Yorkshire Ambulance Service NHS
NHS Trust

Finance & Investment Committee (F&IC) Meeting Minutes

Venue: Boardroom, Springhill 2
Date: Tuesday 14 May 2013
Time: 1400-1700

Attendees:

Name	**(Initials)**	**Title**
Elaine Bond	(EB)	Non-Executive Director (Chairman)
Pat Drake	(PD)	Non-Executive Director
Mary Wareing	(MW)	Non-Executive Director
Rod Barnes	(RB)	Executive Director of Finance & Performance
Dave Whiting	(DW)	Chief Executive
Paul Birkett-Wendes	(PBW)	Executive Director of Operations
Anna Rispin	(AR)	Associate Director of Finance

In attendance:

Barrie Senior	(BS)	Non-Executive Director (Observing)
Della Cannings	(DS)	Chairman (Observing)
Steve Page	(SP)	Executive Director of Standards & Compliance (For item 12.0)
Deborah Ridley	(DR)	Portfolio Manager (Transformation) (For item 7.0)
Joanne Halliwell	(JH)	Associate Director of Operations, PTS (For item 6.0)

Apologies:

Catherine Balazs	(CB)	Head of Business Development

Minutes produced by:

Mel Gatecliff	(MG)	Board Support Officer

The meeting commenced at 1400 hours.

		Action
1.0	**Introduction & Apologies** Apologies were noted as above. EB welcomed everyone to the meeting. EB stated that she had reviewed the workplan with RB outside the Committee. It was agreed that Jo Wilson would circulate the workplan for comments back to the July meeting when it would be included as an agenda item for sign off. **Action:** **JW to circulate workplan to Committee members for comment.**	 **JW**

		Action
2.0	**Review of Members Interests** There were no interests to be declared in relation to the agenda items.	
12.0	**NHS 111 Tender Review (Covering Financial Review)** This item had been brought forward on the agenda for early discussion. SP confirmed that NHS 111 was currently 60% rolled out and being seen nationally as delivering a reasonably good service. Discussions were on-going with commissioners in relation to the local implications of not being fully live. In addition, YAS continued to work closely with LCD in relation to the fact that the level of West Yorkshire Urgent Care activity was significantly higher than that planned for or anticipated in the contract within which there was very little room for manoeuvre internally. SP confirmed that LCD were putting in additional resources, both clinical and non-clinical, to support the system but they could only do this for a finite amount of time. This was a high risk to LCD as a large proportion of their business was tied up in the contract and it was likely that things would come to a head at the end of June. He further stated that YAS was working with LCD on a joint plan which would assess whether there were any options for flex of their contract, triggering a capacity review. Evidence was currently being compiled to present to the commissioners who were aware that it was on its way. EB asked what the financial loss would be if LCD were to continue to end of June. RB stated that, at a high level, there was a loss potential of about £1.5m on the contract of circa £15m which was the bulk (75-80%) of their turnover. MW asked if YAS would be responsible for their replacement if LCD were to go under. RB confirmed that this was the case. EB stressed that the Committee needed to gain further understanding of the financials, mitigations and risks at that day's meeting. SP confirmed that the Board had discussed and agreed the additional funding of circa £1m to allow additional staff to be brought in to support the roll out. The bulk of these staff were temporary, either through Hays or on fixed term contracts, and would be phased out once permanent staff were fully trained, call length was reduced, etc. PD asked if there would be any financial obligations if the Trust kept the temporary people on for too long.	

		Action
	SP replied that the only commitment from Hays was for the initial training period. They were on short term contracts and would be kept as part of a bank of staff, as turnover, peaks, etc meant that they would probably be needed again at some point during the year. SP stated that, assuming all penalties came into play, the Trust could be facing a £4.6 m loss. If the commissioners waived their penalties, this loss would reduce to £1.4m. RB stated that the Trust only had a contingency reserve of £155k to offset against the additional costs so any adverse variance above those sums would pose a risk to the planned forecast profit of £2.6m. EB asked what the effect of this would be on the Trust's Foundation Trust trajectory. RB confirmed that the Trust would go off its current trajectory. It was agreed that the issue needed elevating to the Board from F&IC. **Action:** **EB to raise issue of the impact of NHS 111 financial issues on the Trust's FT trajectory at Board.** SP stated that the Risk Share Appendix would form the basis of the discussions the Trust engaged in with the commissioners, adding that one of main challenges faced by the Trust related to the very divergent views coming from the region's CCGs. PD stated that some CCGs did not fully understand the issues that were being faced, as it had not been high on their agenda to date. She further stated that her real concern was whether anyone was taking into account the risk of potential financial penalties that the Trust was facing as it was being told that it was doing well. RB replied that, although NHS England, etc were aware of the scale of risk facing YAS, they also needed to think about things in relation to the wider health economy. EB stated that, reputationally, it would affect them as much as YAS if the service was to fail. DW replied that this had already been pointed out, particularly to the lead commissioner. PD asked whether an arbitration process had been introduced for any disagreements. It was agreed that SP and RB would look into this question and report back to the July meeting.	 **EB**

