

NCHC Finance Report

Reporting period:
Full financial year
2024/25



Contents

Page

Executive Summary

3

Scorecards & Narratives by Finance themes

Being a future-focused
organisation (BFFO) scorecard

4

BFFO - Revenue expenditure

5-8

BFFO – Cash and payments

9

BFFO – Capital expenditure

10

Executive Summary

Being a future focused organisation – Revenue summary

- For the full financial year 2024/25 NCHC has delivered an adjusted surplus of £1,582k against a planned adjusted surplus of £1,500k - £82k favourable to plan.
- The Trust's 2024/25 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.

Being a future focused organisation – Capital summary

- The Trust spent £4.9m on capital during the year.
- After charitable funded assets and the net book value of disposals are taken into account this represents a charge of £4.6m against CDEL, £25k below the Trust's revised limit.
- The Willow project 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. On its transfer out of work in progress and into an operational asset the unit was valued by the Trust's independent valuers and impaired by £7.6m (36% of cost). Such an impairment is typical for NHS builds when moved out of work in progress, and in this case is largely due to the significant cost of groundworks.

Being a future focused organisation – Cash and payments summary

- The Trust's cash balances remained high, at £42.3m. This represents 3.0 months of operating expenditure and was £3.1m ahead of plan.
- Better payment practice code (BPPC) exceeded the targeted level of 95% this month for quantity passed (96.4% achieved) and just missed the value target (93.9% achieved).

Place

NCHC Total

Being a future-focussed organisation (BFFO)

| Metric | Latest Date | In Month | Threshold | Variation | Assurance | Variation | Assurance |
|--|-------------|----------|-----------|-----------|-----------|--------------------------------------|--|
| BFFO03 - Budget variance to NHSE adj | Mar 25 | 105% | 0% | | | Common cause variation. | Threshold hit and miss subject to random variation |
| BFFO04 - Forecast Variance to NHSE | Mar 25 | 0% | 0% | | | Common cause variation. | Threshold consistently hit |
| BFFO05 - Cash – number of months cover | Mar 25 | 2.96 | 0 | | | Special cause variation concerning. | Threshold consistently hit |
| BFFO06 - Capital variance to NHSE plan CDEL | Mar 25 | 69.3% | 95% | | | Common cause variation. | Threshold hit and miss subject to random variation |
| BFFO07 - Efficiency variance to NHSE plan | Mar 25 | 100% | 95% | | | Special cause variation improvement. | Threshold hit and miss subject to random variation |
| BFFO09 - Agency Expenditure YTD as % ceiling | Mar 25 | 77.0% | 100% | | | Common cause variation. | Threshold consistently hit |
| BFFO11 - Agency Expenditure £000s | Mar 25 | 19.3 | | | | Common cause variation. | No Threshold |
| BFFO12 - Better Payment Policy Compliance | Mar 25 | 96.4% | | | | Common cause variation. | No Threshold |
| BFFO15 - Capital Spend £000s | Mar 25 | 688 | | | | Common cause variation. | No Threshold |

To note: Narratives are covered over the following slides.

Income - £11,264k favourable to plan for YTD. Key drivers are:

- £3.8m additional income for the delivery of digital services across the ICS, offset by corresponding pay and non-pay expenditure.
- £3.5m higher notional pension funding than plan, offset by corresponding pay expenditure.
- £650k additional income relating to CHC beds at PBH.
- £537k additional income for Prosthetics and ICB medical devices (these are accounted for on a passthrough basis, so matched by expenditure).
- £509k income received from S75 arrangement with NCC.
- £499k additional CYP income for NDD waiting list initiative.
- £482k additional lease income.
- £475k additional income for delivery of new services in West, including cardiac rehab.
- £228k additional LD income for Intensive Support Service and Annual Health Checks service
- £187k IPAC income (Health Protection team and TB Nursing), and £556k for new services including UCCH, ARRS, Systems Ops and podiatry.

This is offset by:

- £550k returned to the ICB, mostly relating to lower than planned depreciation on Willow

Pay - £5,363k adverse to plan for YTD. Key drivers are:

- £3.5m additional notional pension charges, offset by corresponding income
- £1.1m redundancy provision including for workers on fixed term contracts.
- £810k higher spend than planned within digital services due to work being done across the ICS (offset by higher than planned income).
- £696k staffing costs relating to CHC beds at PBH – offsetting additional income
- £682k higher spend than planned in the North nursing and community therapy teams due to over establishment within some teams and high use of bank staff

This is offset by:

- Vacancy savings across multiple areas, including £460k within Norwich Unplanned Care and £569k West Intermediate care.

