



Finance & Investment Committee (F&IC) Minutes

Venue: Kirkstall & Fountains, Springhill 1, WF2 0XQ
Date: Thursday 9 July 2015
Time: 1400 hours
Chairman: Mary Wareing

Present:

Present:
Mary Wareing (MW) Non-Executive Director & Chairman of F&IC
Pat Drake (PD) Non-Executive Director
John Nutton (JN) Non-Executive Director
Rod Barnes (RB) Chief Executive
Alex Crickmar (AC) Interim Director of Finance & Performance

Apologies:

Ian Brandwood (IB) Executive Director of People & Engagement

In Attendance:

Anne Allen (AA) Trust Secretary (Observing)
Barrie Senior (BS) Non-Executive Director (Observing)
Mike Fairbotham (MB) Head of Procurement (Item 12, 13 and 13.1)
Simon Murphy (SM) Business Development Manager (Item 9.1)
Deborah Ridley (DR) Portfolio Manager (Transformation)
(Item 15 – not required)
Mark Squires (MS) Associate Director of Support Services
(Items 6.2, 6.3, 11 and 13.1)
Alan Baranowski (AB) Associate Director PTS Performance & Delivery
(Item 6.2 & 6.3)

Minutes produced by:

Jo Wilson (JW) Executive PA

		Action
	The meeting commenced at 1406 hours.	
1.	Introduction and Apologies MW welcomed everyone to the meeting and apologies were noted as above.	

		Action
2.	<p>Declaration of Interests for any item on the agenda There were no interests to be declared in relation to the agenda items.</p>	
3.	<p>Minutes of the Meeting held on 4 December 2014 The Minutes of the Finance & Investment Committee Meeting held on 7 May 2015 were approved as a true and fair representation of the meeting.</p> <p>Thanks were noted to Mel Gatecliff for producing this excellent set of minutes.</p>	
4.	<p>Action Log and Matters Arising The Action Log was reviewed and updated.</p> <p><u>2015/24 - Income generation CIP</u> NC advised that this CIP is still being worked up through the Gate Review process. Whilst it is anticipated that this scheme is going to be piloted in Bradford, there is an issue with vehicle preparation so this risk is being reviewed. The CIP Management Group (CIPMG) will track and challenge this scheme and going forward this will be reflected in the Financial Review paper presented to F&IC. Action remains open.</p> <p><u>2015/26 - Fleet CIP – PTS Telematics</u> AC confirmed that MF will be covering PTS Telematics in his Procurement Update at Item 13. CIPMG will be tracking this scheme going forward and will be reported through the Financial Review paper presented to F&IC. Action remains open.</p> <p>MW asked for clarification of where the installation of PTS Telematics is being tracked? RB confirmed that the installation is complete. This scheme was originally scheduled under a Fleet CIP but the operational delivery of this will be tracked through PTS. Delivery or non-delivery will be tracked through CIPMG. Action closed.</p> <p><u>2015/30 – Strength of signal in North Yorkshire</u> MF will be covering this action in his Procurement Update at Item 13.</p> <p><u>Discussed at Item 13</u> MW referred back to the Action Log 2015/30 about the strength of signal in North Yorkshire to be investigated prior to Toughbooks being ordered and rolled out. MF advised that this is being picked up in a piece of work with Airwave. This action remains open and an update is to be provided by MF at the next meeting.</p> <p><u>Action 2015/31 – YAS' New Uniform</u> DM advised that the national procurement for ambulance uniforms is approximately two weeks away from delivering an outcome.</p>	

	Action
<p>MF and his team have undertaken a huge amount of work with regard to sourcing options for uniform within the national procurement framework.</p> <p>MF has engaged with a number of companies to source items of uniform for the Trust to review once the announcement has been made. Three options for each item of uniform have been shortlisted. Following the announcement, a stocktake and staff engagement process will be undertaken. Three operational staff forum members have worked with MF during this process, but arrangements will be made for staff roadshows to engage with staff going forward.</p> <p>It was agreed that the uniform chosen should be something that YAS staff are proud to wear.</p> <p>A more realistic timeline for implementation should be available at the next F&IC meeting in September. Action closed.</p>	
<p>5. Feedback from Trust Board MW highlighted feedback and assurance requested from the Trust Board meetings which had taken place since the May meeting of the F&IC:</p> <ul style="list-style-type: none"> • Queries covering due diligence for Hub and Spoke will form part of the Hub & Spoke Update at Item 14. • Clarification of DMA procurement will be covered in the Fleet Update at Item 11. • The TDA have asked for further evidence of the Hub & Spoke SOC and questioned the re-approval route? RB advised that the TDA want to see a more streamlined document, including quality benefits. A marked up track-changed copy of this document needs to be circulated to F&IC for comment and discussion at the next meeting. <p>Action A track-changed copy of the updated Hub & Spoke SOC to be circulated to F&IC members of comment.</p> <p>Hub & Spoke SOC to be included on the September F&IC agenda.</p>	<p>JW Agenda 2015-32</p>
<p>6. Service Line Management & Service Transformation Update NC updated the Committee on the implementation of Service Line Management (SLM).</p> <p>NC provided an overview of the national context following attendance at the AACE (Ambulance Association Chief Executives) Finance Directors meeting in June 2015.</p>	

