Board of Directors - Public

SUMMARY REPORT	Meeting Date:	27 March 2024
	Agenda Item:	15

Report Title:	**Financial Performance Report as at 31st January (month 10)**	
Author(s):	Jill Savoury, Head of Finance	
Accountable Director:	Phillip Easthope, Executive Director of Finance, Digital and Performance	
Other meetings this paper has been presented to or previously agreed at:	**Committee/Tier 2 Group/Tier 3 Group**	Executive Management Team (EMT) Finance & Performance Committee (FPC)
	Date:	7 March 2024 14 March 2024
Key points/ recommendations from those meetings	Finance & Performance Committee discussions focussed on the latest update to the financial position provided by the Director of Finance at the 11th March 2024 meeting to update on progress on month 11 (M11). This meeting was scheduled to update FPC members on the financial performance for M11 as soon as the position was confirmed. The update detailed a downturn in performance and non-delivery of the expected recovery plans and trajectory. As a consequence, the year-end planned deficit will not be delivered. Following discussion at system level we reported a forecast deficit of £4.8m with downside risk to £5.5m. If the M11 run rate continues for month 12 the deficit will increase to over £5m. Given the extent of additional controls in place work is required to understand specific details of the downturn in performance, including additional bank costs and a of review existing controls for effectiveness. FPC were informed of additional review and challenge on rosters prior to approval put in place with immediate effect. Weekly key performance indicators (KPIs) are being developed to ensure we are measuring the right things and develop a holistic control framework that mitigates the gaps exposed by the downturn in performance. Finance & Performance Committee were not assured regarding the current position and that the controls are in place to get performance back on track and sought regular updates on performance following the development of the KPIs.	

Summary of key points in report
The update provided above provides the latest financial position. At month 10 (January 2024), we are reporting a year to date (YTD) deficit £1.8m worse than plan at £4.553m. We are forecasting a year-end deficit of £3.322m, which is £0.06m worse than plan due to recent industrial action recognised as required by NHS England (NHSE) and the Integrated Care Board (ICB). Recovery plans and efficiency schemes must deliver by year-end to achieve the forecast, including: • Operational recovery plans £1.3m • Non-Pay controls £0.6m • Cap agency/ locum booking in addition to recovery plans £0.3m The plans are not without risk hence the forecast is RAG rated as RED. The efficiency plan is forecast to deliver on plan, partly due to non-recurrent interest receipts rather than planned recurrent saving schemes. This will increase the efficiency required in 2024/25. There are no concerns regarding cash flow or material bad debt risks to highlight at present. Forecast capital spend is £4m less than plan due to the delayed Fulwood capital receipt. This delay and the £0.8m overspend on EPR has had a significant impact on the capital programme. All schemes, which can be delayed, have been delayed putting pressure on the 2024/25 capital programme. An agreement has been made with a South Yorkshire Trust to allow us to use their capital underspend this year to mitigate the risk of overspending. This will have to be repaid in 2024/25 reducing the funding available to us that year. Appendices attached: Financial Performance Report M10

Recommendation for the Board/Committee to consider:							
Consider for Action	**X**	**Approval**		**Assurance**	**X**	**Information**	
The Board of Directors is asked to note the financial position as at 31st January 2024 and the update received at the March Finance & Performance Committee on the latest position (for month 11) as at that point in time and action taking place.							

Please identify which strategic priorities will be impacted by this report:				
Effective Use of Resources	*Yes*	***X***	*No*	
Deliver Outstanding Care	*Yes*	***X***	*No*	
Great Place to Work	*Yes*	***X***	*No*	
Ensuring our services are inclusive	*Yes*	***X***	*No*	

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

standard?					
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***	***X***	***No***		***No adverse impact***
Financial (revenue &capital)	***Yes***	***X***	***No***		***Identification of financial sustainability risks***
Organisational Development /Workforce	***Yes***	***X***	***No***		***No adverse impact***
Equality, Diversity & Inclusion	***Yes***	***X***	***No***		***No adverse impact***
Legal	***Yes***	***X***	***No***		***No adverse impact***
Environmental sustainability	***Yes***	***X***	***No***		***No adverse impact***

FINANCIAL PERFORMANCE REPORT
JANUARY 2024

Proud to care in Sheffield

Sheffield Health and Social Care
NHS Foundation Trust

Key Performance Indicator		YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	23/24 Forecast £'000	Variance £'000
Surplus/(Deficit)		(2,768)	(4,553)	(1,785)	(3,262)	(3,322)	(60)
Out of Area spend *		(7,212)	(8,020)	(809)	(8,496)	(9,010)	(514)
Agency spend		(5,441)	(6,018)	(577)	(6,479)	(6,301)	178
Cash		43,549	39,295	(4,254)	47,405	41,703	(5,702)
Efficiency Savings #		4,112	4,112	0	5,734	5,734	0
Capital ~		(10,941)	(8,062)	2,879	(12,791)	(8,791)	4,000
KPI					**Target**	**Number**	**Value**
Invoices paid within 30 days				**NHS**	95%	100%	100%
(Better Payments Practice Code)				**Non-NHS**	95%	99.7%	99.4%

YTD: Year To Date
* Includes Purchase of Healthcare only, excludes travel costs.
# Differs to NHSE reporting as this has been updated to reflect further work undertaken after ICB reporting deadlines.
~ The capital plan was rephased in M3 to reflect the updated expenditure profile. Total for the year is unchanged.

At month 10, we are reporting a YTD deficit £1.8m worse than plan at £4.553m. We are forecasting a year-end deficit of £3.322m, which is £0.06m worse than plan due to recent industrial action recognised as required by NHSE and the ICB.

Recovery plans and efficiency schemes must deliver by year-end to achieve the forecast, including:

- Operational recovery plans £1.3m
- Non-Pay controls £0.6m
- Cap agency/ locum booking in addition to recovery plans £0.3m

The plans are not without risk hence the red rag rating forecasts.

The efficiency plan is forecast to deliver on plan, partly due to non-recurrent interest receipts rather than planned recurrent saving schemes. This will increase the efficiency required in 2024/25.

There are no concerns regarding cash flow or material bad debt risks to highlight at present.

Forecast capital spend is £4m less than plan due to the delayed Fulwood capital receipt. This delay and the £0.8m overspend on EPR has had a significant impact on the capital programme. All schemes, which can be delayed, have been delayed putting pressure on the 2024/25 capital programme. An agreement has been made with a South Yorkshire Trust to allow us to use their capital underspend this year to mitigate the risk of overspending. This will have to be repaid in 2024/25 reducing the funding available to us that year.

Year To Date Position

At month 10, the YTD position is a deficit of £4.553m (M9: £3.924m), which is £1.79m worse than plan. The table below sets out the income and expenditure summary and the variances compared to plan:

	Year to Date Plan £000	Actual £000	Variance £000	%
Clinical Income	105,370	107,923	2,553	2.4%
Other Income	17,420	19,599	2,179	12.5%
Total Income	**122,790**	**127,522**	**4,732**	**3.9%**
Pay	(99,154)	(104,593)	(5,438)	5.5%
Non Pay	(25,703)	(27,503)	(1,800)	7.0%
Total Expenditure	**(124,858)**	**(132,096)**	**(7,238)**	**5.8%**
Interest receipts	1,070	2,074	1,004	93.8%
Finance expense	(50)	(58)	(8)	15.5%
PDC dividends payable	(1,890)	(2,138)	(248)	13.1%
Net Finance Costs	**(870)**	**(122)**	**748**	**(86.0%)**
Net Surplus / (Deficit)	**(2,938)**	**(4,696)**	**(1,758)**	**59.8%**
Technical Adjustments	170	143	(27)	(15.9%)
Adjusted Net Surplus / (Deficit)	**(2,768)**	**(4,553)**	**(1,785)**	**64.5%**
KPI's				
Acute OOA purchase of healthcare	(4,655)	(4,829)	(174)	3.7%
PICU OOA purchase of healthcare	(1,393)	(2,346)	(953)	68.4%
Rehab OOA purchase of healthcare	(1,164)	(845)	319	(27.4%)
Agency	(5,441)	(6,018)	(577)	10.6%

Key variances are described below:

Clinical income - £2.553m favourable:

- £2.3m increased Integrated Care Board (ICB) & NHS England (NHSE) contract funding increase of 2.3% for the pay settlements.
- £0.2m other net favourable income adjustments.

Other income - £2.179m favourable:

- £0.9m favourable variance for the reimbursement of seconded staff costs.
- £0.2m favourable variance following an assumption that contractual income from South Yorkshire Housing Association (SYHA) for Birch Avenue will be uplifted by 9.8%. This uplift is consistent with the funding uplift given by the ICB to SYHA.
- £0.8m favourable increase in education and research and development funding. Offset by matching pay and non-pay variances.