		Action
	Action: **SP/RB to find out details of any arbitration process in place.** MW asked how the Trust would fund the additional activity that was required as it needed to agree a minimal acceptable outcome. EB suggested that looking at the financial aspects of losing or curtailing the service was probably more appropriate for Board discussion but asked how this could be quantified financially. RB replied that Keeley Townend had been asked to provide this information. PD stated her belief that if the CCGs did not invest in the Trust now, they would not reap the benefits of what YAS could do to assist around their urgent care targets. She further stated that as only around 6% of dispositions were to A&E it was obvious that YAS was not putting added burden onto other providers, adding that this needed to be quantified and emphasised to encourage further investment in all of the Trust's urgent care services. EB agreed that this would be a strong message to share in the wider health community. RB stated that the Trust would need to be sensitive to the fact that it could get a false sense of security from listening to the CCG lead for 111. It needed to recognise that some CCGs would be facing financial constraints whilst others might be antagonistic towards further investment in the service. DW stated that it was difficult to sell 111 across the whole region, as some areas did not yet received the full service. EB replied that with a potential loss of over £1m to the organisation and the possibility that it could put the Trust off its FT trajectory it was critical that all possible sources of further income were investigated. PD asked if consideration had been given as to how NHS England could be influenced as NHS England was the only organisation that could liaise collectively with the CCGs. SP replied that the Trust had mostly worked through third parties to date. However, a meeting was scheduled with the TDA to discuss the YAS FT application so this would also provide an opportunity to talk about 111, as it was his belief that there was disjoint between the national, regional and local CCG view of the NHS 111 service. BS asked whether there were any circumstances in which LCD's performance could add to YAS's loss. SP replied that there was no risk of this.	**SP/RB**

		Action
	MW asked whether LCD had paid a bond in case of their insolvency. SP replied that there had been much debate about this around the time of the contract signature and it was his belief that there was no bond. However, he would revisit the contract to confirm this. **Action:** **SP to revisit LCD contract to clarity “bond” issue.** BS asked whether YAS would ever make any money from the contract. RB replied that year two was looking a lot more favourable, as costs would go back down. He added that the current single largest threat being faced by the Trust was the commissioners’ threat of withholding income because the service was not fully rolled out. SP agreed, adding that the Trust should be back on an even keel by the start of the next financial year. **Action:** **EB to ask Trust Secretary to add NHS 111 update to Private Board agenda for the meeting on 21 May 2013.** The Finance and Investment Committee noted the position and action proposed to mitigate risks in the current financial year but did not gain full assurance, as the matter was such a high risk to the Trust.	 **SP** **EB**
3.0	**Minutes of the Last Meeting** The Committee reviewed the minutes of the meeting held on 5 March 2013 and the following amendments were made: Page 3, five bullet points from bottom – delete “were” at start of last line. Page 5, five bullet points from bottom – replace “enable” with “ensure that”. Page 8, first action – replace “5.4” with “5.6”.	
4.0	**Action Log & Matters Arising** The Action Log was reviewed and updated. **2012/42** – RB confirmed this was tied into the flow chart work to go back to the Audit Committee. Action closed. **2012/43** – Strategy to be presented to TEG. Action closed as being taken forward via TEG to Trust Board. **2012/44** – RB confirmed rewritten job description still to be re-banded but had been put on hold by Agenda for Change lead, Neil Beaumont. No reason had been given as yet. Action was left open as the Trust could not currently recruit to the role. RB to look into further.	

