



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

**Venue:** Kirkstall & Fountains, Springhill 1, WF2 0XQ  
**Date:** Thursday 10 September 2015  
**Time:** 1400 hours  
**Chairman:** Mary Wareing

### Present:

Mary Wareing	(MW)	Non-Executive Director & Chairman of F&IC
Pat Drake	(PD)	Non-Executive Director
John Nutton	(JN)	Non-Executive Director
David Macklin	(DM)	Executive Director of Operations
Alex Crickmar	(AC)	Associate Director of Finance

### Apologies:

Ian Brandwood	(IB)	Executive Director of People & Engagement
Robert D Toole	(RDT)	Executive Director of Finance & Performance
Rod Barnes	(RB)	Chief Executive

### In Attendance:

Anne Allen	(AA)	Trust Secretary (Observing)
Barrie Senior	(BS)	Non-Executive Director (Observing)
Mike Fairbotham	(MB)	Head of Procurement (Items 11 & 12)
Jackie Cole	(JC)	Locality Director, South (Observing)
Mark Phillips	(MP)	Financial Performance Manager (Observing)
Alan Baranowski	(AB)	Associate Director, PTS (Item 6.1)
Kurt Stephen	(KS)	Senior Business Finance Manager (Item 6.1)
Deborah Ridley	(DR)	Portfolio Manager (Transformation) (Items 9 & 9.1)
Martyn Johnson	(MJ)	Make Ready Consultant (Item 9)

### Minutes produced by:

Jo Wilson	(JW)	Executive PA
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	The meeting commenced at 1404 hours.	
1.	<b>Introduction and Apologies</b> MW welcomed everyone to the meeting and apologies were noted as above. Introductions were made to Jackie Cole (JC) and MP.	

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2.	<p><b>Declaration of Interests for any item on the agenda</b> There were no interests to be declared in relation to the agenda items but would be noted throughout the meeting should they arise.</p>	
3.1 & 3.2	<p><b>Minutes of the Meetings held on 9 July 2015</b> The minutes of the Finance &amp; Investment Committee Meeting held on 9 July were reviewed and the following amendments noted:</p> <ul style="list-style-type: none"> <li>• Page 4 – JN noted that this was the right way to go and it was a positive move. However, he suggested that fuel costs ought not to be difficult to make an approximation of indirect costs.</li> <li>• Page 10 remove comment 4<sup>th</sup> paragraph from bottom regarding clarity of forecast</li> <li>• Page 12 – the paragraph regarding AC’s comments on balance sheets to be removed.</li> </ul> <p>The minutes of the joint Quality and Finance &amp; Investment Committee Meetings held on 9 July were reviewed, noted and signed off with no amendments.</p>	
4.	<p><b>Action Log and Matters Arising</b> The Action Log was reviewed and updated.</p> <p>DM arrived at the meeting at 1414.</p>	
5.	<p><b>Feedback from Trust Board</b> There was no feedback to be provided from the recent Trust Board Meeting to the Committee.</p>	
6.	<p><b>Service Line Management including Urgent &amp; Emergency Care payment system</b> AC presented this item providing an update to the Committee on the implementation of Service Line Management (SLM). The paper also provided an update on the development of new pricing and payment systems.</p> <p>The Trust has been in discussion with Monitor and NHS England as a ‘Roadmap Partner’ on the development of the Urgent and Emergency Care (UEC) tariffs to support and incentivise system reform. Commissioners are also keen to pilot this approach and initial high level discussions have taken place.</p> <p>It is also understood that any successful vanguard bids have to agree as part of the application to be part of the development and use the UEC payment model.</p> <p>Discussions will continue with Monitor and NHS England and these will be reported back through Robert Toole (RDT), Executive Director of Finance &amp; Performance through the Trust Executive Group (TEG).</p>	