- £0.3m favourable variance for the expected reimbursement of costs arising from the decommissioning of the Buckwood View service.

Pay - £5.438m adverse:

- £1.7m net adverse variances due to some services not working to roster and/ or are over established clinically or medically, which is leading to significant overspends as set out in section 3 of this report. These overspends are currently somewhat offset by slippage in recruitment in other services, but this is becoming an increasing problem as the vacant posts are filled in the underspending services.
- £3.0m adverse increase in substantive and bank pay costs due to pay settlements in excess of the planned 2.1%. The AfC pay settlement was 5.2% and the medic pay settlement is an average of 6%.
- £0.1m adverse for the discretionary 2022/23 backdated pay award made to bank staff to match the payment made to substantive staff.
- £0.3m adverse variance for the expected costs arising from the decommissioning of the Buckwood View service.
- £0.3m favourable variance from the release of the 2022/23 annual leave accrual.

Non-pay - £1.800m adverse:

- £0.4m adverse increase in capital charges due to year-end asset valuation changes.
- £0.2m adverse variance due to all Substance Misuse and Buckwood View costs being incurred in the YTD but phased across the year in the plan.
- 0.8m adverse net increase in out of area costs predominantly due to the high level of observations for a small number of PICU patients. The average monthly cost is £0.05m compared to a plan of £0.02m. In addition, 80 more bed nights have been purchased than planned and the average bed night cost ranges from £883 to £953 per night compared to the expected £861. Efficiency savings are being hindered by delayed social care support for those clinically ready for discharge.
- £0.2m adverse increase in education and research and development costs. Offset by additional funding.
- £0.2m net adverse variance across a range of areas.

Net finance costs - £0.748m favourable:

- £1.0m increase in interest receipts following rate rises, doubling the expected income compared to planning assumptions. This is a fortuitous benefit that is helping to non-recurrently offset the pay award funding gap and other pressures.
- £0.2m 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.

The YTD and forecast position by directorate is shown on the following page.

Section 1: Financial Overview

Directorate	YTD budget £'000	YTD actual £'000	YTD variance £'000	Annual budget £'000	Forecast £'000	Forecast variance £'000	YTD underspend withdrawn £'000
Acute & community	(34,983)	(39,007)	(4,024)	(41,943)	(45,832)	(3,889)	571
Rehab & specialist	(32,129)	(35,264)	(3,136)	(38,918)	(41,787)	(2,869)	1,331
Directorate management/ central	(2,157)	(2,276)	(119)	(2,624)	(2,801)	(177)	37
Medical	(4,831)	(4,920)	(89)	(5,833)	(5,994)	(161)	183
Chair/Chief Exec Office	(1,248)	(1,245)	3	(1,535)	(1,514)	21	53
Corporate Governance	(1,328)	(1,318)	10	(1,600)	(1,577)	23	32
Director of Finance	(6,342)	(6,509)	(167)	(7,619)	(7,600)	19	52
Exec Dir of Operations & Trans	(65)	(65)	0	(78)	(78)	1	1
Nursing & Professions	(3,011)	(2,889)	122	(3,807)	(3,413)	394	967
People Directorate	(3,260)	(3,425)	(165)	(3,912)	(4,090)	(178)	-
Special Projects & Facilities	(6,320)	(6,650)	(330)	(7,585)	(7,998)	(413)	10
Reserves	(343)	1,933	2,276	(198)	2,985	3,183	-
Central budgets	93,079	96,938	3,859	112,190	114,029	1,839	(3,238)
Net surplus/ (deficit)	***(2,938)***	***(4,696)***	***(1,758)***	***(3,462)***	***(5,670)***	***(2,208)***	***-***
Technical adjustments	170	143	(27)	200	2,348	2,148	-
ADJUSTED SURPLUS/ (DEFICIT)	**(2,768)**	**(4,553)**	**(1,785)**	**(3,262)**	**(3,322)**	**(60)**	**-**

The drivers of the YTD variance are as described in the section above and this table shows how this breaks down over the directorates. The largest overspending area is Acute & Community mainly caused by out of area pressures, staffing above agreed rotas and over establishment. A schedule of the YTD highest overspending cost centres and the drivers of the spend is set out in section 3 of this report. Recovery plans have been developed for the overspending services identified in previous months.

The forecast includes recovery plans at service level for the Acute & Community, Rehab & Specialist and Special Projects & Facilities directorates. The other mitigations and recovery actions, which enable a breakeven forecast against plan, are shown in Reserves and Central Budgets.

As part of the strengthening of financial controls, year to date underspends were removed from cost centres where underspends are expected to continue for the remainder of the year without further committed costs. The underspends were taken from service lines and moved to the central budget line to prevent the overspend worsening.

The £3.2m forecast underspend on central reserves is primarily due to:

- £2.1m MHIS and SDF costs recognised on service lines rather than on reserves.
- £1.6m release of prior year accruals (budget expected £0.4m).
- £1.1m contingency released to partially offset pressures.
- £(1.5)m CIP savings budgets held centrally while actual savings recognised across service lines.

The £1.8m forecast underspend on central budgets is primarily due to:

- £1.2m of interest receipts higher than plan following interest rate rises
- £3.2m year to date centralised underspends
- £0.3m release of the 2022/23 annual leave accrual. This means that there is no provision for staff to carry forward leave at the end of March 2024.
- £(0.7)m additional PDC and capital charges
- £(2.2)m forecast year-end impairment charge to recognise the difference between the capital spend incurred in year compared to the increase in capital asset market valuation. This is offset by a matching transaction in the technical adjustment line.

Current Month Actuals Compared To Forecast Last Month

The table below compares the actual income and expenditure in M10 to the M10 forecast reported in M9 to highlight significant variances in assumptions.

	Current month			
	M10 forecast £000	M10 actual £000	Variance £000	%
Clinical Income	10,528	10,686	158	1.5%
Other Income	2,160	2,549	388	18.0%
Total Income	**12,688**	**13,235**	**546**	**4.3%**
Pay	(10,220)	(10,445)	(225)	2.2%
Non Pay	(2,711)	(3,410)	(698)	25.8%
Total Expenditure	**(12,931)**	**(13,855)**	**(924)**	**7.1%**
Interest receipts	189	186	(3)	(1.5%)
Finance expense	(6)	(6)	(0)	6.2%
PDC dividends payable	(215)	(203)	11	(5.3%)
Net Finance Costs	**(32)**	**(23)**	**8**	**(26.0%)**

Net Surplus / (Deficit)	**(274)**	**(643)**	**(369)**	**134.4%**
Technical Adjustments	14	14	(0)	(2.3%)
Adjusted Net Surplus / (Deficit)	**(260)**	**(629)**	**(369)**	**142.0%**
KPI's				
Acute OOA purchase of healthcare	(391)	(461)	(70)	17.9%
PICU OOA purchase of healthcare	(205)	(249)	(44)	21.4%
Rehab OOA purchase of healthcare	(88)	(83)	5	(5.7%)
OOA stretch recovery target	159	0	(159)	(100.0%)
Agency	(414)	(385)	28	(6.9%)

The gross forecast variances for M10 are 4.3% for income and 7.1% for expenditure.

Additional income of £0.3m has been recognised from Health Education England after receiving the latest payment schedule. Other income received includes excess treatment cost funding, new contract income and the reimbursement of redundancy costs above the levels previously anticipated.

The main drivers of the increased spend above expected levels are:

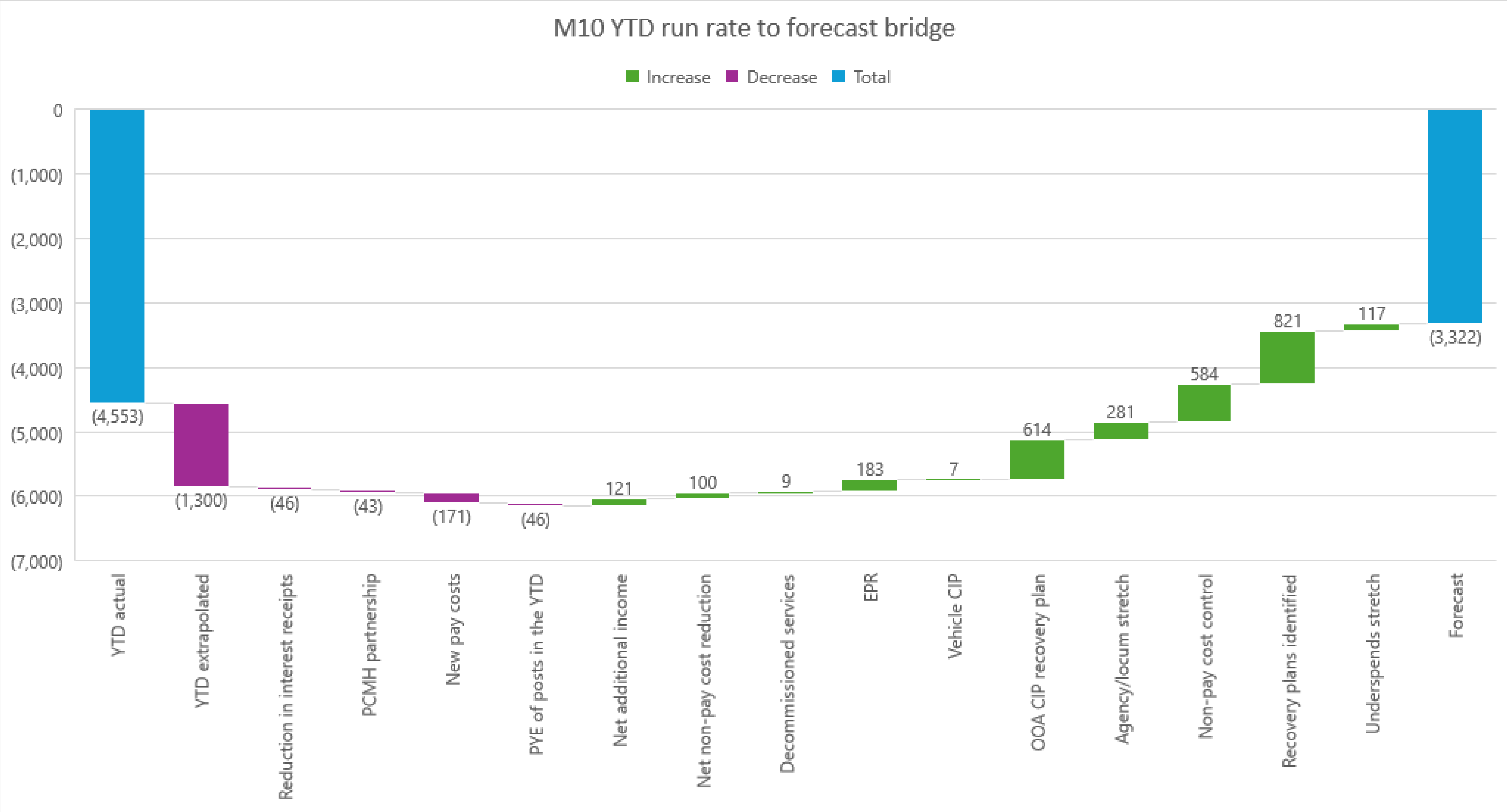
- Pay recovery actions and agency stretch savings of £0.44m was forecast but net pay costs reduced by £0.25m.
- OOA expenditure increased by £0.268m (15.8%) as bed nights did not reduce as planned and stretch savings of £0.159m did not materialise.
- Non-pay costs (excluding OOA) increased by a net £0.43m due to increased security costs for the Fulwood site, additional utilities and premises costs and also the under delivery of non-pay cost recovery and stretch actions totalling £0.2m

Forecast Outturn

The forecast is £3.322m compared to the planned deficit of £3.262m, due to the recognition of £0.06m for industrial actions costs as required by NHSE and the ICB. Despite increasing cost pressures the forecast is on plan. Several savings assumptions have been made to arrive at this forecast, including:

- £1.3m from recovery plans for Acute & Community and Rehab & Specialist services
- £0.3m stretch to recovery plans through capping clinical and medical agency usage
- £0.6m reduction in non-pay expenditure due to the stopping of all non-essential spend
- £0.1m reduction in costs from services not under the recovery plan framework.

These savings will be challenging to deliver and each has a level of risk as described in section 8 of the report. However, existing plans will be actively managed and monitored to ensure delivery and SHSC will work at pace to identify further opportunities to provide mitigation should any plans slip. The impact of each of these assumptions is shown in the bridge below, along with spend and other mitigations.


M10 YTD run rate to forecast bridge
Increase
Decrease
Total
0
(1,000)
(2,000)
(3,000)
(4,000)
(5,000)
(6,000)
(7,000)
(4,553)
(1,300)
(46)
(43)
(171)
(46)
121
100
9
183
7
614
281
584
821
117
(3,322)
YTD actual
YTD extrapolated
Reduction in interest receipts
PCMH partnership
New pay costs
PYE of posts in the YTD
Net additional income
Net non-pay cost reduction
Decommissioned services
EPR
Vehicle CIP
OOA CIP recovery plan
Agency/locum stretch
Non-pay cost control
Recovery plans identified
Underspends stretch
Forecast

Key points to note from the bridge are:

- The YTD extrapolated is a continuation of the YTD run rate adjusted for business as usual non-recurrent income & expenditure that is not expected to be replicated in the remainder of the year.
- Net additional pay (new and part year effect of posts) and finance cost movements are forecast above run rate reflecting the most recent trends and anticipated changes, such as confirmed recruitment into posts. This is different to the YTD extrapolated figure, which may, for example, have high levels of vacancies in the earlier part of the year.
- EPR forecast costs are lower than the run rate as the majority of revenue costs have been incurred in the year to date.
- The OOA CIP recovery plan identifies saving of £0.6m above the level achieved in the year to date. The forecast assumes this is achieved but no longer includes stretch of £0.5m to deliver the total planned of £1.7m in year.
- The capping of agency usage and the reduction in medical agency and locum usage is shown in the bridge as £0.3m rather than the £0.7m referred to above because the balance of savings is already factored into service line forecasts.
- Non-pay cost reductions of 10% of spend were planned leading to an expected reduction of £0.5m; service line spend has increased in M10 resulting in the need to find £0.6m savings in the remainder of the year.
- Recovery plans have identified £1.3m of savings to date. Further savings are anticipated from the maximisation of savings in already underspending areas.

The monthly income and expenditure profile is set out in Section 2 on the next page.

Section 2: Monthly Income & Expenditure Profile

The table below shows the income and expenditure profile by month for the Statement of Comprehensive Income.

	Prior Year	Actual										Forecast		M12 Plan	Forecast	Variance
		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income																
Income from Patient Care Activities	137,970	10,875	10,875	11,453	10,561	11,027	10,472	11,082	10,222	10,669	10,686	10,619	10,671	126,438	129,213	(2,775)
Other Operating Income	22,571	1,866	1,866	1,696	1,729	1,884	1,827	2,304	2,057	1,822	2,549	2,042	1,904	20,897	23,544	(2,647)
Total Income	160,541	12,741	12,741	13,150	12,291	12,911	12,299	13,386	12,279	12,490	13,235	12,661	12,574	147,335	152,757	(5,422)
Expenditure																
Substantive	110,235	(8,739)	(8,739)	(11,319)	(9,082)	(8,919)	(10,023)	(9,180)	(9,246)	(9,306)	(9,510)	(9,596)	(9,351)	(111,800)	(113,011)	1,211
Bank	4,409	(286)	(286)	(606)	(231)	(428)	(568)	(284)	(423)	(473)	(510)	(478)	(474)	(195)	(5,048)	4,853
Agency	8,963	(1,334)	(1,334)	1,201	(851)	(506)	(554)	(696)	(801)	(757)	(385)	(480)	(449)	(6,479)	(6,947)	468
Agency stretch recovery actions												141	141		281	(281)
Recovery plan actions												318	344		662	(662)
NHSE pension costs	4,835															0
Other (Apprenticeship Levy)	470	(37)	(37)	(38)	(67)	(37)	(41)	(39)	(40)	(39)	(39)	(40)	(40)	(441)	(494)	53
Total Pay	128,913	(10,397)	(10,397)	(10,762)	(10,232)	(9,890)	(11,186)	(10,199)	(10,510)	(10,575)	(10,445)	(10,135)	(9,828)	(118,915)	(124,556)	5,641
Out of Area healthcare	9,549	(760)	(760)	(763)	(754)	(910)	(920)	(773)	(835)	(745)	(801)	(517)	(473)	(8,496)	(9,010)	514
Drugs	1,262	(73)	(73)	131	(453)	(98)	(90)	(75)	(102)	(25)	(95)	(85)	(85)	(871)	(1,122)	251
Impairments													(2,176)		(2,176)	2,176
Other non pay	18,034	(1,625)	(1,625)	(1,432)	(1,152)	(1,901)	(780)	(1,960)	(1,142)	(1,512)	(2,193)	(1,450)	(1,464)	(18,036)	(18,236)	200
Stretch recovery actions (exc OOA)												354	354		708	(708)
Total Non Pay	28,845	(2,457)	(2,457)	(2,064)	(2,359)	(2,909)	(1,790)	(2,808)	(2,079)	(2,282)	(3,090)	(1,697)	(3,844)	(27,402)	(29,835)	2,433
Total Expenditure	157,758	(12,854)	(12,854)	(12,826)	(12,591)	(12,799)	(12,975)	(13,007)	(12,589)	(12,857)	(13,535)	(11,833)	(13,672)	(146,317)	(154,391)	8,074
EBITDA	2,783	(113)	(113)	323	(300)	112	(676)	379	(310)	(367)	(300)	828	(1,097)	1,018	(1,634)	2,652
Depreciation & Amortisation	3,142	(260)	(260)	(445)	(321)	(322)	(321)	(321)	(320)	(319)	(320)	(317)	(318)	(3,425)	(3,844)	419
Net Operating Surplus / (Deficit)	(360)	(373)	(373)	(121)	(621)	(210)	(997)	58	(630)	(686)	(620)	511	(1,415)	(2,407)	(5,478)	3,071
Interest receipts	1,278	200	200	222	439	9	206	212	208	192	186	181	187	1,279	2,442	(1,162)
Finance expense	(97)	0	0	(15)	(8)	(6)	(5)	(5)	(5)	(8)	(6)	(6)	(6)	(62)	(69)	7
PDC dividends payable	(2,226)	(161)	(161)	(188)	(279)	(226)	(308)	(221)	(158)	(233)	(203)	(214)	(214)	(2,272)	(2,565)	293
Net Finance Costs	(1,045)	39	39	19	153	(223)	(108)	(14)	45	(48)	(23)	(38)	(32)	(1,055)	(192)	(863)
Technical Adjustments	(1,092)	15	15	14	14	15	14	14	15	14	14	14	2,191	200	2,348	(2,148)
Adjusted Net Surplus / (Deficit)	(2,497)	(320)	(320)	(88)	(454)	(419)	(1,091)	57	(569)	(720)	(629)	487	744	(3,262)	(3,322)	60
Previous month forecast											(260)	373	488		(3,262)	
Change from the previous month											*(369)*	*113*	*256*		*(60)*	
Plan		(300)	(340)	(307)	(256)	(375)	(238)	(209)	(234)	(245)	(264)	(258)	(236)		(3,262)	
Variance to plan		*(20)*	*20*	*219*	*(198)*	*(44)*	*(853)*	*267*	*(336)*	*(475)*	*(365)*	*745*	*980*		*(60)*	

