided on the finance of the service going forward.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and gained limited assurance that PTS transformation was progressing.</b></p>	





[REDACTED]

PD expressed concern whether the A&E structure had been changed from that previously notified due to the change in budget.

RDT responded that work was being undertaken on the A&E structure with DM, IW, RBa and Keeley Townend and this would be presented at TEG.

PD reiterated that the A&E service needed the right structure to take the service forward.

AC advised that the budget for this was held in a separate reserve and that the team would be considering all structures to identify savings due to the c. [REDACTED] savings gap required as a result of the A&E contract settlement which was still yet to be identified as per the details included in the paper

PD asked whether there would be money saved through the introduction of the national agency cap.

RDT advised that he would update the Trust Board in this regard, adding that discussions were taking place on this issue in respect of how the Trust addressed this going forward.

AC informed the F&IC that PTS contract negotiations had resulted in additional income for the Trust which was partly offset against an unidentified CIP. In terms of NHS 111 this had also resulted in additional income for the Trust, however, NHS 111 expenditure budget had also increased by an equivalent value.

AC reported that there was some key financial risks within the budget:

- Control total;
- Under-achievement of CIPs;
- Capital funding.

Discussion took place around penalties and re-investment back into the A&E service.

PD stated her belief that if the Trust did not believe it could deliver the CQUINs it should not sign up to them.

MW asked for clarification around the additional income received into PTS being offset against a CIP as she had concerns about how this

	<b>Action</b>
<p>might be perceived across the organisation.</p> <p>RDT explained that there had been two major unidentified CIPs within A&amp;E and PTS he informed the F&amp;IC [REDACTED] [REDACTED] however, the CIP target remained the same and the service had taken the opportunity to further review the service.</p> <p>AC confirmed the CIP target for PTS would not change.</p> <p>MW thanked AC for the update.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the revised income and expenditure budgets and the latest position in regards to the A&amp;E, NHS 111 and PTS contracts and agreed for the final budgets to be presented to Trust Board.</b></p>	
<p><b>9. For Assurance : Financial Review 2015/16</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 key details of the report which included an overview of the main points in relation to the Month 12 – Year End Finance position, the integrated performance report, plus an update on the Trust’s financial risks and any exceptional budgetary items of note.</p> <p>As part of this AC referred to the Bridge Chart at paragraph 2.3 of the report and went through in further detail the details of this.</p> <p>AC advised that at the year-end (month 12) the Trust had a surplus of £2.445m against the revised Trust plan of £2.017m submitted to the TDA in September. He asked the Committee to note that this excluded the impact of capital revenue transfers and any impairments. The Trust had achieved £0.4m above the target which was a positive outcome for the organisation.</p> <p>AC informed the Board that Ernst Young had not raised any concerns with the Accounts during the external audit so far and had been very positive with their feedback to the Trust.</p> <p>AC reported that cash and equivalents had been higher than the plan in month 12 which was mainly due to the capital slippage with the A&amp;E Vehicles.</p> <p>AC referred to section 14.1 of the report and reported that 85% of savings had been delivered against the CIP target and that 72% of this had been achieved through recurrent schemes.</p> <p>MW thanked AC for the report.</p>	

		<b>Action</b>
	<p><b>Approval:</b>  <b>The F&amp;IC noted the update and gained assurance that The Trust finances were being managed effectively.</b></p>	
<p><b>10.</b></p>	<p><b>For Assurance: PbR Update</b>  AC outlined the details of the report which was to provide an update to the Committee on the development of PbR and costing standards.</p> <p>AC advised that in line with national guidance the payment approach for Ambulance Services is based on a PbR (Payment by Results) approach, adding that currently there was no nationally set process per type of PbR currency for Ambulance Services. AC advised that the PbR currency categories were set nationally:</p> <ul style="list-style-type: none"> <li>• Calls (demand);</li> <li>• Hear and Treat (response);</li> <li>• See and Treat (response);</li> <li>• See Treat and Convey (response).</li> </ul> <p>AC explained that in 2014/15, 2015/16 and 2016/17 the A&amp;E contract had been developed in line with the PbR currencies as set out, with different tariffs (prices) for each category and in turn different category prices by CCG. This combined with activity levels determined the overall price charged to each CCG.</p> <p>AC advised that the 2015/16 contract was built on PbR pricing and forecast activity levels, however, a blocked arrangement was implemented which had meant that any movement in activity did not impact the amount paid by Commissioners or received by YAS.</p> <p>He reported that in anticipation of the 2016/17 contracting round a joint task and finish group had been established with Commissioners to further the development of a PbR payment model to inform the 2016/17 and future contracts. He advised that agreement was not reached with Commissioners regarding updating tariffs for 2016/17 due to a number of issues including the sharing of data.</p> <p>AC informed the F&amp;IC that going forward in to 2017/18 that it was recognised by both the Trust and Commissioners that the contract would need to be based on a PbR approach and tariffs would need to be updated accordingly.</p> <p>He advised that a number of options would be explored with Commissioners, including:</p> <ul style="list-style-type: none"> <li>• PbR based pricing model;</li> <li>• Urgent and Emergency Care Payment System incorporating fixed and variable components and based on a quality incentive component.</li> </ul>	

