



## Finance & Investment Committee (F&IC) Meeting Minutes

**Venue:** Boardroom, Springhill 2  
**Date:** Tuesday 9 July 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

### In attendance:

Barrie Senior	(BS)	Non-Executive Director (Observing)
Dave Williams	(DWi)	Deputy Director of Operations
Mark Squires	(MS)	Associate Director of Support Services (Item 15)
Denise Sayles	(DS)	Head of Procurement (Item 15)
Stephen Downs	(SD)	Senior Business Consultant (NHS TDA) (Observing)

### Apologies:

Anna Rispin	(AR)	Associate Director of Finance
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### Minutes produced by:

Mel Gatecliff	(MG)	Board Support Officer
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The meeting commenced at 1400 hours.

		Action
1.0	<b>Introduction &amp; Apologies</b> Apologies were noted as above.  EB welcomed everyone to the meeting and introduced Stephen Downs (SD) a Senior Business Consultant with the NHS TDA, who was observing the meeting. Brief introductions were made round the table.  EB stated that she would assumed that Committee members had read the papers as this would allow more time to be spent debating the issues around those papers.	
2.0	<b>Declarations of Members Interests</b> There were no interests to be declared in relation to the agenda items	

		<b>Action</b>
<b>3.0</b>	<p><b>Minutes of the Last Meeting</b> The Committee reviewed the minutes of the meeting held on 14 May 2013 and the following amendments were made:</p> <p>Page 2, paragraph 3 – “level of West Yorkshire Urgent Care activity” to be inserted in line 2.</p> <p>Page 8, paragraph 6 – “within expected timescales” to be inserted in middle of last line.</p> <p>Page 18, final paragraph – altered to state: “and he would seek to have a conversation with the Specialist Commissioners” at the end of the sentence.</p>	
<b>4.0</b>	<p><b>Action Log &amp; Matters Arising</b> The Action Log was reviewed and updated.</p> <p><b>2012/44 – Commercial Director Appointment</b> RB confirmed that the process remained on-going. Stage 1 screening interviews with agency candidates and review of the job description had taken place. A progress report would be presented at September F&amp;IC meeting. Action remains open.</p> <p><b>2013/21 – HART</b> RB confirmed that work was on-going. Following visits to two other ambulance services, the Trust was currently working up a detailed project plan, finalising architects’ drawings, etc. Action remains open.</p> <p><b>2013/23 – PTS Financial Review</b> RB stated that the restructure had been discussed at TEG as it had not progressed as initially outlined. A new structure and management restructure and was due to be presented to TEG shortly. PTS was a standing item on the F&amp;IC agenda and the September update would include details of the proposed restructure. Action closed.</p> <p><b>2013/24 – PTS Financial Review</b> DW confirmed that he had fed all comments back to the Executive Director of Operations as agreed. Action closed.</p> <p><b>2013/25 – PTS Financial Review</b> RB confirmed that a useful Skype call had taken place with Unipart representatives. Action closed.</p> <p><b>2013/26 – CIP Five Year Review</b> RB confirmed that the CIP Strategic Plan was on the workplan for September. Estimated closure date to be changed to September 2013. Action remains open.</p> <p><b>2013/28 – CIP Five Year Review</b> RB stated that the 125% reserve schemes were on the workplan for September. Estimated closure date to be changed to September 2013. Action remains open.</p>	

		<b>Action</b>
	<p><b>2013/30 – CIP Five Year Review</b> This item was on the agenda for that day's meeting. Action closed.</p> <p><b>2013/35 – IPR – Finance Section</b> RB confirmed that information about Reserves usage would be included in the IPR narrative from the June iteration of the report. Action closed.</p> <p><b>2013/44 &amp; 2013/45 – Business Development/Commercial Strategy</b> RB confirmed that both actions were included on that day's agenda. Actions closed.</p> <p><b>2013/48 – A&amp;E &amp; PTS Contract Update</b> RB would chase up the outstanding information.</p>	
<b>5.0</b>	<p><b>Feedback from Board Meeting</b> EB reported that the Trust Board meeting on 4 June had concentrated on information relating to CIP in-year delivery. It had been agreed that some red rated CIP schemes, instead of being debated in detail at the Private Board meeting should be referred back to the F&amp;IC for further consideration. A number of task and challenge groups would discuss these CIPs before bringing them back to the F&amp;IC further debate.</p>	
<b>6.0</b>	<p><b>Review of Workplan (to include tie-in of relevant procurement contracts)</b> EB stated that the Workplan was presented at that day's meeting as several changes had been made.</p> <p>The changes, which were highlighted in red on the workplan, were:</p> <ul style="list-style-type: none"> <li>• The addition of 111 and PTS as standing items;</li> <li>• The addition of procurement contracts worth in excess of £500k for review ahead of approval at main Board.</li> </ul> <p>EB confirmed that A&amp;E Defibrillators and Uniform were included on that day's agenda with fuel card solutions to be added to a future agenda.</p> <p>EB stated that the ECP review had been due for consideration at that day's meeting (agenda item 14.2) but she had suggested that, due to the limited time available on the agenda, the item should be put back to September meeting.</p> <p>RB stated that the ECP proposal had been the product of the current work with the Urgent Care Boards. The deadline for responses had been fairly tight and it was his belief that the Trust was likely to see further similar requests going forward.</p> <p>PD stated that she would like to see links to the Workforce Plan and lead in times.</p> <p>MW stated that a formal process was required for future similar items, as the document was neither a business case nor a proposal.</p>	