At M9 it was forecast that the M10 January position would be a deficit of £0.260m but the actual position was a net deficit of £0.629m for the month, which is a difference of £0.369m. Out of area expenditure and other non-pay costs are the key drivers; further information on the variance is given in section 1 of the report.

The overall forecast has worsened by £0.06m compared to plan due to the impact of industrial action in December and January; this is a permitted change requested by NHSE and the ICB.

Forecasts for the stretch targets and recovery actions have been recognised separately in the forecast to highlight where savings are required.

Impairments have been recognised of £2.176m. These are likely as the market value of properties are not expected to increase in line with the capital expenditure that has been incurred during the year. This is a normal year-end transaction, which doesn't impact the overall deficit as it is reversed out in the Technical Adjustment line.

Section 3: Spotlight on YTD Overspends

The services showing overspends at M10 are detailed in the table below:

Directorate	Service Line	M10 YTD (over)/ under £	Over/ (under) established WTE	Substantive (over) / under £	Agency (over)/ under £	Bank (over)/ under £	Income & non pay (over)/ under £	Main drivers / comments
Acute & community	Woodland View	(493,083)	13.11	118,220	(394,824)	(309,303)	92,824	Staffing over establishment levels
	Birch Avenue	(513,615)	12.22	(43,634)	(188,864)	(388,259)	107,141	Staffing over establishment levels
	G1 Ward	(266,740)	19.13	308,173	(164,672)	(382,393)	(27,848)	Staffing over establishment levels
	OA CMHT	(421,765)	2.94	(186,244)	(170,655)	(56,301)	(8,566)	Staffing over establishment levels
	Dovedale 1	(531,852)	16.47	38,153	(239,637)	(296,315)	(34,053)	Staffing over establishment levels
	Burbage Ward	(404,317)	4.83	300,475	(401,164)	(305,276)	1,648	Staffing over establishment levels
	Dovedale 2	(430,293)	20.97	655,077	(603,111)	(464,558)	(17,702)	Staffing over establishment levels
	Maple Ward	(764,794)	23.23	274,051	(610,954)	(387,591)	(40,300)	Staffing over establishment levels
	Endcliffe Ward	(599,917)	20.61	191,521	(374,688)	(375,881)	(40,869)	Staffing over establishment levels
	Acute & Comm Central	(182,533)	0.00	(3,270)	-	-	(179,263)	Patient transport costs
	Out of Town PICU	(963,827)	0.00	-	-	-	(963,827)	£510k due to high number of observations for a small cohort of patients (plan of £15k per month); 80 bed nights more than planned (61 more in Nov alone) and the average bed night cost ranging from £883 to £953 compared to planned £861.
Central	Capital Charges *	(626,176)	0.00	-	-	-	(626,176)	Asset valuation and PDC increases

	Contract income	(63,341)	0.00	(104,820)	-	-	41,479	£118k due to the bank staff backdated pay award for 22/23.
Director of finance	New EPR *	(629,395)	2.75	(119,981)	(536,433)	-	27,019	Programme slippage
	Information Governance *	(197,255)	4.25	(36,500)	(125,853)	(40,317)	5,415	Fixed term agreement to over establish the team to clear backlog of work following ICO intervention.
Directorate management/ central	Clinical Management Team	(202,379)	2.28	(227,876)	(6,035)	(14,055)	45,587	£128k consultant on-call, £48k additional PAs and £46k trainee doctors
Medical	Medical Management Team	(136,639)	0.35	(25,647)	-	-	(110,991)	Staffing over establishment levels High level of training & venue costs
	Undergraduate Medical Training	(89,416)	0.08	(8,768)	-	(13,282)	(67,366)	Reduction in HEE income, costs in line with plan.
	PGME personnel	(48,433)	0.26	(37,764)	-	(5,968)	(4,701)	Costs exceeding income received from HEE. Recovery plan requested.
	PGME Sheffield	(61,352)	(3.01)	(24,613)	(98,092)	-	61,352	Cost centre to be reviewed in detail. Agency & non-pay costs may be attributable to other service lines.
People	Training	(41,894)	2.42	(37,193)	-	-	(4,701)	Over established due to maternity backfill & temporary post agreed to 31/3/24.
	International Recruitment *	(60,530)	0.00	-	-	-	(60,530)	Recruitment fees and accommodation costs more than national funding.

	Apprenticeship Levy Costs *	(46,937)	0.00	(46,937)	-	-	-	Costs increase as substantive staff increases. Not a controllable cost for the directorate. Pressure expected to reduce following TUPE transfers.
	Flu vaccinations	(43,524)	0.29	-	-	(43,371)	(153)	Bank staff costs to deliver the vaccination programme. Costs under review to confirm if they should sit in nursing instead of the People.
Rehab & specialist	Forest Close 1	(161,531)	1.25	(62,185)	(54,954)	(40,439)	(3,953)	Staffing over establishment levels
	Forest Lodge	(395,136)	4.84	30,585	(288,543)	(71,288)	(65,891)	Staffing over establishment levels
Special projects & facilities	Maintenance Support	(429,420)	(2.00)	(111,562)	(52,288)	(16,741)	(248,830)	Not over established but overtime incurred. Agency in prior months. Significant non-pay costs for maintenance and building contracts.
	Small Scheme Improvements	(123,781)	0.00	-	-	-	(123,781)	A range of maintenance overspends.
TOTAL		**(8,929,873)**	**147.27**	**839,264**	**(4,310,765)**	**(3,211,339)**	**(2,247,033)**	

Recovery plans have been requested for all the above services except those marked with an asterix (*). The services not requiring a recovery plan are caused by issues not within the control of the budget holder or are recognised overspends in exceptional circumstances.

At the February meeting, Finance and Performance Committee (FPC) requested further information on rota costs compared to budgets for overspending services. A breakdown is provided in appendix 6.

The YTD CIP programme target is £4.1m and this has been achieved with the inclusion of non-recurrent interest receipts.

