

# Board of Directors

## SUMMARY REPORT

Meeting Date: 24 May 2023  
 Agenda Item: 16

<b>Report Title:</b>	<b>Unaudited Financial Performance Report for the period ending March 2023 (month 12)</b>	
<b>Author(s):</b>	Jill Savoury, Head of Finance	
<b>Accountable Director:</b>	Phillip Easthope, Executive Director of Finance, IMST and Performance	
<b>Other meetings this paper has been presented to or previously agreed at:</b>	<b>Committee/Tier 2 Group/Tier 3 Group</b>	Finance and Performance Committee (FPC)
	<b>Date:</b>	11 May 2023
<b>Key points/ recommendations from those meetings</b>	<p>FPC were assured that the overall financial position was delivered in line with forecast and that the M12 changes to pay and income in relation to the pay award and pension costs were outside the Trusts control and not issue with forecasting.</p> <p>FPC noted the capital expenditure programme had been delivered.</p> <p>The aged debt position for Sheffield City Council remains a concern.</p>	

### Summary of key points in report

The year-end position at 31st March 2023 is a deficit of £2.497, which is a £0.233m improvement on the M11 forecast deficit of £2.733m. The deficits are predominantly driven by pressures from agency (£4.6m), pay award funding gap (£1.2m) offset by net vacancies as the key driver behind a net (£3.2m) pay overspend and out of area purchase of healthcare (£3.5m) expenditure. The year-end position assumes that the local authority will pay the 2022/23 management fee. There remains a risk however that there may be a breach of contract (£0.7m) while the debt remains outstanding.

Nationally mandated costs and income have been recognised at M12, which have significantly increased the gross costs and income compared to prior months. The net impact is £nil as costs match income for a potential pay award settlement (£4.882m) and for pension costs that are centrally paid and funded by NHS England (NHSE) (£4.835m).

It should be noted that non-recurrent prior year benefits of £1.6m 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 year-end position shows a Cost Improvement Programme (CIP) gap/ under delivery of £2m. This and the reliance on £0.8m non-recurrent savings in 2022/23 have contributed to the need for £5.73m CIP delivery in the financial plan for 2023/24.

Cash balances remains healthy. Debt owed to SHSC remains at £5m but it has improved significantly in

recent months following peaks in November and January (M11 £5.1m). £3.6m of this balance was not yet overdue at March 31st.

**Recommendation for the Board/Committee to consider:**

<b>Consider for Action</b>		<b>Approval</b>		<b>Assurance</b>	<b>X</b>	<b>Information</b>	
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*The year-end cash balance is less than plan as: cash receipts have not been received as planned due to the delayed Fulwood disposal; other working capital movements; and the deficit I&E position, which includes unplanned interest cash receipts following interest rate increases of circa £1.3m.*

*Capital has overspent against plan by £0.2m as part of system management to ensure the full utilisation of the system capital budget. Prior to this request, SHSC had successfully managed expenditure to £11.810m against a plan of £11.811m.*

*Appendices attached:  
Financial Performance Report M12*

**Please identify which strategic priorities will be impacted by this report:**

Recover services and improve efficiency	Yes	<b>X</b>	No	
Continuous quality improvement	Yes	<b>X</b>	No	
Transformation – Changing things that will make a difference	Yes	<b>X</b>	No	
Partnerships – working together to make a bigger impact	Yes	<b>X</b>	No	

**Is this report relevant to compliance with any key standards ? State specific standard**

<b>Care Quality Commission Fundamental Standards</b>	Yes	<b>X</b>	No		<b>Regulation 17: Good Governance Regulation 13: Financial Position</b>
<b>Data Security and Protection Toolkit</b>	Yes		No	<b>X</b>	
<b>Any other specific standard?</b>	Yes		No	<b>X</b>	

**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, Engagement and Experience	Yes		No		<b>Out of scope</b>
Financial (revenue & capital)	Yes		No		<b>Identification of financial sustainability risks</b>
Organisational Development /Workforce	Yes		No		<b>Out of scope</b>
Equality, Diversity & Inclusion	Yes		No		<b>Out of scope</b>
Legal	Yes		No		<b>Out of scope</b>
Environmental sustainability	Yes		No		<b>Out of scope</b>

# Financial Performance Report

March 2023

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# Executive Summary

## Summary at March 2023:

The year-end position at March 31st is a deficit of £2.497, which is a £0.233m improvement on the M11 forecast deficit of £2.733m. The deficits are predominantly driven by pressures from agency (£4.6m), pay award funding gap (£1.2m) offset by net vacancies as the key driver behind a net (£3.2m) pay overspend and out of area purchase of healthcare (£3.5m) expenditure. The year-end position assumes that the local authority will pay the 2022/23 management fee. There remains a risk however that there may be a breach of contract (£0.7m) while the debt remains outstanding.

Nationally mandated costs and income have been recognised at M12, which have significantly increased the gross costs and income compared to prior months. The net impact is £nil as costs match income for a potential pay award settlement (£4.882m) and for pension costs that are centrally paid and funded by NHS England (NHSE) (£4.835m).

It should be noted that non-recurrent prior year benefits of £1.6m 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 year-end position shows a Cost Improvement Programme (CIP) gap/ under delivery of £2m. This and the reliance on £0.8m non-recurrent savings in 2022/23 has contributed to the need for £5.73m CIP delivery in the financial plan for 2023/24.

Cash balances remains healthy. Debt owed to SHSC remains at £5m but it has improved significantly in recent months following peaks in November and January (M11 £5.1m). £3.6m of this balance was not yet overdue at March 31st.

The year-end cash balance is less than plan as: cash receipts have not been received as planned due to the delayed Fulwood disposal; other working capital movements; and the deficit I&E position, which includes unplanned interest cash receipts following interest rate increases of circa £1.3m.

Capital has overspent against plan by £0.2m as part of system management to ensure the full utilisation of the system capital budget. Prior to this request, SHSC had successfully managed expenditure to £11.810m against a plan of £11.811m.

KPI	Annual Plan £'000	22/23 Outturn £'000	Variance £'000
Surplus/(Deficit)	0	(2,497)	(2,497)
Covid Expenditure	(820)	(792)	28
Agency	(4,348)	(8,963)	(4,615)
Cash	61,938	53,715	(8,223)
Efficiency Savings	5,168	3,159	(2,009)
Capital *	(11,811)	(12,011)	(200)
KPI	Target	Number	Value
Invoices paid within 30 days	NHS	95%	100%
(Better Payments Practice Code)	Non-NHS	95%	99.1%
			99.6%

\* 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.

