



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

**Venue:** Kirkstall & Fountains, Springhill 1, WF2 0XQ

**Date:** Thursday 3 December 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
Robert D Toole	(RDT)	Interim Executive Director of Finance & Performance
Alex Crickmar	(AC)	Associate Director of Finance
David Smithson	(DS)	Interim Associate Director of HR

### Apologies:

None

### In Attendance:

Della Cannings	(DC)	Chairman (Observing) (Items 6, 7, 9.1, 9.2, 11)
Anne Allen	(AA)	Trust Secretary (Observing)
Barrie Senior	(BS)	Non-Executive Director (Observing)
Ronnie Coutts	(RC)	Non- Executive Director (Observing)
Victoria Boundy	(VB)	Head of Contracting (Item 12)
Mike Fairbotham	(MF)	Head of Procurement (Items 9.3 & 13)
Deborah Ridley	(DR)	Portfolio Manager (Transformation & Hub & Spoke Programme Lead (Item 9.1)
Matt Norman	(MN)	Head of Financial Strategy (Item 9.2)
Mark Squires	(MS)	Associate Director of Support Services (Item 9.3)
Alan Baranowski	(AB)	Associate Director of PTS (Item 6.2)
Kurt Stephen	(KS)	Senior Business Finance Manager (Item 6.2)
Benita Jones	(BJ)	Internal Audit (Observing)
Sue Kendall	(SK)	Internal Audit (Observing)

### Minutes produced by:

Joanne Lancaster	(JL)	Committee Services Manager
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		<b>Action</b>
	The meeting commenced at 1400 hours.	
<b>1.</b>	<p><b>Introduction and Apologies</b></p> <p>MW welcomed everyone to the meeting including JL the new Committee Services Manager. Introductions were made to Benita Jones and Sue Kendall from Internal Audit who were observing the meeting as part of the Well Led Review.</p>	
<b>2.</b>	<p><b>Declaration of Interests for any item on the agenda</b></p> <p>There were no interests to be declared in relation to the agenda items but would be noted throughout the meeting should they arise.</p>	
<b>3.</b>	<p><b>Feedback from Board Meetings</b></p> <p>MW advised that the meeting was slightly out of cycle with the Trust Board meeting. This would be back on course by the next cycle of meetings.</p>	
<b>4.</b>	<p><b>Minutes of the Meetings held on 10 September 2015</b></p> <p>The minutes of the Finance &amp; Investment Committee Meeting held on 10 September were reviewed and the following amendments noted:</p> <p>Page 1, David Macklin was present at the meeting</p> <p>Page 3, paragraph 1 – Payment by Results tariff – Remove wording ‘The plan is that we will have a Payment by Results (PbR) system in place and a shadow one for urgent Care’.</p> <p>Page 3, paragraph 7 – Replace word ‘with’ with ‘will’ in the 3<sup>rd</sup> sentence.</p> <p>Page 3, paragraph 6 – Replace wording of second sentence with ‘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>Page 8, paragraph 9 – change to ‘JN asked about the level of contingencies within reserves’.</p> <p>Page 9, paragraph 4 – take out the paragraph.</p> <p>Page 14, paragraph 5 – change to ‘JN questioned whether depreciation was calculated including impairments’.</p> <p>Page 16, paragraph 1 – change to ‘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>	

		<b>Action</b>
<b>4.1</b>	<p><b>Action Log and Matters Arising</b> The Action Log was reviewed and updated.</p> <p>Action 2015/24 – AC advised that updates went to the CIP Management Group. The group would escalate any exceptions to the Finance and Investment Committee. Action closed.</p> <p>Action 2015/37 – The item was on the agenda later in the meeting. Action closed.</p> <p>Action 2015/49 – The Milestone Plan was circulated following the previous meeting. Action closed.</p> <p>Action 2015/50 – Item of the agenda later in the meeting. Action closed.</p> <p>Action 2015/51 – AC and DM had met and discussed this issue. Action closed.</p>	
<b>5.</b>	<p><b>For Approval: Workplan Review</b> MW commented that she found this less useful as the year-end approached and would appreciate a rolling work plan which looked back three meetings and forward three meetings. MW asked colleagues to consider the plan outside of the meeting and provide comments to MW and RDT.</p> <p><b>Action:</b> <b>Committee colleagues to consider the workplan and provide comments to MW and RDT.</b></p> <p>JN suggested that sickness absence should be incorporated into the workplan programme for Finance and Investment Committee scrutiny.</p>	<b>2015/52 ALL</b>
<b>6.</b>	<p><b>For Assurance: Service Line Management including Urgent and Emergency Care payment system</b> AC outlined the details of the report which updated the Committee on the implementation of Service Line Management into the Trust.</p> <p>AC noted that the agenda item stated ‘including urgent and emergency care payment system’ however the paper did not cover this as the update on this area was provided at the last Committee meeting and was not a standing part of this agenda item. The Committee noted and agreed with this.</p> <p>AC advised that, following a short competitive tender process, Bellis</p>	

