

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

<b>Subject:</b>	Finance Committee (FC) Highlight Report	<b>Date:</b> 14 <sup>th</sup> November 2023
<b>Prepared By:</b>	Graham Ward – FC Chair	
<b>Approved By:</b>		
<b>Presented By:</b>	Graham Ward – FC Chair	
<b>Purpose:</b>	To provide an overview of the key discussion items from the Finance Committee meeting held on 31 <sup>st</sup> October 2023.	
	<b>Assurance</b>	Significant

Matters of Concern or Key Risks to Escalate	Major Actions Commissioned / Work Underway
<ul style="list-style-type: none"> <li>• <u>Month 6 Finance Report</u> – The deficit year to date is £10.5M (£2.5M adverse to plan). Recognised that plan is going to be increasingly difficult to deliver. Key issues include the running costs of keeping the escalation beds open, ERF, agency spend and having adequate cash resources.</li> <li>• <u>Financial Recovery Plan</u> – This is progressing through the ‘cabinet’ and the four workstreams. A detailed review of the developing plans will be reported back to the Committee at the November and December meetings. These in turn will feed into a reforecasting exercise ahead of Month 9 reporting.</li> <li>• <u>ICB Month 6 Finance Report</u> – The deficit year to date is £79.3M, £61.8M adverse to plan.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Procurement Forecast</u> – forthcoming IT system and rent/lease procurement and extensions to be brought to future Committee meetings 12 months ahead of any renewal / procurement with a recommended strategy for approval.</li> </ul>
Positive Assurances to Provide	Decisions Made (include BAF review outcomes)
<ul style="list-style-type: none"> <li>• <u>NHIS Performance</u> – Financially NHIS is on track to break-even. Slight deterioration in average speed to answer and calls abandoned was noted. Further work on improving access and content for self-service is being looked at to help address.</li> <li>• <u>Trust Strategic Priorities Update</u> – progress on the financial strategy, Green Plan and Multi-Year Capital Plan were noted and RAG ratings of</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Imaging Transformation Additional Asset Bid</u> – this business case was approved subject to assurances that the capital cost will be fully funded and that the revenue implications at least show a break-even position. Agreed that final approval would be ‘virtual’ if assurance can be given.</li> <li>• <u>Byron Court Lease</u> – business case for lease extension for 5 years with</li> </ul>

Green (no change) for the financial strategy and Capital Plan agreed. Slight worsening of the RAG rating due to limited resource availability noted for the Green Plan.

- Procurement Forecast – assurance gained on the steps being taken to have increased and earlier control of future IT system procurements (including contract ‘roll-overs’). Approach agreed to be extended to rent/lease agreements.
- PFI Governance – assurance gained on the progress being made on the Operational Development Plan and the Settlement Agreement. Further work to be undertaken on future contract management (both by CNH and the Trust), this is a key focus area raised by DHSC. It was noted that the settlement paper is expected to be tabled at the next Committee meeting.

a 3-year break clause approved.

- BAF – Current risk ratings of 20 for PR 4 (failure to achieve the Trust’s financial strategy) and 9 for PR 8 (failure to deliver sustainable reductions in the Trust’s impact on climate change) were reviewed and discussed with agreement that the current risk score for PR 4 was appropriate and a request that PR 8 be further reviewed due to the concerns over future resource availability.
- Terms of Reference and Work Plan – changes were approved.

#### 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.