# Financial Overview

## INCOME & EXPENDITURE SUMMARY

	Year to Date			
	Plan	Actual	Variance	
	£000	£000	£000	%
Clinical Income	123,282	137,970	14,688	12%
Other Income	22,002	22,571	569	3%
<b>Total Income</b>	<b>145,284</b>	<b>160,541</b>	<b>15,257</b>	
Pay	(116,024)	(128,913)	(12,889)	11%
Non Pay	(27,460)	(31,988)	(4,528)	16%
<b>Total Expenditure</b>	<b>(143,484)</b>	<b>(160,901)</b>	<b>(17,417)</b>	
Net Finance Costs	(1,800)	(1,045)	755	(42%)
<b>Net Surplus / (Deficit)</b>	<b>0</b>	<b>(1,405)</b>	<b>(1,405)</b>	
Technical Adjustments	0	(1,092)	(1,092)	0%
<b>Adjusted Net Surplus / (Deficit)</b>	<b>0</b>	<b>(2,497)</b>	<b>(2,497)</b>	
<b>KPI's</b>				
Out of Area healthcare	(6,026)	(9,549)	(3,523)	58%
Agency	(4,348)	(8,963)	(4,615)	106%
Covid	(820)	(792)	28	(3%)

The reported deficit at M12 was £2.497m (£2.733m at M11). Key drivers of the overspend are agency spend of £4.6m and out of area (OOA) spend for the purchase of healthcare of £3.5m. There are a range of variances against plan however as described below:

### **Clinical income - £14.688m favourable (£4.971m excluding M12 nationally mandated income):**

- £4.882m adverse – new for M12, funding for potential pay award costs (offset by matching costs)
- £4.835m adverse – new for M12, notional income for pension costs incurred by NHS England on SHSC's behalf (offset by matching costs)
- £1.9m increased ICB funding towards the agreed pay award
- £1.7m additional ICB funding for liaison psychiatry (£0.2m), long covid (£0.2m), winter surge (£0.8m), depreciation (£0.3m) and various others (£0.2m).
- £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 of £0.5m. All previous funding for EPR has been capital despite significant revenue costs being incurred.
- £0.6m other additional income across a number of areas.

### **Other income - £0.569m favourable (£0.247m favourable excluding M12 notional income):**

- £0.3m favourable, notional income for benefits taken from the apprenticeship levy (offset by matching costs)
- £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
- £0.5m favourable unplanned income relating to the prior year (PY).
- £1.6m favourable as a result of recognising gross income (and associated gross costs) for R&D projects instead of showing the net position.

## **Pay - £12.889m adverse (£3.172m excluding M12 nationally mandated costs):**

- £4.882m adverse for potential pay award costs (offset by additional income)
- £4.835m adverse for notional pension costs incurred by NHS England on SHSC's behalf (offset by matching income)
- £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:

- £1.5m 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 - £4.528m adverse (£4.206m adverse excluding M12 notional income):**

- £0.3m adverse, notional costs for benefits taken from the apprenticeship levy (offset by matching notional income)
- £1m adverse as a result of recognising gross expenditure (and associated gross income) for R&D projects instead of showing the net position.
- £1.365m favourable, impairment reversal following the increase in the market valuation of assets following a professional valuation undertaken for the year-end procedures. The benefit is offset in full in the technical adjustments section of I&E.

- £3.3m adverse acute OOA purchase of healthcare and is caused by:

- Block booked beds price 1.02% higher on average (£0.03m) and bed nights 17.7% higher than planned (825 nights costing £0.4m)
- Spot purchase average cost 3.6% higher than the anticipated £604 per night (£0.11m) and bed nights 325% higher than planned (3,808 nights costing £2.3m)
- 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).

- £0.4m adverse, reactive maintenance spend
- £0.6m adverse, computer hardware, software & maintenance costs
- £0.3m adverse, drugs costs
- £0.5m adverse other across a range of areas
- £0.5m favourable unutilised PY non-pay accruals.

## **Net finance costs - £0.755m favourable:**

- £1.3m favourable interest receipts following interest rate increases,
- £0.4m 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 calculate dividends payable.
- £0.1m adverse on interest lease

## **Technical adjustments - £1.092m adverse:**

Adjustments not recognised in the financial plan:

- £1.4m adverse, impairment reversal following the increase in the market value of assets following the year-end valuation – offsetting entry to the non-pay adjustment described above.
- £0.04m favourable depreciation on donated assets
- £0.13m favourable peppercorn leases
- £0.13m favourable removal of the non cash impact of South Yorkshire Pension Fund transactions.

Further information on income and expenditure trends from 2018/19 is given in Appendix 3.



# Monthly Income & Expenditure Profile

**Commentary:** The year-end position at March 31st is a deficit of £2.497, which is a £0.233m improvement on the M11 forecast deficit of £2.733m. The deficits are predominantly driven by pressures from agency (£4.6m) as the key driver behind a net (£3.2m) pay overspend and out of area purchase of healthcare (£3.5m) expenditure. The funding gap on the planned pay award of £1.2m is also contributing significantly to the deficit. The year-end position assumes that the local authority will pay the 2022/23 management fee. There remains a risk however that there may be a breach of contract (£0.7m) while the debt remains outstanding.

The £0.2m improvement from the M11 forecast occurred following a request from the South Yorkshire Integrated Care Board (ICB) to review revenue expenditure for spend that could be legitimately recognised as capital to ensure the Integrated Care System (the System) achieved financial balance overall for both revenue and capital. This ensured the System secured circa £12m revenue funding for 2022/23 and additional capital funding for 2023/24 as expected in the financial plans submitted to NHSE.

