East of England Community Health and Care NHS Trust

Key Matters and Escalation Report to the Trust Board

Name of Committee: Finance and Infrastructure Committee
Chair: Mani Sharma
Meeting Date: Friday, 22 May 2026

Key matters
The Committee received the following reports:

Finance [Reasonable Assurance]

- Both Trusts reported a financial surplus of £1.6m for the year ending 2025/26. This exceeded the planned breakeven position and arose from the redistribution of unearned deficit support funding from NHSE to Trusts in the region (a briefing paper was shared with the Committee via email on 28 March 2026). This income was not available to support additional expenditure, as it was required to be reflected as a surplus within the financial accounts.
- NCHC Finance Report to year end March 26:
    - The £8.8m efficiency target for 25/26 was achieved, with 33% delivered on a recurring basis (against a planned 53%), offset by non-recurrent efficiencies exceeding plan by £1.7m.
    - Agency spend was £0.8m (68%) below plan, reflecting the impact of targeted reduction measures, while bank spend was £1.3m (30%) above plan, mainly due to maintenance of safe staffing levels in our inpatient units.
    - The Trust closed the year with a cash balance of £40.1m, equivalent to 2.5 months of operating expenditure.
    - Capital spend against Capital Departmental Expenditure Limit (CDEL) totalled £11.0m, £3.3m ahead of plan due to additional in-year funding relation to solar projects at our Community Hospital sites.
- CCS Finance Report to year end March 26:
    - Efficiency savings in were broadly on target at £8.6m, with £4.9m (55%) being found recurrently.
    - Temporary staffing costs (agency and bank) totalled £2.5m, which was 18% below plan.
    - The Cash balance as at 31 March 2026 was £9.6m, which was 36% above the plan position of £7.1m. Outstanding Local authority receivables have reduced over the period to improve the cash position.
    - The Multi-Storey Car Park at The Princess of Wales Hospital in Ely was subject to valuation by the Trust's external valuers during the year, resulting in an impairment charge of £3.9m, reflecting the difference between the asset's value in use and its construction cost.

Budget 26/27

- A financially balanced plan for 26/27 has been developed, submitted and formally approved by NHS England.
- To maintain a balanced position the efficiencies required has increased from £12.1m to £15.5m. This equates to 4% of gross expenditure.

- 22% of the total efficiency requirement (£3.5m) is currently unallocated.

  The key changes to the budgeting approach in 26/27 include:

- A new budget holder-led model
- A reallocation of centrally held costs
- A shift to income-focused approach, with a key target of breaking even

Efficiency Programme Governance [Reasonable Assurance]
- The efficiency programme will operate a three stage Gateway process
- The Committee will be kept informed of the progress of schemes through the Gateway process at each meeting by the Assistant Director of Project Delivery.
- The Group Leadership team will be the forum through which Service Directors and Executive Directors will be directly held accountable for the delivery of the efficiency targets for 262/7.

EEC Trust Finance – Month 01 [Reasonable Assurance]
- Financial performance shows a favourable variance of £128k against plan
- Cash balance of £42.4m
- Efficiencies of £346k were delivered in the month – 97% on a recurring basis and £100k ahead of plan.
- Temporary staffing spend in Month 1 was £819k, representing 3.8% of total pay – this was £33k (4%) overspent, however agency spend is with NHSE cap.

Estates Report [Reasonable Assurance]
Facilities update – Feb/March 2026
- There are currently 35 estates and facilities risks, with five risks rated 12 or above, relating to fire safety, statutory compliance and infrastructure. Overall risk levels remain stable, with no extreme risks and targeted mitigations in place.
- Whilst significant progress has been made on fire risk assessments, a high proportion of actions remain open (59% in CCS and 43% in NCHC). The highest rated outstanding action (Park View fire alarm replacement) is in progress for completion in June 2026.
- PLACE and hygiene performance shows improvement, with targeted actions resolving cleanliness concerns and most sites achieving 5-star hygiene ratings, though our estate condition remains below national benchmarks, which is being addressed through prioritisation of backlog maintenance in 2026/27.
- In February 2026, the Health Service Journal ranked NCHC among the five lowest-performing mental health and community trusts for cleanliness. The Trust's self-assessed score fell to 97% (from 99% in 2024), compared to many organisations reporting 100%. This decline was mainly attributable to two inpatient units; Caroline House and Ogden Court, and has since been addressed.

Strategic Estates update
Progress continues across strategic priorities, including:
- Neighbourhood hub developments and capital bids submitted for Princess of Wales Hospital (Ely) and Dereham Hospital (Norfolk)

- Two site moves concluded; iCaSH Norfolk and Pine Cottage (our amputee ward)
- Exit and relocation agreed for another leasehold to freehold site – taking the total annualised recurrent savings from these moves to £300k pa
- 1,794 solar panels installed during the year, generating £170k of annual savings.

The Trust has seen increased demand for security across multiple sites due to rising incidents. This reflects a wider NHS trend linked to broader societal pressures. Measures have included enhanced lighting, improved physical security, and, where necessary, security guards.

Implied Productivity Metric [Reasonable Assurance]

- **Productivity Metric and Trends**: Performance has increased, driven by higher activity levels, especially at the end of the quarter. Changes in funding models (block contract deconstruction) and database alignment are expected to impact productivity reporting, with efforts underway to clarify and unify metrics.
- **Data Quality and Governance**: Work is underway to improve data quality and governance, including merging data sets and ensuring consistent, accurate data entry. Training and process changes are being implemented to support this, with further details to be provided in future updates.
- **Operational Impacts**: The opening of 48 new beds in the Willow Therapy Unit has influenced productivity figures.

Digital Report [Reasonable Assurance]

- All Digital Projects/Programmes are on track and any project/programme risks have mitigations in place.
- Work is ongoing to develop benefits realisation. Prioritisation work is now complete.
- Pilot of Care@hand, AVT evaluation and Neighbourhood Discovery work have completed and provide tangible insights for rollout and next steps.
- The Cybersecurity risk is to be reviewed.

Key escalation
There are no escalations to the Trust Board.

Key risks and issues
Group BAF Risk 3709 – Cyber Security – rated 16.

Good practice or Innovation
Innovation outlined in the Budget paper with the block deconstruction and a new budget-holder led model.