	<b>Action</b>
<p>AC explained that the Urgent and Emergency Care Payment System had been identified as a result of NHS England’s review of urgent and emergency care provision in England and looks at a whole system approach.</p> <p>PD asked where the West Yorkshire Urgent and Emergency Care Vanguard stood in this regard.</p> <p>AC advised whilst there was no specific funding for the development of the UEC payment model within Vanguard the Finance team were working with Commissioners and NHS England to develop this and it was anticipated that health partners across the sector would work collaboratively to work towards a fit for purpose payment system.</p> <p>He outlined the next steps and added that the work being undertaken on PLICs would help the Trust to understand the cost base to a much greater degree.</p> <p>AC informed the Committee that as there is likely to be a move towards a national Ambulance tariff and/or new Urgent and Emergency Care payment model the Trust was working with Commissioners and the National NHS England and NHS Improvement payment model team to ensure the Trust had input into the national group and support the development of any new payment models. He added that the Trust was at the forefront of involvement with these types of developments which was a positive for the organisation.</p> <p>PD asked if there would be an Impact Assessment in terms of quality etc carried out on this.</p> <p>AC responded that this would need to happen further along the project timescale.</p> <p>MW referred to the appendix which had been attached which appeared to be incorrect and asked for the correct appendix to be circulated to F&amp;IC members.</p> <p>MW thanked AC for the update.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and gained assurance of the development of the PbR tariffs and the development of the Urgent and Emergency Care Payment Model.</b></p>	
<p><b>11. For Assurance: Agency Price Caps</b>  AC outlined the details of the report which was to provide the F&amp;IC with an overview of the new agency price caps, implications for YAS and recommendations.</p>	

	<b>Action</b>
<p>AC provided the F&amp;IC with the background to agency price caps which had been brought in to help control costs in agency use within the NHS.</p> <p>AC advised that the rules for Trusts on agency expenditure were collectively known as 'agency rules' and had been provided at Appendix 1 of the report.</p> <p>All Trusts had to be compliant with the agency rules from 1 April 2016 except Ambulance Services where it would come into effect on 1 July 2016.</p> <p>AC detailed the agency rules:</p> <ul style="list-style-type: none"> <li>• Comply with a ceiling for trust total agency expenditure;</li> <li>• Continue to procure all agency staff at or below the price caps;</li> <li>• Use approved framework agreements to procure all agreement.</li> </ul> <p>He advised that the agency rules also outlined a requirement to comply with maximum wage rates when procuring agency staff from 1 July 2016.</p> <p>He informed the F&amp;IC that YAS' expenditure cap for 2016/17 was £4,863k and would be applied from the beginning of the financial year. This was significantly less than YAS' agency spend in 2015/16 and would present a challenge for the Trust but also an opportunity to reduce spend in this area.</p> <p>AC reported that only NHS Improvement approved framework agreements could be used from the 1 April 2016. Overrides to the rule were permitted on exceptional patient safety grounds only. The Trust was seeking to improve its framework in this regard.</p> <p>He advised that the price cap did not apply to:</p> <ul style="list-style-type: none"> <li>• Substantive/permanent staff;</li> <li>• Bank staff (both in-house banks and outsourced banks);</li> <li>• Overtime payments to substantive/bank staff (eg waiting list initiatives);</li> <li>• Staff employed by a Trust on a fixed-term contract.</li> </ul> <p>AC informed the financial position of the Trust in respect of agency costs at Month 1 of the financial year and that immediate action was required to ensure the Trust remained within its annual agency cap limit. The Trust would look at an in-house bank to mitigate some of the effects of the agency cap introduction.</p> <p>Discussion took place around the use of an in-house bank and it was noted that the agency rules did not apply to YAS' private sector competitors.</p>	

