

Finance Committee Chair’s Highlight Report to Trust Board

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| Subject: | Finance Committee (FC) Report | Date: 2 May 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 23 April 2024. | |
| | Assurance | Significant |

| Matters of Concern or Key Risks Escalated for Noting / Action | Major Actions Commissioned / Work Underway |
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| <ul style="list-style-type: none"> • <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. • <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. • <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"> ○ Concerns continue with respect to cash, exacerbated by the non-payment of the expected CDC income (cash pressure in 2024/25 of £39M). • <u>2024/25 Planning</u> – Good progress but NOTE CDC risk above, FIP requirement of £33.6M and starting underlying deficit of £22M. | <ul style="list-style-type: none"> • <u>FIP, Agency/Bank Expenditure, Productivity and Cash</u> – All to be subject to deep dives as part of the May Informal Committee Meeting. • <u>Sustainability</u> – Not assured on progress and lack of a strong communication strategy. • <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. • <u>2024/25 Planning Update</u> – Table of compliance and comments to include a risk of delivery column, together with further comments. |
| Positive Assurances to Provide | Decisions Made (include BAF review outcomes) |
| <ul style="list-style-type: none"> • <u>FIP</u> – Process to identify, manage and deliver well worked through including quality impact assessments and linkages to People and Quality Committees. • <u>Agency and Implied Productivity</u> – reviewed background information ahead of deep dive in May. • <u>NHSE and ICB Updates</u> – positions noted. • <u>Month 12 Finance Report</u> – Finance team and Trust, as a whole, were | <ul style="list-style-type: none"> • <u>Treasury Management Policy</u> – Approved • <u>Workplan</u> – Approved subject to addition at the end on informal meetings. • <u>Terms of Reference</u> – Approved subject to addition of sustainability. • <u>BAF</u> – agreed to hold PR4 (financial Strategy) at 16 and to recommend an increase in PR8 (Sustainability) to 12. |

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.