Cost Improvement Programme as at January 2024 £000s

@20.2.24

CIP lead	Scheme	Apr Actual £	May Actual £	Jun Actual £	Jul Actual £	Aug Actual £	Sep Actual £	Oct Actual £	Nov Actual £	Dec Actual £	Jan Actual £	Feb Forecast £	Mar Forecast £	YTD £	Total £
		Scheme Status													
Out of Area Delivery Group															
Mike Hunter	Expected spend pre CIPs	826	835	826	835	959	840	850	840	850	850	840	850	8,508	10,197
	Spend 23/24	781	785	738	820	906	801	803	855	760	769	517	473	8,020	9,010
	Variance	44	50	88	15	52	39	46	(16)	89	80	323	376	488	1,187
	CIP plans	17	88	103	124	29	168	177	185	194	211	194	211	1,296	1,701
	Gap to CIP plan	**27**	**(39)**	**(15)**	**(108)**	**23**	**(130)**	**(130)**	**(201)**	**(104)**	**(131)**	**129**	**165**	**(808)**	**(514)**
Recovery Plans															
	Achieved							30	107	27	55	440	586	219	1,245
	CIP plans							43	12	92	331	349	773	478	1,601
	Gap to CIP plan	**0**	**0**	**0**	**0**	**0**	**0**	**(13)**	**93**	**(65)**	**(275)**	**91**	**(188)**	**(259)**	**(354)**
Agency Reduction Delivery Group															
Caroline Parry	Spend 22/23	747	747	747	747	747	747	383	462	328	356	307	400	6,011	6,718
	Spend 23/24	507	507	557	580	674	695	302	425	295	178	165	151	4,720	5,036
	Variance	240	240	190	167	73	52	81	38	33	178	142	250	1,290	1,682
	CIP plans	190	160	183	183	181	205	101	80	81	76	87	89	1,439	1,615
	Gap to CIP plan	**49**	**80**	**7**	**(16)**	**(107)**	**(153)**	**(20)**	**(42)**	**(48)**	**102**	**55**	**161**	**(149)**	**67**
Efficiency Delivery Group															
Neil Robertson	CIP plans	49	49	49	49	69	69	110	114	114	114	119	642	787	1,549
	Achieved	31	30	31	32	44	36	62	531	145	47	52	76	989	1,117
	Gap to CIP plan	**(18)**	**(19)**	**(18)**	**(17)**	**(25)**	**(33)**	**(48)**	**417**	**31**	**(67)**	**(67)**	**(566)**	**202**	**(432)**
Reduce Trust overspend															
	CIP plans	0	(0)	0	(0)	0	(0)	114	131	46	(180)	(212)	(630)	111	(730)
	Achieved	(58)	(23)	27	141	109	175	378	(127)	286	215	(310)	(310)	1,124	504
	Gap to CIP plan	**(58)**	**(23)**	**27**	**141**	**109**	**175**	**265**	**(259)**	**240**	**394**	**(98)**	**320**	**1,012**	**1,234**
Totals	**CIP plans**	257	297	335	356	279	442	544	523	527	552	537	1,085	4,111	5,734
	Achieved/ forecast	257	297	335	356	279	302	597	532	581	575	647	977	4,111	5,734
	Gap to CIP plan	**(0)**	**(1)**	**0**	**0**	**0**	**(140)**	**53**	**10**	**55**	**23**	**110**	**(108)**	**(0)**	**(0)**

The OOA forecast shows an under achievement against plan of £0.514m. In previous months, it was assumed that the gap would be recovered through stretch recovery actions but this is no longer the case for M10.

The agency reduction delivery group was originally expecting to deliver savings of £2.5m in line with the plan. However, there is duplication with the agency element of service recovery plans of £0.9m and so the above table now shows a target and expected delivery of £1.6m.

The OOA under delivery has been offset by recognising fortuitous interest receipts as non-recurrent efficiencies. Consequently, we have reported breakeven against plan in our reporting to NHSE but raised this as a risk in our reporting to the ICB and in section 8 of this report. A further breakdown of the programme is provided in the appendices.

Section 5: Statement of Financial Position

The table below shows the Statement of Financial Position (SoFP) as at 31st January 2024 and compares actual and forecast to plan:

	YTD Plan	YTD Actual	YTD Movement	Annual Plan	Forecast for end of year	Forecast v Plan
	£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets						
Property, Plant & Equipment (PPE)	66,595	74,224	7,629	66,650	72,145	5,495
Intangible Assets	4,658	6,977	2,319	4,658	6,980	2,322
Other Non-Current Assets	4,212	531	(3,681)	4,270	531	(3,739)
Non-Current Assets Total	75,465	81,732	6,267	75,578	79,656	4,078
Current Assets						
Receivables	8,345	9,633	1,288	9,267	7,369	(1,898)
Cash and Cash Equivalents	43,549	39,295	(4,254)	47,405	41,620	(5,785)
Assets held for sale (Fulwood HQ)	12,000	12,000	0	8,000	12,000	4,000
Other Current Assets	1,431	84	(1,347)	2,089	268	(1,821)
Total Current Assets	65,325	61,012	(4,313)	66,761	61,257	(5,504)
Current Liabilities						
Provisions	(612)	(256)	356	(759)	(256)	503
Payables	(8,556)	(13,276)	(4,720)	(14,102)	(10,733)	3,369
Other Current Liabilities	(5,371)	(1,262)	4,109	(1,890)	(353)	1,537
Total Current Liabilities	(14,539)	(14,794)	(255)	(16,751)	(11,342)	5,409
Net Current Assets/ (Liabilities)	50,786	46,218	(4,568)	50,010	49,915	(95)
Total Non-Current Liabilities	(10,364)	(5,920)	4,444	(9,418)	(5,824)	3,594
Total Net Assets	115,887	122,030	6,143	116,170	123,747	7,577
Total Taxpayers Equity	115,887	122,030	6,143	116,170	123,747	7,577

Section 5: Statement of Financial position

The SoFP shows large movements compared to the plan, which was set in early April 2023. After this, year-end revaluations of estates resulted in a £5m increase to the carrying value of Property, Plant & Equipment. This has led to increased capital charges in the I&E position as described in section 1.

Similarly, the actuarial valuation of the South Yorkshire Local Authority Pension Scheme was published resulting in a decrease in the scheme liability of £3.1m. Due to the nature of the accounting treatment, this leads to partially offsetting reductions in non-current assets and non-current liabilities.

The estates schemes for Stanage, Health Based Place of Safety and the Woodland View roof have not been completed as quickly as planned therefore the impairment review has not taken place and depreciation has been delayed; the plan assumed the depreciation would start in Q3.

Intangible assets are £2.3m higher than planned due to an increase in costs and delayed go live of the EPR system. Amortisation of the EPR assets will not start until the scheme has finished; the plan assumed this would start in Q4.

Cash at the end of month 10 is £4.3m lower than plan. This is due to the in year deficit being £1.8m higher than planned and £1.125m of EPR capital cash was expected in M9 that has not yet been received. Other working capital movements and the timing of the capital plan affect the cash balance.

Aged Debt Analysis

As at 31st January 2024 there were unpaid receivable invoices totalling £6.427m (M9: £5.431m). £2.384m of the unpaid invoices relate to invoices raised during January 2024 and were not overdue at the reporting date. £4.043m was overdue at the reporting date and £1.402m has subsequently been paid in February leaving £4.868m outstanding and £2.641m overdue (M9: £5.018m and £3.512m).

The majority of the older debt is with NHS bodies, predominantly Sheffield Teaching Hospitals (STH). Progress has been made with resolving these outstanding queries following work with the finance colleagues at STH.

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

The following table shows the breakdown by type of debt and number of days overdue:

Customer Type	Total Balance 31/01/2024 £'000	Not yet overdue £'000	1-30 Days £'000	31-60 days £'000	61-90 Days £'000	91-120 days £'000	Over 120 days £'000	Still outstanding 15/02/2024
NHS Trusts, Ft's and ICB	3,719	1,430	831	692	321	160	285	2,343
NHSE and DOH	365	59	21	15	3	-11	278	349
Staff Overpayments	87	3	2	9	26	0	47	83
Other	1,456	651	240	-11	57	1	519	1,433
Local Authority	801	240	19	294	223	22	3	659
Grand Total	**6,427**	**2,384**	**1113**	**999**	**628**	**172**	**1,132**	**4,868**