		Action
	2013/4 – ECS roll out built into training plan but funding issues remain. Project team is engaging with the CCGs re future funding. Action closed – will come back to F&IC as a business case update. **2013/9** – Action closed. **2013/11** – AR stated that pieces of work were currently on-going to validate reserve schemes. Deborah Ridley had brought some good ideas from NEAS. Action closed. **2013/21** – Agenda item. RB stated the project plan was due to be considered at next Project Board meeting. Action remains open and will come back to F&IC in due course. **2013/22** – Considered at Board. Action closed. **2013/23, 24, 25** – Actions to remain open. **2013/26** – Action remains open as not fully covered at meeting. **2013/27** – DW confirmed action covered at TEG. CIP Group chaired by DW and non-performing CIPs elevated to TEG. The majority were high risk schemes that TEG had already considered. TEG would elevate appropriate items to F&IC for consideration. Action closed. **2013/28 -** Action remains open as not fully covered at meeting. **2013/29** – Tracker brought for consideration. Action closed. **2013/30** – Business cases need to be revisited and revised. Scheduled for consideration at July F&IC meeting – alter estimated closure date. **2013/31, 32, 33, 34** – Actions closed. **2013/35** – Information due to be included in April IPR. Action remains open. **2013/36** – RB confirmed item was covered in a March Board paper. Action closed. **2013/37** – Gantt Chart is to be updated and circulated separately. Action closed. **2013/38** – Agenda item for 23 July Public meeting. Action closed. **2013/39, 40, 41, 42** – Actions closed. **2013/44 & 45** – RB confirmed that Commercial Strategy was due to go back to the Board. Estimated closure dates to be changed to September 2013. EB/PD concerned that Director is not yet in place. DW will take matter forward urgently.	

		Action
	2013/46 & 47 – Actions closed. **2013/48** – Information outstanding. Action remains open. **2013/49, 50, 51** – Actions closed.	
5.0	**Cost Improvement Plan Detailed Review** AR presented an update on the delivery of the Cost Improvement Plan (CIP) for 2012/13. Following discussion it was noted that: • £9.8m had been achieved against the full year plan of £10.3m which was a shortfall of £513k. • Within the shortfall three of the top six schemes slipped against the plan but two achieved more than originally planned. • The Trust had to implement reserve schemes to cover the shortfall. • A revised financial CIP tracker had been produced to take effect from April 2013 which would be discussed in item 5.1. **Approval:** **The Finance and Investment Committee noted that 95% of the 2012/13 savings target of £10.28m was achieved at the end of the financial year.**	
5.1	**Cost Improvement Plan Five Year Review** AR presented an update on the delivery of the five year Cost Improvement Plan and the governance and monitoring thereof. A long discussion took place about the Committee's confidence in the Trust's ability to deliver the 2013/14 CIP programme. PD asked how confident the Trust was that the three schemes carried over from 2012/13 would succeed in the current year. AP replied that the bulk of the schemes in 2013/14 were the continuation of schemes from 2012/13. EB stated that CIPs needed to be deliverable and achievable, adding that she had no confidence that things would be different in 2013/14 to 2012/13 in relation to the risks around attaining those schemes. AR stated that £5m ie 47% of the CIP schemes were red risk rated. These included those which failed to deliver or significantly under-achieved in 2012/13 such as removal of missed meal break payment; effective sickness management; and reduced overtime. MW stated that she was very unclear about the linkage of the schemes rolled over into the current year, especially as there seemed to be a mismatch between the 2012/13 out turn and the on-going plan.	

		Action
	RB stated that the Clinical Hub scheme was a multi-year scheme to be delivered over a number of years. EB stated that the Trust needed to implement fundamental changes in the management of schemes as it had not yet got its focus right, particularly in terms of income generation. She expressed major concerns about the £2.9m PTS Transformation Project CIP. RB replied that there were currently several pieces of work under way in terms of income generation which should raise around £100k of extra income. For example, the Trust was responding to PTS tenders through Private and Events, as it was more likely to win a tender this way. DW stated that TEG had concerns about the pace of change. Things were achievable but they needed to be driven through more quickly. BS requested the definition of a RAG rating and asked whether a Red rating meant that the organisation believed something was not achievable. RB outlined the process followed to define RAG ratings. A red rating would be given when the organisation felt it was not on a trajectory to be able to do something within expected timescales, rather than because it could not be achieved. The Chairman, who was observing the meeting, expressed concern that the organisation was struggling to learn from past experience and was still not driving the schemes forward. She stated that nothing gave her assurance that the people delivering the schemes fully understood what they were doing, why they should build reserve schemes to come into play if there were potential shortfalls, etc. DW stated that the schemes were chosen by the Trust's senior people but although there would be achievement against the current CIPS, his concern related to the issue of achieving the full stated amount in year. The Chairman stated that, as it had failed on three schemes in 2012/13, the organisation still was not managing the process properly and must take on learning from the previous year to deliver in the current year. PD asked whether operational directors held vacancies back to bring in savings which would mitigate overtime and sickness absence. DW stated he was taking a personal interest in this issue and could confirm that no one was holding vacancies, as they needed to be filled as soon as possible to reduce overtime. The organisation should have been at full establishment by April but had experienced difficulties in attracting the right candidates.	