	Action
<p>The Trust is in discussion with Monitor regarding pathways and the possibility of becoming a 'Roadmap Partner' to support Monitor in the development of UEC (Urgent & Emergency Care) tariffs. The Trust is in the process of commissioning a software package to support the development of Patient Level Costing that will support the work.</p> <p>A time-out to discuss the implementation of Service Line Reporting (SLR) and Service Line Management (SLM) was held in June with key individuals from the Finance, Business Intelligence, HR, Strategy and Transformation teams to consider a way forward and understand the reasons behind the lack of progress on SLM. Good feedback has been received following this session and key themes that came of the session will be progressed, including:</p> <ul style="list-style-type: none"> • Lack of agreement and understanding of what constitutes a Service Line and where the ownership lies • Lack of a clearly articulated Accountability Framework for how Service Line Managers will be expected to be held to account, rewarded for performance and how SLM can hold Support Services and Corporate Departments to account for performance <p>JN noted that this was a positive move but suggested that fuel costs ought not to be difficult to make an approximation of indirect costs.</p> <p>NC confirmed that Indirect treatment is the likely direction the Trust is heading and reports are starting to be built.</p> <p>JN suggested that an activity impact on fuel costs would be an appropriate driver for fuel costs.</p> <p>AC advised that Monitor is looking at the pay system in the NHS and this will be a discussion with TEG colleagues. Ambulance services are to pilot this and so this will feed into patient level costings.</p> <p>MW agreed that this approach sounds like the right thing to do to align with the national direction of travel and that this shouldn't be allowed to slow down implementation of SLM. NC confirmed that there would be no detrimental impact to timescales for implementation of SLM.</p> <p>NC explained that the way the Trust is building the system is from incident level and therefore we can drill down to patient level when we get consistency of data quality and coverage at this level.</p> <p>MW asked whether there will be the opportunity to flex to change how we manage the level of costs. DM advised that within Operations, the management structure is being reviewed in order to future-proof this to ensure that SLM is going to work at whatever point this is implemented and to ensure that any new structure dovetails with the operation structure.</p>	

	Action
<p>AC added that Monitor are helpful with guidance for SLM and TEG discussion will take place regarding what service lines may look like.</p> <p>BS questioned what the timeline for the completion of SLM will be</p> <p>NC confirmed that this is currently being discussed at TEG and that this should be embedded in the early stages of 2016. Following TEG discussion there will be further communication and engagement with Service Line Leads before approval at Trust Board with regard to accountability.</p> <p>AC spoke about the culture within organisations with regard to Integrated Performance Reports (IPR), Performance Management Frameworks and SLR and advised that the culture within the Trust need to change to enable this process to be successful.</p> <p>RB added that the two largest areas within the Trust, Operations and PTS are both going through a management re-structure. Getting the accountability right, is the thing that takes the longest in the overall timeline.</p> <p>BS acknowledged that this was not a simple change and this process does include taking a lot of people on a journey to derive the benefits of this. However, alluding to the FT journey, he highlighted that this may be a blocker and questioned whether this should be a concern?</p> <p>RB replied that the Trust is not behind any other ambulance service in terms of understanding profitability by service lines and it is therefore hard to believe that this would be a barrier to moving forward on FT.</p> <p>AC added that the Trust is currently in line with the suggestions that Monitor have given in terms of where we should be at this time.</p> <p>Approval: F&IC noted the progress made with SLM within the Trust and supports the direction of travel.</p>	
<p>6.1</p> <p>PTS Update RB provided the Finance & Investment Committee with a progress update within PTS.</p> <p>RB advised following the good work undertaken by Curzon, the Trust needs to move from being a Curzon led project to a YAS led project. With this in mind, the team have taken the lessons learned from Curzon and firstly looked at both quick wins in the short term, as well as looking at the larger pieces of work in the long term.</p> <p>RB talked about the recruitment of new posts within PTS, including a Managing Director, a Programme Manager and a PTS Communications Manager. These appointments will be shared with</p>	

	Action
<p>F&IC once start dates have been confirmed.</p> <p>Within the PTS transformation programme, the new operational delivery model is advancing in terms of operational efficiencies to secure the CIP programme for this year.</p> <p>The Project Streams within the Operating Model are:</p> <ul style="list-style-type: none"> • Implement Auto-scheduling • Create Resource and Logistics Functions • Develop Reporting and Forecasting • Streamline Reservations • Develop Voluntary Car Service • Effective Sub-contract Management <p>Other Project Streams are:</p> <ul style="list-style-type: none"> • Telematics • Fleet Availability • Organisational Effectiveness <p><u>Telematics</u> The telematics kit has been installed. Good discussions have taken place with Staffside colleagues and a joint statement has been produced.</p> <p><u>The Model</u> In order to get more efficiency out of the system, the PTS Operational Delivery Model that Curzon developed has now led to a partial implementation in five localities.</p> <p>HR has tested out job descriptions to ensure that this is deliverable. Planning and scheduling will provide responsibility and accountability for profit delivery. Alistair Gunn, PTS Performance & Logistics Manager is having conversations with individual Locality Managers, building on the work undertaken by Curzon with regard to resource capabilities. Over time we will collapse localities to fit in with the desired model.</p> <p>MW asked for further information about the PTS Programme Manager role. RB confirmed that this role would link in with Nigel Hopps' transformation team, working with PTS for this programme and then moving forward to work on other projects.</p> <p>JN questioned what is going to have to change culturally to be able to deliver this project? RB advised that the project resource behind this will assist the cultural change moving to the new model.</p> <p>MW asked whether this model is now in place. RB confirmed that this model is being implemented at the moment.</p>	

BS spoke about the aspects of a journey to improve PTS and asked what would this look like with performance and location, and what is the goal here? RB advised that the goal is to want PTS to break-even in three years, and we are one year into this. He added that there needs to be significant steps taken to achieve this break-even perspective.

