



Finance & Investment Committee (F&IC) Meeting Minutes

Venue: Kirkstall & Fountains, Springhill 2, WF2 0XQ

Date: Tuesday 12 November 2013

Time: 1400-1700

Attendees:

Name	(Initials)	Title
Elaine Bond	(EB)	Non-Executive Director (Chairman)
Pat Drake	(PD)	Non-Executive Director
Rod Barnes	(RB)	Executive Director of Finance & Performance
Dave Whiting	(DW)	Chief Executive
Anna Rispin	(AR)	Associate Director of Finance
Mike Fox Davies	(MFD)	Interim Executive Director of Operations

In attendance:

Catherine Balazs	(CB)	Head of Business Development (Observing)
John Nutton	(JN)	Non-Executive Director (Designate) (Observing)
Joanne Halliwell	(JH)	Associate Director, PTS (Item 10.1)
Mark Squires	(MS)	Associate Director of Support Services (Item 10.1)
Denise Sayles	(DS)	Head of Procurement (Item 10.1)
Deborah Ridley	(DR)	Portfolio Manager, Transformation (Items 15.0 and 10.1)
Steve Page	(SP)	Executive Director of Standards & Compliance (Item 8.0)

Apologies:

Barrie Senior	(BS)	Non-Executive Director (Observing)
Mary Wareing	(MW)	Non-Executive Director
Dr Dave Macklin	(DM)	Deputy Medical Director (Item 10.1)

Minutes produced by:

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

		Action
1.0	<p>Introduction & Apologies</p> <p>EB welcomed everyone and introduced John Nutton (JN), the new Non-Executive Director (Designate) who was observing the meeting as part of his induction. Apologies were noted as above.</p> <p>EB stated she would assume that Committee members had read the papers as this would allow more time to be spent debating the issues around those papers.</p> <p>EB further stated that, although the majority of covers had improved, further improvement was still required in some cases as she did not want to start rejecting papers due to lack of information going forward.</p>	

		Action
2.0	<p>Declarations of Members Interests There were no interests to be declared in relation to the agenda items.</p>	
3.0	<p>Minutes of the Last Meeting The Committee reviewed the minutes of the meeting held on 10 September 2013 and the following amendments were made:</p> <p>Page 6, paragraph 3 – PD stated that she had asked whether the Trust had a ‘recruitment scrutiny process’ rather than a ‘non-recruitment policy’.</p> <p>Page 9, Service Transformation Update – typographical errors to be amended in paragraphs 1 and 3.</p>	
4.0	<p>Action Log & Matters Arising The Action Log was reviewed and updated.</p> <p>2013/21 – HART Action covered in that day’s Private Board meeting. Action closed.</p> <p>2013/69 – Review of Workplan Item 6.0 on meeting agenda. Action closed.</p> <p>2013/70 – Clinical Hub Triage Item 7.0 on meeting agenda. Action closed.</p> <p>2013/79 – Fleet Related Capital Expenditure Item due to be revisited at meeting in February 2014. Item remains open with new closure date of February 2014.</p> <p>2013/86 – CIP Review Item 7.1 on meeting agenda. Action closed.</p> <p>2013/87 – CIP Review Item 7.0 on meeting agenda. Action closed.</p> <p>2013/88 – CIP Review Item on-going. Action remains open.</p> <p>2013/89 – CIP Review Review undertaken and information circulated. Action closed.</p> <p>2013/90 – Five Year CIP Review Data circulated. Action closed.</p> <p>2013/91 – Five Year CIP Review Information circulated. Action closed.</p> <p>2013/92 – Five Year CIP Review RB confirmed that some of the PIDs were still being worked up with a deadline of December for completion. Estimated closure date extended to February 2014.</p>	

	Action
<p>2013/93 – Service Transformation Update Item 8.0 on meeting agenda. Action closed.</p>	
<p>2013/94 – Service Transformation Update Item 8.0 on meeting agenda. Action closed.</p>	
<p>2013/95 – Service Transformation Update Item 8.1 on meeting agenda. Action closed.</p>	
<p>2013/96 – Service Transformation Update RB confirmed a PTS update including timing and future strategy had been scheduled for the BDM in March. Action closed.</p>	
<p>2013/97 – Service Line Management Update & Implementation Plan RB confirmed TEG had discussed this issue and IB was committed to developing an appropriate bank of staff, which would be built into the role of the new Associate Director of HR, interviews for which were due to take place later that week. Action closed.</p>	
<p>2013/98 – Review of Changes to LTFM/Downside Risk Action remains open – estimated closure date, February 2014.</p>	
<p>2013/99 – Financial Risks Item 11.0 on agenda. Action closed.</p>	
<p>2013/100 – Financial Risks Covered in Item 11.1, Mid-Year Review. Action closed.</p>	
<p>2013/101 – IPR Finance Section Amendment made to IPR. Action closed.</p>	
<p>2013/102 – Capital Expenditure RB confirmed this was on 4 Dec SMG agenda. Action closed.</p>	
<p>2013/103 – Treasury Management Policy Item 12.0 on agenda. Action closed.</p>	
<p>2013/104 – Commercial Strategy RB confirmed TEG continued to work on Commercial Strategy which would be brought to the February meeting. Action remains open.</p>	
<p>2013/105 – Commercial Strategy RB confirmed that discussion with BS had taken place. Action closed.</p>	
<p>2013/106 – Major Business Case Update Item covered during that day’s Private Board meeting. Action closed.</p>	
<p>2013/107 – Major Business Case Update RB confirmed item had gone to Contract Management Board meeting and the Trust was currently in discussions with the Commissioners. Estimated closure date Feb 2014. Action remains open.</p>	

