



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

**Venue:** Kirkstall and Fountains, YAS HQ, Springhill 2, WF2 0XQ  
**Date:** Thursday 13<sup>th</sup> December 2018  
**Time:** 1330 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              |
| Matt Sandford | (MS) | Associate Director of Business Development |
| Anne Cooper   | (AC) | Non-Executive                              |

### Apologies:

|                 |      |   |
|-----------------|------|---|
| Anne Allen      | (AA) | Trust Secretary                                 |
| Rod Barnes      | (RB) | Chief Executive                                 |
| Anne Cooper     | (AC) | Non-Executive                                   |
| Rachel Monaghan | (RM) | Associate Director Performance Assurance & Risk |

### In Attendance:

|               |      |                               |
|---------------|------|-------------------------------|
| Kathryn Vause | (KV) | Associate Director of Finance |
| Gareth Winter | (GW) | Financial Projects            |

### Minutes produced by:

|                |      |                    |
|----------------|------|--------------------|
| Michelle Sykes | (MS) | Personal Assistant |
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|            | The meeting commenced at 1335 hours.   |        |
| <b>1.0</b> | <p><b>Introduction and Apologies</b><br/>           JN welcomed everyone to the meeting and apologies were noted as above.</p> <p>JN noted that the meeting was not quorate and suggested that the membership needs to be reviewed to address this. MB advised that KV is looking at this currently and also confirmed that Anne Cooper will be joining the Group in the New Year as a Non-Executive member.</p> |        |
| <b>2.0</b> | <p><b>Declaration of Interests for any item on the agenda</b><br/>           There were no interests to be declared in relation to the agenda items but any would be noted throughout the meeting should they arise.</p>   |        |

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| <p><b>3.0 Feedback from Board Meetings</b><br/>It was noted that there had been a Board Meeting in Public and a Board Meeting in Private on the 29<sup>th</sup> November 2018.</p>  |               |
| <p><b>4.0 For Approval: Minutes of the meeting of 6<sup>th</sup> September 2018</b><br/>The minutes of the meeting held on 6<sup>th</sup> September 2018 were agreed as a true and fair representation of the meeting.</p> <p><b>4.1 Action Log:</b><br/>Action 2017/020 – Hub and Spoke Scheme update – Discussion took place in relation to the national direction which appeared to be moving towards AVPs. It was noted that ORH had been commissioned to do some modelling for the Trust. It was agreed that a paper be brought to the February 19 F&amp;IC which included the outcome of the modelling work which would reflect the, impact of ARP on plans and the Trust’s plans for Hub and Spoke and/or including consideration of possible locations for the next Hubs, and the associated benefits in terms of delivery of ARP. MB to liaise with RB and report back. Action remains open.</p> <p>All other actions had been appropriately closed.</p>   |               |
| <p><b>5.0 For Assurance: Income/Expenditure Analysis</b></p> <p>Presentation presented by Gareth Winter:</p> <p><b>Introduction –</b></p> <ul style="list-style-type: none"> <li>• The analysis has been split between income, pay expenditure and non-pay expenditure. These categories are then sub divided categories reported in the annual accounts 2013/14 has been used as the base year as this was the first year the accounts included income and expenditure in relation to the 111 service.</li> <li>• Many factors influence the changing levels of income and expenditure. For example the analysis demonstrates that the Trust has been successful in securing a number of contracts over the last 5 years.</li> <li>• The analysis is subjective it must be understood that a key driver for Pay and Non Pay Expenditure increases (or decreases) is linked to the level of patient care income received during any individual financial year.</li> <li>• The analysis at this time is on a pure financial basis, it should be noted as per above that it is highly likely that costs are driven by activities so increases in anyone category is likely to be driven by increased activity</li> </ul> <p><b>Income -</b><br/>Throughout the analysis there are examples of income received which are of a non-recurrent of nature. These items would need to be excluded</p> |               |

