



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

**Venue:** Boardroom, Springhill 2, WF2 0XQ

**Date:** Thursday 3 April 2014

**Time:** 1400-1700

### Attendees:

Name	(Initials)	Title
Elaine Bond	(EB)	Non-Executive Director ( <b>Chairman</b> )
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
Russell Hobbs	(RH)	Executive Director of Operations
Mary Wareing	(MW)	Non-Executive Director

### In attendance:

Barrie Senior	(BS)	Non-Executive Director (Observing)
John Nutton	(JN)	Non-Executive Director (Designate) (Observing)
Steve Page	(SP)	Executive Director of Standards & Compliance (Item 8.0)
Catherine Balazs	(CB)	Head of Business Development (Observing)
Joanne Halliwell	(JH)	Associate Director, PTS (Item 8.1)
Deborah Ridley	(DR)	Portfolio Manager (Transformation) (Item 9.0)
Anne Allen	(AA)	Trust Secretary (Observing)

### Apologies:

Chris Dodd	(CD)	Commercial Manager (Observing)
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### Minutes produced by:

Mel Gatecliff	(MG)	Commercial Services Manager
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The meeting commenced at 1400 hours.

		Action
<b>1.0</b>	<p><b>Introduction &amp; Apologies</b></p> <p>EB welcomed everyone to the meeting and apologies were noted as above.</p> <p>It was assumed that papers had been read as this would allow more time to be spent debating the issues around those papers.</p> <p>EB confirmed that the Committee effectiveness session, facilitated by Mersey Internal Audit Agency was due to take place on 8 April.</p> <p>EB stated that, again, not all of the papers within the pack were of the required quality. For example, in some cases the new cover sheet had not been used and the additional summary sheet had not been attached to the Procurement contract.</p>	

		<b>Action</b>
	EB reiterated the importance of using the correct documents going forward.	
<b>2.0</b>	<b>Declarations of Members Interests</b> There were no interests to be declared in relation to the agenda items.	
<b>3.0</b>	<b>Minutes of the Last Meetings</b> The minutes of: the Finance & Investment Committee meeting held on 6 February 2014 were approved as a true and accurate record of the meetings.  <b>Matters Arising</b> There were no matters arising.	
<b>4.0</b>	<b>Action Log &amp; Matters Arising</b> The Action Log was reviewed and updated.  <b>2013/92 – Five Year CIP Review</b> AR confirmed that this would be covered as part of the agenda. Action closed.  <b>2013/98 – Review of Changes to LTFM/Downside Risk</b> RB confirmed this would be covered during the LTFM presentation. Action closed.  <b>2013/104 – Commercial Strategy</b> RB confirmed that this was on the Workplan for the June meeting. Action closed.  <b>2013/107 – Major Business Case Update - ECS</b> RB confirmed that this action had been completed. Action closed.  <b>2013/138 – Clinical Leadership</b> Action had been re-opened at the February meeting. An update was due to be presented at that day's meeting. Action closed.  <b>2014/001 – Procurement Forward Plan – Update of Contracts for Review</b> RB confirmed that all of the ICT contracts were now included in the Procurement Forward Plan. Action closed.  <b>2014/002 – Liquid Fuels</b> RB had provided the requested information. Action closed.  <b>2014/003 – PTS Ambulance Capital Purchase</b> Assurance was given this would be done going forward. Action closed.  <b>2014/004 – PTS Ambulance Capital Purchase</b> RB confirmed that the update had been provided. Action closed.	

	Action
<p><b>2014/005 – A&amp;E Ambulance Conversions</b> Requests had been submitted and actioned. Action closed.</p>	
<p><b>2014/006 – A&amp;E Ambulance Conversions</b> Documents had been tabled at January Board meeting. Action closed.</p>	
<p><b>2014/007 – 2014/15 Annual Budget Setting Process Update – Revenue &amp; Capital</b> RB confirmed that a conference call had taken place in March with further information available at that day’s meeting. Action closed.</p>	
<p><b>2014/008 – 2014/15 Annual Budget Setting Process Update – Revenue &amp; Capital</b> RB confirmed that a conference call had taken place in March with further information available at that day’s meeting. Action closed.</p>	
<p><b>2014/009 - Introduction</b> AA confirmed that the template had been amended and re-circulated. Action closed.</p>	
<p><b>2014/010 – Review of Workplan</b> EB confirmed that the Workplan was on the agenda. Action closed.</p>	
<p><b>2014/011 – Review of Workplan</b> EB confirmed that the two meetings had been built into the F&amp;I and Quality Committees’ Workplans. Action closed.</p>	
<p><b>2014/012 – Review of Workplan</b> EB confirmed that the Claims paper had been added to the Workplan. Action closed.</p>	
<p><b>2014/013 – Review of Committee Effectiveness and Terms of Reference</b> Committee effectiveness session arranged for 8 April. Action closed.</p>	
<p><b>2014/014 – Cost-Improvement Plan Review (including business cases of top programmes)</b> Item to be covered at next joint meeting. Action closed.</p>	
<p><b>2014/015 – Service Transformation Update - 111</b> RB confirmed that the paper had been updated. Action closed.</p>	
<p><b>2014/016 – Lessons Learned from 111 Tender Exercise</b> RB confirmed that this action, which had come out of the original Deloitte report to the Audit Committee, was on-going. It predominantly related to due diligence arrangements and the next test would be the GP Out of Hours tender in North Yorkshire to which the principles would be applied. Action closed.</p>	
<p><b>2014/017 – Patient Transport Service (PTS) Financials</b> RB confirmed that the information had been presented to the Board. Action closed.</p>	