Section 6: 12 Month Cash Flow Forecast

Cash flow as at 31st January 2024	Prior Year Mar-23 £000s	Actual 2023/24 Apr-23 £000s	Actual 2023/24 May-23 £000s	Actual 2023/24 Jun-23 £000s	Actual 2023/24 Jul-23 £000s	Actual 2023/24 Aug-23 £000s	Actual 2023/24 Sep-23 £000s	Actual 2023/24 Oct-23 £000s	Actual 2023/24 Nov-23 £000s	Actual 2023/24 Dec-23 £000s	Actual 2023/24 Jan-24 £000s	Forecast 2023/24 Feb-24 £000s	Forecast 2023/24 Mar-24 £000s	Forecast 2023/24 Full Year £000s
Operating Surplus/(deficit)	1,800	(373)	(374)	(121)	(621)	(210)	(997)	57	(630)	(685)	(620)	511	(1,415)	(5,478)
Net cash generated from / (used in) operations	(808)	355	523	735	(13)	(484)	1,418	2,718	(3,734)	(361)	(34)	200	1,729	3,052
Net cash inflow/(outflow) from investing activities, Total	(3,563)	95	94	(624)	(2,045)	(1,564)	(3,718)	1,159	1,128	(2,279)	(460)	(214)	(214)	(8,642)
Net cash inflow/(outflow) before financing	(2,571)	77	243	(10)	(2,679)	(2,258)	(3,297)	3,934	(3,236)	(3,325)	(1,114)	497	100	(11,068)
Net Cash inflow/(outflow) from financing activities, Total	4,912	(244)	(243)	(244)	(278)	(331)	(197)	44	(695)	534	(1,101)	727	1,000	(1,028)
Increase/(decrease) in cash and cash equivalents	2,340	(167)		(254)	(2,957)	(2,589)	(3,494)	3,978	(3,931)	(2,791)	(2,215)	1,224	1,100	(12,096)
Cash and cash equivalents at start of period	51,375	53,715	53,548	53,548	53,294	50,337	47,748	44,254	48,232	44,301	41,510	39,295	40,519	
Increase/(decrease) in cash and cash equivalents	2,340	(167)		(254)	(2,957)	(2,589)	(3,494)	3,978	(3,931)	(2,791)	(2,215)	1,224	1,100	
Cash and cash equivalents at end of period	53,715	53,548	53,548	53,294	50,337	47,748	44,254	48,232	44,301	41,510	39,295	40,519	41,619	
Cashflow balance as per 2023/24 plan		51,859	50,517	49,356	48,125	47,057	45,280	43,846	43,366	44,059	43,549	46,962	47,405	
Variance between actual and forecast cash balance to plan		1,689	3,031	3,938	2,212	691	(1,026)	4,386	935	(2,549)	(4,254)	(6,443)	(5,786)	

The cash balance at the end of January 2024 was £39.3m (M9: £41.5m). This is £4.3m below plan due to the in-year deficit being £1.8m higher than planned and £1.125m of EPR capital cash was expected in M9 that has not yet been received. Other working capital movements and the timing of the capital plan affect the cash balance.

The forecast cash balances for the remainder of 2023/24 are now expected to continue to be below planned cash values due to revised assumptions on working capital movements and delay to the Fulwood capital receipt which is not expected until 2024/25. Whilst the capital receipt was expected to be re-invested in capital there would have been an initial increase in cash that was spent over future months and some of the additional expenditure wouldn't have been settled in cash terms until the first quarter of 2024/25.

Despite the challenging financial position there are no working capital concerns for at least the next 3 years. Liabilities remain under control and receivable balances are reviewed under the aged debt section. The Better Payment Practice Code (BPPC) target has been met for the 10 months of this financial year.

The historic cash balance trends and rolling 12-month forecast is shown in Appendix 5.

The original capital programme for the 2023/24 financial year submitted to the ICS in March 2023 was £12.791m. This assumed a £4m receipt from the sale of Fulwood. Uncertainty remains on the timing of the sale as the capital receipt is linked to the buyer receiving planning approval. The planning application process has been delayed and the £4m will not be received in the 2023/24 financial year. As such, the capital programme for 2023/24 is £4m lower than originally planned and therefore a revised plan excluding the Fulwood £4m receipt is being followed. Schemes have been prioritised to ensure ongoing schemes are completed first. The majority of the schemes underway are EPR, Stanage works, Health Based Place of Safety and Woodland View roof.

The capital plan is structured in a way that capital projects that have not yet commenced can be paused but this has considerable operational implications for services, staff and patients. There are also financial implications as the cost of schemes will increase if delayed into the next year due to inflationary pressures and there will be a knock-on effect to 2024/25 OOA efficiencies due to the Maple Ward project delays.

The table below shows that at the end of month 10 the actual capital spend was £8.062m against an original plan of £11.292m and a revised plan of £7.326m. The forecast is rated amber due to the financial and operational implications of the delayed Fulwood receipt.

Capital Position to Date:	Original Plan £'000	Revised September Plan Pro-Rata £'000	Actual £'000	Variance against Sept plan £'000	Year to go £'000	% spend at M10	Indicator
In-month spend	642	733	240	493	n/a		Green
Cumulative spend	11,292	7,326	8,062	(736)	729	92%	Amber
Capital expenditure is <85% or >115% of plan for year to date							Green

Capital Forecast Outturn:	CDEL: Limit £'000	Revised Plan £'000	Forecast Exp £'000	Variance against CDEL Limit £'000	Variance against plan £'000	Indicator against CDEL	Indicator against revised plan
Full Year cumulative spend	8,791	8,791	8,791	0	0	Amber	Amber

At month 10, the EPR programme has a forecast cost pressure of £0.8m. Costs of continuing tranche 2 are not yet reflected in this position as the timing of the roll out plan is still to be confirmed.

An agreement has been made with a South Yorkshire Trust to allow us to use their capital underspend of £1m this year to mitigate the risk of overspending on the capital programme and to continue the EPR roll out. This will have to be repaid in 2024/25 reducing the funding available to us that year.

Section 8: Financial Risks

The 2023/24 financial plan incorporated all known cost pressures and mitigations at the time it was developed. Risks have since come to light that may impact on the financial position.

Issue	£m	Risk description	Mitigation	RAG rating
Service recovery plans	1.3	The identified recovery plans will be challenging to achieve.	The implementation of the plans is under scrutiny to ensure corrective action can be taken rapidly as necessary.	
Non-pay cost reductions	0.6	The forecast assumes that non-pay costs will reduce by £0.6m before year-end.	Stricter financial controls have been implemented to stop all non-essential expenditure.	
Underspend stretch	0.1	Services which are already underspending are expected to achieve further savings above current run rates.	Stricter financial controls have been implemented to stop all non-essential expenditure.	
Medical agency efficiency savings & agency cap stretch target	0.3	Plans are being progressed to achieve the original agency cost reductions and stretch further. The forecast assumes that these savings will be made by year-end.	Delivery Group is working to ensure that the efficiencies are achieved and maximised.	
Birch Avenue income	0.3	An uplift of 9.8% has been included in the forecast from South Yorkshire Housing Association (SYHA) for Birch Avenue. This uplift is consistent with the funding given by the ICB to SYHA and it is expected that SYHA will pass this onto SHSC.	Negotiations are ongoing with SYHA to secure the 9.8% uplift.	
Redundancy cost reimbursement	0.5	Redundancy costs are expected to be reimbursed but this verbal agreement has not been confirmed in writing.	An invoice has been raised for the first tranche of reimbursement. Ongoing discussions with the commissioner suggest that payments will be made in full.	
HEE trainee income	0.4	Income has been assumed for trainees in the Talking Therapies service that is not included on the HEE payment schedule.	The trainees are in place and the income is assumed based on agreed funding methodologies. HEE have been asked to	

			update the payment schedule to reflect the named trainees.	
Provider collaborative forensic income	0.2	The provider collaborative has indicated that it will fund Forest Lodge pressures arising from locum costs and also the cost of delivering the specialist community outreach service.	The provider collaborative will only be able to provide the funding if it makes a surplus and this will not be confirmed until year-end.	
EPR capital	0.5	The delayed roll out of phase 2 of the EPR project is likely to have sizeable financial implications for SHSC. It is not possible to fully quantify the risk until the 'go live' date is confirmed but is expected to be in the region of £0.5m.	Additional capital funding has been brokered from system partners/ wider NHS and this will be used to cover the EPR roll out in 23/24.	
TOTAL	**4.2**			

Each of the risks will be monitored closely over the coming months and will be factored into the financial position if it becomes probable that they will materialise.

Emerging risks for 2024/25 that will impact on financial planning are as follows:

Issue	£m	Risk description	Mitigation	RAG rating
Utilities	0.5	SHSC has benefited from a fixed low price utilities contract for several years. The contract comes to an end on March 31st and costs will escalate but the implications of this have not been fully quantified.	Options are being reviewed by estates and procurement colleagues to find the most cost-effective solution to this unavoidable pressure.	
Stranded costs	TBC	Overhead costs remain following the decommissioning of substance misuse, Buckwood View and the staff supply agreement.	Costs will be reviewed as part of the budget setting process for 2024/25. Areas of spend will be highlighted for consideration for CIP planning.	
NHS 111 MH option requirement	0.1	The trust is required by the Long-Term Plan (LTP) to offer universal access to urgent mental health helplines by April 2024. Procurement	The ICB have verbally confirmed that some funding will be made available to support this	

		processes are underway and costs are expected to be higher than originally anticipated.	service.	

