



Finance & Investment Committee (F&IC) Minutes

Venue: Kirkstall and Fountains, YAS HQ, Springhill 2, WF2 0XQ
Date: Thursday 14 March 2019
Time: 1300 hours
Chairman: John Nutton

Membership:

John Nutton	(JN)	Non-Executive Director & Chairman of F&IC
Tim Gilpin	(TG)	Non-Executive Director
Jeremy Pease	(JP)	Non-Executive Director
Rod Barnes	(RB)	Chief Executive
Mark Bradley	(MB)	Executive Director of Finance
Matt Sandford	(MS)	Associate Director of Business Development

Apologies:

Rod Barnes	(RB)	Chief Executive
Tim Gilpin	(TG)	Non-Executive Director
Kathryn Vause	(KV)	Deputy Director of Finance
Rachel Monaghan	(RM)	Associate Director Performance Assurance & Risk
Matt Sandford	(MS)	Associate Director of Business Development

In Attendance:

Phil Storr	(PS)	Associate Non-Executive Director
Alistair Gunn	(AG)	Planning and Development Manager (Item 11)
Carol Weir	(CW)	Hub and Spoke Transformation Programme Lead (Items 14, 14.1 & 14.2)
John Loughran	(JLo)	Financial Capital Projects Manager (Items 14, 14.1 & 14.2)
Maxine Travis	(MT)	Risk Manager (Item 13)

Minutes produced by:

Joanne Lancaster	(JL)	Executive Coordinator
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	The meeting commenced at 1305 hours.	
1.0	<p>Introduction and Apologies JN welcomed everyone to the meeting and apologies were noted as above.</p> <p>JN welcomed JP to his first meeting of the Finance and Investment Committee since he started with the Trust.</p>	

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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.	
3.0	Feedback from Board Meetings <ul style="list-style-type: none"> For Information: Finance and Investment Committee Terms of Reference <p>JN summarised discussions held at the last Board Meeting in Private which had included the Hub and Spoke Programme, Unified Communications contract, Emergency Operations Centre (EOC) building work and an update on the Trust's preparations for the EU Exit.</p> <p>The Terms of Reference for the Finance & Investment Committee (F&IC) were noted.</p>	
4.0	For Approval: Minutes of the meeting of 13 December 2018 The minutes of the meeting held on 13 December 2018 were agreed as a true and fair representation of the meeting.	
4.1	Action Log: Actions 2017/020 & 2018/008 – Hub and Spoke – It was noted that this was on the agenda at item 14. A general discussion took place in relation to Hub and Spoke and Ambulance Vehicle Preparation (AVP) sites and the merits of each option. Further discussion took place in relation to particular ambulance stations, the prioritisation of schemes and co-location. Action closed. Action 2018/005 – Prioritisation of ambulance station refurbishments – It was noted that this was part of the Estates Strategy. Action closed. Action 2018/010 – Income/Expenditure Analysis – JN advised he believed that the information could be provided in greater detail. Action remains open. All other actions had been appropriately closed.	
5.0	For Approval: Business conducted outside of Committee: National Vehicle Insurance Procurement MB advised that this had been reported and approved by the Trust Board and the insurance would go live from April 2019. The contract had delivered savings for the Trust. Approval: The F&IC noted the update and that the National Vehicles Insurance Procurement had been approved by the Trust Board on 17 January 2019.	

