



Finance & Investment Committee (F&IC) Minutes

Venue: Kirkstall & Fountains, Springhill 1, WF2 0XQ
Date: Thursday 11 September 2014
Time: 1400 hours
Chairman: Dr Elaine Bond

Present:

Dr Elaine Bond	(EB)	Non-Executive Director (Chairman)
Rod Barnes	(RB)	Deputy Chief Executive and Executive Director of Finance & Performance
Dave Whiting	(DW)	Chief Executive
Alex Crickmar	(AC)	Interim Associate Director of Finance
Mary Wareing	(MW)	Non-Executive Director

Apologies:

Barrie Senior	(BS)	Non-Executive Director (Observing)
Pat Drake	(PD)	Non-Executive Director

In Attendance:

John Nutton	(JN)	Non-Executive Director – Designate (Observing)
Anne Allen	(AA)	Trust Secretary
Catherine Balazs	(CB)	Head of Business Development (For Item 16.0)
Malcolm Littlewood	(ML)	Interim Head of Procurement (Item 14.0)
Mark Squires	(MS)	Associate Director of Support Services (Item 5.2)
Helen Hugill	(HH)	Head of Service Planning & Development

Minutes produced by: (MG) Jo Wilson, Personal Assistant

		Action
	The meeting commenced at 1400 hours.	
1.0	<p>Introduction and Apologies EB welcomed everyone to the meeting and apologies were noted as above.</p> <p>EB advised that PD and she would once again be attending the national joint F&IC and QC workshop in November. The agenda is being drafted at the moment and an update will be given to both Committees following the meeting.</p>	
2.0	<p>Declaration of Interests for any item on the agenda There were no interests to be declared in relation to the items to be discussed on the agenda.</p>	

		Action
3.0	<p>Minutes of the Meeting held on 12 June 2014 The Minutes of the Finance and Investment Committee Meeting held on 12 June 2014 were approved as a true and fair representation of the meeting subject to the following amendment:</p> <p>Paper 15.0 paragraph 6 – to be re-worded ‘The advantages and disadvantages of the various options for financing capital projects such as outright purchase and leasing were discussed. Each capital project should consider the justification for the project and an assessment of the alternative means of effecting procurement’</p> <p>Minutes of the joint F&IC/QC held on 12 June 2014 The Minutes of the Finance and Investment Committee Meeting held on 12 June 2014 were approved as a true and fair representation of the meeting.</p> <p>The actions from the joint F&IC and QC meetings have been transposed to the F&IC action log.</p>	Minutes
4.0	<p>Action Log and Matters Arising The Action Log was reviewed and updated.</p> <p><u>Action 2014/30</u> 111 savings have been worked up and added to the CIP tracker. Action closed.</p> <p><u>Action 2014/36</u> Going forward a CIP Management Group update is being provided as part of the CIP Update report. Action closed.</p> <p><u>Action 2014/37</u> Items from the Procurement Contract workplan have been incorporated into the F&IC workplan for review. Action closed</p> <p><u>Action 2014/39</u> The request for a copy of the National Print and Forms contract from BSA was declined. Action closed</p> <p><u>Action 2014/40</u> The outcome of the Gate Review process is incorporated in Paper 16.0 Commissioning & Business Update. Action closed.</p> <p><u>Action 2014/41</u> AA has undertaken a cross-referencing exercise across the Level 2 committees to ensure consistency of approach. Action closed.</p>	

	Action
<p><u>Action 2014/42</u> Baseline assumptions in the LTFM are incorporated in Paper 9.0 LTFM Deep Dive & Working Capital Review. Action closed.</p> <p><u>Action 2014/43</u> Authors of all future procurement papers have been advised that these should include the new summary sheet behind the front over. Action closed.</p> <p><u>Action 2014/44</u> JN discussed and made amendments to the wording in the minutes with regard to the lease of vehicles. Action closed.</p> <p><u>Action 2014/45</u> Joint F&IC and QC meeting in February 2015 have been added to the workplan. Action closed.</p> <p><u>Action 2014/46</u> The action should also be incorporated into Action 2014/40. Action closed.</p> <p><u>Action 2014/47</u> The reminder for correct completion of front sheets particularly with regard to recommendations has been given by DW to TEG/SMG members.</p> <p><u>Action 2014/48</u> Issues of version control have been addressed. New PIDs are currently being reviewed by the CIP Management Group Action closed.</p> <p><u>Action 2014/49</u> The PTS PID is currently being reviewed and has not yet been circulated. Action remains open</p>	
<p>5.0</p> <p>Workplan Review EB highlighted the changes to the F&IC workplan since it was last reviewed by the Committee.</p> <p>A further workplan review meeting with RB, AC, EB and JW is to be scheduled. EB advised that she was happy to take any thoughts regarding the content of the workplan by e-mail or outside of the meeting.</p>	
<p>Action A meeting is to be scheduled for RB/AC/EB/JW to review the workplan and this will be brought back to the next meeting for agreement.</p>	JW

