

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

<b>Subject:</b>	Finance Committee (FC) Report	<b>Date:</b>	6 February 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 17 December 2024 and 28 January 2025.			

Matters of Concern or Key Risks Escalated for Noting / Action	Major Actions Commissioned / Work Underway
<ul style="list-style-type: none"> <li><u>Workforce</u> (to NOTE) – The Band 2 to 3 Review is likely to have an initial cost of £2.2M (which is being provided for) and an ongoing impact of up to £750K per annum.</li> <li><u>Workforce</u> (for ACTION) – There is potential for further material changes financially which may arise from a review of Bands 4 to 9. This is being pushed for local resolution, but the <b>recommendation is for Board to escalate and request national intervention.</b></li> <li><u>Month 9 Financial Position</u> (to NOTE) – At the end of Month 9 the Trust has a deficit of £7.3M (an adverse variance to plan of £1.9M). The forecast outturn for the year has a risk range from a deficit £2.2M at best to a worst-case position of £14.7M. It is important all grip and control effort continues and this is carried into 2025/26.</li> <li><u>Cash</u> (to NOTE) – Cash continues to be a major issue with all recent NHSE support requests having been turned down.</li> <li><u>Financial Planning</u> (to NOTE) – due to the low current recurrent savings the starting point prior to the 2025/26 FIP programme is for a deficit of in excess of £60M (11% of costs).</li> </ul>	<ul style="list-style-type: none"> <li><u>Financial Strategy</u> – Further update to be presented to the Committee in February, with final version to be presented to Board at its March meeting.</li> <li><u>Surgery Division</u> – Support to be given on strategic options development.</li> <li><u>Procurement</u> – Further work to be undertaken on reviewing equipment maintenance contracts to identify potential for consolidation and VFM improvements.</li> </ul>

Positive Assurances to Provide	Decisions Made <i>(include BAF review outcomes)</i>
<ul style="list-style-type: none"> <li>• <u>Surgery Division</u> – Noted deep dive presentation in December and concern over Anaesthetic Consultant vacancies (35%), plus forecast overspend of £2.1M for 2024/25.</li> <li>• <u>Clinical Support Therapies &amp; Outpatients Division</u> – Noted deep dive presentation in January and excellent performance on their FIP programme together with the reductions in DNA rates down to 6% (from a peak of 8.1% in Oct 2023) and planned at 5% by March 2025.</li> <li>• <u>NHIS Performance</u> – Noted that forecast expenditure and income had been reduced to support savings requirements at all customers. Request to review opportunity for making some of the reductions recurrent.</li> <li>• <u>Digital Landscape</u> – Received a helpful paper outlining the current cost of the Trust's digital infrastructure (hardware and software), together with a predicted position in 5 years incorporating known changes. Agreed that this would act as a good base position to work from for any future business cases.</li> <li>• <u>Procurement Forward View</u> – Received and noted.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Aseptic Dispensing Unit</u> – Business case approved at December meeting</li> <li>• <u>ICB IT Equipment Purchase</u> – Business case agreed to be recommended to Board for approval subject to confirmation of funding from the ICB.</li> <li>• <u>BAF</u> – Agreed at December meeting to increase PR4 (Insufficient Financial Resources) risk rating from 16 to 20, this was endorsed in January's meeting. No change was proposed for PR8 (Sustainability) at a current risk rating of 12.</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>• None identified</li> </ul>	
<b>Progress with Actions</b>	
<p>Number of actions considered at the meeting – 13 (December) 14 (January)</p> <p>Number of actions closed at the meeting – 6 (December) 9 (January)</p> <p>Number of actions carried forward – 7 of which 4 are not yet due (December) 5 all of which are not yet due(January)</p> <p>Any concerns with progress of actions – No</p>	

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