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
Author:	Dr Neil Scotchmer, Head of Corporate Governance
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.