Board of Directors - Public

SUMMARY REPORT	Meeting Date:	22nd March 2023
	Agenda Item:	17

Report Title:	**Financial Performance Report for the period ending 31st January 2023 (month 10)**	
Author(s):	Jill Savoury, Head of Finance	
Accountable Director:	Phillip Easthope, Executive Director of Finance, IMST and Performance	
Other Meetings presented to or previously agreed at:	**Committee/Group:**	Finance and Performance Committee
	Date:	9th March 2023
Key Points recommendations to or previously agreed at:	Finance Committee discussed the position including the improvement in the forecast outturn noting the changes largely related to technical or external factors and didn't materially represent an improvement in our expenditure position through efficiency or control. Increased debt levels were escalated as a concern, reassurance was received that these are expected to be paid in full and escalation steps are being undertaken. The capital outturn is highlighted as a concern although assurance has been received through governance groups that we are still furcating to deliver against the forecast through additional schemes. CIP continues to be a significant concern; little progress has been made and the position report to Board as an alert in the Committee AAA report.	

Summary of key points in report
The position at January is a YTD deficit of £3.256m and is forecasting a deficit of £2.733m. The deficits are predominantly driven by pressures from agency (£4.7m), pay award funding gap of (£1.2m) offset by net vacancies as the key drivers behind a net (£2.9m) pay overspend and out of area purchase of healthcare (£3.2m) expenditure. The forecast deficit has improved by £1.1m since M9 as £0.3m additional funding has been confirmed for Rio implementation where costs are already in forecast, £0.3m prior year accruals have been released (including 50% of the annual leave accrual) and depreciation charges reduced by £0.5m following a review of asset lives. The £1.1m improvement was recognised as the best-case forecast as M9; no opportunities have been identified to improve the position further. The worst-case forecast is £3.8m recognising the risks around provisions for bad debts (£0.7m) and efficiency slippage of (£0.3m).

Delivery of recurrent efficiency savings is significantly lower than the revised plan. The current forecast shows a Cost Improvement Programme (CIP) gap/ under delivery of £2m. This and the reliance on £1.2m non-recurrent savings in 22/23 results in a carry forward efficiency requirement of £3.2m for 23/24.

Cash balances remains healthy. Debt owed to SHSC remains higher than expected at £6.7m. At the time of reporting, £3.4m of the debt has been received reducing the balance outstanding to £3.4m. The Guinness Partnership accounts for £1.4m of the outstanding in respect of the Buckwood View contract. It is not yet considered to be at risk of non-payment but it is being monitored closely and has been escalated as a significant matter of concern to the organisation. The local authority debt risk is noted above. The cash forecast is less than plan as: cash receipts are no longer expected from the Fulwood disposal in this financial year; other working capital movements are anticipated; and the forecast deficit I&E position, which includes unplanned interest cash receipts following interest rate increases of circa £1m.

Capital is underspending YTD against plan from a profile and timing perspective due to delays in the phase 3 Ligature Anchor Point (LAP) works, Health Based Place of Safety (HBPoS) and Electronic Patient Record (EPR) projects. There is a risk that spend will not be incurred this year to the extent planned on the Therapeutic Environments Programme (TEP) and so alternative capital projects are being brought forward to ensure the current year funding is not lost to the Trust. However, the TEP commitments will slip into 23/24, which considerably increases pressure on the 23/24 capital programme when South Yorkshire Integrated Care Board (ICB) funding is reducing significantly.

A breakeven forecast has been reported to NHSE/I for M10 as required by the ICB. The ICB has asked us to continue to report breakeven as part of the system reporting on plan. The narrative reporting to NHSE/I explains our forecast position of £2.733m.

Recommendation for the Board/Committee to consider:

Consider for Action		**Approval**		**Assurance**	**X**	**Information**	

Board of Directors to note the year to date and forecast financial position at month 10 and the ongoing work to continue to drive CIP identification and delivery.

Please identify which strategic priorities will be impacted by this report:				
Covid-19 Getting through safely	*Yes*	***X***	*No*	
CQC Getting Back to Good	*Yes*	***X***	*No*	
Transformation – Changing things that will make a difference	*Yes*	***X***	*No*	
Partnerships – working together to make a bigger impact	*Yes*		*No*	***X***

Is this report relevant to compliance with any key standards ?					**State specific standard**
Care Quality Commission	*Yes*	***X***	*No*		***Regulation 17: Good Governance*** ***Regulation 13: Financial Position***
Date Security & Protection Toolkit	*Yes*		*No*	***X***	
Any other specific standard?	*Yes*		*No*	***X***	

Have these areas been considered ? YES/NO					If Yes, what are the implications or the impact? If no, please explain why
Service User and Carer Safety and Experience	*Yes*	***X***	*No*		***Out of scope***
Financial (revenue & capital)	*Yes*	***X***	*No*		***Identification of financial sustainability risks***
OD/Workforce	*Yes*	***X***	*No*		***Out of scope***
Equality, Diversity & Inclusion	*Yes*	***X***	*No*		

Legal	*Yes*	*X*	*No*		***Out of scope***
Environmental Sustainability	*Yes*	*X*	*No*		***Out of scope***

Financial Performance Report

January 2023

Sheffield Health and Social Care NHS Foundation Trust

Contents **Slide/Page**

Proud to care in Sheffield

Executive Summary

KPI	Year to Date Plan £'000	Year To Date Actual £'000	Variance £'000	Annual Plan £'000	Forecast £'000	Variance £'000
Surplus/(Deficit) #	(201)	(3,256)	(3,055)	0	(2,733)	(2,733)
Covid Expenditure	(773)	(823)	(50)	(970)	(846)	123
Agency	(3,733)	(7,660)	(3,927)	(4,348)	(9,012)	(4,664)
Cash	59,362	51,821	(7,541)	61,938	54,031	(7,907)
Efficiency Savings	4,081	2,106	(1,975)	5,168	3,176	(1,992)
Capital # *	(9,055)	(5,480)	3,575	(11,811)	(11,811)	0

KPI		Target	Number	Value
Invoices paid within 30 days (Better Payments Practice Code)	NHS	95%	100%	100%
	Non-NHS	95%	98.9%	99.6%

The forecast deficit shown differs from the position reported to NHSI to meet ICB requirements. The report narrative gives further details.

* The capital plan has changed from that originally submitted to NHSI due to the approval of additional national funding of £0.3m for Electronic Patient Records (EPR), £1.9m for the Health Based Place of Safety projects and £0.1m for Cyber Security. Reduced by £0.07m for system support.

