



Finance & Investment Committee (F&IC) Meeting Minutes

Venue: Boardroom, Springhill 2
Date: Thursday 5 July 2012
Time: 1000 hours

Attendees:

Name	(Initials)	Title
Roger Holmes	(RH)	Non-Executive Director (Chair)
Pat Drake	(PD)	Non-Executive Director
Elaine Bond	(EB)	Non-Executive Director
Rod Barnes	(RB)	Executive Director of Finance & Performance
David Whiting	(DW)	Chief Executive

Observing:

Richard Roxburgh	(RR)	Non-Executive Director
Mary Wareing	(MW)	Non-Executive Director

In attendance:

Anne Allen	(AA)	Director of Corporate Affairs & Trust Secretary
Anna Rispin	(AR)	Associate Director of Finance
Joanne Halliwell	(JH)	Associate Director for Business Development

In attendance part time:

Chris Sharp	(CS)	Head of Leadership & Learning, Organisational Effectiveness & Education
David Bacon	(DB)	Senior Project Accountant

Apologies:

Minutes produced by:

Jo Wilson (JW) Executive PA to Executive Director of Finance & Performance

		Action
1	INTRODUCTION & APOLOGIES Apologies were noted as above.	
2a	MINUTES OF THE LAST MEETING The minutes of the meeting held on 10 May 2012 were agreed as a correct and accurate record with the following amendments: JH was shown as a member and should be included as 'In Attendance'.	

	Action
<p>Page 2 – the action requested that a year-end financial document should be produced was not included on the action log. Whilst the year-end accounts had been seen by the Audit Committee it was agreed that for next year the Finance & Investment Committee would expect to see the full set of management accounts.</p> <p>Page 6 – should read ‘the following was noted or questioned’.</p> <p>Page 10 – The second bullet point should read ‘the funding did form part of the negotiations’.</p>	
<p>2b ACTION LOG & MATTERS ARISING The action log was discussed and updated. The remaining open items were covered on the agenda.</p> <p><u>Action 2012/11</u> The CIP delivery update was discussed at Board and is on the agenda for today. This item is now closed.</p> <p><u>Action 2012/12</u> The Effective Sickness Management business case has had Executive involvement and will be circulated to the Committee.</p> <p><u>Action 2012/13</u> The revised Springhill business case had been previously circulated and is included in the CIP agenda item. This action is now closed.</p> <p><u>Action 2012/14</u> The EOC present and proposed organisational structure was circulated to the Committee but advised that the proposed draft structure was highly confidential. It was acknowledged by the committee that this was actively being progressed. This action is now closed.</p> <p><u>Action 2012/15</u> RB advised that the Private & Events business case had been through Board sub-committees. A further piece of work of market assessment work has been commissioned through Agilitise. Mark Ruud will be meeting with them to scope this. More substantial work will take place and a business plan for Private and Events will be brought back to the F&IC in September.</p> <p><u>Action 2012/17</u> ECS has two streams of work being undertaken at present. The YAS Consortium Management Board has reviewed the business case and were not happy to accept this. However both the Director of Finance of SHA and Director of Finance for NHS Airedale, Bradford & Leeds are supportive of this development. It has been agreed that the business case will not be taken to the Commissioning forum again, but instead clarity around commissioner sign off at Board and Executive level will be sought.</p>	