	<b>Action</b>
<p>She further stated that the organisations also needed to be clear about what information it shared commercially.</p> <p>RB confirmed that the matter had been discussed at TEG.</p> <p>EB asked Committee members to email any additional comments on the paper to her by the end of July 2013.</p> <p><b>Action:</b> <b>Committee members to email comments on Paper 14.2, ECP Review back to EB by end of July 2013.</b></p> <p>It was agreed that a full debate should take place at the September meeting and that the F&amp;IC Workplan should be presented for further review in January 2014.</p> <p><b>Actions:</b> <b>ECP Review to be included as an agenda item for discussion at the September meeting.</b></p> <p><b>F&amp;IC Workplan to be included as an agenda item for review at the January 2014 meeting.</b></p>	<p></p> <p><b>All</b></p> <p><b>EB</b></p> <p><b>EB</b></p>
<p><b>7.0 Cost Improvement Plan Detailed Review</b></p> <p>RB stated that the Cost Improvement Plan (CIP) detailed review paper was pivotal to the day's agenda.</p> <p>He confirmed that DW and he had met with the Executive and management leads for each of the CIPs identified and had received varying degrees of assurance. However, in general terms, some of the red ratings in the A&amp;E schemes were in line with activity for the early months of the year.</p> <p>RB stated that there had been some uncertainty around the NHS 111 service in March and April 2013 and the phased roll out of the service meant that the organisation had to prepare itself for a level of activity not knowing whether or not it was going to materialise.</p> <p>EB expressed concern that although the level of overtrade was low, there had still been overspend on overtime and asked why.</p> <p>DW replied that one of the reasons for this was that the Trust had been resourcing to meet the new Red 1 target which was quite sensitive to changes in resource levels. As the Trust now understood the target better as it moved into Quarter 2, DWi and his team were starting to change the resource profile in a phased, structured way.</p> <p>RB stated that the later paper about PTS would expand on this further.</p> <p>DW stated that the Clinical Hub was doing everything expected of it and had slipped to a red RAG purely because activity was not as high as predicted in May.</p>	<p></p>

	<b>Action</b>
<p>EB understood that the work by the task and finish groups relating to the red rated CIP schemes had only just finished so the process of collation was still under way. However, she was concerned that the Committee still did not have full assurance on these schemes. She was also concerned about the level of reserves, as only £13k of the expected £700k had been delivered in the financial year to date.</p> <p>She therefore asked how the Committee could gain assurance that the organisation would deliver the CIP programme for the year.</p> <p>PD expressed concern that the Trust was not yet delivering any positive benefits from the work on sickness and absence levels and asked whether the amount of overtime being paid was the reason.</p> <p>MW stated that the profiling of carry forward schemes was raised at the last meeting and asked why the NEDs should be more confident that the schemes would deliver in the current year than the previous, as the organisation seemed to have gone backwards.</p> <p>DW provided an individual update on the top CIP schemes for 2013/14.</p> <p><b>Clinical Leadership</b>  DW stated that the Clinical Leadership CIP was currently on track and it was his belief that it could over-deliver with a potential value of £619k. He stated that some vacancies were being held until the end of the financial year and ratio of Clinical Supervisors to staff was being altered from 1:15 to 1:16. At the end of the year the majority of the 20 vacancies would be converted to band 3 ECA roles.</p> <p><b>A&amp;E Skill Mix</b>  DW stated that the A&amp;E Skill Mix CIP which was currently red rated needed to move to amber and then to green by the end of Quarter 2. Recruitment was the key with a need to replace vacant posts with ECA posts. More work was still required but a value of £2.1m-£2.7m was realistic. Further review would be required at the end of Quarter 2.</p> <p><b>Reduce Overtime</b>  DW stated that this CIP, which was closely linked to the resource plan, was slightly behind plan with an amber rating. A set of clear actions in terms of reducing overtime were in place including reducing the Trust's reliance on the use of private providers. The final impact would be through the implementation of the new rotas, originally scheduled for Quarter 4, which would be brought forward to Quarter 3.</p> <p>RB stated that signs were positive so far, with the use of private providers tailing off. The Trust had already seen the worst of the A&amp;E overspend and should soon be back on track.</p> <p><b>Remove Meal Break Payments and AVPs</b>  DW stated that there was currently nothing against this CIP although actions were being implemented.</p>	