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| <p>when occurred to show a fair view of the change in income. For example the Trust received £5.3m in 2017/18 and £1.1m in 2016/17 of Sustainability and Transformation Funding (STF).</p> <p><b>Normalised Income –</b><br/> Adjusting the above the Trust income has grown £36m (16%) since 2013/14, A&amp;E income has grown the most significantly in value terms. The trust have also been successful in retaining a number of PTS contracts.<br/> This is still a complex position with a number of in year increases associated with Winter Funding etc.</p> <p><b>Pay – WTE -</b><br/> The Trust workforce has grown over 17% since 13/14.</p> <p><b>Pay – Average Staff Cost –</b><br/> Average staff costs have grown less than national average. Significant agency usage 2015/16 and 2016/17. Fluctuations linked to reducing agency spend and staff costs associated with contract changes.</p> <p><b>Non Pay -</b><br/> After excluding a number of non recurrent items the Trust non pay spend has increased by 5% in comparison to national assumptions of 10%<br/> The year on year analysis is distorted in 2017/18 due to NR expenditure commitments.</p> <p><b>Summary/Next Steps–</b></p> <ul style="list-style-type: none"> <li>• This type of analysis cannot be done in isolation in absolute terms. Consideration to other factors that drive the organisational costs is required.</li> <li>• This analysis suggests that the Trust is generally controlling the areas of expenditure where necessary in absolute terms but further efficiencies are always realisable.</li> <li>• The use of internally developed tools to look at relative efficiency in terms of the activities undertaken in each area would allow us to understand the drivers which are contributing to potential in-efficiency. Focus should be on service improvement and eliminating variation / waste in individual services. This is a transformational approach moving from the traditional transactional reduction in expenditure.</li> <li>• Detailed deep dives into specific areas considering the key drivers behind any variation linked to activity, price, volume, efficiency and other factors.</li> </ul> <p><b>Action Point –</b><br/> <b>MB and GW to expand on this presentation to drill down to back office functions for next meeting.</b></p> <p><b>Approval:</b><br/> <b>The Finance and Investment Committee noted update.</b></p> |               |

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| <p><b>6.0 For Assurance: Management Accounts 2018/19 Month 7 -</b><br/>The purpose of the paper is to inform the group of the performance against key financial indicators as at 31 October 2018.</p> <p><b>Risks and Mitigations</b></p> <p><b><u>Revenue</u></b><br/>The Trust forecast position reflects the challenges, most notably in PTS, A&amp;E Operations, HR &amp; Workforce and Procurement. These are being managed through CIPMG.<br/>Many of the key risks have been mitigated. The Trust has agreed to release £1m to fund non recurrent expenditure and bids have been agreed and prioritised by TMG.</p> <p><b><u>Capital</u></b></p> <p><b><u>Doncaster</u></b> - We have incurred delays with the approval process as well as the appointment of the main contractor for the Doncaster Hub this will lead to slippage of the planned expenditure from 2018/19 to 2019/20.</p> <p><b>Recommendations</b></p> <p>The Trust Executive Group where asked to:</p> <ul style="list-style-type: none"> <li>(a) <b>NOTE</b> the performance against key financial duties and indicators as at 31 October 2018</li> <li>(b) <b>NOTE</b> the requirement to maintain grip on the 2018/19 in year position and the renewed focus on developing recurrent solutions to mitigate the underlying position</li> <li>(c) <b>NOTE</b> £1m of contingency reserves has been committed on a number of schemes non recurrently</li> </ul> <p><b>Approval:</b><br/><b>The Finance and Investment Committee noted the update.</b></p> |               |
| <p><b>7.0 For Assurance: Contract Management Update Q3 2018-19 – August</b></p> <p><b>Purpose &amp; Aim –</b><br/>The purpose of this report is to provide an update on the current position of the A&amp;E, NHS 111 and PTS contracts.</p> <p><b><u>CQUIN</u></b><br/>Q2 reports were submitted in Oct 2018, YAS reported full compliance with all Q2 requirements, and this has been confirmed by commissioners at the November CMB meeting.<br/>Action plans for 2018/19 are being overseen via the YAS CQUIN Development Group.<br/>Please note that for 2018/19 there is no financial risk associated with CQUIN compliance for the 999 contract.</p> <p><b><u>Integrated Urgent Care (IUC) Tender Process</u></b></p>   |               |

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| <p>The outcome of the tender is expected to be confirmed in mid-December (13<sup>th</sup> Dec according to the indicative timeline).</p> <p>The Trust also submitted a tender to NHS England for the Dental Clinical Advice and Booking Service (CABS). Timescales for the CABS tender are aligned with the IUC process; the outcome is also expected to be announced in mid-December.</p> <p><b>October Performance Summary:</b></p> <p>The overall call volumes 131,175 (answered) for October 2018 were 6.9% below contract ceiling levels for the month. Across the month 85.0% of calls were answered within 60 seconds, a fall of 7.9% from the September 2018. Early indications are that this was impacted by increased sickness levels, a reduction in overtime. A deep dive into performance has been commenced in order to understand this further.</p> <p>The delivery of West Yorkshire Urgent Care remains challenging due to the higher levels of demand which are not funded through the contract.</p> <p><b><u>Service Development &amp; Improvement Plan</u></b></p> <p>The final draft of the 2018/19 Service Development &amp; Improvement Plan (SDIP) was reviewed with STP/ICS representatives during October and November. The plan focuses on supporting STP/ICS areas to increase their direct booking capabilities; it takes into account progress already made during 2018/19, and sets achievable aims for the remainder of this financial year.</p> <p><b>PTS</b><br/><b><u>North</u></b><br/><b>Harrogate &amp; Rural District (HaRD) CCG; Hambleton, Richmondshire &amp; Whitby (HRW) CCG – PTS</b></p> <p>The revised application for eligibility went live on the 15<sup>th</sup> October 2018. This excludes renal patients. YAS and the CCGs are in contact where necessary about any issues following the go live date for eligibility. There is an escalation/appeals process for those patients/HCPs who believe the patient should be eligible.</p> <p><b><u>Scarborough CCG and Vale of York CCG - PTS</u></b></p> <p>The new eligibility criteria process went live on the 30th July 2018 (this includes all priority patients including renal). A meeting is taking place in December between all North CCGs to review the questions, discuss the increase in T1 journeys and also the appeals/overturn process.</p> <p><b><u>South Yorkshire – PTS</u></b></p> <p>A review of the contract (including activity and reports) took place jointly</p> |               |

