

DRAFT Annual Report from the Finance Committee - February 2024 to March 2025

1. Summary

This report provides an overview of Finance Committee activities undertaken throughout the Trust between February 2024 and March 2025. For assurance, the Committee has carried out its obligations in accordance with its Terms of Reference and work programme.

The key aims of the Committee are to conduct independent and objective reviews of financial and investment policy and performance issues.

These aims are put into practice by:

- Reviewing the establishment and maintenance of an effective system of financial governance and financial risk management across the Trust to support the achievement of the Trust's financial objectives.
- Reviewing management's and (where required by the Audit and Assurance Committee) Internal Auditor's reports on the effectiveness of systems for internal financial control, financial reporting and financial risk management.
- Confirming any identified internal control issues to report to Audit & Assurance Committee.
- Ensuring the findings of any financial reviews by Arm's Length Bodies or Regulators/Inspectors are progressed to deliver the relevant improvements.
- Playing a key co-ordinating role in ensuring that the Board Assurance Framework is an accurate reflection and managing the delivery of any actions that arise from the financial elements of the Board Assurance Framework – specifically including actions to improve controls or provide further assurances.
- Recommending to the Audit and Assurance Committee concerns around the annual programme of Internal Audit work, to the extent that it applies to matters within these terms of reference.
- Requesting and reviewing reports and assurances from Directors and managers on the overall arrangements for financial governance, financial risk management and internal control. Including specific reports from individual functions within the organisation which may be appropriate to the overall arrangements.
- Reviewing and challenging where necessary, the actions and judgements of management in relation to progress against financial plans.
- Ensuring the systems for financial reporting to the Board of Directors, including those of budgetary sign off and control, are subject to review as to completeness and accuracy of the information provided to the Board of Directors.
- Reviewing in-year performance income and expenditure, capital investment, forward year budgets, finance capability, value for money and efficiency, strategy, estates, IT, Procurement and financial controls

2. Background

The Finance Committee meets monthly with 6 Core Meetings and 6 'Deep Dive' Meetings (with a limited agenda in place to consider specific items warranting focused discussion). The Committee reports to the Board of Directors. Its Terms of Reference establish that its role is to provide an independent and objective review of financial and investment policy and performance issues.

The Committee's membership is set out below:

- 3 Non-Executive Directors, one of whom is nominated as Chair and one as Vice Chair. The Chair of the Committee is appointed by the Board of Directors.
- The Chief Financial Officer
- The Chief Executive
- The Chief Operating Officer

In routine attendance:

- The Deputy Chief Financial Officer...
- The Associate Director of Estates and Facilities*
- The Acting Director of Strategy and Partnerships...
- Governor observer(s)

* Director of Estates and Facilities appointed November 2024

The Committee determines operational attendees as required to fulfil its work programme.

3. Work Programme

The Committee reviews reports throughout the year in accordance with its approved Terms of Reference. These include:

- Monthly Financial Performance Report (including Financial Improvement Programme, Cash, Agency Performance, ERF and Capital)
- PFI Governance
- Nottingham & Nottinghamshire ICB/ICS and NHS England Updates
- Procurement Forward View
- Divisional Financial Position Presentations
- Board Assurance Framework (BAF) – Principal Risk 4 and Principal Risk 8

The Committee has also received reports on the following specific matters:

- Financial Recovery (including Finance Recovery Cabinet Quadrant Report and external commissioned reports)
- Financial Forecasting and Position at H1 and H2
- Financial Planning and Budgeting
- Financial Strategy
- Nottinghamshire Health Informatics Service (NHIS) quarterly performance
- Capital Planning
- Trust Strategic Priorities Updates
- Terms of Reference review
- Work Plan review
- National Cost Collection
- Internal Audit Reports
- Capital Resources Oversight Group Quadrant Report
- Sustainability Development Strategy Group Quadrant Report
- UEC Business Plan Progress Update

- Committee Maturity Assessment

The Committee conducted several evaluation reviews of the following items previously approved:

- Deep dive into A&E Attendances (following ED business case approval and update)
- Theatres Utilisation (Four Eyes post-project evaluation and Newark TIF)
- Electronic Patient Record Governance Follow-up
- Investigation and Intervention (post-project evaluation)
- CDC Financial Summary
- MRI/Radiology Progress Update (added to work plan for 18 month review 2025)
- Soft FM Contract Review (added to Workplan for 2025)

The Committee also undertakes an annual health check/self-assessment.

4. Meetings

The Committee meets monthly and 14 meetings were held during the period covered by this report. All meetings were quorate.

