



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

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

**Date:** Thursday 7 May 2015

**Time:** 1400 hours

**Chairman:** Dr Elaine Bond

**Present:**

Dr Elaine Bond	(EB)	Non-Executive Director (Chairman)
Pat Drake	(PD)	Non-Executive Director
Mary Wareing	(MW)	Non-Executive Director
Rod Barnes	(RB)	Interim Chief Executive
Alex Crickmar	(AC)	Interim Executive Director of Finance & Performance
Dr Dave Macklin	(DM)	Interim Executive Director of Operations
Neil Cook	(NC)	Interim Associate Director of Finance

**Apologies:**

Barrie Senior	(BS)	Non-Executive Director (Observing)
Ian Brandwood	(IB)	Executive Director of People & Engagement

**In Attendance:**

John Nutton	(JN)	Non-Executive Director – Designate (Observing)
Anne Allen	(AA)	Trust Secretary (Observing)
Kate Sims	(KS)	Associate Director of HR
Catherine Balazs	(CB)	Head of Business Development (Observing & Items 10.1 & 10.2)
Mike Fairbotham	(MB)	Head of Procurement (Items 12.1 & 12.2)
Helen Hugill	(HH)	Head of Service Planning & Development (Item 7.2)
Ben Holdaway	(BH)	Locality Director – EOC (Item 7.2)
Laurence Harvey	(LH)	Interim Head of Fleet (Items 7.3 & 12.2)
Simon Murphy	(SM)	Business Development Manager (Item 14)
Rachel McCafferty	(RM)	Commercial Marketing Officer (Item 14)

**Minutes produced by:** (MG) Mel Gatecliff, Committee Services Manager

		<b>Action</b>
	The meeting commenced at 1400 hours.	
<b>1.</b>	<b>Introduction and Apologies</b> EB welcomed everyone to the meeting and apologies were noted as above.	

	<b>Action</b>
<p>EB confirmed that this would be her final F&amp;IC meeting. She was particularly sad to leave F&amp;IC, which had been her favourite Committee during her time with YAS. EB thanked F&amp;IC colleagues for their support during her time as Chairman of the Committee and she wished MW, who would do a sterling job, every success in the role going forward.</p>	
<p><b>2.</b> <b>Declaration of Interests for any item on the agenda</b> There were no interests to be declared in relation to the agenda items.</p>	
<p><b>3.1 / 3.2</b> <b>Minutes of the Last Meetings</b> The Minutes of the Finance &amp; Investment Committee Meeting held on 5 February 2015 were approved as a true and fair representation of the meeting.</p> <p><b>Matters Arising:</b> There were no matters arising.</p> <p>The Minutes of the Joint Quality and Finance &amp; Investment Committee Meeting held on 5 February 2015 were approved as a true and fair representation of the meeting.</p> <p><b>Matters Arising:</b> There were no matters arising.</p>	
<p><b>3.3</b> <b>Virtual F&amp;IC Minutes/Notes</b> EB stated that the purpose of the cover paper was to provide the Finance &amp; Investment Committee (F&amp;IC) with an overview of the content and reasoning behind a number of virtual F&amp;IC meetings that had taken place since the last full F&amp;IC meeting.</p> <p>The paper included feedback notes from F&amp;IC members' pre-Board meetings to support the decision making by the Trust Board on significant procurement contracts which should also provide assurance that the meetings were clearly documented and meeting notes circulated to Committee members.</p> <p>EB invited comments.</p> <p>PD stated that the notes were very clear and she was happy to continue to use the format for any future virtual meetings, as it was important that such meetings were documented.</p> <p><b>Approval:</b> <b>The F&amp;IC members were assured that the virtual F&amp;IC meetings had been clearly documented and accepted the notes circulated to Committee members as a true record of the meetings.</b></p>	