		Action
	<p>The F&IC noted the changes to the F&IC workplan and looked forward to the next version of this.</p>	
6.0	<p>Cost Improvement Plan Delivery Update AC provided an update on the Cost Improvement Plan at Month 4 of 2014/15, including an update from the CIP Management Group.</p> <p>An updated draft Month 5 position was provided. The CIP forecast achievement for year-end remains as reported in Month 4 with 94% achievement. This is still £400k behind plan with the main reason for this being the A&E private provider scheme. The largest risks remain the same, Clinical Hub, PTS and Value for Money schemes.</p> <p>JN asked for clarity of how often the CIP Management Group meets and when deep dives for each scheme are undertaken. It was confirmed that the group meets on a monthly basis to review the whole programme on an exception basis. Deep dives for key schemes or any schemes off-track are prioritised and there is flex within the agenda to accommodate these. DW added that A&E schemes will be reviewed at least three times during the year.</p> <p>MW noted that she felt that this was a clear and concise paper but questioned the A&E skill mix with regard to offsetting the impact of CQUIN2. AC advised that delivery of the A&E skill mix CIP is linked to overtrade with the staff we have in post delivering additional activity. A risk of £1.7m relates to CQUIN2 Red performance and will be offset to the amount achieved in their CIP. Even if there is a cost saving, the offset cost pressure is captured giving a net impact.</p> <p>MW noted the gap in the PTS scheme of £600k and questioned how much of this amount it is anticipated we are going to find? RB confirmed that a workshop has been scheduled for next week to discuss this in further detail. As the PTS model is close to capacity, in order to drive out further significant saving this is going to need a radical review of the model in PTS.</p> <p>RB advised that PTS has been focusing on the utilisation of YAS vehicles to address spend on private providers and taxi's given the in-year overspend. PTS are struggling to fill vacancies and this has impacted in increased overtime and taxi payments and this has also been alluded to in the SLM paper. With regard to the 3 year CIP there will be a time when this will necessitate a discussion with commissioners. At the end of this year we will be in a position to discuss a cost and volume contract going into next year. Part of the re-design work in the second half of the year is to review the skills and capabilities of the management team.</p> <p>EB noted that having stabilised the PTS service it is an exciting time to look at the commercial opportunities around this.</p>	

	Action
<p>RB advised that the only sizable PTS CIP yet to be delivered is related to ECR work and by bridging this gap it could realistically save £100k of the £600k shortfall. MW added that if we leave this amount as a CIP it could be diverting people from delivering the day to day service. JN noted that it may work the other way and detract from people working harder to think about alternative schemes.</p> <p>RB added that transformation team has previously been challenged about CIP delivery and this has resulted in the workshop being scheduled for next week. The Trust needs an ethos to develop a more commercial approach and instil a culture around this. The group discussed the opportunity for community interest companies.</p> <p>Discussion followed led by JN with regard to the possibility of building on the delivery of the 94% CIP achievement to deliver further savings through the reserve schemes. JN stated that he realised that the reason why reserve schemes are not yet implemented may be due to resource implications but if this is not the case then his thinking is that these should be implemented to drive out the efficiencies rather than waiting until 2016. RB advised that the more implementable reserve schemes had already commenced. JN replied that the Trust should be as efficient as possible and then worry about next year at a later date.</p> <p>EB reminded the Committee that the CIPMG are working towards a five year plan. RB confirmed that the CIPMG is continually looking at the five year CIP schemes, recognise the issue of resource restrictions and that some schemes require specialist expertise. DW added that there are good examples of reserve schemes being brought forward to the CIPMG but would take JN's point forward.</p>	
<p>Action DW to take back JN's points back to CIPMG and ask whether the reserve schemes are realistically deliverable soon than planned.</p>	DW
<p>EB questioned the figures in paragraph 3.2 where it states the Month 4 figure includes private provider schemes. In the next paragraph it shows total savings including nearly £1m of reserve schemes? AC advised that the private provider scheme looks purely at the amount spent last year opposed to this year and therefore the £1m savings are like for like. JN noted RED performance and questioned whether this is going to cut back on private providers? RB confirmed that the amount we are spending this year should still deliver the CIP.</p> <p>The F&IC noted the CIP position at the end of Month 4 and the actions being taken to achieve this, adding that this was a good paper.</p>	
<p>7.0 Major Business Case Update EB welcomed Helen Hugill (HH), Head of Service Planning & Development to the meeting.</p>	