RB talked about the service and what this would look like. A piece of work is being undertaken looking at how far the PTS service could be taken into the community transport arena, whilst not veering too far away from our core market. Discussions are taking place [REDACTED] on opportunities for joint provision. This would also fit in with our strategy of being a gateway.

(Above wording redacted for commercial / in confidence reasons.)

RB highlighted that immediate change includes:

- Apprentices – Using opportunities in the workforce model to develop our current Apprentices into band 2 and band 3 roles.
- ECRs – To review anticipated ECR income (over and above budgeted) for 2015/16.
- Calderdale and Huddersfield discharge – value of the contract is now £309k rather than the £132k CIP.
- Hull and East St Johns – replace with an in-house service
- Remove redundant vehicles – remove vehicles not used eg Trekka buses
- Fleet replacement – 18 and 46 vehicles reducing VOR and associated taxi spend
- VCS – push VCS recruitment to exceed the current £415k CIP
- Aborted calls – employing agency staff in PTS
Communications to contact patients and reduce aborted journeys

MW questioned what impact has been seen from aborted journeys? RB confirmed that whilst this process has just begun, it is showing 5%-10% capacity being taken out of the system.

MW suggested that further detailed discussion should take place regarding the financial review in the CIP update as part of item 8.

The Finance & Investment Committee thanked RB for this presentation and noted the update and progress taking place in the transformation in PTS.

		Action
6.2	PTS Vehicles Contract Procurement via capital purchase of 18 replacement PTS vehicles	
6.3	PTS Vehicles Contract Procurement via leasing of 46 replacement PTS vehicles	
	<p>These two items were discussed later than scheduled in the agenda.</p>	
	<p>AB and MS arrived at the meeting at 1630.</p>	
	<p>AB presented two papers asking the F&IC to support firstly the capital purchase of 18 single PTS vehicles to replace the 18 vehicles which are now beyond their economic life. Secondly to support the leasing of 46 PTS vehicles which are now beyond their economic life. A paper for the purchase of the 93 PTS vehicles has already been considered by F&IC and Trust Board in December 2014. 47 vehicles were approved and will be delivered into service during August and September 2015. The remainder of the 46 vehicles are detailed in this paper.</p>	
	<p>AB explained that over a number of years there has been an under-investment in the replacement programme for the PTS fleet. This has resulted in a number of vehicles which are aging and unreliable with associated high running and maintenance costs. With an increasing number of vehicles off road this has caused increased expenditure on taxis. AB added that PTS would have trouble managing the service if further vehicles were off road.</p>	
	<p>It is anticipated that the 18 vehicles will be added to the end of the current build so should be available by Christmas and the remaining 47 available by February 2016. It was highlighted that if the Trust miss these build slots this would push the delivery of these vehicles back further.</p>	
	<p>From an A&E perspective, it was noted that should approval be given for the purchase of these additional vehicles this would ultimately give flex and capacity to provide help with urgent care.</p>	
	<p>JN questioned the comparison of capital v leasing and had this been considered? MS advised that the paper to the Trust Board would address this.</p>	
	<p>PD noted the issues caused with PTS vehicles being off road, the cost of staff not working due to lack of vehicles and the cost attributed to taxis due to this. However, she advised that the main cost was the lives of our patients being put at risk due to missed hospital appointments when PTS transport is not available, for example, renal patients not being transported for dialysis.</p>	

	Action
<p>PD advised that she would advocate that F&IC recommend this paper to go to Trust Board for approval for the purchase of these vehicles. She added that she felt that the Trust had reached a tipping point and this should be reflected strongly in the paper to Trust Board. Additional information within the paper should include the assistance that these vehicles would provide to A&E resilience and the importance of patient safety with the cost of not purchasing the vehicles outweighing the costing of purchasing these.</p> <p>AB advised that in partnership with (OH) Oughtred Harrison Vehicle Converters (Goole) the PTS vehicle design group have worked with OH in the development of a new specification short wheelbase ambulance (Peugeot L2). The L2 is capable of transporting two wheelchair patients on a single operator vehicle therefore reducing the need for two vehicles to convey two wheelchair patients. In areas such as the East coast and North Yorkshire the cost saving is substantial for long journey runs. The vehicle has been operational throughout the trust with positive feedback from both staff and patients. The 2015/16 PTS fleet business case expects twelve of the L2 design vehicles to be in operational use by February 2016.</p> <p>DM added that he fully supports the design of the vehicles, especially the dementia friendly element and this also provides lots of learning for A&E vehicles. He agreed that the points already made about flex of resilience for providing help to A&E, particularly going into Winter would be invaluable as they do rely on the PTS fleet during this time.</p> <p>RB added his support to the points already made and that the safety of both staff and patients is paramount.</p> <p>PD questioned whether the cost of vehicle insurance would reduce once the new vehicles were purchased?</p> <p>MS advised that the Trust will be able to reduce the PTS fleet with these new vehicles and therefore overall the insurance premium would reduce.</p>	
<p>Action</p> <p>MW confirmed that the combined paper needs to be a robust document when presented to the Trust Board including:</p> <ul style="list-style-type: none"> • Patient safety • Identify the savings relating to the overall fleet, which are already in Fleet CIPs • Utilisation and benefits to A&E • Cost of taxis and sub-contractors against vehicle off road time <p>Recommendation & Action</p> <p>The Finance & Investment Committee noted, took assurance and recommended that these two contracts were taken to Trust Board for approval, pending the amendments noted above.</p>	<p>MS 2015-33</p> <p>Trust Board Agenda 2015-33</p>