	Action
<p><b>2014/018 – Service Line Management Update and Implementation Plan</b> DW confirmed that this item would be part of the key TPMG projects for the year and would be covered during agenda item 9. Action closed.</p> <p><b>2014/019 – Service Line Management Update and Implementation Plan</b> DW confirmed that the new Associate Director of HR, was now in place and SLM would be picked up as part of her portfolio. Action closed.</p> <p><b>2014/020 – 2014/15 Annual Budget Setting Update – Revenue and Capital</b> RB confirmed that the meeting had taken place. Action closed.</p> <p><b>2014/021 – Understanding your LTFM</b> RB agreed to re-circulate the information. Action closed.</p> <p><b>2014/022 – Understanding your LTFM</b> RB agreed to re-circulate the information. Action closed.</p>	
<p><b>5.0 Feedback from Board Meetings</b> EB stated that there was nothing significant to note at this stage.</p>	
<p><b>6.0 Review of Workplan</b> EB stated that RB and she had considered the Workplan in terms of standing items and had tried to include everything that was relevant in terms of the Committee’s Terms of Reference with a couple of items grouped together under a single title.</p> <p>EB stated that there was currently no draft assurance statement to the Audit Committee on the Workplan and suggested it could be included as a standing agenda item alongside ‘Summary of Trust Issues to Trust Board’.</p> <p>BS was happy with this proposal.</p> <p>EB stated that contracts to be considered had all been added in purple and cross referenced to the contract spreadsheet with the exception of the Vehicle Accident Repairs which still needed to be added.</p> <p>RB asked whether consideration of the possibility of a separate briefing on the Finance elements of the new accountability framework was required.</p> <p>DW suggested that a future BDM might be a more appropriate forum for this item.</p> <p>RB stated that the whole transport service tender would need factoring in to the Workplan, suggesting that the September meeting might be the most appropriate to consider this item.</p>	

		<b>Action</b>
	<p>EB stated that the joint meetings with the Quality Committee in June 2014 and February 2015 would need to be added to the Workplan.</p> <p><b>Action:</b> <b>JW to add June and February joint meetings with Quality Committee to Workplan.</b></p> <p>MW stated her belief that the service transformation feed would be covered to some extent by reviewing major business cases and asked whether anything else was required.</p> <p>Following a lengthy discussion it was agreed that the SLM agenda item should be broadened to include a Service Transformation Programme Group update which would include pressures on surplus in terms of service lines in deficit or break even and opportunities in other areas. It was agreed that looking at the picture in the round would enable better decision making.</p> <p>It was further agreed that changes to LTFM downsides and mitigations should also be added as a standing item and that RB and DW should consider outside the meeting amendments to the CIP report to cover an update from the CIP Management Group.</p> <p><b>Action:</b> <b>RB/DW to amend the CIP report to cover an update from the CIP Management Group prior to the June meeting.</b></p> <p>A presentation on the Commercial Strategy was confirmed for the June meeting.</p> <p><b>Action:</b> <b>Commercial Strategy to be included as an agenda item for June meeting.</b></p> <p>It was agreed that MG should provide EB with a summary of the above points for consideration prior to the Committee effectiveness session on 8 April.</p> <p><b>Action:</b> <b>MG to provide EB with summary of Workplan section as soon as possible.</b></p>	<p><b>JW</b></p> <p><b>RB/DW</b></p> <p><b>EB/RB</b></p> <p><b>MG</b></p>
<b>7.0</b>	<p><b>Cost Improvement Plan Review</b></p> <p>AR provided an update on the Cost Improvement Plan at month 11 2013/14, including reserve schemes and the 2014/15 plan</p> <p>She confirmed that, when closing down the 2013/14 Plan, there was nothing to suggest that the Trust had not achieved its 97% target.</p> <p>EB congratulated everyone on their efforts.</p>	

