

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

<b>Subject:</b>	Finance Committee (FC) Report	<b>Date:</b> 14 <sup>th</sup> May 2024
<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 of 23 <sup>rd</sup> April 2024.	
	<b>Assurance</b>	Significant

Matters of Concern or Key Risks Escalated for Noting / Action	Major Actions Commissioned / Work Underway
<ul style="list-style-type: none"> <li><u>FIP</u> – concern that £6.5M of the 2023/24 FIP delivered was non-recurrent, put together with the current FIP target for 2024/25 of £27.1M equates to a full requirement this year of £33.6M (over 6%). For NOTING.</li> <li><u>CDC</u> – the temporary facilities must be maintained for 2024/25 until the new CDC is completed (otherwise Trust performance will be materially impacted), yet it remains unfunded due to a technicality. ACTION: recommend that a letter from the Board go to the ICB and Region.</li> <li><u>Month 12 Finance Report</u> – The draft deficit for the full year is £11.6M, £3.1M adverse to the H2 Re-submission, due to the non-payment of £5.5M re CDC, offset by a gain of £2.4M on PDC. Key issue for NOTING: <ul style="list-style-type: none"> <li>Concerns continue with respect to cash, exacerbated by the non-payment of the expected CDC income (cash pressure in 2024/25 of £39M).</li> </ul> </li> <li><u>2024/25 Planning</u> – Good progress but NOTE CDC risk above, FIP requirement of £33.6M and starting underlying deficit of £22M.</li> </ul>	<ul style="list-style-type: none"> <li><u>FIP, Agency/Bank Expenditure, Productivity and Cash</u> – All to be subject to deep dives as part of the May Informal Committee Meeting.</li> <li><u>Sustainability</u> – Not assured on progress and lack of a strong communication strategy.</li> <li><u>Month 12 Finance Report</u> – waterfalls to be prepared to show underlying deficit and extent of cask risk for sharing with Committee and Board.</li> <li><u>2024/25 Planning Update</u> – Table of compliance and comments to include a risk of delivery column, together with further comments.</li> </ul>
Positive Assurances to Provide	Decisions Made (include BAF review outcomes)
<ul style="list-style-type: none"> <li><u>FIP</u> – Process to identify, manage and deliver well worked through including quality impact assessments and linkages to People and Quality Committees.</li> <li><u>Agency and Implied Productivity</u> – reviewed background information ahead of deep dive in May.</li> <li><u>NHSE and ICB Updates</u> – positions noted.</li> <li><u>Month 12 Finance Report</u> – Finance team and Trust, as a whole, were</li> </ul>	<ul style="list-style-type: none"> <li><u>Treasury Management Policy</u> – Approved</li> <li><u>Workplan</u> – Approved subject to addition at the end on informal meetings.</li> <li><u>Terms of Reference</u> – Approved subject to addition of sustainability.</li> <li><u>BAF</u> – agreed to hold PR4 (financial Strategy) at 16 and to recommend an increase in PR8 (Sustainability) to 12.</li> </ul>

congratulated on being on track to deliver the revised 2023/24 financial outturn, before the impact of the CDC funding withdrawal.

- Procurement – noted the forward programme and move towards greater collaboration with NUH and NHT.
- PFI Settlement – continuing to progress, though on fire safety the impact of the new Building Safety Act is still being determined.
- Internal Audit Reports – reports on Procurement, and Budget Setting, Reporting & Monitoring were presented. Both reports were issued with significant assurance and assured that recommendations were on track to be implemented by agreed dates.
- Strategic Priorities – Q4 position and progress noted.

#### 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.

#### Items recommended for consideration by other Committees

- Audit Committee to be appraised that the 2 internal audit reports were reviewed and actions to implement discussed.
- Quality and People Committees to note their inclusion in the 'governance' around the FIP programme. Committee chairs to discuss whether any 'joint' meetings may be required.