Summary at January 2023:

The position at January is a YTD deficit of £3.256m and is forecasting a deficit of £2.733m. The deficits are predominantly driven by pressures from agency (£4.7m) as the key driver behind a net (£2.9m) pay overspend and out of area purchase of healthcare (£3.2m) expenditure. The funding gap on the planned pay award of £1.2m is also contributing significantly to the deficit. The forecast deficit has improved by £1.1m since M9 as £0.3m additional funding has been confirmed, £0.3m prior year accruals have been released (including 50% of the annual leave accrual) and depreciation charges reduced by £0.5m following a review of asset lives. The £1.1m improvement was recognised as the best-case forecast as M9; no opportunities have been identified to improve the position further. The worst-case forecast is £3.8m recognising the risks that the local authority may not pay the 22/23 management fee in a breach of contract (£0.7m) and efficiency savings may not be achieved (£0.3m).

It should be noted that non-recurrent prior year benefits of £1.4m are included in the forecast, therefore the underlying deficit is being masked by this.

Delivery of recurrent efficiency savings is significantly lower than the revised plan. The current forecast shows a Cost Improvement Programme (CIP) gap/ under delivery of £2m. This and the reliance on £1.2m non-recurrent savings in 22/23 results in a carry forward efficiency requirement of £3.2m for 23/24.

Cash balances remains healthy. Debt owed to SHSC remains higher than expected at £6.7m. At the time of reporting, £3.4m of the debt has been received reducing the balance outstanding to £3.4m. The Guinness Partnership accounts for £1.4m of the outstanding in respect of the Buckwood View contract. It is not yet considered to be at risk of non-payment but it is being monitored closely and has been escalated as a significant matter of concern to the organisation. The local authority debt risk is noted above. The cash forecast is less than plan as: cash receipts are no longer expected from the Fulwood disposal in this financial year; other working capital movements are anticipated; and the forecast deficit I&E position, which includes unplanned interest cash receipts following interest rate increases of circa £1m.

Capital is underspending YTD against plan from a profile and timing perspective due to delays in the phase 3 Ligature Anchor Point (LAP) works, Health Based Place of Safety (HBPoS) and Electronic Patient Record (EPR) projects. There is a risk that spend will not be incurred this year to the extent planned on the Therapeutic Environments Programme (TEP) and so alternative capital projects are being brought forward to ensure the current year funding is not lost to the Trust. However, the TEP commitments will slip into 23/24, which considerably increases pressure on the 23/24 capital programme when South Yorkshire Integrated Care Board (ICB) funding is reducing significantly.

A breakeven forecast has been reported to NHSE/I for M10 as required by the ICB. The ICB has asked us to continue to report breakeven as part of the system reporting on plan. Discussions are taking place within the Integrated Care System (ICS) to determine how surpluses and deficits are managed at individual organisation and system level. The narrative reporting to NHSE/I explains this position.

Financial Overview

INCOME & EXPENDITURE SUMMARY	Year to Date				Forecast (FOT)			
	Plan	Actual	Variance		Plan	Forecast	Variance	
	£000	£000	£000	%	£000	£000	£000	%
Clinical Income	102,740	104,981	2,241	2%	123,282	126,110	2,828	2%
Other Income	18,330	17,400	(930)	(5%)	22,002	20,522	(1,480)	(7%)
Total Income	**121,070**	**122,381**	**1,311**		**145,284**	**146,631**	**1,347**	**1%**
Pay	(96,921)	(99,327)	(2,406)	2%	(116,024)	(118,912)	(2,888)	2%
Non Pay	(22,850)	(25,370)	(2,520)	11%	(27,460)	(32,030)	(4,570)	17%
Total Expenditure	**(119,771)**	**(124,697)**	**(4,926)**		**(143,484)**	**(150,942)**	**(7,458)**	
Net Finance Costs	(1,500)	(1,082)	418	(28%)	(1,800)	(1,103)	697	(39%)
Net Surplus / (Deficit)	**(201)**	**(3,398)**	**(3,197)**		**0**	**(5,413)**	**(5,413)**	
Technical Adjustments	0	142	142	0%	0	2,680	2,680	0%
Adjusted Net Surplus / (Deficit)	**(201)**	**(3,256)**	**(3,055)**		**0**	**(2,733)**	**(2,733)**	
KPI's								
Out of Area healthcare	(5,014)	(7,690)	(2,676)	53%	(6,026)	(9,207)	(3,181)	53%
Agency	(3,733)	(7,660)	(3,927)	105%	(4,348)	(9,012)	(4,664)	107%
Covid	(773)	(823)	(50)	6%	(970)	(846)	123	(13%)

The reported forecast deficit at M10 was £2.733m (£3.835m at M9). Key drivers of the overspend are agency spend of £4.7m and out of area (OOA) spend for the purchase of healthcare of £3.2m. There are a range of variances against plan however as described below:

Clinical income - £2.828m favourable:

- £1.4m increased ICB funding towards the agreed pay award
- £0.4m additional ICB funding for smoking cessation (£0.1m), liaison psychiatry (£0.19m) and long covid (£0.14m).
- £0.5m additional income for community forensic services from the Provider Collaborative, no funding anticipated in the plan for 22/23.
- £0.3m new UTF funding for the EPR project to contribute to revenue costs forecast of £0.8m. All previous funding for EPR has been capital despite significant revenue costs being incurred.
- £0.2m other additional income.

Other income - £1.480m adverse:

- £1.3m adverse due to the TUPE transfer of Occupational Therapy (OT) staff to Sheffield Teaching Hospital (STH), which is matched by reduced staffing (£1.2m) and non-pay costs (£0.1m);
- £0.5m adverse across a large number of providers
- £0.3m favourable unplanned income relating to the prior year (PY).

Further explanations are given on the next page.

Financial Overview

Pay - £2.888m adverse:

- £5m adverse agency spend (excluding £0.3m PY benefit)
- £1.2m adverse pay award pressures for ICB funded services

Offset by favourable movements against plan of:
- £1.8m slippage on recruitment and vacancies
- £1.2m TUPE transfer of OT staff to STH
- £0.3m unutilised PY pay accruals.

The agency overspend is partly due to the high level of planned efficiency savings (£2.4m) and partly due to assumptions about the ability to fill vacancies that have both proved to be over ambitious in the challenging recruitment market. Appendix 1 shows details of the agency savings position.

The £1.2m pay award pressure relates to forecast costs of ICB funded services in 22/23. The recurrent full year effect of the whole Trust establishment is between £1.6m and £2.8m if non-NHS income is not uplifted in line with NHS contracts.