	<b>Action</b>
<p>The Trust is in the latter stages of procuring a Patient Level Costing System (PLICS) that will support this development and the rollout of SLR and Service Line Management (SLM).</p> <p>The Trust has been progressing a business case for the provision of a PLICS that will support the rollout of more detailed SLR information enabling SLM culture to be embedded across the organisation. The options appraisal and business case are with RDT for sign off. Following the sign off, this will progress to testing and implementation over the remainder of the financial year.</p> <p>Service Lines have been revisited and a paper was provided to TEG to support the identification of appropriate Service Lines using the Monitor evaluation criteria. The outcome of discussions at TEG was to agree the Service Line structure for reporting linked to the new Integrated Performance Report (IPR) format.</p> <p>It was noted that discussions with Service Lines was more positive because they have a more holistic picture to link into. This will take time to develop but this is moving in the right direction.</p> <p>DM advised that within the A&amp;E management restructure, he is looking at the clinical business units with lots of focus on geography and capacity.</p> <p>MW questioned the costs around the implementation of the PLICS systems. AC confirmed this would be reported in the Finance Review paper presented to the Committee which shows the position on capital spend by scheme.</p> <p>MW asked what this system will replace. AC confirmed that this will replace the SLR system. When this system is up and running AC advised that a demonstration will be provided on how this system can be used effectively to pull data from existing financial systems and drill down for further analysis. The financial workstreams will help to engender that change in culture and link in much closer to activity and understand. Once the system is in place and the data is input this would highlight any anomalies and once Managers are training in how to use this tool it will be very useful to them.</p> <p>MW noted that historically, F&amp;IC would receive an implementation timetable for SLR/SLM and questioned why this is not now being presented?</p> <p>BS questioned how far would the Trust need to progress down the SLM/SLR track to satisfy Monitor with Foundation Trust conversion? AC advised that if the Trust is compared with other ambulance services, we are as far, if not further than other trusts. The TDA are comfortable with how we are progressing and that we are being very innovative with projects such as vanguard. However it was noted that this was a very valid point from BS and something that should be</p>	

		<b>Action</b>
	<p>reviewed periodically.</p> <p>AA added that if the Committee are not going to see the original milestone plan until the next meeting in December, this should be circulated following the meeting.</p> <hr/> <p><b>Action</b> RDT/AC to link with Nigel Hopps to provide an update to the next meeting of how the SLR/SLM timescales and key components will be delivered and whether they are on track.</p> <p>The SLR/SLM milestone plan to be circulated following the meeting.</p> <hr/> <p><b>Approval:</b> <b>F&amp;IC noted the progress made with SLM within the Trust and the development of the new pricing and payments systems, and supports the direction of travel.</b></p>	<b>RDT/AC</b>
<b>6.1</b>	<p><b>PTS Update and CIP Deep Dive</b> AB and KS arrived at 1430 to provide the Finance &amp; Investment Committee with a PTS performance and progress update highlighting:</p> <ul style="list-style-type: none"> <li>• PTS financial performance</li> <li>• Overview of SLR year on year</li> <li>• Bridge chart highlighting improvement in recurrent operations</li> <li>• Budget performance</li> <li>• Cost Improvement Plans (CIPs) and mitigation actions</li> <li>• Transformation project update</li> <li>• SLR schedule</li> </ul> <p>Any transformation schemes which have slipped this year will be moved into next year. Where quicker gains can be seen these will be undertaken ahead of the transformational plan. The apprenticeship scheme has been very successful and the planned recruitment for a further 30-40 is underway.</p> <p>DM questioned whether in terms of apprenticeships, can the Trust commit to something going forward? AB confirmed that 80% of apprentices who want a career within the ambulance service do achieve this.</p> <p>Discussion took place regarding career development of apprentices. This included whether the good record of progression of apprentices could be put at risk going forward and the trade union view of apprentices moving to band 2 and 3 roles. AB added that he did not feel that this was just about the trade unions and that there would be a reduction in band 2 posts with natural attrition from band 2 to band 3. DM noted this point and confirmed that there need to be a clear plan for moving staff from PTS to A&amp;E to ensure smooth transition.</p>	