		Action
	<p>2013/108 – Contracts Update Item 10.0 on agenda. Action closed.</p> <p>2013/109 – Contracts Update Item 10.0 on agenda. Action closed.</p>	
5.0	<p>Feedback from Board Meeting EB reported that the Trust Board meeting on 24 September had noted the constant fast rate of change and had recognised the level of information needed by F&IC to enable the Committee to gain assurance of how financial issues were being addressed.</p> <p>She stated that the Board had considered the annual business plan objectives and had highlighted issues such as PTS and sickness levels for continued focus.</p> <p>EB confirmed that the feedback from the TDA on their observation of the F&IC meeting had been received and circulated. The feedback was largely positive in terms of structure and participation. The main item highlighted related to the management of the Trust's CIP schemes when the TDA had suggested that an in depth look outside the meeting was required.</p> <p>DW stated his belief that this item of feedback would be considered in other meetings with the TDA.</p>	
6.0	<p>Workplan EB confirmed that a lot of changes had been made to the Workplan and these were highlighted in red on the version in the meeting pack.</p> <p>A review of procurement contracts' renewal dates had taken place with RB and JW. Some of the dates did not tie up with the procurement schedule which had led to quite significant changes being made, which was demonstrated by the large number of contracts on the agenda.</p> <p>EB added that, as the next scheduled F&IC meeting was not until February, an extraordinary meeting would be required in January. It had therefore been agreed that AA would discuss this with the Chairman and feed back to EB once a decision had been made.</p> <p>Action: AA to discuss inclusion of a January extraordinary F&I meeting with Chairman to report back to EB.</p> <p>PD pointed out that the next meeting was scheduled for 6 February and not 5 February as currently shown on the Workplan.</p> <p>It was agreed that any comments on the revised workplan should be emailed to EB outside the meeting.</p> <p>Action: Comments on revisions to F&IC Workplan to be emailed to EB.</p>	<p>AA</p> <p>All</p>

		Action
7.0	<p>Cost Improvement Plan Review - Detailed Position including:</p> <ul style="list-style-type: none"> • CIP Reserve Schemes; • CIP Mitigations; • Clinical Hub Triage <p>AR provided an update on the Cost Improvement Plan at month 6 2013/14 including reserve schemes. She stated that the tracker at the end of September was £4.37m against plan, which was a shortfall of £587k so some reserve schemes had been brought in.</p> <p>The overtime reduction CIP was under pressure so, for the remainder of the financial year, A&E overtime spend would be restricted to an agreed plan, which would still achieve the red 1 and 2 and CIP targets.</p> <p>AR confirmed that mobilised reserve schemes which were not yet on the tracker but which would be achieved, included additional savings on drugs and medical consumables, totalling £100k.</p> <p>Reserve CIP schemes were currently being worked up. A&E savings from the rota review included fuel savings on run-backs to base which would mitigate further CIP slippages.</p> <p>RB stated that a potential insurance rebate was another possible mitigation. This would be a non-recurrent payment resulting from the reduced number of claims submitted by YAS.</p> <p>EB expressed concern at the possibility of a drop in terms of predicted achievement to below 95%.</p> <p>RB agreed that this was a concern as this would put the Trust on an amber rating with the TDA, adding that there would be a significant amount of challenge if the Trust was to drop below 90%.</p> <p>In relation to section 2.11, EB asked MFD whether the Trust was online to achieve the additional saving.</p> <p>MFD confirmed that this was the case.</p> <p>DW added that TEG was monitoring the progress of the scheme with all of the accountable managers in the operational field.</p> <p>Approval: The Finance and Investment Committee noted the CIP position at the end of September and the actions being taken to bring the plan back into line.</p>	
7.1	<p>Unsocial Hours Payments</p> <p>AR provided an update on the Unsocial Hours Payments CIP reserve scheme which was being used in mitigation of the Effective Sickness Management CIP which would not deliver any savings in 2013/14.</p>	

	Action
<p>DW stated that there was a risk in the assumption that the CIP was achievable as some Ambulance Trusts had started to withdraw from making the deductions, notably London Ambulance Service who had sought legal advice and a QC opinion on the matter.</p> <p>He further stated that national discussions, in which Executive Director of People and Engagement, Ian Brandwood (IB), was involved, were under way. It was essential that the negotiations moved quickly and it currently looked as if the only sensible solution was to move to the national agreement of retrospective unsocial hours payments outlined in Section 2 of the NHS terms of conditions of service handbook.</p> <p>RB confirmed that the original estimated £420k saving was now at risk. In addition, the potential cost pressure of a move to Section 2 was a further risk.</p> <p>EB asked whether the Trust's £2.6m surplus would be at further risk.</p> <p>RB replied that a debate would be required on whether some of the Trust's other CIP mitigations could cover the financial risk. If not, the Trust would need to utilise part of its £1.4m reserves.</p> <p>DW stated that a debate was also underway on whether to repay any deductions already made and if so, when. YAS would not do this at the current time and NWAS was in same position. However, some trusts had agreed to repay the deductions in the following month's pay, which was not helpful.</p> <p>He acknowledged that the ambulance sector had been slow to get its house in order, adding that Section 2 would have been a fairer statement. However, the Trust recognised the position it was in and the risks associated with this.</p> <p>However, notwithstanding the risk that the Ambulance Trusts might backtrack on the decision, there were additional savings to be made in PTS and 111 which had yet to be quantified.</p> <p>Approval: The Finance and Investment Committee noted the update on the Unsocial Hours Payments mitigation scheme for 2013/14 and awaited further information following the conclusion of the national negotiations.</p>	
<p>8.0 Service Transformation Update - 111</p> <p>SP provided an update on NHS 111. He stated that, having taken legal advice, it was clear that it could be as punitive for the Trust to pull out of the contract as it was to remain in it, as the Trust would have been required to reimburse the Commissioners for losses, the cost of the procurement exercise, etc.</p> <p>SP confirmed that the current contract was for 3 years with an option to break with a further 2 years after this break.</p>	