	<b>Action</b>
<p>PD requested that an update be taken to the Trust Board on this issue on <b>24 May 2016</b>.</p> <p>MW asked that a summary paper be presented at the BDM in July.</p> <p><b>Action:</b>  <b>A paper on Agency Caps to be presented at the Trust Board in July 2016.</b></p> <p>AC outlined the recommendations in the paper and the new approval process for agency staff requirements.</p> <p>MW remarked that the recommendations within the paper would be for TEG to agree and implement with the exception of 'Agency expenditure to be reported through F&amp;IC' which was accepted by the Committee.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update. The F&amp;IC accepted the recommendation that agency expenditure should be reported through the F&amp;IC and noted that the Board would be updated of this via the Workforce section of the IPR. It was agreed that all other recommendations should be approved by TEG.</b></p>	<p><b>RDT 2016/007</b></p>
<p><b>12. Foundation Trust Readiness Review</b></p> <p>MW welcomed Peter Cutler (PC) to the meeting.</p> <p>PC informed the F&amp;IC that Foundation Trust process was under review by NHS Improvement with a likely outcome on the future of this delivered by the Autumn.</p> <p>JN referred to a report which he had read with the five areas that the Trust would be measured against to gain FT status and it was his belief that YAS was performing very well against these measures.</p> <p>PD advised that she had been at a meeting with Jim Mackay and he had stated a different set of criteria and had commented that there were currently only five Trusts in the country who would be likely to make Foundation Trust status against this criteria.</p> <p>PC referred to the criteria and indicated where he thought YAS was doing well and where further focus was required. He stated his belief that the Trust, with a lot of focus and determination, was probably 12-18 months away from meeting the criteria.</p> <p>MW thanked PC for attending the meeting and for the update.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update.</b></p>	

		Action
13.	<p><b>For Assurance: Major Business Cases (including PIDs)</b></p> <ul style="list-style-type: none"> <li>• Doncaster Hub Outline Business Case</li> <li>• Hub and Spoke 5 Year Overview</li> <li>• ePRF</li> </ul>	
13.1	<p><b>For Assurance: Doncaster Hub Outline Business Case</b>  MW welcomed Eleanor Wood (EW) and John Loughran (JL) to the meeting.</p> <p>EW outlined the details of the report which was to present the Doncaster Hub business case which proposed the relocation of the current ambulance stations at Doncaster and Bentley to a new hub building in Doncaster, with supporting facilities and an integrated vehicle preparation system.</p> <p>EW advised that option D2 was the preferred option and that it had been evaluated against the other options. D2 produced various benefits. The option would require up to █████ of capital funding.</p> <p>EW outlined the recommendations that would go to Trust Board for approval.</p> <p>RDT added that until the Trust had identified a site there was no commitment to the expenditure.</p> <p>AC had noted that the risk section required more information as he felt these had been underestimated.</p> <p>JN commented that the Capital Spend appeared to have been uplifted by £400k.</p> <p>RDT responded that the expenditure should be █████, adding that a site needed to be identified and the outline business case produced accordingly.</p> <p>MW asked why revenue costs went through to year 4.</p> <p>JLo responded that there was an assumption that covered YAS' additional costs and this tapered off by year 4.</p> <p>RDT remarked that it could not be a commitment at the stage.</p> <p>AC referred to the PTS contract in the South which would be up for renewal and questioned if this had been factored in to assumptions. He asked about ARP changes and if this would impact on the location of the hub. He further questioned the assumptions around the availability of disposals and the impact of inflation on the figures needed to be corrected for.</p> <p>RC questioned if leasing a site could be an option to explore.</p>	