	<b>Action</b>
<p>The main developments within the Transformation Project were noted. The project charters and plans are complete. Detailed work is underway to look at quick wins in reservations, forecasting, resource and logistics.</p> <p>The PTS Workforce Plan and structure is nearly complete and this will be shared with HR and is due to be agreed at the beginning of October. Next steps include confirming project timelines for the first pilots. The Gateway Review will be used for any PTS workforce changes. The consultation paper, drafted with Staffside agreement will be sent to PTS staff in October 2015</p> <p>The plan for streamlining of Reservations is to be presented to Commissioners in November 2015.</p> <p>The profiling of future PTS management roles has been drafted and a consultation exercise will follow in November 2015.</p> <p>AC questioned how does our abort rate compare with other PTS providers? AB confirmed that this has not really moved and if the Trust can put processes in place to reduce the rates this would mean that the Commissioners may have more money to invest in the service.</p> <p>AB confirmed that against budget, the PTS service is off track but compared to the previous years the service is making good movement and seeing good results. Results are being tracked month on month and this shows that incremental steps are being achieved.</p> <p>MW added that it was absolutely clear that PTS are making progress in both quality indicators and now financially but it was the job of F&amp;IC to be absolutely assured that the progress is maximised and sustainable .</p> <p>JN noted that greater performance is being achieved compared with last year; the pressures with vehicles off road, the new Managing Director commencing in November, and that new vehicles are to be received towards the end of the year. However, JN added that the £2.1m movement on last year is a little cloudy, shown in release of provisions, recurring and non-recurring, and in the benefit of fuel price reduction. Therefore in order to better understand the journey that PTS are taking he would like a further analysis stripping out the release.</p> <p>KS advised that the appendix to the presentation attempted to show the £2.1m movement to last year and it also shows the movement stripping out the release from the provision from last year and the charges. This equates to just under £1.3m. From a patient perspective they receive the quality whilst reducing the cost.</p> <p>In terms of the Transformation Programme update, the next steps are critical. AB confirmed that at the Transformation Project Board</p>	

	<b>Action</b>
<p>next month the timeline for when schemes will be met will be presented. Mitigation schemes should provide immediate benefit once implemented.</p> <p>JN advised that F&amp;IC had previously received PTS presentations regarding how the service was moving forward and asked how the timeline over the three years has been and will continue to be tracked. Also, that it would be useful to see which schemes have slipped and which are ahead of the planned timeline.</p> <p>AA asked for clarification of the organisational strategic planning in terms of budget setting and CIP schemes relating to the £1m contribution to the CIP programme for savings in management costs. If the Trust knew before the beginning of the financial year that these savings could be made, why did the PTS business plan not reflect this. Also, is this being counted as a CIP when this could have been taken out of budget, therefore masking the true provision. MP confirmed that the £929k is not just made up entirely of management costs, it just includes some savings in this area.</p> <p>MW added that this highlights how the development of budgets should be closely linked into CIPs.</p> <p>BS requested clarity of the three year breakeven target.</p> <p>JN questioned whether the start date for the new PTS Managing Director would have some overlap with AB prior to him leaving the Trust. It was confirmed that there would be some handover time.</p> <p>AB advised that the new PTS vehicles investment will make sure a difference and hopes that this will continue going forward in terms of the fleet. JN added that this was a good public relations opportunity when the new vehicles are received and rolled out.</p>	
<p><b>Action</b> AB to circulate the PTS timeline in terms of scheme delivery, including slippage.</p> <p>An update is to be provided at the next meeting detailing the clarity of the PTS three year breakeven target, and full details of what has been delivered against each of the elements of the original PTS transformation plan</p>	<b>AB</b>
<p><b>The Finance &amp; Investment Committee thanked AB and KS for this report. MW noted and appreciated the significant progress made and felt that F&amp;IC had more assurance and clarification of the transformation in PTS.</b></p> <p>AB and KS left the meeting at 1514.</p>	
<b>7</b>	<b>Financial Review and CIP Update</b>