Attendance of members and regular attendees (or a nominated deputy) at meetings during the period covered by this report is detailed below:

Name	Actual	Possible
Non-Executive Director (Chair)	14	14
Non-Executive Director (Vice Chair)	13	14
Non-Executive Director	13	14
Chief Financial Officer	14	14
Chief Executive**	4	4
Acting Chief Executive**	6	10
Chief Operating Officer	14	14

The Chief Executive went on long-term sick leave in May 2024, the Acting Chief Executive has therefore been in attendance from May 2024.

5. Committee Effectiveness Review

The Committee has carried out two effectiveness reviews within the period which were reported in January 2024 and January 2025. This is based on the National Audit Office (NAO) self-assessment checklist for audit committees and is divided into 5 sections:

- Roles and responsibilities
- Membership and independence
- Skills and experience
- Scope of work
- Communication

The self-assessment tool reviews governance arrangements, checks appropriate systems are in place and identifies areas for improvement. Evidence to support the assessment was reported with no actions required. This is an annual standing item on the work plan.

During this period a Committee Maturity Assessment was also undertaken and an action plan produced.

6. Areas of focus

The Committee's focus and monitoring during this period has largely been on the following items. These have been included as Core agenda items and the subject of several Committee 'deep dives'.

- Monthly Financial Performance Review (System and Trust-wide)
- Divisional Financial Performance Presentations
- Financial Recovery (System and Trust-wide) and Financial Forecast
- Financial Improvement Programme Progress and Efficiencies
- Cash Position (Risks and Challenges)
- Capital Planning
- Finance Strategy
- NHSE Guidance and Reporting
- Financial Budgeting and Planning
- Workforce
- PFI Governance
- EPR Governance and Progress
- Digital Landscape Forward View
- Procurement and Contracts Forward View
- Monitoring the Board Assurance Framework relating to PR4 and PR8.
- Patient Level Information Costing System

7. Approvals

A number of approvals and recommendations to the Board of Directors were made in adherence with the Trust Scheme of Delegation.

- Capital funding bid for a CT scanner to support the Targeted Lung Health Check programme (subject to Capital Resources Oversight Group (CROG) review in relation to the funding gap).
- Laboratory Information Management System (LIMS) Contract (with minor amendments).
- GP IT Refresh.
- Delegated responsibility to the Chief Financial Officer for submission of the borrowing application for 2024/2025.
- Submission of 2024/2025 Plan.
- MRI Capital build (pending receipt of funds for submission).
- Extension to the Radiology Outsourcing Contract.
- Treasury Management Policy.
- The Capital Plan 2024/25 and the delegation to CROG to review items of the capital programme at M6 and accelerate at M9.
- Annual CQC subscription with a request for annual registrations to be included within procurement forward view.
- Patient Engagement Portal Business Case
- Theatres Productivity Investment Business Case.
- Gartner subscription.
- BD Infusion Pumps.
- 3-year Microsoft Enterprise Agreement.
- Soft FM Deed
- Costings for Phase 2 of the I&I work to be undertaken by PA Consulting.
- GP Fortinet Firewall contract with further work to be undertaken on tender benchmarking.
- The Aseptic Dispensary Unit (ADU) and the submission of letter of intent.
- Recommendations relating to Band 2/3.
- Procurement of IT equipment to replace laptops within Primary Care subject to written funding confirmation from the ICB
- Extension to Endoscopy Van, Mobile CT and MRI Scanners
- ME2 Pathology Project Contract

8. Matters for escalation

The Finance Committee Chair provides a highlight report to the Board of Directors. This provides items for escalation, areas of positive assurance, work commissioned, and decisions made, aside from the recommended approvals listed in 7. above, the following were escalated:

- EPR Governance arrangements
- Monthly financial position and challenges at H1 and H2
- Financial Recovery and ongoing challenges
- Financial Improvement Plan progress, red-rag areas and weighted/unweighted position
- System-wide Investigation and Intervention Programme
- Crown Commercial Services Energy Contract Options
- Emergency Department Business Case progress and future challenges
- Agency costs
- Financial risks (System and Trust-wide) – CDC, Cashflow, Planning, Band 2/3, Progress on PFI Settlement and Hard FM Settlement
- Board Development Session on Financial Position
- 2025/26 Financial Plan
- Increase in PR4 scoring risk from 16 to 20.
- CDC Overspend and Potential Risk/Impact
- Committee Membership

9. Conclusion

The Committee self-assessments of compliance with Terms of Reference, the review of effectiveness, the robust work programme and escalations to the Board of Directors provide assurance that the Committee continues to be effective in discharging its responsibilities.

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Graham Ward

Finance Committee Chair

25th March 2025