HH and IB provided a presentation giving an overview of the A&E CIP over the next 5 year period. It was noted that the F&IC had already received a similar presentation regarding Clinical Hub.

The presentation covered:

- A&E still mix including additional activity (5 years)
- Meal break payments (1 year)
- Clinical Hub (4 years)
- Clinical Leadership (1 year)
- Dual Response savings (2 years)
- Hub & Spoke (1 year)
- EOC/111 call taking synergies (1 year)

EB questioned how much over plan the overtrade was. HH advised that this was assumed 3% increased activity.

Value for Money

Two schemes have been identified with mitigation to bring in other schemes. The Month 5 figure shows that this is over plan by £135k.

Mealbreaks

The removal of the £10.00 payment has been re-instated, but the AVP has been removed and sustained so this achieves some saving.

Clinical Hub

This scheme is forecasted to deliver later in the year but reserve schemes are in place. DW advised that there is an increasing resource in Clinical Hub staff. EB questioned how this is treated in the CIP? RB confirmed that this is built into the original CIP.

Clinical Leadership

This scheme is subject to Management review.

Hub & Spoke

The strategic outline business case detailing these savings in more detail and is due in December 2014.

EOC/111 Call Handling Synergies

This scheme will be realised through identifying the economies of scale through the merging of the EOC/111 functions.

A breakdown of planned savings for 2014/15 – 2018/19 is shown in the table in the presentation totalling £5.6m.

Proposed mitigating schemes and risks associated with these are being worked up at the moment for the following:

- Reduction in Private Providers
- Reduction in the use of overtime for vacant shifts
- Increase see, hear and refer (non-conveyance)
- Increase CFR contribution
- Reduced administration hours in Hull & East Riding - VFM

	Action
<p>Quality Monitoring and Impact Assessments are being considered and are being worked up with the correct level of response appropriate to the patient need.</p> <p>Care pathway utilisation and hospital avoidance where appropriate was discussed. JN questioned whether any funding was available for this? HH advised that this is included in the non-conveyance CQUIN – right care right place. RB added that a move to Payment by Results (PbR) may mitigate this, adding that discussion continues with Commissioners regarding how to incentivise this.</p> <p><u>Risks and Mitigating Actions</u></p> <p>EB questioned whether compulsory redundancy for band 5 staff would be available. IB confirmed that the Trust cannot afford for around 300 staff to be made redundant and therefore reasonable re-deployment would be offered. Conversations will be continued with staffside next week including shorter pay protection.</p> <p>JN queried whether we had considered the introduction of overtime and the flex of demand and noted that in some instances overtime could work out the more inexpensive option. HH confirmed that overtime levels are being brought down to a manageable level.</p> <p>JN questioned the redesign of annualised hours. IB advised that staffside are keen on this but with no clear seasonal demand this would not be a useful option.</p> <p>MW noted that schemes not being taken forward are recurrent whilst reserve schemes are non-recurrent. IB advised that there is a gap at the moment but doesn't think that VFM schemes are achievable or in the best interest of the directorate at the moment. DW and IB are working on the senior management structure of the Operations directorate and how this will play out with the departure of the Deputy Director of Operations.</p> <p>DW added that discussions are also taking place focused on how the Trust might engage with partners to help to develop these service lines and a credible plan is being formulated.</p> <p>EB thanked HH and IB for this presentation.</p> <p>EB added that whilst this has provided a really good overview, she didn't feel that the top six business cases are really transparent and that this should be highlighted for the next update.</p>	
<p>Action</p> <p>The presentation is to be circulated to F&IC members on e-mail.</p>	JW
<p>8.0 Service Line Management Update</p> <p>RB provided an update on the implement of SLM, confirming that work was ongoing.</p>	