	<b>Action</b>
<p>AR stated that the risks around the 2014/15 plan were set out in the paper</p> <p>RH stated that he was due to meet with RB to discuss the risks associated with the A&amp;E Operations CIPs and confirmed that work was on-going in relation to mitigations and reserve schemes to plug the missed meal break payments.</p> <p>EB acknowledged that a lot of work was on-going in the background but still had concerns about details of the CIP schemes being rolled forward into the following year.</p> <p>JN asked why all current mitigations were not automatically being taken forward.</p> <p>RH replied that he needed to be assured that the CIPs he had taken over were deliverable and it was currently unclear to him how deliverable they were and what the risks associated with them were.</p> <p>EB asked the NEDs how familiar they were with the PIDs for each of the CIPs in the table of major CIP programmes on page 3 and how assured they were that those savings would be made.</p> <p>EB further stated that she did not feel as familiar as she should be with some of the PIDs around those CIPs and asked how the NEDs could gain more knowledge and understanding of them.</p> <p>DW stated that there had been a lot of discussion and review of the CIP Programme in the CIP Management Group. The NEDs had seen some of the detail in previous meetings and although the numbers might have been revised, the original approach and structure of the PIDs remained in place.</p> <p>EB asked whether F&amp;IC should receive a specific report from the monthly CIP Management Group's meetings to help Committee members gain more assurance.</p> <p>JN stated his view that, although a large part of the Trust's budget, income and expenditure was largely secure and certain, the overall result for the year was, critically dependent on a few key matters including the CIPs, CQUINs and Red Targets.</p> <p>DW replied that the twice-yearly joint Committee meetings would allow the NEDs to discuss their concerns with the people constructing and delivering the CIPs.</p> <p>DW agreed to consider the best way in which to share more detailed information from the CIP Management Group and would bring a report back to the June meeting.</p>	

	Action
<p><b>Action:</b>  <b>DW to consider how best to share more detailed information from the CIP Management Group with the F&amp;IC and bring a report back to the June meeting.</b></p> <p>MW suggested that the June meeting might provide a good opportunity to look at the PIDs in detail to allow those people who had not seen them before the chance to consider them.</p> <p>RB replied that the majority of PIDs had already been shared, as the bulk of the schemes were those shared at the November joint meeting although it was likely that there would be a couple of new PIDs that would need to be considered for the first time.</p> <p>He further stated that the detail behind the PIDs could be considered at the joint Committee meeting in June with information from the CIP Management Group fed in via its report to the Committee. This should therefore provide the NEDs with more assurance.</p> <p>RB stated that, given some of the challenges faced by the Trust during 2013/14, that it had achieved its 97% target should provide some assurance in the process. He thanked everyone concerned for their efforts over the past 12 months.</p> <p>EB invited comments on the five-year CIP plan.</p> <p>AR stated that the new version was set out differently. All of the entries above the green lines were figures that were going into the TDA plan.</p> <p>EB asked whether the figures should be shown from high to low value.</p> <p>AR stated that they were currently listed in directorates but she would amend the lay out of the table to group the higher value CIPs together.</p>	<p><b>DW</b></p>
<p><b>Action:</b>  <b>AR to group higher value CIPs together at the top of the five-year plan rather than in directorate order.</b></p> <p>AR confirmed that some of the proposed CIPs would need to come back to the June meeting as they were still being developed.</p> <p>JN asked how the CIPs were worked out.</p> <p>DW replied that this was done at a number of levels including TEG, SMG, RB and his team working with various directorates and the CIP Management Group.</p> <p>EB stated her belief that it had been difficult to focus on the details of the CIPs over the past 2 years.</p> <p>RB stated that both reserve and active schemes are assessed on an ongoing basis.</p>	<p><b>AR</b></p>

	<b>Action</b>
<p>However, after initial consideration, those reserve schemes which seemed viable to do immediately would move above the line and others, which would be more challenging to deliver would slip below it.</p> <p>PD asked for Graeme Jackson's name to be taken off the list of CIP scheme Lead Managers.</p> <p><b>Action:</b> <b>AR to remove Graeme Jackson's name from the list of CIP scheme Lead Managers.</b></p> <p>AR stated that the extra 111 savings referred to in paragraph 4.2.4 were not yet reflected on the tracker and would need to be worked up.</p> <p><b>Action:</b> <b>AR to work up extra 111 savings referred to in 4.2.4 and to include them on the tracker.</b></p> <p><b>Approval:</b> <b>The Finance &amp; Investment Committee had sufficient assurance of CIP delivery for 2013/14 and the plan for 2014/15.</b></p>	<p><b>AR</b></p> <p><b>AR</b></p>
<p><b>8.0 NHS 111 Cost Improvement Plan</b></p> <p>SP entered the meeting to provide an update and assurance with regard to the NHS 111 Cost Improvement Plan for 2014/15 based on a paper written by Keeley Townend (KT), Associate Director of NHS 111/Urgent Care.</p> <p>The Committee discussed the NHS 111 financial settlement and activity volumes for 2014/15.</p> <p>SP stated that a revised financial settlement had been agreed in relation to WYUC. This acknowledged the requirement of commissioners and providers to work collectively on service redesign over the next 12 months.</p> <p>EB acknowledged the enormous effort that had been put into the NHS 111/WYUC negotiations to reach the current position and asked whether anything had been agreed to address the longer term issues.</p> <p>SP replied that, although the Commissioners acknowledged that something needed to change, there was no agreement to date on this.</p> <p>EB stressed that it would be critical to agree changes on an on-going basis during the course of the year.</p> <p>SP replied that discussions were already under way regarding a revised specification from 2015/16 onwards with the introduction of a national framework.</p> <p>EB asked whether a contingency was in place around WYUC failing to deliver, operate, etc.</p>	