Nationally mandated costs and income have been recognised at M12, which have significantly increased the gross costs and income compared to prior months. The net impact is £nil as costs match income for a potential pay award settlement (£4.882m) and for pension costs that are centrally paid and funded by NHS England (NHSE) (£4.835m). 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 £'000	Actual												Outturn £'000	M12 Plan £'000	Variance £'000
		Apr-22 £'000	May-22 £'000	Jun-22 £'000	Jul-22 £'000	Aug-22 £'000	Sep-22 £'000	Oct-22 £'000	Nov-22 £'000	Dec-22 £'000	Jan-23 £'000	Feb-23 £'000	Mar-23 £'000			
<b>Income</b>																
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	11,349	21,640	137,970	123,282	14,688
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	2,411	2,760	22,571	22,002	569
<b>Total Income</b>	<b>151,849</b>	<b>11,835</b>	<b>11,835</b>	<b>12,330</b>	<b>11,996</b>	<b>11,972</b>	<b>13,593</b>	<b>12,072</b>	<b>12,142</b>	<b>12,431</b>	<b>12,176</b>	<b>13,760</b>	<b>24,400</b>	<b>160,541</b>	<b>145,284</b>	<b>15,257</b>
<b>Expenditure</b>																
Substantive	100,156	(8,466)	(8,466)	(8,843)	(8,577)	(7,992)	(9,930)	(8,799)	(8,797)	(8,832)	(8,994)	(8,756)	(13,785)	(110,235)	(106,681)	(3,554)
Bank	6,474	(384)	(384)	(364)	(358)	(364)	(394)	(299)	(351)	(357)	(393)	(391)	(371)	(4,409)	(4,580)	171
Agency	5,873	(675)	(675)	(883)	(764)	(856)	(846)	(911)	(725)	(623)	(705)	(639)	(661)	(8,963)	(4,348)	(4,615)
Other (Apprenticeship Levy)	4,919	(35)	(35)	(35)	(35)	(34)	(35)	(43)	(72)	(36)	34	(114)	(4,867)	(5,305)	(415)	(4,890)
<b>Total Pay</b>	<b>117,422</b>	<b>(9,559)</b>	<b>(9,559)</b>	<b>(10,125)</b>	<b>(9,734)</b>	<b>(9,246)</b>	<b>(11,205)</b>	<b>(10,051)</b>	<b>(9,946)</b>	<b>(9,848)</b>	<b>(10,057)</b>	<b>(9,900)</b>	<b>(19,684)</b>	<b>(128,913)</b>	<b>(116,024)</b>	<b>(12,889)</b>
Out of Area healthcare	9,708	(472)	(829)	(912)	(735)	(758)	(910)	(780)	(565)	(882)	(848)	(892)	(967)	(9,549)	(6,026)	(3,523)
Drugs	965	(88)	(88)	(109)	(95)	(104)	(94)	(109)	(118)	(111)	(109)	(106)	(130)	(1,262)	(1,016)	(246)
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)	(2,450)	(2,022)	(18,586)	(17,745)	(841)
<b>Total Non Pay</b>	<b>28,354</b>	<b>(2,133)</b>	<b>(2,133)</b>	<b>(2,558)</b>	<b>(2,241)</b>	<b>(2,001)</b>	<b>(2,608)</b>	<b>(2,149)</b>	<b>(1,955)</b>	<b>(2,518)</b>	<b>(2,536)</b>	<b>(3,449)</b>	<b>(3,118)</b>	<b>(29,397)</b>	<b>(24,787)</b>	<b>(4,610)</b>
<b>Total Expenditure</b>	<b>145,776</b>	<b>(11,692)</b>	<b>(11,692)</b>	<b>(12,683)</b>	<b>(11,975)</b>	<b>(11,247)</b>	<b>(13,813)</b>	<b>(12,200)</b>	<b>(11,901)</b>	<b>(12,365)</b>	<b>(12,593)</b>	<b>(13,348)</b>	<b>(22,802)</b>	<b>(158,310)</b>	<b>(140,811)</b>	<b>(17,499)</b>
<b>EBITDA</b>	<b>6,073</b>	<b>144</b>	<b>144</b>	<b>(353)</b>	<b>21</b>	<b>725</b>	<b>(220)</b>	<b>(128)</b>	<b>242</b>	<b>65</b>	<b>(417)</b>	<b>412</b>	<b>1,598</b>	<b>2,231</b>	<b>4,473</b>	<b>(2,242)</b>
Depreciation & Amortisation	5,653	(241)	(241)	(99)	(193)	(423)	(364)	(236)	(166)	(277)	(300)	(255)	204	(2,590)	(2,673)	83
<b>Net Operating Surplus / (Deficit)</b>	<b>420</b>	<b>(98)</b>	<b>(98)</b>	<b>(452)</b>	<b>(172)</b>	<b>302</b>	<b>(584)</b>	<b>(365)</b>	<b>76</b>	<b>(211)</b>	<b>(718)</b>	<b>157</b>	<b>1,803</b>	<b>(360)</b>	<b>1,800</b>	<b>(2,160)</b>
Net Finance Costs		(118)	(118)	(103)	(82)	(257)	93	(349)	(54)	(66)	(29)	(16)	53	(1,045)	(1,800)	755
Technical Adjustments	1,391	51	51	49	50	(123)	16	7	14	15	13	16	(1,249)	(1,092)	0	(1,092)
<b>Adjusted Net Surplus / (Deficit)</b>	<b>1,811</b>	<b>(165)</b>	<b>(165)</b>	<b>(506)</b>	<b>(204)</b>	<b>(78)</b>	<b>(475)</b>	<b>(706)</b>	<b>35</b>	<b>(262)</b>	<b>(734)</b>	<b>156</b>	<b>606</b>	<b>(2,497)</b>	<b>0</b>	<b>(2,497)</b>



# Cost Improvement Programme (CIP) as at March 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	141	-	141	1,079
Efficiency Delivery Group	448	1,775	809	2,584	2,136
Trust underspend	1,700	-	-	-	1,700
	5,168	2,350	809	3,159	2,009

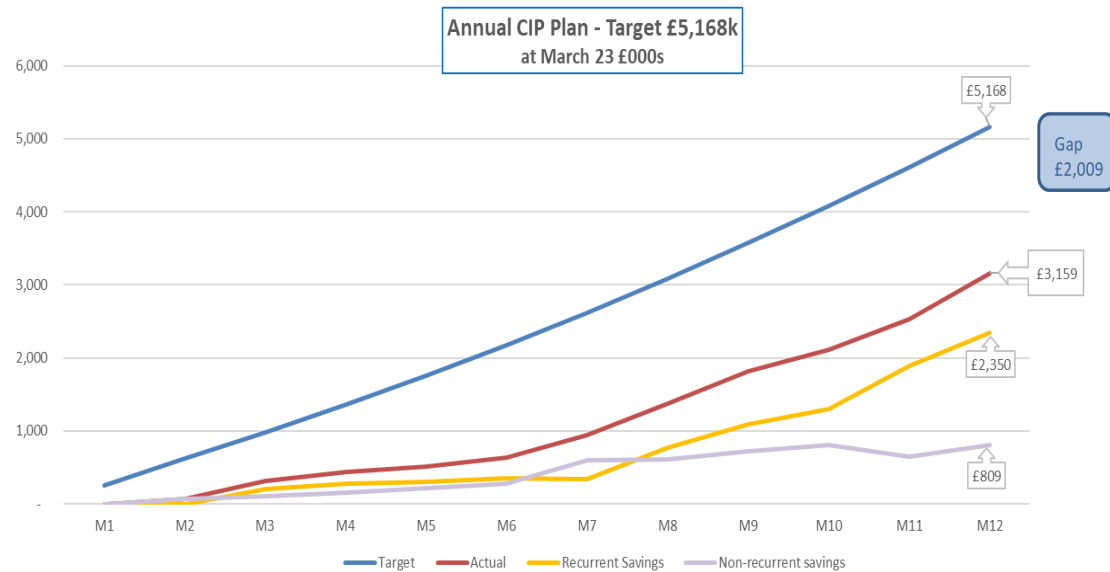
The CIP delivered £3,159k 61% of its target, of which 16% is non recurrent.

The main slippage being OOA and Agency which both have considerable targets in the 23/24 plan.

OOA	£1.7M
Agency Reduction (net)	£2.5m
Efficiency	<u>£1.5m</u>
Total	<u>£5.7m</u>

Appendix 1 shows the Agency CIP Dashboard.