		Action
	AB left the meeting at 1644.	
8	<p>Discussed before Item 7 Financial Review and CIP Update</p> <ul style="list-style-type: none"> • Financial Risks (including below corporate level); • Year to Date Financial Performance; • IPR – Finance Section <p>AC provided the Committee with an update on the Trust’s financial risks and exceptional budgetary and treasury items and an overview of the main points in section 5 of the Integrated Performance Report (IPR). The paper was taken as read.</p> <p>The Month 3 position year to date has achieved a £1.5m surplus against a planned surplus of £0.991m and a projected underspend for the year of c£1.3m. It is proposed that the Trust increase the forecast surplus on I&E from £1.15m to £2.45m to protect the cash associated with the under spend on depreciation to fund the capital programme.</p> <p>AC added that he is not proposing changing the plan but confirming what the forecast is. The TDA will come to us with a stretch target shortly to adjust the plan in line with Treasury requirements. If it was decided to change the plan then this would be taken back through Trust Board for approval. The reason behind increasing the forecast is to protect the underspend to fund the capital programme in full, rather than being consumed within the overall I&E position or use of previous retained surpluses to fund this year’s capital plan. The remainder of the underspend is due to vacancies widespread across the organisation.</p> <p>JN questioned whether we should be looking at the consideration of penalties. AC confirmed that this forecast amount has had penalties factored in. There are £800k penalties in the first quarter with work taking place with regard to private providers to improve performance and offset penalties later in the year.</p> <p>MW noted that it makes it important that we decide on our commitment very soon for when the TDA challenge this underspend.</p> <p>BS asked whether the Trust needs to produce a justification that explains that we have taken all reasonable steps to improve performance and that provided we can find the right people our first duty is to spend the money to increase performance.</p> <p>DM clarified that he had seen the first draft that MF has been putting together for private provision and this looks reasonable but will review in detail and give his thoughts to the Finance team together with how he thinks this features in mitigation of penalties.</p>	

	Action
<p>JN questioned whether private providers will be flexible. DM confirmed that in terms of contracting, this will be flexed for peak periods when resource levels are low and all scenarios will be reviewed with a number of different private providers.</p> <p>BS asked for the comparison of the cost of hiring private providers v DMAs with payment of overtime.</p> <p>PD noted that she felt that in terms of longer term contingency and the predication that new rotas will not go smoothly, we may have to keep going with private providers.</p> <p>DM added that there needed to be honesty with unions but need to give our position and aspiration over the next one or two years.</p> <p>BS noted that our commitment with private providers may help negotiations with them.</p> <p>PD added that we need to be mindful of the quality aspect of using private providers.</p> <p>DM advised that it was important to take stock at each stage of these changes that we are doing the right thing. Kate Sims and Paul Mudd are working on the recruitment trajectory and the clinical quality of recruitment. They are looking at resource available to the Trust within A&E and PTS staff and looking at what is the best fit.</p> <p>RB advised that within PTS, training is periodic and therefore the Training Team have been asked to re-align this so that the same level of training is given to the same cohort of 4 people on a single training programme and is then split off into other elements of the training going forward.</p> <p>AC re-iterated that he is asking for F&IC to note the change in forecast for now to a £2.45m surplus against a plan of £1.15m. If the plan is to be changed within the next two months then this will be brought back to the F&IC for discussion and recommendation to be presented to the Trust Board for approval.</p> <p>MW questioned why the plan would not be changed now. AC advised that this is because of the risks spoken about with DM on the cost of provision to achieve the performance standards</p> <p><u>PTS Financial Performance</u> AC advised that the PTS service remains financially challenged. He drew the Committees attention to look at Quarter 1 from last year and this year and highlighted that the run rate is similar. The underlying position is that the CIP programme for this year is back-loaded. It is too early in the year to say there has been a huge improvement but added that he feels much more confident than last year.</p>	

	Action
<p>MW questioned whether one or more CIPs are not delivering. AC confirmed that the taxis CIP was not delivering. MW asked the reason for this.</p> <p>RB confirmed that vehicles off-road is a real issue in terms of some areas of the patch and at the Management Conference he did use Scarborough as an example of this. Three out of ten vehicles in this area are off road and this has resulted in additional vehicles being hired. The PTS Communications team, at the first sign of a problem book private providers, whereas the Operational Locality Managers use private taxis last. By making the Operational Locality Managers responsible for these, it should deliver better use of spend.</p> <p>MW added that this CIP concerns her on a number levels, firstly how can a forecast be given on a CIP that it is not known how this could be delivered, and secondly the remainder of the overspend may be due to lack of control on budget. RB confirmed that this CIP is now off track by £26k but income is part of the CIP programme and is offsetting this</p> <p>MW pointed out that the overspend on non-pay was unrelated to additional income, since the income was not a result of additional activity.</p> <p>NC confirmed that CQUINS and ECR would be stripped out of non-pay and that CIPMG are currently working through the CIPs to achieve for this year but there are more reserve schemes on the list that will offset some of the shortfall.</p> <p>Action MW requested that a deep dive review of the PTS CIP schemes be presented at the next meeting.</p> <p>AC added that this is the best place we have been historically but a deep dive would take place in the next two CIP meetings and the robustness and working up of these schemes would be challenged back to the PTS Management Team. The Finance Team will be drilling down into this information to identify whether further efficiencies can be achieved.</p> <p>BS asked whether the PTS break-even target over a three year timeframe was a formally agreed target. RB confirmed that this had been agreed with the PTS Management Team and presented to the Trust Board.</p> <p>BS questioned what assurance could the F&IC have that this will be delivered and whether there would be milestones along the way to ensure this achievement could be measured.</p>	<p>AC 2015-34</p>