		<b>Action</b>
<p><b>4.</b></p>	<p><b>Action Log and Matters Arising</b> The Action Log was reviewed and updated.</p> <p><b>2015/03 – Cost Improvement Plan Delivery Update</b> AC confirmed that the decision to reduce the organisation’s A&amp;E fleet by 15 vehicles had been part of the original five-year Fleet Strategy. Pressure of demand had led to the decision not to reduce the fleet by the expected three vehicles. Action closed.</p> <p><b>2015/07 – PTS 2014/15 Fleet Replacement Programme</b> RB stated that he could find no reason why the proposed PTS fleet reduction had changed from 24 vehicles in the original proposal to 7 in the revised document. The figure would, therefore be amended back to the original figure. Action closed.</p> <p><b>2015/16 – Virtual F&amp;IC – 2015/16 Budgets</b> AC confirmed that the work had been completed. Action closed.</p> <p><b>2015/17 – Virtual F&amp;IC – 2015/16 Budgets</b> DM stated that the action remained open pending the outcome of the on-going work in relation improving performance. A lot of the information would be covered in the A&amp;E efficiency PID, although there also remained risks within that work.</p>	
<p><b>5.</b></p>	<p><b>Feedback from Trust Board Meetings</b> EB stated that there was no specific feedback to present from the Trust Board meetings which had taken place since the February meeting of the F&amp;IC.</p> <p>Although she had not attended the meeting, EB stated her belief that the majority of the conversations relating to F&amp;IC business had been around the positive settlement of the issues surrounding the possible implication of A&amp;E penalties.</p>	
<p><b>6.</b></p>	<p><b>Cost Improvement Plan Delivery Update (including update from CIP Management Group)</b> NC presented an update to provide assurance on the outcome of the 2014/15 Cost Improvement Plan (CIP) and an update on progress against the 2015/16 CIP including feedback from the CIP Management Group.</p> <p>He confirmed that the Trust had achieved its 2014/15 target, which was very positive news. A number of reserve schemes had been mobilised and delivered during the year, supporting slippage on core schemes and delivery of the overall CIP target for the year.</p> <p>NC stated that the Trust had a CIP target of £8.7m (3.6%) to achieve in 2015/16 in order to achieve the planned surplus of £1.15m. A high level risk rating had been applied to each scheme, which had been updated to reflect the most recent position.</p>	

	<b>Action</b>
<p>PD asked about the likelihood of non-payment for overtrade during 2015/16.</p> <p>AC replied that the contract was capped with overtrade of 3.75% guaranteed up front. The only variables were CQUIN penalties and intra facility transfers.</p> <p>NC stated that, given progress to date on the delivery of the core documentation to support the baselining and assurance on the 2015/16 programme, Trust management was considering commissioning an independent assessment of the Trust's CIP Governance arrangements.</p> <p>EB stated that, the Trust already recognised where the issues were, they just had not addressed them to date. She was therefore unsure how YAS would benefit from external work.</p> <p>MW stated she would be concerned if YAS used external experts to carry out reviews which provided information about which management teams should already be aware.</p> <p>AC stated that any external work would be closely monitored to ensure that the Trust continued to learn from best practice in other organisations.</p> <p>AC stressed that the organisation was already moving in the right direction, with every CIP having a named owner.</p> <p>EB asked whether named owners were aware that they were being held to account, adding that the organisation also needed to be specific about who was delivering the programme.</p> <p>AC confirmed that this was the case. For example, scheme leads had been made aware that all documentation, including Quality Impact Assessments and supporting financials, needed to be in place and signed-off in accordance with the revised governance procedures by the end of May at the very latest.</p> <p>PD stated that she would expect the Quality and F&amp;I Committee meetings in July to receive assurance that all relevant documentation had been signed off and was in place.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the outturn performance on the CIP for 2014/15 and progress against the 2015/16 Plans.</b></p>	
<p><b>7.0</b></p> <p><b>Major Business Cases</b></p> <p>The Committee considered a number of key CIP Project Initiation Documents (PIDs). EB stated they would be dealt with by exception, with any additional comments to be emailed to AC after the meeting.</p>	

	Action
<p><b>Action:</b>  <b>Committee members to email any additional comments to AC after the meeting.</b></p> <p>AC stated that the main PIDs, with the highest values had been circulated. The completion of documentation was well under way and the Trust should hit its end of May deadline.</p> <p>EB stated she would like to see a summary of the prior challenge that each PID had gone through at CIP Management Group (CIPMG) meetings to help gain assurance that they had all been through the correct process going forward.</p>	<p><b>ALL</b></p>
<p><b>Action:</b>  <b>F&amp;IC to be provided with a summary of prior challenge at CIP Management Group for each PID going forward to ensure correct processes are being followed.</b></p> <p>In terms of <b>A&amp;E Operations</b>, PD stated that the Quality Committee had identified and discussed the risks around the implementation of new roles, the risks to achieving in-year abstractions, etc.</p> <p>EB noted PD's comment.</p> <p>MW stated she had found the document confusing as it contained some carry forward from the previous year alongside new information for the current year. Most fundamentally she struggled with the assumption about over trade in relation to the CIP. She was unclear how cost savings would be derived, etc but was hopeful that the presentation later on the agenda would help to clarify this.</p> <p>MW further stated that, in her opinion, the document was not a PID as it did not contain enough detail about actions, how savings would be made, etc.</p> <p>DM stated that, having reviewed the PID, he took on board MW's point entirely. He stated that he struggled with the concept that the Trust was not really reducing costs but rather seemed to be using additional income to offset the fact that it had to save money.</p> <p>MW stated that the base line for the CIP was the total cost of delivering the service from which a reduction was made. It was irrelevant whether this was funded from overtrade or not. Personally, she would be much more comfortable if the CIP made no reference to overtrade as this pre-empted how the Trust might use the money and limited the type of operational efficiencies that might be made.</p> <p>It was agreed that the PID should go back to CIPMG as it needed to be re-written to come back to F&amp;IC at a future meeting. It was suggested that, as it was so large, the A&amp;E CIP should be split down into smaller more manageable sections, similar to those for Fleet.</p>	<p><b>AC</b></p>