Non pay - £4.570m adverse:

- £2.509m – estimated impairment recognised for the expected market valuation of assets under construction compared to the cost of construction. The cost is offset in full in the technical adjustments section of I&E. External valuers are conducting an asset valuation in January and will confirm the impairment value for year-end.
- £3.2m adverse acute OOA purchase of healthcare and is caused by:
  - Block booked beds price 1.02% higher on average (£0.03m) and bed nights 18% higher than planned (825 nights costing £0.4m)
  - Spot purchase average cost 4.28% higher than the anticipated £604 per night (£0.12m) and bed nights 301% higher than planned (3,526 nights costing £2.2m)
  - One to one observation costs £0.6m less than expected
  - CIP non-delivery of £1.1m (part of £1.8m OOA target shown on slide 7).

Offset by favourable movements against plan of:
- £0.6 net reductions across a range of areas including consultancy, general supplies and services and premises rates.
- £0.5m unutilised PY non-pay accruals.

Net finance costs - £0.697m favourable:

- £1.12m favourable interest receipts following interest rate increases,
- £0.358m adverse PDC dividends payments due to differing assumptions on the levels of forecast net assets and cash balances at year-end, which are used to calculated dividends payable.
- £0.065m adverse on interest lease

Technical adjustments - £2.680m favourable:

Adjustments not recognised in the financial plan:

- £2.509m estimated impairment on the market value of assets – offsetting entry to the non-pay adjustment described above.
- £0.040m depreciation on donated assets
- £0.131m peppercorn leases

Forecast

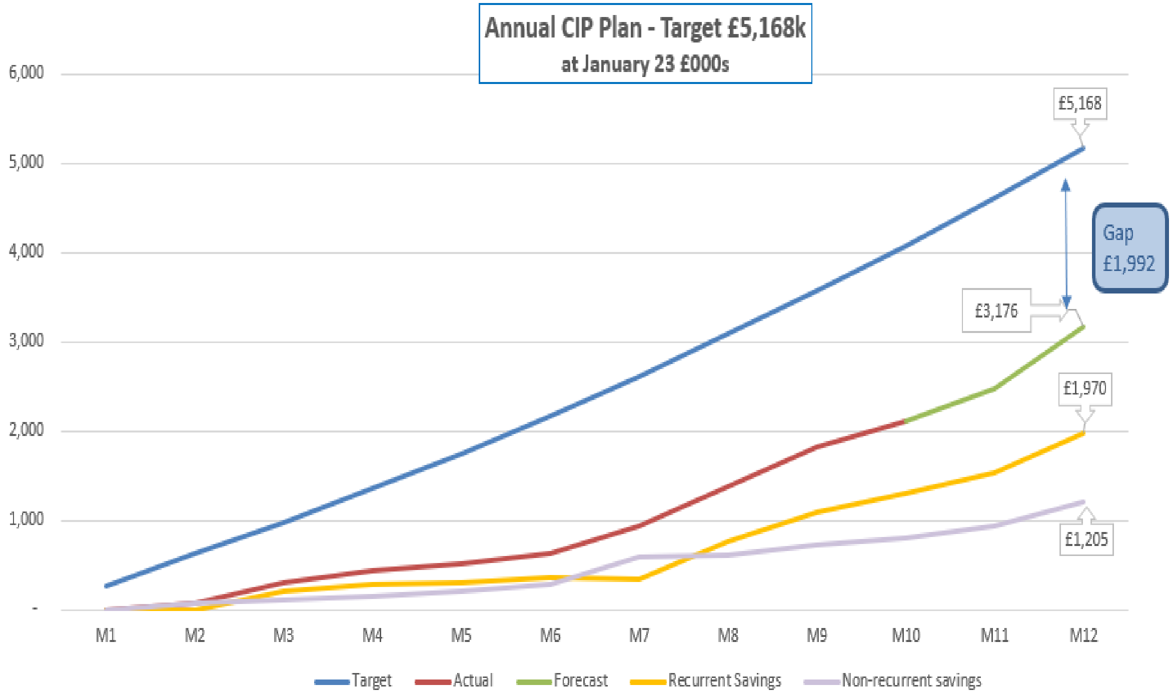
Commentary:

- The Trust deficit is predominantly driven by pressures from agency (£4.7m) as the key driver behind a net (£2.9m) pay overspend and out of area purchase of healthcare (£3.2m) expenditure. The funding gap on the planned pay award is also contributing significantly to the deficit.
- The forecast deficit has improved by £1.1m since M9 as £0.3m additional funding has been confirmed, £0.3m prior year accruals have been released (including 50% of the annual leave accrual) and depreciation charges reduced by £0.5m following a review of asset lives. The £1.1m improvement was recognised as the best-case forecast as M9; no opportunities have been identified to improve the position further.
- The worst case forecast deteriorates by £1m recognising the risk that Sheffield City Council may not pay the management fee they are contractually liable for in 22/23 (£0.7m) and the risk of CIP under delivery (£0.3m).
- Please note that the forecast variances above differ from page 4 as the prior year benefits are included on each line rather than being separated out.