		Action
	As the Committee was not assured that an adequate governance and monitoring process was currently in place in respect of CIPs, it was agreed that: • DW should provide an update and lead a discussion about the current financial risks facing the organisation (including NHS 111 and PTS) at the Private Board meeting on 21 May 2013. • Monitoring and governance of the five year Cost Improvement Plan would be picked up at an Extraordinary F&IC meeting to take place at date prior to the next scheduled meeting in July. **Actions:** **DW to liaise with Trust Secretary re the inclusion of additional agenda item relating to the £5m financial risks currently facing the Trust on the agenda of the Private Board meeting on 21 May 2013.** **JW to schedule an additional F&IC meeting to take place prior to next scheduled meeting in July.**	**DW** **JW**
6.0	**Service Transformation Update – PTS Change Management & CIP Financials** EB welcomed Joanne Halliwell (JH), Associate Director of Operations, PTS, to the meeting. PBW apologised for the late circulation of the paper. He stated that the paper contained high level financial information for PTS in 2013/14 included: an overview of the CIP; an updated position on what could be achieved; details of mitigations to address the shortfall in CIP for 2013/14; and recommendations for future developments. It was noted that: • Phase 1 of the CIP (£1.3m) had largely been achieved. • Phase 2 of the CIP had currently only implemented £154k of schemes identified, leaving £1.6m red risk rated and not deliverable within the timescales originally projected. • There had already been major changes to the management structure of PTS and new rotas were in place in some areas. • Change had not been made at the pace needed to make PTS financially viable to reach the 18% reduction in operational budget. JH stated that the financial value of rota implementation was at risk rather than the rota implementation itself. EB asked why there had been such a marked change from the position discussed before. JH replied that original CIP business case had not included any transitional costing such as pay protection and once these costs were built in the organisation had started to see an erosion of the initial proposed savings.	

		Action
	PBW stated that there were capability and capacity gaps in PTS although it was hoped that short term capacity would be provided shortly through various agencies. In addition, difficulties had been encountered recruiting for the locality manager role thus leaving a management capacity gap. MW stated her belief that at least some of the CIP amount at risk related to transitional costs and asked whether the organisation was achieving long term sustainability. JH replied that things were currently very difficult as not all of the locality managers had the necessary level of organisational maturity. The organisation was therefore also incurring additional investment costs. EB stated it was a massive concern to her that such fundamental items as redundancy and pay protection costs had not been built in. It led her to question what might have been missed in other similar schemes and asked how it could have happened. RB replied that the reduction in staff numbers, which had been looked at in relation to staff turnover rates, had matched so this had negated the necessity for redundancy and pay protection. However, a huge turnover in PTS with, for example, apprentices leaving at the end of their scheme, staff transferring to A&E, etc meant that the operational implementation in terms of specific departments had not been controlled enough. MW asked how the organisation had been expecting to control the implementation process. PBW replied that some of the problems related to how people had been managed historically. Over 50% had very flexible working patterns which led to a whole web of complexity underlying every decision. He further stated that, although JH had flushed out a lot of the problems, there was still a long way to go. PD asked whether this had been custom and practice or agreed terms and conditions. JH replied that it was a mixture of both but every single case needed to be resolved individually. PD stated her belief that all contracts would need to be looked at again as staff needed to be on the ground when patients needed them. It was not acceptable for staff to have working patterns that did not work for the organisation. JH stated that the problem was further exacerbated by the A&E reconfigured work force project whereby PTS roles were held open for staff in case they did not pass their A&E training. It was agreed that this was unacceptable as it would not happen in any other organisation.	

