

Key Matters and Escalation Report to the Group Trust Board

Name of Committee: Finance and Infrastructure Committee

Chair: Steve Crowe

Meeting Date: Monday, 28 April 2025

Key matters

1. The Committee noted the need to codify the pace / time to enact the efficiencies as described in the Efficiencies progress paper. The Committee asked for a detailed update on the efficiency plan and its impact on the organisation at the next Board meeting.
2. The Committee noted it was hard to get assurance on the BAF Risk J Long Term Financial Stability. This applies to both organisations.
3. The Committee approved the Finance Report to year ending March 2025 for both NCHC and CCS.
4. The Committee approved the NCHC Financial Plan 25/26.
5. The Committee approved the NCHC Cost Collection pre submission 24/25.

Norfolk and Waveney system finance performance update

- The NCHC 24/25 revenue position for the system financial year ended with a £36m deficit against a balanced plan.
- This was driven by a £38m under delivery of efficiency plans across the system.
- In 25/26 the system has delivered a balanced financial plan. This was after £51m of deficit support was allocated to the system.
- NCHC has been awarded £4m for 'left shift' work. NCHC will not draw down the funding until the funding starts to be spent. UCR and Virtual Ward will be the main beneficiaries of the funding.
- The 'left shift' projects will alleviate pressure (managing growth and reducing cancellation of elective procedures) in the acutes – QEH and NNUH.
- Data collection will support the reporting on the 'left shift' projects. The metrics will be agreed with the acute providers. The Committee agreed that 'left shift' metrics will be reported to the Norfolk Adult Services Assurance Committee.

Cambridgeshire and Peterborough system finance performance update

- In 24/25 Cambridgeshire and Peterborough delivered a balanced position.
- In 25/26 the system has delivered a balanced financial plan.
- £8m (or 5%) in efficiencies has been requested from the system.
- Further mergers are expected; specifically, the merger of BMLK and Hertfordshire which could affect the system's financial planning.

NCHC Finance Report to year ending March 2025

The report provided 'reasonable' assurance. Key points to note:

- The Trust's full year adjusted financial performance was a surplus of £82K.

- The Trust's 24/25 target of £8,362K for efficiencies was delivered. £4,618K of recurrent efficiencies were delivered, which was £1,527K lower than plan. This was offset by non-recurrent efficiencies being £1,527K higher than plan.
- Spend on temporary staffing (bank and agency) was £6.5m, of which 93% related to clinical staff. £1,377K was spent on agency staff, which represents 1.1% of total pay costs and which is under the NHS E agency cap.
- The Trust's cash balances remained high at £44.6m.
- The Trust spent £4.9m on capital during the year.
- The Willow Therapy Unit is complete and has been moved out of work in progress. The project was delivered within its revised capital envelope, which was £1m (5%) higher than the initial national capital grant.
- Now the Willow Therapy Unit is an operational asset the Trust's independent valuers revalued the unit at an impairment of £7.6m (36% of cost). This is largely due to the significant cost of ground works.
- Better payment practice code (BPPC) exceeded the targeted level of 95% this month for quantity passed (96.4% achieved) and narrowly missed the value target (93.9% achieved).

Finance Plan 25/26 update (NCHC)

The report provided 'reasonable' assurance. Key points to note:

- The 25/26 plan remains at a financial breakeven.
- Income has increased by 5.5% (£9.1m) due to confirmed and negotiated additional funding. To maintain a balanced position there has been a corresponding offset in expenditure.
- The efficiency target % has reduced from 5.1% to 4.8% as the plan now includes increased expenditure however there is no change in the £8.8m efficiency target.
- The level of risk in the (revenue) plan has reduced from £4.5m to £3.4m driven from efficiency plans that have been further developed and the £0.8m capital risk has been eradicated due to additional confirmed funding.
- Final submission is due to the ICB by 25th April, with onward submission to NHSE on 30th April.

