Oxford University Hospitals
NHS Foundation Trust

Cover Sheet

Trust Board Meeting in Public: Wednesday 25 November 2026

TB2026.91

Title:	**Finance Committee Report**

Status:	**For Assurance**
History:	**Regular Reporting**

Board Lead:	Ms Sarah Hordern, Committee Chair
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Confidential:	No
Key Purpose:	Assurance

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. This report covers the meetings of 30 September and 28 October 2026 with emphasis on the more recent discussion.

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. A further meeting will have taken place on 23 November 2026. It is not covered here and a verbal update will be provided to the Board.

2. Alert: matters escalated to the Board

Financial performance and underlying deficit

2.1. The Committee alerts the Board to increasing risk to delivery of the financial plan. The year-to-date deficit rose from £23.0m at Month 5 to £24.8m at Month 6 against a planned £20.4m deficit. The underlying year-to-date deficit was £55.1m, £19.2m worse than planned. Although Month 6 performance was in line with the Route Map, the anticipated improvement in expenditure had not yet been achieved. Reported performance continued to benefit from non-recurrent measures with further recurrent improvement required.

Cost Improvement Programme delivery

2.2. The Committee highlighted continuing risks relating to the scale, timing and recurrent benefit of Cost Improvement Programme (CIP) delivery. CIP under-delivered by £1.9m in Month 6 and further schemes remained to be identified. Delays to strategic schemes meant that non-recurrent measures continued to be required. Delivery of the current-year CIP would not on its own address other adverse variances or the continuing impact of undelivered recurrent savings from previous years. The Committee requested a quantified summary linking expected savings to those responsible for deliver.

Cash resilience and potential Quarter 4 support

2.3. The Committee alerts the Board to increased liquidity risk and the potential requirement for revenue support Public Dividend Capital from January 2027.

Such support could be required even if the income and expenditure trajectory were achieved, reflecting the timing and cash impact of recovery measures. Short term management of supplier payments at month end continues to be used to manage cashflow. Should support be required for January, internal governance and regional submission would need to be completed by the end of November with a recommendation to be made to the Board following the November Finance Committee meeting. The Committee supported an increase in the assessed cash risk. No decision to apply for support was taken at the meeting.

2.4. A clearer reconciliation of revenue and cash was requested for November's Committee and Board, covering recurrent and non-recurrent measures, capital flows, supplier payment deferrals and any support requirement.

Financial recovery Route Map

2.5. In September the Committee recommended Board approval of a breakeven Route Map base case subject to significant delivery dependencies and organisational trade-offs. October's update retained breakeven but depended on further savings, expenditure controls and non-recurrent measures. Members requested further analysis of the forecast year-end position and the assumptions and delivery dependencies underpinning it. The developing position would inform whether a formal reforecast was required.

Pharmaceutical supply exposure

2.6. The Committee had escalated the pharmaceutical supply matter and associated control issues in September. A written update was received in October. Commercial discussions remained ongoing and the parties' respective contractual positions had not been resolved. The associated financial exposure remained under review. Further review of medicines expenditure, recharging and contract management remained necessary to identify any wider exposures and opportunities for improvement.

3. Advise: partial assurance received

Income reporting and activity contribution

3.1. The Committee welcomed improved Month 5 narrative but requested clearer separation of confirmed income, estimates and subsequent adjustments. Clinical activity income was £7.6m above plan year to date at Month 6 but its contribution after associated costs required clarification.

3.2. More granular service-line reporting was being re-established. Members emphasised the need to understand the financial contribution of additional activity alongside clinical need and delivery of access standards.

Underlying deficit analysis and medium-term planning

3.3. The Committee supported a short diagnostic using analysis over time, peer benchmarking and focused local investigation to test hypotheses and quantify the underlying deficit's drivers. Completion was intended by the end of the calendar year to inform budget setting and medium-term planning.

Pay, temporary staffing and workforce controls

3.4. The Committee requested a November reconciliation of workforce and pay variances, distinguishing research and development accounting, planned post reductions, CIP delivery and other staffing movements. Accounting and reporting differences were identified as contributing factors, with further analysis required to explain the overall position. Members also requested clarification of the extent to which reductions in substantive staffing were accompanied by changes in bank staffing expenditure.

Non-pay expenditure management

3.5. Improved scrutiny through divisional panels, procurement, stock management and contract review provided partial assurance. The new controls were at an early stage of implementation and further evidence was required to assess their effectiveness and sustained financial benefit. Budget ownership required further embedding at service level and the wider rollout of kitting and carting was delayed. The Committee would continue to seek assurance on the consistent operation and impact of these arrangements.

Capital and financing charges

3.6. Further explanation of capital and financing charges was requested, including Surgical Elective Centre lease treatment, income-backed depreciation, unfunded pressures and implications for next year's budget.

4. Assure: sufficient assurance or routine oversight

Underlying position methodology

4.1. In September the Committee reviewed the underlying position methodology and noted its adherence to NHS England principles. This supported consistent scrutiny of recurrent performance while recognising the judgement involved and the separate need for additional diagnostic work.

Alignment of financial reporting

4.2. The Committee noted the implementation of net-neutral adjustments to align internal budgets with the revised financial plan submitted to NHS England, without changing the overall financial position. Continued reserves reporting supported routine oversight.

5. Recommendations

5.1. The Board is asked to:

- note the report from the Finance Committee meetings held on 30 September and 28 October 2026, consider the matters escalated under Alert, note the partial assurance under Advise and take assurance from the matters under Assure; and
- receive a verbal update on the Committee meeting of 23 November 2026, which is not covered by this report.