	Action
<p>A long discussion took place about potential sources of additional funding for the service to help ease the Trust's current financial pressures.</p> <p>SP confirmed that the contract settlement for the current year, which had been designed as a total settlement for NHS 111 and West Yorkshire Urgent Care, had provided £2m of additional income. Separate discussions would be needed for future years.</p> <p>He stated that Local Care Direct had received £880k of the £2m with YAS retaining the balance. The Trust had a current projected overspend of £1.5m, including the additional £300k spend previously approved by the Board.</p> <p>SP further stated that although the whole contract settlement was based on plugging the gap that had already been created by existing activity levels, the extreme peaks of activity over winter had not been factored in.</p> <p>He confirmed that although, internally, winter planning work was well advanced, in addition he was also trying to broker further discussions with the CCGs on additional winter funds. There had been some positive indications around 2014/15 onwards but to date no 2013/14 winter money had been made available.</p> <p>PD asked whether the Trust had made contact with the individual Urgent Care Boards (UCBs).</p> <p>DW replied that he had written to the chairs of all UCBs outside West Yorkshire highlighting the possible risk around patient safety and requesting the sum of £77k per CCG. He was still awaiting a response but would be following up with key people.</p> <p>He confirmed that the winter planning work included the introduction of various mitigation plans. A further discussion around anticipated peaks in demand was planned for the following day's TEG meeting.</p> <p>DW further stated that YAS was currently seeking clarification of the national contingency plans through its lead Commissioners and NHS England as any mutual aid was potentially very important.</p> <p>EB asked how this would be built into the budget planning for 2014/15.</p> <p>RB replied that a piece of work was currently under way to provide a true picture of the base line information for 2014/15. He stated that 85% of the planned level of activity was the likely outcome for 2013/14 and to date the Commissioners had not suggested that they would require the 15% paying back to them.</p> <p>EB reiterated her belief that an extraordinary F&IC meeting might be required in January 2014 to look at the budget and procurement process.</p>	

		Action
	<p>RB stated that although the 2014/15 detailed planning guidance was not yet available, he had been informed that it was anticipated that contracts would need to be signed by the end of February. If this was to be the case, then a meeting to review the contracts would be needed in January.</p> <p>EB thanked SP for his helpful update on the improved picture in relation to NHS 111 and SP left the meeting.</p> <p>Approval: The Finance and Investment Committee noted the Trust’s current position in relation to its NHS 111 service and the actions being taken to improve the financial position of the service.</p>	
8.1	<p>Service Transformation Update – Patient Transport Service (PTS) (Including Re-structure)</p> <p>RB provided an overview of the proposed revised structure of the PTS planning and scheduling and management functions to provide assurance that it was financially viable within the PTS operational expenditure budget.</p> <p>RB stated that when considering the Unipart diagnostic the booking process was one of key efficiency benefits. However, planners’ lack of understanding of local geography had meant that the previous exercise had not had the desired outcome with many drivers under-utilised as it was easier for planners to book a taxi.</p> <p>He further stated that Alistair Gunn, who was on secondment to PTS from Business Development, had done good job and a new plan was now out for consultation with sessions taking place around the region.</p> <p>The plan would ensure progress was made with a move towards a regional hub; a team doing planning in the South; and out posted units in the East. He further stated that the South unit would cover North and West for the time being.</p> <p>The plan should ensure that fleet utilisation improved. Stage one was the need to look at how to increase automation in the process as eligibility criteria was very patchy. If YAS had a web-based tool with which both patients and hospitals were used to working, this would give YAS more leverage.</p> <p>EB agreed, adding it would also make YAS appear more up-to-date. She asked if anything was needed from a capital plan perspective.</p> <p>RB replied that ICT Infrastructure Manager, Ola Zahran, was working on this.</p> <p>PD asked whether PTS currently texted if they were going to be late for a pick up. RB replied that this was not currently done.</p>	

	Action
<p>EB stressed the need to engage with the private sector where a lot of good practice. For example, drivers from companies like DPD texted ahead to confirm their arrival time, etc.</p> <p>PD stated that it might be worth speaking to Outpatient Managers about their planning and encouraging them to schedule PTS-reliant appointments into a more sensible time slot.</p> <p>EB asked when the Trust was likely to be in a position to know the real commercials around PTS, as this would also link into Service Line Management (SLM).</p> <p>RB replied that it was likely to be around the end of the current year, adding that the more analysis of PTS service took place, the more potential opportunities became apparent.</p> <p>He further stated that the Trust was doing a 'bottom up' exercise, adding that there would be a need to look externally to sort out the top management tier. There was a lack of clarity between the Customer Relationship/Team Leader roles and locality manager roles.</p> <p>RB stated that Julie Tiler was doing an excellent piece of work in terms of co-ordinating the training programme and sorting out the job descriptions.</p> <p>PD asked who was managing the relationship with acute providers.</p> <p>RB replied that no one was managing the contracts other than the top tier of managers and acknowledged that this needed to be fed down to a more local level.</p> <p>It was agreed that this was a project on which both the F&I and Quality Committees would need to receive regular updates. To that effect, an update should come to both meetings in February 2014.</p>	
<p>Action: RB to provide a further update on PTS restructure at February F&I and Quality meetings.</p>	RB
<p>PD reiterated her belief that it would also prove useful to put time and effort into building better relationships with acute providers.</p>	
<p>EB thanked RB for his update.</p>	
<p>Approval: The Finance and Investment Committee noted the need to revise the managerial and operational infrastructure within the communications function in PTS linked to the identified benefits of the change and the progress being made to review and revise the wider PTS management structure to reflect strategic and operational needs of the service going forward.</p>	

