

Escalation and Assurance Report

Report from: Finance, Business and Investment Committee
Date the meeting: 27 January 2022

Agenda
Item
10.4

Key discussion points and matters to be escalated from the discussion at the meeting:
Alert:
<ul style="list-style-type: none"> There were no issues identified that required escalation from the meeting.
Advise:
<ul style="list-style-type: none"> The Committee received an update on the TWICS sustainability programme. Whilst there has been progress on a number of workstreams, the Committee noted the impact of management capacity given competing priorities and pressures. A number of workstreams require resolution to workforce pressures and challenges. Transformational change will also need careful sequencing and in part will require collaborative working across the system. The Committee noted the commitment from the Executive team to agree 2022 priorities including financial benefits as part of the financial plan for March 2022. This work will be key to delivering the anticipated £7m-£10m efficiency savings target anticipated for 2022/23. The financial impact of the loss of the Wakefield 0-19 contract was reviewed. An annualised impact of up to £1.5m will need to be mitigated, although it is noted that some of this mitigation will be in the form of removing overhead costs and transferring staff to other services in the Trust. A further update will be provided on the financial mitigation of this contract as part of the financial plan review in March 2022. The Committee noted the agency expenditure of £7.6m against the cap of £4.6m, driven by acuity and sickness. Whilst use of resources reporting is suspended, it was noted that this is likely to recommence in the new financial year. The TWICS programme includes focus on agency usage and the impact of this work will need to be carefully monitored to ensure it starts to reduce agency expenditure levels.
Assure:
<ul style="list-style-type: none"> The Committee reviewed the YTD financial position, with the trust reporting a £5.7m surplus in December, with the forecast year end surplus reducing to £2.1m, which forms part of an overall forecast surplus at ICS level. The capital position for the Trust is forecast to be underspent by £250k for the full year, with assurance received on capital expenditure forecast between now and year-end. The key financial risks remain around Out of Area Placements and mental health service demand. The Committee noted the approach and key milestones associated with the annual business planning process. The Committee will receive a further update and final approval of the budget for 2022/23 the March meeting, ahead of approval by the Board.

Risks discussed:

- The Board Assurance Framework and Organisational Risk Register were considered.

New risks identified:

- None.

**Report completed by: Maz Ahmed, Finance Business & Investment Committee
Chair
27 January 2022**