

Escalation and Assurance Report

Report from the: Finance, Business & Investment Committee

Date of meeting: 24 March 2022

Report to the: Board of Directors

For further information please see the Care Trust Integrated Governance Guide.

Key escalation and discussion points from the meeting

Alert:

No issues were noted that require further discussion or action.

Advise:

- Normal contracting arrangements will apply for 2022/23, including NHS contracts to be reinstated (incl. CQUINs), and NHSI Use of Resources metrics (agency controls). The Committee reviewed a draft of the financial plan for 2022/23 for both the System and our organisation. The draft system revenue financial plan for 2022/23 is currently a planned deficit of £121.5m (against a statutory requirement to breakeven). This is predominately driven by 3 organisations. Further work is taking place to establish individual organisation and place level positions, including triangulation of finance, activity and workforce. Discussions are also taking place with NHSEI on support required. The draft system capital financial plan for 2022/23 contains an over commitment of £42m vs the financial envelope. Prioritisation discussions are taking place, together with identification of additional funding sources.
- The draft financial plan for 2022/23 for our organisation was reviewed. The previous working assumption of the recurrent efficiency challenge for the Trust is broadly in line with the £9.5m requirement to deliver a break-even plan in 2022/23. Further non-recurrent measures have been planned to deliver the full £14.4m efficiency programme. The Committee reviewed key planning assumptions including an assessment of the activity in place to deliver the efficiency savings required in 2022/23. A key assumption relates to reducing Covid costs, which is in part dependent on infection prevention controls which are subject to change alongside changes to national guidance. The Committee noted key financial risks relating to out of area placements and workforce pressures driving bank and agency expenditure. The Committee requested further assurance around the delivery and timing of the £9.5m efficiency savings as an important element to approving the financial plan in April.
- The Committee reviewed progress of the Together We Improve, Create and Sustain (TWICS) programme. The output of the projects that form part of

this programme will form a significant element of the efficiency savings for 2022/23 and beyond. The Committee noted the progress made on the key projects and reviewed the savings associated with this activity. These savings form a key part of the 2022/23 financial plan and the Committee requested further clarity on the key assumptions on timing and delivery of these savings. Work is also taking place to review the future direction of the TWICS programme as part of the Corporate Services Strategy, the output will be shared in a future Committee meeting.

Assure:

- The Committee reviewed the YTD financial position as at period 11, with the trust reporting a £3.1m surplus in February, with the forecast year end surplus reducing to £2.0m, which forms part of an overall forecast surplus at ICS level. The capital position for the Trust is forecast to be underspent by £1.8m for the full year.
- An update was received on the Green Plan and activities to reduce our environmental impact. The Committee noted good progress made since the Green Plan was approved in March 2021. The Committee approved an updated version of the Green Plan reflecting Green Plan guidance from NHSEI. The Committee requested future updates to include tangible measures including the reduction in carbon emissions.
- The Committee approved two Annual Assurance Reports covering 1) Fire Safety & Arson 2) Health & Safety. The Committee asked for further clarification on the process around Display Screen Equipment assessments to cover colleagues working from home.

Risks discussed:

- Risk 5 – To deliver a financially sustainable organisation

New risks identified:

- None identified

Report completed by: Maz Ahmed
2 April 2022