	<b>Action</b>
<p>Jones Hill ('BJH') was awarded the contract to supply the Patient Level Costing System (PLICS). The software commissioned would provide greater visibility of cost drivers and therefore better understanding of Service Line performance.</p> <p>AC informed the F&amp;IC that an initial meeting with BJH had taken place on 4 November and was attended by key personnel in Finance, Business Intelligence and ICT. The meeting had been used by BJH to gain an understanding of the level and quality of information available within the Trust. Colleagues had also used this meeting to outline the desired reporting functionality of the system.</p> <p>AC reported that a template had been drawn up and signed off by the SLM Group to support engagement with the SL Leaders on the new software and how it would support them in driving forward the business.</p> <p>AC suggested that a demonstration of the system be given to the F&amp;IC at a later date so they were able to have an oversight of the system and its capabilities. The same opportunity would be given to the Trust Executive Group and Trust Management Group.</p> <p>JN questioned if the people who would be using the reports on a day to day basis had been engaged in how these would look and what they would contain.</p> <p>AC responded that all service lines had been engaged in the process and would continue to be engaged to ensure ownership and use of the system.</p> <p>JN asked if the system was flexible with AC advising that it could be updated as usage of the system developed and matured.</p> <p>BS stated his belief that for the system to be implemented successfully the right culture needed to be created with the correct training and the right incentives for staff to engage and embed the system within their working environment.</p> <p>MW asked how the design of the performance management system linked to the redesign of the IPR.</p> <p>AC responded that this was a key part of the project, the IPR and PLICs system shadowed the same hierarchy, with the same data sets feeding into both to create consistency. This information could then be used for performance management meetings.</p> <p>RDT advised that the system and IPR would be aligned and this would allow a deep dive down to locality levels. Information available at this level would include use of fleet, etc. This information would be beneficial in terms of tracking departmental overheads and reducing costs.</p>	

		<b>Action</b>
	<p>MW stated that she was very supportive of the system but it needed to be owned by managers and they would need to fully understand the benefits it would bring.</p> <p>MW commented that the Project Plan had indicated that the SLM would be fully embedded within the organisation by now, however, she stated her belief that it felt that there was some way to go to achieving that. MW emphasised that there should be no further slippage with the implementation and she would expect to receive regular updates on the assurance of the delivery of the system.</p> <p>AC responded that the Committee would receive regular updates however noted that implementing Service Line Management is a cultural change and will take time to embed in the Trust and needs to be aligned to the performance management framework. The system and service line reporting will help support this.</p> <p>BS queried the consultation process as he believed there had not been consultation with the directorates involved with using the system.</p> <p>RDT responded that the Service Line Management Group had representatives from all user areas. He further reported that there was an agreed Performance Management Framework across the Trust and the system would need to align to this. The next stage would be to ensure leadership at all levels to fully embed the system.</p> <p>The Committee required a further update at the next meeting. The term Service Line Managers also needed to be defined.</p> <p><b>Action:</b>  <b>A further SLM update to be presented to the Finance and Investment Committee in March 2016.</b></p> <p><b>Approval</b>  <b>The Committee noted the update with limited assurance on implementation of SLM</b></p>	<p><b>2015/53</b>  <b>RDT</b></p>
<p><b>6.1</b></p>	<p><b>For Information and Discussion: Draft Financial Framework for the 2016/17 Annual Plan and Budget Setting Process</b></p> <p>MW noted the report was on a TEG template and reminded colleagues that reports should be presented on the correct template in the future.</p> <p>AC summarised the details of the paper which outlined the framework for the identification and management of budgets to support operating plans, service delivery and developments in 2016/17.</p> <p>AC advised of the principles underpinning the Financial Framework</p>	

for the 2016/17 Annual Plan and the Budget Setting Process. The intention was to set a budget that was consistent with operating plans and supports the delivery of Contractual requirements in the context of safe and sustainable high quality services.

AC reported that the paper, although still high level, begins to go into some of the detail of setting the financial plans for 2016/17 and the budget setting process.

MW asked how the framework differed to the previous framework. AC explained that there was not a fundamental difference but clearly outlined the process for developing financial plans, and outlined some of the new features to aid with the budget setting process:

- Capital Planning – a clear outline as to how Capital bids would be assessed;
- How the process will work and the links to the business planning process;
- Assumptions used to budget for income and expenditure;
- Proposals around developing the CIPs
- Clarification on financial management process

JN referred to the matrix weightings in regard to Capital Planning and asked if this included potential savings from schemes.

