

Finance Committee Chair's Highlight Report to the Council of Governors

Subject:	Finance Committee (FC) Report	Date: 13 th February 2024
Prepared By:	Graham Ward – FC Chair	
Approved By:		
Presented By:	Graham Ward – FC Chair	
Purpose:	To provide an overview of the key discussion items from the Finance Committee meeting of 24 th January 2024.	
	Assurance	Significant

Matters of Concern or Key Risks to Escalate	Major Actions Commissioned / Work Underway
<ul style="list-style-type: none"> • <u>EPR Governance</u> – Board is asked to agree the governance model going forward for the EPR programme. • <u>Month 9 Finance Report</u> – The deficit year to date is £11.4M (£0.4M adverse to plan). Key issues for escalation: <ul style="list-style-type: none"> ○ Month 9 Performance – this shows a continued reduced run rate, but Board should note that there is some expected 'catch-up' expenditure that may increase run rate again for Month 10. 	<ul style="list-style-type: none"> • <u>ICB and ICS Update</u> – Enquiries to be made on what the future clawback impact of the deficit for 2023/24 will be on the trust and the ICB. • <u>Financial Strategy</u> – Agreed to receive more detailed report at the next meeting ahead of future presentation to Board.
Positive Assurances to Provide	Decisions Made (include BAF review outcomes)
<ul style="list-style-type: none"> • <u>EPR Update</u> – Progress and timetable were noted and future governance discussed (see escalation above). Oversight by Quality Committee and well as Finance Committee important, plus potential NED observation at a programme level. • <u>NHIS Quarterly Update</u> – Assurance gained on the continued performance of NHIS. • <u>Agency Usage</u> – report summarising agency usage and highlighting increased control of this spend was noted, though risk of increase in Month 10 was also noted. • <u>Month 9 Finance Report</u> – Noted that trust is on track to deliver agreed deficit of £8.5M for the year after allowance for extra £4.2M of 	<ul style="list-style-type: none"> • <u>CT Scanner</u> – Noted that approval of the CT Scanner business case, funded by NHSE, had been supported by all Committee Members remotely. • <u>Energy Contract</u> – agreed to recommend to Board the alignment of energy procurement to NHSE approach on expiry of existing contracts. • <u>Finance Committee Annual Report</u> – Approved subject to addition of note that ToR now includes points for escalation to ICB. • <u>BAF</u> – Agreement of recommendations to change the overall risk for PR4 (Financial Strategy) down to 16 and the Assurance Rating to Green. Agreed that PR8 (sustainability) retain a risk rating of 9 and

IA related costs. It was also brought to the Committees attention that the annual accounts would show a significantly increased deficit due to the impact of introducing IFRS16 (lease accounting). Agreed that this should be clearly explained and reconciled when annual financial statements prepared.

- Financial Recovery Update – progress highlighted in reports from the FRC quadrant reports was noted and agreement that this Cabinet was effective and should continue in some form into 2024/25.
- Procurement Forward View – assurance gained on the increased visibility and controls/strategic review being implemented on future procurements.
- National Cost Collection – Noted that the submission had been made on time.
- PFI Settlement Update – noted that progress continues and that the Water issue in particular had reached agreement in principle.
- Capital Resources Oversight Group – progress noted through the latest quadrant report.

the Assurance Rating to be set at Amber.

- Committee Effectiveness – Agreed that all questions in the Health Check had been fully met, but would look at further benchmarking opportunities to help ensure continued improvement and best practice.

Comments on Effectiveness of the Meeting

- All papers were of a high quality and clear which helped the meeting run smoothly and promoted good constructive challenge and discussion.