	Action
<p><b>Action:</b>  <b>A&amp;E PID to go back to CIPMG to be re-written and returned to a future F&amp;IC meeting.</b></p> <p>EB stated she had found some typographical errors in the <b>Clinical Hub</b> CIP. For example, as NHS Direct was no longer relevant, page five, item one needed revision.</p> <p>She asked what 'Business Intelligence Lead – n/a' on page 12 meant.</p> <p>AC replied that a BI Lead had been appointed so he would ensure that the relevant change was made to the PID.</p>	<p><b>AC</b></p>
<p><b>Action:</b>  <b>AC to ensure BI Lead information added to the Clinical Hub CIP.</b></p> <p>MW stated that it was not clear whether the document had ever been approved. Although version control was in place, there were no dates for approval, which were all recorded as draft.</p> <p>AC replied that, going forward, there would be physical signatures on the documents to help with the audit trail.</p> <p>AC stated that the <b>vehicle insurance</b> CIP was similar to the previous year, as the Trust was again expecting to receive a rebate.</p> <p>JN reiterated an earlier suggestion that Procurement should consider whether the introduction of an affinity scheme was a realistic possibility, adding that he had seen similar schemes used very successfully in the past.</p> <p>AC replied that MF would provide an update during the Procurement session later in the meeting.</p> <p>There were no comments about the <b>van conversations, fuel card replacement</b> and <b>medical equipment</b> CIPs.</p> <p>MW asked whether the vehicles in the <b>PTS vehicle replacement</b> CIP were the same as those for which the business case had already been received.</p> <p>AC confirmed that they were.</p> <p>EB stated that the <b>Fleet factors</b> CIP would need to be revised, as it currently referred to the contract being extended to the end of March 2015.</p> <p><b>Action:</b>  <b>Contract extension date to be amended in Fleet factors CIP.</b></p>	<p><b>AC</b></p> <p><b>AC</b></p> <p><b>AC</b></p>

	<b>Action</b>
<p>JN asked what appraisal process was followed in relation to the longer term benefits of CIPs as some would have year on year benefits whilst others would be 'one-offs'</p> <p>AC replied that analysis of the longer term benefits of CIPs was a strategic view that had lacked historically. However, this would improve going forward.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted and took assurance on the progress being made in relation to the attached CIP Business Cases.</b></p>	
<p><b>7.1 Major CIPs Review – Emergency Operations Centre - Clinical Hub CIP</b></p> <p>BH entered the meeting to present an overview of the Clinical Hub CIP.</p> <p>He stated that the CIP was an efficiency saving rather than a cash saving plan with the cash to be delivered through overtrade assumptions. £1.2m had been delivered in 2014/15 with a further £1.2m saving budgeted for 2015/16.</p> <p>BH stated that, in terms of actual versus trajectory, there had been a poor start to 2014/15 as a result of the work with NHS 111 which had been a major change. However, this would now be built on in terms of an integrated hub going forward.</p> <p>The trajectory for 2015/16 had been evenly proportioned across the 12 months, although December demand might need to be factored in later. The CIP had come in above trajectory for April 2015.</p> <p>The Committee considered the available benchmark figures.</p> <p>DM stated his belief that East of England, with whom YAS had already done some work, was a good trust for YAS to compare itself against.</p> <p>BH stated that, in terms of the number of staff within each hub, the work done within NHS 111 had helped in terms of capacity. The new team structure, which included a Clinical Development Manager, had gone live on 1 April 2015 and a recruitment plan was in place to ensure that establishment was maintained.</p> <p>The Committee considered the QIA, highlighted risks and the mitigations in place to counteract the risks.</p> <p>MW asked why the target was an absolute number of calls.</p> <p>BH replied that it was because of how the funding was delivered ie on 'x' number of calls.</p>	