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<p>6.0 For Approval: Workplan Review The F&IC workplan was noted.</p> <p>Discussion took place in relation to the Northern Ambulance Alliance (NAA) work programme and future joint procurements.</p> <p>MB advised that Kerry Wheeler, Managing Director of NAA was reviewing the NAA work programme to ensure there was appropriate prioritisation.</p> <p>It was noted that joint meetings between the Boards of the alliance organisations of the NAA had met on a couple of occasions where priorities and direction of travel were discussed and agreed.</p> <p>PS advised that he was doing some work relating to the NAA at the request of the Chairman and RB.</p> <p>Approval: The workplan was noted.</p>	
<p>7.0 For Assurance: Management Accounts 2018/19 Month 10 The paper summarised the financial position of the Trust with details of the performance against key financial duties and indicators as at 31 January 2019.</p> <p>MB updated the F&IC on an intangible asset under construction. It was proposed this was fully impaired in year. Depending on how this was treated within the Account would impact on the Trust's year-end financial position meaning either the Trust would deliver the Control Total or exceed the Control Total by £1.5m. Should the Trust exceed the Control Total by £1.5m this would be match funded by NHSI. Discussions were taking place with External Audit in this regard and they were supportive of YAS' approach that this would be categorised as an 'other' impairment which would not score against the control total.</p> <p>JN asked whether there would be restrictions on the use of the cash surplus amount going forward.</p> <p>MB responded that the Trust would need to seek approval from NHS Improvement (NHSI) for utilising the cash for future capital expenditure.</p> <p>JN made an observation in relation to the surplus above the Control Total and whether the Trust should not have undertaken some of the non-recurrent expenditure to enable a greater amount to be achieved.</p> <p>MB explained that the non-recurrent expenditure had been undertaken on urgent maintenance works, medical equipment and invest to save schemes and had been used in the best interests of the Trust, its staff and patients.</p> <p>A discussion took place in relation to fleet and the changes in Accounting Standards (IFRS16) relating to these. The Trust would need</p>	

	Action
<p>to consider its strategy in terms of whether it would be better to purchase fleet or lease fleet. This also had an impact on PTS contracts in relation to the age profile of the fleet.</p> <p>JN asked for a paper relating to the age profile of all fleet and how peaks in age might be mitigated in the future.</p> <p>Action: An update on the age profile of the fleet and mitigations to smooth out the peaks of future fleet procurement at the next F&IC meeting in June.</p> <p>JN further asked for information specifically relating to the age profile of PTS fleet aligned to future renewal dates of PTS contracts.</p> <p>Action: An update on the age profile of PTS fleet aligned to future renewal dates of PTS contracts at the next F&IC meeting in June.</p> <p>A discussion took place in relation to YAS' costs for transport and whether the Trust received the full cost to the organisation in this regard. It was noted the PLICS system should aid with ensuring journey costs were accurate.</p> <p>MB advised that the financial forecast within the paper was anticipated as being a reflection of the final outturn position.</p> <p>It was noted that there was provision in the accounts relating to two issues. The outcome of each was not known as the time of the meeting and it was expected these would not be resolved in the short term.</p> <p>The F&IC noted that 135 Double Crewed Ambulances (DCAs) had been successfully delivered.</p> <p>JN commented that the Trust's finances had been well managed and he thanked MB and team for their hard work.</p> <p>Approval: The Finance and Investment Committee noted the Trust's financial performance to date including the risks to delivery of the Trust's Operating Plan and gained appropriate assurance.</p>	<p>MB 2019/001</p> <p>MB 2019/002</p>
<p>14.0 For Assurance: Hub and Spoke Programme Update (Actions 14.1 2017/20 & 2018/008) including: 14.2</p> <ul style="list-style-type: none"> • ORH Business Case to Commissioners; • Modelling Work. <p>JN welcomed CW and JLo to the meeting and updated them on discussions which had taken place earlier in the meeting under the Action Log item.</p>	

	Action
<p>The paper updated F&IC on the status of the Hub and Spoke and Ambulance Vehicle Preparation (AVP) programmes together with the key risks and challenges moving forward.</p> <p>CW advised that a number of meetings had taken place to agree a process to identify future sites, reviewed the ORH modelling to identify the benefits realisation of potential new Hub and Spoke sites and an initial focus on requirements for South Yorkshire. Meetings had been scheduled in from April 2019 onwards to identify future Hub and Spokes and to review new ORH data. In addition local information and knowledge, close working with the Estates team and consideration of the wider YAS Strategy were also being considered.</p> <p>JN asked whether lessons had been learned from the development of the Doncaster Hub and Spoke site.</p> <p>CW advised that the team had undertaken a review of lessons learned including maximising the benefit and how this would be applied to future Hub and Spoke developments.</p> <p>JN asked about the timescales for completion of schemes with Hub and Spoke facilities taking a longer period compared to the AVP sites and the associated costs to the Trust of the development of the two.</p> <p>CW advised that the Hub and Spoke Programme Board would be considering the scheduling of work at its next meeting.</p> <p>JLo added that the Doncaster Hub and Spoke had demonstrated efficiencies in its development based on a pre-Ambulance Response Programme (ARP) operating model. This would be reviewed again against ARP. In terms of the AVP sites the original efficiency benefit from Paramedics not having to prepare vehicles at the beginning of their shift had not been fully realised to date.</p> <p>CW explained that she would continue to identify opportunities within the programme and due diligence would be applied to whether a site would be better suited to Hub and Spoke or AVP facilities in agreement with the Hub and Spoke Programme Board.</p> <p>She added that to fully exploit the benefits of both the Hub and Spoke and AVP facilities there would be an organisation culture piece and a review of key policy documents relating to Meal Breaks, for example.</p> <p>PS asked what the current situation was with Bentley Ambulance Station.</p> <p>JLo provided an update in this regard.</p> <p>PS referred to Driffield Ambulance Station and the options going forward for this station in terms of current conditions and future location options.</p>	