		Action
	<p>RB advised that he will be attending a meeting with CCGs at the Yorkshire and Humber Directors of Finance meeting on 6 July and will be giving them a briefing update on the ECS business case.</p> <p>The Committee noted this update together with the downside risk highlighted at the Board Development Meeting that if the Trust do not receive the funding for this project then this cannot be rolled out.</p>	
3	<p>Review of Members Interests There were no interests to be declared in relation to the agenda items.</p> <p>However RH advised that when the Commercial Training Review is presented later in the agenda it should be noted that he still has links, as a volunteer, with St John Ambulance.</p>	
4	<p>Update on Current Tenders Active There are no other current active tenders apart from 111.</p>	
5	<p>Investment/Treasury KPIs The full year rolling cash flow was circulated and confirmed that this would be produced for each meeting in line with Monitor guidance.</p> <p>Adjustments have been made to reflect the timing of the transaction to purchase Springhill.</p> <p>Whilst there were no specific areas of concern RB highlighted the report detailing £1m down on cash at the end of May. This is due to timing of expenditure on above-plan A&E activity, with the corresponding income from commissioners not yet being received. This will correct itself at the end of June and will be reconciled at the end of the quarter.</p> <p>The Committee questioned the item on Appendix 2 Monthly Interest relating to QBE Motor Insurance Fund and whether this should be noted as interest.</p>	
	<p>Action RB to seek clarification and e-mail this response to the Committee.</p>	RB
	<p>The Committee were satisfied that they had sufficient assurance with the content of these documents.</p>	
6	<p>Service Line Management Update RB advised that the service line management implementation plan is being developed, with some elements already being delivered and will be presented to the Trust Board. RB added that the Trust is well on the way to moving towards a service line model. There is more devolvement developing within A&E and PTS.</p>	

		Action
7a	<p>CIP Delivery Update</p> <p>RB circulated an updated 3 year detailed CIP plan which is required for Monitor and HDD2. This spreadsheet also includes the quality impact assessment details of each business case.</p> <p>The executive team have been involved with all CIP business cases and through ongoing discussion with Staffside it is becoming clear which business cases will be supported and which will cause difficulty.</p> <p>Following discussion it was noted:</p> <ul style="list-style-type: none"> • The RAG rating is shown to be against the status of the business case rather than the financials. • RB highlighted the stretch on the resources and capacity of senior managers looking at these business cases. • There has been a large amount of robust debate at CIP meetings on a scheme by scheme basis to test these business cases. • It was raised that the review process was not clear in terms of business case sign off and commentary. The NEDs advised that it would be helpful for them to have this process mapped out. • Going forward the Transformation Programme Board would deal with the monitoring of the larger projects but for the moment the CIP group have been undertaking this role. • Commentary needs to be completed. • It was suggested that each business case is categorised to show which business cases should be signed off by which group. • Detailed financial calculations have been produced with regard to the different rates of overtime. Work has been undertaken with operational senior managers to produce the CIP plan to reduce overtime with careful thought not to double count. This has also formed part of negotiations with Staffside. • It was questioned what our agency costs are and it was confirmed that there are none within A&E or EOC, not a huge amount in Private & Events with most agency costs being incurred in PTS. However following the work Unipart has undertaken within PTS this should reduce. Agency costs are also incurred for cleaners and some finance staff supporting the FT application which is actively reducing. • It was noted that the Clinical Hub CIP was now estimated to deliver £675k of savings and not the £1.5m originally estimated. • It was questioned why the switch to van conversions for 2012/2013 was on a RAG rating of RED. This reflects the timing of when these vehicles will be delivered. • Within the Establishment Review a number of posts have been identified, some changes have happened and a business case 	

		Action
	<p>will shortly be developed for this. However there is some sensitivity around this.</p> <ul style="list-style-type: none"> • Version control is required on all business cases. <p>The Committee welcomed sight of a complete list of CIPs but noted the risks involved in implementation in many cases and agreed that there needs to be a clearly-charted format to monitor the savings achieved against individual CIPs going forward. The variable quality and delayed timing of business cases was also a concern which needed to be addressed in good time before next year's budget process commenced.</p>	
	<p>Action RB/AR to produce a brief detailing the process used to put the CIPs together, business case sign off and the format to monitor savings. This should be produced prior to BGAF interviews.</p>	RB/AR
<p>7b</p>	<p>CIP Business Cases <u>Inclusive Meal Breaks</u> The Committee reviewed the business case and the following was noted or questioned:</p> <ul style="list-style-type: none"> • How is this going to be modelled and if not how valid is this business case without modelling? • The analysis of geography for claims is higher in some localities and the implementation plan need to see some phasing for this. • The operational senior management team need to be clear who is implementing this and have started to re-work the business plans for this. • The efficiency of current rotas needs to be reviewed and some rotas may need to be amended to facilitate this change. <p>Agreement The Committee endorsed the need for the proposed change but expressed concern about the achievability of the year one projected saving in full.</p> <p><u>A&E End of Shift Overtime</u> The committee reviewed the business case and expressed concern about the lack of relevant financial and other detail The following specific points were raised:</p> <ul style="list-style-type: none"> • South Yorkshire have been operating this scheme successfully for some time, being able to monitor this and have seen the benefits. • This time taken back should be known and recorded as lieu time and not flexi time. • Clarification on who can authorise this lieu time and when this can be taken is required. • It was suggested that only time worked over 15 minutes passed 	