Non-Pay – £15,368k adverse to plan for YTD. Key drivers are:

- £8.2m property impairment (mainly Willow unit) and asset write-off
- £3.0m higher expenditure in the digital team relating to the delivery of services across the ICS (offset by income as above).
- £1.5m higher than planned spend on catering, cleaning, and property maintenance
- £592k higher than budgeted expenditure on Prosthetics and ICB medical devices (these are accounted for on a passthrough basis, so matched by income).
- £498k provision for potential charges relating to the fire doors resolution.
- £476k spend on the Homelink contract – both income and expenditure not included in the original plan.
- £460k higher than budgeted spend on wheelchairs and wheelchair repairs services.
- £426k additional spend on continence products

Non-operating – £1,333k favourable to plan for YTD.

These balances include finance income and expense. The favourable variance to date is due mostly to higher interest income than planned driven by higher cash balances.

Accounting performance adjustments

These are adjustments made after the accounting surplus / (deficit) to get to the NHS E adjusted position which NHS E use to track financial performance. This is predominantly related to the reduction in valuation of certain assets, in particular the Willow unit.

| Statement of comprehensive income March 2025 | Plan | Actual | Variance | On plan? |
|---|--------------|----------------|----------------|------------|
| £'000 | Full Year | Full Year | Full Year | Full year |
| Statement of comprehensive income | | | | |
| Income | 167,255 | 178,519 | 11,264 | |
| Pay | (120,812) | (126,175) | (5,363) | |
| Non-Pay | (45,032) | (60,400) | (15,368) | |
| Non-operating | (903) | 430 | 1,333 | |
| Accounting surplus / (deficit) | 508 | (7,625) | (8,133) | |
| Accounting performance adjustments | 992 | 9,207 | 8,215 | |
| Adjusted financial surplus / (deficit) | 1,500 | 1,582 | 82 | Yes |
| Efficiencies | | | | |
| Recurrent | 4,618 | 3,091 | (1,527) | |
| Non-Recurrent | 3,744 | 5,271 | 1,527 | |
| Total Efficiencies | 8,362 | 8,362 | - | Yes |
| Agency expenditure | | | | |
| Agency spend | 1,788 | 1,377 | 411 | Yes |

Figure 1: Full year efficiencies versus plan, by efficiency type

| Efficiency type | Year-to-Date (£'000) | | | FYE Outturn (£'000) | | |
|-------------------------|----------------------|---------------|----------------------|---------------------|---------------|----------------------|
| | Plan | Actual | Variance Fav / (Adv) | Plan | Actual | Variance Fav / (Adv) |
| Recurrent | | | | | | |
| Pay - Recurrent | £1,190 | £1,254 | £64 | £1,190 | £1,363 | £173 |
| Non-pay - Recurrent | £3,227 | £1,797 | (£1,430) | £3,227 | £2,163 | (£1,064) |
| Income - Recurrent | £200 | £40 | (£160) | £200 | £43 | (£157) |
| Sub-total | £4,618 | £3,091 | (£1,527) | £4,618 | £3,569 | (£1,049) |
| Non-recurrent | | | | | | |
| Pay - Non-recurrent | £2,175 | £1,510 | (665) | | | |
| Non-pay - Non-recurrent | £909 | £1,731 | 822 | | | |
| Income - Non-recurrent | £660 | £2,030 | 1,370 | | | |
| Sub-total | £3,744 | £5,271 | £1,527 | | | |
| Totals | £8,362 | £8,362 | £0 | | | |

