

## Minutes of the meeting of the Finance & Performance Committee held on 14<sup>th</sup> February 2007

|                 |                          |      |
|-----------------|--------------------------|------|
| <b>Present:</b> | Narendra Makanji (chair) | (NM) |
|                 | David Sloman             | (DS) |
|                 | Richard Martin           | (RM) |
|                 | Trish Donovan            | (TD) |
|                 | Kate Slemeck             | (KS) |
|                 | Philip Ient              | (PI) |

### 1. Welcome and Apologies

Apologies were noted from

Dee Henry  
Peter Farmer  
Susan Sorensen

### 2. Notes of the January meeting

Agreed

### 3. Matters arising

#### 3.1 2007/08 Financial Plan

DS updated the committee - the plan was submitted as required at the end of January, and a conference call had been held earlier in the day, (DS, RM & TD) with NHS London. Headline feedback was

- there was nothing in the plan for 07/08 to be particularly concerned about ;
- the approach in terms of delegated Board authority was agreed ;
- the next iteration of the plan is due on 22 Feb and a final version on 9 March ;
- there will be sign of the final version of the plan at March Trust Board ;
- key risks discussed were delivering the surplus for 06/07 ; ensuring there are solid plans for delivering the CIP next year - noting that the TT will be dis-established ; MRSA where it will be difficult to confirm that the target is met but noting that significant improvements have been put in place ; compliance re decontamination and London arrangements
- the Marketing strategy was discussed and NHS London seem content with the approach
- It was noted that SLA negotiations are underway and the Trust's approach will be that agreement needs to be reached with all major commissioners before we sign off with the host (Islington); demand management, 18 week target and risks in the new model contract all present negotiation issues – NHS London clarified that we cannot sign SLAs that we are not happy with – noted performance this year is that Islington's demand management plans have delivered changes but Haringey's have not.

### 3.1 Review of Transformation Project

It was noted that the Audit Commission's review of the Transformation Project is underway – NM met with David Poland recently and other meetings are being arranged.

It was noted that DH turnaround directors are standing down from 1<sup>st</sup> April.

### 3.2 Year-End Forecast

It was noted that we have returned to a year-end forecast of £1.3m surplus, which has been reported to NHS London – more detail under finance report.

## 4. Finance Report

### 4.1 Month 10 Position

RM presented the report, detailing performance for the month. The variance was £335k adverse which is one of the lowest seen this year. In terms of year-end balance is achievable, a small surplus looks probable and subject to finalising a number of key items plan (£1.3m surplus) is possible.

It was noted that the target for year-end should be a surplus of £1.48m to fully clear the cumulative break-even duty.

Key items include Haringey PCT settlement; SLA and other income and any activity queries/issues ; maintaining the improved monthly run rate.

Pay – progress on the unfunded posts exercise was reported, this remains reflected within the Medical Staff position reported; adjustments to budgets are planned for 07/08

Creditors & Debtors as detailed within the report were considered, targets are to be introduced for these and for cashflow forecasting so that performance can be measured next year and to inform the Board as to the effectiveness of forecasting.

**Action TD**

The approach to non-pay cost improvement was discussed, options include a focus on specific areas for cost reductions and budgeting at out-turn. It was agreed that this committee does not need a detailed subjective report at Divisional / Directorate level as this is considered elsewhere.

It was noted that specialty and product line costing is to be developed and noted that it is important to understand the relationship between spending and activity changes.

It was agreed that reporting income at specialty level will be explored for next year and noted that this has previously been actioned a year-end adjustment. It was agreed that a proposed interim solution (for 07/08) be developed and brought to a future meeting whilst service line reporting is developed during 07/08 for implementation from 01/04/2008.

**Action TD**

KS confirmed that the 18 week target was discussed at today's Divisional Managers meeting and there were concerns about the potential impact of PCT demand

management plans. It was agreed we need to clarify our assessment of the potential impact and understand the capacity changes required.

#### **4.2 Year-End Forecast**

TD presented the updated year-end forecast, tabled at the meeting. This was discussed on an item-by-item basis.

A forecast of £1.3m surplus has been reported to NHS London in the latest FIMS returns. The target surplus, in order to clear the cumulative break-even duty is £1.48m.

### **5. Transformation Update**

The position in terms of savings was summarised within the Month 10 finance report, a shortfall against the overall CIP remains, however performance is improving in terms of achievement.

### **6. Access Performance Report**

KS presented the performance report, highlighting key items within the report, which is largely good news with most targets being met, the exceptions being MRSA & C.Diff issues.

It was specifically noted that the various targets continue to be achieved, whilst delivering a challenging CIP and overall financial position.

### **7. Capital Programme**

The capital expenditure programme as summarised in the appendices to the finance report was noted.

PI updated on changes to the plan since the previous month.

It was noted that funding was recently confirmed for isolation ward works, however the work will not be completed this year, thus giving flexibility within the overall programme. Various year-end adjustments are to be finalised during March.

PI presented the draft programme for 2007/08 which, subject to a small number of adjustments, was agreed. An updated version will be taken to March Trust Board for final approval.

It was noted that two large funding requests were included in the financial plan submitted to NHS London, namely £1m for K Block works and £0.8m for phased 2 Commissioning.

### **8. Any Other Business**

There was no other business.

### **9. Date of Next Meeting**

The next meeting will be held on Wednesday 14<sup>th</sup> March 2007 at 3pm.  
Apologies noted from Peter Farmer for the March meeting.