		Action
9.0	<p>Service Line Management Update and Implementation Plan Deborah Ridley (DR), Portfolio Manager, Transformation entered the meeting to provide an update on the implementation of Service Line Management in the organisation.</p> <p>She stated that following the recent concerns expressed about the poor attendance of HR representatives at meetings, Sheila O’Leary had attended the last project meeting.</p> <p>DR further stated that work was on-going to develop a commercial website for Private and Events and Commercial Training, which would be extended to include PTS. In addition, a marketing role had been created to help raise additional income</p> <p>There were no questions for DR, so EB thanked her for her succinct update</p> <p>Approval: The Finance and Investment Committee noted the current status of Service Line Management.</p>	
10.0	<p>Contracts Update CB updated the Committee on the current contracting positions of the A&E, NHS 111 and PTS contracts.</p> <p>EB stated that the lack of detail in relation to previous discussions on the front sheet of the report had given her concern and requested that this information be included in future reports.</p> <p>CB stated that August, September and October had seen Red 2 Performance fall below contracted levels which would mean the application of financial penalties, with 2% (one twelfth of the annual contract value) being withheld for each month missed. For year to date Red 2 remained above the contracted 75% target and if the annual target was met then the withheld funding would be returned to YAS.</p> <p>She further stated that the most significant work of the last few weeks was around green calls and performance targets. Baseline reporting was now taking place and the work was going forward for further development in Urgent Care Boards, etc.</p> <p>CB confirmed that hospital handover times were improving across the region and discussions were under way with commissioners to agree how any financial penalties could be re-invested to improve service provision.</p> <p>EB asked whether the financial risk around hospital handover time penalties had been assessed.</p> <p>DW replied that TEG had discussed this and it had been noted that whilst some acute trusts had improved, there remained financial risks around YAS’ wrap up time in certain areas.</p>	

		Action
	<p>It was agreed that CB should circulate the papers that had been submitted to TEG to members of the F&IC.</p> <p>Action: CB to circulate the hospital handover time financial risk paper submitted to TEG to members of the F&IC.</p> <p>It was further agreed that AR should prepare a paper detailing the financial risks to the Trust for discussion at the February meeting.</p> <p>Action: AR to present a handover times financial risk paper at February F&IC meeting.</p> <p>CB stated that CQUINs remained on target to deliver at year end with the exception of the red performance in the under-performing CCG areas, which was currently highlighted as an amber risk.</p> <p>DW stated that the Trust needed to prioritise elements of its Red Plan.</p> <p>CB confirmed that SP had covered most of the NHS 111 update earlier in the meeting. There had been some challenge around the recent change of contract managers and had also been amendments to some of the KPIs where there had previously been confusion.</p> <p>CB stated that, as outlined by Mike Power in the body of the report, there had been some improvements to several of the PTS KPIs and significant changes across the areas.</p> <p>She further stated that the Intelligence Register drop in sessions continued to take place with 6-10 people attending each month. The meetings were now becoming more business focussed.</p> <p>Simon Murphy, the new Business Development Manager was now in post and he would be focussing on external business opportunities.</p> <p>Approval: The Finance and Investment Committee noted the content of the report.</p>	<p>CB</p> <p>AR</p>
10.1	<p>Procurement Forward Plan Update of Contracts for Review by the Finance and Investment Committee</p> <p>EB welcomed Mark Squires (MS) and Denise Sayles (DS) to the meeting and thanked DS for the summary she had provided giving the background to each contract.</p> <p>EB stated that in future it would be very useful if an additional sheet could be included behind the cover page of the report template, which covered the basics of each contract and a summary narrative. In addition, it would also be useful to receive a similar summary report prior to every meeting.</p>	

	Action
<p>Actions: Report template to be altered to accommodate contract summary.</p> <p>DS to provide a summary report of contracts to be considered prior to each F&IC meeting.</p> <p>1 A&E Defibrillators DS sought approval from F&IC to award the contract for Manual Defibrillators and AEDs in line with the financial threshold limits within the Trust's standing financial instructions.</p> <p>Approval was sought to award the contract to Physio Control Ltd for the duration of the Framework four-year contract period.</p> <p>Approval was further sought to award the contract Cardiac Science Ltd for devices included in the current year's capital programme for Community First Responders and spare parts and consumables for the existing devices across the region.</p> <p>JN asked whether the preferred bidder in terms of quality was open to negotiation in relation to price.</p> <p>DS replied that EU regulations meant that YAS was unable to negotiate on price.</p> <p>EB stated that for such a large contract the risk assessment section seemed to be very light and asked for assurance that all associated risks were being captured within the document.</p> <p>DS replied that, in terms of risks associated with the supplier, the preferred supplier was a multi-national company so risks would be minimal. In addition, the national framework had also gone through EU procurement regulations and was already in use by several ambulance trusts.</p> <p>It was agreed that DS would amend the risk section of the report to include more details.</p> <p>JN asked whether additional savings could be achieved by several ambulance trusts pooling their requirements.</p> <p>DS replied that whenever possible, trusts banded all of their volumes together to benefit from a reduced price as in the case of the carry chairs order the previous year. In addition, the Trust was carrying out a similar exercise in relation to the 43 vans it was looking to order in the current year combining YAS' and NEAS' volumes.</p> <p>EB asked about the practicality of carrying out pre-authorisation checks. DS replied this was captured in the national framework. Although the trusts had not been particularly good at doing this in the past it was the intention to do this going forward.</p>	<p>AA</p> <p>DS</p>