	Action
<p>the end of the shift could be counted and that an automated system and not individuals should be used to calculate time worked.</p> <ul style="list-style-type: none"> • The change needs to be documented with a clear and robust policy. • Data processing is required to include productivity of crews by individual stations. • Quality impact needs to be expanded. • Past dates on risks need to be amended. • Implementation plan needs to include timing. 	
<p>Action and Agreement The Committee supported the proposed change subject to the points raised above.</p>	
<p><u>Vehicle Accident Reduction</u> The committee reviewed the business case and the following was noted or questioned:</p> <ul style="list-style-type: none"> • This CIP was started to be implemented several months ago. Accident roadshows have taken place and the Accident Reduction Manager has visited stations. KPIs are in place to record this monitoring. • A financial appendix would have been useful. • The high number of incidents and accidents not being reported was discussed and ideas to alleviate this problem in non-reporting. • Crews should have a simple checklist when signing for vehicles are the start of their shift. On the occasion that this is not practical then this should be carried out as soon as possible during the shift. • It was confirmed that there was a Driving at Work policy in place for crews to report damage. • It was questioned how success would be measured? This would be reported and monitored through KPIs and through the Health & Safety Committee. 	
<p>Action and Agreement The Committee were happy that this was a valid business case, pending the points made about the financials.</p>	
<p><u>Increase Use of Clinical Hub & Clinical Leadership Framework</u> These two business cases were tabled and it was agreed that these should be taken away and comments sent back to AR by 12 July.</p> <p>In terms of wording on the clinical leadership model, this has just been written and RB advised that he was confident on the financials and that we can deliver the savings given many of the actions have been completed.</p>	

	Action
<p>Agreement and Action The Committee are to review the business cases and send any comments to AR by 12 July.</p> <hr/> <p><u>Field Operations Reconfiguration</u> The committee reviewed the business case and the following was noted or questioned:</p> <ul style="list-style-type: none"> • Are temporary or interim staff returning to their own grades? • It was confirmed that there are no redundancy implications. • There is no scene setting as to where we are and how this has been developed. • It would be useful to see the ratio of staff to managers. • Has there been any knock-on effect with any staff not being able to see their managers? It was confirmed that these are posts that have not been in place for 6-9 months without any issues highlighted. • If we have been running with these roles for this length of time then this change needs to take place immediately. • The Quality Committee will need to review the quality impact and patient safety assessments. • This appears to be a sensible approach but needs clarification on timescales for implementation. <hr/> <p>Agreement and Action The committee supported this business case subject to the points recorded above. On the general quality of business cases, DW and RB agreed to take back all the business case comments to the executive team and ensure that an extra level of scrutiny is included before business cases are submitted to the F&IC.</p>	
<p>8 Review of changes to LTFM/Downside Risk The Committee agreed that this item had been sufficiently covered in board development meetings and therefore this did not require further discussion at this meeting.</p>	
<p>9a Estates Strategy RB outlined the draft estates strategy which had been circulated to the Committee and commented that, as the previous strategy had not been followed up with an action plan, the intention for this strategy would be to set up an estates strategy steering group to oversee the implementation.</p> <p>Due to time restraints the Committee gave only top level comments and it was agreed for further comments to be sent to RB by 12 July.</p> <ul style="list-style-type: none"> • It was agreed that this was a good and necessary document. • No financial evaluation is included in the strategy and this is 	