	<b>Action</b>
<p>It had been agreed to extend the current pilot in Leeds, which was looking at ways of managing rest breaks in a more pro-active way and early signs were looking positive.</p> <p>DW confirmed it was likely that this CIP would have only a modest impact during the current year. However, it was hoped that elements of the CIP could be brought forward with undefined potential savings in Quarter 3 and larger savings in Quarter 4.</p> <p>DW was optimistic that the organisation should now be able to move at some pace but it was yet to be determined whether the whole CIP could be covered in year. A 50% delivery was currently the realistic scenario but there should be further clarity by the end of Quarter 2.</p> <p>DWi stated that scheduling would provide the greatest risks around this CIP.</p> <p><b>Increase in Clinical Hub Triage</b>  DW stated that the only factor which could undermine this CIP would be the Trust being in an under trading position at the end of the year.</p> <p>RB stated that if the organisation did not see a growth in activity it would have to pull resources out of front line A&amp;E.</p> <p>EB requested details of the current overall position.</p> <p>DW replied that, excluding PTS, the Trust was facing a risk of c£700k but around £1m in terms of over delivery.</p> <p>RB confirmed that the reserves would cover this amount.</p> <p><b>Next Steps</b>  EB stated that she felt more assured than she had previously although the organisation still had much more work to do.</p> <p>PD stated that she too felt more assured, adding that she would like to see a detailed update, accompanied by exception reporting, presented at the September meeting.</p> <p>RB stated that the challenge meetings had led to the creation of a pro forma, which was to be used as an internal test in relation to mitigations going forward.</p> <p>It was agreed that the Chief Executive should supply F&amp;IC members with a paper outlining the outcome of these meetings in August so that the Committee had a more in depth understanding of the on-going issues when it met in September 2013.</p> <p><b>Action:  DW/RB to provide F&amp;IC members with an updated assurance report in August to inform on-going discussion re the CIP at the September meeting.</b></p>	<p></p> <p><b>DW/RB</b></p>

	<b>Action</b>
<p>MW stated it would be helpful to have a better understanding of the flexibility relating to over time expenditure and the control sensitivity of Red 1 and what actions could reasonably be taken to decrease the necessity of incurring those costs.</p> <p>RB replied that the right processes were broadly in place, as the Trust had learned some lessons fairly early in the year. For example, the workforce analysis had been broken down by private providers, etc.</p> <p>DWi stated that weekly meetings were taking place using a dynamic tool which could respond relatively quickly to the emerging external environment.</p> <p>MW asked why then was the overtime reduction CIP under-delivering when it should be over-delivering.</p> <p>DW replied that the Trust needed more innovative non-financial or low costs ways of dealing with Red 1.</p> <p>DWi stated that he was currently revising the Red 1 Plan, adding that the Trust would be better placed to deliver Red 1 in a more cost effective way in Quarter 2.</p> <p><b>Approval:</b>  <b>F&amp;IC noted the CIP position at the end of May and the actions being taken to bring the plan back into line and looked forward to receiving a further update report in August 2013.</b></p>	
<p><b>8.0 Service Transformation – PTS Change Management &amp; CIP Financials</b></p> <p>RB stated that the paper identified the broad categories of work that was taking place within PTS which had been tasked with delivering a £2.9m cost improvement plan for 2013/2014. Of this total, £1.3m of savings had been rated as green with a total of £1.6m of savings still to be fully specified and therefore currently given a red risk rating.</p> <p>RB stated that outline mitigation work was currently being undertaken and provided an update on progress to date in a number of areas which included Planning and Scheduling, Fleet and Workforce.</p> <p>Bench marking work had been completed with a number of private providers. Current costs within PTS were slightly higher than YAS' competitors but the Trust needed to improve its systems for charging for things over and above the norm such as bariatric patients who were treated the same as normal patients. Cover was for 5 per week, although the Trust was currently dealing with 10 per week.</p> <p>RB further stated that the PTS Transformation and Operational Management teams, supported by HR, Finance, Fleet and ICT were actively engaged in identifying and implementing schemes to mitigate against the CIP shortfall.</p>	

