



Finance & Investment Committee (F&IC) Minutes

Venue: Kirkstall and Fountains, YAS HQ, Springhill 2, WF2 0XQ
Date: Thursday 7 June 2018
Time: 1300 hours
Chairman: John Nutton

Membership:

John Nutton	(JN)	Non-Executive Director & Chairman of F&IC
Rod Barnes	(RB)	Chief Executive
Mark Bradley	(MB)	Executive Director of Finance
Ronnie Coutts	(RC)	Non- Executive Director
Matt Sandford	(MS)	Associate Director of Business Development
Phil Storr	(PS)	Non-Executive Director

Apologies:

Ronnie Coutts	(RC)	Non- Executive Director
Mark Bradley	(MB)	Executive Director of Finance

In Attendance:

Anne Allen	(AA)	Trust Secretary
Kathryn Vause	(KV)	Associate Director of Finance
Rachel Monaghan	(RM)	Associate Director Performance Assurance & Risk
Gareth Winter	(GW)	Financial Projects (Item 6)
John Loughran	(JL)	Head of Capital & Investments (Item 7)
Paul McGuinness	(PM)	Head of Property and Projects (Item 8 & 8.1)

Minutes produced by:

Joanne Lancaster	(JL)	Committee Services Manager
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	The meeting commenced at 1300 hours.	
1.0	Introduction and Apologies JN welcomed everyone to the meeting and apologies were noted as above.	
2.0	Declaration of Interests for any item on the agenda There were no interests to be declared in relation to the agenda items but any would be noted throughout the meeting should they arise.	

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3.0	<p>Feedback from Board Meetings It was noted that the Annual Accounts 2017/18 had been approved at the Board Meeting in Public on 24 May 2018.</p>	
4.0	<p>For Approval: Minutes of the meeting of 15 March 2018 The minutes of the meeting held on 15 March 2018 were agreed as a true and fair representation of the meetings.</p> <p>4.1 Action Log: Action 2017/020 – Doncaster Hub & Spoke presentation – This had been deferred to September to allow for the ORH modelling to take place. JN asked that the presentation include details of the Hub and Spoke schemes planned. Action remains open.</p> <p>Action 2017/021 – Estates Strategy – This was on the agenda. Action closed.</p> <p>Action 2018-001 – Fleet profile – This item would be brought to the F&IC in September. Action remains open.</p> <p>Action 2018-002 – PTS update – This would be circulated outside of the meeting. Action remains open.</p> <p>All other actions had been appropriately closed.</p>	
5.0	<p>For Assurance: Reference Costs Methodology & Approach The paper set out the process for completing and submitting the Trust's 2017/18 reference cost submission and sought Finance & Investment Committee (F&IC) approval of the process in line with national requirements.</p> <p>It was noted this was an annual mandated process and that it was consistent with previous years. There had been a minor adjustment relating to apportionment methods such as using the most appropriate of Full Time Equivalent (FTE) or headcount.</p> <p>JN asked whether other ambulance trusts used different apportionment methods.</p> <p>KV responded that it was similar across the ambulance sector although it was acknowledged there was scope for differences.</p> <p>JN questioned the amount against PTS of -£570K.</p> <p>KV advised this was due to how training had been apportioned historically which had been of detriment to the PTS financial position, and this had been rectified.</p> <p>JN referred to A&E workforce and the increase in costs and asked whether income had increased in line with workforce costs.</p>	

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<p>KV confirmed the finance team would present a paper at the next F&IC meeting which would address this and other questions raised at the 2017/18 accounts closure meeting. The purpose of the paper was to track cost (pay and non-pay)/ income evolution over recent years to identify areas for improvement. JN asked that the outline of the scope be discussed at an early stage with JN/RC to ensure it met with requirements. It would be useful to have presentation graphically in absolute and relative to “base 100” starting date.</p> <p>Action: To provide a paper which tracked cost (pay and non-pay)/ income evolution over recent years to identify areas for improvement and that the outline of the scope be discussed at an early stage with JN/RC to ensure it met requirements. It would be useful to have presentation graphically in absolute and relative to “base 100” starting date.</p> <p>Approval: The Finance and Investment Committee, in line with national guidance approved the reference cost process 2017/18 as presented and devolved final approval of the submission to the Executive Director of Finance.</p>	<p>MB/KV</p>
<p>6.0 For Assurance: Financial Review of 2017/18 Financial Year KV guided the F&IC through a presentation which reviewed the Trust’s financial performance for 2017/18.</p> <p>The initial financial plan had indicated c£17m of risks to the Trust; during the year most of these risks did not crystallise or were significantly reduced. At the year-end (March 2018) the financial risks had been reduced to £1.5m.</p> <p>There were a number of factors which had contributed to the reduction in the risk provision throughout the financial year and these were outlined to the F&IC.</p> <p>The March 2018 plan had highlighted a net risk of £4.9m after mitigations of £5.35m. There were £5.5m of mitigations available against the realised risks of £1.5m which had resulted in £4m of uncommitted contingency and reserves.</p> <p>In addition to these uncommitted reserves it was noted that additional income had been put into frontline A&E staffing budgets from April 2017/18 and these had underspent; it had been expected that staff would take up overtime to cover some rotas however, this had not been the case.</p> <p>It was highlighted that the Trust’s positive financial position, had been reported to F&IC and Board throughout the year. Resulting in TEG and Board approval of non-recurrent spend to expedite essential backlog maintenance, the purchase of additional medical equipment and</p>	

