

**Draft Minutes of the meeting of the Finance & Performance Committee
held on 10th May 2006**

Present: Narendra Makanji (chair) (NM)
Dee Henry (DH)
Peter Farmer (PF)
David Sloman (DS)
Susan Sorensen (SS)
Trish Donovan (TD)
Kate Slemeck (KS)

1. **Apologies:** Philip Ient (PI)

2. **Notes of the March meeting**

agreed as an accurate record

3. **Matters arising**

3.1 It was noted that a review of the Highgate Treatment Centre is to be carried out and agreed that this should incorporate both financial performance and marketing information. This is to be progressed via the Executive Team (ET) and it was agreed a report should be taken to the July Trust Board.

4. **Finance Report**

4.1 **Month 12 (2005/06) Report**

SS presented the financial position for 2005/06 which included a summary report of month 12 financial performance and the detailed FIMS (financial information monitoring system) report as submitted to the SHA. It was noted that final allocations across Directorates are currently being processed, reflecting the overall break-even position achieved for the year. Final budget statements will then be distributed to budget-holders and it was agreed that the final position will also be copied to committee members. **Action TD**

4.2 **Draft Annual Accounts**

It was also noted that the draft annual accounts had been produced and submitted for audit by the required deadline. These are included in Trust Board papers for the May meeting.

NM expressed thanks to all Trust staff for delivering the required balanced financial position.

4.3 **2006/07 FIMS Plan**

SS updated the committee on the 2006/07 financial plan.

4.3.1 Movements from the position presented to the SHA on 15th March to the current plan were discussed. It was noted that these included an adjustment of £1m, agreed with the SHA needs to urgently be discussed with Islington PCT as it appears this should be reflected as a variation to the SLA. **Action SS/TD**

4.3.2 A copy of the 2006/07 FIMS plan, as submitted to the SHA was tabled. This plan shows a surplus of 1% or £1.3m as required. It was noted that the FIMS plan has been amended to incorporate monthly profiling of performance and a

bridge analysis trailing movement from one year to the next. It was noted that performance will be monitored, by the SHA, against these monthly profiles. It was also noted that it is not possible to update the FIMS plan for revisions in-year to the plan and performance reporting is therefore not always consistent in terms of the detailed presentation, with internal management reports, although the overall position is.

- 4.3.3 SS updated the committee on the meeting that DS & SS attended at the SHA on 9th May on the financial position for both 2005/06 and 2006/07.

In terms of 2005/06 the SHA was requested to clarify the position on two items,

- ◆ A request to provide £200k support to offset two pressures identified in 2005/06 (namely SIFT funding previously agreed and later withdrawn and an estimated liability on SLA queries with Haringey PCT, raised as the accounts were being finalised). This support was not agreed, however the SHA Finance Director indicated that the SIFT element would be resolved this year.
- ◆ The approach to reflecting the repayment of £1.2m of the Trust's cumulative deficit (as previously agreed as part of the 2005/06 plan) which the SHA have, this week, stated will not be reflected in the 2005/06 accounts, as previously anticipated by the Trust.
This was the subject of some discussion and non-executive members noted that this was not the agreed/anticipated approach and was therefore an extremely disappointing outcome. It was requested that the approach be further discussed with the SHA by DS and noted that this may be followed by a letter from the Chairman to the SHA chair.

Action DS

In terms of the 2006/07 position, the plan as detailed at 4.4 above was discussed with the SHA including a detailed review of the current Cost Improvement Programme. It was agreed a progress update on the CIP will be submitted, after the May Trust Board meeting.

4.4 **2006/07 SLA Matrix**

A summary of 2006/07 SLA values, as submitted to the SHA was tabled for information.

4.5 **2006/07 Cost Improvement Programme (CIP)**

The CIP was discussed on an item by item basis. It was noted that headcount plans need to be refined to reflect the latest position and details need to be developed for other major areas identified (eg. agency reduction, training & development etc).

For Corporate and Facilities areas it was confirmed that headcount savings had been removed from opening 2006/07 budgets and implementation of individual items is to be checked. It was noted that pharmacy plans need to be added in detail. **Action : KS&TD to clarify position on headcount savings**

It was noted that the CIP had been discussed at the Exec Team meeting on 9th May, with an agreed deadline of 30th May for updated plans to be

produced in all areas. The updated plans would then be reviewed by the Business Planning Core Team.

It was noted that the values shown for Green & Kassab schemes had not been adjusted to reflect their fees.

Ongoing monitoring of the CIP was discussed and it was agreed that detailed monitoring information is being developed, including a risk assessment of all items and that this will be brought to future meetings, with a review of requirements later in the year as implementation progresses.

It was agreed that the remaining savings target of £2.3m needs to be allocated to operational areas on a pro-rata basis.

It was recognised that monitoring on a real time basis is needed and there should be a focus on income as well as cost reduction. In terms of income, it was agreed that the forecast and actual position should be reported. It was reported that a piece of software called SLAM (Service Level Agreement Monitoring) is being implemented to assist in production of income monitoring information, however it was also recognised that activity information is not available on a real time basis.

SS informed the committee that work is underway to produce a comparison of income under tariff, by specialty, with relevant costs, this was discussed at the ET yesterday and is to be further developed..

4.6 **Month 1 FIMS Performance**

It was noted that financial information for 2006/07 is now being produced, however, as in many organisations a full month 1 financial report will not be available in time for the FIMS deadline next week. It was agreed that an estimated position, reflecting a proportion of the unidentified CIP should be reported for month 1.

5. **Activity and Performance report**

5.1 The month 12 activity and performance report was noted. NM expressed gratitude to all staff on successfully completing the year and meeting targets.

5.2 KS informed the committee that a letter is being circulated to all staff expressing thanks on achievement of targets (including financial balance) for 2005/06. It was agreed this should also be copied to non-executive Directors

6. **Auditors Local Evaluation (ALE)**

SS informed the committee that all information requested had been provided to auditors and feedback on the draft outcome is anticipated.

7. **A.O.B.**

none

8. **Date of next meeting**

The next meeting will be held on Wednesday 7th June 2006 at 3 pm.