	<b>Action</b>
<p>Initial work to quantify the deliverables would be concluded in July 2013 and reported back to the Transformation Programme Board and F&amp;IC.</p> <p>EB stated that although she sensed that much work was taking place in PTS to make it more financially viable; the pace of change, given the commercial arena in which YAS worked, needed to increase.</p> <p>She further stated that she would prefer future updates to be in the format of the paper presented to F&amp;IC at its March meeting which had contained a project plan.</p> <p>MW queried whether the Committee should wait as long as September for its next detailed update.</p> <p>It was agreed that RB should circulate an update paper in early August.</p> <p><b>Action:</b>  <b>RB to circulate a paper in early August which contained details of the updated PTS position.</b></p> <p>MW stated that the top level leadership was pivotal to the success of the service and it was essential therefore to have a high level operational leader to bring about change on the front line.</p> <p>DW replied that progress was being made in this area, adding that an update should be available shortly.</p> <p><b>Approval:</b>  <b>F&amp;IC noted the contents of the report.</b></p> <p><b>111 Update</b>  RB stated that he had attended a contract meeting with commissioners the previous week. It was recognised that demand on the West Yorkshire Urgent Care service had been 30% higher than planned and additional resources would need to flow through to cover this extra demand. The Trust was fairly close to reaching a financial settlement with which Local Care Direct (LCD) seemed reasonably comfortable.</p> <p>He further stated that the LCD interim Chief Executive and Chairman had met with DW and the YAS Chairman. They were happy with the interim arrangements whilst recognising that more work was needed on the longer term model to make it sustainable.</p> <p>RB confirmed that the final outcome would be known in July.</p> <p>DW confirmed that SP had been asked to provide a plan outlining proposals to reduce the number of additional temporary staff, in particular the additional clinical resource which the organisation was trying to use as a lever with the commissioners.</p>	<p><b>RB</b></p>



	<b>Action</b>
<p>RB stated that the draft action plan, which was to be considered by TEG that week, would be shared with F&amp;I members following TEG review.</p> <p><b>Action:</b> <b>DW to circulate NHS 111 action plan to F&amp;I members post TEG review.</b></p> <p>DW confirmed that he was due to meet the lead commissioner with RB on Thursday in relation to service specification gaps.</p> <p>Although the lead commissioner was supportive, there were pressures at a national level and it was currently unclear what additional financial help, if any, could be provided.</p> <p>EB stated her belief that the Trust was in a strong position as, in spite of the gaps in the DOS, etc, YAS had still delivered a safe service for its patients. The commissioners needed to understand that the Trust could reduce its provision back to the contract specification level and if it did do this more calls would go to 999 which could in turn lead to further problems for acute trusts and their A&amp;E services.</p> <p>EB thanked SP for a useful update.</p>	<p><b>DW</b></p>
<p><b>9.0 Service Line Management Update and Implementation Plan</b> As Deborah Ridley was on annual leave, RB presented the Service Line Management (SLM) update.</p> <p>EB stated that when she had read the paper she had been impressed by a number of developments. She noted the issue that remained in relation to HR participation, which she had raised with the Interim Executive Director of Workforce and Strategy. He had given assurance that he would ensure his team's participation to get work back on track.</p> <p>EB requested an update on progress against the action plan, as at the last meeting SLM was about a month behind its planned timescales.</p> <p>RB replied that the project had probably now lost another month. However, on a positive note, Private and Events (P&amp;E) were now starting to see the benefits of SLM.</p> <p>EB stated that she would like to schedule a presentation from P&amp;E into the Committee workplan for a future meeting.</p> <p>It was agreed that a P&amp;E presentation should be added to the workplan for the next F&amp;IC meeting.</p> <p><b>Action:</b> <b>EB to add P&amp;E SLM presentation to the workplan for September meeting.</b></p>	<p><b>EB</b></p>

