



MEETING TITLE Public Trust Board		MEETING DATE 26/03/2013	
TITLE of PAPER	Finance & Investment Committee – Chairman’s Report and Minutes of the meeting held on 8 January 2013 and Chairman’s Report of the last meeting held on 5 March 2013 – Including approval of Terms of Reference	PAPER REF	7.5
STRATEGIC OBJECTIVE	<i>All</i>		
PURPOSE OF THE PAPER	To give the Yorkshire Ambulance Service (YAS) Trust Board assurance that the Finance & Investment Committee (F&I) is meeting the requirements set down in the terms of reference.		
For Approval	<input type="checkbox"/>	For Assurance	<input checked="" type="checkbox"/>
For Decision	<input type="checkbox"/>	Discussion/Information	<input checked="" type="checkbox"/>
AUTHOR / LEAD	Jo Wilson Executive PA	ACCOUNTABLE DIRECTOR	Director of Finance & Performance
PREVIOUSLY CONSIDERED BY	Committee/Group: Finance & Investment Committee	Date:	05/03/2013
RECOMMENDATION	The Trust Board has sufficient assurance on the matters reviewed by the Committee and to agree the amendment to the Terms of Reference		
RISK ASSESSMENT		Yes	No
Corporate Risk Register and/or Board Assurance Framework amended <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Resource Implications (Financial, Workforce, other - specify) <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal implications/Regulatory requirements <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality and Diversity Implications <i>If 'Yes' – please attach to the back of this paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
ASSURANCE/COMPLIANCE			
Care Quality Commission Registration Outcome(s)			
NHSLA Risk Management Standards for Ambulance Trusts			

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 5 March 2013.

3. MINUTES FROM THE F&IC MEETING HELD ON 8 JANUARY 2013

- 3.1 The summary report for the F&IC meeting on 8 January 2013 was presented to the Trust Board in Public on 29 January 2013. The Committee agreed minutes for this meeting are attached for completeness.

SUMMARY REPORT FROM THE F&IC HELD ON 5 MARCH 2013

- 3.2 The Committee received a detailed review of Cost Improvement Plans (CIPs) noting:

- There was an overall shortfall of £1.5m in the CIPs which have been plugged by reserve schemes
- The Trust was currently running at £567k shortfall. This is expected to improve to a shortfall of £400k by the year end.
- Clinical leadership had delivered in financial terms but there was a quality shortfall
- Management of the CIP programme group during the first quarter of 2013/14 would undertake rigorous interrogation to ensure more robustness in assessment of business cases
- Government arrangements regarding delivery of CIP and business cases would come back to the May Quality Committee & F&IC in terms of outcomes
- £1.6m had been spent on the establishment review

The Committee noted the position of the CIP and were assured that processes were in place to ensure delivery of at least %95 of the 2012/13 target of £10.28m at the end of the financial year:

3.3 The CIP Five Year Plan was reviewed including the governance and monitoring of this. Following discussion it was agreed:

- The CIP Strategic Plan will be presented to the May F&IC
- TEG will review decisions made regarding risks being too great to succeed
- Additional reserve schemes that could be brought forward will be presented to the May F&IC
- The revised financial tracker will be brought to the May F&IC for consideration
- The initial business case for FY14, along with outcome phasing will be presented to the May F&IC.

The Committee were assured that adequate governance and monitoring processes are to be in place and improved in respect of CIPs for FY14 and also that the five year CIP plan and reserve schemes built into this were a sound base to move forward.

3.4 The next iteration of the LTFM will be available once the final 2012/13 figures have been included. 1.5% had been assumed for the wage award but there was also a need to feed in information about financial pressures and CIPs that had not been delivered in 2012/13. The revised CIP plan would come to F&IC in the first instance.