	Action
<p>EB thanked BH for his presentation.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the update</b></p>	
<p><b>7.2 Major CIPs Review – A&amp;E Operations</b></p> <p>HH entered the meeting and presented an overview of the schemes allocated to the A&amp;E Operations Directorate for 2015/16.</p> <p>She stated that the two largest schemes were <b>A&amp;E Operational Efficiency</b> and <b>Clinical Hub</b> and listed a number of reserve schemes, currently in the planning stage, which included increased use of web conferencing and a reduction in the use of private providers.</p> <p>HH provided details of the key milestones for delivery of the CIP schemes:</p> <ul style="list-style-type: none"> <li>• <b>A&amp;E Operational Efficiency (14/15–18/19)</b> <ul style="list-style-type: none"> <li>○ Assumed activity increase of 2% in 15/16 (productivity saving) had been revised to 3.76% for 15/16. The CIP scheme, which was in the 3<sup>rd</sup> of a 5-year scheme would roll on beyond the current end date;</li> <li>○ Future savings were dependent on the outcome of the ORH workforce review, with revisions expected in-year.</li> </ul> </li> <li>• <b>Clinical Hub (14/15 – 17/18)</b> <ul style="list-style-type: none"> <li>○ Increased number of calls triaged per month in line with trajectory</li> </ul> </li> </ul> <p>HH stated that some of the key milestones for the reserve schemes, some of which were further developed than others. The reduction in the use of private providers had already realised some savings.</p> <p>DM stated that any efficiency savings from a change in call connect would need to be quantified in-year.</p> <p>AC asked how robust the controls around meal breaks and the signing off of overtime were.</p> <p>DM replied that that significant work was required in that respect.</p> <p>The Committee considered the QIA, the risks that had been highlighted and the mitigations in place to counteract the risks.</p> <p>In summary, HH confirmed that the previous year’s schemes had been delivered largely due to significant overtrade. The mitigations for the reserve schemes were still in the planning phase and there was a possibility that risks to the delivery of the CIP schemes might be realised in-year as other factors took effect.</p>	



		<b>Action</b>
	<p>EB informed HH that, following earlier discussions, it had been agreed that the A&amp;E PID should go back to CIPMG for further challenge and structure, to come back to a future F&amp;IC meeting.</p> <p>PD asked whether any web conferencing facilities were currently in use.</p> <p>HH replied that the software worked on a 121 basis but currently failed when a group tried to use it. However, it should be fully functional and available Trust-wide within a year.</p> <p><b>Approval:</b> <b>The Finance &amp; Investment Committee noted the update.</b></p>	
7.3	<p><b>Major CIPs Review – Fleet</b></p> <p>LH entered the meeting to provide an overview of the Fleet-related CIPs for 2015/16.</p> <p>He stressed that there was currently doubt over some of the savings quoted, particularly those for the PTS vehicle replacement programme, which were derived from fuel efficiency benefits and lower maintenance costs resulting from replacing old vehicles with more efficient replacements.</p> <p>LH confirmed that the reduction in fleet insurance premium of £60,000 was guaranteed</p> <p>He stated that the fleet maintenance income generation scheme, which was being promoted through local hospitals, etc, would be manageable and had a lot of potential.</p> <p>DM expressed concern that the Trust was not currently doing enough routine maintenance out of hours ie overnight and asked whether more of this could be done at the current time.</p> <p>LH agreed to look into what work was currently being done and what else could be done in the short term and report back to AC.</p> <p><b>Action:</b> <b>LH to investigate the amount of out of hours work currently undertaken by Fleet to identify what else could be done in the short term and report back to AC.</b></p> <p>Other schemes included:</p> <ul style="list-style-type: none"> <li>• Reduction in management lease vehicles;</li> <li>• Medical equipment parts;</li> <li>• New fuel card contract;</li> <li>• Fleet factors parts tender;</li> <li>• Switch to van conversions;</li> <li>• Purchase of end of lease defibrillators;</li> </ul>	LH

	Action
<ul style="list-style-type: none"> <li>• PTS vehicle telematics.</li> </ul> <p>LH stated that although there remained an amount of bunkered fuel around the various stations, the Procurement team was currently looking into going out to tender for different means of paying for fuel and considering the various options available.</p> <p>In addition, the national procurement exercise remained on-going.</p> <p>It was agreed that a further update was required at the next F&amp;IC meeting.</p> <p><b>Action:</b>  <b>Update on national/local procurement exercises re fuel purchase to be presented at the July meeting.</b></p> <p>LH stated that the Procurement team was also exploring various avenues in relation to the Fleet Factors Parts tender. An update would be provided at a future meeting.</p> <p>He further stated that, although the £124k potential saving in relation to the switch to van conversions was a fairly realistic amount, the Trust would need to ensure delivery of the vehicles as soon as possible as, although they had been approved for purchase, the vehicles had not yet been bought.</p> <p>LH pointed out a number of issues in relation to the PTS vehicle telematics scheme. The originally specified system was not the one that had been procured so did not provide the full vehicle data. The issue had been raised with Procurement and they were liaising with the supplier to try to solve the issue.</p> <p>MF stated that, as the supplier had replied that the requirement had not been specified in the original document, discussions remained on-going.</p> <p>Further discussions would take place outside the meeting between RB, MF and LH following which the CIP would go back through CIPMG where its RAG ratings would be revisited. It was agreed that a further update should be presented at the July F&amp;IC meeting.</p> <p><b>Action:</b>  <b>Update on PTS vehicles telematics to be presented at the July F&amp;IC meeting.</b></p> <p>EB asked whether the 10% industry average fuel savings was realistic. LH confirmed that it was.</p> <p>EB thanked LH for his update and the honest picture he had presented.</p>	<p>MF</p> <p>MF</p>