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<ul style="list-style-type: none"> <li>• <b>Financial Risks (including below corporate level);</b></li> <li>• <b>Year to Date Financial Performance;</b></li> <li>• <b>IPR – Finance Section</b></li> </ul> <p>AC provided the Committee with an update of 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>Month 4 shows a positive year to date (YTD) position of overall surplus of £1.996m against a planned surplus of £1.566m, a positive variance of £0.429m (27%). The reasons behind this were outlined in a bridge chart within the paper.</p> <p>BS noted the £1m contract adjustments detailed in the bridge chart. The YTD position has benefited by £1m from improved contractual positions (both A&amp;E and 111) agreed post submission of the budget to TDA.</p> <p>The Cost Improvement Plan is ahead of plan and is delivering 114% despite a main adverse variance relating to the A&amp;E Operational Efficiency scheme due to the Trust not delivering Red performance targets. However this is currently being offset by mitigating reserve schemes.</p> <p>The forecast surplus of £1.813m will be the figure submitted in the revised financial plan to the TDA on 11 September.</p> <p>The main risks to delivery of the financial performance including delivery of the £1.8m stretch surplus were discussed.</p> <p>The A&amp;E performance penalties incurred up to Month 4 is £1.4m, with a total potential risk for the year of c£4m. The forecast position assumes penalties of £2.5m related to improved performance in the remainder of the year due to the significant investment to be made in private providers provision. If this investment does not deliver the increase in performance, the level of penalties will rise and therefore impact on the achievement of the £1.8m surplus.</p> <p>DM advised that the full expenditure for private providers didn’t start until 1 September, and questioned whether this will change the financial profile. AC confirmed that the pricing was based on price for St John which is lower than the bid prices. These figures for this will be closely tracked but the original costing of £7.2m has reduced to £6.8m due to different phasing. DM added that the proposal that went to the Trust Board was from each of the providers based on the hourly rate for the three preferred suppliers.</p> <p>If the Trust wishes to continue to support A&amp;E operations at a level of 30 crews for the remainder of the year, the cost is estimated to be £6.883m, a risk to the financial position of £2.033m. MW asked when the £4.8m expenditure allocated to private providers will run</p>	

	<b>Action</b>
<p>out? AC advised that allocated amount is estimated to run out mid-January 2016.</p> <p>The increase of 10 hour shifts to 12 hour shifts for St John crews could adversely affect the Trust's financial position by £.04m unless contained within the £4.8m envelope.</p> <p>A&amp;E CQUINs are forecast to underachieve in relation to Paramedic Pathfinder (c£772k).</p>	
<p><b>Action</b> DM and AC to speak outside of the meeting to confirm the pricing for private providers.</p> <p>AC to provide the Committee with a private providers tracker to the next meeting.</p>	<p><b>DM/AC</b></p> <p><b>AC</b></p>
<p>AC highlighted other risks to include the continued PTS third party expenditure, risk of price increase on fuel and any additional maintenance costs to meet operational demands.</p> <p>Hillsborough funding has also not been confirmed for 2015/16 and there is a risk that this may not materialise.</p> <p>JN questioned whether within the £4.8m envelope, fuel has been included in this forecast. AC confirmed that fleet fuel is forecast throughout the year based on this information.</p> <p>BS noted his concern over the unnerving situation within the forecast surplus detailed in the bridge chart in terms of the actual value and outturn value. AC confirmed that a much more detailed forecast had been undertaken earlier in the year and that this would be closely tracked throughout the year.</p> <p>BS noted that within this financial update paper, a number of references were made to various reserves pots and that he was unsure of what these reserves were and the implications of these. AC confirmed that within the budget setting process, reserves totalled £9m, some of which were allocated specifically to A&amp;E and Winter funding and were categorised under non-pay inflation.</p> <p>JN asked about the level of contingencies within reserves, as this would be prudent to do so to be called on at a later date. AC confirmed that there was between £0.5m - £1m of contingency left.</p> <p>JN questioned as to what the current situation is with vacancies? MP advised that the bridge highlights some vacancies. DM added that a formal vacancy control process has been put in place where all vacancies have to be signed off at a Trust Executive Group (TEG) meeting.</p>	



BS asked how likely it is that Commissioners will agree to performance penalties being re-invested with the Trust? DM confirmed that both RB and RDT are having conversations with Commissioners regarding this. AC added that due to large financial pressures elsewhere within the NHS, Commissioners may wish to use the penalty monies in other areas.