AC responded that the 'cost saving' column part of matrix included both the cost of the capital scheme and the potential savings/return on the scheme.

RDT commented that the finance team would be aligned and engaged with the services when undertaking the budget setting process as part of the new business planning process.

BS asked in terms of the planning process, at what point was the budget determined in the process.

AC responded that the budget setting process would not drive the business planning process for the service. There would be a baseline assessment of services from a quality and finance perspective including what investment was required, identified cost pressures, potential savings/efficiencies, and alignment to activity and workforce plans.

BS emphasised the need for a logical sequence for the budget setting process, which would typically follow, for example, Strategy – Business Plan, Budget.

AC responded that the process followed that process but the terminology used might not reflect that but all three elements do need to align and overlap.

MW stated that she felt the timeline gave the linkage between the

	<b>Action</b>
<p>processes and she added that it was her belief it was now getting closer to a robust business plan and budget setting process.</p> <p>JN referred to the reserves specifically in relation to financial penalties.</p> <p>RDT advised this would be discussed later on the agenda.</p> <p>MW referred to the Payment By Results tariff and advised this was a really important element as it was how YAS would be funded and paid. This should be taken to Trust Board.</p> <p>AC advised that he would be happy to present a paper on PbR however his advice was that this should be presented to Finance and Investment Committee in the first instance and then if required presented to the Trust Board however the timing of this would depend on contract negotiations. Also AC noted that any changes in contractual payment (e.g. block contract versus PbR) would be presented in the contracts paper to Trust Board before signing of contracts as in previous years.</p> <p>Discussion took place around the timeline with AC advising that the Government released national planning guidance just before Christmas and he would be in a better position to give a more definitive timeline at that time. It was likely there would need to be an Extraordinary Meeting in March 2016 in line with previous years for F&amp;IC to review the financial plans for 2016/17.</p> <p><b>Action:</b>  <b>RDT to liaise with JW re dates for possible extraordinary F&amp;IC meeting in March 2016</b></p> <p>JN referred to the potential to have a cap on employing agency staff and this would need to be picked up through the workforce plan.</p> <p>AC advised that he would consider this with Mike Fairbotham.</p> <p>BS referred to the designated budget holders detailed on page 7 of the report and asked if they were able to authorise the detailed amount for any budget.</p> <p>RDT clarified that officers were only able to authorise totals to specified amounts within budgets that they were responsible for.</p> <p>BS expressed concerns that it was not clear what limits and controls were in place in respect of designated budget holders.</p> <p>AC advised that this is in the Standing Financial Instructions approved by Audit Committee and Trust Board and a review of the Financial Instructions was taking place and in future updates consideration of the instruction on responsibilities of designated</p>	<p><b>2015/54</b>  <b>RDT</b></p>

	<b>Action</b>
<p>budget holders to be made clearer if possible.</p> <p>Discussion took place around authorisation limits for designated budget holders and it was agreed to discuss the issue outside of the meeting.</p> <p><b>Action:</b>  <b>To discuss authorisation limits for designated budget holders for those who required further information.</b></p> <p><b>Approval:</b>  <b>The F&amp;IC noted the update and took assurance regarding the financial planning process for 2016/17.</b></p>	<p><b>2015/55</b>  <b>RDT/All</b></p>
<p><b>6.2 For Assurance: Patient Transport Services (PTS) Update</b>  Alan Baranowski (AB) and Kurt Stephen (KS) attended for this item AB gave a presentation to the F&amp;IC on the Patient Transport Services (PTS) review.</p> <p>He outlined the details of the presentation which was to provide details on the financial performance of PTS, provide performance details of the Cost Improvement Programmes (CIP) and the Financial Plan over the next five years.</p> <p>AB advised that the major highlight of the report was that the forecasted year on year performance of PTS continued to improve over the 14/15 position. He reported that the forecasted position was currently tracking to improve by c.£2.5m.</p> <p>AB advised that all Key Performance Indicators (KPIs) were being met within PTS, the service was providing a quality service and achieving CQUINS.</p> <p>AB referred to 'operating costs' and advised that in 2014/15 PTS had had a zero contribution rate in 2015/16 this had increased to 9% contribution rate. This would reduce to 6% in 2016/17.</p> <p>AB advised that direct costs of c.£1.2m were under the direct control of the PTS management.</p> <p>AB reported that there would be £1.7m recurrent savings and this was as a direct result of using sub-contractors.</p> <p>AB advised that historically the service had not monitored spend as effectively as they could have done, now the service were able to access 'real' time information which enabled a more cost efficient service.</p> <p>AB reported that PTS had purchased 124 vehicles off lease.</p> <p>AB advised that the current position was £6m deficit when all one off</p>	

**Action**

costs had been accounted for.