Appendix 1: Income & Expenditure Trends

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 below shows the changes in income and expenditure at summary level from 2018/19 to 2023/24:

	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 FOT £000
Income from patient care activities	98,720	105,734	118,174	130,481	137,970	129,213
Other Income	29,216	25,741	35,537	21,368	22,571	23,544
Total Income	**127,936**	**131,475**	**153,711**	**151,849**	**160,541**	**152,757**
Pay	(94,015)	(104,443)	(116,244)	(117,422)	(128,913)	(124,556)
Non Pay	(20,798)	(22,547)	(33,589)	(32,246)	(31,988)	(33,679)
Total Expenditure	**(114,813)**	**(126,990)**	**(149,833)**	**(149,668)**	**(160,901)**	**(158,235)**
Interest receipts	224	322	1	29	1,278	2,442
Finance expense	(21)	(38)	(22)	(25)	(97)	(69)
PDC dividends payable	(1,635)	(1,432)	(1,374)	(1,765)	(2,226)	(2,565)
Net Finance Costs	**(1,432)**	**(1,148)**	**(1,395)**	**(1,761)**	**(1,045)**	**(192)**
Net Surplus / (Deficit)	**11,691**	**3,337**	**2,483**	**420**	**(1,405)**	**(5,670)**
Technical Adjustments	172	145	182	1,391	(1,092)	2,348
Adjusted Net Surplus / (Deficit)	**11,863**	**3,482**	**2,665**	**1,811**	**(2,497)**	**(3,322)**
KPI's						
Acute OOA purchase of healthcare	(270)	(625)	(2,079)	(5,283)	(6,460)	(5,580)
PICU OOA purchase of healthcare	(1,088)	(881)	(1,403)	(1,696)	(1,764)	(2,453)
Rehab OOA purchase of healthcare	(628)	(1,691)	(1,789)	(1,525)	(1,324)	(977)
Total Out of Area healthcare	**(1,986)**	**(3,197)**	**(5,271)**	**(8,504)**	**(9,549)**	**(9,010)**
Year on year % increase		***61%***	***65%***	***61%***	***12%***	***(6%)***
Total Agency Revenue Spend	**(3,516)**	**(3,819)**	**(4,638)**	**(5,873)**	**(8,963)**	**(6,301)**
Year on year % increase		***9%***	***21%***	***27%***	***53%***	***(30%)***

Pay was significantly higher in 2022/23 as a result of agency spend but also because a non-recurrent payment of £4.8m was included in the position for the non-consolidated backdated pay award. Income from NHS England was recognised to offset the cost. Further analysis of pay is given on the next page.

Agency and out of area expenditure is shown separately as these are the key drivers of the deficit position and focus points for efficiency savings.

Out of area spend is broken down into 3 components of acute, PICU and rehab. Historically, acute is the key area of concern as expenditure has gone up significantly year on year. However, pressures are being seen in PICU spend in 2023/24 due to escalating costs for high level observations for a small number of patients and higher bed nights than planned.

The table below shows the pay expenditure split by substantive, bank and agency pay over 3 years so the movement between categories can be seen.

		21/22 £000	% of total pay	22/23 £000	% of total pay	23/24 FOT £000	% of total pay
Trust wide costs	Substantive staff *	(104,664)	89.1%	(110,189)	*88.8%*	(113,011)	*90.7%*
	Bank staff	(6,474)	5.5%	(4,409)	*3.6%*	(5,048)	*4.1%*
	Agency / contract	(5,873)	5.0%	(8,963)	*7.2%*	(6,947)	*5.6%*
	Other	(411)	0.4%	(470)	*0.4%*	(494)	*0.4%*
	Recovery plans & stretch					943	*(0.8%)*
	Total pay expenditure	**(117,422)**	**100.0%**	**(124,031)**	***100.0%***	**(124,556)**	***100.0%***

* The 2022/23 substantive staff spend has been reduced by £4.8m to remove the non-consolidated backdated pay award to make the year-on-year figures comparable.

Pay was significantly higher in 2022/23 as a result of agency spend. The 2023/24 forecast assumes that actions taken to control agency spend will result in costs returning closer to 2021/22 levels. The Trust’s deficit will increase if this assumption is incorrect.

Agency costs are forecast to be 5.6% of total pay (prior to recovery actions), which is higher than the agency cap of 3.7%. This is an improvement on 2022/23 however when agency spend accounted for 7.2% of total pay costs. The forecast assumes that recover stretch targets will be achieved.

Substantive staff costs in 2023/24 are forecast to only increase by 2.6% despite pay settlements of 5%+ for all staff. This is because of the TUPE transfer of social care and substance misuse staff back to Sheffield City Council and to the new Substance Misuse provider.

The table below shows the movement on the wards over the same 3-year period.

Cost centre			21/22 £000	22/23 £000	*% change*	23/24 FOT £000	*% change*
011129	G1 Ward	Substantive staff	(1,418)	(944)	*(33%)*	(2,043)	*116%*
		Bank staff	(456)	(438)	*(4%)*	(486)	*11%*
		Agency / contract	(577)	(1,496)	*159%*	(209)	*(86%)*
		Recovery plan	0	0		34	
		G1 Ward	***(2,451)***	***(2,878)***	***17%***	***(2,704)***	***(6%)***
011153	Dovedale 1	Substantive staff	(1,773)	(1,788)	*1%*	(2,339)	*31%*
		Bank staff	(453)	(445)	*(2%)*	(365)	*(18%)*
		Agency / contract	(328)	(695)	*112%*	(278)	*(60%)*
		Recovery plan				56	
		Dovedale 1	***(2,554)***	***(2,928)***	***15%***	***(2,926)***	***(0%)***
011320	Burbage Ward	Substantive staff	(1,512)	(677)	*(55%)*	(2,080)	*207%*
		Bank staff	(354)	(521)	*47%*	(357)	*(31%)*
		Agency / contract	(455)	(1,319)	*190%*	(475)	*(64%)*
		Recovery plan				45	
		Burbage Ward	***(2,321)***	***(2,517)***	***8%***	***(2,866)***	***14%***
0111321	Dovedale 2	Substantive staff	(1,784)	(1,287)	*(28%)*	(1,679)	*30%*
		Bank staff	(87)	(652)	*652%*	(583)	*(11%)*
		Agency / contract	(416)	(465)	*12%*	(723)	*56%*
		Recovery plan				55	
		Dovedale 2	***(2,287)***	***(2,403)***	***5%***	***(2,930)***	***22%***
011370	Maple Ward	Substantive staff	(1,769)	(1,889)	*7%*	(2,420)	*28%*
		Bank staff	(673)	(597)	*(11%)*	(512)	*(14%)*
		Agency / contract	(306)	(500)	*63%*	(743)	*49%*
		Recovery plan				58	
		Maple Ward	***(2,749)***	***(2,986)***	***9%***	***(3,616)***	***21%***
011380	Endcliffe Ward	Substantive staff	(1,776)	(1,823)	*3%*	(2,258)	*24%*
		Bank staff	(680)	(332)	*(51%)*	(494)	*49%*
		Agency / contract	(335)	(723)	*116%*	(438)	*(39%)*
		Recovery plan				85	
		Endcliffe Ward	***(2,791)***	***(2,878)***	***3%***	***(3,105)***	***8%***

Although progress has been made in reducing agency costs on some wards, this isn't the case for all. The table highlights the significant increase in costs above pay award settlements or inflation for all wards except Dovedale 1

To give some context, the Agenda for Change pay award settlements for each year were:

2022/23 – average 4.5% consolidated pay uplift and a non-recurrent 1.5% payment.

2023/24 – 5%

Recovery plans have been developed for each of these wards in an attempt to bring the expenditure under control and back into line with plan for the remainder of the year. Forecast savings are shown as separate lines in the table above.