JN questioned whether there were any other areas of discretionary expenditure? AC advised that part of the CIPMG process, the team is reviewing every single area to look at this and this information is being discussed in budget holder meetings.

BS noted that at the audit close meeting, YAS had been complimented on their work with savings within the CIP reserve schemes. BS asked whether any further reserve schemes could be found. AC gave his assurance that the team are still looking for further potential schemes, even if these are not due to start until the beginning of next year.

AC highlighted the risks within the Board Assurance Framework (BAF) linked to F&IC.

- **Risk 3a – Inability to deliver performance targets and clinical quality standards.** The performance targets for Red 1 and Red 2 activity were not met in the period May to July and the maximum penalty of £1.4m was provided for. Going forward, YAS is working with ORH on a sustainable operational and workforce plan but there are significant challenges with implementing this. The short term mitigation has been introduced through increased overtime and the introduction of private providers.
- **Risk 4a Loss of income due to inability to secure/retain service contracts, and challenge the delivery of Trust strategy within the constraints of the wider commissioning system.** SLM has not yet been fully rolled out and embedded in the organisation. The contracting risk for this is detailed in the Commissioning paper at Item 10. The SLM paper at Item 6 detailed the progress made by the Trust since the last F&IC meeting, including the commissioning of a bespoke Patient Level Costing System, alignment of the IPR and Performance Management Framework with Service Lines to engender an SLM culture.
- **Risk 4b – Inability to implement PTS transformation programme resulting in loss of income due to failure to secure/retain service contracts.** Currently the PTS service has retained contracts in all four areas. However this is a risk of retender. As discussed at Item 6.1 the appointment of a new role of Managing Director of PTS will be starting with the Trust in November. Mitigating CIP schemes are currently being developed which should help to deliver additional

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	<p>savings.</p> <ul style="list-style-type: none"> <li>• <b>Risk 5a – Inability to deliver service transformation and organisational change, including non-delivery of cost improvement programmes.</b> As discussed earlier in this item, CIP schemes are delivering 114% despite some schemes failing to deliver, chiefly A&amp;E Operational Efficiency and subsistence payments. These failing schemes are offset by the over delivery on a number of planned and reserve schemes. CIPMG are considering a number of additional mitigating schemes to address the current forecast shortfall against the CIP programme.</li> <li>• <b>Risk 8a – Deficit against planned financial outturn eg. due to contract target penalties and non-delivery of CQUIN scheme.</b> The principle risks against delivering this plan were discussed earlier in this item. The costs associated with these key risks are being closely monitored on a continual basis.</li> </ul> <p>BS noted that whilst it is helpful to understand the rationale focusing on the financials, it is still important that the flow of the assurance model is followed and that Quality Committee and F&amp;IC review the BAF. This is to review in terms of identification of risk, timescales and what mitigating actions are taking place.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the financial risks highlighted, that the risks were being managed and mitigation plans were in place.</b></p>	
8	<p><b>Capital Expenditure Mid-Year Review – Review of top cases/payback analysis of schemes, and 2015-16 Capital Plan update.</b></p> <p>AC provided the F&amp;IC with the 6 month payback review of significant capital schemes that have been undertaken in the last 12 months, and also an update on the current years Capital Plan.</p> <p><u>A&amp;E vehicles and equipment</u>  The capital plan to replace 46 vehicles in 2015/16 has been delayed due to a review of the vehicle type and design.</p> <p>Due to the slippage in the spending of this scheme it is therefore being considered as a potential risk at this point of the financial year. If there is a timing issue, there are some other schemes to be progressed.</p> <p>MW questioned at what point would other schemes have to be progressed to keep the capital spend on track? AC confirmed that some schemes are being brought on board already and Fleet have been asked to work back from the year end as to how many vehicles could be received and at what date these would need to be approved by the Trust Board. A decision is expected next month on whether additional vehicles need to be procured.</p>	