	Action
<p>EB suggested that pre-authorisation checks should be seriously considered in terms of other trusts being contacted prior to ordering.</p> <p>DS stated that the Trust had a considerable number of devices across the region in relation to Cardiac Science AED and would need to continue to purchase consumables which were available through that contract.</p> <p>JN asked whether there was any chance of a leasing arrangement, or whether similar contracts would always be capital.</p> <p>It was agreed that RB and JN should arrange to meet up to discuss capital allocation.</p> <p>Action: RB to arrange to meet with JN outside of F&IC to discuss capital allocation.</p> <p>Action: DS to amend report to include a more detailed Risk Assessment, combined volumes, negotiations with suppliers after award and the potential around leasing prior to the paper going to the Trust Board.</p> <p>Approval: Subject to the inclusion of the above amendments the Finance and Investment Committee approved the paper to go to Trust Board to seek approval to award the contract to Physio Control Ltd and Cardiac Science Ltd.</p> <p>2 Supply of Liquid Fuel (Verbal) AR sought approval to recommend to the Trust Board to award the contract for Liquid Fuels in line with Standing Financial Instructions.</p> <p>GB Oils Limited had supplied the service since 2009 under a Government Procurement Service (GPS) Framework which had been extended by GPS until Trusts were able to undertake further competitions under the new framework and award to new providers.</p> <p>A full European Tender exercise was conducted by GPS and due to YAS not having the expertise in terms of energy procurement GPS also undertook the further competition on the Trust's behalf. There were two preferred bidders, Web Oil Limited and Certas Energy (formerly GB Oils).</p> <p>The estimated saving per annum would be around £4k.</p> <p>DS stated that, under the old Framework, there was a small order premia charge on top of the supplier margin. Under the new framework these charges would all be included in the supplier margin with a saving of about £7.5k.</p>	<p>RB</p> <p>DS</p>

	Action
<p>AR confirmed that the current contract would expire when the award of the new contract was finalised. If approved, the new contract would be awarded from 1 December 2013 for a four year period which would consist of a two year initial contract period and an option to extend by two further 12 month optional extensions.</p> <p>She stated that usage of bunkered fuel for vehicles had increased over the last 12 months due to the Trust promoting use of this instead of fuel cards, as prices for bunkered fuel were more competitive.</p> <p>MS stated that the Trust currently used around 30% of bunkered fuel which amounted to a total value of around £3m in the year to date but it was hoped that this amount could be raised to around 40%.</p> <p>It was agreed that RB would circulate a formal paper to the Committee before taking it to the Trust Board.</p> <p>Action: RB to circulate written details of new contract to F&IC prior to paper going to Trust Board for approval.</p> <p>Approval: Subject to sight of a written paper outlining details of the new contract, the Finance and Investment Committee approved the proposal to go to the Trust Board to seek approval to award the contract to Web Oil Ltd and Certas Energy and to approve a blanket purchase order on an annual basis with delegated authority for the Associate Director of Support Services to authorise “call off” orders to enable expediency of fuel deliveries.</p> <p>3 A&E Sub Contractor Contract Extension</p> <p>DS sought approval for the retrospective spend in relation to the original contract value and to extend the current contract for 12 months with a view to tender the following year.</p> <p>She stated that the contract would ensure that YAS was able to draw on additional resources to support A&E operations in a cost effective and efficient way during difficult periods such as winter and the Christmas period; build system resilience in the event of major incidents; and support the delivery of contractual standards and performance targets.</p> <p>EB questioned the huge increase of £3.5m from 2012/13 to 2013/14 year to date and asked whether the organisation could try to negotiate a retrospective rebate on any of the expenditure.</p> <p>DS replied that the hourly rates charged to the Trust had already been reduced.</p> <p>RB stated that controls had been tightened going forward, with the only planned time for use of sub-contractors being a period of ten days over Christmas.</p>	<p>RB</p>

	Action
<p>EB asked who, historically, would have approved the expenditure.</p> <p>RB replied that it was likely to have been the Director of Operations. However, the expenditure had been to fill a gap in the workforce which had now been filled.</p> <p>DW stated that expenditure on sub-contractors should be zero from January and there was nothing to suggest that this would not be the case before then, apart from the budgeted ten days over Christmas.</p> <p>He further stated that, as there had been a steady decrease in their usage since Quarter one, there would not be a sudden shock for the suppliers of sub-contractors.</p> <p>EB asked whether a cost benefit had been negotiated for incremental volumes.</p> <p>DS replied that she would try to incorporate this.</p> <p>Action: DS to liaise with suppliers of sub-contractors to try to negotiate cost benefit for incremental volumes.</p> <p>EB stated that the paper would need to come to Board because of the historical use of sub-contractors and to evidence the controls that were now in place.</p> <p>Approval: The Finance and Investment Committee noted the retrospective spend in relation to the original contract value and recommend for Board approval the extension of the contract to all the existing providers</p> <p>4 Community Transport – PTS</p> <p>JH sought to provide assurance in regards to the procurement process for the commissioning of third party transport providers to support Patient Transport Services and sought approval for award of the contracts.</p> <p>She further stated that the Trust had learned a lot from the original procurement framework exercise which had led to subtle but significant changes. For example, the dead mileage options included in the original exercise had been taken out. However, PTS would always require an element of sub-contractor flexibility and an 80/20 split was the valid option currently being working on.</p> <p>PD stated that there had recently been a number of PTS patient safety issues including falls and equipment breakage. She asked when incidents occurred in the presence of contractors, did they have a responsibility to report these incidents to YAS in the same way as YAS' own staff.</p>	<p>DS</p>