	<b>Action</b>
<p>RB replied that this was covered in the sub-contractor element of the contract.</p> <p>In terms of delivering the CIP target for 2014/15 SP confirmed that the Trust was currently considering a number of measures, including internal efficiencies, to close the gap. The key to this would be to tackle sickness absence, with 6% being a realistic target and work was already under way to this effect.</p> <p>EB stated it was important to realise the major efforts being made to reduce the level of sickness absence, as this was not a small task.</p> <p>DW stated that the long term sickness problems were mainly a legacy issue, with the majority of 111 staff on long term sick being people who had transferred from NHS Direct.</p> <p>SP outlined details of the skill-mix changes with the addition of a number of Band 6 clinicians helping to add to the richness of this mix.</p> <p>SP stated that assumptions built into the current year's budget included additional resources of approximately £260k to cover increased demand during winter. He provided details of additional mitigations that would come into play should there be a bad winter.</p> <p>SP further stated that the Trust was looking into the concept of introducing more people-friendly shift patterns and an annualised hours' arrangement to encourage people to work when they were needed such as over weekends and bank holidays.</p> <p>Opportunities to attract day time business when the call centre desks were not busy were being considered with a small pilot scheme currently running in York between 9am and 5pm.</p> <p>The meeting considered current risks and proposed mitigations in more depth. It was acknowledged that a full quality impact assessment would be undertaken in relation to the plans outlined prior to implementation. EB stated it was obvious that a lot of learning had been taken on board from the previous year, which was very encouraging to hear.</p> <p>SP confirmed that the service was in a significantly better place than it had been part way through the previous year, adding that YAS was seen as a good performing organisation which was prepared to innovate.</p> <p>It was agreed that, although progress was being made, there was still some way to go and that 111 should remain a standing item on the F&amp;IC agenda.</p> <p>EB thanked SP for his update and KT for her detailed paper, adding that she looked forward to receiving the next update.</p>	

	Action
<p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the 2014/15 financial settlement and was assured with regard to the plan for delivery of the service within the agreed budget.</b></p> <p>SP left the meeting.</p>	
<p><b>8.1 Patient Transport Services Finance &amp; Investment Update</b>  EB welcomed JH to the meeting to provide the Committee with an update regarding the:</p> <ul style="list-style-type: none"> <li>• PTS move to profitability;</li> <li>• Progress against the implementation of service line management;</li> <li>• Assurance with regard to the delivery of the Cost Improvement Plans for 2014-15 (including training and recruitment update).</li> </ul> <p>JH stated that the table on page 3, which provided the forecast Income and Expenditure position for PTS for 2013/14 compared to the 2012/13 actual showed a positive EBITDA movement of 7%. However, although this was a move in a positive direction, further progress was still required going forward.</p> <p>JH provided an update on the 2014/15 contracting round, during which two of the four commissioning consortia had agreed to longer term contracts which was an indication of the progress being made by PTS.</p> <p>JH outlined details of the projected savings 2013-2017 as of March 2014, which would be the model used going forward in relation to SLM.</p> <p>Next Steps for PTS in relation to SLM would include:</p> <ul style="list-style-type: none"> <li>• Finalisation of the PTS Development Plan in collaboration with the Commercial Director (end April 2014);</li> <li>• Production and agreement of PTS service level agreements with fleet and HR (first draft by end April 2014);</li> <li>• Agreement and implementation of interim management structure in PTS and associated training/development (End Q1 2014/15);</li> <li>• Active engagement with the Project Group and delivery of the agreed contractual data quality and service developments (Ongoing with monthly meetings scheduled).</li> </ul> <p>JH stated that, as previously identified, the four main areas of delivery within the CIP programme for 2014/15 were</p> <ul style="list-style-type: none"> <li>• Expansion of the VCS programme;</li> <li>• Increases in the operational vehicle loading profile and planning efficiency;</li> <li>• Reduction in overtime and sub-contractor spend through revised rota implementation;</li> <li>• Increase in income linked to new contracts, expansion of extra contractual work and clarity of contractual specifications.</li> </ul>	