	Action
<p>In terms of the formal project plan, during the last quarter of 2013/14 and the first quarter of 2014/15 changes have been made to the programme priorities to reflect competitive pressures eg 111, PTS and Hull Logistics tenders.</p> <p>The SLM project was originally overseen by Deborah Ridley (DR), Portfolio Manager (Transformation), handed over to Chris Dodd (CD), Commercial Director and now has been temporarily handed back to DR following Chris' departure. Kate Sims, Associate Director of HR is a member of the project team and is working closely with Managers across all directorates and service areas to help develop the Workforce Strategy and formulate workforce plans. Whilst a lot of work has been undertaken on commercial models, marketing and business development it has highlighted the need for a review of the skills and capability of service management. This piece of work is being planned to be implemented in the next six months. This will include a formal assessment of where the services sit in directorate portfolios and where the skills gaps exist.</p> <p>EB noted that F&IC had previously been provided with an update that the Trust had highlighted an issue with capacity and capability within parts of senior management. EB questioned that as this had been highlighted a while ago, why is this only just being addressed? RB advised that there is a uniform view across the Trust Executive Group (TEG) that the Senior Management Group (SMG) is not functioning as required and work has begun to address this.</p> <p>RB added that CD completed a good piece of work around capacity and capability, and rather than lose the momentum on this we need to formalise this, bringing different strands of work together and confirm whether we have the correct senior management in teams and service areas to meet current and future challenges.</p> <p>EB stated that in her opinion, SLM hasn't been supported in the right way and was pleased to hear that the Trust is taking this forward. F&IC need to see this reported and evidenced.</p> <p>IB advised that he was unsighted on the recruitment of a SLM Project Manager and that this was critical on the Organisational Development (OD) agenda. RB confirmed that this post had gone out for formal recruitment a few months ago but had not been successful in recruiting into this role. It is once again out to formal recruitment. IB replied that the OD element of the role was uncertain and needed a specification of requirements of exactly what is required to move SLM forward and not wait until the Project Manager is appointed.</p>	
<p>Action RB and IB to pick up the specification of requirements for SLM outside of the meeting.</p>	RB/IB

	Action
<p>MW noted that in the past it had appeared that the organisation had been very clear on the implementation of the project and actually the issue is more about the actions to be taken in order to manage the service lines. However it does feel that SLM is now at an important transitional point and using SLM is the tool that will move it forward.</p> <p>MW stated her concern that we do not set up a separate performance management format to discuss issues as RB's paper does talk about embedding SLM in the standard performance management. RB advised that with regard to the Service Line Review Meetings, a refresh of these meetings and lessons learned from the previous process is required. Adding that if we have not got the right people with the right capabilities around the table will not achieve the desired benefits.</p> <p>IB advised that whilst there is some recognition that performance management was not as strong as it could be, there needs to be an assurance that appraisals and monthly 1:1 meetings are happening and that clear expectations are discussed and documented.</p> <p>EB added that her experience of attending Locality Board Meeting, financial numbers and service line reporting was limited.</p> <p>JN questioned whether the salary banding is correct for attracting SLM Project Manager. RB advised that this is being advertised as a Band 7 role with a further option of bringing in an administration manager.</p> <p>EB noted that the paper provided finance details in percentages opposed to £s and asked RB to revert to the latter for future papers.</p>	
<p>Action RB to ensure that financial details should be noted in £s and not percentages for future papers.</p>	RB
<p>The F&IC were happy to note the report.</p>	
<p>9.0 LTFM Deep Dive & Working Capital Review AC provided a detailed update on key assumptions included in the LTFM submitted to the NHS TDA in June 2014.</p> <p>AC advised that feedback has not yet been received from the TDA. However a face to face meeting to talk through key assumptions has taken place and they had been fairly happy with these.</p> <p>JN questioned whether enough CIPs have been included in the assumptions and their impact on the surplus generated to work this back to the bottom line? Also are the organisation not maximising potential savings but just making it fit? EB added that the assumptions had covered best and worst case scenarios. RB advised that in the current commissioning environment there is insufficient flex to achieve further savings. If we try to implement further schemes then YAS might receive significant challenge from Commissioners and lose income.</p>	