		Action
	<p><b>Approval:</b> The Finance &amp; Investment Committee noted the update.</p>	
8.0	<p><b>Service Line Management and Service Transformation Update (including an update on agreed actions for further implementation)</b> The Committee was presented with an update and brief overview about the implementation of the Service Transformation Programme (STP) and Service Line Management (SLM).</p> <p>RB stated that an update on each of the workstreams was included in the report and the SLM report highlighted performance to date in terms of 2014/15 and details of the programme going forward in terms of 2015/16.</p> <p>MW asked how the STP would link with CIP delivery.as this was not currently clear to her. For example, it seemed as if a lot of the A&amp;E CIP delivery would come out of the STP.</p> <p>RB replied that, ultimately, the Operational area would need to be responsible for the delivery of its CIPs, as CIP delivery was not the responsibility of the STP team.</p> <p>MW stated her belief that there should be some responsibility in the STP for the delivery of appropriate milestones.</p> <p>Following further discussion, it was agreed that RB, as Chairman of CIPMG, should clarify whether or not each CIP was being delivered through the STP.</p> <p><b>Action:</b> RB to ensure that every CIP made it clear whether or not it was to be delivered through the STP.</p> <p><b>Approval:</b> The Finance &amp; Investment Committee noted the developments, issues and risks as outlined and were assured with regard to the Service Transformation Programme management and resource arrangements and actions. The Committee noted the performance of Service Lines for the year 2014/15 and associated trend analysis and supported the further developments proposed in the report.</p>	RB
8.1	<p><b>PTS Update</b> As the Curzon PTS transformation work had been discussed in detail at a recent Board meeting, it was agreed that only a short summary update report was required.</p> <p>EB stated that, although things were moving in the right direction, there remained a lot of work to be done and she questioned whether change was taking place at a fast enough rate.</p>	

	<b>Action</b>
<p>It was agreed that more information was required about the cost of journeys in each area for future negotiations with Commissioners.</p> <p>JN stated that some contracts might potentially go out to tender for the following year and wondered how the Trust would mitigate for the potential loss of those contracts.</p> <p>It was agreed that F&amp;IC would need to maintain its current emphasis on PTS during the course of the current year.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the update.</b></p>	
<p><b>9. Foundation Trust Readiness Review</b></p> <p>AC provided an overview of YAS' state of readiness for Foundation Trust (FT) status. He stated that the Trust continued to progress work toward the criteria required for successful FT authorisation with monthly 'Integrated Delivery Meetings' taking place with the TDA to review current progress.</p> <p>Key deliverables required for YAS to progress to Monitor included:</p> <ul style="list-style-type: none"> <li>• Consistent delivery of the Red1, Red2 and A19 performance standards for a period of at least six months;</li> <li>• The completion of an Independent Financial Review (IFR);</li> <li>• Assessment against 2014's 'Well-led Framework';</li> <li>• A 'Good' or 'Outstanding' rating from the CQC under the revised Chief Inspector of Hospitals inspection process;</li> <li>• Assessment of the Trust's five-year Integrated Business Plan and long-term financial model (LTFM);</li> <li>• Observation of Board and Committee meetings and discussions with Commissioners and other key stakeholders.</li> </ul> <p>AC stated that the final key part of the TDA assessment phase would be a Board to Board meeting with the TDA Board to provide assurance that the Trust had a capable Unitary Board.</p> <p>When considering the draft timeline, the Committee expressed concern that the Trust's progress seemed to have gone backwards during the previous 12 months.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the current position and the work being undertaken towards the achievement of FT status.</b></p>	
<p><b>10.1 Commissioning &amp; Business Update (Including Gateway Process)</b></p> <p>CB presented a detailed paper which updated the Committee on the current commissioning arrangements for YAS' key business areas, A&amp;E, PTS, and NHS 111/Urgent Care.</p>	