	Prior Year	Actual										Forecast		Forecast Out-turn	M12 Plan	Variance
		Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income																
Income from Patient Care Activities	**130,481**	**10,110**	**10,110**	**10,406**	**10,401**	**10,247**	**11,468**	**10,511**	**10,451**	**10,855**	**10,422**	**10,553**	**10,576**	**126,110**	**123,282**	**2,828**
Other Operating Income	**21,368**	**1,725**	**1,725**	**1,924**	**1,595**	**1,725**	**2,125**	**1,561**	**1,691**	**1,576**	**1,754**	**1,604**	**1,517**	**20,522**	**22,002**	**(1,480)**
Total Income	**151,849**	**11,835**	**11,835**	**12,330**	**11,996**	**11,972**	**13,593**	**12,072**	**12,142**	**12,431**	**12,176**	**12,157**	**12,093**	**146,631**	**145,284**	**1,347**
Expenditure																
Substantive	**100,156**	**(8,466)**	**(8,466)**	**(8,843)**	**(8,577)**	**(7,992)**	**(9,930)**	**(8,799)**	**(8,797)**	**(8,832)**	**(8,994)**	**(8,640)**	**(8,769)**	**(105,104)**	**(106,681)**	**1,577**
Bank	**6,474**	**(384)**	**(384)**	**(364)**	**(358)**	**(364)**	**(394)**	**(299)**	**(351)**	**(357)**	**(393)**	**(357)**	**(358)**	**(4,363)**	**(4,580)**	**217**
Agency	**5,873**	**(675)**	**(675)**	**(883)**	**(764)**	**(856)**	**(846)**	**(911)**	**(725)**	**(623)**	**(705)**	**(650)**	**(700)**	**(9,012)**	**(4,348)**	**(4,664)**
Other (Apprenticeship Levy)	**4,919**	**(35)**	**(35)**	**(37)**	**(33)**	**(35)**	**(36)**	**(41)**	**(69)**	**(36)**	**34**	**(55)**	**(55)**	**(433)**	**(415)**	**(18)**
Total Pay	**117,422**	**(9,559)**	**(9,559)**	**(10,127)**	**(9,732)**	**(9,247)**	**(11,206)**	**(10,049)**	**(9,943)**	**(9,848)**	**(10,057)**	**(9,702)**	**(9,882)**	**(118,912)**	**(116,024)**	**(2,888)**
Out of Area healthcare	**9,708**	**(472)**	**(829)**	**(912)**	**(735)**	**(758)**	**(910)**	**(780)**	**(565)**	**(882)**	**(848)**	**(720)**	**(797)**	**(9,207)**	**(6,026)**	**(3,181)**
Drugs	**965**	**(88)**	**(88)**	**(109)**	**(95)**	**(104)**	**(94)**	**(109)**	**(118)**	**(111)**	**(109)**	**(134)**	**(134)**	**(1,294)**	**(1,016)**	**(278)**
Other non pay	**17,681**	**(1,573)**	**(1,215)**	**(1,537)**	**(1,411)**	**(1,140)**	**(1,604)**	**(1,259)**	**(1,272)**	**(1,524)**	**(1,579)**	**(1,352)**	**(3,014)**	**(18,482)**	**(17,745)**	**(737)**
Total Non Pay	**28,354**	**(2,133)**	**(2,133)**	**(2,558)**	**(2,241)**	**(2,001)**	**(2,608)**	**(2,149)**	**(1,955)**	**(2,518)**	**(2,536)**	**(2,206)**	**(3,946)**	**(28,982)**	**(24,787)**	**(4,195)**
Total Expenditure	**145,776**	**(11,692)**	**(11,692)**	**(12,685)**	**(11,973)**	**(11,248)**	**(13,814)**	**(12,198)**	**(11,898)**	**(12,365)**	**(12,593)**	**(11,909)**	**(13,828)**	**(147,894)**	**(140,811)**	**(7,083)**
EBITDA	**6,073**	**144**	**144**	**(355)**	**23**	**724**	**(221)**	**(126)**	**245**	**65**	**(417)**	**248**	**(1,735)**	**(1,263)**	**4,473**	**(5,736)**
Depreciation & Amortisation	**5,653**	**(241)**	**(241)**	**(99)**	**(193)**	**(423)**	**(364)**	**(236)**	**(166)**	**(277)**	**(300)**	**(254)**	**(254)**	**(3,048)**	**(2,673)**	**(375)**
Net Operating Surplus / (Deficit)	**420**	**(98)**	**(98)**	**(454)**	**(170)**	**301**	**(585)**	**(363)**	**79**	**(211)**	**(718)**	**(6)**	**(1,989)**	**(4,311)**	**1,800**	**(6,111)**
Net Finance Costs		**(118)**	**(118)**	**(103)**	**(82)**	**(257)**	**93**	**(349)**	**(54)**	**(66)**	**(29)**	**(10)**	**(10)**	**(1,103)**	**(1,800)**	**697**
Technical Adjustments	**1,391**	**51**	**51**	**49**	**50**	**(123)**	**16**	**7**	**14**	**15**	**13**	**15**	**2,524**	**2,680**	**0**	**2,680**
Adjusted Net Surplus / (Deficit)	**1,811**	**(165)**	**(165)**	**(508)**	**(202)**	**(79)**	**(476)**	**(704)**	**38**	**(262)**	**(734)**	**(1)**	**525**	**(2,733)**	**0**	**(2,733)**

Cost Improvement Programme (CIP) as at January 23

£000s	Annual Target	Forecast out turn: Achieved Recurrent	Achieved N/R	Total Achieved	Out standing
OOA Delivery Group	1,800	434	-	434	1,366
Agency Delivery Group	1,220	61	-	61	1,159
Efficiency Delivery Group	448	1,475	1,205	2,681	- 2,233
Trust underspend	1,700	-	-	-	1,700
	5,168	**1,970**	**1,205**	**3,176**	**1,992**
		38.1%	23.3%	61.4%	



The forecast gap for CIP delivery is £1,992k. This is a reduction of £140k since last month. Mainly due to the improvement of interest rates.

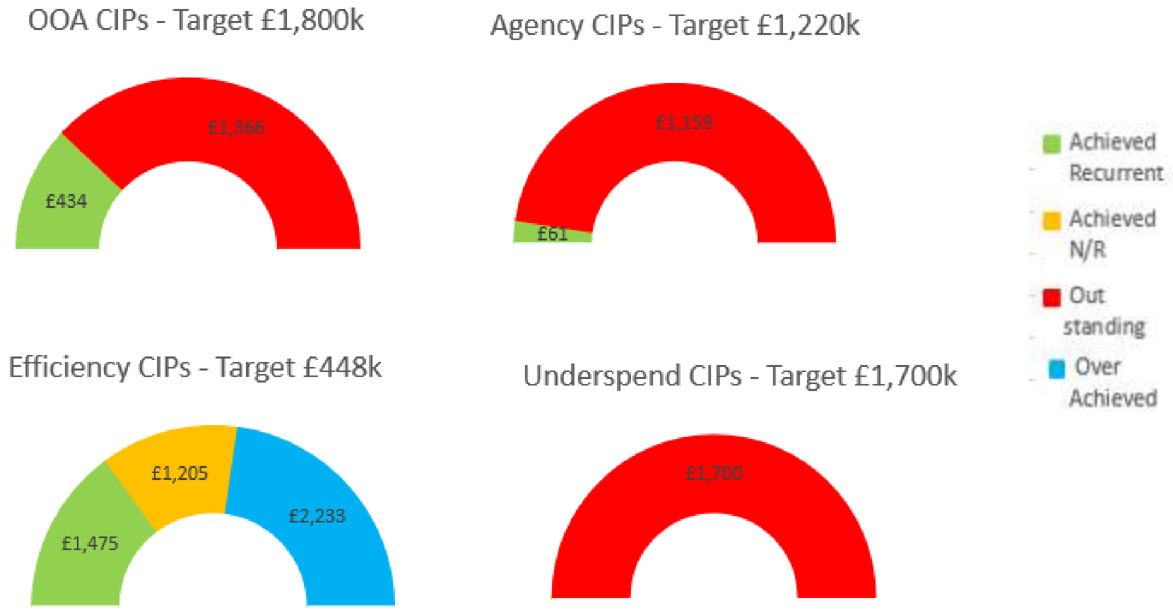
The reliance on non-recurrent savings in 22/23 will increase the recurrent efficiency target for the 23/24 financial year;

The forecast of £3,176k is the likely outturn.