	Action
<p>AC and RB advised that within the FT process the Trust will be open to a lot of challenge regarding sustainability of our plans from TDA and Monitor and will be questioned on how we would re-invest the funds back in terms of improvements to efficiencies.</p> <p>RB confirmed that benchmarking had informally been undertaken against peer groups and the Trust is at the higher end of purpose delivery. RB added that whilst we are struggling to drive out financial performance to get back on track this is relative to other organisations as we are in an environment that close to 50% of NHS trusts are running at a deficit.</p> <p>EB questioned within the Income & Expenditure Account, at what point would the surplus be revised from £2.9m to £2.5m? RB advised that the plan submitted for 2014/15 will not change but we need to work through implications for future years. AC added that monthly assessment to changes and assumptions are remodelled on the LTFM.</p> <p>JN noted that within Table 3.51 some assumptions look prudent eg vehicle insurance actually decreasing. AC advised that this links back to applied efficiencies and demonstrates contingencies.</p> <p>JN discussed key outputs from the LTFM and questioned where, within the organisation, would we consider doing things differently in the case of larger strategic options eg merging/sharing call centres with under-performing or smaller trusts? RB replied that this relates to the discussion around service models in SLM and the need to obtain a senior corporate view of where service delivery models are heading. In order to take this forward we need some forward thinking from triage to patient and from a business development perspective. RB confirmed that these conversations were happening.</p> <p>JN added that looking higher up the profitability scale, if the organisation is good at 999 or 111 and with incremental gearing they could offer a more cost effective service to other ambulance trusts, therefore attracting more income and less costs. RB advised that he is taking those things forward through different routes, some led by TEG, Business Development or service line routes. EB concluded that F&IC would be happy to receive this update within the Commissioning and Business Update paper going forward and it would also be a good topic for discussion at a Board Development Day.</p> <p>F&IC noted the report and added that it was good to see this presented and summaries in this format.</p>	
<p>10.0</p> <p>Financial Review</p> <p>RB provided the Committee with an update on the Trust's financial risks and exceptional budgetary and treasury items. This update also provided an overview of the main points in Section 5 of the IPR.</p>	

	Action
<p>EB advised that within this update she would be looking for clarification on risks around penalties to ensure that assurance could be given to the Audit Committee in October that this was being managed.</p> <p>The forecasted surplus of £2.5m for the year is the same as the position at the end of August. The risks around this are the overspending areas in PTS and A&E Improvement Plan and the £3.7m envelope contained in the paper.</p> <p>With regard to the performance penalties RB advised that the Trust has been open and transparent with our governing body NHS TDA and Commissioners regarding our trajectory. DW advised that we have received recognition from David Flory, Chief Executive of NHS TDA, that we would be delivering our revised trajectory. Even with CCG's commissioning private providers, it is realised that we cannot generate the required hours to achieve the original trajectory. In terms of Lead Commissioner understanding, Jane Hawkard has given her commitment that she will not be pushing for RED penalties to be enforced, and the line would be taken that a majority view from Commissioners would support the monies being reinvested to support service delivery.</p> <p>JN queried whether by leaving the penalties out of the accounts, would it make people aware of this provision? RB confirmed that whilst we are not including the penalties within the position, the TDA are aware of our treatment of the issue in the accounts.</p> <p>EB questioned what are the consequences of including the provision of penalties? RB confirmed that the organisation would go into deficit and escalation with the TDA. EB queried whether other ambulance providers are including penalties within their accounts and if so are these organisations showing a break even or deficit? RB advised that we are not treating our accounts any differently to any other ambulances providers. RB reiterated that the reality is that if penalties are applied we would move into a financial turnaround position. This could mean cost cutting and potentially have a detrimental impact on service delivery.</p> <p>JN stated that in a corporate world, organisations would have a contingency liability note. RB confirmed that we have this recorded within the monthly IPR which is a public document.</p> <p>It was noted that the year to date financial position was slightly different in the IPR to that detailed in the paper. It was confirmed that the F&IC paper detailing the figure of £1,422k is the updated position. This will be updated in the IPR for September.</p> <p>AA left the meeting at 1540.</p> <p>Loss of income due to the inability to secure/retain contracts, adversely influencing future service commissioning intentions was discussed.</p>	