		Action
	<p>Approval: The Finance & Investment Committee noted the financial risks highlighted and was partially assured that the risks were being managed and mitigation plans were in place.</p>	
7	<p>A&E Operational Resourcing & Budget (Including ORH) AC presented an overview of the Red performance trajectory and plan to deliver, including the financial and workforce resources to support this. This report also outlined the operational, workforce and financial implications of the ORH (Operational Research in Health) recommendations, including associated risks and next steps.</p> <p>AC highlighted the c£6.2m of additional resource invested by Commissioners in the 2015/16 contract. This investment will support the delivery of the performance plan for 2015/16 and a summary of the projected performance plan and trajectory was detailed within the paper.</p> <p>DM advised that his team continue to work with Lightfoot to inform discussion with regard to improvements in this area. Quarter 2 has seen a much better benefit from this collaboration.</p> <p>AC spoke about the operational, workforce and financial implications of the ORH review. The modelling to date has identified a need for a recurrent investment of c£11.4m based on current working assumptions and an assumed level of activity growth of 4.5%.</p> <p>The Finance team have determined the potential funding available to contribute further to the operational plan and the recurrent affordability of this position from 2016/17 onwards. The analysis detailed in the paper shows a large amount of funding available and can afford significant investment in year to support improved operational performance. However, if the investment is not made the surplus position could be as high as c£5-6m. There is also a significant financial risk that has been identified with regards to activity changes.</p> <p>DM advised that whilst all Mental Health Nurses have been appointed, is it taking a longer amount of time than expected to recruit into other roles.</p> <p>MW asked when the Committee could expect the review of when the impact will be realised. DM advised that agency staff is being used at the moment for Mental Health staff but there is possibly some value in looking at this.</p> <p>AC advised the recurrent financial gap was currently a £4.6m shortfall in 2016/17 which grows to £7.9m when coupled with the big risk of activity dropping significantly from the block contract.</p>	

	Action
<p>This was the result of Commissioners indicating that they wished to move to a full PbR (Payment by Results) contract for 2016/17 from the current block contract. This scenario needs to be worked through in terms of workforce numbers.</p> <p>MW advised that the Committee would need an understanding of options for decommissioning based on variability of demand closer to this date.</p> <p>With no activity growth, as detailed at paragraph 3.5, it was questioned what would be the reduction in WTE as the ORH model does not include some of the schemes so would need to understand if this closes the gap and if not what would we have to do differently.</p> <p>DM confirmed that when different efficiencies are added to the simulation model, there is a baseline we need to get to before seeing these benefits. Fundamentally, until we have enough ambulances on the road the benefits realisation is reduced.</p> <p>AC added that the in-year risk is that the Trust may have a very high surplus but miss performance targets and incur high penalties.</p> <p>MW felt that this was a good paper and covered off the contrasting risks in this year and next year very well but the Committee still needs to understand the shorter term resource allocation plan.</p> <p>JN questioned whether the Trust can reach the complement of staff advised by ORH in their review.</p> <p>DM confirmed that he thought that this was possible, with the first step being the reorganisation of resources eg RRVs onto DMAs. This has to be then tied in with moving onto the new rota patterns. There is a gap in external recruitment at the moment and Kate Sims is aligning this into the training plan.</p> <p>MW commented that the implications of the ORH review needs further discussion over time and it is important that the Trust Board are kept aware of progress. AC advised that the update can be given at the next Trust Board as it stands at the moment or can be deferred to the September or October meetings.</p> <p>PD added that the update to the Trust Board should include further details of the recruitment programme to link this to the review.</p> <p>MW suggested that this update be presented to the Trust Board in September. RB advised that the Trust need to take something to the TDA before this time. This also includes a piece of work around private providers and recruitment and would prefer this to have come through Trust Board.</p>	