	<b>Action</b>
<p>JLo explained that the ideal site for YAS was not available at the current time. He confirmed that ORH did the modelling.</p> <p>Discussion took place around co-location with other services and the opportunities this might afford.</p> <p>RDT suggested that the cover paper be amended for Trust Board to indicate that the Capital Spend was likely to be up to [REDACTED] and that TEG had been asked to review other options in terms of lease/buy-backs.</p> <p>RDT would speak with the Chief Executive as RB was the Executive sponsor.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and subject to amendments as discussed agreed for the paper to go to the Trust Board on 24 May 2016.</b></p>	
<p><b>13.2 For Assurance: Hub and Spoke 5 Year Overview</b></p> <p>EW outlined the purpose of the report which was to provide an overview of the proposed delivery approach to the Hub and Spoke Programme for the next 5 years and the steps that had taken place to date.</p> <p>EW explained that it was expected the programme would deliver four hubs in five years and an additional 9 Vehicle Preparation Sites/Make Ready Sites to go in to existing sites.</p> <p>EW advised that the sites with the biggest impact would be a priority, however, there was flexibility within the programme for the order to change. She added that the Vehicle Preparation Service would go in to the Ambulance Stations with the biggest demand first and it was expected that two would be completed this year.</p> <p>She referred to the disposal plan which was to run concurrently alongside the Hub and Spoke programme.</p> <p>JN remarked that the previous Chairman, Della Cannings, had suggested that he get involved with the Hub and Spoke programme from a NED perspective and he asked that he be put on the attendance list for the Hub and Spoke Programme Board and he advised that he would attend where possible.</p> <p>EW would arrange this.</p> <p>PD questioned the funding of the programme.</p> <p>AC advised that funding constraints were a risk.</p> <p>MW thanked EW and JLo for the useful update.</p>	



	Action
<p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and gained assurance that the Hub and Spoke programme was being managed effectively.</b></p>	
<p><b>13.3 For Assurance: ePRF</b>  RDT outlined the details of the report which was to update the F&amp;IC on progress against the Trust Board decision in December 2015 to proceed with a further competition through the SBS Health and Clinical Information System (HCIS) framework. He added that the paper showed the returns from the supplier Capability Assessment that was conducted as part of the procurement exercise providing initial cost estimates.</p> <p>He advised that the Trust had revisited the two options available which were to (a) extend the existing supplier contract, or (b) work with North West Ambulance Service (NWAS) to develop a bespoke specification. The aforementioned (a) option was not compliant with competition law and so was discounted.</p> <p>RDT explained that work with the NWAS through the Shared Business Service (SB) Health and Clinical Information Systems (HCIS) framework had introduced pre-selected framework bidders to openly complete for the YAS requirement. Four potential supplier organisations had completed a Capability Assessment conducted with NWAS. There was no commitment by YAS to contract at this stage.</p> <div data-bbox="252 1218 1182 1368" style="background-color: black; width: 100%; height: 100%;"></div> <p>RC asked whether the new system would provide YAS with safe triage.</p> <p>RDT responded that it would. He had spoken with the NEAS to obtain their Business Case to consider the specification. RDT asked the F&amp;IC if they were happy for the Trust to continue the work with North West on procuring a bespoke software system.</p> <p>PD remarked that during a discussion at the morning's Quality Committee Dr Julian Mark had commented about the system being compatible with other systems to make accessing patient information easy.</p> <p>RDT responded that the system with have inter-operability to interface with other systems.</p> <p>MW thanked RDT for the update.</p>	

		Action
	<p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and the continued collaboration with NWS as part of the further competition through the SBS Health and Clinical Information Systems (HCIS) framework.</b></p>	
14.	<p><b>For Assurance: Business Development Update</b>  PC outlined the details of the report which was to update the F&amp;IC on the progress of establishing the new Business Development Directorate and delivery of the Operating Plan objectives.</p> <p>PC advised that the Business Development Directorate (BDD) was formally established on 1 April 2016 as part of YAS corporate restructure, adding that a substantive Director had been appointed and would join YAS on 13 June.</p> <p>He explained the recruitment that had taken place so far for the team and the recruitment that was in the pipeline adding that the new Director of Business Development would be engaged with the process to ensure they were happy with the candidates.</p> <p>PC outlined the structure chart at Appendix 1 of the report, he explained that the Analyst would be based in Business Intelligence but would be available to the BDD. He advised that the Communications and Engagement function would belong to the BDD.</p> <p>Discussion took place around the BDD objectives and it was agreed that ‘defending’ current contracts should also be listed.</p> <p><b>Action:</b>  <b>To include in the BDD objectives ‘to defend existing YAS contracts’.</b></p> <p>Discussion took place around the budget for the BDD staff costs in the context of income that could potentially be generated by the team and if the team was the right size and makeup. Further discussion took place around how wider ‘bids’ in YAS would be supported by the BDD.</p> <p>MW thanked PC for the update.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the update and acknowledged that they would participate in networking and stakeholder relationship management.</b></p>	PC 2016/008
14.1	<p><b>For Assurance: Contracting Update</b>  AC outlined the details of the paper which was to set out the current commissioning arrangements for YAS’ key business areas, A&amp;E, PTS and NHS 111/Urgent Care including progress on 2016/17</p>	

contract negotiations.