	Action
	<p>It was confirmed in the paper that there is currently no indication that any of the PTS contracts will be put out to tender during 2014 by Commissioners.</p> <p>Failure to maximise opportunities to further develop urgent care was discussed. RB advised that in terms of urgent care opportunities, John Cartwright, Urgent Care Manager is working well with services within Finance and Business Development.</p> <p>JN noted that within the debtors' schedule, a handful of amounts relate to overpayment of salaries. IB confirmed that these had arisen due to the late notification of leavers forms from line managers to Payroll.</p> <p>JN queried the outstanding March invoice for Fleet Factors, why this payment had not been followed up earlier rather than leave until September to offset this? AC advised that whilst this should have been chased earlier it may not have been chased as strongly due to a surplus cash position. However it was confirmed that stronger processes are being implemented.</p> <p>The F&IC noted this paper and were comfortable with this open update.</p>
<p>11.0</p>	<p>Treasury Management Policy AC presented this item to provide the F&IC with an update regarding the changes made to the Trust Management Policy and give assurance that this is fit for purpose.</p> <p>The changes incorporated relate to substantive appointments and changes in the terms of reference as set out in the Scheme of Delegation.</p> <p>A practical change has been made to the investment protocol which means that prospective investments may be approved in advance.</p> <p>EB requested that from time to time the Trust Board should receive an update of investments. RB confirmed that these will be included in the cash flow presented to the Trust Board.</p> <hr/> <p>Approval F&IC were happy to approve this policy.</p>
<p>12.0</p>	<p>Capital Expenditure Part-Year Review of Top Cases RB provided F&IC with a six-monthly review of significant Capital Schemes that have been undertaken over the last 12 months.</p> <p><u>Energy Carbon Reduction</u> Energy carbon reduction schemes have delivered more savings than expected and this has been factored into projections going forward.</p>

	Action
<p><u>Review of Carry Chairs</u></p> <p>It was advised that there has been a large reduction in injury claims since the introduction of replacement carry chairs. However in order to assess the success of this scheme in terms of reducing manual handling injuries to YAS staff, this will need to be evaluated through Datix over a longer period of time as claims can be received up to three years following the incident.</p> <p>RB confirmed that the Trust had been successful in securing funding of £166k to provide solar panels on response vehicles.</p> <p>F&IC were happy to note the update.</p>	
<p>13.0 Hull Logistics Tender</p> <p>SM was welcomed to the meeting to provide an overview of the Hull Logistics Tender by way of a presentation.</p> <p>SM advised that whilst looking for traditional cost savings, the Business Development Team is also looking to innovate the service.</p> <p>Hull Logistics has provided non-patient logistics to a Consortium of six NHS Trusts in Hull and East Yorkshire for 20 years. Currently this is a very paper based service provided by 24 whole time equivalent members of staff. Commissioners are re-tendering for a new five year contract with an option for a further two years, commencing in March 2015.</p> <p>SM explained he had spoken to a number of providers to find a sub-contractor in order to put forward a strong bid back to commissioners, selling this as an NHS/private provider contractor partnership.</p> <p>One company met the criteria, especially on the technology aspect as they have invested a huge amount of money in terms of software and can deliver the service cost effectively.</p> <p>EB questioned whether the company are on the procurement framework and if not could the process be challenged? SM advised that they are on the framework.</p> <p>JN asked what would be stopping the company bidding for this service alone in the future. SM advised that this joint bid provides a more attractive proposition with an NHS partner.</p> <p>ML arrived at the meeting at 1610.</p> <p>SM confirmed that YAS have submitted a bid to Hull Commissioners.</p> <p>SM explained that YAS have taken legal advice from DAC Beachcroft with regard to the TUPE implications of the tender for 24 members of staff currently employed by YAS. A workforce plan has been worked up with the Head of HR Business Partners.</p>	