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<p>investment in the Low Acuity pilot within A&E Services.</p> <p>The Trust subsequently agreed to an increased surplus (a further £2m) in February 2018 with NHSI, this attracting additional STF.</p> <p>In terms of the 2018/19 plan it was noted that A&E Operations was now fully recruited; closing the gap between budgeted and actual spend on pay.</p> <p>JN asked where the management controls were to determine whether vacancies were released for recruitment.</p> <p>KV responded that all support service roles were approved by the Vacancy Panel which was chaired by the Executive Director for Quality, Governance and Performance Assurance/Deputy Chief Executive and had senior representatives from HR and Finance. In addition CIPMG would be managing any necessary holding of vacancies in order to mitigate financial risks regarding CIP delivery.</p> <p>KV explained the final 2017/18 year end position; the surplus achieved by the Trust, and all the STF monies received.</p> <p>KV emphasised that it was not expected that the Trust would find itself in this position in the future. The Trust faced significant challenges in 2018/19 and onwards with managing demand for A&E services, delivering the Ambulance Response Programme (ARP) national standards and maintaining quality and patient safety.</p> <p>JN asked that the F&IC be provided with a best case year-end financial outturn for 2018/19 and any barriers to achieving that outcome, at month 4/5 of the accounts cycle (September F&IC meeting).</p> <p>Action: To provide a paper outlining a best case year-end financial outturn for 2018/19 and any barriers to achieving that outcome, at month 4/5 of the accounts cycle (September F&IC meeting).</p> <p>Approval: The Finance and Investment Committee noted the contents of the presentation and gained assurance on the Trust's final positive financial position for 2017/18.</p>	<p></p> <p>MB/KV 2018/003</p>
<p>7.0 & 7.1</p> <p>For Assurance: STP Capital Bids</p> <ul style="list-style-type: none"> • Ambulance Vehicle Preparation (AVP) Leeds & Huddersfield • Double Crewed Ambulance (DCA) Fleet <p>The papers presented the Sustainability and Transformation Plan (STP) bids for the ambulance sector for AVPs at Leeds and Huddersfield ambulance stations and the Double Crewed Ambulances (DCA) requirements to deliver the Ambulance Response Programme (ARP) national standards.</p>	<p></p>

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<p><u>STP Capital Bids specifically for the ambulance sector</u> As previously discussed by the Board on 10 May and TEG on 8 and 21 May 2018 there had been STP capital bid funding available specifically for the ambulance sector; bids had been invited that would improve performance against national standards for winter 2018/19 and provide a positive return on investment.</p> <p>YAS submitted bids for the AVP Leeds and Huddersfield and the DCA fleet to NHS Improvement on 25 May after the Trust had received email confirmation of support from all of the Yorkshire STP Leads/Directors and formal sign-off by YAS' Deputy Chief Executive.</p> <p><u>AVP Leeds and Huddersfield</u> The full documentation for the AVP Leeds and Huddersfield bid was attached to the report. YAS was beginning a major transformation programme (Hub & Spoke) to reconfigure operational delivery, estate and support service functions. The introduction of the AVP was a fundamental component of the Hub & Spoke programme. The key risks were noted although it was expected these were all manageable.</p> <p>JN asked how this was aligned to the future Hub & Spoke programme.</p> <p>RB responded that Leeds and Huddersfield had always been part of the programme and from a business effectiveness position these were the optimum locations to prioritise in the current bid.</p> <p>Approval: The Finance and Investment Committee noted the STP bid for Ambulance Vehicle Preparation for Leeds and Huddersfield, key risks and that the bid had the support of all STP Leads/Directors prior to submission to NHS Improvement.</p> <p><u>DCA Fleet</u> The full documentation for the Double Crewed Ambulances (DCA) bid was attached to the report. Internal modelling had been undertaken to determine the optimum operating model to achieve the Ambulance Response Programme (ARP) national standards. This had determined a ratio of 5:1 DCA:RVA. A level of RRV availability for high acuity calls and lower acuity calls should be retained whilst ensuring that a timely conveying resource was available for those patients where it was most appropriate. This ratio required a significant amount of investment.</p> <p>The key risks were noted.</p> <p>It was confirmed this bid was in addition to the Business Case submitted for DCAs as part of the generic STP capital bid funding process.</p> <p>Discussion took place in relation to the fleet supply chain and it was advised that the relevant discussions and assurances had been</p>	