The Programme Board and projects are established and this will continue to be reviewed. The focus is now on developing robust efficiency saving plans for 23/24 however capacity is still the main barrier that is having a significant impact on future plans.

Appendix 1 shows the Agency CIP Dashboard.

These rainbow charts show the forecast achievement for each of the workstream targets:



SOFP | Statement of Financial Position

Year to date

Under new operating lease accounting rules for 2022/23 Right of Use assets have been brought onto the SOFP at £8.3m for the capitalised cost of operating leases less depreciation. This is included in the PPE balance at month 10. Associated borrowing costs of £5.8m and £0.6m are included within non current liabilities and current liabilities respectively for the liability associated with the leases. This is a new accounting treatment to comply with the requirements of IFRS 16.

A positive cash position of £51.8m is reported at the end of January (£54.9m at the end of December). The January cash position is lower than planned due to an increase in receivables during the month and also due to the Trust shortening payment terms to suppliers in order to pay as many invoices as possible before year end and before migrating to the new Financial System. The payables balance still remains higher than it was last year end. The January cash position is £6.9m lower than last year's closing balance. The movement reflects the in year deficit, purchase of non current assets and an increase in payables during the month.

Liabilities remain under control and there are no working capital concerns. The Better Payment Practice Code (BPPC) target is continuing to be met monthly.

The current ratio (current assets to current liabilities) is 5:1, with cash contributing 72% of current assets.

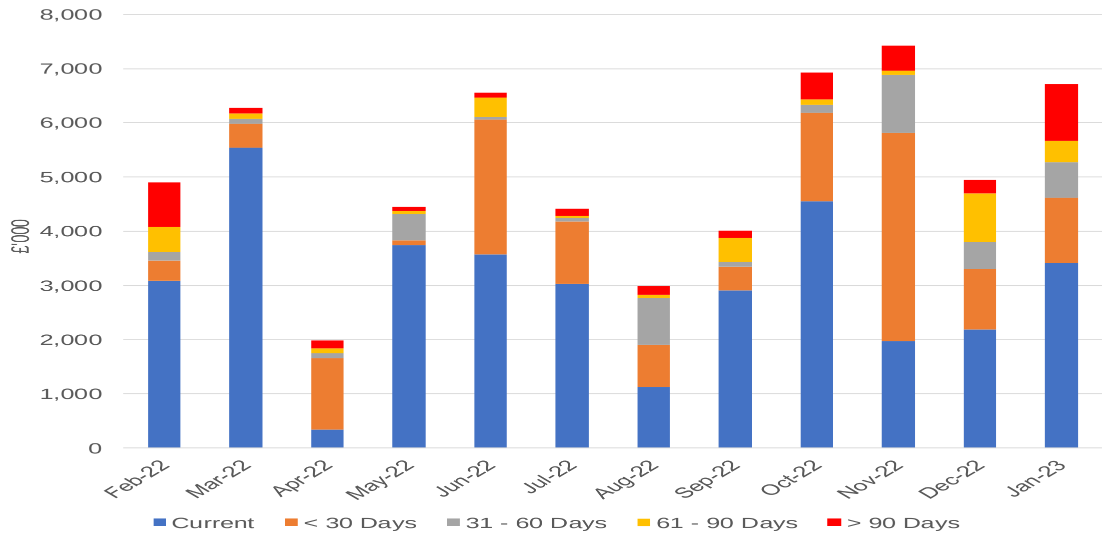
Forecast

Cash is forecast to be £6.4m lower than plan. £3.5m of this movement is due to the timing of the next stage of the Fulwood sale as the plan assumed partial disposal in the current year and this has been delayed until 23/24. £1.5m is for a forecast increase in receivables from plan levels. The remainder is a combination of other working capital movements and the forecast deficit I&E position.

	OPENING 2022/23	YTD ACTUAL	YTD MOVEMENT	ANNUAL PLAN	FORECAST	FORECAST VARIANCE v PLAN
	£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets						
Property, Plant & Equipment (PPE)	55,238	64,990	9,752	65,623	66,735	1,112
Intangible Assets	1,364	2,843	1,479	915	4,700	3,785
Other Non-Current Assets	4,434	4,001	(433)	3,906	4,004	98
Non-Current Assets Total	61,036	71,834	10,798	70,444	75,439	4,995
Current Assets						
Receivables	8,034	9,536	1,502	4,953	6,500	1,547
Cash and Cash Equivalents	58,757	51,821	(6,936)	61,938	54,031	(7,907)
Assets held for sale (Fulwood HQ)	12,000	12,000	0	8,542	12,000	3,458
Other Current Assets	81	84	3	3,633	2,096	(1,537)
Total Current Assets	78,872	73,441	(5,431)	79,066	74,627	(4,439)
Current Liabilities						
Provisions	(762)	(746)	16	(508)	(756)	(248)
Payables	(8,215)	(13,138)	(4,923)	(4,291)	(14,601)	(10,310)
Other Current Liabilities	(5,687)	(2,200)	3,487	(9,644)	(2,915)	6,729
Total Current Liabilities	(14,664)	(16,084)	(1,420)	(14,443)	(18,272)	(3,829)
Net Current Assets/ (Liabilities)	64,208	57,357	(6,851)	64,623	56,355	(8,268)
Total Non-Current Liabilities	(4,285)	(10,033)	(5,748)	(15,155)	(9,931)	5,224
Total Net Assets	120,959	119,158	(1,801)	119,912	121,863	1,951
Total Taxpayers Equity	120,959	119,158	(1,801)	119,912	121,863	1,951

SOFP | Statement of Financial Position – Aged Debt & Working Capital

AGED DEBT ANALYSIS



AGED DEBT BY CUSTOMER

Aged Debt Summary as at 31st January 2023 with updated current balance 27th February 2023

Customer	Total Balance 31/01/23 £'000	Current £'000	< 30 Days £'000	31 - 60 Days £'000	61 - 90 Days £'000	> 90 Days £'000	Balance 27/02/23 £'000
NHS organisations, DHSC and HEE	3,264	2,221	572	308	-47	210	588
Sheffield City Council	1,389	695	-15	354	355	0	881
The Guinness Partnership	1,376	172	172	172	95	765	1,376
South Yorkshire Housing Association	429	200	441	-212	0	0	277
Staff overpayments (47 cases)	73	16	17	7	2	30	68
Other	189	105	18	28	-4	42	144
Total	**6,719**	**3,408**	**1,206**	**657**	**401**	**1,047**	**3,334**

Aged Debt Analysis: Debt remains higher than expected. The overall balance (money owed to the Trust) was £6.7m as at the end of January 2023 (£4.9m at the end of December 2022). It should be noted that £3.4m of this debt had been paid at the time of reporting.