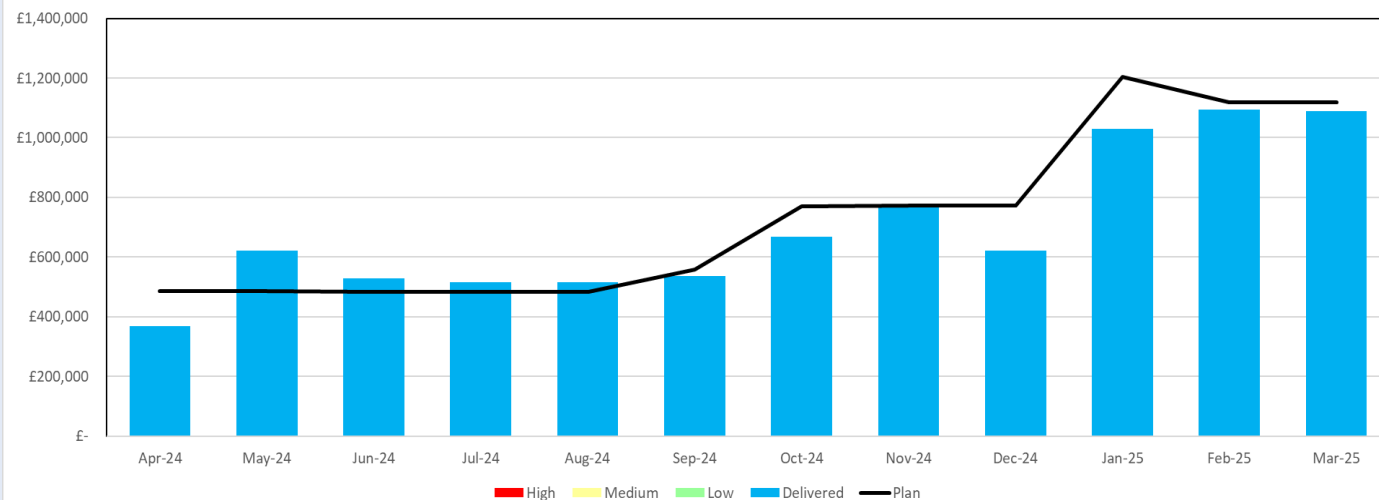
The Trust’s financial plan for 2024/25 included £8,362k of efficiencies. This total consisted of £4,618k of recurrent efficiencies and £3,744k of non-recurrent efficiencies.

At 31 March 2025 efficiencies delivered year-to-date were £8,362k, meaning the Trust target for 2024/25 has been delivered. Figure 1 shows that whilst the total efficiencies for the year have been delivered, recurrent efficiencies were £1,527k lower than planned, with non-recurrent efficiencies over-delivering by £1,527k to offset this. The future impact of the under-delivery of recurrent savings in 2024/25 is shown in the FYE outturn section. It shows that year-on-year savings will be £1,049k less than planned.

The main recurrent efficiency is £920k from workforce savings in corporate areas. The main non-recurrent efficiencies are £1,463k from vacancy savings across the Trust and £1,345k of interest income.

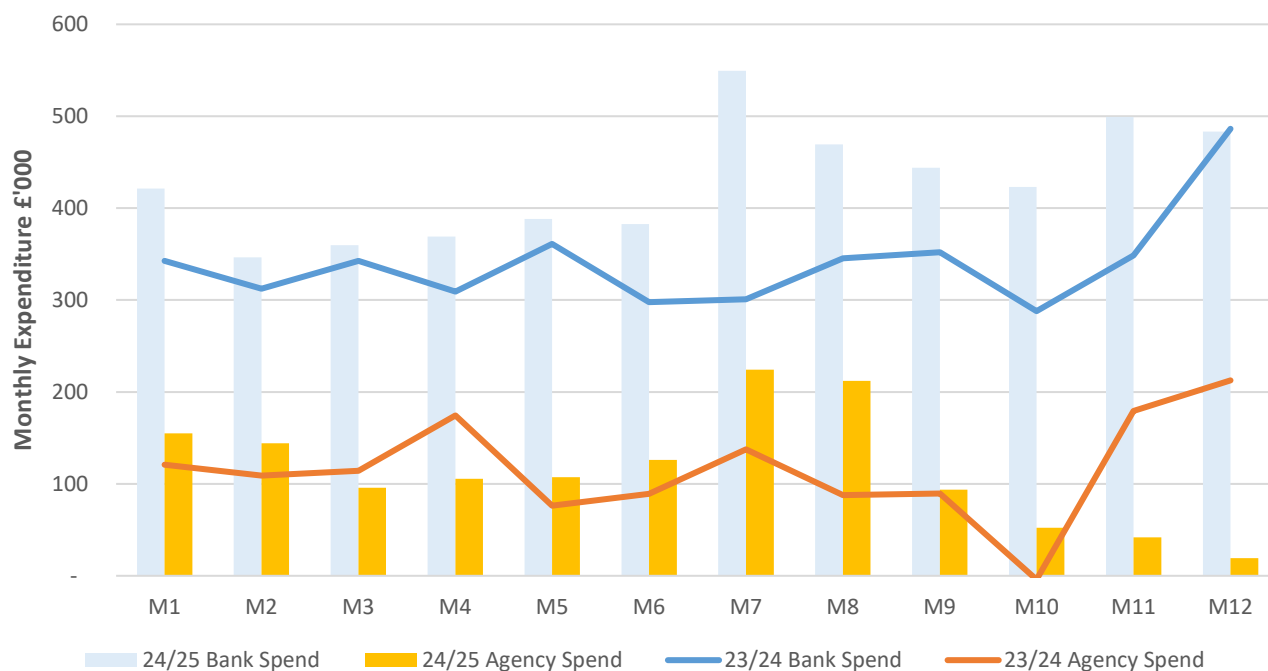
Figure 2 shows the value of efficiencies delivered each month, compared to plan