		Action
	<p><b>Approval:</b>  <b>The Committee noted the current status of Service Line Management and in particular, on-going delays to implementation due to competing priorities.</b></p>	
<p><b>10.0</b></p>	<p><b>Review of changes to LTFM /Downside Risks</b>  RB stated that Chapter 7 of the IBP focused on key risks, downside scenarios and mitigation actions. In the current financial climate this had become of increasing importance to Monitor when assessing aspirant Foundation Trusts. In Autumn 2012 YAS developed robust downside scenarios and mitigation plans taking into account both national and local cost pressures and these had now been updated to reflect changes in the Trust over the last 6-9 months.</p> <p>RB added that key changes to downside scenarios included:</p> <ul style="list-style-type: none"> <li>• Moving the downsides on one year to cover 2014/15 – 2018/19 (previously 2013/14 – 2017/18);</li> <li>• The Payments by Result downside to now start in 2016/17 (previously 2015/16) in line with current Monitor consultation. Phasing to remain the same as previously over 4 years (in line with acute trust implementation). Previously based on 109 reference costs, it would now be based on 106 reference costs;</li> <li>• The NHS 111 downside to be updated from ‘delayed go live’ to missing KPIs in 2014/15 (100%) and 2015/16 (50%);</li> <li>• A&amp;E contract penalties had been updated to reflect separate penalties in Red 1 and Red 2 (assumes missing Red 1 in 2014/15, Red 1 and 2 in 2016/17 and Red 1 in 2018/19).</li> </ul> <p>He talked the Committee through the details of the key business risks and downside scenarios.</p> <p>RB confirmed that there was currently no definite information about the implementation of a tariff for ambulance services. There were also on-going discussions in the acute sector about the appropriateness of Payments by Result although there were currently no plans to scrap it.</p> <p>SD stated it was likely that Monitor would identify and question the Trust on different risks to those identified by YAS.</p> <p>BS asked how the Trust intended to factor in the potential loss of PTS.</p> <p>RB replied that, as staff had been aligned to the various contracts; direct costs information was now available.</p> <p>He stated that no significant changes had been made in terms of the mitigations, which were:</p> <ul style="list-style-type: none"> <li>• CIP reserve schemes and bring forward schemes;</li> <li>• Negotiate risk share with commissioners and reduce abstraction;</li> <li>• Use of contingency reserves;</li> <li>• Reduce spend on external consultants, which was currently running at a heavy level;</li> </ul>	

		<b>Action</b>
	<ul style="list-style-type: none"> <li>• Reduce discretionary expenditure;</li> <li>• Reduction in non-clinical training;</li> <li>• Remove air ambulance paramedic cover;</li> <li>• Reduce use of ORH modelling then cease when contract expires;</li> <li>• Close Europa workshop;</li> <li>• Extend A&amp;E vehicle life by replacing drive train;</li> <li>• Stricter vacancy controls on corporate and other support posts;</li> <li>• Reduce public transport locally agreed rates to A4C rates.</li> </ul> <p>He also outlined the reserve mitigations which included:</p> <ul style="list-style-type: none"> <li>• Divesting from the PTS in full or part</li> <li>• Integration of environmental team within core team</li> <li>• Improving unit hours utilisation</li> <li>• Bringing forward estates rationalisation</li> <li>• Review of non-core functions</li> <li>• Reduction of discretionary training spend</li> <li>• Implementation of a recruitment freeze</li> <li>• Rationalisation of Trust Executive Group</li> <li>• Review of all temporary contract arrangements and restrictions on use of agency staff.</li> <li>• Further reduction in capital spend on ICT and medical equipment</li> </ul> <p>EB stated that it would be very useful for the NEDs to have a copy of the headline lists of mitigations and reserve schemes. It was agreed that RB would circulate this information.</p> <p><b>Action:</b>  <b>RB to circulate headline lists of mitigations and reserve schemes to NEDs.</b></p> <p>SD stressed that it was essential that the NEDs understood the mitigations and reserve schemes inside out, as Monitor would challenge on why these had not already been included as CIPs.</p> <p><b>Approval:</b>  <b>The F&amp;IC noted the changes in the downside scenarios and the LTFM assumptions.</b></p>	RB
10.1	<p><b>Financial Risks (Including Budget Variances)</b></p> <p>EB stated that, although the Committee had covered a lot of the items in earlier discussions, she was interested in when Table 1 was last reviewed and updated.</p> <p>RB replied that the table was currently being updated for the end of Quarter 1 to reflect current assumptions around the additional NHS 111 staffing. Although CIP slippage of a possible £760k worst case scenario was much improved on the original plan of £2.6m, it was still a significant amount.</p>	