The debt is a combination of NHS, Trade and employee overpayments and a breakdown by customer is shown below, along with the balance remaining outstanding.

Balances of concern are with Sheffield City Council (SCC) and The Guinness Partnership. Invoices totalling £0.53m have been raised to SCC for the 22/23 management fee for the Staff Supply Agreement. There is a risk that SCC may breach contract and not pay the contract value for the year of £0.71m.

The Guinness Partnership is withholding payment of monthly invoices totalling £1.2m for the Buckwood View contract (£1.5m invoices reduced by £0.3m credit notes for prior year underspends). The full year value of expected income is £1.8m. This is not yet considered to be a risk of non payment but the situation is being closely monitored and has been escalated as a matter of significant concern to the organisation.

There is a continuing effort to improve collections especially for debts for overpayments to employees leaving SHSC. Debt recovery services are used where appropriate.

Working Capital Movements: At the end of January 2023 SHSC had a cash balance of £51.8m compared to £58.8m at the end of the last financial year.

The Trust had a negative net working capital balance of £6.5m excluding cash (positive NWC of £45.4m including cash). This has remained stable during the past 12 months.

The high liquidity ratio of 5:1 (current assets: current liabilities) allows SHSC to operate without the need to borrow to finance working capital.

12 Months Cash Flow Forecast

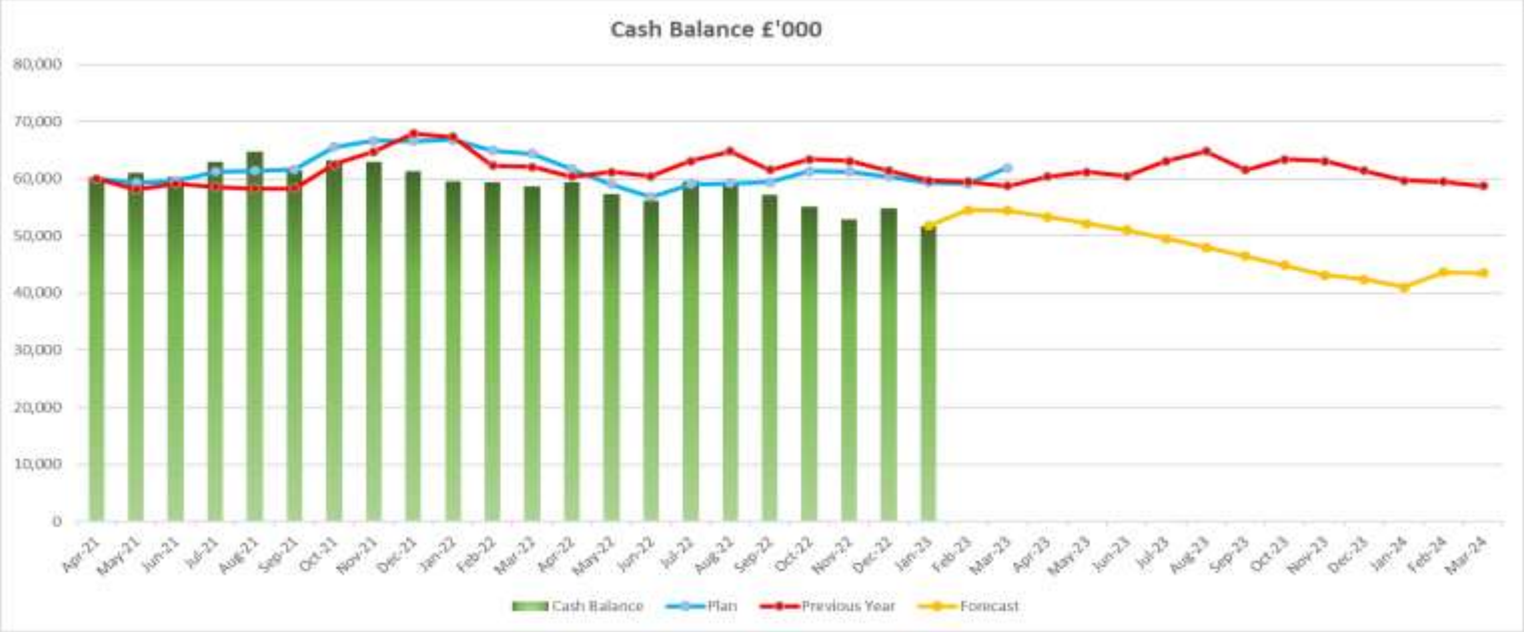
Cash flow as at October 2022	Prior Year Mar-22 £000s	Actual 2022/23 Apr-22 £000s	Actual 2022/23 May-22 £000s	Actual 2022/23 Jun-22 £000s	Actual 2022/23 Jul-22 £000s	Actual 2022/23 Aug-22 £000s	Actual 2022/23 Sep-22 £000s	Actual 2022/23 Oct-22 £000s	Actual 2022/23 Nov-22 £000s	Actual 2022/23 Dec-22 £000s	Actual 2022/23 Jan-23 £000s	Forecast 2022/23 Feb-23 £000s	Forecast 2022/23 Mar-23 £000s
Operating Surplus/(deficit)	2,182		(195)	(454)	(170)	301	(585)	(363)	79	(211)	(718)	369	369
Net cash generated from / (used in) operations	2,983		(186)	(501)	4,346	1,754	(1,892)	(1,331)	(1,732)	4,115	(2,147)	1,375	500
Net cash inflow/(outflow) from investing activities, Total	(8,364)		(883)	(337)	(641)	(1,686)	775	(179)	(629)	(1,920)	797	(1,400)	(3,200)
Net cash inflow/(outflow) before financing	(3,199)	0	(1,264)	(1,292)	3,535	369	(1,702)	(1,873)	(2,282)	1,984	(2,068)	344	(2,331)
Net Cash inflow/(outflow) from financing activities, Total	(119)		(101)	101	0	(855)	(285)	(93)	(54)	(77)	(980)	2,356	2,356
Increase/(decrease) in cash and cash equivalents	(3,318)		(1,365)	(1,191)	3,535	(486)	(1,987)	(1,966)	(2,336)	1,907	(3,048)	2,699	25
Cash and cash equivalents at start of period	62,075	58,757	58,757	57,392	56,201	59,736	59,250	57,263	55,297	52,961	54,868	51,820	54,519
Increase/(decrease) in cash and cash equivalents	(3,318)		(1,365)	(1,191)	3,535	(486)	(1,987)	(1,966)	(2,336)	1,907	(3,048)	2,699	25
Cash and cash equivalents at end of period	58,757	58,757	57,392	56,201	59,736	59,250	57,263	55,297	52,961	54,868	51,820	54,519	54,544

NARRATIVE

The cash balance at the end of January 2023 was £51.8m.

