



<b>MEETING TITLE</b> Public Trust Board		<b>MEETING DATE</b> 29/01/2013	
<b>TITLE of PAPER</b>	Finance & Investment Committee Report	<b>PAPER REF</b>	7.5
<b>STRATEGIC OBJECTIVE</b>			
<b>PURPOSE OF THE PAPER</b>	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.		
<b>For Approval</b>	<input type="checkbox"/>	<b>For Assurance</b>	x
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion/Information</b>	x
<b>AUTHOR / LEAD</b>	Jo Wilson Executive PA	<b>ACCOUNTABLE DIRECTOR</b>	Director of Finance & Performance
<b>PREVIOUSLY CONSIDERED BY</b>	<b>Committee/Group:</b> Finance & Investment Committee	<b>Date:</b>	08/01/2013
<b>RECOMMENDATION</b>	The Trust Board has sufficient assurance on the matters reviewed by the Committee.		
<b>RISK ASSESSMENT</b>		<b>Yes</b>	<b>No</b>
<b>Corporate Risk Register and/or Board Assurance Framework amended</b> <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input type="checkbox"/>	<input type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input type="checkbox"/>
<b>Legal implications/Regulatory requirements</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input type="checkbox"/>
<b>Quality and Diversity Implications</b> <i>If 'Yes' – please attach to the back of this paper</i>		<input type="checkbox"/>	<input type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>			
<b>Care Quality Commission Registration Outcome(s)</b>			
<b>NHSLA Risk Management Standards for Ambulance Trusts</b>			

## **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 Public Trust Board they have met on one occasion on 8 January 2013.

## **3. MINUTES FROM THE F&IC MEETING HELD ON 8 NOVEMBER 2012**

- 3.1 The summary report for the F&IC meeting on 8 November was presented to the Trust Board in Public on 27 November 2012. The Committee agreed minutes for this meeting are attached for completeness.

### **SUMMARY REPORT FROM THE F&IC HELD ON 8 JANUARY 2013**

- 3.2 The Committee were advised that there had been no changes to LTFM/Downside Risk since the last meeting. Effectively the process is frozen whilst in the Department of Health phase following which there will be dialogue giving a clear view from Monitor as to what they expect in the next phase.
- 3.3 An update of financial performance was given based on Section 5 of the November IPR. The main items to note were:
- Finances have remained broadly in line with plan.
  - The rate of overtrade in A&E is in line with planning assumptions. There has been significant overtrade in North Yorkshire, Calderdale, Wakefield and Sheffield
  - PTS underperformance against their income budget is due to two credit notes being raised
  - A&E directorate management budget is overspent due to agency costs, interim management staff and the newly

appointed Head of PTS salary being charged against this budget. Once service lines are in place these costs will be split

- Surplus is ahead of plan but expected to outturn in line with our planned outturn
- There is an £80k unplanned profit in Fleet from asset disposals
- There has been significant overtrade in North Yorkshire, Calderdale, Wakefield and Sheffield
- There has been some slippage in the Cost Improvement programme with the schemes highlighted are effective sickness management, PTS and remove missed meal break payments
- The capital programme is broadly on track with two significant elements of this programme highlighted: The HART development business case is being written at the moment. The Emergency Care Solutions (ECS) project rollout was flagged as high risk as timescales are tight and we are still awaiting CCG sign off.
- Cash flow is healthy, slightly above plan
- Financial risks were discussed in greater detail later in the meeting

- 3.4 The Committee were provided with an update of budget variance action plans. The Trust is forecasting that a financial surplus of £2m is achievable by the end of 2012/2013 provided action is taken in two areas of overspend, PTS and Fleet. Within PTS high sickness levels, particularly in the North were noted and the measure taken to attempt to reduce these. The F&IC will receive a PTS Improvement Project Update at the additional meeting scheduled for 12 February.

The changeover to the use of bunkered fuel rather than fuel cards was discussed. This will provide a potential £600k saving over the next 12 months.

The majority of overspend on medical and surgical equipment relates to the requirement for increased frequency of maintenance of equipment on A&E vehicles. The level of savings anticipated from the Fleet Factors contract has not yet been realised and this arrangement is currently being reconsidered.

- 3.5 It is the first time that the Committee have considered Financial Risks as a detailed agenda item. The forecast outturn updated position was presented. Discussion took place regarding when financial risks would be tied back to the Integrated Business Plan (IBP). It was confirmed that the risks reported were consistent with IBP risks.

Two additional amounts of funding totalling £3m have been received from the SHA and PCTs. This funding will be used to assist in the implementation of workforce transformation.

- 3.6 The Committee received an update on the production of the Business Development Strategy. Comments received will be incorporated into the strategy and this will be reviewed again by the F&IC prior to this being presented at the Board Development Meeting in March.
- 3.7 An update on the Trust's reference cost position was given. Discussion followed based on our costs benchmarked against other ambulance services. It was agreed that the F&IC would receive a further update in May reviewing the change in reference costs to show movement and drill down.
- 3.8 The F&IC received a review of CQUIN progress with the two main risk areas in Quarter Two highlighted as A&E conveyance (CQUIN 2) and PTS South (CQUIN 3). These two risks represent a financial risk of £584K and £27K risk respectively. The latter is mitigated by other PTS CQUINS being on track. Other CQUINS were reported as being on track.
- 3.9 A detailed review of the Cost Improvement Plan (CIP) was presented and the F&IC noted the shortfall position of £238k behind plan.

The Portfolio Manager (Transformation) will be working closely with the Service Transformation Team to ensure that reporting and monitoring includes actions required to deliver outcomes and benefits rather than just reporting on financial progress.

Discussion took place regarding the monitoring and governing of CIPs and it was agreed that the F&IC would receive a paper in March regarding this assurance.

- 3.10 The Committee reviewed the current Terms of Reference. The amendments will be reviewed by the Corporate Secretary and Executive Director of Standards & Compliance to ensure that these triangulate with the Audit Committee and Quality Committee Terms of Reference. These three Terms of Reference will be presented to the Trust Board on 29 January.
- 3.11 The workplan for the F&IC was reviewed and amendments would be made to reflect any changing priorities of the Committee.
- 3.12 It was agreed that the Treasury Management Policy would be reviewed in September or October 2013 to ensure that this is fit for purpose for Foundation Trust.
- 3.13 An update of current tenders active was given.

The PTS Discharge Service tender is being completed at the moment pending submission on 17 January.

The North Yorkshire Out of Hours bid is in the expressions of interest stage. The Trust is in discussion with Harrogate & District NHS Foundation Trust, to possibly work in partnership with us at PQQ stage.

The Bradford Transport Logistics contract is on hold at the moment following the PQQ being completed.

The process for horizon scanning of business opportunities continues to be evaluated. The Trust need to be looking two to three years ahead to link with the commercial strategy and to allow teams to plan for tender submissions in a pro-active way.

- 3.14 The Associate Director of Resilience attended the F&IC to provide an update on the progress of the HART business case which also included a useful potted history of the HART programme since inception in 2005. Once completed this business case will be re-presented to the F&IC in February.

#### **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 8 November 2012.