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<p>provided by suppliers that production slots had been factored in to their work schedule.</p> <p>Approval: The Finance and Investment Committee noted the STP bid for DCA fleet, key risks and that the bid was supported by all STP Leaders/Directors prior to submission to NHS Improvement.</p>	
<p>8.0 For Assurance: Estates Strategy The paper presented the Estates Strategy.</p> <p>The Estates Strategy retained many of the principles established in the previous strategy in addition to reflecting new policy and guidance. It particularly reflected the recommendations of the Carter Report into unwarranted variation and the Government’s emerging response to the Naylor Review into Estates Management in the NHS.</p> <p>The Estates Strategy 2018-22 set out the following aim:</p> <p><i>‘To provide good quality environments and services by’:</i></p> <ul style="list-style-type: none"> • Collaborating and co-locating with partners; • Investing in new estates solutions that meet modern needs; • Rationalising surplus estate; • Improving retained estate; • Providing responsive, trusted and efficient services; • Building the capacity of our people. <p>RB commented that TEG was supportive of the Estates Strategy and the workplan over the next 3 – 5 years.</p> <p>Discussion took place in relation to co-location with other emergency services/partner agencies and it was noted that these plans often took longer than anticipated due to the number of agencies involved. PM advised he would provide RB with a document outlining what co-location plans were in place/planned for the future.</p> <p>PM advised the Strategy would align to the Corporate Strategy.</p> <p>Approval: The Finance and Investment Committee noted the Estates Strategy 2017-2022.</p>	
<p>8.1 For Assurance: Estates Schemes 2017/18 The paper provided an update on the Estate schemes which had taken place in 2017/18 including information on the final spend.</p> <p>A number of reports had been presented to TEG, and where required F&IC and Board in 2017/18, proposing use of Trust capital and non-recurrent revenue resource. The schemes had been brought forward to improve the backlog maintenance across the Trust’s estate.</p>	

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<p>The F&IC noted the number of schemes which had been undertaken over the past six months against the original approved budget and the actual spend for each scheme.</p> <p>The benefits of the schemes were outlined which had included the completion of high and significant critical infrastructure backlog maintenance at 21 sites and a reduction in overall backlog maintenance, with high and significant backlog reduced by 26%. There had been full station refurbishments completed at Whitby and Filey Ambulance Stations including an extension constructed at Whitby station. There had been partial station refurbishments to eight stations and infrastructure works at Springhill. LED lighting had been installed into eight premises which would provide year on year energy cost savings.</p> <p>It was noted that the surveyors who undertook the most recent backlog maintenance surveys had now been asked to provide an updated position based on the work that had been concluded. Following this a programme would be produced for 2018/19 which would prioritise the significant and high backlog areas.</p> <p>Post project evaluation had taken place and the key learning points were noted:</p> <ul style="list-style-type: none"> • Achievement of the schemes within a tight timeframe with the exception of some minor slippage on some schemes; • Estates improvement; • Contractor relationships – these had been positive with strong working relationships forged; • Impact on staff morale – anecdotal feedback suggested that staff had welcomed the improvement in their working spaces. There were some lessons learned in terms of staff engagement prior to commencement of works taking place; • Reporting Lines and Union Communications – Lessons had been learned for future works to include earlier engagement with all stakeholders; • Corporate Identity – the works were carried out using similar colour schemes, carpet types and décor; this would help towards a corporate identity although it was recognised that a formal corporate identity would need to be established; • Procurement – It was noted that due to the tight timescales that Single Waiver Tenders had been required for some of the works; • Equality Impact Assessments – due to time constraints it was not possible to do full EIAs covering the construction period and the completed works. It was suggested these would be undertaken retrospectively in conjunction with YAS' Diversity and Inclusion team. <p>PS asked whether the plans for Driffield Ambulance Station had been developed.</p>	