AC informed the F&IC that the paper concentrated on the contracts update and that Business Development Directorate (BDD) would be reported separately due to the change in the management structure of the Trust.

MW questioned at what point would the 'business' be passed over to the BDD.

RDT responded that the Director of Finance would still be responsible for formal negotiations on the contracts. Business Development activities would be undertaken by the BDD. The BDD reported through to the Chief Executive.

AC updated the F&IC on the A&E Contract negotiations which had resulted in an agreement for [REDACTED] contract value including no performance penalties and no CQUIN risk.

He advised that PTS contracts had resulted in the following being offered:

[REDACTED]

- [REDACTED]

AC outlined the offer made in respect of the NHS 111 and West Yorkshire Urgent Care service and advised that a meeting had been arranged with the Lead Commissioner on 10 May to progress. At the time of the F&IC negotiations were still on-going.

MW thanked AC for the update and asked that if there were any updates in respect of the contract negotiations prior to the Trust Board on 24 May to update F&IC members.

**Approval:**  
**The Finance and Investment Committee noted the update on contract negotiations and gained assurance that the negotiation process was being managed appropriately.**

AC left the meeting at 1645 hours.

	<b>Action</b>
<p><b>15. For Assurance: Procurement Update including:</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> </ul> <p>MW welcomed MF to the meeting.</p> <p>MF outlined the details of the paper which was to update the F&amp;IC on key contracting and tendering activity which had taken place since the previous F&amp;IC.</p> <p>MF briefly updated the F&amp;IC on recruitment activity which had strengthened the team. He referred to the Lord Carter report and the Northern Ambulance Alliance (NAA) and the opportunities for procurement in this regard.</p> <p><u>Vehicle Spares</u> MF advised that procurement for this had restarted after a short break.</p> <p><u>Bunkered Fuel</u> MF stated this was an example of where the NAA could potentially purchase as a group in the future.</p> <p>JN asked why just the three Ambulance Services and not all across the country.</p> <p>MF explained that the framework did not allow for this to be undertaken on a nationwide basis.</p> <p><u>Vehicle Recovery</u> MW questioned why in-house was being considered.</p> <p>MF responded that the Trust was exploring options at the moment.</p> <p><u>HQ Canteen Services</u> Discussion took place around this and the various options the Trust was considering.</p> <p><u>Uniform</u> MF confirmed that the uniform was now being rolled out across the Trust.</p> <p><u>Deliberative Events</u> MF would update MW with details of this outside of the meeting.</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>	

		<b>Action</b>
15.1	<p><b>For Assurance: A&amp;E Consultancy Framework</b> MF outlined the details of the report which presented the results of a procurement exercise to put in place a multi-lot framework agreement for YAS' A&amp;E Transformation Consultancy requirements pilot to the Trust Board approval.</p> <p>MF advised there was an increasing number of ST waivers within this area of work although it was work the Trust knew was on-going. This provided a simple framework with a better rate. It allowed the Trust to pull away from the contract as the organisation evolved.</p> <p><b>Approval:</b> <b>The Finance and Investment Committee noted the update and supported the award of the framework as detailed in the report. The Committee recommended the report to go to the Trust Board for approval.</b></p>	
15.2	<p><b>For Assurance: PTS Framework and Private Provider Summary</b> MF outlined the details of the report which was to set out the current position of the PTS and Private Provider Framework procurement which was due for completion in May 2016. The paper would go to Trust Board on 24 May for Board approval.</p> <p>MF advised this was framework whereby the Trust could 'call-off' taxi firms to undertaken work within PTS. The full evaluation document was still being worked up and MF would circulate this for comment as soon as it was available.</p> <p>MF advised that the framework provided additional capacity within the service and had doubled the number of private provision.</p> <p>MW asked if the proposal was to send out Award letters subject to Trust Board approval as she had some concerns with that approach.</p> <p>MF confirmed that the paper was to approve the framework and there was no commitment to spend at this stage.</p> <p><b>Approval:</b> <b>The Finance and Investment Committee noted the update and supported the implementation of the framework agreement. The Committee recommended the report to go to the Trust Board for approval, but that the detail of the tender evaluation should be circulated to F&amp;IC members as soon as it was available, so that the Committee had an opportunity to raise any detailed questions before Trust Board.</b></p>	
15.3	<p><b>For Assurance: Procurement Strategy Review</b> MF outlined the details of the report which was to update the F&amp;IC in respect of the 12 month review of the Five- year Procurement Strategy.</p>	