	<b>Action</b>
<p>BS noted due to the potential significant deferral of capital expenditure, some which will impact on patient quality, but some will impact on costs. He questioned whether the Trust has accounted for the delay in spending capital expenditure in the forecast? AC confirmed that most schemes don't have a significant revenue impact, apart from depreciation.</p> <p>BS asked the Committee about their thoughts to what extent ICT should have a profile in Quality or F&amp;IC. MW suggested that the joint Quality &amp; F&amp;IC meeting may be the best place for this.</p> <p>MW thanked AC for his update.</p> <p>DR and MJ arrived at the meeting at 1602</p>	
<p><b>9</b></p> <p><b>9.1</b></p> <p><b>Major Business Cases (including PIDs)</b>  <b>VPP (Vehicle Preparation) – Interim before deploying Make Ready</b></p> <p>DR and MJ gave a presentation to F&amp;IC detailing the progress being made on the Vehicle Preparation Programme.</p> <p>Currently A&amp;E crews do not have sufficient time to carry out three critical activities prior to their shift beginning:</p> <ul style="list-style-type: none"> <li>• Daily cleaning of the vehicles to IPC standard</li> <li>• Checking of vehicles prior to shift against a standard check list</li> <li>• Control of medical stock and assets</li> </ul> <p>This presentation highlighted:</p> <ul style="list-style-type: none"> <li>• The difference between Vehicle Preparation and Make Ready</li> <li>• Vehicle preparation</li> <li>• Vehicle damage</li> <li>• Medicines management and the model that needs to be worked up for this</li> <li>• Management of radios and phones</li> <li>• The options and costings</li> <li>• Next steps</li> </ul> <p>The four options discussed were:</p> <ul style="list-style-type: none"> <li>• Do nothing and continue business as usual and wait for Make Ready within the Hub &amp; Spoke project</li> <li>• Implement VPP at key stations where the most operational impact can be achieved</li> <li>• Implement VPP at key stations and move vehicles from satellite stations for the purpose of covering more operational vehicles</li> <li>• Implement VPP at each station selected</li> </ul> <p>Wakefield Ambulance Station has been chosen to act as a pilot site for this project. This is because this station has the highest number</p>	

	<b>Action</b>
<p>of vehicle deployment into Leeds and therefore the clinical risk is high. This should be up and running in December 2015 and will be used to iron out any issues or difficulties experienced and ensure that the right model has been put together prior to this rolled out.</p> <p>DR advised that 9 out of every 22 vehicles (40%) are deployed without being fully checked which is a risk from a patient safety perspective.</p> <p>DM added that this pilot fits with CQC concerns around cleanliness, Infection, Prevention and Control, medicines management and that Operations are fully supportive of this. DM also advised that it is important that staff see the changes being piloted.</p> <p>Being mindful of the date of the next F&amp;IC meeting, MW asked about timescales for updates and approval to the Hub &amp; Spoke Programme Board, F&amp;IC and Trust Board. BS added that the F&amp;IC would be keen that Committee dates do not control the process. DR confirmed that this can be moved forward without F&amp;IC authorisation but if this was required this could be done virtually, outside of Committee.</p> <p><b>Hub &amp; Spoke SOC Update</b> DR advised F&amp;IC that she will be re-presenting the Hub &amp; Spoke SOC to the TDA in December so revisions will come back to the Trust Board in November and F&amp;IC in December. The financials will not change but RDT and AC are assessing the SOC from an LTFM perspective and feeding in the financials.</p> <p>MW thanked DR and MJ for providing these updates which give a good overview of the projects.</p> <p>DR and MF left the meeting at 1621.</p> <p>CB arrived at the meeting at 1621</p>	
<p><b>10 Commissioning &amp; Business Update (Including Gateway Process)</b> CB updated the Committee on the current commissioning arrangements for YAS' key business areas, A&amp;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>Discussion took place regarding the A&amp;E contract. Apart from the Red performance challenges, there is a significant risk of de-commissioning Health Care Professional (HCP) calls from the core</p>	