AB reported that the Cost Improvement Plan (CIP) required further work.

MW questioned why the CIPs for next year were not being delivered.

AB explained that the Curzon team had finished their consultancy two months previously and the Trust were getting a team together to take forward the transformation programme.

Capacity was limited within PTS, however, progress was being made with the workstreams which would commence in February/March 2016.

There had been slippage in the Voluntary car scheme and the West Yorkshire subcontractor reduction scheme.

AB advised that the CIP was expected to deliver £1.7m which would be £24k above the plan.

AB reported that the Telematics system had been installed in all PTS vehicles, he advised that further work was required to explore the capabilities of the information the system was able to supply.

AB reported that the PTS Programme Board were overseeing this Transformation Programme and were tracking each of the workstreams.

AB referred to the mitigating CIPs. Specifically AB advised that the 'Abort Reduction' pilot was underway to reduce the aborted PTS journeys. Four members of staff were calling around 600/700 people per day to confirm if PTS was still required, of those who answered the call, around 8/9% no longer required the transport. The outgoing number used showed the STD of '01924'.

AB reported that there was not a good system with the Acute Trusts in respect of patient transportation, with bookings made months in advance and in the interim appointments had changed but PTS were not made aware.

The pilot was reducing PTS aborted journeys, however, if the service reduced the number of journeys, the Commissioners might decrease funding to the service. Conversations would need to take place with the Commissioners.

JN asked how the benefits were calculated within the pilot, as the pilot wasn't at its full potential.

AB responded that it was a balancing act between the Commissioners and income.

AB reported that combined the mitigating CIPs had generated savings of £290k.

AB referred to the Business Plan Initiatives. In terms of the workforce plan AB advised that the staff profile of the service would change with a reduction in Band 3 staff over a five year period. There would also be a reduction in Band 2 resources to work exclusively single-crewed. Apprentices would increase as would Voluntary Care Service. It was expected that sub-contractors would provide 40% of resource availability.

Discussion took place around block contracts. AB advised that analysis on block contracts versus cost and volume had come out at a neutral position but, cost and volume, did give the Trust greater control for the future. AB advised that the preference would be to tender cost and volume contracts in 2016/17 on the open market.

AB advised that several private providers had been penalised for non-delivery of KPIs as it appeared they had not got their costings for running the service right, AB believed that YAS had worked up a robust cost plan.

Discussion took place around PTS' contribution to overhead costs. AB advised that PTS believed that they were charged a disproportionate amount towards YAS' overall overheads (including support services). KS explained that overheads were apportioned using a mix of FTEs and percentage of Estates occupied.

MW asked when the breakeven point in the plan would be and if the 6% income growth was realistic.

AB advised that discussion needed to take place with the Commissioners as YAS were currently under funded on some contracts.

MW acknowledged that progress had been made but expressed concerns about achieving the desired improvement in the in-house service.

AA raised the issue of governance, although the Plan had been approved by the Trust Board, there had been no agreement for the trajectory being changed.

RDT advised that PTS had reported the optimal position. The Curzon report had been not been an in depth report and there had been no clear plan recommended by them to take the service forward. The CCG were not funding sufficiently to cover YAS' costs. RDT advised that time and effort had been spent on the plan to make it realistic and achievable.

		<b>Action</b>
	<p>BS commented that by 2018/19 (based on 6% income growth) would see the service breakeven, he acknowledged the progress made but had concerns around the achievability of the 6% income growth.</p> <p>AA emphasised that if the plan had varied from that agreed by the Trust Board then it would need to be presented to Trust Board again for further approval.</p> <p>MW asked that the programme be presented at the next F&amp;IC in March.</p> <p>AB advised that his successor, Chris Dexter, would be attending F&amp;IC meetings, when required, in future.</p> <p>RDT advised that a full Business Plan would be available in March so the F&amp;IC would be able to compare it against the PTS Transformation Programme Plan.</p> <p><b>Action:</b>  <b>CD to be invited to March F&amp;IC meeting to present further update on PTS Transformation Programme.</b></p> <p>MW thanked AB for his work for F&amp;IC and for YAS and wished him well as he left the organisation.</p> <p><b>Approval</b>  <b>The F&amp;IC noted the update but with limited assurance on the proposals until further information was obtained.</b></p>	<p><b>2015/56  JW</b></p>
<p><b>7</b></p>	<p><b>For Assurance: Financial Review and CIP update including:</b></p> <ul style="list-style-type: none"> <li>• <b>Financial Risks</b></li> <li>• <b>Year to date Financial Performance</b></li> <li>• <b>IPR – Finance Section</b></li> <li>• <b>Cost Improvement Plan</b></li> <li>• <b>Delivery Update</b></li> </ul> <p>AC outlined the details of the paper which provided an overview of the main points in relation to Month 7 Finance position and the Integrated Performance Report. The paper also updated the Committee on the Trust’s financial risks and any exceptional budgetary treasury items of note.</p> <p>AC reported that the Trust submitted a revised financial plan to the NHS TDA in September 2015 in line with other Trusts nationally. Against the revised plan, the Trust reported an in month deficit of £45k which was a favourable variance of £190k above plan. The Trust reported a year to date surplus of £2.4m, a favourable variance of £0.6m above plan.</p>	