	<b>Action</b>
<p>MF reported that the Procurement Strategy had been refreshed and included what had been achieved to date and what it hoped to achieve going forward, The final document was attached for information.</p> <p>IW remarked that it did not mention the national lead that YAS was undertaking in terms of procurement through RDT and MF.</p> <p>MF would amend the document to incorporate this.</p> <p>JN asked if there was the opportunity to do joint procurement with other organisations.</p> <p>MF responded that where it was appropriate then YAS would work collaboratively on procurement.</p> <p><b>Approval:</b> <b>The Finance and Investment Committee noted the update.</b></p>	
<p><b>15.4 For Information/Assurance: Lord Carter Update</b></p> <p>MF outlined the details of the report which was to update the F&amp;IC on Lord Carter of Cole's report and how YAS would respond to this report.</p> <p>MF explained that Lord Carter's report recommendations went beyond purely procurement activity and delved into wider efficiencies.</p> <p>YAS was already doing a number of things that contributed to the recommendations, for example, collaborative working, national role on procurement etc.</p> <p>MW asked that in terms of ensuring the Trust adhered to the recommendations with Lord Carter's report who owned this at an executive level.</p> <p>PD suggested that the Chief Executive held the collaborative role and that the paper should go to TEG for discussion and clarity.</p> <p>MW requested that a paper be brought back to F&amp;IC when clarification had been gained in addition to what YAS was doing in respect of each of the recommendations.</p> <p><b>Action:</b> <b>For a paper to be brought back to F&amp;IC with clarity on overall ownership for ensuring the recommendations were being undertaken and an update on where YAS was against each of the recommendations.</b></p> <p><b>Approval:</b> <b>The Finance and Investment Committee noted the update.</b></p>	<p><b>RDT 2016/009</b></p>

		<b>Action</b>
<b>16.0</b>	<p><b>For Assurance: Statement to the Audit Committee</b></p> <ul style="list-style-type: none"> <li>• <b>Board Assurance/Risk Register risks relating to F&amp;IC</b></li> </ul> <p>MW asked the F&amp;IC to provide any comments to SP by 12 noon Monday, 16 May.</p>	
<b>17.</b>	<p><b>Summary of issues to Trust Board</b></p> <p>MW reported that the following items had been recommended to Board:</p> <ul style="list-style-type: none"> <li>• 2016/17 Budget Setting;</li> <li>• Agency Price Caps;</li> <li>• Doncaster Hub Business Case;</li> <li>• A&amp;E Consultancy Framework;</li> <li>• PTS Framework (Sub-contractors);</li> <li>• HART (to include amendments as discussed);</li> <li>• Contract negotiations update.</li> </ul> <p>MW thanked everyone for attending the meeting and apologised for the time the meeting had finished.</p> <p>MW advised that in future the F&amp;IC Agenda would be set three weeks in advance. She stated that any papers not available by the due date would not be accepted.</p> <p>RC referred back to Item 14 – Business Development Directorate update and expressed concern there was not enough ‘bidding’ resource within the team.</p> <p>Discussion took place around this and it was agreed that RDT would take this back to TEG to discuss further.</p> <p>RDT remarked that in future he would like to improve the content of the briefing papers and put the appendices in the ‘reading room’.</p> <p>PD remarked that IPR information should be include within reports where relevant.</p> <p>The meeting finished at 1740 hours.</p>	
<b>18.</b>	<p><b>Dates and Time of Next Meeting:</b></p> <p>14 July 2016 - 1400-1700 - Kirkstall and Fountains, Springhill 1</p>	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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