	Action
<p>JH confirmed that they did, adding that historic controls had been strengthened. For example, new providers would have a site visit and governance check prior to being awarded a contract. If they failed these checks they would not be awarded a contract.</p> <p>EB asked whether it would be possible to consolidate the current 31 providers. JH replied that this would not be cost effective.</p> <p>DS stated that there was already a limited choice in some areas which had led to problems. The identification of suppliers had therefore been carried out on a post code basis for the new contract.</p> <p>EB expressed concern about the stability of provision due to the large number of providers and asked whether details of the site visits and governance checks could be shown in the paper.</p>	
<p>Action: JH/DS to provide details about governance checks of providers, etc in the paper to go to Board.</p>	JH/DS
<p>EB requested details of the 2014/15 budget.</p> <p>JH replied that the £2.3m baseline would dovetail into initiatives to reduce sub-contractor expenditure and be part of the 2014/15 budget setting. She stressed the total budget would be no more than £2.3m.</p> <p>DS stated that some contracts, such as those for products, included volume rebates. This type of contract historically had not, as it was a “call off” contract with no guaranteed level of work. It was unclear therefore if providers would offer volume rebates.</p> <p>It was agreed that the paper should clarify the above prior to it going to the Board.</p>	
<p>Action: JH/DS to amend paper to explain the approach taken to volume rebates.</p>	JH/DS
<p>EB asked whether the table which formed Appendix 1 could be simplified, as it was currently too complicated.</p>	
<p>Action: JH/DS to simplify table in Appendix 1</p>	JH/DS
<p>Approval: Subject to the above amendments, the Finance and Investment Committee was able to provide formal assurance to the Trust Board in regards to the procurement process for commissioning of third party transport providers to support Patient Transport Services. This in turn resulting in successful contract award at Board Level against the procurement framework</p>	

	Action
<p>5 Telephone Translation Services</p> <p>DS sought approval to award the contract in line with Standing Financial Instructions. It was noted that telephone translation services had been debated in an earlier Quality Committee meeting.</p> <p>DS further stated that the current provider, Language Line, charged £1.50 per minute for language services regardless of language. These rates were not as competitive as The Bigword, the recommended supplier, who rates ranged between 54p and 47p per minute.</p> <p>It was noted that the three main languages were Polish, Slovak and Czech.</p> <p>DS stated that The Bigword, was based in Northern Ireland and was currently being used by the Department of Work and Pensions.</p> <p>PD stated her belief that, in addition to cost savings, the Trust should also get some quality improvements including speed of access.</p> <p>Approval: The Finance and Investment Committee gave its approval for the contract to be signed by the CEO and awarded to The Bigword.</p> <p>6 Gas Equipment – Heating & Hot Water Services</p> <p>AR outlined the procurement process for the Commissioning of a supplier to provide Gas Services to all of the Trust premises and sought approval for award of the contract.</p> <p>She stated that the three elements of the previous contract which were: servicing, estimated repairs and capital, had been wrapped up into one contract, with British Gas the preferred provider. On the assumption that YAS spent the same amount on boilers in next two years the contract was potentially worth around £900k.</p> <p>EB confirmed that the above contract had been discussed at the last meeting of F&IC. Following a request at that meeting, a revised report and detailed contract documentation had been circulated together with assurance that the paperwork had been reviewed by YAS' legal team.</p> <p>DS stated that, although this was below the usual amount for sign off by the Board, she would prefer it to go to the Board for sign off.</p> <p>There were no questions.</p> <p>Approval: The Finance and Investment Committee approved the award of the contract to British Gas Ltd to go forward to the Trust Board for final sign off.</p> <p>7 HART</p> <p>EB confirmed that the HART business case had been presented at that day's Private Board meeting.</p>	

	Action
<p>This was to seek approval from the Trust Board to award the contract for internal fit out works for Manor Mill Lane, following a comprehensive tendering exercise in line with Trust Standing Financial Instructions.</p> <p>She further stated that the Private Board meeting had:</p> <ul style="list-style-type: none"> • Noted the governance and assurance processes carried out by the HART project and subsequent tender process to date. • Noted the reports and recommendations provided by E C Harris and Jacksons Law Firm. • Noted the risks and mitigations highlighted for the scheme. • Approved the award of contract to Torpoint as successful contractor to carry out refit to the purchased site (Remploy, Manor Mill Lane) <p>8 Neutral Vendor for Non-Medical Temporary Staff</p> <p>AR sought retrospective approval for the difference in spend on the current contract from the original anticipated contract value and approval to extend the current contract for 12 months.</p> <p>She stated that the current contract was due to expire on 5 December with the proposed extension running from 6 December for 12 months. Based on the level of spend for the last 7 months, expenditure for the 12 months' extension was anticipated to be around £800k.</p> <p>EB stated that, format-wise, the paper needed more detailed information in Section 4, Spend.</p> <p>Other suggested amendments included: 5.1 – reword to make this clearer to the reader; 6.1 - 'expires' not 'expired'</p> <p>EB asked about the controls currently in place. She stated that although there was no alternative but to approve the retrospective expenditure she would need information about what controls were in place and where they were picked up.</p> <p>DS replied that the recruitment team had to receive a cost control before they could place any advertisements, etc so approval of all cost control requests was via RB.</p> <p>RB stated that the only way that the process could be managed was retrospectively through contract management or recruitment.</p> <p>EB stated that as the appendix had no narrative, it was left to the reader to work out the messages. It was her belief that a narrative should be included to further validate the information and she suggested that the paper needed revision before it went to the Trust Board for approval.</p> <p>PD stated that she had nothing else to add and was happy for the paper to go to the Trust Board with the above amendments.</p>	

	Action
<p>Action: DS to amend paper taking in all suggestions above prior to paper going to Trust Board.</p> <p>Approval: Subject to the amendments above, the Finance and Investment Committee approved the difference in spend on the current contract from the original anticipated contract value and the extension of the contract to Comensura Ltd to go forward to the Trust Board for approval.</p> <p>9 Microgeneration Technologies DS sought approval to award the contract for Solar PV Renewables. She stated that the aim of the contract was to ensure that YAS met its obligations under the Climate Change Act to reduce carbon emissions.</p> <p>It was the Trust's belief that, by installing green technologies, it would reduce its carbon emissions and as an added benefit would generate electricity and therefore to reduce its costs in terms of national grid electricity prices. In addition, an income would also be generated from the installation of the green technologies.</p> <p>EB stated that the paper needed further development as it lacked detail in some areas. For example, the value of the contract was not clear and it was her belief that the contract proposed had poor pay back. In addition, the top two vendors (2 and 6) received very close scores but the reason for the final decision had not been explored in detail.</p> <p>JN stated his belief that over a 20 year period the Trust would need to be at least cost neutral and asked what discount rate had been assumed.</p> <p>RB replied that it was about 3%.</p> <p>EB requested further details of the financial evaluation as this needed more work and more explanation.</p> <p>RB asked whether the paper would need to go to Board.</p> <p>DS replied that she was not sure, as the values of years 2 and 3 were not yet known.</p> <p>EB stated that she would like to see more information about the background leading to the decision; a commentary about why the decision was made in terms of valuation of scores, etc; more narrative not figures, to make the value of the contract clearer; and an opinion on pay back including the recognition of poor pay back if necessary. She suggested that DS should circulate the amended paper to the F&IC members prior to it going to the Board.</p>	<p>DS</p>