	<b>Action</b>
<p>The paper focused mainly on new business developments and their progress, along with any recommendations for commencing new business ventures.</p> <p>EB asked about the NHS 111 evaluation matrix, which was being used to assess the NHS 111 Derbyshire and Nottinghamshire tender in order to create an informal bid or no bid decision.</p> <p>CB replied that the information would be presented and discussed at the Gate Review Forum.</p> <p>As there were no further questions, EB thanked CB for her thorough update.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the update in the paper and supported the on-going business developments.</b></p>	
<p><b>10.2</b></p> <p><b>Update on 2015/16 Contracts</b>  AC and CB provided a short update which set out the current position on the 2015/16 contracts for YAS' key service lines and an update on some of the lower valued health care contracts.</p> <p>AC stated that CB and he had gone through the A&amp;E contract in great depth to identify factual inaccuracies and inconsistencies. Although they had found a few inaccuracies around the Heads of Terms and occasional vagueness around the terms used, which would need to be ironed out, they had found nothing material.</p> <p>In terms of the NHS 111 contract, AC confirmed that a counter proposal had been submitted and a response received from LCD. The Trust was still awaiting a response from the Commissioners. If there became a need to go through arbitration, the process was yet to be confirmed.</p> <p>EB stated that she had felt well-informed during the current contract round and thanked AC and CB for their detailed update.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the update about all of the major contracts and supported the on-going arbitration process for NHS 111.</b></p>	
<p><b>11.</b></p> <p><b>Financial Review 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> </ul> <p>AC provided the Committee with an update on the Trust's financial risks and exceptional budgetary and treasury items and an overview of the main points in section 5 of the Integrated Performance Report (IPR). The paper was taken as read.</p>	

	<b>Action</b>
<p>AC confirmed that the 2014/15 financial year was in the process of being closed off with the auditors currently working with the Finance team to that effect.</p> <p>He stated that 2015/16 had been covered in depth in terms of budget setting, etc.</p> <p>EB stated that the Trust's CIPs were the area of greatest risk to her. However, although she still did not have the greatest assurance of their overall success, she was assured by the fact that they would be covered in sufficient depth by F&amp;IC on an on-going basis.</p> <p>PD stated her belief that the Trust's 2014/15 CIP outturn position had been very good, especially when put in the context of 40% of FTs being in the red. It was her belief that YAS' position relative to that of others had been much better handled.</p> <p>AC stated his belief that around 40-50% of trusts would submit deficit plans. However, although the Trust was currently in a good position, there remained risks around the CIPs, etc which would need to be carefully managed.</p> <p>RB updated the Committee about the on-going work to refresh the format of the IPR. He stated that NHS IMAS Consultant, Iain Bell, had been working closely with CB and the BI team to draft a discussion document which would need to be considered in an appropriate forum. It would then be taken in summary form to a suitable Board Development Meeting.</p> <p>EB stated her belief that it might be worthwhile having a separate F&amp;IC meeting to consider the discussion document. If this was not possible then a copy of the draft with accompanying narrative about why information had been taken out or replaced would be useful.</p> <p><b>Action:</b>  <b>AC to share the new document and accompanying narrative with F&amp;IC members as soon as possible.</b></p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the financial risks highlighted and was partially assured that the risks were being managed and mitigation plans were in place.</b></p>	<p><b>AC</b></p>
<p><b>12.1 Procurement Update Including:</b></p> <ul style="list-style-type: none"> <li>• <b>Local Contracting &amp; Tendering;</b></li> <li>• <b>National Framework &amp; e-procurement Update</b></li> </ul> <p>EB welcomed Mike Fairbotham (MF), the Head of Procurement, to the meeting to update the Committee on key contracting and tendering activity. EB stated that she had found the papers produced by MF a pleasure to read as they were concise and clear.</p>	

	<b>Action</b>
<p>MF thanked EB for her comments. He stated that the report was an evolving document which would continue to develop. The formatting had been changed with a colour-coding system implemented to highlight items about which Committee members would need to be aware. For example, items would have a colour coding of blue when an item had been completed or red when overdue.</p> <p><b>Vehicle Insurance (blue)</b> – procurement was complete and on time. JN’s suggestion about the possibility of extending the cover to include staff’s personal vehicles would be investigated prior to the next renewal.</p> <p><b>Fuel Cards (red)</b> – progress was behind where it should be but work was on-going to sort the problems out.</p> <p><b>Tail Lift Maintenance (red)</b> – YAS did not currently have a contract for a tail lift provider and work had been on-going to develop a specification for some time.</p> <p>DM asked whether this gave the Trust any additional risk from an operational perspective. MF replied that it did not.</p> <p><b>Telematics (complete)</b> – EB requested an update from MF about the current issues with the supplier around this contract.</p> <p>MF stated he had received an update from LH about the problems, which had been caused by the fact that some of the wording in the contract was not as explicit as it could have been. He acknowledged that the £100k CIP was currently at risk as a consequence of the issue and would continue to update the Committee as negotiations progressed.</p> <p><b>Vehicle Recovery (red)</b> – MF stated that the contract was a known issue and needed to be re-tendered. Work was on-going with Fleet in this respect, although it was at an early stage.</p> <p><b>Solar Panels for RRVs (amber)</b> – MF stated that the current procurement had been paused due to only receiving two bids, one of which was compliant and one of which was over budget. He confirmed that the contract would apply to DCAs in addition to RRVs.</p> <p><b>Action:</b>  <b>MF to provide an update on the revised procurement exercise at the next meeting.</b></p> <p><b>Urgent Tier vehicles</b> - MF confirmed that that rating for this contract was green/blue.</p> <p><b>Toughbooks (blue)</b> – PD asked whether the North Yorkshire signal was strong enough for the Toughbooks, as there was no point in ordering and rolling out the equipment if it could not be used.</p>	<p><b>MF</b></p>