		<b>Action</b>
	<p>contract. Further detail will be circulated around the potential risk amounting to £30m. Significant work is taking place with ORH and the Business Intelligence and Contracting team to model the impact of this. This piece of work will be presented to F&amp;IC when this has been completed.</p> <p>JN asked, with reference to ORH modelling, has the Trust considered a high level business modeller? CB confirmed that there are staff within the Trust who is capable of producing this piece of work. It is the license for the software tool that is needed rather than the staff to use this.</p> <p>System Resilience Funding (SRG) was discussed. This funding has been partially built into the 999 contract with three specific schemes being funded through this route – Frequent Callers and Mental Health in triage in EOC along with 111 re-triage of 999 calls.</p> <p>As CB will be leaving the Trust at the beginning of November, MW thanked her for all her hard work in providing F&amp;IC with an update of commissioning arrangements.</p> <p>CB left the meeting at 1638.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the update in the paper and supported the on-going business developments.</b></p>	
11	<p><b>A&amp;E Private Providers</b></p> <p>MF provided the F&amp;IC with an update on the progress and procurement overview for the appointment of Private Provider contracts to support A&amp;E performance.</p> <p>MW acknowledged and appreciated the amount of work that has been undertaken to get us to this point in the process.</p> <p>Discussion took place regarding reference costs.</p> <p>BS questioned whether cost pressures have all been included in the forecast. MP confirmed that the risks relating to this had all been identified in the Financial Review paper.</p> <p>JC added that in terms of staff relations, there had been no noise from road staff and that it was felt that they were happy for the extra resource.</p> <p>BS asked how the Trust would gain assurance that private providers staff would work to YAS high standards? DM advised that a criteria of what is expected has been produced and induction training with their supervisors will outline exactly what the Trust will expect from them. Their performance will be monitored and an area within Datix has been set up to flag any issues.</p>	

		<b>Action</b>
	<p>MW thanked AC and MF for a good paper which was found to be really helpful for providing feedback and assurance from F&amp;IC to the Trust Board.</p>	
<p><b>13</b></p>	<p>This item was discussed ahead of Item 12.</p> <p><b>NHS TDA Accountability Framework/Monitor Assessment Framework</b></p> <p>AC presented this update to inform the F&amp;IC of the content of the NHS TDA Accountability Framework and to highlight the amendments made to Monitor’s Risk Assessment Framework for NHS Foundation Trusts published in August 2015.</p> <p>The refreshed Framework continues to focus on three main areas: the oversight and escalation, development and support and the approvals process for Foundation Trust, transactions and capital investment.</p> <p>AC highlighted the key changes within Monitor’s Risk Assurance Framework (RAF) is noted at 2.2 in the paper:</p> <ul style="list-style-type: none"> <li>• Liquidity</li> <li>• Capital servicing capacity</li> <li>• Income and Expenditure (I&amp;E) margin</li> <li>• Variance from plan in relation to I&amp;E margin</li> </ul> <p>Monitor is replacing the previously used continuity of ‘service risk rating’ with the ‘financial sustainability risk rating’ using the measures listed above.</p> <p>JN questioned whether depreciation was calculated including impairments. AC confirmed that impairments would be treated as a separate item.</p> <p>From Month 4 Monitor will be collecting monthly financial data from all Foundation Trusts. This monthly collection will not supersede the quarterly reporting process. Monitor is introducing a measure within the existing governance rating to assess whether Foundation Trusts are delivering value for money and how this may trigger an investigation if a Trust is found to demonstrate inefficient/uneconomical spend..</p> <p>MW asked whether practically we will see anything different? AC confirmed that no difference will be seen.</p> <p>MW thanked AC for this useful update.</p> <p>AC left the meeting at 1645. MF arrived at the meeting at 1645.</p>	
<p><b>12</b></p>	<p><b>Procurement Update including:</b></p> <ul style="list-style-type: none"> <li>• Local Contracting &amp; Tendering</li> <li>• National Framework &amp; e-procurement Update</li> </ul>	

MF provided the F&IC with an update on key contracting and tendering activity which has taken place since the last meeting in July 2015.