AC detailed the key highlights:

- Vacancies, net of overtime, had negatively affected the in month position by £0.1m;
- The Trust investment in A&E private (£0.1m) providers to support improved delivery of performance, which is being funded through the utilisation of A&E reserves (£0.5m). A&E subsistence payments continue to be paid at £10 compared to the budget value of £5 causing an adverse in month variance of £45k;
- PTS income has improved by £25k against plan, offset by continued reliance on PTS third party providers and other non-pay expenditure of £68k in month;
- Fleet maintenance expenditure is adverse to budget by £0.3m in month 7, with this being offset by an under spend on fuel of £0.3m. The Trust also received rebate on its fleet Insurance Pool contribution of £994k in month;
- An adjustment was made in month to align the RTA income to the Department of Health notified value adversely affecting the position by £98k. Year to date depreciation adjustments made to the revised plan versus the original financial plan had adversely affected the month 7 position by £574k;
- Performance penalties applicable in Month 7 were £0.5m with actual performance of 73.7% (national target 75%) for Red 1 and 72.5% (national target 75%) for Red 2.

AC also outlined the Risk Assessment details of the report:

- A&E performance penalties;
- Private provider expenditure;
- A&E CQUINS;
- PTS third party expenditure;
- Hub and Spoke design and feasibility costs Hillsborough funding which has not yet been confirmed for 2015/16;
- Preceptorship costs for new qualified paramedics

AC apologised for the error on page 12 of the report the figures included on the year to date column were not the year to date figures.

JN noted that some of the year to date performance was for things that were outside YAS' control, for example, fuel costs and insurance rebates.

JN referred to the Trust Bridge Chart detailed at 3.1 of the report specifically in relation to private providers. JN questioned whether it would be sensible to increase the use of private providers to prevent the penalty cost, although he realised this would be a temporary solution, he wondered if it had been considered.

DM explained that the private providers currently used by the Trust

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	<p>were all at full capacity in terms of provision. The service was exploring three other providers and governance and quality arrangements were being considered. DM added a word of caution with using more private providers and quality assurance. This would be presented to the Board prior to any decision being made.</p> <p>Discussion took place around reserves, this was detailed at 6.1 of the report.</p> <p>MW thanked the team for a really comprehensive report. The F&amp;IC recognise the risk to financial performance in year.</p> <p><b>Approval:</b>  <b>The F&amp;IC take significant assurance from the financial plan and understand the risks and mitigating actions against those risks.</b></p> <p>RC left at 16:25 hours.</p>	
8	<p><b>For Assurance: LTFM Update</b></p> <p>The report was not considered at the meeting, MW asked for colleagues to send any comments to RDT and AC. This would be discussed at the next F&amp;IC meeting in March 2016.</p> <p><b>Action:</b>  <b>The LTFM Update to be presented at the March F&amp;IC meeting.</b></p>	2015/57 AC
9	<p><b>For Assurance: Major Business Cases (including PIDs)</b></p>	
9.1	<p><b>Hub and Spoke SOC Update</b>  <b>Deborah Ridley (DR) attended for this item</b></p> <p>DR outlined the details of the report which was to provide an updated Strategic Outline Case (SOC) for the Hub and Spoke Programme following feedback from the Trust Development Authority (TDA) and Commissioners.</p> <p>DR reported the primary changes following the advice from the Commissioners and the TDA were as follows:</p> <ul style="list-style-type: none"> <li>• Remove the Estates focus of the document;</li> <li>• Emphasise the quality improvement to the organisation of Make Ready;</li> <li>• Provide an opportunity to focus on a priority list of hubs that would provide the biggest benefits to the organisation within a five year window;</li> <li>• Provide a less prescriptive financial analysis.</li> </ul> <p>DR advised that the Trust needed to make changes to its Estate. The next steps would be to prioritise internally the changes to make. Feedback from the TDA indicated that the paper was headed in the</p>	

