



Finance & Investment Committee (F&IC) Minutes

Venue: Kirkstall and Fountains, YAS HQ, Springhill 2, WF2 0XQ
Date: Thursday 13 June 2019
Time: 1300 hours
Chairman: John Nutton

Membership:

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

Apologies:

Matt Sandford	(MS)	Associate Director of Business Development
Jeremy Pease	(JP)	Non-Executive Director

In Attendance:

Kathryn Vause	(KV)	Deputy Director of Finance
Karen Owens	(KO)	Director of Urgent Care & Integration (Items 5 & 6)
Candice Syrons	(CS)	Head of Operations – PTS (Item 6)
Julian Simpson	(JS)	Capacity Planning Analyst (Item 6)
Mark Phillips	(MP)	Financial Performance Manager (Item 6)
David Sanderson	(DS)	Associate Director of Estates, Fleet & Facilities (Item 6)

Minutes produced by:

Nikki Budding	(NB)	Executive PA
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	The meeting commenced at 1300 hours.	
1.0	<p>Introduction and Apologies</p> <p>JN welcomed everyone to the meeting and apologies were noted as above. KO was invited by JN to observe the meeting prior to her items on the agenda.</p> <p>Apologies were received from MS and no deputy was sent in his place. JN commented that MS had sent apologies for the previous meeting in March and requested that the necessity of attending was conveyed to MS. MB undertook to do this.</p>	MB

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<p>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.</p>	
<p>3.0 Feedback from Board Meetings No discussion took place.</p>	
<p>4.0 For Approval: Minutes of the meeting of 14 March 2019 The minutes of the meeting held on 14 March 2019 were agreed as a true and fair representation of the meeting.</p> <p>4.1 Action Log: Action 2018/010 – Income/Expenditure Analysis – Action remains open. KV to scope further analysis with JN. JN commented that overheads have grown in proportion to income and felt the organisation was well managed from a risk point of view. He asked for further analysis on economies of scale.</p> <p>RB joined the meeting at 1315hours and declared no conflicts of interest.</p> <p>There was a discussion regarding the number of meetings and committees papers are considered at, prior to formal approval. JN suggested MB and KV map the journey of a Board paper and some others with a view to determining whether or not streamlined processes would be possible.</p> <p>Action 2019/003 – Hub and Spoke. This item has been deferred to September. Carol Weir and David Sanderson are currently running workshops.</p> <p>All other actions had been appropriately closed.</p>	<p>2018/010</p> <p>2019/004</p>
<p>5.0 For Assurance: PTS Service Line Update The paper updated the F&I committee on the position of the PTS Service Line 2018-19 financial performance and reported on the 2019-20 financial challenges and opportunities.</p> <p>KO presented the report and specified the final overspend against the PTS budget was £1,340M and detailed the areas in which there was an overspend and what the contributory factors were.</p> <p>The overspend occurred in the following areas:</p> <ul style="list-style-type: none"> • North & East - £700K • South - £800K • Logistics - £150K <p>The overspends were offset by underspends in West (£30K) and underspends within Management and Support areas (£310K).</p> <p>JN recognised that there had been lots of progress in terms of the quality and financial performance and said it was felt that it is known</p>	

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<p>what the required improvements are and what input is needed to tackle the problems.</p> <p>KO acknowledged there had been capacity issues but hopes this has now stabilised.</p> <p>JN asked if there was any learning from South Yorkshire and suggested 'testing' the bid before we go to market with a cap and collar bid.</p> <p>MB explained that the bid had initially been on a pass or fail basis as to whether you stayed in the process and on reflection, the bid was based on stretching activity and therefore financial assumptions, but progress was being made. He added that the eligibility criteria was due to be reviewed in 2020/21 and there were potential efficiencies to be made by adoption of the eligibility criteria.</p> <p>KO was positive in terms of implementation of the eligibility criteria. She has made some revisions and is keen to engage commissioners in implementation based on quality factors.</p> <p>MB added that the aspiration is for common eligibility criteria to be applied across all 5 contracts.</p> <p>The committee were advised that Hull is about to come out to tender in the next fortnight, with submission over August.</p> <p>JN commented on the unidentified cost for South Yorkshire and asked why that was and whether there had not been enough probing questions.</p> <p>MB advised that we had been working towards providing a service within the envelope. It was agreed that a strategic decision had been made to try to retain the South contract.</p> <p>MB said for the Hull contract, we need to understand the true cost of delivering the service.</p> <p>A discussion took place regarding activity and KO informed F&I that on the day demand is spiking at the minute. MB advised that overall activity is in line with contract plan, but there are increased costs due to weekends and on day activity. It was agreed that when the Hull tender comes through we need to model some scenarios.</p> <p>KO added that we have had confirmation from South that they will pay for the additional activity. NHS Leeds CCG have informed us that LTHT have given notice to their on day discharge service provider.</p> <p>MB advised the committee that if Hull comes out to tender in the next couple of weeks, it is likely that there will be a 4-6 week turnaround and a virtual F&I meeting will be needed. Hull are keen for us to bid and it is likely that an external organisation will run the procurement.</p>	