	<b>Action</b>
<p>PD expressed concern that the action in relation to expanding the VCS programme was becoming increasingly urgent. It was her belief that word of mouth was significantly the biggest means by which to recruit.</p> <p>DW asked JH whether she was receiving enough support from the recruitment and training teams to support the necessary growth in volunteers.</p> <p>JH replied that she had been working with a dedicated member of the training team in relation to the content and length of training. This had been really positive but she was still struggling with issues around the timeliness of the recruitment process, particularly around DBS and follow up of references.</p> <p>DW stated that this issue would now be pulled into TEG to be given closer scrutiny. The dashboard would also be updated accordingly.</p> <p><b>Action:</b>  <b>TEG to take over scrutiny of timeliness, etc of PTS recruitment process and report back to June meeting.</b></p> <p>MW asked whether values would be attached to all four strands of the PTS CIP programme for 2014/15.</p> <p>JH confirmed that values, which were still evolving, would be attached to each strand.</p> <p>A long discussion took place about the potential profitability of the PTS market and what it could look like in the future.</p> <p>EB stated that JH's report was very good, with plenty of details.</p> <p>JN stated that the report had contained information about a lot of very good initiatives and he was happy to receive it, adding that he would like to spend some time in PTS.</p> <p>It was noted that the report had been submitted on the old template and that the new format should be used going forward.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the contents of the paper and was assured by the actions described to ensure delivery of the Cost Improvement Programme for 2014-15 and support the PTS move to profitability.</b></p> <p>JH left the meeting.</p>	<p><b>DW</b></p>
<p><b>9.0</b></p>	<p><b>Service Line Management Update and Implementation Plan</b>  EB welcomed DR to the meeting to provide an update on the progress of the implementation of Service Line Management. She asked DR to ensure that she used the correct cover sheet for future update reports.</p>

	<b>Action</b>
<p>DR confirmed that the initial pilots in Private and Events and PTS had demonstrated success implementing the initial stages of SLM. Their successes would now provide a baseline to evidence the rollout in 2014/15 of the remainder of the service lines.</p> <p>She stated that the main risks to the project continued to be delays due to limited availability of key members of staff as a result of competing priorities, etc. Lesser risks were: data inconsistencies; and the possibility of higher charges being apportioned to service lines.</p> <p>DR further stated that the focus for the next month would be to:</p> <ul style="list-style-type: none"> <li>• Continue the SLM implementation for journey for PTS;</li> <li>• Identify a named resource to take forward each of the five supporting work streams' service line reporting, management information, business strategy, HR, SLM accreditation / organisational development;</li> <li>• Establish the SLM project governance structure within the service transformation programme for 2014/15;</li> <li>• Continue the drill down of cost / income analysis to point of delivery for PTS and Commercial &amp; Community Education.</li> </ul> <p>RH asked what the proposed additional project manager would do.</p> <p>DR replied that the role would take on some of her responsibilities, as she was currently not achieving as much as she could due to the demands on her time.</p> <p>DW confirmed that the proposal had gained TEG support to ensure the continued development of SLM with the right support in place.</p> <p>EB stated that there seemed to be a lot of cross over on the Gantt chart and asked why P&amp;E was taking so long.</p> <p>DR replied that it was because there had not been enough resource available to allow her appropriate focus on the accreditation process. She could see, for example, that P&amp;E had undertaken the necessary commercial planning and that they understood the SLR but she was not totally confident that they had the necessary business acumen to be able to look at anomalies, etc.</p> <p>RB stressed that although P&amp;E was a successful model, it could not be formally accredited until such time as the organisation had full confidence in the ability of the service.</p> <p>EB stated that she was a strong supporter of SLM but she questioned whether the Trust was taking it seriously enough.</p> <p>RB expressed his belief that the Trust was giving SLM the emphasis it should although he acknowledged that the earlier approach had come across as disjointed.</p>	

	<b>Action</b>
<p>EB stated that she would not want to see any further delay to the roll out the programme. She currently only had limited assurance and it was now essential to embed SLM in the whole of the organisation.</p> <p>PD stated her belief that there could be push back by Monitor on current progress so it was essential that SLM was achieved.</p> <p>RB replied with his belief that Monitor would be satisfied with progress to date taking into account the issues that had been faced and dealt with but it was now essential to ensure further progress.</p> <p>EB thanked DR for her update and was hopeful that more assurance would be forthcoming shortly.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the current status of Service Line Management; the revised plan; and resource request to recruit a project manager to implement across all service lines in 2014/15.</b></p> <p>DR left the meeting.</p>	
<p><b>10.0 Major Business Case Update – Leeds Discharge Service</b></p> <p>RB presented a paper, the purpose of which was to gain support for the PTS bid for a Non-Emergency On Day Discharge Transport service for Leeds Teaching Hospitals (LTH) with an estimated contract value of approximately £1m per annum for 3 years.</p> <p>EB noted that the paper had previously been agreed at TEG but stated that she had found it difficult to read in terms of its layout, how its appendices were ordered, named, etc.</p> <p>RB provided the background to the tender and explained that there were three lots to the bid. These were: Walking Patients &amp; Wheelchair Patients; Stretcher Patients; and 24/7 dedicated A&amp;E Support.</p> <p>RB stated that, in trying to adopt a more commercial model, YAS had considered its current costing models and compared them to those of private sector organisations it used. He stressed that it was not a foregone conclusion that YAS would be successful in its tendering.</p> <p>PD stated her belief that an on-going issue for her was YAS' inability to sell itself. For example, much more emphasis could be placed on YAS' excellent customer care and its on-going developments in relation to dementia care, dignity in care, complex patient issues, etc.</p> <p>RB noted PD's comments and would ensure that they were captured before the tender was submitted.</p> <p><b>Action:</b>  <b>RB to ensure more emphasis was placed on patient care specialities, etc prior to submission of the tender.</b></p>	<p><b>RB</b></p>