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| <p>between YAS and the South CCGs in September 2018. Demand issues are causing YAS to incur a substantial financial deficit for the SY PTS service. A formal letter to the CCG to confirm our position and identify potential solutions was sent. YAS currently awaiting a response from the CCG.</p> <p><b><u>East Riding of Yorkshire CCG - PTS</u></b><br/>Work has been completed by YAS to ensure that the Out of Area journeys and in area saloon car journeys is being captured correctly on reconciliation spreadsheet from 2018/19 onwards.</p> <p>It is hoped to go live from April 2019 on the revised application of eligibility. A project plan has been sent to the CCG and this will be discussed further in December.</p> <p>An analysis of the East activity (activity vs plan) is currently taking place internally as YAS.<br/>An update will be provided in the next F&amp;I report as to next steps on the findings.</p> <p><b><u>West Yorkshire - PTS</u></b><br/>We intend to pursue a 2 to 3 year extension, which will allow a full system review to take place. This option will be discussed at the CCG collaborative commissioning board in January 2019.</p> <p><b><u>Next Steps</u></b><br/>Priorities across all PTS contracts include:<br/>Work streams around reviewing and revising the application of the eligibility criteria<br/>Working with Commissioners to address gaps, issues or inconsistencies on newly mobilised service specifications<br/>Negotiating contract extensions with the relevant PTS contracts.</p> <p><b>Approval:</b><br/><b>The F&amp;IC noted the content of the paper and the current position in relation to the A&amp;E, NHS 111 and PTS contracts.</b></p> |        |
| <p><b>8.0</b> <b>For Assurance: Finance 19/20 Plan</b><br/>MB presented the following presentation –</p> <p><b>Summary –</b><br/>The assumptions in the draft plan are subject to change after the publication of national guidance etc.<br/>The level of Cost Improvement required is unidentified at this stage. This will be updated at Director level once these meetings are concluded and feedback from programme boards.<br/>The development of the Capital plan is ongoing.<br/>Any additional further income/expenditure in respect of ARP is not assumed at this stage and subject to contract negotiation</p> <p><b>Approval:</b><br/><b>The Finance and Investment Committee noted the update.</b></p>  |        |

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| <p><b>9.0 For Assurance: Planning &amp; Development Update –</b><br/>The paper set out the current position on the current and planned commercial work undertaken by the Planning and Development Team.</p> <p>The current focus is on the development of the summary strategy and a range of briefing material for managers, supported by a specific site on the Trust intranet.</p> <p><b>Business Planning</b></p> <p>The business plan will be reviewed on a quarterly basis to promote success and support any slippage or changes needed.</p> <p><b>RECOMMENDATIONS -</b><br/>The Committee is asked to note the content of this paper</p> <p><b>Approval:</b><br/><b>The Finance and Investment Committee noted the update.</b></p>   |               |
| <p><b>10.0 For Assurance: Procurement Update</b></p> <p>The paper updated the F&amp;IC on key procurement activity which has taken place since the previous F&amp;IC (September 2018).</p> <p>Key points regarding procurement:</p> <p><u>Effective Fleet Management –</u></p> <p>NHSI are working with ambulance trust boards and the Association of Ambulance Chief Executives to agree which of the current specifications, and associated load list, should become the common standard for any new investment across England by February 2019 as well as working on developing and implementing a centralised procurement and market management model for fleet by autumn 2019.</p> <p>The Ambulance Trust Boards are developing plans to implement –</p> <ul style="list-style-type: none"> <li>• Robust stock inventory and asset tracking systems by April 2019.</li> <li>• Reviewing fuel arrangements to secure value for money.</li> <li>• Plans to install and utilise black box technology</li> </ul> <p>YAS is currently undertaking a new tender for Fuel Cards in collaboration with members of the NAA.</p> <p><u>Strategic performance</u></p> <p>The Procurement &amp; Logistics department is proud to announce a highly successful assessment against the Chartered Institute of Procurement &amp; Supply (CIPS) – Procurement Excellence Programme. The Trust is awaiting an official presentation of the award, which no other NHS Trust has achieved.</p> |               |

