

Trust Board paper J3

Meeting title:	Public Trust Board				
Date of the meeting:	8 August 2024				
Title:	Escalation Report from the Finance and Investment Committee (FIC): 26 July 2024				
Report presented by:	Mr J Worrall, Non-Executive Director				
Report written by:	Alison Moss, Corporate and Committee Services Officer				
Action – this paper is for:	Decision/Approval	X	Assurance		Update
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 NHSE - NHS England

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 of 26 July 2024 requiring public Trust Board approval.

3. Summary

The FIC meeting was quorate. Items from the FIC meeting of 26 July 2024 are summarised below.

Discussion items:

3.1 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. The following risks had been reviewed and there were no significant changes:

BAF risk 6 (Insufficient capital funding) – Risk score Likelihood 4 (likely) x Impact 4 (major) = 16.

BAF risk 7b (Significant financial challenge across the LLR system to meet both operational and inflationary pressures) – Risk score Likelihood 5 (Almost certain) x Impact 4 (Major) = 20

BAF risk 8 (IM&T) (IT infrastructure unfit for the future may result in Unable to provide safe, high quality, modern healthcare services) - Risk score for the Procurement element Likelihood 4 (Likely) x Impact 4 (Major) = 16. Risk score for the Digital capital risk Likelihood 5 (Almost Certain) x Impact 4 (Major) = 20.

BAF risk 9 (Estates & Facilities) (Estate infrastructure unfit for the future may result in Unable to provide safe, high quality, modern healthcare services) – Risk score of Likelihood 4 (Likely) x Impact 4 (Major) = 16.

FIC supported the BAF and the risk scores as presented.

3.2 ICB Finance Update 2024/25 M3

The LLR ICB system budget for 2024/25 planned for a £80m deficit in 2024/5. The Month 3 2024/25 position is a deficit of £41.0m; a variance of £8.5m against plan.

3.5 2024/25 Month 3 Financial Position

The Month 3 year-to-date position for the Trust is a deficit of £32.9m which is £5.2m worse than plan. This is mainly driven by urgent and emergency care pathway costs greater than plan by £3.7m and unfunded industrial action of £1.3m.

3.6 2024/25 Month 3 CIP Delivery (mitigating BAF risk 7b)

The Month 3 2024/25 position on delivery of CIP shows delivery of £8.9m against a plan of £12.8m. FIC discussed how CIP delivery is forecasted noting that Clinical Management Groups are conservative in their estimates and tracking of those schemes in the pipeline does not give the complete picture. FIC recognised the challenge of achieving the CIP target of £91m and re-enforced the need for coherence in the programme and clarity in reporting.

3.5 2024/25 Month 3 Capital Position

FIC noted the Month 3 2024/25 capital position and that the underspend of £4.7m, at this point in the financial year, was not atypical. The ICB and Trust have been requested by NHSE to draft a ten-year capital plan.

3.6 2024/25 Month 3 Workforce Plan Position

FIC noted progress in reducing bank and agency costs. With respect to the substantive workforce there are 18,434 WTE posts filled which is over the establishment of 18,291 and the Trust is

reporting vacancies. The review of the establishment will be completed at the end of the month which will inform the plan for corrective action. There are weekly Executive-led vacancy control panels. The actions to reduce premium pay were noted.

4. Items for Noting

The following items were received and noted:

- 2024/25 TLT Approved Investments
- TLT agenda and actions