

Meeting title:	Public Trust Board					
Date of the meeting:	14 December 2023					
Title:	Escalation Report from the Finance and Investment Committee (FIC): 30 November 2023					
Report presented by:	Steve Harris, FIC Non-Executive Director Chair					
Report written by:	Matthew Reeves, Corporate and Committee Services Officer					
Action – this paper is for:	Decision/Approval	X	Assurance	X	Update	X
Where this report has been discussed previously	Not applicable					

To your knowledge, does the report provide assurance or mitigate any significant risks? If yes, please detail which		
Yes. BAF risks within the remit of FIC are listed below:		
BAF ref	Risk Cause	Risk Event
06-FIC	Insufficient capital funding	Unable to address statutory requirements such as health and safety standards and legislation, and address backlog maintenance requirements (concerning medical equipment, estate and IM&T)
07b-FIC	Significant financial challenge over 2023/24 and for the future 3 years across the LLR system to meet both operational and inflationary pressures and recovery from COVID	Failure to deliver the 2023/24 financial plan and achieve long term financial sustainability
08-FIC	IT Infrastructure unfit for the future	Unable to provide safe, high quality, modern healthcare services
09-FIC	Estate Infrastructure unfit for the future	Unable to provide safe, high quality, modern healthcare services

Impact assessment	
N/A	
Acronyms used: BAF – Board Assurance Framework CIP – Cost Improvement Programme	FIC – Finance and Investment Committee ICB – Integrated Care Board

1. Purpose of the Report

To provide assurance to the Trust Board on the work of the Trust's Finance and Investment Committee (FIC), and escalate any issues as required.

2. Recommendations

There are no items from the meeting of FIC on 30 November requiring Trust Board approval.

3. Summary

The FIC meeting was quorate. Items from the FIC meeting of 30 November 2023 are summarised below.

4. Discussion items

4.1 Board Assurance Framework

FIC received the BAF strategic risks which aligned to its terms of reference and noted updates with respect to controls, gaps, and key next steps. There were no significant changes proposed to risk scores or content and the risks were noted as:

- strategic risk 6 (Insufficient capital funding) current rating is 20, tolerable rating is 15 and target rating is 9;
- strategic risk 7b (financial challenge over 2023/24 and for the future 3 years across the LLR system may result in failure to deliver the 2023/24 financial plan and achieve long term financial sustainability) current rating is 20, tolerable rating is 12 and target rating is 8;
- strategic risk 8 (IT Infrastructure unfit for the future) current rating is 16, tolerable rating is 12 and target rating is 9;
- strategic risk 9 (Estate Infrastructure unfit for the future) current rating is 16, tolerable rating is 12 and target rating is 9.

Reference was also made to the recent correspondence from NHS England relating to Trust finances, but assurance was given that relevant adjustments had been made within the BAF following the correspondence, but no scores had required amendment.

4.5 Cost Improvement Programme – Update *(mitigating BAF risk 7b)*

FIC considered an update on the delivery of the Cost Improvement Programme (CIP) noting the plan would achieve an outturn of £63m in 2023/24. Assurance was provided that the target was on track to be achieved. A challenge was noted in the viability of turning currently non-recurrent savings into recurrent. It was also noted that the CIP would require a different approach in future years in order to continue to deliver savings.

4.6 2023/24 Month 7 Capital Position *(mitigating BAF risk 6)*

FIC noted that the Trust was on target to achieve its 2023/24 capital plan.

FIC gave delegated approval for capital schemes to be brought forward from 2024/25 to 23/24 subject to the funding confirmation from NHS England.

4.7 2024/35 Capital Allocation Process *(mitigating BAF risk 6)*

FIC noted the Trust's proposed approach and process for prioritising capital schemes within the limited funding available. The approach was a new one and it provided a framework to manage and prioritise demand against the limited capital resource. It was noted that the process was focussed on mitigating risks informed by the BAF.

FIC agreed the approach and instructed the Capital Monitoring Investment Committee to continue to develop the initial draft of the 2024/25 plan.

4.8 2024/25 Planning Principles and Budget Setting *(mitigating BAF risk 7b)*

FIC noted an update on the development of the Trust's 2024/25 financial planning principles and process. FIC welcomed the approach of tightening budgetary control, but noted some concern around establishing clear costs for pay and staffing numbers.

FIC requested that they be updated regularly as this process developed.

5. Items for noting

The following items were received and noted:

- 2023-24 TLT Approved Investments
- TLT agenda and actions
- Procurement Contracts Committee – Contracts Award