

Trust Board paper F5

Meeting title:	Public Trust Board					
Date of the meeting:	9 October 2025					
Title:	Escalation Report from the Finance and Investment Committee (FIC) 27 August 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
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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 27 August 2025 requiring public Trust Board approval (please see item 4.1 below).

3. Summary

The FIC meeting was quorate.

4. Items for Approval:

4.1 Board Assurance Framework

The Committee was requested to receive and approve the latest iteration of the BAF relevant to its remit.

At the July 2025 Risk Committee, the previous Interim Director of Estates and Facilities discussed raising the current risk rating for 05-Estate-01 from 16 to 20. This meant changing the likelihood score from 4 (likely) to 5 (almost certain). This proposal was supported by the new Director of Estates and Facilities and Chief Nurse.

Risk Description: 05-Estate-01: There is a risk that the estate will not support safe, compliant, and productive healthcare delivery due to ageing infrastructure, an unresolved £125m maintenance backlog (plus around £75m in VAT and fees), and poor use of space. This could lead to safety incidents, enforcement action, service disruptions, and inefficient use of resources.

It was recommended that FIC, as the Primary Oversight Committee, approved this increase in the risk rating from 16 to 20. FIC approved this increase and it was noted that this recommendation would be presented to the Trust Board for final approval, via the recommendation within this escalation report. In further discussion, the importance of being able to evidence the prioritisation of Estates and Facilities works and spend through the BAF risks was highlighted. This would assist in facilitating an understanding of the actions required in order to reduce risk.

The Chief Financial Officer and Chief People Officer noted that there had been no changes to the scoring of the Finance and Procurement and People Services BAF risks, albeit there had been some updates to the detail of the report.

In addition to the change in risk rating noted above, the Committee was asked to approve the introduction of new Key Risk Indicators (KRIs). These indicators had been developed with the Risk Leads to provide a clear measure of whether each risk was improving, stable or deteriorating. The KRIs would be embedded within the BAF for each risk and should be monitored by the Committee through the regular reports it already received in relation to the risk area. This would enable the Committee to track progress more consistently and provide stronger assurance on risk management – this was approved by FIC.

General discussion took place on what would need to be enacted to reduce the score regarding the in-year risk of missing plan from 20 to 16; it was noted that the ability to move the risk rating relied completely on the confidence level in the plans in place.

In conclusion, FIC approved the increase in the risk rating for 05-Estate-01 from 16 to 20 and approved the introduction of the new KRIs.

The Trust Board is requested to formally approve the increase in the risk rating for 05-Estate-01 (as described above) from 16 to 20.

5. Items for Discussion

5.1 Estates and Facilities Quarterly Report

The Director of Estates and Facilities provided FIC with an update on strategic matters of importance currently being managed by the Estates and Facilities team.

In summary, Estates and Facilities was a large directorate with 1653 staff and an operational budget of £1.093m, generating an income of £13.3m. In addition to revenue activity, Estates and Facilities were delivering capital schemes to a value of £55m. Estates and Facilities services were recognised as an enabler to patient care and it was highlighted that UHL operated out of an estate with one of the largest backlog maintenance liabilities across the NHS which impeded the work of the Directorate and also adversely impacted on the care environment for patients and staff.

Specific discussion took place regarding the following:

- (i) an emerging risk relating to kitchens at the LGH and Glenfield Hospital due to legacy items requiring attention and the plan for addressing these;
- (ii) the current deep dive being undertaken into the Estates and Facilities BAF Risk. The FIC NED Chair noted that it would be helpful, when prioritising items for attention, to make appropriate references back to the BAF, and
- (iii) a current priority for the Director of Estates and Facilities in ensuring the Trust's industry leading system, which managed and logged all reactive and planned maintenance tasks, was utilised to its full potential.

This item is highlighted to the Trust Board for information.

5.2 Operational Impact of any Aged Estate – Quarterly Report

The Director of Estates and Facilities updated FIC on the operational impacts of any aged estate experienced within the last quarter and the mitigations and control to ensure oversight and grip to limited infrastructure failure on operational acuity.

FIC received and noted details of six incidents experienced in the last quarter and the operational impact of each, along with a summary of the annual Estates Return Information Collection (ERIC) made on behalf of UHL, for information. Also referenced was the increasing BAF rating relating to aged Estates owing to the increasing number and impact of Estate failures. FIC noted that the re-submission / validation of the 2024/25 ERIC return would ensure the ERIC field relating to clinical impact reflected incidents realised.

Particular discussion took place regarding the availability, or otherwise, of any comparative data with other Trusts – the Director of Estates and Facilities noted that the opportunity to access benchmarking data, for inclusion in future such reports, was currently being pursued.

This item is highlighted to the Trust Board for information.

5.3 Financial Pressures caused by recent E & F Incidents and any impact on backlog maintenance

At the request of the Trust Board, the Director of Estates and Facilities sighted FIC to the financial pressures caused by two recent significant Estates infrastructure incidents (the LRI Kitchen Fire and the LGH Collapsed Corridor) and highlighted that a review of backlog maintenance was underway and, once assessed, the outcome of the two incidents would be incorporated.

Particular discussion took place regarding the following:

- (i) the financial viability of continuing to utilise three additional porters, which was in excess of the budgeted establishment, due to the extended routes and more intense manual labour required as a result of the prohibition of electric tugs along the collapsed LGH corridor – the Director of Estates and Facilities undertook to re-visit this arrangement, and
- (ii) the operational impact in terms of theatre cancellations due to any aged estate issues – whilst there had been none in the last quarter and these therefore had not been included in the report discussed under section 5.2 above, these would be included in future such quarterly reports, where relevant. The FIC NED Chair also highlighted that it would be appropriate to include any such instances in the ERIC return. It was agreed to include information as to what extent there had been any theatre issues as a result of estate matters in the next such report to FIC.

This item is highlighted to the Trust Board for information.

6. ICB Finance Update 2025/26 M3

FIC received and noted the 2025/26 Month 4 financial position for the LLR ICB. The overall Year-To-Date (YTD) system position at Month 4, before deficit support, was a deficit of £45.99m, which was a £4.08m adverse variance to plan.

This item is highlighted to the Trust Board for information.