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	<p>JN thanked KO for the report.</p> <p>Approval: The F&IC noted the update.</p>	
6.0	<p>For Assurance: 6 month review – Vehicle Replacement Plan including</p> <ul style="list-style-type: none"> • Fleet age profile • Age profile of PTS fleet aligned to future renewal dates of PTS contracts <p>The presentation and paper provided a position statement on the fleet size and its age profile and an indicative vehicle replacement programme for future years, which will be finalised as part of the Fleet Strategy.</p> <p>JN welcomed DS, MP, CS and JS to the meeting. JN summarised that some positive improvement have been made and there have been learnings but CIP remains an issue.</p> <p>CS presented the PTS Fleet Replacement Programme and informed the committee that 74 vehicles (23%) are over 10 years old. There are currently 102 vehicles (32%) over 7 years old, a further 47 will be over 7 by 2020 and 39 more by 2021. The aspiration is to get to a position where the maximum fleet age is 7, by 2021. All of the vehicles are owned by YAS.</p> <p>As the South Yorkshire contract specifies that the maximum age of vehicles should be 5 years, any new vehicles need to go to South Yorkshire. 2015 was the last time new vehicles were in. JN asked if this was across the fleet and CS confirmed it was.</p> <p>CS added that PTS have 5 contracts and each has different KPI's. April was the strongest month (74,000 patients were moved). There are currently 14 different configuration of vehicles in fleet and there are now more stretchers patients and bariatric patients.</p> <p>JN asked if it was possible to have a vehicle with flexible configurations and CS confirmed that it is.</p> <p>CS advised the committee that they are looking for 3 types of vehicles. JN asked how many typical daily miles a PTS vehicle could do and was informed it could vary greatly, i.e. it could be 50 miles in Leeds but East Ridings could be 150 miles, or more.</p> <p>A discussion took place around electrical vehicles and JN asked if there were any grants available for electric vehicles to which DS advised there was but only for cars.</p> <p>In conclusion, KO said they are asking the committee to support the work already done so far and to note that a business case will be developed in due course.</p>	

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<p>Approval: The F&IC noted the presentation and update.</p> <p>KO, CS, MP & JS left the meeting.</p> <p>DS updated the committee on the numbers and type of vehicles currently in the YAS fleet and advised the New Fleet Strategy is in development. The Strategy will address issues such as choice of vehicle types, funding via capital or leasing and aims to achieve standardisation of vehicles. The Strategy will be impacted by performance targets, nature of response and availability of funding, amongst others factors such as legislation and environmental issues.</p> <p>JN asked if YAS would be exempt from the clean air zone and DS confirmed we would be, however 40% is outsourced eg taxis and they are not exempt.</p> <p>The next step is to pull together the Fleet Strategy. DS advised the Estates Strtegy will dovetail with the H&S programme.</p> <p>The committee were informed that there is a new national specification for DCA's, in the furture the Trust's vehicles will need to meet that specification. that we will need to abide by and MB added that NHS I are putting a team together for DCA procurement from 1 April 2020.</p> <p>Approval: The F&IC noted the update.</p>	
<p>7.0 For Assurance: Contract Management Update Q4 The paper provided an update on the current position of the A&E, NHS 111 and PTS contracts.</p> <p>MB advised the committee that all major contracts for 19/20 have been signed.</p> <p><u>999</u> The 999 contract has been signed with £9m investment from commissioners which is good news from a contract perspective. The Trust has again secured agreement that any financial sanctions arising from the 999 CQUIN scheme will be reinvested so there is no financial risk arising from this year's CQUIN scheme.</p> <p><u>IUC</u> The IUC contract was signed in March 2019, prior to commencement of the new service on 1st April. For 2019/20, activity is funded based on calls answered at an agreed rate of £11.40/call. The price per call went up 18% from £9.40 to £11.40 due to a dialogue around dental calls.</p> <p>NHS England commissioned a separate contract for 111 dental activity for patients aged 5 and over. YAS was unsuccessful in the tender</p>	