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<p>PM responded that there was a draft plan in place with other emergency partners. He added that he could not provide an exact timescale but it was expected to be within the next 12 months and it was classed as a priority.</p> <p>RB questioned what the prioritisation for ambulance stations was over the next 13 months and asked for PM to provide the information to him.</p> <p>Action: PM to provide RB with a list of the prioritisation for ambulance station refurbishments/colocations.</p> <p>Discussion took place relating to the positive working relationships built up with the contractors who had undertaken the works and how this could be formally acknowledged. PM would provide the details to RB for letters of thanks to be sent.</p> <p>Approval: The Finance and Investment Committee noted the contents of the report including the proposed next steps and project evaluation; and gained assurance that the Estates schemes which took place in 2017/18 had been undertaken in a timely and cost effective way.</p>	<p>MB/PM 2018/004</p>
<p>9.0 For Assurance: A&E, PTS and NHS 111 Contract Negotiations and Contract Management Update 2016/17 & 2017/18</p> <p>The paper set out the current position on the A&E, NHS 111 and PTS contracts for 2018/19.</p> <p>The final position of the 2017/18 contract outturn for A&E 999 was noted at 0.9% above the contract plan. Hear and Treat responses were significantly above plan at +27.3% and all other contract activity was within +/- 5% of planned levels.</p> <p>It was noted that 2018/19 contract for 999 had been signed within the national mediation timescales. The contract settlement would help YAS to deliver the ARP national standards.</p> <p>A transitional year contract for NHS111 and West Yorkshire Urgent Care (WYUC) for 2018/19 had been signed within national timescales.</p> <p>PTS contracts for each part of the region were noted. The 2018/19 national contract variation (May 2018) had been proposed to YAS and this was in relation to the changes relating to General Data Protection Regulations (GDPR). This was currently in the process of being agreed and signed by YAS.</p> <p>Approval: The F&IC noted the current position in relation to the A&E, NHS 111 and PTS contracts for 2018/19.</p>	

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<p>10.0 For Assurance: Planning & Development Team Update The paper updated the current and planned work undertaken by the Planning and Development Team.</p> <p>The F&IC noted the current work activity of the team which included the development of the Corporate Strategy. The team was leading on engagement events to ensure a wide range of views and ideas were available to inform the strategy. It was anticipated the Corporate Strategy would be launched at the Leadership Conference in the Autumn.</p> <p>The team continued to undertake system engagement with key stakeholders including A&E Delivery Boards.</p> <p>The team continued to work with internal colleagues on tender bid activity. It was noted that the Associate Director of NHS 111 and Urgent Care would take the lead on NHS 111 bid activity with assistance from the Planning and Development team as necessary.</p> <p>The tender status position at table 3.1 of the report was noted. This information would be included in future update reports from the Planning and Development team.</p> <p>Approval: The Finance and Investment Committee noted update and the contents of the paper and gained assurance from the work programme of the Planning and Development Team.</p>	
<p>11.0 For Assurance: Procurement Update The paper updated on key procurement activity which had taken place since the previous F&IC in March 2018.</p> <p>The F&IC noted the contents of the paper.</p> <p>Approval: The Finance and Investment Committee noted the update and gained assurance that the procurement process and associated contracting conformance were being managed effectively.</p>	
<p>12.0 For Assurance: Northern Ambulance Alliance (NAA) Update RB provided a verbal update relating to activity under the NAA umbrella.</p> <p>It was noted that a feasibility study had commenced on a common CAD system across the NAA.</p> <p>Work had commenced with the respective HR Directors on sickness absence.</p> <p>RB updated the F&IC on the Double Crewed Ambulance (DCA) NAA joint contract.</p>	

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	<p>The job description for the Managing Director role had been agreed by the NAA Board; this was due to go to advert imminently.</p> <p>Approval: The finance and Investment Committee noted the update and gained assurance that the NAA workstreams were progressing appropriately.</p>	
13.0	<p>For Assurance: Risk Management Report</p> <ul style="list-style-type: none"> Board Assurance Framework/Risk Register risks relating to F&IC <p>RM referred to Risk – 1056 ‘Measles outbreak – potential impact on staffing and performance’ and advised this risk had increased since the publication of the papers for the meeting as there had been an outbreak of measles in the Bradford area.</p> <p>The Committee took assurance from PS who referred to a discussion which had taken place in the Quality Committee earlier that day relating to the immunisation programme for staff and he advised that this was being monitored closely by colleagues in HR.</p>	
14.0	<p>Summary of issues to Trust Board</p> <p>JN thanked everyone for attending the meeting. It was noted that the key items considered during the meeting were already known to the Board.</p> <p>The meeting closed at 1600 hours.</p>	
17.0	<p>Date & Time of Next Meeting 6 September 2018 - 1300 – 1600</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**