	<b>Action</b>
<p>right direction.</p> <p>DR advised that, as there was no external funding available, the financial position detailed in the report at section six would require updating to reflect this.</p> <p>Discussion took place around 'quick wins' and identifying these and implementing these early in the programme. DR advised that some 'quick wins' were known and it would be a case of identifying the Capital investment to proceed.</p> <p>AA asked if the financial envelope had changed since the paper had been presented to the Trust Board. DR confirmed that the financial envelope had not changed.</p> <p>MW asked of the Outline Business Case due in March would include a more detailed cost benefits analysis.</p> <p><b>Action:</b>  <b>For the Outline Business Case to include a detailed cost benefits analysis.</b></p> <p><b>Approval:</b>  <b>The F&amp;IC recommended that the paper be presented at Trust Board.</b></p> <p>AC left the meeting at 1630 hours</p>	<p>2015/58 DR</p>
<p><b>9.2 A&amp;E Transformation Programme</b>  <b>Matt Norman (MN) attended for this item</b></p> <p>DM detailed the report which outlined proposals for a sustainable A&amp;E delivery model that met the minimum quality and performance standards and provided a platform for the Trust to achieve its strategic aims, providing innovation of care for patients and Commissioners.</p> <p>DM advised that the paper outlined the context of where the Trust currently was and the evidence base for change.</p> <p>DM reported this was a significant change programme but would ensure that the A&amp;E service was fit for purpose and sustainable.</p> <p>The Trust needed to move to a position where it had the right number of staff, with the right number of ambulances available at the right time and place.</p> <p>DM advised that a number of short term solutions and been put in place including private provision and additional overtime. However, this was not a sustainable position.</p> <p>Assumptions had been made around demand although these had</p>	

subsequently been revised.

DM reported that YAS do not have processes to flexibly use resources other than the use of overtime. It was anticipated that the efficiencies from the Lightfoot Review would be realised as resources improved.

DM advised that it was expected the service would recruit the additional resources required and then continue to recruit as and when required. There would be a review of the skills mix of staff. Rotas would be revised along with shift patterns and vehicle mix. There were also proposed changes to the operational management structure.

DM emphasised the scale of the challenge and it was therefore imperative to fully engage with the workforce and involve them in the design of the service. DM fully expected to work with staff to change the service and provide improved patient outcomes.

DM advised that to support staff engagement a Communications and Engagement Plan would be developed. An intelligence gathering exercise would take place, new rotas would be developed with input from staff, the proposed new management structure would be implemented and quick wins would be progressed early in the programme.

PD asked if this was fully supported by all of the Trust Management Group.

RDT responded the all the Executive Directors and Chief Executive were fully supportive of the direction of travel. TEG also acknowledged the scale of change and the uncertainty for staff during the transformation programme. The programme would need investment and there was no guarantee at this stage that the Trust would not incur penalties in 2016/17.

As this was such a fundamental and significant transformation programme, discussion took place around the Trust Executive Group being seen to lead as a team on the implementation.

MW stated her belief that further clarity was required around the proposals.

BS also emphasised the need for TEG to be visible with their support for the programme. He also felt that the programme required robust programme management skills and capacity.

DM advised he would provide the Programme Initiative Document (PID) to F&IC colleagues which would provide them with the detail that wasn't included within the paper.

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<p><b>Approval</b>  <b>The F&amp;IC agreed for the paper to be presented at Trust Board subject to additional detail being contained within the report.</b></p> <p>The Chairman and PD left the meeting at 1700 hours</p>	
<p><b>9.3 Fleet Plan – Remainder of 2015/16 Vehicle Requirement Overview</b></p> <p>RDT outlined the details of the report which provided an overview of the Trust’s A&amp;E vehicle requirement.</p> <p>RDT outlined the proposals to procure 116 A&amp;E Double Crewed Ambulances based on the new Fiat Ducato van-conversion, which would be funded out of the 2015/16 capital allocation.</p> <p>RDT explained that due to the lead-in time for the purchase of the base chassis and subsequent ambulance conversion, 71 existing vehicles would be retained past their 7 year scheduled life. However, mitigating actions had been put in place to address safety, reliability and availability issues.</p> <p>RDT advised that the procurement was in line with the replacement profile described in the Fleet Strategy 2012-2017. The procurement route would be Crown Commercial Services (CCS) Vehicle Conversion Framework RM956. RDT advised that discussions were taking place with the TDA on the procurement process.</p> <p>RDT advised that Capital Expenditure would slip in to the following year.</p> <p>Discussion took place around the mix of vehicles and DM advised that the Trust were not over committing themselves in terms of securing 79 new vehicles.</p> <p>RDT advised this was within the Capital Plan and it had been brought to the F&amp;IC so the Committee were assured that the correct process was being followed. It would then go to Board for their approval.</p> <p><b>Approval:</b>  <b>The F&amp;IC noted the update and recommended this was a sensible use of Capital Expenditure. The F&amp;IC endorsed it being presented to Board.</b></p>	
<p><b>9.4 Private Providers</b></p> <p>DM outlined the details of the report which updated the F&amp;IC on the use of Private Providers in A&amp;E Operations.</p> <p>DM advised that YAS had employed Private Providers to support 999 operations, the main driver had been the vacancies in YAS which had resulted in fewer ambulances being deployed than was required to meet demand.</p>	