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| <p><b>PROPOSALS/NEXT STEPS</b></p> <p>The F&amp;IC will continue to receive updates at each Committee on the progress of significant contracts.</p> <p><b>Approval:</b><br/> <b>The Finance and Investment Committee noted the update and gained assurance that the procurement process and associated contracting performance were being managed effectively.</b></p>   |        |
| <p><b>11.0 For Assurance: National Vehicle Insurance Procurement.</b><br/> MB provided verbal update<br/> Virtual F&amp;I meeting will be required in January 19 for approval.</p>   |        |
| <p><b>12.0 For Assurance: Risk Management Report<br/> Board Assurance Framework/Risk Register risks relating to F&amp;IC</b></p> <p><b>PROPOSALS/NEXT STEPS</b></p> <p>Review the BAF for Quarter 3 with Directors</p> <p>Review of the Corporate Risk Register will continue at each meeting of the Risk and Assurance Group, with monthly updates to TMG</p> <p><b>Approval:</b><br/> The Finance and Investment Committee noted the update.</p>   |        |
| <p><b>13.0 For Assurance: Enabling Strategy – Finance Strategy</b></p> <p>Presentation presented by Mark Bradley :</p> <p><b>Our Finance Objectives are aligned to our Ambition -<br/> <i>We use resources wisely to invest in and sustain services</i></b></p> <ul style="list-style-type: none"> <li>• Develop financial and efficiency plans that enable the achievement of the Trust’s statutory duties and Regulator Expectations</li> <li>• Exercise Financial Stewardship, maintain financial control and meeting statutory reporting standards</li> <li>• Manage our cash</li> <li>• Ensure that the Trust is paid appropriately for the services we provide</li> <li>• Utilise benchmarking tools to improve efficiency to invest in front line delivery</li> </ul> <p><b><i>Patients and communities experience fully joined-up care responsive to their needs</i></b></p> <ul style="list-style-type: none"> <li>• Shape national and regional discussions regarding the system impact of our services</li> <li>• Be externally focused, and develop channel shift reporting to demonstrate system wide benefits for our services and patients</li> <li>• Develop our capacity for listening and consultation so that we</li> </ul> |        |



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| <p>understand and incorporate our stakeholders' experience</p> <ul style="list-style-type: none"> <li>• Work with NAA and national colleagues to develop system efficiencies through collaboration and learning in order to reinvest in our front line services</li> </ul> <p><b>Our people feel empowered, valued and engaged to perform to their best</b></p> <p>We will:</p> <ul style="list-style-type: none"> <li>• Invest in developing finance &amp; contracting expertise</li> <li>• Invest in developing business partner skills to embed finance within the organisation; aiding evidence based decision making</li> <li>• Develop budget holder training aligned to delegation of budgets, empowering the wider organisation</li> <li>• Invest in development of scenario and business case modelling skills</li> </ul> <p><b><i>We achieve excellence in everything we do:</i></b></p> <p>We will:</p> <ul style="list-style-type: none"> <li>• Ensure robust financial planning to enable delivery of the Trust 5 year strategy</li> <li>• Be at the forefront of best practice finance systems, reporting and approach</li> <li>• Implement of Service Line Management &amp; Reporting integral to the performance management structure</li> <li>• Encourage Increased commercial awareness to enable excellence in our tendering ability, understanding our cost base</li> </ul> <p><b>Approval:</b><br/><b>The finance and Investment Committee noted the update.</b></p> |        |
| <p><b>14.0 For information: LED Lighting</b><br/>The purpose of this paper is to present information on an application to the NEEF for funding from NHS Improvement. This is for information only.</p> <p><b>Approval:</b><br/><b>The Finance and Investment Committee noted the update.</b></p>  |        |
| <p><b>15.0 For Assurance: Hub &amp; Spoke Programme Board</b><br/>The purpose of this report is to inform the Finance and Investment Committee on the status of the Hub and Spoke and AVP programmes together with the key risks and challenges moving forward.</p> <p><b>Approval:</b><br/><b>The Finance and Investment Committee noted the update.</b></p>   |        |
| <p><b>16.0 Summary of issues to Trust Board</b><br/>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>   |        |

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|             | The meeting closed at 15.50 hours.     |               |
| <b>17.0</b> | <b>Date &amp; Time of Next Meeting</b> |               |

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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