These rainbow charts show the actual achievement for each of the workstream against their targets:



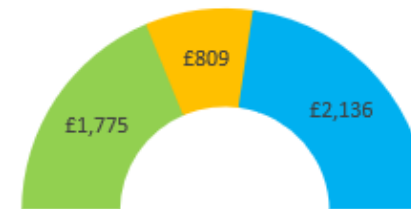
OOA CIPs - Target £1,800k



Agency CIPs - Target £1,220k



Efficiency CIPs - Target £448k



Underspend CIPs - Target £1,700k



- Achieved Recurrent
- Achieved N/R
- Out standing
- Over Achieved

# SOFP | Statement of Financial Position

## Year to date

Under new operating lease accounting rules for 2022/23 Right of Use (ROU) assets have been brought onto the SOFP at £8.1m for the capitalised cost of operating leases less depreciation. The closing ROU value included in Property, Plant and Equipment after depreciation was £7.6m. There are compensating increases in current and non current liabilities for these assets.

The Trust spent £12.0m on it's capital programme during the year and saw revaluation increases of £2.5m on buildings.

The South Yorkshire Pension scheme improved from a liability position of £3.3m in 2021/22 to a liability of £0.3m in 2022/23. The associated back to back pension arrangement moved from an asset of £3.9m to an asset of £0.1m which is included in the 'Other Non-Current Asset' line.

A positive closing cash position of £53.7m is reported at year end (M11 £51.4m). The cash decrease of £5m during the year reflects the Trust's overspend of £2.5m, the expenditure on capital as well as movements in working capital (payables and receivables).

Receivables have increased by £4.3m during the year. Most of this is an increase in accrued income. £4.8m income has been accrued in anticipation of the 2022/23 national pay award. Whilst this has not been agreed NHS England provided the value for organisations to accrue and there is a corresponding expenditure accrual of £4.8m in 'Current Liabilities'.

Payables have increased by £1.3m which includes an increase of £1.2m in capital payables.

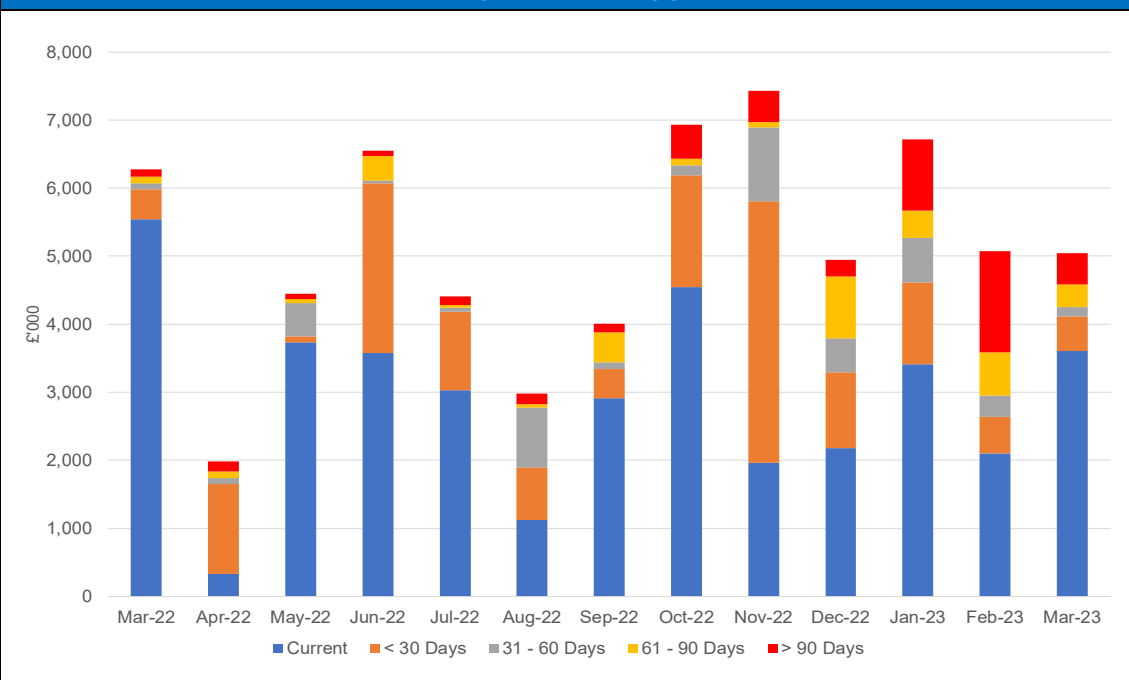
Other Current Liabilities has increased by £5.7m and includes the £4.8m pay award accrual (related income accrued in Current Assets) and £0.6m of borrowings relating to the liability recognised for the ROU assets.

The Non-Current Liabilities increase of £2.2m includes borrowing costs of £5.6m relating to the ROU assets less the South Yorkshire Pension Scheme reduction of £3.1m as described above.

	OPENING 2022/23	DRAFT CLOSING 2022/23	MOVEMENT IN YEAR	ANNUAL PLAN	CLOSING BALANCE v PLANNED BALANCE
	£'000	£'000	£'000	£'000	£'000
<b><u>Non-Current Assets</u></b>					
Property, Plant & Equipment (PPE)	55,238	71,868	16,630	65,623	6,245
Intangible Assets	1,364	4,478	3,114	915	3,563
Other Non-Current Assets	4,434	414	(4,020)	3,906	(3,492)
<b>Non-Current Assets Total</b>	<b>61,036</b>	<b>76,760</b>	<b>15,724</b>	<b>70,444</b>	<b>6,316</b>
<b><u>Current Assets</u></b>					
Receivables	8,034	12,357	4,323	4,953	7,404
Cash and Cash Equivalents	58,757	53,715	(5,042)	61,938	(8,223)
Assets held for sale (Fulwood HQ)	12,000	12,000	0	8,542	3,458
Other Current Assets	81	54	(27)	3,633	(3,579)
<b>Total Current Assets</b>	<b>78,872</b>	<b>78,126</b>	<b>(746)</b>	<b>79,066</b>	<b>(940)</b>
<b><u>Current Liabilities</u></b>					
Provisions	(762)	(662)	100	(508)	(154)
Payables	(8,215)	(9,465)	(1,250)	(4,291)	(5,174)
Other Current Liabilities	(5,687)	(11,372)	(5,685)	(9,644)	(1,728)
<b>Total Current Liabilities</b>	<b>(14,664)</b>	<b>(21,499)</b>	<b>(6,835)</b>	<b>(14,443)</b>	<b>(7,056)</b>
<b>Net Current Assets/ (Liabilities)</b>	<b>64,208</b>	<b>56,627</b>	<b>(7,581)</b>	<b>64,623</b>	<b>(7,996)</b>
<b>Total Non-Current Liabilities</b>	<b>(4,285)</b>	<b>(6,452)</b>	<b>(2,167)</b>	<b>(15,155)</b>	<b>8,703</b>
<b>Total Net Assets</b>	<b>120,959</b>	<b>126,935</b>	<b>5,976</b>	<b>119,912</b>	<b>7,023</b>
<b>Total Taxpayers Equity</b>	<b>120,959</b>	<b>126,935</b>	<b>5,976</b>	<b>119,912</b>	<b>7,023</b>

