



Trust Board Meeting in Public				27 November 2012	
<b>Title</b>	Finance & Investment Committee Report			<b>Paper Ref</b>	8.4
<b>PURPOSE (X)</b>	<b>Information</b>		<b>Strategic Objective</b>	<b>Business Plan Objective</b>	
<b>Approval</b>	<b>Decision</b>				
<b>Assurance</b>	<b>X</b>	<b>Discussion</b>		Quality	All
<b>Purpose of the paper</b>	The purpose of the paper is to inform the Trust Board of the activities of the Finance & Investment Committee and provide assurance as to the internal processes and mechanisms for financial delivery and performance management within the organisation.				
<b>Recommendations</b>	The Trust Board has sufficient assurance on the matters reviewed by the Committee.				
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<b>RISK ASSESSMENT</b>				<b>Yes</b>	<b>No</b>
<b>Changes to the Corporate Risk Register and/or Board Assurance Framework</b>					X
<b>Resource Implications</b>					X
<b>Legal implications</b>					X
<b>ASSURANCE/COMPLIANCE</b>					
<b>CQC Registration Outcome(s)</b>	<b>Auditors' Local Evaluation</b>		<b>NHSLA Risk Management Standards for Ambulance Trusts</b>		
26 Financial Position	Financial Management Financial Standing Value for Money		Standard 1 Governance		

## **1. PURPOSE/AIM**

- 1.1 To give the Yorkshire Ambulance Service (YAS) Trust Board assurance that the Finance & Investment Committee (F&IC) is meeting the requirements set down in the terms of reference.

## **2. BACKGROUND/CONTEXT**

- 2.1 As one of the Trust's assurance committees, the F&IC's role is:

- To undertake objective scrutiny of the Trust's financial performance and plans, investment policy and major investment decisions.
- To review the Trust's commercial activities and any proposals for new business.
- To monitor performance of the organisation against its cost improvement programme.
- To advise the organisation on factors, issues or risks which may influence financial planning.

- 2.2 The F&IC meets bi-monthly to review the above. However, since the last Audit Committee meeting they have met on two occasions, 24 September and 8 November.

## **3. SUMMARY REPORT FROM THE F&IC MEETING HELD ON 24 SEPTEMBER**

- 3.1 Roger Holmes was thanked for all his hard work as Chair of the F&IC which had resulted in a good flow of work and level of challenge coming through. Roger will leave YAS at the end of September and Elaine Bond will take over as Chair of the Committee.

- 3.2 Downside risk templates and mitigations were presented for discussion and challenge. Areas discussed were:

- Non-pay inflation 1% greater than plan
- Marginal income reduced to 50%
- A&E demand 2% less than forecast
- ECS funding not approved
- CIP not delivered by 25%
- Payment by Results introduced for ambulance trusts
- Major trauma
- Delayed 'go live' results in payment of liquidated damages
- 111- loss of contract at 3 year review point
- A&E contract penalties including severe weather plan
- PTS contract loss (South and East)
- PTS CQUINS and PTS contract penalties due to non achievement.

Comments received on each of the scenarios made will provide an overview of the scale of the mitigations and give some concept of what the Trust would accept as a bundle of mitigations.

- 3.3 An update was given on the progress made following the HDD2 report being received and presented at the last meeting. The FT Programme Team have

produced an action plan to address the issues raised in the report. All actions have an allocated lead director and have been RAG rated.

3.4 The Committee received an update on the Five Year CIPs. It was highlighted:

- The main change is the A&E skill mix savings being lower than originally anticipated
- Identifying the workforce plans and associated savings from support and HQ functions
- Emergency Operations Centre was delivering lower savings this year and next year so these figures have been revised
- Mealbreaks figures have been revised down for the first year due to ongoing staffside negotiations

3.5 The updated Fleet strategy was presented and the Committee noted that this was well written and structured. Discussion took place regarding the principle of purchasing second hand or ex-lease vehicles to refresh the PTS fleet. All comments will be used to refine the strategy and this will be taken to the Board in October.

3.6 The updated ICT strategy was presented. Improvements have been made to the document in terms of factual elements but further work is needed to turn this into a strategy. It was noted that the IBP had not yet been finalised and there may be areas within this that may impact on the ICT strategy. Once completed, the ICT strategy will be presented for Board approval.

#### **SUMMARY REPORT FROM THE F&IC MEETING HELD ON 8 NOVEMBER**

3.7 The Committee were provided with an update on in-year financial performance. Although the Trust is slightly ahead with its planned surplus of £1.12m the Committee were advised of the continued overspend within PTS Hull and East and South Yorkshire contracts and Fleet management.

3.8 The Committee were also advised that at Month 6 the Trust was slightly ahead in achievement against the Cost Improvement Plan although there continues to be slippage in deliver of the sickness management and mealbreak CIP schemes.

3.9 The Committee were provided with an update on forecast financial risks for the current financial year reflecting the overspends described above.

3.10 The Finance & Investment Strategy as described in chapter 6 of the IBP was discussed and the Committee agreed that this would need to be updated and brought back for review on an annual basis post Monitor authorisation.

3.11 The Committee received a presentation on the Business Development/Commercial Strategy including the enhanced role of business development in supporting operational areas taking forward tenders and commercial opportunities. The Committee supported the direction of travel and it was agreed that the first draft of the strategy would be brought back to the next meeting.

3.12 The Committee were given an update of the Trusts performance against the Better Payment Practice Code and the temporary suspension of the invoice scanning implementation project to ensure the difficulties experienced with other recent

scanning projects within the Trust would not be duplicated within this project, adversely affecting our ability to pay suppliers in a timely manner.

- 3.13 The Committee were presented with an implementation time-line for service line management aligned to the outcome of the recent market assessment exercise. It was agreed that PTS, Commercial Training and Private & Events would form the first wave of the rollout starting in November.
- 3.14 The enhanced market assessment for Private & Events was discussed.
- 3.15 The Committee were given an update on recruitment to the Commercial Director role. It had been decided not to appoint from the recent round of interviews. Several expressions of interests had been received subsequent to this and the vacancy would now be advertised on NHS jobs.
- 3.16 The PTS diagnostic report from Hull & East was discussed. The Committee requested that more detailed progress against the implementation plan be brought back to the next meeting. In particular the committee requested details of performance against Unipart's recommendations for PTS South and future plans.
- 3.17 A paper was presented on progress on the new HART/Leeds Hub site. A site has been identified in South Leeds and a full business case is in the process of being finalised. It was recognised that in order to complete the acquisition before the end of the financial year a special F&IC may need to be convened between now and January to discuss the business case ahead of submission to the Trust Board and SHA for approval.

#### **4. PROPOSAL/NEXT STEPS**

- 4.1 The report to be accepted by the Trust Board.

#### **5. RECOMMENDATIONS**

- 5.1 The Trust Board has sufficient assurance on the matters reviewed by the Committee.

#### **6 APPENDICES**

- 6.1 Minutes from the Finance & Investment Committee 24 September 2012