		Action
	<p>Action: DS to incorporate suggestions above and recirculate amended paper to F&IC members prior to it going to Trust Board.</p> <p>Approval: The Finance and Investment Committee noted the paper and requested the above amendments prior to the paper going to the Trust Board to seek approval to award the contract to Solariaenergy UK Ltd.</p>	DS
11.0	<p>Review of Changes to LTFM/Downside Risk RB stated that there were no major changes to the LTFM. Work was on-going and would be completed before Christmas.</p> <p>It was agreed that RB should present a more detailed update at the February F&IC meeting.</p> <p>Action: RB to present more detailed update at the February F&IC meeting.</p> <p>Approval: The Finance and Investment Committee noted the update.</p>	RB
11.1	<p>Mid-Year Financial Review RB provided an update of the first six months of 2013/14 summarising the key trends and variances drawn from individual directorate performance and projecting forward the expected financial outturn for the full year. He also identified and quantified the current risks to YAS' financial outturn and the degree to which these could be mitigated from current contingency reserves.</p> <p>EB stated that she had already given her comments on the paper which she thought was excellent in terms of what had been requested by the Committee over the past few months.</p> <p>She further stated that whilst it was worrying to hear about the current picture in relation YAS' reserves, it was not something that could instantly be solved but at least the Trust recognised the problem.</p> <p>EB stated her belief that the paper should be taken to the Board, as it was a useful summary to help increase the Directors' awareness of the current financial picture.</p> <p>Action: AA to include Mid-Year Financial Review on the agenda for the Private Board meeting on 26 November.</p> <p>DW acknowledged that although the current picture was no different to the Trust's experience over the past 2 years, the Trust's reserves position was much tighter in the current financial year.</p> <p>JN asked if there was any expenditure that could be deferred.</p>	AA

		Action
	<p>RB agreed to look into this suggestion.</p> <p>Action: RB to look into possibility of deferring any expenditure.</p> <p>A discussion took place about the A&E Resource Plan and EB stated that challenge and controls were the key messages.</p> <p>PD stated that NHS 111 was the major unknown in the current year.</p> <p>DW acknowledged that this was the case, adding that in any other year the only major uncertainty would be severe winter weather. He added that the Commissioners did not currently recognise the need to underpin a resilient 111 service.</p> <p>EB stated that the ability to fill vacancies seemed to be a problem with which the organisation continually struggled.</p> <p>DW stated that in 2012 the Trust had 119 vacancies going into winter. In 2013 the position was much improved with fewer than 20 vacancies.</p> <p>JN stated that although he was new to the NHS it seemed to him that in the commercial sector a sickness rate of 5% would be an inordinate amount of sickness and wasted resource.</p> <p>DW stated that sickness had been a problem at YAS for some time with the Trust having a higher than sector average. Although good progress was being made he acknowledged that a sickness level of 5.5% was still too high and further progress was required.</p> <p>PD stated that BS and she would discuss the topic in greater depth with JN outside of the meeting and suggested that he should attend the next meeting of the sickness turnaround group.</p> <p>Action: PD to arrange meeting with BS and JN to discuss the Trust's sickness issue in greater depth.</p> <p>JN to attend next meeting of sickness turnaround group.</p> <p>Approval: The Finance and Investment Committee noted the update.</p>	<p>RB</p> <p>PD</p> <p>JN</p>
11.2	<p>Financial Risks (including Budget Variances Action Plans)</p> <p>AR presented the Committee with an update on the Trust's financial risks and exceptional budgetary and treasury items. She stated that the October position was a surplus of £1.6m against a plan of £2m, adding that the forecast remained at a surplus of £2.6m subject to the outcome of the meeting's earlier discussions.</p> <p>EB asked that the information contained in 2.4, relating to risk reference 3a be put into the mid-year report.</p>	

	Action
<p>Action: Information in 2.4 re risk reference 3a to be included in Mid-Year report.</p> <p>EB asked whether the risk in paper 10 about the potential loss of contracts was included on the corporate risk log.</p> <p>CB confirmed it was already included as an on-going overarching risk.</p> <p>EB asked how departmental level risks were currently reviewed, as FI&C needed to gain assurance that the whole spectrum of risks was being reviewed at appropriate levels in the organisation.</p> <p>RB stated he had spoken to Mark Hall about the Corporate Risk Register as some things added to the Finance risk register were actually operational risks with financial implications, rather than financial risks.</p> <p>SP stated that the issues were already being worked so although there was now a better visibility of risks, there was still further work to do.</p> <p>It was agreed that RB should bring a paper about the process for definition, allocation and review of risks to the next F&IC meeting.</p>	<p>RB</p>
<p>Action: RB to provide an update on the definition and review of financial risks to next F&IC meeting.</p> <p>PD expressed concern about the large sums included in the list of 90 days debtors, pointing out that West Yorkshire Police were on the list.</p> <p>AR replied that this item was subject to on-going discussions with the training department as the police believed that a quid pro quo arrangement had been in place for this work. She added that several debts were now in the hands of the Trust's debt collection agency.</p> <p>RB stated that the list of debtors was now being more actively managed although several issues still needed clarification, including a solution to the problem of monies owed by the former PCTs.</p> <p>It was agreed that AR would provide further information on the issue of debtors at the February meeting.</p>	<p>RB</p>
<p>Action: AR to provide further information re debts owed to the Trust at the February meeting.</p> <p>Approval: The Finance and Investment Committee noted the financial risks highlighted and were assured that the risks were being managed and mitigation plans were in place.</p>	<p>AR</p>