		<b>Action</b>
	<p>DM advised there was a robust governance process in place for the current providers and each provider had a monthly contract review meeting where YAS shared activity reports and information about Complaints and Datix incidents.</p> <p>MW queried the productivity of the private providers versus YAS in house provision and would welcome an analysis and comparison of this at a future F&amp;IC meeting.</p> <p><b>Action:</b>  <b>An analysis and comparison of private provision versus in house provision performance.</b></p> <p>RDT commented that private providers tended to attend the green calls which were typically simple transfers.</p> <p>DM provided information on the types of calls which were attended by private providers compared to YAS in house staff. He added that going forward there would be an element of private provision in the new model because in some instances it was more cost effective to use them.</p> <p>MW raised a question on behalf of the Chairman concerning the authorisation of the next batch of the tranche of Private Providers which had missed the deadline for approval.</p> <p>RDT accepted responsibility for the discrepancy and assured the F&amp;IC that this would not happen again.</p> <p><b>Approval:</b>  <b>The F&amp;IC noted the update.</b></p>	<p><b>2015/59</b>  <b>DM</b></p>
<p><b>10</b></p>	<p><b>Sickness Absence and Annual Leave</b>  (Paper taken out of order and considered at the beginning of the meeting).  DS outlined the details of the paper which examined the relationship between sickness absence and the refusal of annual leave.</p> <p>DS advised there had been a discussion at the Trust Board of 29 September 2015 concerning days lost to sickness absence following refusal of annual leave.</p> <p>DS reported that the Trust were not achieving the target of 5%, the sickness absence rate at October 2015 stood at 5.75%. The number of days lost to sickness absence between 1 April and 31 October 2015 was 47,459 FTE. This was 8,210 FTE days fewer than the same period last year, representing at 15% improvement.</p> <p>DS reported that annual leave which was refused was captured on the GRS system. When a period of absence occurred that</p>	

**Action**

corresponded with the date that annual leave was refused this was flagged through the system and the line manager and locality managers were alerted.

DS reported that in the last 12 months there had been 170 annual leave requests that had been refused and recorded on the GRS system that had subsequently resulted in the individual taking sickness absence. The 170 instances of sick leave recorded resulted in 6,058 days lost at an estimated cost to the Trust of c£500,000.

He further reported that 13 individuals have had more than one instance refused and then proceeded to take sickness absence.

DS advised that on all those occasions reported an alert was sent to locality and line managers but the action taken was inconsistent. Some areas reported using the information for discussion at the return to work interviews whilst elsewhere no action appeared to have been taken.

DS advised that the Trust would have the right to challenge the absences through disciplinary action. The Trust only needed to show that there was a reasonable belief that the employee was not being honest in order to uphold a disciplinary action.

DS reported that it would be advisable for the Trust to update annual leave and sickness absence policies to make it explicit within these that when annual leave was refused and a period of sickness absence followed, that it might result in disciplinary action.

He further advised that the Trust should request a medical certificate for all absences which followed a refusal of annual leave irrespective of the length of absence.

BS asked if there were plans to follow up on the individuals identified in the 170. PD asked this specifically in relation to the repeat offenders.

JN stated his belief that some managers were too close to employees.

PD suggested sending the information detailed at 3.4 of the report (the table of absences listed by service areas) to all Locality Managers. She asked if annual leave was approved on a fair and equitable basis, if leave was refused, she asked if there was reasons given and recorded why the leave was refused.

DS reported that the reason for refusal of annual leave was logged on GRS. He advised it would be difficult to take retrospective action on those employees identified, however, discussion should take place with their manager. The process for requesting annual leave