Spend on the capital programme is phased more heavily towards the final quarter of the year. However, this will be partially offset by the receipt of capital funding from NHS Digital and NHSE/I of £3.15m for the Electronic Patient Record scheme, £1.9m for the Health Based Place of Safety project and £0.128m for Cyber Security. The balance of the £11.811m capital programme is funded internally in line with the Capital Departmental Expenditure Limit (CDEL).

The monthly forecast for the remainder of the year is expected to increase to £54.5m.

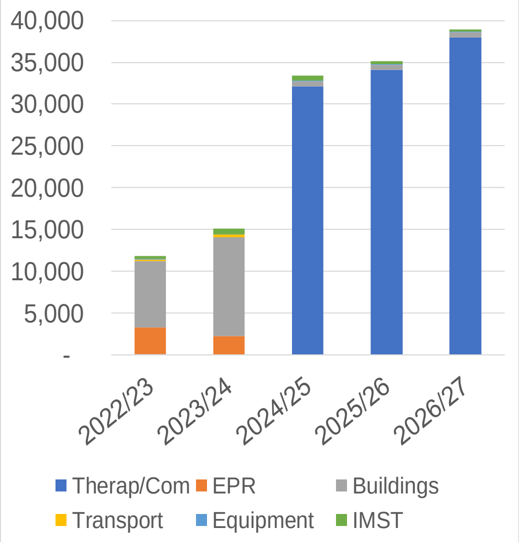


Capital Programme

CAPITAL FORECAST 2022/23 TO 2026/27

Category	2022/23 YTD £000	2022/23 Revised Plan £000	2023/24 Plan £000	2024/25 Plan £000	2025/26 Plan £000	2026/27 Plan £000	Total Programme Forecast £'000
Therap/Com	29	104		32,133	34,106	38,000	104,343
EPR	1,726	3,150	2,250	-	-	-	5,400
Buildings	3,699	7,970	11,849	600	600	600	21,619
Transport	-	173	297	-	-	-	470
Equipment	21	50	50	50	50	50	250
IMST	5	364	705	594	342	282	2,287
Total	**5,480**	**11,811**	**15,151**	**33,377**	**35,098**	**38,932**	**134,369**

Future year plan values are draft, The plan for 2023/24 + next 4 years needs to be finalised in March 2023



POSITION SUMMARY 2022/23

Capital Position to Date	**Revised Plan £'000**	**Actual £'000**	**Variance £'000**	**Indicator**
In-month spend	1,639	657	(982)	Amber
Cumulative spend	9,055	5,480	(3,575)	Amber
Capital expenditure is <85% or >115% of plan for year to date				Amber

Capital Forecast Outturn

	CDEL: Limit £'000	**Revised Plan £'000**	**Actual (FOT) £'000**	**Variance against CDEL Limit**	**Variance against plan £'000**	**Indicator against CDEL**	**Indicator against plan**
Full Year cumulative spend	11,811	12,856	11,811	0	(1,045)	Green	Amber

Capital expenditure is <85% or >115% of plan for full year forecast

NARRATIVE

Following changes throughout the year SHSC now has a Capital Departmental Expenditure Limit (CDEL) total of £11.811m for 2022/23. This comprises core CDEL value of £6.633m plus approved external funding of £3.15m for EPR, £1.9m for HPBoS and £0.128m for Cyber Security.

At the end of January 2023, SHSC is reporting capital expenditure including accruals of £5.48m, which is £3.575m below the revised phased plan. Delays in the phase 3 LAP works, HPBoS and EPR account for the main variances. There is a risk that spend will not be incurred this year to the extent planned on the Therapeutic Environments Programme (TEP). Alternative capital projects are being brought forward to ensure the current year funding is not lost to the Trust. However, the TEP commitments will slip into 23/24, which considerably increases pressure on the 23/24 capital programme when ICB funding is reducing significantly.

The full year forecast as at the end January 2023 is £11.811m, which is in line with the CDEL target. This is lower than the revised plan reflecting the funding changes mentioned above and to ensure the CDEL isn't breached. The position is continually monitored and reported into the Capital Project Group through to the Finance and Performance Committee.

Details of year to date progress by scheme is given in Appendix 2.

The capital forecast for future years assumes external national funding is received to build new hospital sites in future years but this has not yet been confirmed. This is an aspirational forecast and not a capital plan agreed by the Trust and SHSC.

Appendix 1 – Agency CIP dashboard

£000s **Overview SHSC Trust-wide Agency - 2022/23 - Month 10, January 2023**

Over view

	Forecast Target	Forecast Spend	Forecast Variance		Year to date Target	Year to date Spend	Year to date Variance	
Current Month	6,624	9,012	2,388	(149)	3,769	7,660	3,891	705
Previous Month	6,624	9,162	2,537		3,769	6,955	3,186	

The target is based on last years outturn less required CIP for 22/23 (16%)

Commentary

The Health care assistants forecast continues to provide issues on accuracy, the known issues are the averaging cost per shift, the invoices not having the correct ward identified on the invoicing since the name change. A deep dive on Maple during March will hopefully provide more details.

Legend: Green – Target or under; Red – Over target

Suppliers List (top 5)

	Jan	YTD
First point	83	1013
Sanctuary health	77	649
Dutton	26	546
Synergy medic	69	497
Service cares	32	315

not on framework

Agency Directorate Summary £000s

	21/22 Outturn	Target	Forecast Outturn	Var (F) / A		Forecast Pay Variance	YTD Target	YTD Actual	Var (F) / A	
Acute & Community	5,663	4,809	7,141	2,332	Red	1,361	2,736	6,048	3,312	Red
Rehab & Specialist	659	560	737	177	Red	(3,579)	318	622	304	Red
Clinical Central	137	116	147	31	Red	461	66	121	55	Red
Clinical Total	**6,459**	**5,485**	**8,025**	**2,541**	Red	**(1,757)**	**3,120**	**6,792**	**3,672**	Red
Medical	264	225	170	(55)	Green	(508)	128	145	18	Red
Chair/Chief Exec Office	194	165	0	(165)	Green	(91)	94	0	(94)	Green
Nursing & Professions	60	51	70	19	Red	(288)	29	66	37	Red
People Directorate	63	54	155	101	Red	50	31	130	99	Red
Finance	660	561	421	(139)	Green	(58)	319	415	96	Red
IMST	103	88	278	190	Red	(121)	50	238	188	Red
Special Projects & Facilities	94	79	199	120	Red	(483)	45	179	134	Red
Corporate Governance	124	106	8	(98)	Green	36	60	8	(52)	Green
Deputy Chief Exec	68	58	16	(42)	Green	171	33	16	(17)	Green
Central / Obsolete/CIPS	(246)	(246)	(330)	(84)	Green	6,003	(140)	(328)	(188)	Green
Corporate Total	**1,386**	**1,140**	**987**	**(152)**	Green	**4,711**	**648**	**868**	**219**	Red
Total	**7,844**	**6,624**	**9,012**	**2,389**	Red	**2,953**	**3,769**	**7,660**	**3,891**	Red