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<p>process for the Dental Clinical Advice and Booking service (CABs contract) but has engaged with the new provider to support the mobilisation of the service and ensure that processes are in place to manage the interface between the IUC service and Dental CABs. Dental calls received through the YAS IUC service have exceeded contract plan by over 200% during April (ca. 4000 additional calls).</p> <p><u>PTS</u> The Trust has been successful in securing a long term contract for West Yorkshire PTS. A new 3 year contract has been agreed which runs from 2019/20-2021/22. A new contract around the GP urgent service has been agreed for South Yorkshire. York discussions are ongoing. Harrogate has been extended for another year. The focus for 19/20 will be on East Ridings.</p> <p>JN summarised the discussions by noting that overall the contract update was fairly positive with ongoing contract dialogues throughout the year and expectations were being managed.</p> <p>KV added that the commissioners can see the benefit of developing sustainable models together. Previously they didn't understand the complexities of the journeys nor the impact but the dialogue has assisted with this.</p> <p>A discussion then took place around the type of crew that responds to calls and TG asked about qualifications and banding for PTS staff.</p> <p>RB advised that they are band 2 and band 3 and not aligned to a professional body.</p> <p>TG informed the committee that he had been out with a crew last week and 2 hours had been spent in A&E. TG added that many people didn't need expert clinical advice and the majority of journeys were transferring patients following calls from GP's or due to their social circumstances.</p> <p>RB agreed that many patients needed a PTS crew as opposed to a 999 crew. TG felt that there would be resistance from 999 crews as this would be perceived to be "dumbing down". RB acknowledged this but said there was often frustrations from crews about the type of calls they were sent to.</p> <p>TG asked if C1 calls were infrequent and RB confirmed that the majority of calls were C2 or C3. TG added that every patient they took to hospital needed a stretcher but not a high level of clinical input and suggested effective use of resources needed to be explored.</p> <p>RB suggested nursing homes could be dealt with via PTS and for falls at home, CFRs could respond.</p> <p>TG gave the example of a patient who had fallen in the bathroom and</p>	

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<p>needed help to be lifted. Two paramedics attended yet this level of clinical input was not required. However, the difficulty lay in how that could be discerned before attending.</p> <p>RB said that the Trust is looking at CFRs for falls in private or nursing home with staff or relatives assisting and crews then being dispatched if necessary.</p> <p>Approval The F&IC noted the update.</p>	
<p>8.0 For Assurance: - Capital Plan 2019/20 update The purpose of the paper was to update the F&IC on details of amendments to the 2019/20 Capital Plan.</p> <p>The new Chief Financial Officer for NHS England and NHS Improvement wrote to all Trusts in early May 2019 identifying a national over commitment of capital for 2019/20 and requested all Trusts to review and resubmit their capital plans.</p> <p>The letter specified that if this did not close the gap then responsibility may fall to ICS to prioritise capital spend between Trusts which could lead to national controls and decisions taken outside of the organisation.</p> <p>West Yorkshire ICS wanted to be supportive and each provider within the West Yorkshire ICS network agreed to submit proposals to reduce their requirements for 2019/20 with this being articulated as a deferral to 2020/21 rather than stopping capital expenditure.</p> <p>The Trust proposed to defer £300k of expenditure to 2020/21. This was discussed at private board on 23 May 2019. A further letter is expected in the next couple of weeks regarding the next steps.</p> <p>TG left the meeting at 1430hours.</p> <p>Approval: The F&IC noted the update.</p>	
<p>9 For Assurance: 2018/19 Review of Financial Year KV presented a review of the 2018/19 financial performance.</p> <p>The agreed 2018/19 financial plan:</p> <ul style="list-style-type: none"> • delivered a surplus of £2.065m which in turn led to PSF of £2.123m meeting the Control Total of £4.188m • Identified a transformation reserve of £2m • Included £1.664m additional income via IUC contract • Funded 1% of the AfC pay award • Funded a number of local cost pressures and agreed investments • Included an assumption of CIP delivery totalling £9m (recurrent) <p>A number of risks were identified at planning stage, for which no provision was made. Other risks/mitigations arising in year included:</p>	