	<b>Action</b>
<p>MW asked why the Board had not known about the penalties in 2.4 being applied.</p> <p>RB replied he did not know but stressed that learning would be taken away from the experience.</p> <p>MW asked whether the Trust was making the right decision to keep spending on its PTS service as, in terms of the long term running costs, it seemed to her that the overall position was not improving. It needed to be made very clear how long the Trust could live with this situation.</p> <p>RB replied that the focus over the next 2-3 months would be to demonstrate that PTS was a viable commercial model although he acknowledged that this could not be at any price. He confirmed that the rate of overspending had already reduced and as the new rotas were introduced the reliance on external providers should reduce further.</p> <p>EB stated that she had been encouraged by the approach taken on PTS in the year to date. She was hopeful that a more commercial approach to tenders was on the horizon although there was still a need to monitor PTS closely.</p> <p>PD agreed that the organisation needed to take a more commercial approach and wondering what additional pressures did being asked to provide more discharge work put on a service that was already struggling to meet its targets.</p> <p>RB replied that the Trust was aiming to work on more of a Private and Events model.</p> <p>It was agreed that as agenda item 13, Better Payment Practice Code compliance was covered in section 3.3 of the report, it should be removed from the agenda.</p> <p>It was further agreed that the report would require modification before it was presented at Audit Committee. RB agreed to carry out this action.</p> <p><b>Action:</b>  <b>RB to modify Review of Changes to LTDM/Downside Risks report prior to presentation at Audit Committee.</b></p> <p><b>Approval:</b>  <b>The F&amp;IC noted the financial risks highlighted and, subject to the above action, was assured that the risks were being managed and mitigation plans were in place.</b></p>	<p>RB</p>
<p><b>10.2 Year to Date Financial Performance</b></p> <p>EB stated that a lot of financial performance information had already been covered in terms of overtrade, etc and asked if there was anything that the Committee needed to go through in detail.</p>	

	<b>Action</b>
<p>PD stated that she would like to reconsider sickness management at some point. She acknowledged that it was a complex issue but was concerned that savings were yet to show in the figures.</p> <p>DW agreed, adding that there needed to be tighter management of the reduction in absence and Red 1 resourcing.</p> <p>A discussion took place about: the areas where focus had been so far; staff turnover; and current vacancy levels.</p> <p>DW stated that further work was required with the YAS recruitment function, which needed to be more proactive. It was his expectation that there should be a pool of people ready to draw on when circumstances arose.</p> <p>EB asked how F&amp;IC should pick this up going forward.</p> <p>It was agreed that it fitted into the Workforce section of the IPR and should be included in the financial risk section for comment.</p> <p>EB stated that she would welcome greater clarity on the CQUINS.</p> <p>RB stated that there were no significant risks around CQUIN delivery which were part of the on-gong operational review. It was agreed that RB would bring more details to the September meeting.</p> <p><b>Action:</b> <b>RB to provide update on CQUIN progress at September meeting.</b></p> <p><b>Approval:</b> <b>The Finance and Investment Committee noted the report.</b></p>	<p><b>RB</b></p>
<p><b>11.0 Capital Expenditure – 2013/14 Capital Budgets &amp; Service Development Bids</b></p> <p>RB provided an update on the 2013/14 capital budgets and outlined the service development capital bids. He stated that the changed nature in way in which the capital programme was apportioned in the current year was to help with prioritisation. Details of the revised budget were attached as Appendix One and the Capital Allocation Bid Form for the ECS/ePRF roll out, phase one was attached as Appendix Two.</p> <p>RB stated that the ECS/ePRF document required reworking. He was due to meet with the Head of IT, David Johnson, as the current business case was struggling to articulate the full business benefits. The business case would then come back to F&amp;IC for approval.</p> <p>He further stated that work was currently under way to analyse the benefits of where ECS had already been rolled out, albeit an earlier version. The logic behind this was to carry out a reinvigoration of the project to get a local perspective, as communications remained a problem for front line crews.</p>	

		<b>Action</b>
	<p>RB stated that Matt Watkins was leading the project and working with health care partners, etc to help increase the momentum as the project was rolled out.</p> <p>A discussion took place about possible opportunities to store patient-related information within the system such as the use of red flags to indicate where violent incidents had occurred in the past.</p> <p>DW stated that although this type of information was currently flagged up to crews when calls were received the implementation of the new process would improve both patient and staff experience.</p> <p>MW queried the ten-year depreciation, asking whether this was reasonable given that it related to IT kit.</p> <p>RB replied that the complexity of implementation meant that the organisation would want to keep the system for a long time, although portions of it would be replaced and updated during the ten-year period.</p> <p>EB stated that she would like F&amp;IC to see copies of the bid process prior to final approval being given. It was agreed that the amended business case and procurement details should be provided for review at the September meeting.</p> <p><b>Action:</b>  <b>RB to provide copies of revised ePRF business case and procurement process for review at September meeting.</b></p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the revised 2013/14 capital budget and reviewed the IT ePRF/ECS bid requirements for 2013/14. Approval was given subject to the provision of additional updated information at the September F&amp;IC meeting.</b></p>	RB
11.1	<p><b>Fleet Related Capital Requirements 2013/14</b></p> <p>RB presented the Fleet related Capital bid requirements for 2013/14 which included the cost of equipping the vehicles in addition to the replacement of 43 A&amp;E vehicles and 31 PTS vehicles.</p> <p>DW stated that the Trust had agreed to replace some of the very old vehicles currently in use by PTS</p> <p>EB stated that the Committee would need to see a project plan for the timing of the expenditure and requested that future reporting included details of the Capital plan phased by Quarter.</p> <p><b>Action:</b>  <b>RB to present Capital plan phased by Quarter at future meetings.</b></p> <p>MW asked whether any work had been undertaken to ascertain whether it could be cheaper to lease vehicles rather than buying them.</p>	RB