	Action
<p>MF agreed to check that it would be adequate before ordering the equipment.</p> <p><b>Action:</b>  <b>MF to investigate the strength of signal in North Yorkshire prior to Toughbooks being ordered and rolled out.</b></p> <p><b>Uniform (red)</b> – MF stated that this was a very controversial topic, about which there had been many conversations. The national agreement had again been delayed and YAS would be unable to take full advantage of the agreement due to the fact that it had opted to retain its Yorkshire crest.</p> <p>PD stated her belief that the whole discussion needed to be revisited.</p> <p>DM stated that he agreed with the decision to keep the Yorkshire rather than using that national crest. However, it was his belief that the Trust had not engaged with its staff around the uniform issue as much as it should have done. Fabrics and fit were very important and fundamental items that YAS needed to get right so DM suggested that it would be useful to have a uniform working group.</p> <p>It was agreed that MF should liaise with the Trust Chairman, RB and DM outside the meeting to discuss available options.</p> <p><b>Action:</b>  <b>MF to liaise with Trust Chairman, RB and DM re available options in relation to YAS' new uniform.</b></p> <p>EB thanked MF for his detailed update report.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee noted the contents of the Procurement update and the key actions being taken by the Procurement team.</b></p>	<p>MF</p> <p>MF</p>
<p><b>12.2</b> <b>Contracts for Approval: Supply of Vehicle Leasing (A&amp;E)</b>  LH re-entered the meeting and a paper was presented to allow the Committee members to review the proposal to lease 25 new A&amp;E (DCAs double crewed ambulance) Mercedes Sprinter Ambulances, to replace 25 Ambulances which were at the end of their operational lease. [REDACTED]</p> <p><b>(Above sentence redacted for commercial / in confidence reasons.)</b></p> <p>The replacement of the vehicles was in-line with replacement profile described in the Fleet strategy, 2012-2017 and the procurement route was via the Capita-ran Ambulance Vehicle Supply Framework Agreement.</p>	



	Action
<p>RB stated that the lease was due to expire at the end of June, adding that its extension on the current vehicles would cost £35k every 4 months. The rate had been agreed at the time of the original lease agreement so was not something that the Trust could negotiate itself out of.</p> <p>PD stated that, the Quality Committee has asked whether the Trust involved its patients and took their views into account when procuring new vehicles. For example, a number of complaints had been received from patients in wheelchairs that they could not take their chairs onto vehicles, as there was no room to accommodate them.</p> <p>RB replied that patients' views had been taken on board prior to the purchase of PTS vehicles but not in terms of A&amp;E vehicles.</p> <p>DM stated that it would be a good idea for Fleet to do this for all vehicle purchases going forward.</p> <p><b>Action:</b>  <b>Process to be agreed whereby Fleet included patient feedback as part of future vehicle purchase decisions.</b></p> <p>EB asked why there were often delays in purchasing following approval by the Trust Board.</p> <p>LH replied that having to obtain several quotes could cause significant delays. It was his belief that, in principal, the budget should be signed off at the start of the new financial year and spent in a staged manor across the whole of the year.</p> <p>It was agreed that Fleet needed to work smarter going forward; for example, planning for the next three years' replacements.</p> <p>EB stated her belief that it was TEG's responsibility to emphasise to Fleet the need to better forward plan, consider the most appropriate length of contracts, etc, going forward.</p> <p>JN stated his belief that, instead of going out piecemeal for deals, the better phasing of orders should also enable the Trust to get improved pricing deals.</p> <p>It was agreed that the item should be taken to TEG for further consideration.</p> <p><b>Action:</b>  <b>Improved forward planning, length of contracts, etc in Fleet to be taken to TEG for further consideration.</b></p> <p>EB thanked everyone for a helpful discussion.</p>	<p>AC</p> <p>RB</p>