#### Fuel Cards

As endorsed at the last F&IC in July, Fuel Card procurement is now complete. The Trust is joining the national procurement and will be paying the same prices for fuel as all other Trusts who are part of the national award.

#### Vehicle Spares

The current contract has been extended to April 2016. The Procurement team are working with Fleet to develop a specification and procurement documentation. The full procurement exercise will commence in September 2015 with view to awarding a new contract in December 2015.

#### Solar Panels for RRVs

The current procurement project with regard to installing solar panels on RRVs may no longer be appropriate as Fleet are investigating redirection of the Department for Transport (DfT) grant to the fitting of solar panels on new vehicles only. Fleet are awaiting a response from the DfT to go ahead with this. MF confirmed that this installation did not decrease the value of the vehicles and will have no impact on fuel costs. MF added that he was proposing to remove this project from the Procurement workplan.

#### National Ambulance Resilience Unit vehicles for Hazardous Area Response Team

These vehicles will be procured under the West Midlands Ambulance Service arrangement as part of the national agreement.

AA asked whether the Trust would receive any monies back from the resale of the current vehicles? MF advised that the resale value will be around £2000-£2500.

#### HQ Canteen Services

The contract for the canteen is up for renewal in 2016. The Procurement team is currently working with Estates and the Chief Executive to discuss the strategic direction, specifically around the need for facilities versus the cost and opportunity to utilise this space more effectively.

#### Uniform

The national award is due to be made this week. Garment samples are being identified and it is hoped to present these at staff roadshows in October.

#### Remaining ICT procurements

BS questioned why there are no actions currently being taken within

		<b>Action</b>
	<p>ICT. MF advised that ICT procurement would come under the umbrella of corporate procurement and he was working to achieve that linkage although this had not happened as yet. Weekly meetings were taking place with the senior team in ICT and no procurement was taking place without the procurement team's knowledge.</p> <p><u>Equality and Diversity Training</u> There is a delay in awarding this contract and MF proposed that he would come back to F&amp;IC with a revised sign off process.</p> <p><u>Tyres</u> JN asked whether within the contract, could staff be offered a service for fitting tyres to private vehicles, thus boosting the cost of the contract? MF advised that as this is a national framework there is no provision for this.</p> <p><u>Hub &amp; Spoke 1: Make Ready Staffing Pilot</u> MW noted that from the paper she wasn't sure what was being procured. MF confirmed that the evaluation report is for delivery of a pilot programme to appraise Make Reading Staffing. The total cost for this is less than £100k and the consultant will develop the specification and procurement documentation.</p> <p>MW thanked MF for this update.</p> <p>MF left the meeting at 1712.</p>	
<b>14</b>	<p><b>Summary of issues to Trust Board</b> MW confirmed that there were no items to be taken forward for approval to the Trust Board but would feed in assurance received for items discussed during the F&amp;IC meeting.</p>	
<b>15</b>	<p><b>Assurance Statement to the Audit Committee</b> MW confirmed that the assurance statement to the Audit Committee would reflect the items discussed today and that she would discuss with AC the format of the assurance statement going forward, as this needed to be broader than the financially focused assurance given previously.</p>	
<b>16.</b>	<p><b>Dates and Time of Next Meeting:</b> 3 December 2015 - 1400-1700 - Kirkstall and Fountains, Springhill 1</p>	

The meeting closed at 1713 hours.

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

\_\_\_\_\_ **CHAIRMAN**

\_\_\_\_\_ **DATE**