		<b>Action</b>
	<p>needed to be considered alongside of the review of annual leave and sickness absence policies.</p> <p>DM summarised the next steps which would be to ensure that appropriate warnings and consequences were known by staff, that managers took a consistent approach to annual leave and follow up of sickness absence (following refusal of annual leave), requesting medical certificates for sickness absence following refusal of annual leave and consider disciplinary action where there was a belief that the employee was not being honest about their sickness absence.</p> <p>MW thanked DS on a useful piece of work. MW stated that it was now for the Executive Team to follow through and put the appropriate actions in place to reduce the incidences of sickness absence following refusal of annual leave.</p> <p>PD asked for the information to be contained in the HR report at the Quality Committee scheduled for March 2016.</p> <p><b>Action:</b>  <b>To include information on sickness absence following refusal of annual leave in the HR report for the Quality Committee scheduled for March 2016.</b></p> <p><b>Approval</b>  <b>The Finance and Investment Committee noted the update.</b></p> <p>The Chairman arrived at 1530 hours</p>	<p>2015/60  DS</p>
<p>11</p>	<p><b>For Assurance: Overtime Usage</b>  (Paper taken out of order and considered at the beginning of the meeting).  DS outlined the details of the report which examined the current usage of overtime within YAS and to consider ways to reduce spend in this area.</p> <p>DS outlined some of the benefits of overtime usage which included managing higher workloads without the need to increase staffing levels. It also provided employees with supplemental income without having to look at other employers.</p> <p>However, DS advised that overtime use that was out of control could lead to higher costs, lower quality, low employee morale and increased employee turnover.</p> <p>DS advised that from 1 April to 31 October the Trust spend £7.8m on overtime. Based on the previous year spend profile, it was forecasted that the end of year spend on overtime would be £14m. This represented a 2% increase on the previous year. Overtime spend represented 8.5% of the total pay bill.</p>	

**Action**

DS reported that a significant proportion of overtime spend was 'end of shift' overtime. This had been identified by a recent Internal Audit report which had examined the extent to which end of shift overtime was used. He further advised that between August 2014 and July 2015 the Trust spent £2.2m on end of shift overtime, representing 16% of total overtime spend.

DS advised that although the Trust recognised that overtime provided assurance to meet demand it was also prudent to try to reduce reliance and spend on overtime.

DM reported that through the A&E Transformation Programme he anticipated a reduction on overtime within A&E Operations.

DS advised that a recent internal audit report within A&E Operations highlighted weaknesses and limited controls in relation to the process for claiming end of shift overtime. The audit made a number of recommendations to improve controls. He advised that delivery of the recommendations would likely to impact and reduce end of shift overtime. DS advised it would be prudent to extend the scope of the audit to look at processes for authorisation of overtime in other areas.

DS reported that the allocation of overtime was managed via the resource planning process and adhered to the working time directive rules. The Trust restricted the availability of 'overtime plus' rates based on sickness absence records, whereby staff were not entitled to the enhanced rates if they had taken sickness absence in the same calendar month as the overtime was worked.

DS advised that the allocation of 'normal' overtime is less dependent on attendance records and there is a lack of clear process or rules. Analysis was being undertaken to understand the correlation between high sickness and overtime usage.

Discussion took place around 'bank' staff. It was confirmed that retired employees were asked to come back as bank staff. Using bank staff was more effective than paying overtime.

MW referred to the large amount of spend on A&E Operations on overtime.

DM responded that since he had been in post he had introduced a series of measures to control overtime and he was looking to introduce further measures to ensure overtime use was prudent, effective and afforded YAS flexibility.

MW thanked DS and team for the paper. She further thanked DS for the work he had undertaken whilst on his secondment to YAS and wished him well as he returned to his substantive post.

		<b>Action</b>
	<p>DS left the meeting at 1605 hours.</p> <p><b>Approval</b>  <b>The Finance and Investment Committee noted the contents of the paper and endorsed the recommendations therein.</b></p>	
<b>12</b>	<p><b>For Assurance: Commissioning and Business Update (Including Gateway Process)</b>  This item was not discussed. MW asked colleagues to direct comments to RDT with the update to be presented at the next meeting of the F&amp;IC in March 2016.</p> <p><b>Action:</b>  <b>Colleagues to send comments to RDT.</b></p> <p><b>Action:</b>  <b>Report to be taken to March 2016 F&amp;IC.</b></p>	<p><b>ALL</b></p> <p><b>2015/61</b>  <b>RDT</b></p>
<b>13</b>	<p><b>For Assurance: Procurement Update including:</b></p> <ul style="list-style-type: none"> <li>• <b>Local Contracting and Tendering</b></li> <li>• <b>National Framework and e-procurement Update</b></li> </ul> <p>This item was not discussed. MW asked colleagues to direct comments to RDT. The Item to be presented at the March 2016 F&amp;IC.</p> <p><b>Action:</b>  <b>Colleagues to send comments to RDT.</b></p> <p><b>Action:</b>  <b>Report to be taken to March 2016 F&amp;IC.</b></p>	<p><b>ALL</b></p> <p><b>2015/62</b>  <b>RDT</b></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> <p>The meeting closed at 1713 hours.</p>	
<b>16.</b>	<p><b>Dates and Time of Next Meeting:</b>  3 December 2015 - 1400-1700 - Kirkstall and Fountains, Springhill 1</p>	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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

**DRAFT**