		Action
	<p>Actions: SM and IB to discuss this outside of the meeting.</p> <p>SM to provide the costings and proposal by e-mail. The F&IC understood the sensitive nature of this information and it was asked that this is shredded after reading.</p> <p>EB commented that this is a very interesting departure and would like sight of the proposal. She added that she was very encouraged and wholly supportive of this venture; staffing costs are a worry but understands the Year 1 payback.</p> <p>SM added that the Trust had been asked to provide the TUPE costs and that these had been worked up with Matt Hammonds, HR Business Partner.</p> <p>The F&IC thanked SM for his attendance and looked forward to further development updates.</p>	<p>SM/IB</p> <p>SM</p>
<p>14.0</p>	<p>Procurement Update ML provided the F&IC with key contracting and tendering activity. Following discussion it was noted or questioned:</p> <p><u>Garage Doors</u> EB questioned why the garage doors contract had been extended? ML advised that the option to extend this for a further 12 months had always been an option in the original contract.</p> <p><u>Fuel Card Provision</u> ML explained that a national meeting of all ambulance trusts will take place on 10 October to discuss options to collectively take this forward.</p> <p>Intelligence is also being gathered to ascertain whether we use fuel cards wisely eg bunkered fuel or supermarkets. Supermarkets would provide lower transaction costs.</p> <p>EB asked whether we have scoped this and what that mean? ML advised that this is currently being developed and will be reported as a CIP.</p> <p><u>Laundry of Trusts Linen</u> MW questioned why the cost for provision of laundry services had increased? ML advised that more hospitals are now cross-charging for this service and this is the reason for this provision currently being reviewed.</p> <p>F&IC noted this update and requested that proposed savings for future years need to be included in the paper and circulated.</p>	

		Action
14.1	<p>Action Proposed savings for future years needs to be included in the Procurement Update paper.</p>	ML
	<p><u>Procurement Project Plan & Workplan</u> The F&IC noted the updated Procurement Project Workplan and the additional note provided.</p> <p><u>Travel & Subsistence</u> The Trust currently utilises the GPS framework for the provision of booking travel and accommodation through Redfern. This contract was due for renewal in August 2014.</p> <p>EB questioned whether the Trust is obliged to continue with Redfern? ML advised that the Redfern contract offers advantages eg no cancellation fee. EB and JN added that flexibility and value for money is required and this could be provided by not having to purchase these bookings through an agent. RB advised that a piece of work needs to be undertaken to compare the current system for travel and hotel bookings versus a more competitive price offered by the Office Services team.</p>	
	<p>Action JW via Office Services to pilot a scheme to book travel and hotel bookings.</p>	JW
	<p><u>Vehicle Insurance</u> Vehicle insurance is currently provided by a sole supplier agreement on a National Ambulance Procurement Group awarded to QBE due to be extended until April 2015 whilst it is re-tendered by the national group. JN questioned whether part of contract negotiation could drive down a lower price if the Trust allows contact with our staff to provide quotations for personal car insurance. This could also be extended to tyre suppliers etc. ML advised that the Trust have never tendered a broker so it may be the right time to look into this possibility.</p>	
	<p>Action ML to look into the possibility of tendering for an insurance broker.</p>	ML
	<p><u>A&E Ambulance Van Capital Purchase</u> RB re-presented this paper to provide F&IC with background and additional information required to support the Capital procurement of 40 Van Conversion Ambulances by means of a contract secured by Government Procurement Services.</p> <p>RB advised that comments from the telephone conference with NEDs had been noted and comments had been incorporated into the paper.</p> <p>JN added that he had had an exchange of e-mails with RB regarding this item.</p>	

	Action
<p>He questioned whether the options to purchase or lease are included within the same contract let to suppliers or whether contracts were constructed to give the least company the freedom to acquire the vehicles directly from the manufacturer and lease back to the Trust. RB advised that contracts were negotiated directly with the manufacturers and that leasing was considered as a secondary option via a framework contract but confirmed that vehicle purchase offered the best value to leasing and that capital is available within the programme to fund this purchase. Previous financial analysis into lease buy of RRVs had indicated that leasing offered the best value.</p>	
<p>Action A further paper regarding purchase v leasing options is to be provided for the next meeting.</p>	RB
<p>IB left the meeting at 1635.</p> <p>Discussion took place around the funding for the replacement of PTS vehicles. RB confirmed that the recommendations in the document had changed since the last version. MW advised that she didn't feel that she understood exactly what decisions needed to be taken for the following year and it would be helpful to flag within the paper when the next decision needs to be taken. RB advised that the paper is about A&E vehicles but the reality is that we will still be looking to replace PTS vehicles next year.</p>	
<p>Agreement & Action The F&IC confirmed that they are happy for this recommendation for the purchase of A&E vehicles to go to the Trust Board for approval.</p>	RB Trust Board Agenda
<p>The F&IC noted this update.</p>	
<p>15.0 Draft Procurement Strategy ML presented this previously circulated strategy. This is the first draft of the strategy, aligned to the Trusts strategic and operational priorities and Integrated Business Plan for discussion and comment.</p> <p>EB asked whether this had been reviewed by TEG. RB confirmed that this document has not yet been to TEG or TMG and this will retrospectively go to both groups for discussion.</p> <p>EB noted that this looked very different to the previous strategy. ML confirmed that when writing this document he looked at the requirements for the DoH and other NHS trusts and the increased use of technology standards in the development of being more transparent. The strategy also incorporated changes in terms of the need to up-skill managers in their particular field so that they can undertake more strategic work.</p>	

