

Meeting title:	Public Trust Board				
Date of the meeting:	8 February 2024				
Title:	Escalation Report from the Finance and Investment Committee (FIC): 26 January 2024				
Report presented by:	Mike Williams, Non-Executive Director (Chair for the meeting 26.1.24)				
Report written by:	Matthew Reeves, 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

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

2.1 There is 1 public item from the 26 January 2024 FIC requiring Trust Board approval.

3. Summary

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

Recommended item:

3.1 FIC Terms of Reference – Annual Review

FIC undertook its annual review of the Terms of Reference. Changes proposed included; a change to quorum rules to include the Chief Financial Officer or representative as one of the required 2 Executive Directors; FIC to receive a quarterly update on workforce and financial planning, and to take the lead on oversight of operational planning ahead of Trust Board sign-off. It was also proposed to include 3 specific Deputy Directors of Finance on the list of standing invitees. It was noted that the workforce and financial planning report would be mirrored by a report to be considered at the People and Culture Committee (an appropriate amendment would also be made to that Committee's Terms of Reference).

FIC agreed that it was not necessary for the Chief People Officer to become a core member of FIC, that postholder would be invited to attend FIC when the workforce report was considered, and reciprocally the Chief Financial Officer would attend People Committee for the same report. The Chief People Officer would also be invited to attend FIC for the updates on the operational annual planning process, given the crucial importance of workforce elements to that process.

The recommendations for amendments to the FIC Committee Terms of Reference were supported and recommended for Trust Board approval. A standalone report on this item is included on the 8 February 2024 Trust Board agenda accordingly.

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. 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 was 20, tolerable rating was 15 and target rating was 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 was 20, tolerable rating was 12 and target rating was 8;
- strategic risk 8 (IT Infrastructure unfit for the future) current rating was 16, tolerable rating was 12 and target rating was 9;
- strategic risk 9 (Estate Infrastructure unfit for the future) current rating was 16, tolerable rating was 12 and target rating was 9.

A point was raised with regard to strategic risk 7b, specifically whether this was now an 'issue' rather than a 'risk' given the current position on the likelihood of achieving the 2023/24 financial plan. The Chief Financial Officer agreed to review the risk.

3.2 2022-23 Premises Assurance Model (PAM) report

FIC discussed the report which detailed the Trust's position in relation to the Department of Health and Social Care's Premises Assurance Model. Ordinarily a self assessment system, the Trust had sought external assistance to understand its level of compliance.

The clarity of the scoring systems was questioned, particularly regarding similar scores in different domains. Assurance was however provided that there had been improvements in working with teams throughout the Trust in order to address issues raised by the assessment.

The Chief Financial Officer noted the FIC's responsibilities with regard to BAF risk 9 (Estate Infrastructure unfit for the future) and issues in relation to backlog maintenance raised by the assessment, therefore agreed to discuss this further with the Director for Estates, Facilities and Sustainability.

Noting the elements within the assessment relating to patient experience, it was recommended that the PAM assessment report also be taken to the Quality Committee.

The Trust Board are requested to note and be assured of the progress made towards compliance with the PAM.

3.3 ICB Finance Update – Verbal Update

The Chief Financial Officer advised that the ICB Finance Committee had not met by the time of the meeting, and provided a verbal update on the position.

3.4 CIP 2023/24 Delivery *(mitigating BAF risk 7b)*

FIC received assurance that the plan was now on track to deliver the cash releasing target of £63m by the end of the financial year. Non-recurrent savings would constitute a significant part of the total and FIC challenged leads to consider how to make as many savings recurrent as possible. Discussion focussed on the types of savings which were non-recurrent, and how or whether it was possible to move savings from non-recurrent to recurrent, with the recommendation that the list of non-recurrent savings be brought to FIC for review.

FIC further considered future opportunities for managing vacancies and recruitment more actively in order to deliver savings.

FIC thanked the Director of Productivity for the progress on the delivery of the CIP.

3.5 2023/24 Month 9 Capital Position *(mitigating BAF risk 6)*

The Trust had delivered gross expenditure of £56.4m against the plan of £110m, representing an underspend of £12.2m, with a year-end forecast underspend of £4.5m. Schemes had been brought forward from the forthcoming year to address the underspend and options were being considered for ways to mitigate the remainder of the underspend which would be considered in more detail over the following week. It was noted that there were potential options to address the underspend which would be discussed further with NHSE/I. FIC requested an update on the position via email as soon as discussions had concluded on the way forward.

4. Items for noting

The following items were received and noted:

- 2023-24 TLT Approved Investments
- TLT agenda and actions
- Costing submission 2022/23