	Action
<p>MB advised that discussions with stakeholders relating to the future location options were on hold at this moment in time; interim measures were being explored.</p> <p>JN requested that a further update be brought to the June F&IC with a compare and contrast on the Hub and Spoke and AVP facilities linking in with Estates for a joint presentation.</p> <p>Action: A further update be brought to the June F&IC with a compare and contrast on the Hub and Spoke and AVP facilities linking in with Estates for a joint presentation.</p> <p>CW provided an updated on the Doncaster Hub and Spoke development advising that from the following week staff would be working from a modular building on the site. She confirmed that future Hubs would be different from the Doncaster Hub. She advised that local intelligence would be utilised for the location of 'spokes sites' and what these might look like; spokes would be optimised in terms of location and usage.</p> <p>CW summarised the key points advising that there was a lot of work to be complete and which needed to be done at pace. Alongside the logistical work there needed to be a review of key policies and an organisational culture piece.</p> <p>MB added that there were real challenges relating to meal breaks and end of shift overtime. The Cost Improvement Plan relating to these were at risk.</p> <p>Discussion took place in relation to the implementation of the AVP facilities at Leeds and Huddersfield ambulance stations; learning would be taken into future AVP developments.</p> <p>Approval: The Finance and Investment Committee noted the update.</p>	<p>CW/MB 2019/003</p>
<p>8. For Assurance: Contract Management Update Q4 The paper provided information on the current position on the A&E, NHS 111 and PTS contracts.</p> <p>MB provided an update in relation the 999 contract for 2019/20. This was still in negotiation with Commissioners with YAS seeking to receive funding to enable the Trust to achieve the national ARP standards.</p> <p>It was noted that there were a number of associated risks which would need to be resolved as part of the negotiations with Commissioners:</p> <ul style="list-style-type: none"> • Mid Yorkshire Hospital Trust reconfiguration; • Friarage Hospital in Northallerton; • PTS activity above contract, • The extension of the PTS contract for West Yorkshire; • IUC mobilisation. 	

	Action
<p>MB advised there was the potential for significant challenges within the IUC contract including how the Trust captured dental call activity which the Trust was not contracted to provide.</p> <p>PS referred to an earlier conversation within the Quality Committee relating to challenges with hospital handovers particularly relating to York and Scarborough hospitals. This was being addressed through the appropriate channels with the Acute Trusts.</p> <p>Approval: The F&IC noted the content of the paper and the current position in relation to the A&E, NHS 111 and PTS contracts.</p>	
<p>13.0 For Assurance: Risk Management Report</p> <ul style="list-style-type: none"> • Board Assurance Framework (BAF)/Corporate Risk Register (CRR) risks relating to Finance and Investment Committee (F&IC) <p>This item was taken out of order of the agenda.</p> <p>The report provided details of the updates to the BAF and changes to the CRR in addition to an update on security developments including action on violence and aggression against staff.</p> <p>It was noted that the BAF had been presented to Trust Management Group (TMG) and the Board with details of the projected year-end position for 2018/19 and recommendations for re-articulation of principal risks to delivery of the Trust's ambitions for 2019/20.</p> <p>The Board had proposed a number of amendments during the meeting on 28 February 2019 and these were noted at 2.8 of the report.</p> <p>A number of new risks had been identified, of particular note:</p> <ul style="list-style-type: none"> • Risk 1186: EU Exit – The Trust had carried out a risk assessment in accordance with national guidance and concerns had been identified. The additional resource capacity required by the Trust to deliver the regional and national expectation relating to the EU Exit was noted <p>The following risk had been amended since the previous report:</p> <ul style="list-style-type: none"> • Risk 1096 – Friarage – this risk was to be re-framed based on the new Quality Impact Assessment (QIA) which captured the proposed urgent reconfiguration arrangements. <p>JN thanked MT for the update.</p> <p>Approval: The Finance and Investment Committee noted the report and gained assurance that the BAF and CRR relating to the F&IC were being appropriately managed.</p>	

