



<b>MEETING TITLE</b> Public Trust Board		<b>MEETING DATE</b> 24/09/2013	
<b>TITLE of PAPER</b>	Finance & Investment Committee Report	<b>PAPER REF</b>	6.5
<b>STRATEGIC OBJECTIVE</b>	All		
<b>PURPOSE OF THE PAPER</b>	The purpose of the paper is to provide an update to the Board regarding the activities of the Finance & Investment Committee.		
<b>For Approval</b>	<input type="checkbox"/>	<b>For Assurance</b>	<input checked="" type="checkbox"/>
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion/Information</b>	<input checked="" type="checkbox"/>
<b>AUTHOR / LEAD</b>	Rod Barnes, Executive Director of Finance & Performance	<b>ACCOUNTABLE DIRECTOR</b>	Director of Finance & Performance
<b>PREVIOUSLY CONSIDERED BY</b>	<b>Committee/Group:</b> N/A	<b>Date:</b>	N/A
<b>RECOMMENDATION</b>	It is recommended that the Board notes discussions within the Finance & Investment Committee and the key issues highlighted for further scrutiny within the Committee work programme.		
<b>RISK ASSESSMENT</b>		<b>Yes</b>	<b>No</b>
<b>Corporate Risk Register and/or Board Assurance Framework amended</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Legal implications/Regulatory requirements</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Quality and Diversity Implications</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>			
<b>Care Quality Commission Registration Outcome(s)</b>		All	
<b>NHSLA Risk Management Standards for Ambulance Trusts</b>		All	

## **1. PURPOSE/AIM**

- 1.1 The purpose of the paper is to provide an update to the Board regarding the activities of the Finance & Investment Committee.

## **2. SUMMARY REPORT FROM THE FINANCE & INVESTMENT COMMITTEE**

### **Overview**

- 2.1 The Trust Board has previously received the Chairman's Finance & Investment Committee report for 9 July meeting and the Committee agreed minutes are attached for completeness. The Finance & Investment Committee met on 9 September 2013 as part of its established work programme.
- 2.2 Discussion of financial risks is a standing item on the Committee agenda and a paper is presented to each meeting quantifying the value of these risks and capturing any emerging issues.
- 2.3 The format of the meeting allows for specific presentations and reports in relation to the Trust's Cost Improvement Plan, Service Transformation Programme, in-year financial performance, major business cases and significant contracts.

### **Papers presented**

- 2.4 Papers presented to the Committee included an update on Cost Improvement Plan delivery for the period to 31 July 2013 and a review of the five year Cost Improvement Plan. It was agreed that further detail on CIP reserve schemes and the ease with which they could be implemented would be brought back to the next meeting.
- 2.5 In addition to scheduled regular updates, specific papers, presentations or discussion took place in relation to the following subjects:
- The Director of Standards & Compliance presented an update on the financial position and service optimisation programme for 111. The presentation highlighted a potential financial risk of £2.96m against plan due to ongoing uncertainties concerning precise levels of income for the current year, slippage in delivery of productivity improvements and additional TUPE costs. Meetings have been scheduled with Commissioners in September to resolve these issues and the outstanding capacity review for West Yorkshire Urgent Care.
  - The Committee received a presentation from Mark Ruud, Head of Events, on the implementation of Service Line Management within Private & Events and how this had proved a driver for change by creating greater awareness of where costs are incurred and identified opportunities for improvement. The presentation was well received by the Committee and it was agreed that this could be used to engender support for SLM within other parts of the organisation.

- The Director of Finance & Performance presented a paper detailing recent changes to the LTFM, key assumptions and detailed bridge charts showing key movements in income and costs between 2012/2013 and 2018/2019. It was agreed that planned surpluses for future years would be reviewed within the next iteration of the LTFM to establish whether there was scope to increase these to allow for additional resilience. This part of the meeting also included a meeting on key financial risks contained within the LTFM and their mitigations including A&E contract penalties, loss of PTS contracts, CIP shortfalls, IBP developments not being funded and the loss of the 111 contract. The Committee requested a paper be brought back to a future meeting detailing why proposed mitigations were not being implemented now as part of the Trust's CIP mitigation programme.
- A paper was presented providing an update on measures to bridge the remaining £1.6m outstanding PTS CIP for 2012/2013. The paper identified schemes to bridge £0.3m of the slippage in the current year. A number of other mitigations are still in the process of being quantified. Work is continuing to establish a definitive view on the long term financial position of PTS and it was agreed that this topic would be added to a future Board Development Meeting for discussion, to include the structure within PTS
- The Committee received a paper on the financial risks and budget variances to the end July 2013. It was noted that there had been key changes to the financial position in particular relating to 111 and the A&E operational plan and it was agreed that risk analysis would be brought up to date within the IPR for August 2013.
- Matt Watkins presented the latest iteration of the ePRF/ECS business case. It was agreed that this would be presented to the Trust Board, subject to minor amendments to emphasise benefits for patients and Commissioners within the main body of the report.
- The Committee also received the business case for ECPs within Mid Yorkshire. It was agreed that subject to some minor amendments then this business case can be taken to the Trust Board for approval.
- The Committee discussed the latest version of the Commercial Strategy and the need to clearly identify the Trust's commercial offering and how service lines would profitably develop and grow their markets. The strategy will be amended through these comments and will be taken to a future TEG meeting prior to being presented to the Trust Board.
- Cath Balazs presented a contracts update paper identifying the financial risks due to the decommissioning of South Yorkshire GP activity, 111 activity volumes and PTS activity shortfalls. The Trust is also pursuing a number of new business opportunities. An aggregate position on new urgent care business opportunities will be brought back to the Board once initial approval is known.

### **3. SUMMARY AND NEXT STEPS**

- 3.1 Work is to be completed to re-assess CIP forecast outturn and potential full year budget variances. This work will be shared between committees.

### **4. RECOMMENDATIONS**

- 4.1 It is recommended that the Board:

Notes discussions within the Finance & Investment Committee and the key issues highlighted for further scrutiny within the Committee work programme.

### **5. APPENDICES**

- Finance & Investment Committee Minutes 9 July 2013.