

Meeting title:	Trust Board					
Date of the meeting:	14 August 2025					
Title:	Escalation Report from the Finance and Investment Committee (FIC) 25 June 2025					
Report presented by:	Mr A Inchley, FIC Non-Executive Director Chair					
Report written by:	Ms G Belton, Corporate and Committee Services Officer					
Action – this paper is for:	Decision/Approval		Assurance	X	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 CHUGGS – Cancer, Haematology, Urology and General Surgery	FIC – Finance and Investment Committee ICB – Integrated Care Board NHSE - NHS England W & C – Women’s and Childrens
--	--

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 is one item from the FIC meeting of 25 June 2025 requiring public Trust Board approval (item 4.1 below).

3. Summary

The FIC meeting was quorate.

4. Recommended Items:

4.1 FIC Terms of Reference Annual Review

The FIC Terms of Reference, now updated to take account of the minor changes referenced under Minute 89/25/2 of 28 May 2025, are attached for formal approval by the Trust Board.

The Trust Board is requested to approve the attached updated FIC Terms of Reference.

5. Discussion Items:

5.1 Board Assurance Framework

The Committee was requested to receive and approve the latest iteration of the BAF (appendix A of the report), noting that it should:-

- use the BAF in conjunction with the Committee work plan to inform the development of meeting agendas;
- assure itself that key strategic risks were clearly identified and appropriately aligned to the Trust's objectives;
- review whether the controls in place were robust, comprehensive, and supported by appropriate evidence (assurance);
- consider the BAF as a tool to identify the assurances the Committee should be seeking, and ensure these assurances were of sufficient quality and reliability;
- confirm that appropriate actions were in place to address any identified gaps in control and/or assurance, and that these actions were being delivered in line with agreed timelines, and
- refer to the Key Lines of Enquiry provided in Appendix B to the report when reviewing Committee papers, to support scrutiny of the assurances being presented.

The annual refresh of the BAF had involved close liaison with the Executive Directors and Non-Executive Directors to identify the relevant strategic risks to the delivery of the Trust's objectives.

The Board Committee was responsible for seeking assurance on behalf of the Trust Board that the risks allocated to the Committee were being appropriately managed and that all significant issues were recorded.

An extract from the BAF (relevant to the Board Committee Terms of Reference) was reviewed at each Board Committee meeting. The agenda and papers received should, where appropriate, be aligned with the BAF risks, controls, assurances, and any key next steps. The relevant Executive Directors were responsible to present their risks to the Committee under the BAF agenda item. Through discussion and consideration of each paper, the Board Committee would ensure that there was the right level of focus, scrutiny and challenge to the BAF. The sub risks had been reviewed and updated by the relevant Executive Leads and details about gaps for the risks were shown in the appendices to the report presented.

Further to an action agreed at the last meeting, where the Chief Financial Officer had been requested to separate out the financial risk into both short term and long-term, this action had been undertaken with the updated risks now presented to FIC for confirmation. In relation to the discussion held at the last meeting regarding the inclusion of a reference to data quality, the Head of Risk Assurance confirmed that this had not been included as a separate risk as

data quality was considered to be a gap on a number of risks, including the Finance risks. Following discussion, FIC agreed the suggestion to include reference to data quality within the highlighted gaps and the Head of Risk Assurance was requested to progress this matter outwith the meeting, in conjunction with the Chief Financial Officer, ensuring that the issue of data quality was accounted for in the information presented to the Committee in July 2025.

The Chief Financial Officer reported verbally to advise of the national exercise announced in the last week to develop organisational medium-term financial plans, so this update would feature in the information to be presented to the Committee next month. It was noted that such a medium-term strategy would provide the Trust with increased assurance and finance would be a function of and reflective of the clinical strategy.

The Committee received and approved the latest iteration of the BAF, noting the further updates planned for presentation at next month's meeting.