Finance Plan 25/26 update (CCS)

The report provided 'substantial' assurance. Key points to note:

- The 25/26 plan remains at a financial breakeven.
- The efficiency target is £8.6m (4.7%)
- Efficiency savings will include a combination of pay, non-pay and income related schemes, as well as the opportunities identified within clinical and support services.
- Performance against the efficiency target will be reported by Services at the Clinical Operational Boards and Trust wide within the Integrated Governance Report.
- Submission of the plan occurred on 27th March 2025.

CCS Finance Report to year ending March 2025

The report provided 'reasonable' assurance. Key points to note:

- The Trust delivered an overall operating breakeven position for the reporting period 24/25 with a closing underspend of £56k.
- The cash balance of £6.6m at month 12 represents an overall increase of £2m on the previously reported position at month 10. The change in the Trust's cash position is due to the receipt of PDC funding for the RAAC works at North Cambridgeshire Hospital, Ely and a reduction in trade receivables over the period.
- There has been an improvement in the Public Sector Prompt Payments (PSPP).
- Of the £5.5m of efficiency schemes delivered in 24/25, 31% were recurrent savings.

Efficiency progress paper

The report provided 'reasonable' assurance. Key points to note:

- As at March 31, 2025 the Trust delivered its efficiencies target of £8,362K for 24/25. This total consisted of £3,091K recurrent efficiencies and £5,271K of non-recurrent efficiencies.
- The recurrent efficiencies were £1,527K lower than planned. After allowing for full year effect of recurrent efficiencies, the overall shortfall on delivery was £1,049K.
- Net recurrent under delivery of £123K attributable to specific directors has been carried forward to their efficiency allocations for 25/26.
- Since the plan was submitted, NHSE has written to all NHS providers advising of a requirement to reduce corporate cost growth from 2018/19 by 50%. An assessment of this requirement will be presented to Group Executive in May.
- The efficiency target for 25/26 has been agreed at £8,823K, of which £4,691K is recurrent.
- The gap between the target for 25/26 and identified schemes is £3,193K. Work is continuing to develop all options, with a focus on recurrent schemes.

National Cost Collection 24/25

The report provided 'reasonable' assurance. Key points to note:

- The process in place provides the Board with assurance that the mandated cost collection will be submitted for 24/25 on 23 June 2025.
- The Finance team work with the Business Intelligence and Reporting team, Digital Services team and clinical staff to produce the submission.

Digital paper

The report provided 'substantial' assurance. Key points to note:

- The monthly performance dashboard shows that all KPIs for the reporting period have met the appropriate targets for March 25 across both CCS and NCHC.

- 96% of users who completed a customer service survey gave positive results in March 2025.
- There was one Cyber/Security incident in the last 3 months. The incident was a probe/attempt on the CCS website server and was identified and managed through the Security Operation Centre.
- Established a project across both CCS and NCHC for the Windows 11 upgrade.
- ADA (Robot Processing Automation (RPA) Bot) is now live for Luton, although still as a Proof of Concept whilst we look at ways to mitigate the TPP issue.
- NHSE NHS App Onboarding team have not given the trust access to the Integration environment to simulate LIVE testing of the Patient Portal integration with the NHS App Login.
- NCHC to submit a tender bid to provide IT provision to N&W GP practices.
- CCS are now an incubator site for the NHS Federated Data Platform.

Key escalation

Group Trust Board Assurance Framework

The report provided 'partial' assurance. Key points to note:

- The Committee did not gain assurance on Risk J – Long term financial sustainability and asked for this to be escalated to the Board and addressed at Board level.
- The Committee would like a medium-term financial strategy to be developed.

Key risks and issues

No key risks and issues.

Good practice or innovation

- Both Trusts delivered balanced budgets in 24/25.
- Both Trusts delivered a balance financial plan for 25/26.
- NCHC to submit a tender bid to provide IT provision to N&W GP practices.
- CCS is now an incubator site for the NHS Federated Data Platform.