		<b>Action</b>
	<p>EB asked what feedback had been received from TEG.</p> <p>RB replied that there had not been much feedback from TEG as the document had been considered by members of the senior team and reworked prior to it going to TEG.</p> <p>EB asked whether there was scope to fine tune.</p> <p>RB replied that there would be some time as the submission date had been delayed due to the lack of availability of TUPE cost information.</p> <p>It was agreed that any additional comments should be submitted to Simon Murphy in the Business Development team by Monday, 7 April.</p> <p><b>Action:</b>  <b>Additional feedback to be submitted to Simon Murphy by Monday 7 April.</b></p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee supported the proposal to bid for the ITT re an on day discharge transport service for LTH.</b></p>	<b>All</b>
<b>11.0</b>	<p><b>LTFM / IBP Review</b></p> <p>RB stated that Chapter 7 of the IBP focused on key risks, downside scenarios and mitigation actions which, in the current financial climate, had become of increasing importance to NHS TDA and Monitor when assessing aspirant Foundation Trusts.</p> <p>In July 2013 YAS further developed its downside scenarios and a compound downside scenario taking into account both national and local cost pressures. The downsides and mitigation plans had been updated to reflect changes in the Trust over the last 6-9 months and would continue to be worked on prior to the 20 June IBP and LTFM submission date.</p> <p>RB stated that, based on NWS' current Monitor assessment and the latest guidance from NHS TDA there were some key questions which needed to be considered. He outlined those questions and the Trust's current answers.</p>	
<b>11.1</b>	<p><b>LTFM / Downside Review</b></p> <p>RB provided the Committee with an update on downside scenarios and updates to the LTFM.</p> <p>The Committee looked at YAS' previous compound downside scenario.</p> <p>RB stated that key changes to downside risks included:</p> <ul style="list-style-type: none"> <li>• PbR downside to start in 2014/15 (previously 2016/17) with risk capped at 1% in line with current contract. Assumed cumulative risk increasing to 5% over 5 year period of plan;</li> <li>• CIPs risk reduced from 25% non-delivery to 10% non-delivery;</li> </ul>	

	<b>Action</b>
<ul style="list-style-type: none"> <li>• Downside added - A&amp;E CQUIN regarding under-delivery of CCG level red performance;</li> <li>• Downside added - Loss of some PTS services;</li> <li>• Downside added - Loss of Hull Logistics service – assumed 12 months to remove indirect costs;</li> <li>• Downside added – Unsocial Hours payments (PTS and 111 only – A&amp;E funded).</li> </ul> <p>The Committee then considered the revised compound downside scenario.</p> <p>RB stated that other potential downside risks to be aware of included:</p> <ul style="list-style-type: none"> <li>• NHS 111 – Capacity/resource;</li> <li>• PTS CQUINs;</li> <li>• CQC – Any actions required from new CQC inspection process eg safe staffing levels;</li> <li>• Loss of A&amp;E urgent tier and inter-facility transport services;</li> <li>• A&amp;E demand less than growth forecasts (2-3%).</li> </ul> <p>RB provided details of the mitigations that were in place.</p> <p>These included:</p> <ul style="list-style-type: none"> <li>• CIP reserve schemes and bring forward schemes;</li> <li>• Negotiate risk share with commissioners;</li> <li>• Use of contingency reserves;</li> <li>• Reduce spend on external consultants;</li> <li>• Reduction in non-clinical training;</li> <li>• Remove air ambulance paramedic cover;</li> <li>• Close Europa workshop and Unit M;</li> <li>• Stricter vacancy controls on corporate and other support posts;</li> <li>• Bring forward estates rationalisation;</li> <li>• Senior Management and support staff rationalisation.</li> </ul> <p>RB outlined the updates to the LTFM.</p> <p>He stated that key changes to be incorporated in the LTFM included those relating to service developments. As three of the four original service developments (Clinical Hub; NHS 111; and Major Trauma) were now embedded in the day to day operations of the Trust, it was agreed that the Electronic Patient Record Form (previously ECS) and Hub and Spoke should be included as service developments.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee considered the changes made to the LTFM and downside risks; noted that work on the LTFM progressed to plan and a detailed review of the revised plan including updated downsides and mitigations would be brought to the Committee before submission to NHS TDA</b></p>	

