

**Minutes of the meeting of the Finance & Performance Committee held  
on 1<sup>st</sup> February 2006**

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

**Apologies:** none

**1. Notes of the December meeting**

agreed as an accurate record

**2. Matters arising**

PI confirmed that he has received latest estates benchmarking information, this is being analysed and an update will be brought to a future meeting.

**3. Finance Report**

SS presented the financial position for month 9, detailing the in month surplus, key variances and reasons for these.

In terms of performance against pay budgets, noted that investment appears to be working (eg. nursing and E.D.). It was agreed that benchmarking staff groups against other organisations would be useful.

Example run charts on Medical Pay were tabled, it was agreed these are useful but need to be amended to include explanations.

***Action TD to discuss with IM&T***

Non Pay – noted additional controls in place, should impact in final quarter.

In terms of the year-end forecast, it was noted that break-even remains possible but there is substantial risk – eg. SLA income, NICU, both at approx £0.5m. The assumption in the current forecast is that overall SLA/Central income will break-even by year-end.

The Highgate Hill Treatment Centre was discussed, it was confirmed that this is included within the overall performance, although values are not separately shown in the report. It was clarified that whilst the unit was not fully operational, staff have been redeployed elsewhere in the Trust. It was noted that this development is to be evaluated for a 6 month period from January '06 and agreed that a trading account should be developed and included in future reports. ***Action TD***

Performance against savings targets was discussed – agreed other items need to be reflected eg. length of stay reduction- these are sometimes difficult to quantify against specific savings target

Balance Sheet items were discussed, with a focus on debtors – it was clarified that the position reported is net of a provision for bad debts and a collection agency CCI is used for old debt.

Cashflow – remains under development.

TD tabled details of reserve balances and the year-end forecast and this was discussed in detail.

#### 4. Capital Expenditure

PI presented the capital report, as detailed at Appendix 3 of the finance report and confirmed that the final commitment for the year will match the CRL. (currently under committed) The last payments in cash terms against many capital schemes will be post 31<sup>st</sup> March. The procure 21 retail development will be paid before 31<sup>st</sup> March (>£2m).

#### 5. Activity and performance report

KS presented the activity report. Key issues highlighted were :

- ◆ 3 targets introduced in December were hit
- ◆ Areas where where targets were missed were discussed in detail eg. cancellations in December, where KS clarified that a weekly planning group meets to agree & take actions to reduce this ; thrombolysis- there was one patient – being investigated – infection control , 3 cases
- ◆ Additional information was tabled demonstrating the increase in day case rates, including re-classifications (312 increase)

There was discussion of growth in capacity in future years (PFI), it was noted that a piece of work is underway looking at day case capacity and an updated will be given at a future meeting.

#### 6. Draft Procurement Procedures

PI presented the draft procurement procedures, that were included in papers for information and requested that any comments be sent to him. **Action ALL.**

It was agreed that SS will ensure these are consistent with SFIs & Sos

**Action SS**

PI to produce a summary once the final version is available.

**Action PI**

DH Queried the promotion of equal opportunities beyond employment into procurement – PI to ensure this is addressed. **Action PI**

SS informed the committee that a review of all financial policies & procedures is underway, this will incorporate comments on procurement.

#### **7. Revised Terms of Reference for the Capital Monitoring Committee (CMC).**

PI presented the revised ToR for the CMC. An amendment was agreed to item 1 in terms of accountability – this needs to indicate the CMC is accountable through the Finance & Performance Committee to the Trust Board, with advice & consultation with HMB members.

#### **9. Draft Capital Programme for 2006/07**

PI presented the opening programme for 2006/07, which is balanced. There may be some changes and transfers across years, but the opening plan was agreed and PI is to take it to next Trust Board meeting.

***Action PI***

#### **10. A.O.B.**

none

#### **11. Date of next meeting**

The next meeting will be held on Wednesday 1 March 2006 at 3 pm.

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Dee Henry (DH)  
Peter Farmer (PF)  
Susan Sorensen (SS)  
Trish Donovan (TD)  
Kate Slemeck (KS)  
Philip Ient (PI)

1. **Apologies:** David Sloman (DS)

2. **Notes of the February meeting**

agreed as an accurate record

3. **Matters arising**

3.1 As previously agreed, some benchmarking information (eg. staffing levels for Medical & Nursing) will; be useful, it was agreed that this remains an item to be progressed over the coming months. **Action SS**

3.2 PI clarified that latest estates benchmarking information has been received, however, as a number of Trust's made an incomplete data submission, results are not very useful. PI to discuss with SS how we might use / present the available data as it is relevant for ALE. **Action PI**

4. **Finance Report**

SS presented the financial position for month 10, detailing the in month surplus, key variances including reasons for these, year-end forecast and risks. Within this, key items discussed in detail included :

- ◆ Performance against SLAs and overall income targets including the NICU consortium contract and the position being discussed with the main PCTs in terms of year-end performance. Significant over-performance was noted against a number of PCTs.
- ◆ The Highgate Treatment Centre, which is now operational - noting that these first results underplay the total financial and operation contribution of HHTC to the Trust. A fuller review of performance will be brought to the Trust Board after a six month period.
- ◆ Performance against pay budgets, noting the in-month and year-to-date position on both Nursing and Medical staff. It was agreed that run charts for gross expenditure would be useful and that these should be produced for the current year for Medical, Nursing and A&C staff groups. **Action TD**
- ◆ Performance against non-pay budgets – noting the in-month improvement and additional controls introduced.
- ◆ Savings, as detailed in the report and the requirement to now identify the recurrent position at detailed level to inform next year's requirement.
- ◆ The year-end forecast, with balance remaining achievable on a best case basis but noting significant risks and potential mitigations.

- ◆ Balance Sheet – discussion of debtors and creditors and the cash position as well as the required year-end balance. It was noted that balance sheet information remains under development and there is an increasing requirement to focus on this detail. It was agreed the presentation of variances, in the cash-flow statement, should reflect conventions applied elsewhere in the finance report. **Action TD**
- ◆ Capital Expenditure, latest published report shows an under-commitment, however an update on latest plans is covered in item 5.

## **5. Capital Programme**

PI presented a paper detailing updates to the latest programme and confirmed overall the plan reflects funding available for the year, which will be fully committed by year-end.

## **6. Activity and Performance report**

KS presented the activity report, highlighting key issues for further discussion, which included :

- ◆ ED performance, currently being tracked on a daily basis, attendances continue to increase with the highest number ever seen during January, the number of non-elective admissions also continues to rise significantly
- ◆ An increase in the number of new out-patient appointments in order to hit targets has meant fewer follow up appointments in the month
- ◆ Partial booking and the expected impact on the level of DNAs for follow up appointments
- ◆ Day case performance – noted that surgical day case information will be separately identified in future reports. It was noted that day case activity is demonstrating an increase.
- ◆ Cancer targets, apply from January '06 but were introduced earlier, these were 100% achieved for December

## **7. Auditors Local Evaluation (ALE)**

SS gave a verbal report, detailing discussions with auditors and requirement to produce evidence in support of evaluation by end of the month. It was noted that SS has discussed this with DS and will bring information to the March meetings of both the Audit Committee and Trust Board. **Action SS**

## **8. A.O.B.**

none

## **9. Date of next meeting**

The next meeting will be held on Wednesday 5<sup>th</sup> April 2006 at 3 pm.  
– *apologies noted from PF*