	Action
<p><b>Approval:</b>  <b>The Finance &amp; Investment Committee reviewed and supported the following position to go to Trust Board for approval:</b></p> <ul style="list-style-type: none"> <li>• <b>the proposed 5 year lease of 25 new A&amp;E Mercedes Sprinter Ambulances with a total 5 year contract value of [REDACTED] (excluding VAT).</b></li> </ul> <p><b>(Above figure redacted for commercial / in confidence reasons)</b></p>	
<p><b>13. For Approval: Procurement Strategy Review</b>  MF sought the Committee’s support for the Trust’s revised Procurement Strategy. He stated that the current version of the Strategy was an update of the initial draft, written by the Interim Head of Procurement in 2014, which had been changed to reflect YAS’ senior leaders’ aspirations for the procurement function.</p> <p>EB stated her belief that the Strategy was a thorough and well thought through document.</p> <p>RB stated that, although there would need to be some investment in resources in the Procurement function, this would definitely be a cost-effective investment.</p> <p>RB further stated that the Strategy had also been well-received when it had been presented to TMG.</p> <p>It was agreed that the Strategy should go to the May Public Board meeting for formal Trust Board approval.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee agreed the content of the Procurement Strategy and supported its submission to the Trust Board for final sign-off. The Committee also committed to help shape the implementation plan once the Procurement Department was resourced to deliver the Strategy.</b></p>	
<p><b>14. Review of the Trust’s Marketing Arrangements</b>  SM and RM entered the meeting to provide a general update on the Trust’s current marketing activities and future priorities, which included:</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> <li>• YAS Forum engagement materials, including video toolkit, presentation and media boards;</li> <li>• Vehicle services (launch of pilot vehicle service and MOT scheme);</li> <li>• Commercial service lines marketing support;</li> <li>• Competitor activity and industry news tracking;</li> </ul>	

	Action
<ul style="list-style-type: none"> <li>• Links with Corporate Communications and Engagement Team.</li> </ul> <p><b>(Above bullet points redacted for commercial / in confidence reasons.)</b></p> <p>RM stated that, although the Trust could not use the NHS lozenge for the [REDACTED] work, it would still use the YAS crest.  <b>(Above information redacted for commercial / in confidence reasons.)</b></p> <p>RB stressed the importance of maintaining links where there were opportunities for cross working between Corporate Communications and marketing campaigns to ensure that no opportunities were missed.</p> <p>EB thanked SM and RM for their informative update.</p> <p><b>Approval:</b>  <b>The Finance &amp; Investment Committee reviewed and noted the information in the paper and the accompanying slides, which were provided as a general update on marketing activity at the Trust.</b></p>	
<p><b>15. Hub &amp; Spoke – OBC Resources</b></p> <p>EB stated that issuing the paper the night before the meeting was not acceptable as it did not give Committee enough opportunity to consider it in sufficient detail.</p> <p>RB acknowledged the point. However, because of the approval levels in the proposal, he confirmed that the item would need to be considered by the Trust Board at some stage.</p> <p>RB stated that the item, which was looking at an investment of roughly [REDACTED] had already received a lot of challenge, having gone through the TEG and Estates Programme Board approval processes.  <b>(Above figure redacted for commercial / in confidence reasons.)</b></p> <p>RB further stated that the Trust had looked extensively at other organisations which had implemented the hub and spoke model and overall, the re-blended model was seen as the best model of delivery.</p> <p>EB stated that there seemed to be a slight shortfall on funding according to the paper.</p> <p>RB replied that the funding would be split over two years.</p> <p>It was agreed that the Committee members would take the paper away to review outside the meeting, returning their comments to RB by Wednesday 13 May.</p>	

		<b>Action</b>
	<p><b>Action:</b> F&amp;IC members to review paper and return comments to RB by Wednesday 13 May.</p> <p><b>Approval:</b> The Finance &amp; Investment Committee received the paper, with feedback to be returned to RB by Wednesday 13 May.</p>	<b>ALL</b>
<b>16.</b>	<p><b>Assurance Statement to the Audit Committee</b> It was agreed that the following assurance statements would continue to be included in future reports to the Audit Committee:</p> <p>The purpose of this paper is to provide assurance to the Audit Committee on the effectiveness of the Finance and Investment Committee in assessing its plans, processes and controls pertaining to financial risk for the organisation.'</p> <p>and</p> <p>The Finance and Investment Committee provides assurance to the Audit Committee, through this report, that the Committee received reasonable assurance that key financial risks are being adequately managed'.</p>	
<b>17.</b>	<p><b>Summary of Issues to Trust Board/Feedback on Meeting</b> EB stated that she would discuss the summary of issues with incoming Chairman, MW, for her to report to the Board at its May meeting.</p> <p>As there were no additional comments EB thanked everyone for sparing the time to attend and their contribution during the meeting. She reiterated her earlier good wishes to incoming Chairman MW.</p> <p>The meeting closed at 1645 hours.</p>	
<b>18.</b>	<p><b>Dates and Time of Next Meeting:</b> 1400-1700 hours <b>9 May 2015</b>, Kirkstall and Fountains, Springhill 1, WF2 0XQ</p>	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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