		<b>Action</b>
<b>11.2</b>	<p><b>LTFM Review – Revenue and Capital</b> See notes above.</p>	
<b>11.3</b>	<p><b>Financial Risks</b> AR provided the Committee with an update on the Trust’s financial risks and exceptional budgetary and treasury items.</p> <p>She confirmed that, as performance and cash targets had all been met at the end of March, no fines had been incurred. The capital resource limit had been met with a small undershoot of £5k.</p> <p>RB confirmed that the contract variation proposal, CQUIN goal 6, on page 2 of the paper had been rejected by the Commissioners. This should, however, be manageable through the year end position and should not affect year end outcomes.</p> <p>There were no questions from the Committee.</p> <p><b>Approval:</b> <b>The Finance &amp; Investment Committee noted the financial risks highlighted and was assured that the risks were being managed and mitigation plans were in place.</b></p>	
<b>11.4</b>	<p><b>Year to date Financial Performance</b></p> <ul style="list-style-type: none"> <li>• <b>IPR – Finance Section</b></li> <li>• <b>CQUINS</b></li> <li>• <b>Treasury KPIs</b></li> <li>• <b>Budget Variance Action Plans</b></li> <li>• <b>Treasury KPIs &amp; Better Payment Practise Code Updates</b></li> </ul> <p>EB asked whether Committee members were happy with the format of the IPR. It was her belief that, as challenge was rare in terms of the IPR, it might not be given enough consideration either during F&amp;IC meetings or at Board.</p> <p>DW suggested that this might be due to its position on the agenda.</p> <p>EB stated that, in her case, it was because AR had pulled out the majority of her points in the detailed paper presented at 11.3.</p> <p>MW and AA agreed that AR’s detailed report had covered all of their potential questions.</p> <p>RB stated that the net assets had changed between the Board and F&amp;IC meetings and it was his belief that the activity information coming to F&amp;IC in relation to risks, etc needed to be refreshed.</p> <p>DW stated his belief that the performance section of the IPR also needed to be updated.</p> <p><b>Approval:</b> <b>The Finance &amp; Investment Committee noted the update.</b></p>	



		<b>Action</b>
<b>12.0</b>	<p><b>2014/2015 Annual Budget Setting Update</b>  RB presented the proposed 2014/15 Income and Expenditure and Capital budgets; 2014/15 Cost Improvement Programme; and the outline of the 2015/16 Financial Plan, for information.</p> <p>He stated that during the recent conference call and at Board there had been requests for the inclusion of some bridge charts around income and cash. In addition, an extra column, outturn for 2013/14, had been added to Appendix 2 as a comparator to the annual budget.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the Income &amp; Expenditure and Capital budgets and the Cost Improvement Programme for 2014/15; and the outline of the 2015/16 two-year plan.</b></p>	
<b>13.0</b>	<p><b>Procurement Update</b>  RB stated that a large amount of work had taken place with the Procurement department to update the Procurement Forward Plan and confirmed that the ICT contracts and Estates contract had now been added to the Plan.</p> <p>It was noted that the updated Plan should have had a cover paper.</p> <p>RB further stated that the Accident Repairs contract on page 1 was due to go to Board in April. However, there had been a delay and although the local Police Authority procurement exercise remained a live project, which would make a successful award, it would not be ready to go forward to Board in April.</p> <p>In the meantime, the Fleet management team had negotiated a further 6 month contract with the original provider.</p> <p>It was agreed that the Procurement plan should come back to the June meeting with a cover paper which made reference to this development.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the update.</b></p>	
<b>13.1</b>	<p><b>ICT – Mobile Phones Contract</b>  RB presented a paper to seek approval from F&amp;IC to recommend that the Trust Board award YAS' mobile telephone contract to Vodafone.</p> <p>RB stated that, on the basis of price alone the three submissions: 02; EE; and Vodafone were fairly similar. However, the Vodafone submission also included a service credit, which pushed their costs below the other companies, making them the cheapest on the basis of tariff and added bonus.</p> <p>This was highlighted in Section 5 of the report but was not included in the financial analysis in table 4, as this was a straight tariff-based calculation.</p>	

