Oxford University Hospitals
NHS Foundation Trust

Cover Sheet

Trust Board Meeting in Public: Wednesday 30 September 2026

TB2026.84

Title:	**Finance Committee Report**

Status:	**For Approval**
History:	**Regular Reporting**

Board Lead:	Ms Sarah Hordern, Committee Chair
Author:	Dr Neil Scotchmer, Head of Corporate Governance
Confidential:	No
Key Purpose:	Assurance and Approval

1. Purpose

1.1. As a Committee of the Trust Board, the Finance Committee will provide a regular report to the Board on the main issues raised and discussed at its meetings.

1.2. Since the last report to the Board held in public, the Finance Committee has met on 26 August 2026. This was the first formal meeting of the Committee following implementation of the Trust's revised Board committee structure.

1.3. This report summarises the Committee's work using the following definitions: **Alert** escalates key risks, opportunities, issues requiring Board attention and gaps in assurance; **Advise** sets out areas where the Committee received partial assurance but wishes to see improvements, further follow-up or additional reporting; and **Assure** summarises areas where the Committee received sufficient assurance or undertook routine oversight.

1.4. The report also asks the Board to approve the updated Finance Committee Terms of Reference (Appendix 1) following Committee discussion.

2. Alert: matters escalated to the Board

Underlying deficit and financial recovery

2.1. The Committee noted the continued significance of the Trust's underlying deficit and the need for the Board and Committee to develop a stronger shared understanding of the structural financial position, the actions required to reduce it and the medium-term choices that may be needed. The Chief Finance Officer agreed to provide a note setting out the proposed methodology, options and timescale for further analysis.

Cost Improvement Programme delivery

2.2. The Committee agreed that the Cost Improvement Programme position should be highlighted to the Board as an Alert. Although delivery to date was broadly in line with plan, the programme remained backloaded, a significant proportion of savings were not yet identified or delivered and there was uncertainty over the recurrent quality of savings and the in-year delivery of strategic schemes.

Cash resilience and potential Quarter 4 support

2.3. The Committee noted that the Trust remained ahead of its cash plan at Month 4, but that this favourable cash position was expected to deteriorate over the remainder of the year and remained sensitive to delivery of savings, supplier payment management and capital expenditure timing. The Committee agreed that the Board should be alerted to the risk that further revenue support may be required in Quarter 4 if financial delivery does not improve sufficiently.

NHS England Route Map exercise

2.4. The Committee was advised that NHS England had required organisations to undertake a Route Map exercise for submission in September. The Committee agreed that the matter should be highlighted as an Alert, given the need for Board and Committee engagement on assumptions, risks, mitigations and messaging.

Pharmaceutical supply exposure

2.5. The Committee noted a potential financial exposure associated with pharmaceutical supply arrangements affecting Surgery, Women's and Oncology, with a further update to be brought to the next Finance Committee meeting.

3. Advise: partial assurance received

Month 4 financial performance

3.1. The Committee noted the Month 4 Finance Report, including a reported £5.8m deficit against a planned £3.3m deficit, an underlying deficit of £9.9m, a cash position of £9.8m and capital expenditure £11.3m below plan. The Committee recognised that the report provided an important foundation for scrutiny, but requested clearer explanatory narrative on income, pay, non-pay, divisional variances, recurrent and non-recurrent improvements and management actions.

3.2. The Committee noted that activity income was ahead of plan but that increased activity did not always translate directly into increased income. Future reporting should provide an explanation of the relationship between activity volumes, income categories, material variances and any offsetting expenditure or technical accounting entries.

Finance reporting and underlying deficit analysis

3.3. The Committee received partial assurance that future finance reports would include additional information on the planned underlying deficit, the year-to-date position and monthly movement. Members welcomed this enhancement but emphasised that improved presentation must support decision-making and a clearer understanding of whether actions are reducing the recurrent financial run-rate.

Pay, temporary staffing and workforce controls

3.4. The Committee received partial assurance on the pay position and noted that further analysis was required to understand the drivers of temporary staffing expenditure, including the relationship between vacancies, sickness absence, annual leave management, bank and agency usage and local controls. The Committee also noted the need for alignment with the People Committee where workforce plans and controls had material financial implications.

Non-pay expenditure management

3.5. The Committee received partial assurance from the NHS England Grip and Control Checklist and the associated improvement work. Members emphasised that the Committee required assurance not only that controls existed, but that they were operating effectively at divisional and budget-holder level. Further assurance will be brought back on non-pay expenditure management, including practical examples of how controls are operating in divisions.