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

## AGED DEBT ANALYSIS



## Aged Debt Summary as at 31st March 2023

Customer	Total Balance 31/03/23 £'000	Current £'000	< 30 Days £'000	31 - 60 Days £'000	61 - 90 Days £'000	> 90 Days £'000	Balance >120 days £'000
NHS Trusts, FTs and ICB	2,785	2,506	245	29	2	3	0
NHSE and DoH	294	81	59	80	0	15	59
HEE	4	4	0	0	0	0	0
Sheffield City Council	1,183	373	117	0	-15	353	355
The Guinness Partnership	297	297	0	0	0	0	0
South Yorkshire Housing Association	300	300	0	0	0	0	0
Staff overpayments	79	11	0	14	11	13	30
Other	104	34	85	13	-32	-8	13
<b>Total</b>	<b>5,046</b>	<b>3,606</b>	<b>506</b>	<b>136</b>	<b>-34</b>	<b>376</b>	<b>457</b>

**Aged Debt Analysis:** As at 31st March 2023 there were unpaid receivable invoices totalling £5.046m (£5.076m as at 28th February 2023). £3.6m of the unpaid invoices relates to invoices raised during March 2023 and were not overdue as at 31st March 2023.

The Guinness Partnership paid its outstanding balance of £1.5m during March which reduced the older debt. The significant remaining older debt is with Sheffield City Council Trust who have an overdue balance of £0.81m. The Trust are in discussion with the Council and all overdue debt is regularly chased.

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 March 2023 SHSC had a cash balance of £53.7m compared to £58.8m at the end of the last financial year.

The Trust had a negative net working capital balance of £8.9m excluding cash (positive NWC of £44.8m including cash). This has remained stable during the past 12 months.

The high liquidity ratio of 3.6:1 (current assets:current liabilities) allows SHSC to operate without the need to borrow to finance working capital.

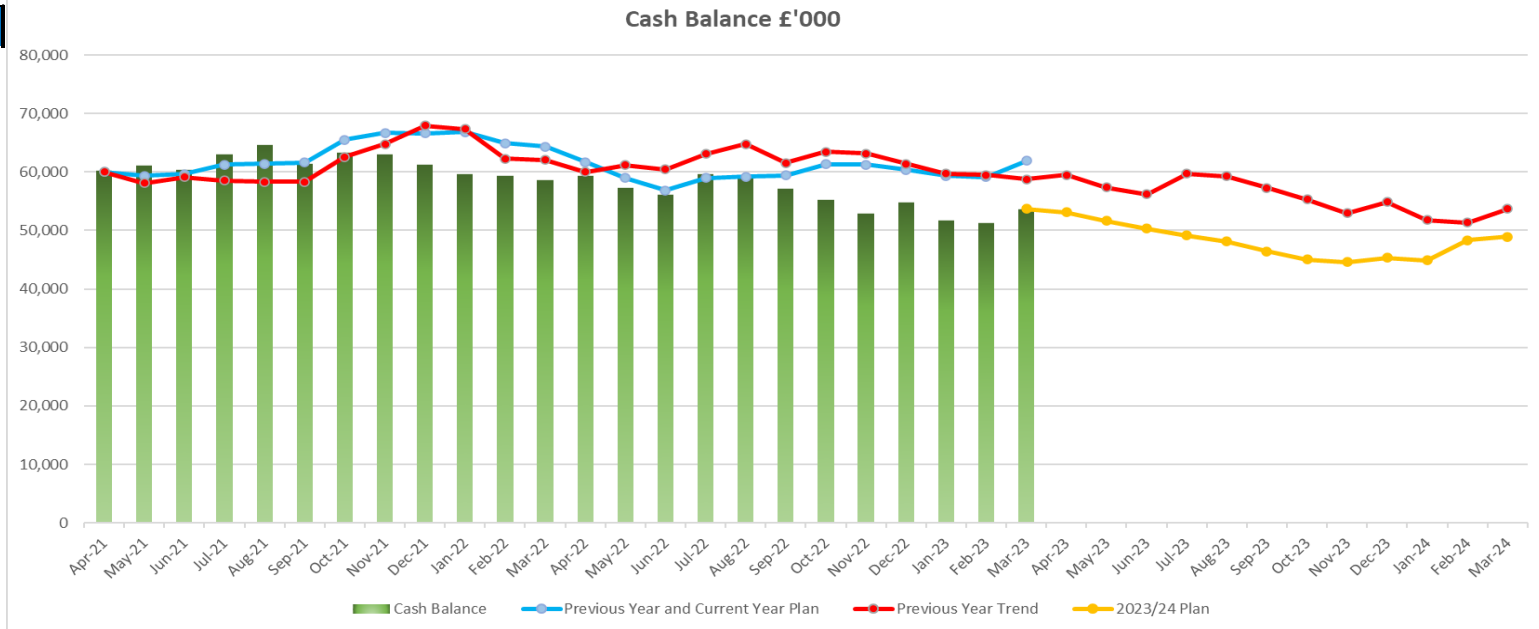
# 12 Months Cash Flow Forecast

	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	Actual 2022/23 Feb-23 £000s	Actual 2022/23 Mar-23 £000s
<b>Cash flow as at March 2023</b>													
<b>Operating Surplus/(deficit)</b>	<b>2,182</b>	<b>(98)</b>	<b>(98)</b>	<b>(454)</b>	<b>(170)</b>	<b>301</b>	<b>(585)</b>	<b>(363)</b>	<b>79</b>	<b>(211)</b>	<b>(718)</b>	<b>157</b>	<b>1,800</b>
<b>Net cash generated from / (used in) operations</b>	<b>2,983</b>	<b>(93)</b>	<b>(93)</b>	<b>(501)</b>	<b>4,346</b>	<b>1,754</b>	<b>(1,892)</b>	<b>(1,331)</b>	<b>(1,732)</b>	<b>4,115</b>	<b>(2,147)</b>	<b>1,107</b>	<b>(808)</b>
<b>Net cash inflow/(outflow) from investing activities, Total</b>	<b>(8,364)</b>	<b>(442)</b>	<b>(442)</b>	<b>(337)</b>	<b>(641)</b>	<b>(1,686)</b>	<b>775</b>	<b>(179)</b>	<b>(629)</b>	<b>(1,920)</b>	<b>797</b>	<b>(1,486)</b>	<b>(3,563)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(3,199)</b>	<b>(632)</b>	<b>(632)</b>	<b>(1,292)</b>	<b>3,535</b>	<b>369</b>	<b>(1,702)</b>	<b>(1,872)</b>	<b>(2,283)</b>	<b>1,984</b>	<b>(2,068)</b>	<b>(222)</b>	<b>(2,571)</b>
<b>Net Cash inflow/(outflow) from financing activities, Total</b>	<b>(119)</b>	<b>(51)</b>	<b>(51)</b>	<b>101</b>	<b>0</b>	<b>(855)</b>	<b>(285)</b>	<b>(94)</b>	<b>(53)</b>	<b>(77)</b>	<b>(980)</b>	<b>(224)</b>	<b>4,912</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(3,318)</b>	<b>(683)</b>	<b>(683)</b>	<b>(1,191)</b>	<b>3,535</b>	<b>(486)</b>	<b>(1,987)</b>	<b>(1,966)</b>	<b>(2,336)</b>	<b>1,907</b>	<b>(3,048)</b>	<b>(446)</b>	<b>2,340</b>
<b>Cash and cash equivalents at start of period</b>	<b>62,075</b>	<b>58,757</b>	<b>58,075</b>	<b>57,392</b>	<b>56,201</b>	<b>59,736</b>	<b>59,250</b>	<b>57,263</b>	<b>55,297</b>	<b>52,961</b>	<b>54,868</b>	<b>51,820</b>	<b>51,374</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(3,318)</b>	<b>(683)</b>	<b>(683)</b>	<b>(1,191)</b>	<b>3,535</b>	<b>(486)</b>	<b>(1,987)</b>	<b>(1,966)</b>	<b>(2,336)</b>	<b>1,907</b>	<b>(3,048)</b>	<b>(446)</b>	<b>2,340</b>
<b>Cash and cash equivalents at end of period</b>	<b>58,757</b>	<b>58,075</b>	<b>57,392</b>	<b>56,201</b>	<b>59,736</b>	<b>59,250</b>	<b>57,263</b>	<b>55,297</b>	<b>52,961</b>	<b>54,868</b>	<b>51,820</b>	<b>51,374</b>	<b>53,714</b>