		<b>Action</b>
	<p>RB confirmed that an analysis of figures was currently under way.</p> <p>MW asked whether any analysis of the cost advantage of leasing vehicles over purchasing them had taken place.</p> <p>RB replied that the Trust was very confident that this would be the case and agreed it was agreed that RB would bring the tender evaluation responses back through the Committee.</p> <p><b>Action:</b>  <b>RB to bring tender evaluation responses back through F&amp;IC.</b></p> <p><b>Approval:</b>  <b>The Finance and Investment Committee approved the proposed Fleet vehicle replacement related Capital expenditure plan for 2013/14.</b></p>	<b>RB</b>
<b>11.2</b>	<p><b>Capital Monitoring Group Terms of Reference &amp; Investment Appraisal Framework</b></p> <p>RB stated that bids for capital expenditure were currently assessed by the Capital Monitoring Group using a Capital Allocation Bid form with allocations being set based upon functional historic depreciation levels.</p> <p>However, to provide more transparency and clarity on the selection process, an Investment Appraisal Framework was being developed to ensure that capital expenditure became more closely aligned to the Trust priorities. The first draft was attached to the report and would form an appendix to the Terms of Reference for the CMG.</p> <p>Initial feedback was that the appraisal was very generic and qualitative and currently had too much narrative.</p> <p>MW stated her belief that the current content was good but it still required further financial clarity</p> <p>PD stated that the document read as a YAS document would have read a couple of years ago. The organisation had moved forward and the document needed to reflect this.</p> <p>It was agreed that the document needed further development and the Committee would see the revised version at its September meeting.</p> <p><b>Action:</b>  <b>RB to revise draft document and present updated version at September meeting.</b></p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the paper and would receive an updated version at its September meeting.</b></p> <p>SD apologised for having to leave early, adding that a TDA colleague would attend the September meeting.</p>	<b>RB</b>

		<b>Action</b>
	<p>He stated that the meeting format had been good with a good level of challenge from the NEDs and left the meeting at 1700 hours.</p>	
<b>12.0</b>	<p><b>Working Capital Bridge Analysis and Reporting Metrics</b>  RB stated that the paper, which provided a bridge analysis of working capital movements for the last three financial years, was fairly self-explanatory.</p> <p>He further stated that the Finance Department would continue to monitor the working capital position of the Trust as part of the on-going development of the Longer Term Financial Model (LTFM). The Continuity of Service Risk Rating will be incorporated into the IPR from the end of July 2013 and the bridge analysis would be refreshed and brought back to the Finance and Investment Committee at the end of the 2013/14 financial year.</p> <p>The Committee agreed that the paper was a good educational document and there were no questions.</p> <p><b>Approval:</b>  <b>The Finance and Investment Committee noted the Trust's current position.</b></p>	
<b>13.0</b>	<p><b>Better Payment Practice Code Compliance</b>  This agenda item was removed from the agenda as it had been covered in section 3.3 of the report presented at agenda item 10.1.</p>	
<b>14.0</b>	<p><b>Major Business Case Update - HART</b>  RB provided an update on the current status of the Trust Board approved business case and progress to purchase the preferred HART site.</p> <p>He stated that, since approval, a range of actions had been completed to meet the Board's caveats and as part of the formal process to secure and purchase the preferred site, all appropriate due diligence checks had now been completed.</p> <p>RB further stated that the refurbishment now underway on site would ensure adequate and appropriate accommodation to allow the HART and emergency response service to maintain operational readiness.</p> <p>To inform the work the Project Team had conducted site visits to facilities to South East Coast and West Midlands' ambulance services as the two ambulance services were using very different commercial models.</p> <p>RB confirmed that, following the appropriate due diligence checks and scrutiny conducted by the Trust solicitors (Jacksons Law Firm) and property advisors (Dacre Son &amp; Hartley), the contract for the purchase price of the property was £1,615,000 with no VAT payable on the purchase price.</p>	