5.2 National Cost Collection – Pre-Submission Report

The Committee received information regarding the process and progress to date in relation to the National Cost Collection. Key requirements and any outstanding issues or actions, and the treatment of these in advance of the submission and sign-off, were highlighted within the report presented. The Committee was requested to note the information provided and approve that the process in place was sufficient to provide assurance to the Trust Board on the planned completion of the submission.

In discussion on this item, the Chief Financial Officer noted that the Trust's reporting in this respect continued to improve. He was supportive of the submission and noted that the Trust would receive an index score later in the year on the basis of this submission, and a review would be undertaken upon receipt of this national feedback.

FIC approved the submission on the basis of the information provided.

5.3 2025/26 Month 2 Financial Position

The Chief Financial Officer presented the financial position for the Trust in the second month of 2025/26. This report now also included data in respect of CIP and Capital (previously detailed in separate reports to the Committee).

The month 2 position for the Trust was a deficit of £7.2m, which was £3.8m adverse to plan. This was mainly driven by reduced other operating income of £1.4m, under-recovery within other variable allocations of £1.2m and net elective activity underperformance of £0.6m.

The contents of this report were received and noted.

5.4 ICB Finance Update 2025/26 M2

FIC received and noted the 2025/26 Month 2 financial position for the LLR ICB. The overall Year-To-Date (YTD) system position at Month 2, before deficit support, was a deficit of £27.01m, which was a £4.62m adverse variance to plan.

Particular discussion took place regarding income and also regarding the accountability likely to be placed on individual organisations by the NHSE given the changes at ICB level.

The contents of this report were received and noted.

Finance and Investment Committee

Terms of Reference

1. Constitution

The University Hospitals of Leicester NHS Trust hereby resolves to establish a Committee of the Trust Board (hereafter referred to as “the Board”) to be known as the Finance and Investment Committee (hereafter referred to as “the Committee”).

The Committee shall have terms of reference conferring delegated authority from the Board and will be subject to conditions such as reporting its activities of the Board, as the Board shall decide and act in accordance with any legislation, regulation or direction issued by regulators or statutory bodies.

Aligned with the scheme of delegation, the Finance and Investment committee have delegated authority to approve revenue and capital expenditure between £2,000,000 and £4,999,999.

2. Purpose

The purpose of the Committee is to seek and receive assurance on the stewardship of the Trust’s finances and investments; including planning, financial performance, capital expenditure, and the delivery of the financial plan and annual capital programme. The Committee is also responsible for holding to account the delivery of the Estates and Facilities Strategy.

3. Membership

The Committee shall comprise:

Core Members

- 3 x Non-Executive Directors (not including the Trust Chair) one of whom will chair the Committee
- Chief Financial Officer
- Group Chief Digital Information Officer
- Director of Estates and Facilities
- Deputy Chief Executive
- Chief Operating Officer
- Medical Director
- Chief People Officer

Additional Attendance

- Colleagues will be asked to attend to present and discuss relevant topics as is appropriate

A standing invitation to attend the Committee will be extended to the following:

- Chief Executive
- Trust Chair
- Other Non-Executive Directors
- Representatives of Internal and External Audit
- Director of Corporate and Legal Affairs
- Deputy Director of Finance (Financial Services)
- Deputy Director of Finance (Financial Management)
- Deputy Director of Finance (Strategic Finance and Planning)
- Head of Procurement
- Head of Risk and Assurance
- Chief Financial Officer, LLR ICB

The secretary and administrative support to the Committee shall be provided through the Corporate and Committee Services Team.

A deputy shall be nominated to attend a meeting of the Committee when the absence of one of the members (detailed above) would prevent an item of business being addressed. The deputy attending shall count towards meeting quorum, but not to the attendance record of the Committee member him / herself.

All members shall attend a minimum of 75% of meetings of the Committee on a rolling 12 month basis.

4. Quorum

Quorum shall be 4 members to include 2 Non-Executive Directors (one of which will chair if the chair is unable to attend), and 2 Executive Directors of whom 1 must be the Chief Financial Officer or their representative.