		Action
	<p>critical. RB advised that this strategy gives a sense of direction for the Trust and when individual patches are looked at then the financials will be produced.</p> <ul style="list-style-type: none"> • Total energy cost information would be helpful. • Cash generation from buildings would surely show cash savings on maintenance on fewer buildings. • The table on page 33 detailing benchmarking data is not useful and should be removed. • It was noted that significant money should not be spent on any site that is going to be disposed of. • There is a large amount of narrative in terms of scene setting which could be more concise. • The strategy needs to be linked to the IBP in terms of workforce and different ways of delivering the service. RB advised that this has been produced two months before the workforce plan and this may need to be re-aligned once this is produced. • The location of the 111 call centre needs to be given further consideration. <p>The Committee felt that overall the document represented a reasonable strategic direction for the Trust and would recommend the overall strategy to the Trust Board subject to a clearer picture of the broad financial implications taking account of disposal proceeds</p>	
	<p>Action The Committee to send back more detailed comments to RB by 12 July.</p>	ALL
<p>9b</p>	<p>ICT Strategy Due to time restraints the Committee gave only top level comments and it was agreed for further comments to be sent to RB by 12 July.</p> <ul style="list-style-type: none"> • This document does not feel like a strategy but more a list of projects • No financial structure is included detailing what is spent on IT and what is going to be spent over the life of the strategy. • No payback is indicated. • The governance and structure is hard to find. • Terminology has no explanation. • The recommendations from the Deloitte report have not been fully taken into account when writing this document. • The NEDs cannot remember having previously seen the Deloitte report. • There needs to be a clearer link mapped from the Trust strategy to the ICT strategy and from the ICT strategy to the major projects. • No indication of horizon scanning, e.g. for opportunities for web-based business or revenue-earning through YAS' rich store of data. 	

		Action
	<p>Action This strategy needs to be revised in light of the Deloitte report and the Committee's comments and brought back to the F&IC in September.</p> <p>The Deloitte report to be circulated to the Board.</p> <p>The Committee to send detailed comments to RB by 19 July.</p>	<p>RB</p> <p>JW</p> <p>ALL</p>
<p>10</p>	<p>Commercial Activities Review, Commercial Training Chris Sharp (CS) arrived at the meeting at 12.15pm.</p> <p>RH welcomed CS to the meeting and he introduced himself and advised the Committee of his new role within the Trust.</p> <p>CS delivered a presentation detailing:</p> <ul style="list-style-type: none"> • A brief history of the commercial training services within YAS. • Our customers and services • Activity, income and investment • Non-financial achievements in 2011/2012 • Business objectives and key drivers for 2012/2013 • Promotional material was circulated. <p>The Committee noted the presentation and questioned or noted the following:</p> <ul style="list-style-type: none"> • It was questioned whether re-investment back into front line services was allowed and it was confirmed that this was allowed. • It was confirmed that if a band 6 member of staff offers to provide first aid training for the department they would be paid at band 4 in line with the training grades. • Support for the development and implementation of an on-line booking and payment service for courses was given by the committee. This will alleviate administration and ensure payment upfront. • It was questioned whether the website for commercial training could be linked in with the YAS Charitable Fund. • Market share was discussed. • Margins and the number of staff within the team were discussed. • The department needed to develop a strategic view of where they see themselves in the next three years. <p>The Committee thanked CS for this presentation which they found very useful. They did feel that they had assurance that this is a worthwhile activity but gave words of caution and advised an incremental approach to development and market growth. The Committee suggested that CS speak to Alison Walker, Medical Director with</p>	