		<b>Action</b>
	<p>EB asked whether there was any additional detail or evidence of independent verification relating to item 4.2 in the report.</p> <p>RB confirmed that details had come through the project board but had not been shared to date. It was agreed that RB would share this information with the Committee.</p> <p><b>Action:</b> <b>RB to share the information which backed up item 4.2 in the report with Committee members.</b></p> <p>MW asked what the Transport plan in 4.5 covered and whether it covered only HART or potential co-locators.</p> <p>RB replied that it related to staff flow onto site and covered co-location in a generic sense.</p> <p>EB asked whether the wording on the cover page of the document could be made more pertinent as the paper was to provide F&amp;IC with an update and was not for them to progress the purchase.</p> <p><b>Action:</b> <b>RB to liaise with Mark Squires re wording of the report's cover sheet.</b></p> <p><b>Approval:</b> <b>The Finance and Investment Committee noted the update report.</b></p> <p>Mark Squires (MS), Associate Director of Support Services and Denise Sayles (DS), Head of Procurement entered the meeting.</p>	<p><b>RB</b></p> <p><b>RB</b></p>
<b>14.1</b>	<p><b>Major Business Case Update – ECS (ePRF)</b> RB confirmed that as this item had been discussed earlier in the meeting there was no further update available.</p>	
<b>14.2</b>	<p><b>Major Business Case Update – ECP Review</b> RB stated that the ECP Review would go through TEG and back to F&amp;IC in September.</p> <p><b>Action:</b> <b>ECP Review to be discussed at September meeting.</b></p>	<b>RB</b>
<b>15.0</b>	<p><b>Contracts Update</b> There were no questions relating to the update on the A&amp;E, NHS 111 and PTS contracts.</p> <p><b>Approval:</b> <b>The Finance and Investment Committee noted the current contracting positions and supported the new 'Intelligence Register' process.</b></p>	

		<b>Action</b>
15.1	<p><b>Contracts Update - Uniform</b></p> <p>MS informed the Committee that the potential of a legal challenge as part of the tender exercise, which had been conducted by the NHS Commercial Alliance on behalf of the National Ambulance Heads of Procurement, had come to fruition the previous day.</p> <p>The project had looked at a move towards a standard national uniform with one generic crest for the whole of the UK. It had been recognised that there were currently 8 variations and each Ambulance Trust had some commercial commitment to its current stock held at its current provider and the cost of change. However, there would still be savings each year across all trusts.</p> <p>DW asked what the benefits would be of having one generic crest across all ambulance services, as it was his belief that it could affect YAS's corporate image.</p> <p>MS replied that it would be of financial benefit to the Trust as it would save money by sharing generic stock across all trusts.</p> <p>EB stated that this was not just an F&amp;I issue but an issue about which the Board would need to be kept informed.</p> <p>EB informed MS and DS that contracts with a value of £500k or more currently were included on the F&amp;IC workplan. It was agreed that JW should update the workplan to also include those contracts worth between £250 and £500k.</p> <p><b>Action:</b>  <b>JW to include contracts worth between £250 and £500 on F&amp;IC workplan.</b></p> <p>DS stated that she would welcome the opportunity for further contract discussions with the Committee.</p> <p>She confirmed that the Trust had extended its current contract to December 2013 but would be at risk to extend any further due to the possibility of a legal challenge from the preferred provider.</p> <p>MS confirmed that as YAS was now officially out of contract with its previous suppliers prices were likely to increase significantly.</p> <p>DW warned that the possible lack of uniform supplies would be a potentially contentious issue with staff.</p> <p>DS confirmed that the situation was further complicated by the fact that the incumbent supplier had not been performing well for some time either.</p> <p>The Committee agreed that it was not appropriate to discuss the contract at the current time and would await a further update at the September meeting.</p>	<p>JW</p>

		<b>Action</b>
	<b>Action:</b> <b>MS/DS to provide further update at September meeting.</b>	<b>MS/DS</b>
<b>15.2</b>	<p><b>Contracts Update – A&amp;E Defibrillators</b> EB stated her belief that the Committee did not have an appropriate depth of information around this contract to consider it that day.</p> <p>DS stated that this was another example of the NHS Commercial Alliance and the National Ambulance Heads of Procurement group working collaboratively to aggregate national spend for Defibrillators and AEDs under one national agreement.</p> <p>A discussion took place about the equipment covered by the framework and the delegated authority that these groups had to make such a decision.</p> <p>The Committee agreed that they required further information and that the report should be re-presented at the September meeting.</p> <p><b>Action:</b> <b>MS/DS to present revised report at September meeting.</b></p>	<b>MS/DS</b>
<b>16.0</b>	<p><b>Summary of Issues to Trust Board and Audit Committee</b> EB stated that the CIP programme and the modelling around the surplus would need to be considered by both the Audit Committee and the Trust Board as there was some overlap. In addition, an update on NHS 111 was also required.</p> <p>EB thanked everyone for attending and participating in the meeting.</p>	
The meeting closed at 1725 hours.		
<b>Date and Time of Next Meeting – Tuesday 10 September 2013, Boardroom, 1330-1630</b>		