	Action
<p>Following discussion it was noted and suggestion made for changes as follows:</p> <ul style="list-style-type: none"> • The document contained a number of spelling mistakes • Page numbers need to be incorporated • Under section 6.3 risk management this needs expansion in terms of providing information on the national picture • The fit of e-procurement, how this would fit within the organisation going forward and the benefits that this would bring • This covers a lot of sound principles for procurement but should be developed further as to what and how YAS will test these principles and measure against what the strategy sets out • Include HR input relating to the degree of change required to implement this strategy <p>ML confirmed that he agreed that this document sets out the direction of travel but need to underpin this. To enable this to be carried, out two pieces of work need to be undertaken, a priority list and details of the actions needed to achieve this.</p> <p>JN questioned the timescale for head count? ML confirmed that Senior Buyer interviews will take place at the end of September and it is hoped that the successful candidate will be in post within two month to drive forward the recommendations in the strategy. In the meantime temporary support is needed to deliver the ongoing strategy.</p>	
<p>Action F&IC noted this first draft and requested that this come back to the Committee in December with the suggested amendments for discussion.</p>	ML
<p>ML left the meeting at 1647</p>	
<p>16.0 Commissioning and Business Update CB updated the Committee on current contracts and new business developments. She stated that there had been no fundamental change to the financial position of any of the contracts since the last update to the Committee although the A&E contract currently had a number of risks both financially and clinically.</p> <p>Over the past few months there has been increased capacity within the Business Development/contracting team and this has resulted in a better communication and relationships with Commissioners with regard to contracting.</p> <p>CB confirmed that there had been no fundamental change to the financial position of any of the contracts since the last update to F&IC and no contract variations or decommissioning of core services It was highlighted:</p>	

	Action
<p><u>A&E</u></p> <ul style="list-style-type: none"> Hambleton, Richmond & Whitby CCG have put out a tender/PQQ notification via 365 Response Framework. Following lengthy negotiations with Commissioners they have agreed that there will be no decommissioning of activity/finances from the contract. Paragraph redacted for reasons of confidentiality. 	
<p>Action Action redacted for reasons of confidentiality</p>	
<p>It was confirmed that A&E commissioning discussions for 2015/16 are planned in diaries over the next few months commencing on 3 October through to end March.</p> <p><u>PTS</u></p> <p>It was noted that within PTS the four areas are looking to re-negotiate contracts. This is not to say that they will not go out to tender but it is not their intention at the moment.</p> <p>New business development and tendering opportunities was noted in the paper including:</p> <ul style="list-style-type: none"> Doncaster Urgent Care (GP Out of Hours service, Emergency Department, 8-8 Walk in/Health Centre and ECP services). North West NHS 111 PTS Non-Emergency Patient Transport – Derbyshire Non-Patient Transport – York <p>Paragraph redacted for reasons of confidentiality.</p>	
<p>Action Action redacted for reasons of confidentiality.</p>	
<p>F&IC noted the paper and confirmed that they were pleased to see lots more information contained within this update.</p>	
<p>17.0 Feedback from Board Meetings EB advised that there was nothing to report from the Trust Board meeting.</p>	
<p>18.0 Assurance Statement to the Audit Committee In terms of this assurance to the AC, EB asked NEDS whether they were happy to advise the AC that they feel assurance that controls, contingencies and contingent liability are in place and that it would appear less probable that Commissioners will be enforcing penalties.</p>	
<p>19.0 Summary of issues to the Trust Board EB confirmed that there is nothing to elevate to the Trust Board</p>	

		Action
20.0	Dates and Time of Next Meeting: 1400-1700 hours 4 December 2014, Kirkstall and Fountains, Springhill 1, WF2 0XQ	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**