## NARRATIVE

The cash balance at the end of March 2023 was £53.7m.

Spend on the capital programme was phased more heavily towards the final quarter of the year. However, this was 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 £12.011m capital programme spend was funded internally in line with the Capital Departmental Expenditure Limit (CDEL).



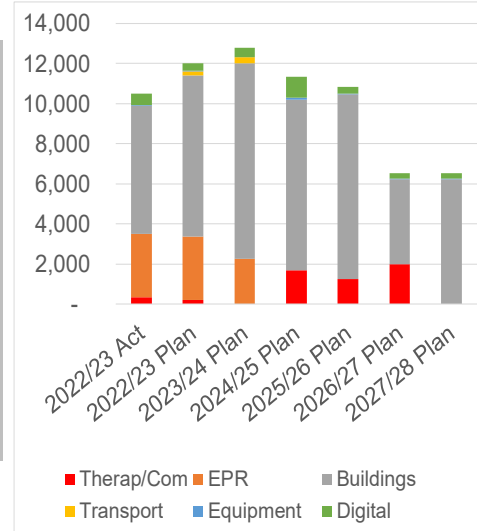
# Capital Programme

## CAPITAL FORECAST 2022/23 TO 2027/28

Category	2022/23		2023/24	2024/25	2025/26	2026/27	2027/28	Total Programme Forecast £'000
	Plan £000	Actual £000	Plan £000	Plan £000	Plan £000	Plan £000	Plan £000	
Therap/Com	350	215		1,678	1,250	2,000		5,143
EPR	3,150	3,152	2,250	-	-	-	-	5,402
Buildings	6,388	8,039	9,759	8,519	9,199	4,209	6,209	39,725
Transport	-	213	297	-	-	-	-	510
Equipment	50	28	-	100	50	50	50	228
Digital	562	364	485	1,044	342	282	282	2,517
<b>Total</b>	<b>10,500</b>	<b>12,011</b>	<b>12,791</b>	<b>11,341</b>	<b>10,841</b>	<b>6,541</b>	<b>6,541</b>	<b>53,525</b>

The plan for 2023/24 + next 4 years was finalised in March 2023

The new build therapeutic environment facilities are not in the plan require external funding



## NARRATIVE

Following changes throughout the year SHSC had a final Capital Departmental Expenditure Limit (CDEL) total of £11.811m for 2022/23. This comprised 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 March 2023, SHSC is reporting a draft capital expenditure position including accruals of £12.011m. Whilst this is a £0.2m overspend against the revised plan for the year it was agreed and managed carefully across the ICS. Other ICS partners underspent against their CDEL so the Trust's overspend ensured that the system utilised the available CDEL funds for the year.

Finance and Procurement worked closely with Estates and Digital to ensure schemes were delivered as planned and any delays or underspends were offset by bringing forward other planned schemes.

Delays to the phase 3 LAP works and s136 (HBPoS) in 2022/23 mean these schemes will continue into 2023/24 and become commitments against the 2023/24 capital programme.

## POSITION SUMMARY 2022/23

Capital Position to Date	Revised Plan £'000	Actual £'000	Variance £'000	Indicator			
In-month spend	2,192	4,883	2,691	Amber			
Cumulative spend	12,856	12,011	(845)	Amber			
Capital expenditure is <85% or >115% of plan for year to date				Amber			
Capital Forecast Outturn	CDEL: Limit £'000	Revised Plan £'000	Actual Exp £'000	Variance against CDEL Limit	Variance against plan £'000	Indicator against CDEL	Indicator against plan
Full Year cumulative spend	11,811	12,856	12,011	200	(845)	Green	Green

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

# Appendix 1 – Agency CIP dashboard

£000s

Overview SHSC Trust-wide Agency - 2022/23 - Month 12, March 2023

Over view						Year to date				Commentary		Suppliers List (top 5)		
	Target	Spend	Variance			Target	Spend	Variance				Mar	YTD	
Current Month	6,624	8,963	2,338	(26)		6,624	8,963	2,338	112	The final year end figures have shown an increase on the previous year, the various delivery groups are already showing improvements in many areas so the expectation of next year will be to not only improve on this year but also the previous year.	Legend	Green	Target or under	
Previous Month	6,624	8,989	2,364			6,072	8,299	2,227	Red		Over target	First point	58	1117
The target is based on last years outturn less required CIP for 22/23 (16%)												Dutton	17	576
												Synergy medic	51	576
												Real Staffing	147	555
												Key : not on framework		