		Action
	<p>DM suggested that this update is presented to the Trust Board Meeting in Private with caveats around assumptions.</p> <p>PD spoke about staff contracts and questioned whether within these we include a line advising that staff may be asked to be flexible about base.</p> <p>PD questioned at what point would the Trust start with a new contract for staff? DM confirmed that all offers of an RRV contract had ceased.</p> <p>JN suggested that a radius of 30 miles from their base station could be included in the contract.</p> <p>Action MW to speak to the Chairman as to whether a virtual F&IC at short notice will be supported to enable this paper to be discussed and updated for presentation at the July Trust Board meeting.</p>	<p>MW 2015-35</p>
<p>9</p> <p>9.1</p>	<p>Major Business Cases (including PIDs)</p> <p>A&E PID for further clarification DM took questions regarding the previously circulated updated A&E PID.</p> <p>PD noted the investment to enable demand to be reduced but questioned how this would be measured. DM confirmed that this is always a challenge but the outcome should provide a much better opportunity to see real benefits and realisation.</p> <p>PD asked if KPIs were in place. DM advised that what this investment does allow is the feeling that this is much better managed around demand and being able to look at efficiencies.</p> <p>MW advised that this updated A&E PID provides a much clearer description of what YAS is seeking to achieve under the headings but questioned how the £2.8m CIP will be delivered. MW also noted that some schemes within the CIP programme are not always linked to a cost saving so questioned whether there is any benefit to managing them through the CIP programme. DM advised that there are two elements to this, one to resolve the system issues that may mask benefits – this may be a scheme that didn't work or just was not understood. There is no consistent measure for benefits in terms of quality or finances. Whilst quality is much easier to measure, the financial benefit has not yet been linked and there is a need to understand the real cost of sending an ambulance.</p> <p>AC added that this understanding will come through as a result of the implementation of service line reporting where increased productivity will show in the net unit cost of changes in activity.</p>	

	Action
<p>AC advised that the TDA visited YAS to review CIPs and went through in detail each CIP with each Project Manager and the A&E PID was included in this review. They did challenge this but understood the premise of this and the trajectory. Overall the review was very positive and they said that we were a 'shining light' and would refer us to other organisations as a good example of CIP management and delivery.</p> <p>SM arrived at the meeting at 1617</p> <p>Gateway Process on first phase of the South Derbyshire PTS Tender</p> <p>SM provided F&IC with a brief outline of the previous and incomplete Derbyshire NEPTS procurement process which ended March 2015 and the new re-procurement process that began in June 2015.</p> <p>YAS made a comprehensive bid to win the Derbyshire MEPTS tender earlier this year being shortlisted to the final four providers. Unfortunately the result of the tender was never publicly released as there was concern that the process to date had not adhered to the general EU principles of fairness and non-discrimination.</p> <p>As a result, a new Derbyshire CCG was selected to oversee the re-procurement. On 8 June YAS submitted a PQQ to the Derbyshire commissioners, following discussion at the Gate Review meeting. This was broadly the same PQQ which had been submitted in August 2014. SM advised that unfortunately YAS have not been shortlisted and feedback is awaited.</p> <p>MW questioned whether SM knows who had been shortlisted. SM advised that until feedback is received this information is not known, neither is the reason why YAS have not been shortlisted.</p> <p>PD added that those commissioners in the CCGs are new to this tender process so it may be worth putting a challenge back in following feedback being received.</p> <p>MW suggested that whilst it is disappointment that YAS have not been shortlisted on this occasion, it could be used as an opportunity to look at this as a business model for future bids, and ask whether there were other opportunities on the horizon. SM confirmed that there were other business opportunities being explored eg Arriva in Greater Manchester, competing with NWS for a contract.</p> <p>PD questioned whether there were any risks with Staffside colleagues with this new model in terms of TUPE of staff? DM is managing the noise.</p> <p>Approval MW thanked SM for this update and looked forward to him sharing the feedback once received.</p>	

		Action
	SM left the meeting at 1623.	
10	<p>Commissioning & Business Update (Including Gateway Process)</p> <p>AC updated the Committee on the current commissioning arrangements for YAS' key business areas, A&E, PTS, and NHS 111. The paper gave an overview of the risks and/or key challenges to each of the contracts and updated the Committee on any new business developments and their progress, along with any recommendations for commencing new business ventures.</p> <p>The paper was taken as read and MW invited questions from those present.</p> <p>MW questioned the Northampton 111 tender, highlighting that it was not clear who YAS were attempting to partner. AC advised that Business Development had looked at the area and the potential partners, including who were the market leader and the benefits and risk.</p> <p>MW added that the letter sent to Carol McKenna, Chief Officer of Greater Huddersfield CCG regarding the NHS 111/WYUC contract was clear, demanding with a good balance of support.</p> <p>Approval: The Finance & Investment Committee noted the update in the paper and supported the on-going business developments.</p> <p>Action SM to bring back details of the North West Contract and Review Service Configuration to a future F&IC.</p>	SM 2015-36
11	<p>Draft Long Term Fleet Replacement Plan</p> <p>MS presented this update providing Finance and Investment Committee with an outline of the draft Trust-wide Fleet planned vehicle replacement profile between 2015 and 2020.</p> <p>MS referred to the table at Appendix 1 detailing the Vehicle Replacement Plan. This information is taken from the Fleet Cleric system and the first column gives current information for 2015/16 showing the number of vehicles within each area with the planned replacement age/date. If vehicles are not replaced in year then these will roll forward to the following year.</p> <p>MS highlighted that it is difficult in years 2 and 3 in terms of fixing a date to bring contracts to Trust Board for approval. However the Capital Plan that will be presented for approval at the end of March 2016 will include the number of vehicle required and will tie up with the replacement plan.</p>	