Figure 2: Efficiencies monthly profile (by delivery risk rating)



The Trust has spent 5.5% (£6.5m) of its total employee expenses on temporary staffing. The majority of this (79%) was spent on bank staff, with £1.4m on agency.

NCHC Agency and Bank Expenditure



The graph shows agency and bank expenditure for 24/25 against the spend for 23/24. Total agency spend for the year is £1.4m, 77% of the Trust's agency cap. Total bank spend for the year is £5.1m.

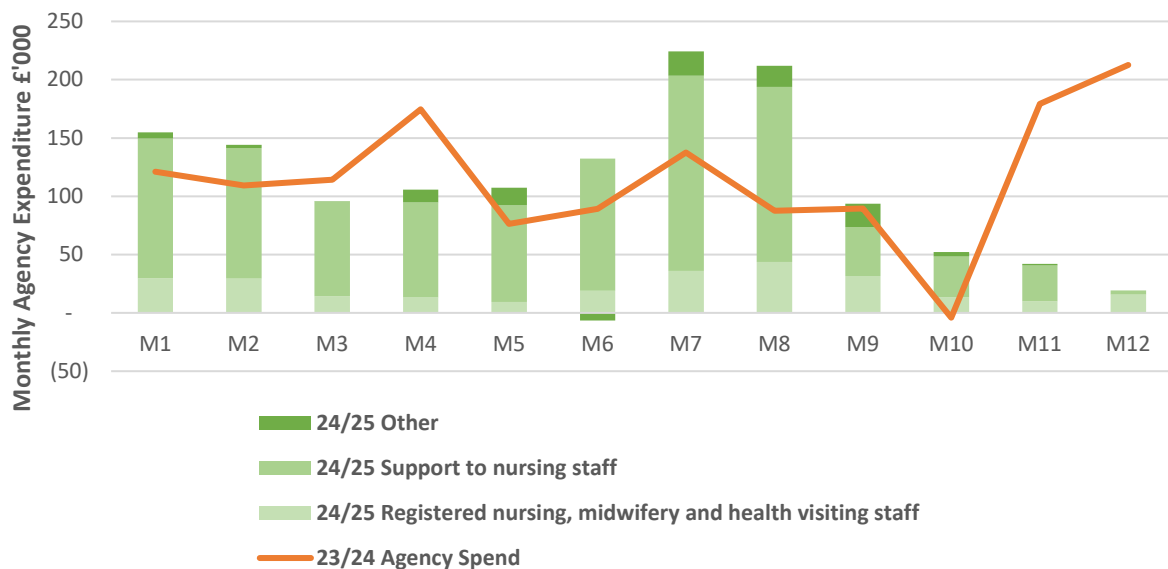
The majority of expenditure is clinical (detail in next slide) and the Trust is within the NHS E agency cap.

Agency spend is £10k lower than the prior year, which reflects the use of Willow staff to fill clinical vacancies and sickness before the unit opened in full and tighter controls over the use of agency staff.