Agency Directorate Summary £000s										
	21/22 Outturn	Target	Outturn	Var (F) / A	Pay Variance	YTD Target	YTD Actual	Var (F) / A		
Acute & Community	5,341	4,536	7,101	2,565	Red	3,703	4,536	7,101	2,565	Red
Rehab & Specialist	981	833	724	(108)	Green	432	833	724	(108)	Green
Clinical Central	137	116	150	34	Red	393	116	150	34	Red
<b>Clinical Total</b>	<b>6,459</b>	<b>5,485</b>	<b>7,975</b>	<b>2,490</b>	<b>Red</b>	<b>4,527</b>	<b>5,485</b>	<b>7,975</b>	<b>2,490</b>	<b>Red</b>
Medical	264	225	182	(42)	Green	73	225	182	(42)	Green
Chair/Chief Exec Office	194	165	0	(165)	Green	(40)	165	0	(165)	Green
Nursing & Professions	60	51	75	24	Red	131	51	75	24	Red
People Directorate	63	54	155	101	Red	208	54	155	101	Red
Finance	660	561	415	(146)	Green	24	561	415	(146)	Green
IMST	103	88	267	179	Red	(50)	88	267	179	Red
Special Projects & Facilities	94	79	198	119	Red	(419)	79	198	119	Red
Corporate Governance	124	106	8	(98)	Green	57	106	8	(98)	Green
Deputy Chief Exec	68	58	16	(42)	Green	380	58	16	(42)	Green
Central / Obsolete/CIPS	(246)	(246)	(328)	(82)	Green	3,146	(246)	(328)	(82)	Green
<b>Corporate Total</b>	<b>1,386</b>	<b>1,140</b>	<b>988</b>	<b>(151)</b>	<b>Green</b>	<b>3,510</b>	<b>1,140</b>	<b>988</b>	<b>(152)</b>	<b>Green</b>
<b>Total</b>	<b>7,844</b>	<b>6,624</b>	<b>8,963</b>	<b>2,339</b>	<b>Red</b>	<b>8,037</b>	<b>6,624</b>	<b>8,963</b>	<b>2,338</b>	<b>Red</b>

**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	Outturn	Var (F) / A	Pay Variance	YTD Target	YTD Actual	Var (F) / A		
Health Care Assistant	2,134	1,802	2,718	916	Red	2,669	1,802	2,718	916	Red
Consultants	1,217	1,027	1,451	424	Red	1,063	1,027	1,451	424	Red
Other Medical	970	819	1,316	497	Red	86	819	1,316	497	Red
Admin & Clerical	1,491	1,259	1,281	22	Red	(1,266)	1,259	1,281	22	Red
Nursing Registered	1,501	1,267	1,646	378	Red	(8)	1,267	1,646	378	Red
Ancillary	259	219	311	92	Red	(119)	219	311	92	Red
Scientific Therapeutic & Tech	226	191	207	16	Red	1,483	191	207	16	Red
Allied Health Professions	46	39	32	(7)	Green	(574)	39	32	(7)	Green
<b>Total</b>	<b>7,844</b>	<b>6,624</b>	<b>8,963</b>	<b>2,339</b>	<b>Red</b>	<b>3,334</b>	<b>6,624</b>	<b>8,963</b>	<b>2,339</b>	<b>Red</b>

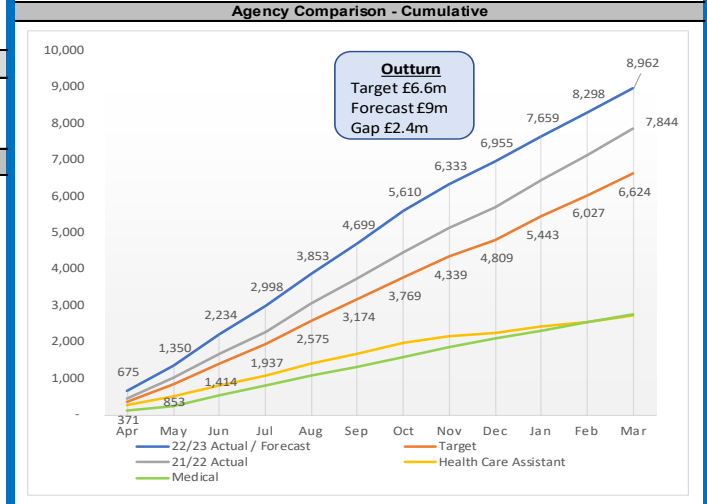
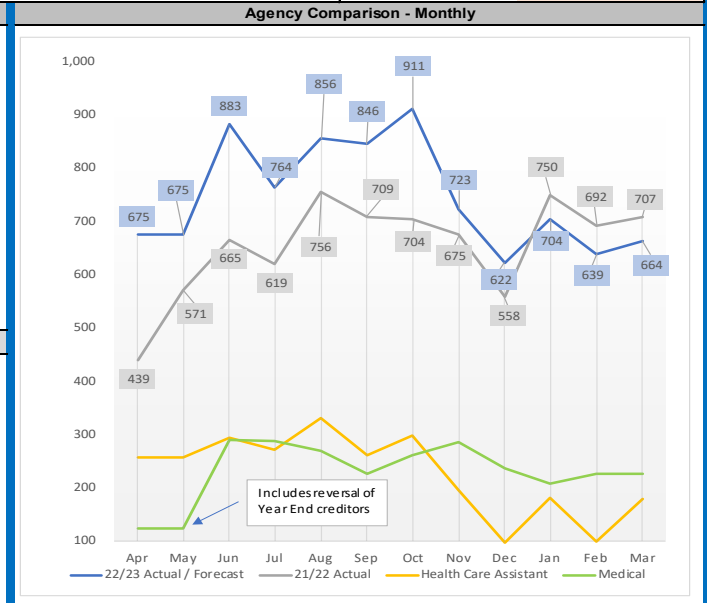
**Comments**  
1. Admin & Clerical, the reduction is mainly around Finance as vacancies are being filled; however widely, due to various difficulties around turnover and recruitment there will be a continuing need until all Admin posts are filled.

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									
	Pay Variance	Outturn	Year to Date	21/22 Out turn					
<b>Clinical</b>									
MH Recovery North	299	866	866	315					
Maple Ward	485	807	807	306					
Dovedale 1	693	795	795	328					
Burbage Ward	430	581	581	455					
Dovedale 2	247	570	570	416					
G1 Ward	865	562	562	577					
Endcliffe Ward	311	495	495	335					
SPA/EWB	661	485	485	131					
Woodland View	270	430	430	184					
MH Recovery South	221	320	320	71					
<b>Top 10 based on FOT 2022/23</b>		<b>5,912</b>	<b>5,912</b>	<b>3,119</b>					
<b>% of total forecast</b>			<b>66%</b>	<b>35%</b>					