		Action
	<p>NC noted the table in Section 4 detailing the replacement cycle of blue light vehicles eg a DCA is replaced after 7 years or 200,000 miles and queried the numbers here. MS confirmed that predominantly age is used rather than mileage; the only time that this would be different is if the vehicle had a major accident.</p> <p>Action MW requested that the estimated dates for signing of each of the fleet vehicle replacement contracts be included on the Procurement workplan. If the dates for these contracts are changed then the workplan can be amended accordingly.</p> <p>There are 26 HART vehicles and Emergency Preparedness vehicles for replacement. These are under review for the National HART development team and their replacement is therefore pending national funding and specification decisions.</p> <p>Action AC suggested and it was agreed that the Vehicle Replacement Plan be reviewed by F&IC every six months.</p> <p>The Finance & Investment Committee noted the plan.</p>	<p>Workplan 2015-37</p> <p>Workplan 2015-38</p>
12	<p>Lord Carter Interim Report Mike Fairbotham (MF), Head of Procurement, arrived at the meeting at 1654.</p> <p>In June 2015, Lord Carter of Coles produced his interim report on spending within the NHS citing a need to 'ensure that the precious resources of the NHS are utilised as effectively as possible' and proposing that the NHS could save £5bn by improving workflow, containing workforce costs, and buying better.</p> <p>Further to this, in February 2015, the UK Public Contract Regulations changed, meaning that YAS has two additional pieces of central procurement policy and legislation to follow.</p> <p>MF presented his previously circulated paper providing F&IC with an update of the Lord Carter interim report, highlighting the key points and key themes and giving assurance that these are being managed accordingly.</p> <p>The Trust is moving towards eProcurement and will adopt centrally produced e-catalogues, when these are available. There is likely to be some clinical choice implications, so we should look to influence these where possible.</p> <p>DM noted that from a clinical aspect the introduction of this e-catalogue should not cause a problem unless this is very limited in its choices. MF confirmed that both A&E and clinical would be part of the engagement process for this.</p>	

	Action
<p>AC advised that the Standing Financial Instructions and Standing Orders document will be re-visited following this iteration being presented to Trust Board to ensure that this is in line with new regulations.</p> <p>Approval & Action The Finance & Investment Committee noted this update and took assurance that the key themes and key points in the Lord Carter interim report are being managed.</p> <p>Whilst it was not felt appropriate at this time to include this an item on the Trust Board agenda, MW is to include this update in her F&IC assurance paper to the Trust Board.</p>	<p>MW F&IC Update to Trust Board 2015-39</p>
<p>13.1</p> <p>Contracts for Approval Fuel Card Contract</p> <p>This item was moved further up the agenda to allow MS to leave the meeting following this being discussed.</p> <p>MF presented this contract with AllStar under the National Framework award for the provision of fuel cards.</p> <p>YAS currently uses the AllStar card to procure fuel at petrol stations and this contract incurs administration fees of approximately £91k per annum.</p> <p>The new national arrangements (framework) that has been put in place with AllStar would reduce our current administration costs down to £18k per annum. This represents a saving of £73k per annum.</p> <p>MW questioned whether moving onto the premier programme incurred any additional costs? MF advised that it didn't incur any additional costs, but just makes the process easier.</p> <p>Recommendation and Action The Finance & Investment Committee noted the cost savings, took assurance that there would be minimal risk to the organisation and therefore recommended that the Fuel Card contract is taken to the Trust Board meeting in July 2015 for approval.</p> <p>MS left the meeting at 1656.</p>	<p>Trust Board for Approval 2015-40</p>
<p>13.0</p> <p>Procurement Update Including:</p> <ul style="list-style-type: none"> • Local Contracting & Tendering; • National Framework & e-procurement Update <p>MF updated the Committee on key contracting and tendering activity, highlighting:</p>	

	Action
<p><u>Fuel Card contract</u> As detailed at Item 13.1 it is anticipated that the fuel card contract will be signed by the Trust Board later this month and implemented next month.</p> <p><u>Vehicle Spares</u> The current contract has been extended to 30 September 2015 with a number of additional extensions already approved by the Trust Board to the end of April 2016. The procurement team is working with Fleet to develop the specification and associated procurement documentation. It is expected that the new contact should be awarded by October and in contract by Christmas. Therefore the final three months of the extended contract will not be required.</p> <p>RB questioned whether there was any way that we can build vehicles spares into the vehicle purchase and for them to maintain everything but the support contract? MF advised that with new vehicles this is part of the provision.</p> <p>DM added that the concern is that it is not just the cost to repair the vehicles but the cost to YAS in terms of the impact on performance when the vehicle is off the road.</p> <p><u>Vehicle Recovery</u> MF conformed that this contract shows as Red on the spreadsheet for Amber in the report. The status of this is Amber.</p> <p><u>Solar Panels</u> The current procurement has been abandoned due to only receiving two bids, only one was compliant and the other was over budget.</p> <p>MW asked whether there is a time limitation for spending this Department for Transport (DfT) grant. MF confirmed that this grant has to be spent in this financial year.</p> <p>The decision has been made to change the fitting of panels from RRV's to DCA's which does not fall outside the guidance given by the DfT. Procurement is awaiting a full specification for this from the Interim Sustainability Manager. Laurence Harvey, Fleet Manager is also looking at the payback we get for this with dilapidation costs.</p> <p>AA questioned whether there will be any implications for fuel efficiency? MF confirmed that it depended whether this was a film or panel, so yes this could have an impact on fuel efficiency. MF added that this contract is on Amber at the moment as this is not operationally critical but this will hopefully be resolved soon.</p> <p><u>A&E Consultancy Framework</u> This OJEU procurement is being scoped by the Procurement Team at the moment and is likely to be wider than A&E and cross over to PTS but added that this should be an easy and compliant process.</p>	