		Action
	EB stated that the number of mitigations in the paper was good and asked how they related to the £1.6m deficit. JH replied this was currently difficult to quantify as the rota work was still on-going. The first draft was due by end of the following week but individuals had been pulled off the implementation of the CIP to carry out the work which had in turn further increased the delays. It was agreed that the potential deficit was a fundamental financial risk to the organisation and would need to be elevated to Board for further discussion. DW stated that TEG was due to have a detailed discussion about PTS at its next meeting and would pick up on the issues discussed at F&IC. **Actions:** **EB to liaise with Trust Secretary to schedule a further discussion re PTS on future Board meeting agenda.** **DW to pick up PTS issues outlined at TEG on 15 May for further discussion with JH.**	**EB** **DW**
7.0	**Service Line Management Update** EB welcomed Deborah Ridley (DR), Portfolio Manager (Transformation), to the meeting. DR provided an update on the progress of the implementation of Service Line Management (SLM) and highlighted the associated risks. She stated that SLM, which had begun in December 2012 with a pilot in Private and Events, would enable management of services as distinct operational units and stressed it was not a quick process. Service Line Reporting (SLR) was an essential component and tools and techniques would be introduced to assist managers. DR further stated that some re-planning around SLM was currently taking place, as there had been several conflicting and competing work priorities in last couple of months. However, things were not too far behind, with SLM currently receiving an amber rating. A full update would be provided at the July F&IC meeting when there would be something more tangible to see. **Action:** **DR to provide detailed update on SLM implementation progression at July F&IC meeting.** DR confirmed that SLM for NHS 111 was scheduled to begin at the end of May 2013. PD asked how seriously people were taking the new SLM approach.	**DR**

		Action
	RB stated that although engagement had been extremely good in operations, in the wider organisation it had been less so. DR agreed that the reception had generally been reasonably good although she did have concerns about the commitment being demonstrated by the Workforce and Strategy HR team leads. It was agreed that the lack of engagement was disappointing so DW would liaise with the Executive Director for Workforce and Strategy, Stephen Moir (SM) to report back to the Committee in July. **Action:** **DW to discuss SLM engagement within Workforce and Strategy Directorate with SM to report back to F&IC at July meeting.** RB confirmed that SLM was about a month behind where it should be. The BI project lead was currently doing rota work for NHS 111 so the reliability of information would improve once the full team was back in place. EB stated it was pivotal to the organisation that an understanding of costs, budgets and performance was seen at a departmental level. RB stated that a high level discussion about future strategy was scheduled for TEG. Information would be shared about for example, which services brought money in to the organisation and which lost money and once the Executive team had gained a full understanding, this information would be shared more widely. MW stated she would like to understand how the Trust proposed to integrate this data into its performance management systems. RB replied that it would be a core part of the strategy and business planning sessions during which service line leaders would need to devise a strategy to overcome the barriers in their area. This was currently being worked through with Private and Events and the service line reporting information would be refreshed on a quarterly basis. EB stated that the development of SLM should overcome a lot of the CIP queries and was an exciting development for the organisation. DR stated that Northumbria had already gone through the journey and it was working well but YAS would need to get fundamentals right. **Approval:** **The Committee noted the current status of Service Line Management, in particular, the delays to implementation due to competing priorities and looked forward to receiving a more detailed update at its July meeting.**	 **DW**

		Action
8.0	**Review of Changes to LTFM/Downside Risk** RB stated that work was on-going and an update meeting to discuss revisions to the IBP and LTFM had been arranged with the Foundation Trust team for the following day. The three key risks were: PTS, NHS 111, and RED1. These risks would have more emphasis placed on them in the revised version of the LTFM and IBP than they had in the previous version.	
8.1	**Financial Risks (including Budget Variances)** AR provided the Committee with an update on the Trust's current financial position, management of the Trust's financial risks and exceptional budgetary and treasury items. She stated that the information represented the 2012/13 financial risks and confirmed that the Trust had met all of its statutory targets for the year and achieved 95% of the CIP target. EB invited comments on the information contained in the report. PD requested clarification of the sentence contained in 2.8: Principal risk reference 8b that stated the PTS transformational team's implementation of the revised workforce model and delivery of the 2013/14 CIP was significantly behind schedule. RB replied that, going forward, the organisation would need to be more proactive and forecast in advance rather than being reactive. The Chairman stated that the organisation needed to get systematically tougher on debt collection, particularly the money owed to it by sporting organisations, etc. RB confirmed that the Kirklees PCT debt had been settled. AR stated that the report that went to Audit Committee needed to cover emerging risks. **Action:** **AR to ensure that the report going to Audit Committee covered detailed of emerging risks.** **Approval:** **The Finance & Investment Committee noted the financial risks highlighted and were assured that the risks were being managed and mitigation plans were in place.**	**AR**
8.2	**Year to Date Financial Performance – IPR, Finance Section, CQUINS, Treasury KPIs** AR stated that the version of the IPR distributed to the Committee had been the incorrect version.	