		<b>Action</b>
	<p>JN asked whether there were any issues relating to network coverage.</p> <p>RB replied that very few problems had been reported in relation to Vodafone coverage.</p> <p>EB asked where the £400k saving would be accounted for.</p> <p>AR replied that once the contract had been agreed it would be included in the CIP plan.</p> <p>EB stated her belief that, in terms of the proposal going forward to Trust Board for approval, the numbers made sense. However, the paper would need to be fleshed out to include further information along the lines of RB's verbal update to the Committee and would need to be on the correct cover sheet.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee gave approval to recommend that the Trust Board award the contract to Vodafone.</b></p>	
<p><b>13.2</b></p>	<p><b>Contract Register</b>  See comments above.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the update.</b></p>	
<p><b>13.3</b></p>	<p><b>Procurement Effectiveness Review</b></p> <p>AR updated the Committee on the Commercial Procurement Collaborative (CPC) report on the Procurement Department, which had been received by the Trust in February 2014.</p> <p>Since this time, the existing Head of Procurement had left the Trust and been replaced by an experienced NHS Procurement specialist who was acting as Interim Head of Procurement.</p> <p>AR confirmed that, in line with the CPC proposal, the permanent Head of Procurement post had been re-graded to Band 8b. The recruitment process was under way and interviews were due to take place shortly, although it was acknowledged that this would be a difficult role to fill as salaries were much higher in the private sector.</p> <p>Recruitment was also under way for a Band 7 IT Procurement Specialist in order to start to create a strategic contracting sub-team within the Department. Budget management changes were also being made as part of the 2014/15 budget setting.</p> <p>AR stated that, as recommended by the East Coast Audit Consortium and backed by the CPC duties within the team had been segregated to ensure that the raising/authorising of requisitions, the raising of Purchase Orders and the receipt of goods and authorisation of invoices were not carried out by the same individual.</p>	

	<b>Action</b>
<p>EB noted the report. She stated her belief that the report contained no surprises so it was essential for the Trust to cover all recommendations with a detailed action plan which contained appropriate deadlines.</p> <p>AR confirmed that the new Interim Head of Procurement's immediate priority was to create action plan out of the CPC report.</p> <p>EB thanked AR for her update report.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the content of the report and the actions taken to date.</b></p>	
<p><b>14.0 Commissioning &amp; Business Update</b></p> <p>CB provided the Committee with an overview of the current contract negotiation positions for A&amp;E, PTS and Urgent Care. It was noted that the incorrect version of the report template had been used.</p> <p>In terms of the A&amp;E contract, substantial preparation work relating to baseline data, etc had taken place including a number of pre-meetings. CB confirmed that the Red 1 and Red 2 performance target would be managed as a regional target, adding that a new CQUIN relating to under-performing CCGs had been introduced.</p> <p>She outlined details of the table on page 3, which provided details of current performance at CBU, Cluster and CCG level  Green targets had been negotiated to put in place a lower performance standard that must not be breached at 80%, 85% and 80% for Green 1, 2 and 3 respectively. All green standards would have an upper target of 95% and financial penalties had not been applied to the targets. They would, however, be subject to the contractual performance clauses and review if not met.</p> <p>CB stated that targets had never actually been performance managed locally before and it would be a challenge for Operations to manage the variation.</p> <p>She further stated that the themes of the CQUINS had been jointly agreed with significant CCG input into the CQUINS for the current year.</p> <p>EB stated that the template used for the CQUINS had been seen in that morning's Quality Committee meeting and she thought it would be useful if someone able to talk through the PIDs from both a Quality and Finance point of view could attend the joint meeting in June.</p> <p><b>Action:</b>  <b>Consideration to be given to the best way in which to provide a greater understanding of PIDs at the June joint meeting.</b></p> <p>CB confirmed that all four PTS contracts had been agreed and signed off with the Commissioners for 2014/15. The main risks for PTS remained around non-achievement of KPIs.</p>	<p><b>RB</b></p>

		<b>Action</b>
	<p>CB provided an outline of new business developments. She stated that the new Commercial Director was in place and was starting to review processes to ensure that any new business not only covered its own overheads but also made a profit whenever possible.</p> <p>EB asked CB if she could ensure that known financials were included in future update reports.</p> <p><b>Action:</b>  <b>CB to ensure that known financials were included in future new business developments update reports.</b></p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the position and outcome of the A&amp;E, PTS and NHS 111 negotiations and the financial risks to the contracts. The Committee also supported the on-going work in relation the new business developments outlined in the paper.</b></p>	<b>CB</b>
<b>15.0</b>	<p><b>Summary of Issues to Trust Board</b></p> <p>EB stated that issues to take forward to the Board included:</p> <ul style="list-style-type: none"> <li>• the good news story re the management of year-end finances;</li> <li>• feedback on the Service Transformation Programme Group and its changing emphasis;</li> <li>• an update on progress and plans for future implementation of SLM to include the recognition of the need for additional support to timelines are met.</li> </ul> <p>This was AR's final F&amp;IC meeting before leaving the Trust, so EB thanked her for her valuable contribution to and participation in meetings, adding that she would be very much missed.</p> <p>EB thanked everyone for attending and participating in the meeting.</p> <p>The meeting closed at 1710 hours.</p>	
<p><b>Date and Time of Next Meeting</b>  Thursday 12 June 2014, Kirkstall &amp; Fountains, 1400-1700</p>		