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<ul style="list-style-type: none"> • Mid Yorks reconfiguration – agreement to fund not formalised at beginning of the year £1.2m fye • PTS – eligibility criteria issues in South & East, and over activity in North • BOC Oxygen Cylinders, unexpected cost re rental of cylinders • Failure of CIPs • Unsocial Hours Costs • Occupational Health Contract • Technical Charges • Earmarked Reserves Slippage <p>The A4C pay award has significant implications for ambulance services, in particular regarding unsocial hours. Yas led discussions with DH and collated information from other ambulance services to understand the impact, subsequently securing additional income for the sector.</p> <p>Occupational Health has historically overspent. This has now been retendered so is less of a risk and will provide a better service. The new contract was delayed by 6 months resulting in 6 months of CIP.</p> <p>JN noted that there have been ongoing discussions throughout the year and KV's presentation was confirmation of these discussions.</p> <p>MB added that controls were put in during August as we were not delivering the A&E CIP and A&E and PTS made corrective actions regarding their overspending.</p> <p>JN thanked KV for the presentation and asked that his thanks were recorded for the control and management of the Trust's finances, as the team is doing a superb job.</p> <p>MB updated the F&IC on the 2019/20 outlook and highlighted the need to deliver CIP which is lower than plan currently, and the need to be aware recruitment and training will be a challenge. He questioned whether we can recruit quickly enough and spend the money.</p> <p>JN asked what would happen if we couldn't and MB advised that would need to be discussed as a Trust.</p> <p>Holiday Pay has been provided for as a one off settlement but if it goes back 6 years then additional money would be needed. It is unclear whether there will be an additional appeal. As a Trust, we have funding for 2 years but not 6.</p> <p>The month 2 position report will be going to TMG shortly and will be submitted to NHSI. MB summarised the M2 position - A&E are underspent due to lower than planned recruitment and PTS are overspending but work is being undertaken to address this.</p> <p>JN asked if wider intervention was needed regarding the PTS</p>	

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	<p>overspend. MB replied that KO was focussing on this.</p> <p>Approval: The F&IC noted the update.</p>	
10	<p>For Assurance: Procurement Update</p> <p>The paper provided an update on key procurement activity which has taken place since the previous F&IC in March 2019.</p> <p>Of the projects on the Procurement Workplan, PTS vehicles and the FM contract were discussed in more detail:</p> <p>New PTS vehicles are required to support the PTS delivery contracts. YPO published the requirements for prices of the leasing element and maintenance and 3 suppliers responded. O&H have been identified as the preferred supplier at this stage but no firm commitment has been given and the full report will go to Trust Board.</p> <p>Regarding the FM contract, a short tem solution of FM was proposed by using a specialist FM provider as an interim. MB said this had been a challenge but the backlog of 500 jobs is now down to 200 and there has been positive feedback from frontline staff although there has been challenge from the unions regarding what they see as privatisation of the service. However the quality is better and we are now able to utilise people in the region. A review of the service in-house vs the specialist FM provider will be undertaken. In addition to clearing the backlog, the monthly bills have been low.</p> <p>JN asked if it was worth looking at subsidiaries. MB advised an option was for 3 staff to cover the major sites and contractors to do the jobs.</p> <p>JN thanked KV for the report.</p> <p>Approval: The F&IC noted the report.</p>	
11	<p>For Assurance: Planning & Development Update</p> <p>The paper provided an update on the current and planned commercial work undertaken by the Planning and Development Team.</p> <p>There was no representative from the Team at the meeting to present the paper and JN reiterated that a deputy needed to attend if MS was unavailable.</p> <p>JN stated he wanted to understand what programmes go on the gateway and how do they get progressed. JN asked who puts forward an idea and do difficult questions get considered?</p> <p>RB replied that the gateway process is YAS specific and that we have NAA Board away days and blue skies discussions. At YAS level, everything has to have a director sponsor and an initial filter for a sense check. Ideas go through the gateway process, then to TMG and from there onto the Trust Board.</p>	

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	<p>JN summarised that he wants assurance everyone is moving in the same direction and asked if an idea was blocked/deferred, could it be revisited if things change?</p> <p>MB clarified that there was a discussion in TMG and it could be that ideas were appropriate but the time wasn't right or there was no resources.</p> <p>JN raised the concern that there could be too many ideas and plate juggling and asked for a paper to come to F&IC with ideas in the pipeline.</p> <p>Action: An update on gateway processes in the pipeline to be brought to the next F&IC meeting in September.</p> <p>Approval: The F&IC noted the update.</p>	2019/05
12	<p>For Assurance: Risk Management Report The paper provided details of the 2019/2020 BAF, changes to the Corporate Risk Register and an update on security developments.</p> <p>Approval: The F&IC noted the paper.</p>	
13	<p>For Assurance: NAA Update RB advised the committee that the Board have shortlisted for a NA Chief Information Officer role and the interviews are expected to be in the next few weeks.</p> <p>Approval: The F&IC noted the verbal update.</p>	
14	<p>Summary of issues to Trust Board JN advised the meeting that there had been no major decisions.</p> <p>JN thanked everyone for attending the meeting and the meeting closed at 1515hours.</p>	
15	<p>Date & Time of Next Meeting 12 September 2019 - 1300 – 1600</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**