5. Meetings

The Committee shall meet monthly. Additional ad hoc meetings may be convened as and when required.

The chair of the committee shall consider items for approval and discussion to be taken within the open and closed sessions of the committee. The closed session is for core members of the committees and additional attendance will be by invitation of the chair only.

6. Duties

Financial planning and performance

- 6.1 The Committee will review and monitor the following, receiving assurance on the progress against each plan and where it is off plan understand the controls and mitigations in place to manage any risk:
 - 6.1.1 Trust's annual financial plan
 - 6.1.2 Trust's medium term financial plan and underlying financial position
 - 6.1.3 The Capital annual and longer term plan
 - 6.1.4 Cost Improvement Programme
 - 6.1.5 Performance against the KPIs of the Trust's subsidiary
- 6.2 Receive and scrutinise the Trust financial forecasting
- 6.3 The Committee will review and support all business cases valued over £2m, ensuring the outcomes and benefits are clearly defined, before recommending any case over £5m to the Trust Board for approval
- 6.4 Receive updates on ICS wide finances, risks and opportunities
- 6.5 Receive a quarterly update on shared workforce and finance reporting – the same report will also be submitted to the People and Culture Committee to enhance visibility and enable an appropriate deep dive by both groups
- 6.6 Receive reports providing oversight on overall operational annual planning

Financial Recovery and Improvement

- 6.7 Receive updates on the progress to delivering financial sustainability
- 6.8 The Committee will receive assurance there are improvements to continue to strengthen the culture within financial services across the organisation via 6-monthly reporting against agreed KPIs

Contracting and Procurement

- 6.9 Receive monthly updates and assurance report from the Procurement Contracts Committee, including recommended contracts awards requiring Trust Board sign off

IT Contract Performance

- 6.10 The Committee will monitor the performance of the IM&T managed business partner Contract (oversight of strategic IM&T issues being through the Our Future Hospitals and Transformation Committee).

Estates and Facilities

- 6.11 The Committee will monitor progress against the delivery of the Trust's Estates and Facilities strategy.

Core responsibilities and sub group reporting

- 6.12 To review and support the Trust's core strategies associated within the Committee's remit
- 6.13 To monitor, review and assess the level of assurance received on the finance risks and infrastructure related risks, controls and governance processes identified in the Board Assurance Framework delegated to the committee by the Board, providing reports to the Board of Directors and/or Audit Committee when requested

- 6.14 To review the reporting subcommittee structure to ensure both efficiency and effectiveness of reporting, including any addition of new sub groups or working groups as required
- 6.15 To escalate issues of concern requiring Board attention
- 6.16 To develop and maintain an annual work programme to reflect and enable assurance in relation to the above duties
- 6.17 Annually review the Committee terms of reference to ensure they remain fit for purpose and align with annual work programme
- 6.18 The Committee will produce an annual report incorporating its effectiveness to adhere to the duties placed upon it

7 Reporting and Governance Procedures

The Committee shall produce minutes of its meetings which will be formally ratified at the following meeting. A written summary of each meeting shall be submitted to the next scheduled meeting of the Board. The summary will focus on items of escalations, items which have been approved and specific items connected to strategic risks (including risks on the Board Assurance Framework) and strategic direction. The Chair of the Committee will present this report.

An annual report will be produced setting out the Committee's compliance with its terms of reference, performance of its duties and strategic priorities for the next 12 months. This will be informed by an annual self-assessment conducted by the Committee, ensuring its work and responsibilities are reflective of the changing environment within which the committee functions. The Board will receive and approve the annual report.

8 Review

The Committee will continually review the effectiveness, and where appropriate, revise the Committee membership and terms of reference at least annually. Ratification will be by the Board.

9 Ratification:

Most recently updated and reviewed by: Finance and Investment Committee

Date: 26 June 2025

Ratified by: Trust Board

Date: 14 August 2025