		Action
11.3	<p>Year-To-Date Financial Performance – September IPR – Finance Section: CQUINS; Treasury KPIs</p> <p>EB asked if there were any questions relating to the September IPR.</p> <p>PD asked whether the Trust was absolutely assured that the new rotas would commence in January 2014.</p> <p>DW replied with his belief that enough work was being done to ensure that this would be the case. The main risk in relation to the work was around Trades Union relationships which could disrupt progress.</p> <p>EB stated that she was concerned about the unsocial hours situation.</p> <p>DW replied the Trust seemed to be in agreement with Unison on the majority of the contentious issues, the major challenge going forward was the need to carry this through to all of YAS’ staff.</p> <p>PD asked whether all of YAS’ staff had to agree to the changes.</p> <p>DW replied that it would be a majority decision. He stressed that the change needed to happen, adding that the Trust must keep its focus on delivery at end of January.</p> <p>Approval: The Finance and Investment Committee noted the paper.</p>	
12.0	<p>Treasury Management Policy</p> <p>AR presented the Trust’s new Treasury Management Policy for consideration and approval which the Trust had to have in place to ensure that there was control over the management of its banking arrangements and cash although nothing had been invested to date.</p> <p>There were no queries.</p> <p>Approval: The Finance and Investment Committee approved the Trust’s revised Treasury Management Policy.</p>	
13.0	<p>2014/15 Budget Timetable</p> <p>RB presented the guidelines and timetable for the preparation of the 2014/15 revenue and capital budgets.</p> <p>EB expressed disappointment that there was no prior review reference on the front page of paper. As the document was fairly fundamental it was her belief that it should have already been considered by TEG.</p> <p>RB replied that unfortunately the F&IC meeting was out of alignment with YAS’ internal planning schedule so TEG had not yet been unable to see the Plan. It would, however, have normally gone through a series of internal meetings before going to F&IC.</p>	

		Action
	<p>EB stated that amendments were required to some of the dates on the Plan to ensure that the document was considered by TEG first.</p> <p>Action: RB to alter Budget setting timetables to ensure they are considered by TEG before coming back to F&I or Audit Committee.</p> <p>Approval: The Finance and Investment Committee noted the current content of the Budget Setting Plan.</p>	RB
14.0	<p>Major Business Case Update - HART RB stated that no further update was required on the current status of the new HART site as it had been covered off in the earlier Private Board meeting discussions.</p> <p>Approval: The Finance and Investment Committee noted the update report.</p>	
15.0	<p>Mid-Year Review – New Commissioning Arrangements EB stated that the front sheet of the paper needed amendment.</p> <p>CB updated the Committee on the current commissioning of YAS’ three key service areas, PTS, NHS 111 and A&E. The paper outlined the external complexities that the Trust faced.</p> <p>She stated that initially many of the Trust’s contacts in CCGs were known to the Trust as ex-PCT employees, etc. However, as the months had progressed there had been significant changes to personnel in the CSUs and CCGs. Not everyone was familiar with YAS’ on-going contracting arrangements which had led to some problems.</p> <p>In appendices 1, 2 and 3 CB highlighted the large number of external contacts which the organisation needed to use as opportunities to promote itself and sell its services. She stated that the Trust needed to work smarter and consider how best to cluster around these contacts as it was currently quite a significant challenge to attend all of the meetings it was expected to attend. YAS had to work with 23 CCGs and it was a worry that many of these might not possess any strong understanding of the contract process.</p> <p>EB asked whether the Commissioners appreciated how many contacts YAS had to liaise with.</p> <p>PD asked whether it would be possible for YAS to shape its commissioning landscape slightly differently.</p> <p>CB replied that one risk not fully captured was the more recent development of break out groups whereby CCGs were holding their own cluster meetings to look at local arrangements.</p>	

		Action
	<p>PD stated her belief that more controls should be in place over who attended which meetings. For example Commissioners should not be attending Locality Board meetings.</p> <p>RB stated that the organisation recognised it had not yet perfected its customer relationship management and acknowledged the item would need to go to TEG for consideration before coming back to F&IC.</p> <p>Action: RB to raise issue of customer relationship management at TEG.</p> <p>It was agreed that CB should share the paper and three appendices with the Chairman.</p> <p>Action: CB to share the paper and three appendices with the Chairman.</p> <p>It was agreed that CB should present the revised paper at the February F&IC meeting. The paper should contain details of YAS' representation at each meeting, suggestions of what could be delegated, etc.</p> <p>Action: CB to present revised paper at February F&IC meeting to give FI&C assurance</p> <p>DW confirmed the majority of work would have been carried out by February. He stated that TEG would continue to consider the best ways in which to manage the Trust's relationships going forward.</p> <p>PD thanked CB for her update and congratulated her on her efforts to maintain consistency in YAS' many relationships.</p> <p>Approval: The Finance and Investment Committee noted the content of the report.</p>	<p>RB</p> <p>CB</p> <p>CB</p>
<p>16.0</p>	<p>Summary of Issues to Trust Board</p> <p>EB stated that she would produce the usual summary paper of the meeting for the forthcoming Trust Board Meeting in Public in which the CIPs would feature highly. She would also ensure that the positive moves in the Mid-Year Financial Review were highlighted.</p> <p>EB thanked everyone for attending and participating in the meeting.</p>	
<p>The meeting closed at 1715 hours.</p> <p>Date and Time of Next Meeting – Tuesday 6 February 2014, Boardroom, 1400-1700</p>		