		Action
	It was confirmed that the correct version had been circulated with the Board papers for the following week's meeting. RB pointed out that an issue had been flagged on page 5.3, as income was £6m over plan and not under plan.	
9.0	**Capital Budgets – Summary of Position** RB provided an update on the 2013/14 Capital Budget and reported on the outturn of the 2012/13 Capital Budget. He stated that the report recognised that the organisation was moving to a different approach whereby bids for capital investment were based on pay back to the organisation. There was an unallocated proportion because of a number of service development areas. The Capital Monitoring Group was due to meet shortly and would go through the Capital Allocation Bid forms and business cases in more detail. Areas for concern would be brought back to F&IC and Board as appropriate. EB congratulated RB on a comprehensive paper. Overall the Trust was more or less on budget and MW asked whether schemes had been trimmed or reduced to enable it to achieve this. RB replied that the rewiring in 4.6 had been slipped because of the cost pressures on NHS 111. AR stated that some ICT schemes were brought forward towards the end of the 2012/13 financial year, adding that these costs would be shaved off the ICT capital budget for the current year. EB asked if the phasing of programmes was shown anywhere. AR replied that the information was contained within NHS TDA plan in the IPR against which planned expenditure per month was monitored. **Approval:** **The Finance & Investment Committee noted the 2012/13 Capital Budget outturn and the content of the revised 2013/14 Capital Budget.**	
10.0	**Contracts / Leases for Review** EB stated that due to the length of the agenda, there was only limited time for debate but she would allow more time if it was needed.	
10.1	**Commissioning of Occupational Health Services** AR outlined the procurement process that was followed in relation to the commissioning of the Occupational Health Service and the move to one provider. The tender submissions had been evaluated based on the level of activity provided by the current providers.	

		Action
	AR was confident that the panel had chosen the correct preferred supplier in People Asset Management (PAM). However, although PAM's tender submission had come within the £710k budget available, the Trust still needed to negotiate further with them to ensure that they could deliver the required service at the negotiated price. AR stated that negotiations would consider a risk sharing added value service wherein if sickness levels came down to a manageable level there would be pay back. PBW asked where this pay back would come from. AR replied that specific details were unclear as yet, although it would have to come out of the operations budget. She stressed that YAS would never spend more than the £710k cap on activity, adding that the Board would be asked to authorise PAM as the preferred bidder so that the additional negotiations could commence. EB stated that she would need further evidence as to why the panel was unanimous in its choice of PAM and as the numbers were very close more narrative around the decision would be useful. PD asked whether verbal feedback could be provided relating to the decision, as consideration of aspects of the choice from an HR perspective would be needed. It was agreed that DW should discuss with SM prior to the Board meeting. **Action:** **DW to request further information relating to the choice of PAM as the preferred bidder from SM prior to the Board meeting** **Approval:** **The Committee recommended that:** • **The Trust Board authorise the preferred bidder as contractor number 4, PAM.** • **Subject to negotiations and provided that the contract value was within the available Occupational Health budget of £710k, it was recommended that the contract be awarded to PAM in line with the Trust's Standing Financial Instructions.** • **Should the negotiations with PAM result in a potential cost exceeding the budget, then a revised paper would be submitted to the Finance & Investment Committee and to the Trust Board.**	**DW**