3.5 The Committee were given an update on the Trust's financial risks and exceptional budgetary and treasury items. It was noted:

- The financial position at the end of January was an overall surplus of £1.5m which was £137k below plan (largely the result of unplanned A&E private provider usage in Dec and Jan).
- A&E activity was 1% over that contracted for Jan bringing in an additional £100k of income. However a penalty was incurred for not achieving the RED target for the second time this financial year (total £551k)
- The fine would be refunded at year-end provided 75% was achieved overall.
- Operational budgets, excluding PTS, were £1.1m overspent at the end of Jan compared with £837k the previous month.
- PTS overspend had continued and was now at £625k compared with £589k at the end of January.

The Committee noted the financial risks highlighted, the comments made on the year-end surplus and were assured that the risks were being managed and mitigation plans were in place.

3.6 The Finance section of the Integrated Performance Report (IPR) was reviewed. It was noted:

- The External Financing Limit would disappear post Foundation Trust.
- Consideration is being given to descriptors for each page in the IPR.
- In section 5.4, Non-pay expenditure and reserves did not include depreciation interest but it did in 5.6. A footnote would be included to clarify this.
- Information about Reserves usage will be included in the narrative in the IPR going forward

3.7 An update was given on the draft 2013/14 revenue and capital budgets. Business planning sessions had taken place and contract negotiations were progressing. Following discussion it was agreed that further development of the risk assessment section is required.

The Committee noted the content of these draft budgets subject to amendment prior to approval at Trust Board.

3.8 An update on Service Line Management implementation was provided. The project overall is on track. Initial workstream plans are in place and work has progressed to deliver Financial Service Line Reports. A draft performance dashboard has been developed for Private and Events.

Examples were provided of the reports being used to monitor progress:

- The SLM Implementation Plan, which was a single page monthly summary of progress, costs and benefits.
- The SLM monthly highlight report, which was a more detailed description of progress which included a breakdown of achievements for each Service Line and a review of risks.
- The high-level SLM Project Plan, which was in the form of a Gantt Chart.

The Committee noted the current status of SLM and the action being taken to tackle the short-term delays arising as a result of competing priorities.

3.9 Due to late receipt of the revised draft of the Commercial Strategy it was agreed that this should be given full consideration outside of the meeting and comments fed back to the Head of Business Development. Comments received will be incorporate into the document as track changes and reviewed at the F&IC in May 2013.

3.10 The procurement process for the supply of Stretchers and Associated Manual Handling Lifting Aids and contract award request which was part of the carry chair project was outlined.

The Committee recommended that the contract award in line with the Trust's financial instructions should be presented at the Trust Board for approval on 26 March 2013.

- 3.11 The Committee were provided with an overview of the current contract negotiation positions for PTS and A&E for 2013/14 and an overview of the planned discussions and timeframes.
- 3.12 Consideration of the HART business case was deferred to the F&IC meeting in May 2013.
- 3.13 The Committee were updated on the current tenders active:
- Bradford Transport Logistics contract has been withdrawn.
 - The North Yorkshire Out of Hours bid has been withdrawn due to potential instability relating to the 111 go live although the potential strategic partnership work with Harrogate & District NHS FT is continuing.
 - PTS Discharge Service – South Yorkshire – YAS did not submit a bid as there were too many financial risks and uncertainties.
 - YAS had been asked to continue with the South Yorkshire service until 01/07/2013, as Arriva, who had been awarded the contract, would not be ready to take over until this date.
 - There was nothing to report re horizon scanning.
 - PD reported that the Quality Committee had received good feedback from patients about PTS and individual services which could perhaps link into contract discussions as examples of added value work that YAS was doing.
- 3.14 The F&IC made a slight amendment to the Terms of Reference and this is attached for Trust Board approval.
- 3.16 Lease of Replacement Clinical Supervisor 4x4 cars will be considered at the F&IC in May 2013.

4. PROPOSAL/NEXT STEPS

- 4.1 The report to be accepted by the Trust Board and to agree the amendment to the Terms of Reference.

5. RECOMMENDATIONS

- 5.1 It is recommended that the Trust Board has sufficient assurance on the matters reviewed by the Committee and to agree the amendment to the Terms of Reference.

6 APPENDICES

6.1 Minutes from the Finance & Investment Committee 8 January 2013.

6.2 Updated F&IC Terms of Reference for approval by Trust Board