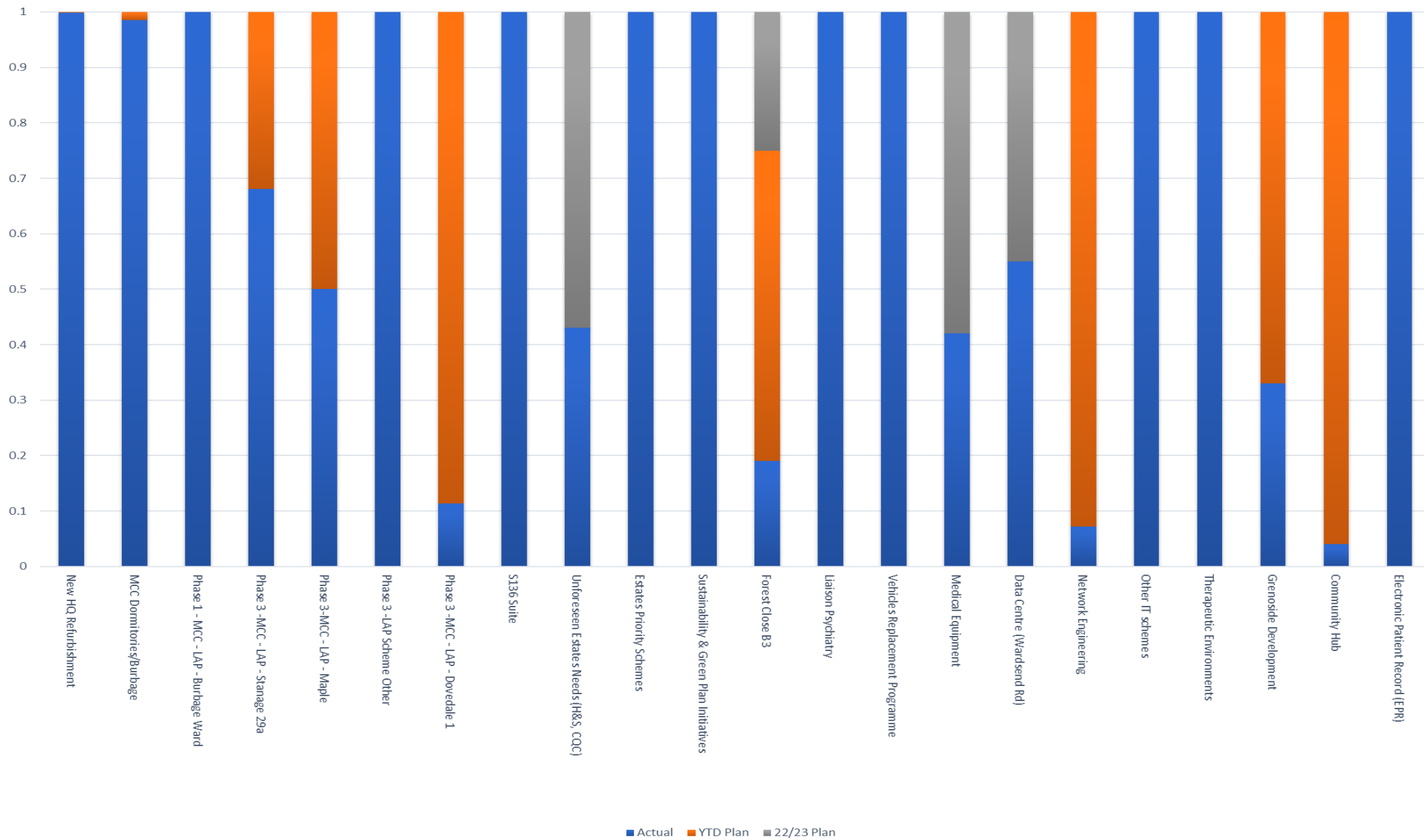
Corporate									
	Pay Variance	Outturn	Year to Date	21/22 Out turn					
Directorate Finance	18	154	154	190					
Clinical Management Te	480	124	124	185					
PGME Sheffield	4	96	96	32					
Financial Accounts	18	91	91	0					
Freedom of Information	83	81	81	0					
New EPR	2	81	81	0					
Facilities Management	236	69	69	14					
Maintenance Support	81	67	67	0					
Procurement	13	64	64	140					
Bank eRostering & Wor	112	56	56	69					
<b>Top 10 based on FOT 2022/23</b>		<b>883</b>	<b>883</b>	<b>631</b>					
<b>% of total forecast</b>			<b>10%</b>	<b>7%</b>					

Breaches (Number of Shifts)				
	Current Month	Previous Month	Change to previous month	Year to Date
Price Cap Breaches	265	245	39	3,778
Framework Breaches	50	40	36	2,860
	315	285	3	6,638
<b>Price Cap Breaches</b>				
Medical	128	110	2	2,681
Registered Nursing	137	135	37	781
Administration & Estates	-	-	-	277
Scientific, Therapeutic & Technical	-	-	-	39
<b>Framework Breaches</b>				
Registered Nursing	10	8	3	119
Support Workers	40	32	33	2,735
Admin & Estates	-	-	-	6
	315	285	3	6,638





# Appendix 2- Revised Capital Programme progress by scheme



## Appendix 3 – Income and Expenditure Trends

	18/19	19/20	20/21	21/22	22/23 Outturn
	£000	£000	£000	£000	£000
Income from patient care activities	98,720	105,734	118,174	130,481	137,970
Other Income	29,216	25,741	35,537	21,368	22,571
<b>Total Income</b>	<b>127,936</b>	<b>131,475</b>	<b>153,711</b>	<b>151,849</b>	<b>160,541</b>
Pay	(94,015)	(104,443)	(116,244)	(117,422)	(128,913)
Non Pay	(20,798)	(22,547)	(33,569)	(32,245)	(31,988)
<b>Total Expenditure</b>	<b>(114,813)</b>	<b>(126,990)</b>	<b>(149,813)</b>	<b>(149,667)</b>	<b>(160,901)</b>
Net Finance Costs	(1,432)	(1,148)	(1,415)	(1,762)	(1,045)
<b>Net Surplus / (Deficit)</b>	<b>11,691</b>	<b>3,337</b>	<b>2,483</b>	<b>420</b>	<b>(1,405)</b>
Technical Adjustments	172	145	182	1,391	(1,092)
<b>Adjusted Net Surplus / (Deficit)</b>	<b>11,863</b>	<b>3,482</b>	<b>2,665</b>	<b>1,811</b>	<b>(2,497)</b>
<b>KPI's</b>					
Acute Out of Area purchase of healthcare	(270)	(625)	(2,079)	(5,283)	(6,460)
PICU Out of Area purchase of healthcare	(1,088)	(881)	(1,403)	(1,696)	(1,764)
Rehab Out of Area purchase of healthcare	(628)	(1,691)	(1,789)	(1,525)	(1,324)
<b>Total Out of Area healthcare</b>	<b>(1,986)</b>	<b>(3,197)</b>	<b>(5,271)</b>	<b>(8,504)</b>	<b>(9,549)</b>
<i>Year on year % increase</i>		61%	65%	61%	12%
<b>Total Agency Spend</b>	<b>(3,540)</b>	<b>(4,096)</b>	<b>(4,721)</b>	<b>(5,899)</b>	<b>(8,963)</b>
<i>Year on year % increase</i>		16%	15%	25%	52%

Finance and Performance Committee (FPC) has requested high level information on expenditure trends to be included in this report. This is to give context to discussions regarding drivers of the deficit and efficiency saving opportunities.

The table to the left shows the changes in income and expenditure at summary level from 2018/19 to 2022/23.

Agency and out of area expenditure is shown separately as these are the key drivers of the deficit position.

Out of area spend is broken down into 3 components of acute, PICU and rehab. Acute is the key area of concern as expenditure has gone up significantly year on year.