		Action
	regard to linking in with Health and Wellbeing boards and how they are funding their training as this could provide a business opportunity.	
11	<p>Year to Date Financial Performance including Budget Variance Action Plans For future agendas this item will be moved up to the finance section.</p> <p>RB presented this paper highlighting that, despite the satisfactory performance overall, there are several areas of overspend. Meetings are taking place with RB, AR, management accountants and budget holders to formulate a plan of action to reduce this overspend.</p> <p>Within ICT most of the overspend is on payment for agency staff to work on projects such as 111, but these will be recharged to relevant project budgets.</p> <p>The Trust is delivering the plan on CIPs but it was noted that overtime spend is less year to date than 2011-12. Work is ongoing within the Operations directorate of how they can live within this resource and this plan needs to be reflective of changing levels of overtime required in response to variable demand over plan. Paul Birkett-Wendes has commenced his post as Executive Director of Operations and is meeting with his Locality Directors to discuss how he will achieve this plan. CIP plans then need to be fed into the IPR to show delivery of this.</p> <p>It was questioned whether CIP actions have been tied back to operational performance? It was confirmed that there are a number of key performance indicators, not just financial, which are being developed to assess the successful delivery of the plans, combined with assurance as to the continued delivery of clinical quality.</p> <p>The Committee noted that savings are being realised but not always clearly coming out of the agreed CIP schemes.</p>	
	<p>Action The Committee noted the financial position and had assurance that the Trust are where they expect to be, but going forward the Committee require a clearer position of how individual CIPs are being delivered.</p> <p>The June IPR Finance section needs to be correct so that the CIP graph reflects the 2012-13 financial year.</p>	RB
12a	<p>Update: HART There were no further updates for the Committee.</p>	
12b	<p>Update: 111 DB arrived at the meeting at 12.40pm to deliver the 111 presentation covering:</p> <ul style="list-style-type: none"> • Current position 	

	Action
<ul style="list-style-type: none"> • Contract • Key risks • Partnership agreement • Process for sign off • Issue management • Reference material. <p>EB circulated appendices to support this presentation including:</p> <ul style="list-style-type: none"> • Original ITT draft contract review by Ward Hadaway • Clarification questions associated with the contract • Draft partnership agreement based on ITT draft contract. <p>Signing of the contract on 26 July</p> <p>Following questioning and discussion the following was noted:</p> <ul style="list-style-type: none"> • It was questioned whether the delegated authority for sign-off need to include the SHA? It was confirmed that the YAS Trust Board could sign any value with SHA agreement. • It was confirmed that some elements of the contract – consultation of performance management framework and weighting criteria for financial penalty – were explicitly identified as requiring further discussion and agreement as part of the ITT. DB confirmed that it was likely that the final detail of this would be after contract sign off, but compliance to agree would be referenced in the final document • It was questioned what is the likelihood of Local Care Direct (LCD) failing financially during the contract? DB confirmed that LCD had passed the PQQ test and our financial scrutiny. • Activity levels were discussed. The bid submitted allowed for a 3% increase in activity. The cap on increased activity is counted on an annual basis from 1 April to end March. • The basic mobilisation structure needs to be in place by Christmas 2012 in preparation for readiness testing in January. The estate needs to be in place in a similar timescale. Staff will be in post late December, early January. • Whilst there is concern over the parts not within YAS control eg. GP information as this is reliant on commissioners, IT implementation was flagged as the main risk. 	
<p>Action NEDs are to take these documents away for review but advised to leave any comments until after 17 July when the final contract is received. Questions may be raised but these may not be answered until 17 July.</p>	NEDS
<p>DB was thanked for his presentation.</p>	

		Action
12c	<p>Update: ECS This item was discussed in the Action Log section.</p>	
13	<p>Any Other Business As this will be RR's last F&IC meeting, RB thanked him for all his input as an observer.</p> <p>The meeting closed at 1.15pm.</p>	
<p>Date and Time of Next Meeting – Thursday 6 September 2012 – Kirkstall & Fountains, Springhill 1</p>		