		Action
10.2	**Lease of Skoda Scout RRV for 2012/13 and 2013/14 Replacement** RB provided the background information required to support the approval of the lease of 40 Skoda Scout RRV Cars, in line with the replacement profile and the Fleet Strategy. He stated that this would be the last batch of vehicles to be bought under the current model and was a repeat purchase in line with the other vehicles. EB asked why the figures presented did not include VAT. RB replied that both sets of figures would be presented to the Board. **Approval:** **The Committee recommended that the Trust Board authorise the proposed lease of 40 Skoda Scout RRV cars on a 4 year, 25,000 miles pa contract without maintenance for consistency with the 107 cars leased during 11/12 at a total contract value of £850,931.20 excluding VAT (£212,732.80 excluding VAT per annum).**	
10.3	**Lease of Replacement Clinical Supervisor 4x4 Response Cars** RB provided the background information required to support the approval of the lease of 20 Hyundai Santa Fe A&E Clinical Supervisor Response cars as replacements for the 20 lease expired Land Rover Discovery cars currently used in that role RB stated that the 20 Land Rover Discoveries at end of their lease period had received a mixed response from users, mainly due to their poor fuel consumption. He further stated that, of the five cars trialled, Hyundai had come out best in terms of driver feedback and cost evaluation with a revenue saving of £48k per year created by moving to this vehicle. **Approved:** **The Committee recommended that the Trust Board:** **As agreed at the Vehicle and Equipment Working Group (01 March 2013), authorise the proposed Lease of 20 Hyundai Santa Fe cars.** **Approve the lease Financed by Siemens and maintenance covered by Venson on a 4 year, 25,000 miles p.a. contract at £6,439.71 + VAT per annum per vehicle. 4 year contract total, £515,176.80 + VAT.**	
11.0	**Major Business Case Update - HART** RB provided an update on the current status of the YAS Trust Board approved business case which included: an outline of the processes being undertaken to purchase, refit and transfer HART to its new premises; and provision of an overview of the potential co-location opportunities that were being explored as described within the business case.	

		Action
	RB stated that the report was brought to F&IC for assurance rather than agreement. He reported that there had been a positive significant movement on prices. A price of £1.6m plus VAT had been agreed against the original marketed price of £2.1m plus VAT and the price of £1.8k plus VAT that had gone to Board in March 2013. Jacksons Solicitors were completing searches and due diligence which should allow the Trust to exchange contracts in the next four weeks. It was agreed that the Board would need to be made aware of the price adjustment at its Private meeting on 21 May. **Action:** **EB to provide Board with update on the price adjustment to the new HART premises at its Private meeting on 21 May 2013.** **Approval:** **The Committee noted the update on progress to date in relation to the HART Business Case.**	 **EB**
12.0	**111 Tender Review (Covering Financial Review)** This item was covered at the start of the meeting.	
13.0	**Contracts Update** RB provided a contract update for 2013/14 which included: • An overview of the current contract negotiation positions for A&E and PTS; • Financial information for the A&E contract; and • An overview of potential tenders/new business opportunities. RB confirmed that the A&E negotiations were now concluded. There had been issues in relation to the CQUIN schemes but agreement had now been reached. The documentation had been completed and had gone to the Chairman and DW for signature. RB stated that all of the PTS contracts had been agreed and documentation had been completed with the exception of South Yorkshire which was expected to be signed off within days. A meeting had been set up with the commissioners for South Yorkshire to discuss the financial implications of the loss of the PTS discharge service work. However, it could prove difficult to get a comprehensive response. RB stated that there was the possibility of piece of Emergency Care Practitioner work with Mid Yorkshire, with a potential income of £1.2m. The business case was currently being worked up and discussions were taking place over recurrent or non-recurrent money.	

		Action
	PD stated that YAS's contracts were with the CCGs and the Trust would need to be very cautious around some of its discussions with the CSUs, as they were not the decision makers. EB requested an update on the withdrawal of funding for the major trauma contract. RB stated that the decision was very disappointing, especially as the Specialist Commissioning Unit knew about the reputational issues and political sensitivities around it. He asked whether the Chairman would be able to influence the decision. It was agreed that DW would raise the matter with the Chairman. **Action:** **DW to raise withdrawal of funding by Specialist Commissioning Unit for the major trauma contract with the Chairman.** DW stated that a Yorkshire Air Ambulance Partnership Board meeting was due to take place on Monday 20 May so he would seek to make contact with the Specialist Commissioner. **Action:** **DW to make contact with the Specialist Commissioner for a conversation about the withdrawal of funding.** **Approval:** **The Committee:** • **noted the current update on the A&E and PTS contracts; and** • **supported the on-going work to produce a business case for the ECP service in Mid Yorkshire specifically covering Wakefield and North Kirklees;**	 **DW** **DW**
14.0	**Any Other Business** There was no other business.	
The meeting closed at 1720 hours. **Date and Time of Next Meeting –** Tuesday 9 July 2013, Boardroom, 1330-1630		