Central reserves and reconciliation to plan

3.6. The Committee received partial assurance from the Trust Reserves Reconciliation and Reconciliation to Plan reports. Members supported greater transparency over central reserves and technical planning adjustments, recognising that current presentation could make it difficult to distinguish genuine operational performance from technical reconciliation items. The Committee supported engagement with NHS England to improve alignment between the external plan and internal budgets on a net-neutral basis.

Divisional financial positions and recurrent savings

3.7. The Committee received partial assurance on divisional financial positions. Members noted that some year-to-date positions did not fully reflect recurrent challenges and emphasised that future reporting should distinguish clearly between recurrent savings, non-recurrent mitigations and coincidental underspends, including the net effect of pay savings and temporary staffing costs.

3.8. The Committee noted that strategic Cost Improvement Programme schemes were intended to align resources with the Trust’s strategic priorities and operating model, but that implementation had taken longer than originally assumed. Future reporting should provide clearer visibility of scheme-level progress, benefits, risks and the range of likely outcomes.

4. Assure: sufficient assurance or routine oversight

Finance Committee Terms of Reference

4.1. The Committee considered the draft Finance Committee Terms of Reference and supported the overall direction of the document, subject to amendments to strengthen references to financial strategy, financial recovery and the underlying deficit; clarify alignment with the People Committee; refine membership and attendance flexibility; amend provisions relating to financial submissions; distinguish the Committee’s role from that of the Audit Committee; and clarify the approach to finance-related risk reporting.

Action log and governance transition

4.2. The Committee reviewed actions transferring from the former Integrated Assurance Committee arrangements and agreed which matters should transfer to the Finance Committee, which should remain open for further work, and which should be redirected through other governance routes. This supported the transition to the revised Board committee structure.

Cash and reserves reporting

4.3. The Committee welcomed the clarity provided by the Trust Reserves Reconciliation and Cash Update reports and supported continued reporting to enable scrutiny of centrally held reserves, cash assumptions, liquidity and the relationship between cash performance, savings delivery and capital expenditure timing.

5. Recommendations

5.1. The Trust Board is asked to:

- note the Finance Committee’s report from its meeting held on 26 August 2026, consider the matters escalated under **Alert**, note the areas of partial assurance set out under **Advise**, take assurance from the matters set out under **Assure** and
- approve the updated Finance Committee Terms of Reference (Appendix 1) following the Committee’s discussion.

Oxford University Hospitals
NHS Foundation Trust

Finance Committee

Terms of Reference

1 Authority

1.1 The Finance Committee (the Committee) is constituted as a standing committee of the Trust Board. The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. The Terms of Reference can only be amended with the approval of the Trust Board.

1.2 The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any member of staff and all members of staff are directed to co-operate with any request made by the Committee.

1.3 The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

2 Purpose of the Committee

2.1 The Committee is responsible for providing assurance ~~and challenge~~ to the Trust Board in relation to financial performance, the robustness of financial information, financial planning, cash, accounts~~, financial controls~~ and delivery against budget. It should also provide assurance on the Trust's underlying financial position, financial recovery and medium- and longer-term financial sustainability. The Committee shall focus on financial stewardship, scrutiny of the actions required to address the Trust's financial challenges, and the testing of performance against plan. ~~while recognising that~~ Material investment proposals, capital prioritisation, transformation governance and post-project review sit primarily within the remit of the Investment, Digital and Estates Committee before escalation to the Board where required.

2.2 The Committee shall provide the Board with assurance, information on key issues and clear decision points in support of the Board's financial stewardship responsibilities. Financial implications of operational, workforce and strategic decisions should be considered first by the relevant portfolio committee and escalated to the Finance Committee and/or Board where material, so that financial scrutiny supports rather than duplicates wider portfolio assurance. The Committee shall work in alignment with the People Committee where workforce plans, workforce controls, staffing models or productivity assumptions have material financial implications.

3 Membership

3.1 The membership of the Committee shall include the following core members:

- at least three Non-Executive Directors, one of whom shall be the Chair of the Committee
- Chief Executive Officer
- Chief Finance Officer
- Chief Operating Officer
- Other Chief Officers as agreed

3.2 The following shall normally be expected to be in attendance:

- senior finance staff
- senior operational and planning leads as required
- any other Executive Director or senior manager whose area of responsibility is relevant to the matters under discussion, ensuring visibility of estates, digital and operational dependencies where required without broadening formal membership unnecessarily.

3.3 At the request of the Committee and by exception, Executive Directors who are not already committee members may be invited to attend meetings when the Committee is discussing matters that fall within their portfolio of responsibility.

