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24<sup>th</sup> March 2016

Tracy Ellery  
Director of Finance  
North West Ambulance Service

Dear Tracy

**Re: 2015/16 Year-End Fines For Paramedic Emergency Services**

Further to our discussions regarding fines to be applied in 2015/16, this letter sets out the approach that Commissioners agreed at the Strategic Partnership Board (SPB). The values in this letter are based on a year-end outturn figure of £215,347,682, representing the core contract and over performance calculated at Month 10 projected to Month 12 (the "10+2" model agreed).

**Red 1 Performance**

The cumulative performance figure for Red 1 at the end of February was 75.56%, and NWAS have provided assurance that performance will be maintained above 75% to the year-end. In this regard no fine will be payable in 2015/16.

**Red 2 Performance**

The cumulative position for Red 2 performance at the end of February was 71.57%. Performance has been dropping against this indicator for the last few months and you have advised at the SPB that this figure cannot be recovered prior to year-end. Under the terms of the contract a 2% fine is to be levied in this regard amounting to £4,306,947.

**Red 19 Minute Performance**

The cumulative position for Red 19 minute performance at the end of February was 93.19%. Again, performance has dropped against this indicator for the last few months and you have advised at SPB that this figure cannot be recovered prior to year-end. Under the terms of the contract a 2% fine is to be levied in this regard amounting to £4,306,947.

**Handover and Turnaround**

Handover and turnaround fines are calculated each month and the total NWAS fine for delayed crew clears is £298,560. This includes 11 months of actual fine and a projected fine for month 12.

**Total Fine**

In aggregate the fines to be applied for the year are £8,912,455. This is, however, subject to a 2.5% cap on fines set out in the contract and consequently the actual fine to be applied will be **£5,383,684.**



## **Fines Reinvestment**

You will be aware that Commissioners agreed at SPB to reinvest the performance elements of the fine for the Red 2 and Red 19 minute targets, so that the investment plan agreed with NWAS at the beginning of 2015/16 was not jeopardised.

You will also be aware that, following the assurance provided by NWAS and the evidence provided around reducing the time taken for crews to clear site following handover, Commissioners agreed that the fines to be applied for handover and turnaround would also be reinvested to allow this work to continue.

Consequently no actual financial transaction will take place, but this letter forms the record of the fines that are due, applied, and the agreement to reinvest as per NHS England requirements for the 2015/16 contract.

I will be providing a copy of this letter to North West CCG Chief Officers, together with a breakdown of the fines at the CCG level, for publication on their websites in line with the reporting requirements set out in the guidance to the national standard contract.

If you have any queries regarding the above, please contact me.

Yours sincerely

A handwritten signature in black ink that reads "Allan Jude". The signature is written in a cursive style with a long, sweeping tail on the letter 'e'.

Allan Jude  
Director of Ambulance Commissioning  
Blackpool CCG

cc: County Ambulance Leads