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<p>11.0 For Assurance: Planning & Development Team Update The paper updated the current and planned commercial work undertaken by the Planning and Development Team.</p> <p>JN referred to the Gateway Process and asked how it was decided what went through the process.</p> <p>AG explained that projects came from a variety of sources including Bright Ideas, teams and Directors and potentially anyone across the Trust could feed in to this process through these ways. The process itself determined what would go for high level sign-off. He added that a log would be kept of all proposals and the status of these.</p> <p>JN asked whether the process was aligned with the NAA.</p> <p>AG responded that some collaboration work had taken place although this could be explored further in terms of a standard process.</p> <p>JN thanked AG for the update.</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>10.0 For Assurance: Reference Costs Comparison 2017/18 The paper presented the 2017/18 reference costs for the Trust and provided a national comparison.</p> <p>JN asked whether the data used was comparing like for like to determine the reference costs.</p> <p>MB advised that due diligence should have been done on the data although it was likely that there were differences in interpretation of what to include within the data at source between the different ambulance services.</p> <p>JN asked whether the NAA was sharing information to better understand the figures.</p> <p>MB confirmed that work was ongoing with the NAA relating to costs and support service costs.</p> <p>JN thanked MB for the paper.</p> <p>Approval: The F&IC noted the content of the paper and noted the planned move from reference costs to PLICS in 2019/20.</p>	

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<p>10.1 For Assurance: Reference Costs Collection 2018/19 The paper set out the process for completing and submitting the Trust's 2018/19 reference cost submission and sought F&IC approval of the process in line with national requirements.</p> <p>The paper was noted.</p> <p>Approval: The F&IC, in line with national guidance, approved the reference cost process as presented in the paper and delegated final approval of the submission to the Director of Finance and noted that the apportionment methodologies used were in line with national guidance from the costing standards.</p>	
<p>12.0 For Assurance: Procurement Update The paper updated on key procurement activity which had taken place since the previous F&IC in December 2018.</p> <p>MB advised that the Matthew Barker, Head of Procurement had started with the Trust last week.</p> <p>The F&IC noted the paper.</p> <p>Approval: The Finance and Investment Committee noted the update and gained assurance that the procurement process and associated contracting performance were being managed effectively.</p>	
<p>9.0 For Assurance: Finance 2019/20 Plan:</p> <ul style="list-style-type: none"> • Revenue & Capital; • Budget Setting. <p>The paper presented the Trust's operational financial plan and the summary service line budgets for 2019/20.</p> <p>MB explained the timeframe for sign-off of the Finance Plan 2019/20 and advised that this was the final version although the 999 contract had yet to be signed.</p> <p>He outlined the details of the contract discussions; it was noted that this had previously been discussed by the Board.</p> <p>MB outlined the key changes to the draft plan and highlighted the cost pressures against the plan.</p> <p>The risks against the plan were discussed with Friarage and PTS as cause for concern. Mitigations had been put in place.</p> <p>It was noted that the Trust had developed an ambitious Cost Improvement Programme this year to enable the organisation to re-invest in its frontline.</p>	

		Action
	<p>JN thanked MB for the update and observed the Trust's prudent approach to the financial plan.</p> <p>Approval: The F&IC recommended that the Financial Plan 2019/20 be approved by the Board and noted and supported the contents of the report.</p> <p>Capital Plan 2019/20 MB provided an update on the Capital Plan which had been developed through the Capital Planning Group.</p> <p>This paper would be provided to Board at its meeting on 28 March 2019 for approval.</p> <p>Approval: The F&IC noted the update and recommended this for onward approval by the Board.</p>	
15.0	<p>For Assurance: Northern Ambulance Alliance (NAA) Update This item had been deferred prior to the meeting.</p>	
16.0	<p>Summary of issues to Trust Board JN thanked everyone for attending the meeting.</p> <p>The meeting closed at 1610 hours.</p>	
17.0	<p>Date & Time of Next Meeting 13 June 2019 - 1300 – 1600</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**