4 Attendance and Quorum

4.1 The quorum for any meeting of the Committee shall be attendance by a minimum of two Non-Executive Directors and two Executive Directors, one of whom shall normally be the Chief Finance Officer or nominated deputy. Participation by teleconference or videoconference shall constitute attendance, provided that all participants are able to hear one another.

4.2 Members shall be expected to attend a minimum number of meetings annually, usually at least two-thirds of the annual total. Attendance shall be monitored and reported annually to the Board through the Committee's annual report.

5 Frequency of Meetings

5.1 Meetings of the Committee shall be held at a frequency determined by the Chair, but in normal circumstances not less than once a quarter and ordinarily more frequently where necessary to ~~align with the monthly financial reporting cycle of the Trust and the timely preparation of~~support timely scrutiny of significant financial performance, planning and forecasting matters and the preparation of Alert, Advise, Assure reports to the Board.

6 Duties of the Committee

6.1 Financial Strategy and Planning

The Committee shall review the Trust's financial plans and strategies, including revenue, capital, working capital and cash, and shall consider the assumptions, risks and constraints underpinning annual plans and longer-term strategic plans. It shall also review the robustness of forecasting methodologies and assumptions used in financial planning and performance reporting.

6.2 In-Year Financial Performance

The Committee shall review in-year financial performance, including delivery against plan, expenditure trends, agency and temporary staffing cost pressures, productivity and efficiency programmes, and the adequacy of corrective actions where the Trust is off plan.

6.3 Interaction Between Finance and Operational Delivery

The Committee shall consider the interaction between finance, workforce planning and operational delivery, including the financial consequences of demand, capacity, service performance, workforce establishment, temporary staffing, productivity, contractual assumptions and operational recovery plans. It shall seek assurance that ~~financial control measures are~~financial plans and recovery actions are consistent with safe and effective service delivery and appropriately aligned with relevant scrutiny by the People Committee and Quality and Performance Committee.

6.4 Financial Policies and Submissions

The Committee shall review key financial policies and ~~major financial submissions and monitoring returns~~ substantial financial planning, forecasting and strategic submissions to NHS England, the Thames Valley ICB and other relevant bodies, together with significant financial issues referred to it by the Board, Chief Executive or Chief Finance Officer.

6.5 Capital Affordability

The Committee shall provide challenge on the affordability, funding assumptions, cash implications, revenue consequences and financial sustainability ~~and financial controls associated with~~of the Trust's capital programme and major resource allocation proposals. Capital prioritisation, individual major business cases, transformation governance and post-project review shall sit primarily with the Investment, Digital and Estates Committee, with the Finance Committee providing financial scrutiny and escalating material affordability or financial control issues to the Board.

6.6 Use of Resources and Sustainability

The Committee shall oversee the Trust's broader use of resources, including sustainability considerations, and the financial implications of system working and external planning requirements. It shall consider whether financial plans and resource deployment support financial recovery and medium- and longer-term sustainability. It shall review cash performance, liquidity, working capital and treasury management arrangements.

6.7 Interface with Executive Governance

Executive committees, programme boards and functional groups shall remain accountable through TME for delivery, executive decision-making within delegated authority and progression of actions. The Committee shall receive assurance on whether delivery is on track, risks are being managed, controls are effective and matters requiring Board attention are escalated.

7 Reporting to the Board

7.1 The Committee shall report to the Trust Board after each meeting through a concise, structured Alert, Advise, Assure report owned by the Committee Chair. Alert shall identify significant issues requiring escalation or matters that the Board needs to be alerted to. Advise shall summarise areas where there is some assurance, but where further work is required and the Board should therefore be advised of the position. Assure shall summarise areas where the Committee is satisfied that it has received sufficient assurance and can therefore assure the Board.

7.2 The Committee shall ~~receive and consider the Board Assurance Framework and Corporate Risk Register in full, focusing its scrutiny on those risks, controls and assurances most relevant to its remit while maintaining awareness of cross-cutting issues~~have visibility of the full Board Assurance Framework and Corporate Risk Register in order to maintain awareness of the wider organisational risk context. Its routine scrutiny shall focus on finance-related risks and on cross-cutting organisational risks with material financial implications. Where matters considered by the Committee require consideration by another Board committee, they may be referred directly to that committee and shall be recorded in the Committee's Alert, Advise, Assure report where significant.

7.3 Key points for escalation shall be agreed promptly between the Committee Chair and the Corporate Governance team after each meeting to support timely action tracking, dissemination and proactive Board agenda-setting.

7.4 The Committee shall undertake an annual review of its Terms of Reference and an annual effectiveness review, reporting the outcome and any proposed changes to the Board. The Committee may also receive an annual overview of the wider risk profile to identify broader organisational risks with material financial implications and to support alignment with the work of other Board committees.