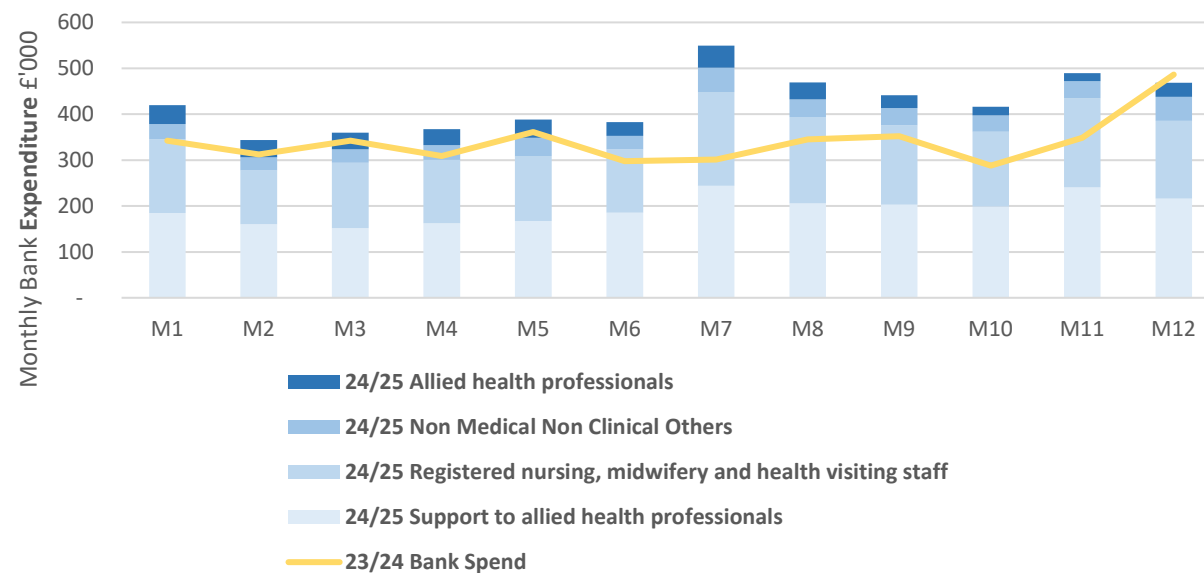
Bank spend, at £5.1m, is £1.0m higher than the prior year. Controls over bank staff are also being tightened to seek to reduce this spend in 2025/26.

The Trust has spent 5.5% (£6.5m) of its total employee expenses on temporary staffing. The majority of this (£5.1m) was spent on bank staff, with £1.4m on agency. In total 93% of temporary staffing spend was on clinical staff (£6.1m).

Agency Expenditure



Bank Expenditure



The graph above breaks down agency staffing into different categories. 93% of the spend is on clinical staffing of which:

- £1,020k (74%) of 2024/25 agency spend has been on support to nursing staff
- £265k (19%) of 2024/25 agency spend has been on registered nursing staff

The graph above breaks down bank staffing into different categories.

- £2.3m (45%) of 2024/25 bank spend has been on support to AHPs
- £1.9m (38%) of 2024/25 bank spend has been on registered nursing staff

| Balance sheet | Plan | Actual | Variance | Plan | Forecast | Variance | On plan? |
|---|----------------|----------------|-----------------|----------------|----------------|-----------|-----------|
| March 2025 | | | | | | | |
| £'000 | Month end | Month end | Month end | Full Year | Full Year | Full Year | Full year |
| Statement of Financial Position | | | | | | | |
| Non-current assets | 106,217 | 96,925 | (9,292) | 108,411 | 108,411 | - | |
| Current assets | 42,556 | 47,830 | 5,274 | 44,811 | 44,811 | - | |
| Current liabilities | (23,541) | (31,018) | (7,477) | (25,143) | (25,143) | - | |
| Non-current liabilities | (4,959) | (3,990) | 969 | (6,943) | (6,943) | - | |
| Total net assets employed (equity) | 120,273 | 109,746 | (10,526) | 121,136 | 121,136 | - | |
| Operating cashflow | | | | | | | |
| Cash at bank | 39,261 | 42,325 | 3,064 | 39,261 | 39,261 | - | Yes |
| Number of months of operating cash cover | 2.8 | 3.0 | 0.2 | 3.1 | 3.1 | - | |
| Capital expenditure | | | | | | | |
| Total capital expenditure | 6,657 | 4,836 | (1,821) | 6,657 | 4,620 | (2,037) | Yes |
| System capital limit (CDEL) spend | 6,657 | 4,595 | (2,062) | 6,657 | 4,662 | (1,995) | Yes |
| BPPC | | | | | | | |
| By Number | 95.0% | 96.4% | 1.4% | 95.0% | 95.0% | - | Yes |
| By Value | 95.0% | 93.9% | -1.1% | 95.0% | 95.0% | - | No |

Cash balance £42.3m

At 31 March 2025 this was £3.1m higher than plan primarily due to trade creditors being £4.7m above plan (this converts to a lower level of cash outflow than planned).