	Action
<p>MW asked whether this would be covered under a national contract.</p> <p>MF confirmed that some would and some not.</p> <p>MW questioned what implications are there in terms of a requirement to go to TDA. MF confirmed that a fully 100% compliant route is helpful. Consultancies rack up costs so getting them OJEU compliant is good.</p> <p>AC added that a large amount of agencies who are contacting us are advising that they are now on the framework so this will help.</p> <p><u>Uniform</u> This item was also discussed at Item 3.</p> <p>Currently, Procurement is concentrating on A&E frontline staff uniforms, but this will then be rolled out to other parts of the service.</p> <p>Whilst waiting for the award of the national contract, a six month extension to the current uniform contract is to be progressed.</p> <p>MF has engaged with a number of companies to source items of uniform for the Trust to review once the announcement has been made. Three options for each item of uniform have been shortlisted. Following the announcement, a stocktake and staff engagement process will be undertaken. Three operational staff forum members have worked with MF during this process, but arrangements will be made for staff roadshows to engage with staff going forward.</p> <p>MW asked when the decision is going to be taken whether to adopt the national crest? DM advised that this is a very emotive decision with staff and if the decision is to adopt the national crest then this is going to have to be sold to staff very carefully. The next stage is to engage in conversations with the Chairman.</p> <p>RB questioned whether consultation with staff regarding this decision would include PTS?</p> <p>MF confirmed that he wouldn't want to give up our YAS crest to go with the national crest if this did not prove cost effective.</p> <p>DM added that he is the only person within YAS to have a dress uniform and he had paid for this himself. London Ambulance Service pays for the dress uniform for staff.</p> <p><u>Private Ambulance & Private PTS Provision</u> MW noted that this appeared to be a very light-weight contract with St John Ambulance with no leverage. MF & DM advised that as soon as this becomes available then St John should move onto this framework.</p>	

		Action
	<p>BS questioned whether private providers would have capacity to provide resource in South Yorkshire given EMAS were already making demands on the same resource pool.</p> <p>MF suggested that YAS produce a bespoke single tender waiver in the meantime to cover this and enable YAS to buy a little time.</p> <p>MW questioned how much time would be required? MF confirmed that the OJEU framework would take 6-9 months to undertake this piece of work. Therefore the suggestion of a single tender waiver model with a number of providers.</p> <p>MW asked how this would be covered from a governance point of view. MF advised that the single tender waiver would cover a number of suppliers, bound by a certain period of time and a total cost which cannot be exceeded.</p> <p>Approval The Finance & Investment Committee agreed that they would be happy to schedule a virtual F&IC to cover off this single tender waiver for private providers to enable to be taken to the next Trust Board Meeting in Private.</p> <p>Action MF to send a copy of the private provider single tender waiver to DM and AC.</p> <p><u>Action Log 2015/30</u> MW referred to the Action Log 2015/30 about the strength of signal in North Yorkshire to be investigated prior to Toughbooks being ordered and rolled out. MF advised that this is being picked up in a piece of work with Airwave. This action will be kept on the action log and an update given at the next meeting by MF.</p> <p>Approval: The Finance & Investment Committee noted the contents of the Procurement update and the key actions being taken by the Procurement team.</p> <p>MF left the meeting at 1730.</p>	<p>MF 2015-41</p>
<p>14</p>	<p>Hub & Spoke Update At the last Trust Board meeting, the Hub & Spoke team were invited to give assurance around the contract award for Construction Constancy to Mace via the NHS SBS Framework. This additional assurance was to ensure references had been taken up (due diligence), and that the framework Terms and Conditions were fit for purpose.</p>	

		Action
	<p>MF confirmed that reference were submitted, but not taken up by SBS at Framework award stage, but YAS Procurement had taken up references specific to this contract, which were satisfactory.</p> <p>With regard to the terms and conditions – YAS Legal Team have sent the contract to Capsticks for review and they have advised that our terms within the contract are fit for purpose. There were some suggested amendments made to the language and legal terms but nothing material or high risk.</p> <p>Approval F&IC members were asked to confirm that they were content with this additional evidence to allow the contract to be placed. This was approved.</p> <p>Action The Hub & Spoken contract is to be sent to JW for circulation.</p>	<p>MF/JW 2015-42</p>
<p>15</p>	<p>Make Ready Pilot/Manor Mill Business Case RB and MF spoke about this piece of work currently being scoped by the Procurement and Hub & Spoke team.</p> <p>MW advised that this item has been brought to F&IC for information only and any questions should be sent directly to MF and RB by e-mail.</p>	
<p>16</p>	<p>Assurance Statement to the Audit Committee</p> <p>Action AC and MW to speak about the assurance from F&IC to the Audit Committee.</p> <p>The updated BAF (Board Assurance Framework) and associated risks to be included in the assurance to the Audit Committee.</p>	<p>AC/MW 2015-43</p>
<p>17.</p>	<p>Summary of issues to Trust Board MW stated that major items of interest for feedback to the Trust Board included:</p> <ul style="list-style-type: none"> • A&E Resourcing update for July Trust Board Meeting in Private • PTS Vehicle Procurement papers for approval • Fuel Card contract for approval <p>It was noted that QIAs and PIDs have been uploaded to a reading room on BoardPad.</p> <p>As there were no additional comments, MW thanked everyone for sparing the time to attend and their contribution during the meeting.</p>	

		Action
21.	Dates and Time of Next Meeting: 10 September 2015 - 1400-1700 Kirkstall and Fountains, Springhill 1	

The meeting closed at 1732 hours.

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**