

## Finance Committee Chair's Highlight Report to Trust Board

<b>Subject:</b>	Finance Committee (FC) Report	<b>Date:</b>	3 April 2025
<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 meetings of 25 March 2025.			

Matters of Concern or Key Risks Escalated for Noting / Action	Major Actions Commissioned / Work Underway
<ul style="list-style-type: none"> <li>• <u>CDC Overspend</u> (to NOTE) – the cost of the CDC has escalated by £5M (25%) over the life of the project, largely due to issues discovered when works commenced. The resultant delay in construction will also have an impact on revenue costs.</li> <li>• <u>Month 11 Financial Position</u> (to NOTE) – Month 11 showed a continued improvement in the pay run rate, though non-pay remained static. The financial outturn for the year is being closely monitored to contain the deficit as close to the two additional costs of the Band 2 to 3 changes (forecast at £2.2M) and a PFI related accounting cost of £5.4M.</li> <li>• <u>Cash</u> (to NOTE) – The request for working capital support to NHSE was successful and £8.3M was received.</li> <li>• <u>Financial Planning</u> (to NOTE) – The Financial Improvement Programme (FIP) requirement to achieve break-even after the deficit support funding will be £45.8M (8% of operating costs).</li> <li>• <u>Committee Membership</u> (for ACTION) – Need to consider appropriate executive participation in committees to ensure triangulation.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>FIP Programme</u> – further work necessary on the FIP programme, including understanding of workforce, with regular reporting back to the Committee.</li> </ul>

Positive Assurances to Provide	Decisions Made <i>(include BAF review outcomes)</i>
<ul style="list-style-type: none"> <li>• <u>Sustainability Funding Received</u> – Noted the £3M to be received after successful bids to implement sustainability improvements including LED lighting, Improved BMS and metering.</li> <li>• <u>Theatre Productivity and Newark Utilisation Report</u> – Noted work undertaken to date and that new processes were embedded. Impact to be further reviewed in 6 months.</li> <li>• <u>Financial Planning</u> – Noted amount of work that has gone into the financial planning for 2025/26, but also recognised the significant risks associated with its delivery.</li> <li>• <u>Procurement Forward View</u> – Noted the new presentation format and the increased amount of collaborative procurements planned to help target further VFM improvements.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Contract Approvals</u> – Recommended for approval contract extensions for mobile diagnostics capacity (Endoscopy, CR and MRI), subject to funding confirmations</li> <li>• <u>ME2 East Midlands Pathology Network Contract</u> – Agreed to recommend this contract for approval by Board.</li> <li>• <u>Governance</u> – Approved the Committee Annual Report (subject to the addition of the post project review outcomes being included), Work Plan, Terms of Reference and the Maturity Assessment Action Plan for sign off by Board.</li> <li>• <u>BAF</u> – Agreed to hold risk scores for PR4 (Finance) and PR8 (sustainability) at 20 and 12 respectively.</li> </ul>
<b>Comments on effectiveness of the meeting</b>	
All papers were of a high quality and clear which helped the meeting run smoothly and promoted good constructive challenge and discussion.	
<b>Items recommended for consideration by other Committees</b>	
<ul style="list-style-type: none"> <li>• Audit Committee to be asked to review the PFI accounting issue that has arisen.</li> <li>• To escalate to ICB concern over the £8.2M misalignment in income assumptions between the Trust and the ICB (primarily driven by unresolved 2024/25 issues)</li> </ul>	
<b>Progress with Actions</b>	
Number of actions considered at the meeting – 11 (1 not yet due) Number of actions closed at the meeting – 8 Number of actions carried forward – 3 Any concerns with progress of actions – No	

***Note: this report does not require a cover sheet due to sufficient information provided.***