Comment

The outturn for 21/22 was adjusted to include medical agency which was mis coded to bank all year.
The targets in the dashboard reflect the 21-22 outturn less developed CIP scheme value (16%)

Agency Profession Summary

	21/22 Outturn	Target	Forecast Outturn	Var (F) / A		Forecast Pay Variance	YTD Target	YTD Actual	Var (F) / A	
Health Care Assistant	2,134	1,802	2,874	1,071	Red	2,901	1,025	2,442	1,416	Red
Consultants	1,217	1,027	1,469	441	Red	951	585	1,220	635	Red
Other Medical	970	819	1,315	496	Red	(66)	466	1,093	627	Red
Admin & Clerical	1,491	1,259	1,297	38	Red	(1,467)	716	1,183	466	Red
Nursing Registered	1,501	1,267	1,495	228	Red	937	721	1,262	541	Red
Ancillary	259	219	321	102	Red	(300)	125	268	144	Red
Scientific Therapeutic & Tech	226	191	191	1	Red	543	109	155	46	Red
Allied Health Professions	46	39	49	10	Red	(550)	22	37	14	Red
Total	**7,844**	**6,624**	**9,012**	**2,388**	Red	**2,949**	**3,769**	**7,660**	**3,891**	Red

Comments

1. Admin & Clerical, the reduction is mainly around Finance as vacancies are being filled; however widely, due to various difficulties around turnover and recruitment there will be a continuing need until all Admin posts are filled.

The financial plan and budgets show lower planned spend than the target measured in the dashboard as those values were determined before the schemes were developed.

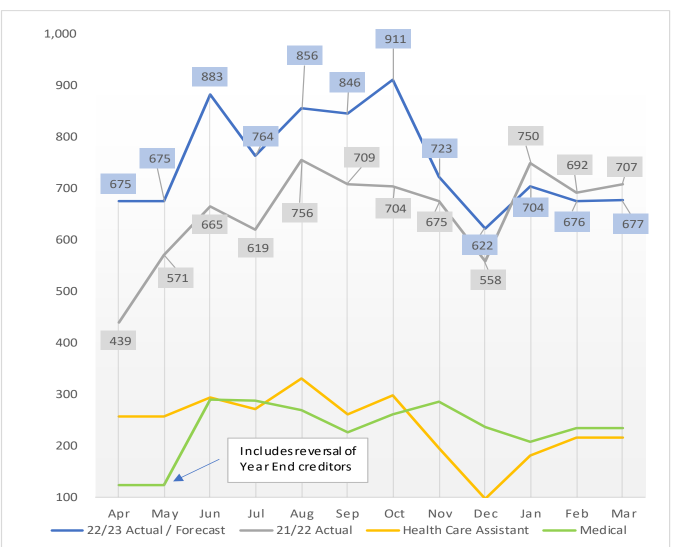
Top 10 Services Highest Forecast spend

Clinical		Forecast Pay Variance	Forecast Outturn	Year to Date	21/22 Out turn
MH Recovery North	Acute & Community	541	943	805	315
Maple Ward	Acute & Community	557	891	745	306
Dovedale 1	Acute & Community	656	852	746	328
Burbage Ward	Acute & Community	482	650	543	455
G1 Ward	Acute & Community	898	636	553	577
Dovedale 2	Acute & Community	-	633	527	416
Endcliffe Ward	Acute & Community	311	545	454	335
SPA/EWB	Acute & Community	- 236	530	457	131
Woodland View	Acute & Community	153	458	381	184
MH Recovery South	Acute & Community	516	349	288	71
Top 10 based on FOT 2022/23			**6,486**	**5,499**	**3,119**
		% of total forecast		*61%*	*41%*
Corporate					
Directorate Finance	Directorate Finance	- 30	159	154	190
Financial Accounts	Financial Accounts	12	124	124	185
Bank eRostering & Wor	Bank eRostering & Work	162	106	81	0
PGME Sheffield	PGME Sheffield	- 3	105	91	0
Facilities Management	Facilities Management Te	- 269	96	96	32
IMST Manager	IMST Manager	47	91	56	69
Maintenance Support	Maintenance Support	576	84	69	14
Freedom of Information	Freedom of Information T	88	81	81	0
Informatics & Systems	Informatics & Systems	- 70	67	67	0
Procurement	Procurement	- 23	64	64	140
Top 10 based on FOT 2022/23			**976**	**883**	**631**
		% of total forecast	*10%*	*8%*	

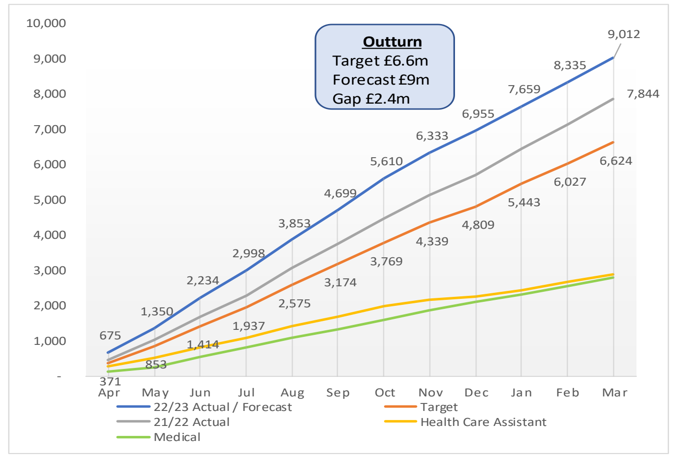
Breaches (Number of Shifts)

	Current Month	Previous Month	Change to previous month	Year to Date
Price Cap Breaches	226	334	- 108	3,268
Framework Breaches	86	114	- 28	2,770
	312	448	- 136	6,038
Price Cap Breaches				
Medical	126	142	- 16	2,443
Registered Nursing	100	110	- 10	509
Administration & Estates	0	82	- 82	277
Scientific, Therapeutic & Technical	0	0	-	39
Framework Breaches				
Registered Nursing	13	12	1	101
Support Workers	73	102	- 29	2,663
Admin & Estates	0	0	-	6
	312	448	- 136	6,038

Agency Comparison - Monthly



Agency Comparison - Cumulative



Appendix 2- Revised Capital Programme Year to Date progress by scheme