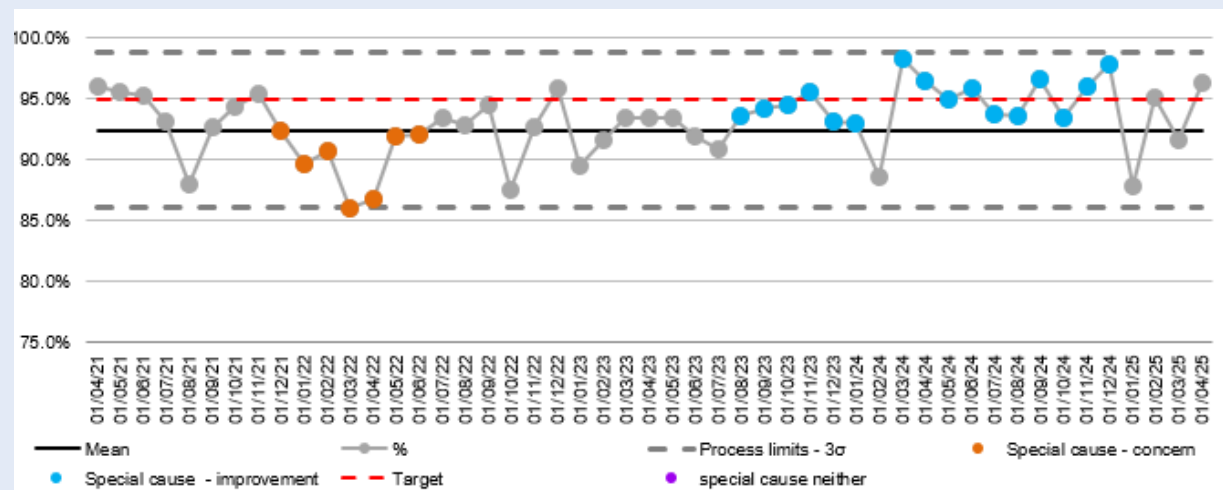
Capital Expenditure

The Trust spent £4.9m on capital during the year. After charitable funded assets and the net book value of disposals are taken into account this represents a charge of £4.6m against CDEL, £25k below the Trust's revised CDEL allocation.

BPPC

Better payment practice code (BPPC) exceeded the targeted level of 95% this month for quantity passed (96.4% achieved), as shown in the graph below.

The Trust narrowly missed the value target (93.9% achieved).



Summary

The Trust spent £4.9m on capital during the year. After charitable funded assets and the net book value of disposals are taken into account this represents a charge of £4.6m against CDEL, £25k below the Trust's revised limit.

| Capital expenditure £'000 | Full year Revised forecast | Full year Actual | Full year Variance |
|---|----------------------------------|---------------------|-----------------------|
| Scores against system CDEL | | | |
| Digital services | 906 | 761 | 145 |
| Clinical equipment | 370 | 412 | (42) |
| Estates projects | 1,888 | 2,160 | (272) |
| Willow unit | 985 | 1,040 | (55) |
| Project administration | 467 | 450 | 17 |
| IFRS16 leases | 4 | 13 | (9) |
| Contingency | 0 | 0 | 0 |
| Asset disposals | 0 | (241) | 241 |
| Total against system CDEL | 4,620 | 4,595 | 25 |
| Does not score against system CDEL | | | |
| Charitable funded projects | 42 | 42 | 0 |
| Total outside system CDEL | 42 | 42 | 0 |
| Total capital expenditure | 4,662 | 4,637 | 25 |

The table shows total capital expenditure for the full year versus the revised capital forecast.

The forecast is lower than the original plan mainly as the Trust returned CDEL to the ICS to be utilised by other providers in the system. The returned limit was to be used for the Rackheath health centre lease, which has been delayed into 2025/26. The forecast represents the revised Trust CDEL allocation.

Full year spend was £4,836k, of which £4,595k was CDEL scoring. This was £25k under the Trust CDEL allocation.

£20.3m has been spent across 2023-2025 on the Willow unit. The project was delivered within its revised capital envelope, which was £1m (5%) higher than the initial national capital grant.

| Willow expenditure | Full project actual £'000 |
|---|------------------------------|
| Estates works | 17,445 |
| Professional fees & surveys | 1,215 |
| Equipment | 1,084 |
| Digital works | 551 |
| Total | 20,295 |
| Budget | |
| 23/24 PDC funding | 19,300 |
| 24/25 funding | 1,060 |
| Total budget | 20360 |
| Total forecast (over) / under budget | 65 |