Appendix 2: Cost Improvement Programme – Out of Area (OOA) Efficiencies

Out of Area as per team forecast

Current position as per Team forecast @14.2.24

Adult	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Total
Contracted Bed nights - Planned	450	465	450	465	651	450	465	450	465	465	435	465	4,776	5,676
Contracted Number of Beds	15	15	15	15	15	15	15	15	15	15	15	15		
Contracted Bed nights - Bought	450	465	450	465	465	450	465	443	465	465	435	465	4,583	5,483
Variance in Bed nights	**0**	**0**	**0**	**0**	**186**	**0**	**0**	**7**	**0**	**0**	**0**	**0**	**193**	**193**
Spot Purchased Bed Nights - Planned	420	310	270	248	217	180	180	150	150	120	120	120	2,245	2,485
Spot Beds Number of beds	12	10	9	8	9	9	11	11	6	7	5	3		
Spot Purchased Bed Nights - Actual	356	310	268	252	293	256	342	322	188	214	155	93	2,801	3,049
Variance in Bed nights	**64**	**0**	**2**	**(4)**	**(76)**	**(76)**	**(162)**	**(172)**	**(38)**	**(94)**	**(35)**	**27**	**(556)**	**(564)**
Total Variance in Bed nights	**64**	**0**	**2**	**(4)**	**110**	**(76)**	**(162)**	**(165)**	**(38)**	**(94)**	**(35)**	**27**	**(363)**	**(371)**
Adult Planned Spend	546	484	460	449	667	423	424	406	407	390	397	390	4,655	5,442
Adult Actual Spend	502	494	467	487	510	452	521	503	429	463	388	363	4,829	5,579
Variance Spend	**43**	**(10)**	**(7)**	**(38)**	**157**	**(29)**	**(97)**	**(98)**	**(22)**	**(73)**	**9**	**27**	**(174)**	**(137)**

PICU	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Total
Purchased Bed nights Planned	180	186	180	186	186	150	155	150	155	155	140	155	1,683	1,978
PICU Number of beds	5	6	6	6	7	7	4	7	6	4	2	1		
Purchased Bed nights Actual	158	171	180	175	221	207	128	211	178	134	50	31	1,763	1,844
Variance in Bed nights	**22**	**15**	**0**	**11**	**(35)**	**(57)**	**27**	**(61)**	**(23)**	**21**	**90**	**124**	**(80)**	**134**
PICU Planned Spend	146	146	146	146	146	132	132	132	132	132	132	132	1,393	1,657
PICU Spend	207	211	190	253	317	269	188	256	232	224	65	43	2,346	2,453
Variance Spend	**(61)**	**(64)**	**(44)**	**(106)**	**(170)**	**(137)**	**(56)**	**(124)**	**(100)**	**(91)**	**67**	**90**	**(953)**	**(796)**

IFR	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Total
Purchased Bed nights Planned	182	188	182	188	188	182	189	182	188	188	176	189	1,857	2,222
IFR Number of beds	5	5	5	5	5	5	6	6	6	5	4	4		
Purchased Bed nights Actual	147	155	150	155	155	154	186	180	186	151	116	124	1,619	1,859
Variance in Bed nights	**35**	**33**	**32**	**33**	**33**	**28**	**3**	**2**	**2**	**37**	**60**	**65**	**238**	**363**
Rehab Planned Spend	116	116	116	116	116	116	116	116	116	116	116	116	1,164	1,397
Rehab Spend	72	80	81	80	80	80	95	96	99	83	64	68	845	977
Variance Spend	**45**	**36**	**35**	**36**	**36**	**36**	**22**	**21**	**17**	**34**	**52**	**48**	**319**	**420**

Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Total
Total planned Bed Nights	1,232	1,149	1,082	1,087	1,242	962	989	932	958	928	871	929	10,561	12,361
Total number of beds	37	36	35	34	37	36	36	39	33	31	26	23		
Total actual Bed Nights	1,111	1,101	1,048	1,047	1,134	1,067	1,121	1,156	1,017	964	756	713	10,766	12,235
Total Variance to Plan	**121**	**48**	**34**	**40**	**108**	**(105)**	**(132)**	**(224)**	**(59)**	**(36)**	**115**	**216**	**(205)**	**126**
Total planned spend	808	747	723	711	929	671	673	654	656	639	646	639	7,212	8,496
Total actual spend	781	785	738	820	906	801	803	855	760	769	517	473	8,020	9,010
Total Variance to Plan	**27**	**(39)**	**(15)**	**(108)**	**23**	**(130)**	**(130)**	**(201)**	**(104)**	**(131)**	**129**	**165**	**(808)**	**(514)**

Appendix 3: Cost Improvement Programme – Agency Reduction Delivery Group

£000s **Overview SHSC Trust-wide Agency - 2023/24 - Month 10, January 2024**

Agency Directorate Summary £000s

	22/23 Outturn	FYE Target	Forecast Out turn	Var (F) / A		Change since last Month	YTD Target	YTD Actual	Var (F) / A		Change since last Month	YTD Pay Variance	Year to Date break down of pay bill: Substantive		Bank		Agency	Total Pay Bill
		Note 1	Note 2				Note 1							Note 3		Note 3	Note 3	
Acute & Community	4,828	4,774	3,581	(1,193)	Green	↑ (57)	4,027	3,362	(664)	Green	↓ 72	2,382	24,140	82.0%	1,946	6.6%	11.4%	29,449
Rehab & Specialist	2,997	634	1,797	1,163	Red	↑ (15)	528	1,790	1,262	Red	↑ (91)	3,157	40,434	91.6%	1,921	4.4%	4.1%	44,145
Clinical Central	150	115	20	(95)	Green	→ 0	95	19	(76)	Green	↓ 11	424	6,250	99.3%	23	0.4%	0.3%	6,292
Clinical Total	**7,975**	**5,522**	**5,398**	**(125)**	Green	↑ (72)	**4,650**	**5,171**	**522**	Red	↑ (8)	5,963	70,824	88.7%	3,890	4.9%	6.5%	79,886
Medical	182	150	173	23	Red	↓ 15	125	162	38	Red	↑ (8)	732	10,384	98.3%	19	0.2%	1.5%	10,565
Chair/Chief Exec Office	0	0	0	0	Green	→ 0	0	0	0	Green	→ 0	31	1,117	100.0%				1,117
Nursing & Professions	75	64	23	(40)	Green	→ 0	53	23	(30)	Green	↓ 6	310	3,316	98.2%	36	1.1%	0.7%	3,375
People Directorate	155	108	0	(108)	Green	→ 0	89	0	(89)	Green	↓ 11	197	2,321	95.7%	103	4.3%		2,424
Finance	415	288	76	(213)	Green	↓ 6	238	76	(162)	Green	↓ 35	(11)	1,817	95.3%	13	0.7%	4.0%	1,906
IMST	267	186	698	513	Red	↓ 6	153	670	517	Red	↓ 6	540	1,433	66.2%	61	2.8%	31.0%	2,164
cial Projects & Facilities	198	141	175	34	Red	↓ 17	116	157	41	Red	↓ 12	90	2,764	93.0%	50	1.7%	5.3%	2,971
Corporate Governance	8	5	11	6	Red	→ 0	4	11	7	Red	→ 1	5	442	93.7%	18	3.9%	2.4%	471
Central / reserves	(312)	16	(253)	(268)	Green	↑ (354)	13	(253)	(266)	Green	↓ 81	(4,295)	(354)	50.4%	(96)	13.6%	36%	(702)
Corporate Total	**987**	**957**	**904**	**(53)**	Green	↑ (375)	**791**	**847**	**57**	Red	↓ 143	(2,399)	23,240	95.7%	206	0.8%	3.5%	24,292
Total	**8,963**	**6,479**	**6,301**	**(178)**	Green	↑ (446)	**5,441**	**6,018**	**577**	Red	↓ 135	**3,564**	**94,064**	**90.3%**	**4,096**	**3.9%**	**5.8%**	**104,178**

Agency Profession Summary £000s

	22/23 Outturn	Target	Forecast Out turn	Var (F) / A		YTD Target	YTD Actual	Var (F) / A	
		Note 1	Note 2			Note 1			
Health Care Assistant	2,718	1,722	1,689	(34)	Green	1,465	1,613	148	Red
Consultants	1,451	1,187	1,099	(88)	Green	990	1,046	56	Red
Other Medical	1,316	1,052	959	(92)	Green	877	911	34	Red
Nursing Registered	1,646	1,036	1,246	211	Red	881	1,176	295	Red
Admin & Clerical	1,281	932	966	34	Red	769	953	184	Red
Ancillary	311	311	221	(90)	Green	259	206	(53)	Green
Scientific Therapeutic & Tech	207	207	89	(118)	Green	173	83	(89)	Green
Allied Health Professions	32	32	30	(1)	Green	27	30	4	Red
Total	**8,963**	**6,479**	**6,301**	**(178)**	Green	**5,441**	**6,018**	**577**	Red

Comments

Admin & Clerical has been impacted by the EPR delays and alterations resulted in a significant increase in costs, whilst most specialist staff in Facilities and IMST have now finished.

The Following estimates are included a) recovery plans forecast £642k. The stretch target included last month has been removed.

The target for agency is 3.7% of which we are at 5.8% we are currently 2.1% over.

The reduction required for 24/25 based on an est. pay bill of £125,816k would be a maximum of £4,655k. Therefore a saving of £1,646k

Notes
1) The target is based on the out turn 22/23 Less the CIP (the inflation of 5% is not included)
2) The forecast includes the recovery plans, and is based on the average of the last 2 months with the exception (1) Medical and Admin that is based on expectations (2) Central/reserves which is calculated on YTD, known next month changes and forecast savings from recovery plans
3) % of the total pay bill (Excluding Capital)
4) Central / reserves include all over / under stated accruals relating to the previous year, the majority underspend in 22/23 has been redistributed.

KEY
YTD = Year to date
FYE = Full year effect
(F) = Favourable
A = adverse

Legend
Green: Target or under
Red: Over target

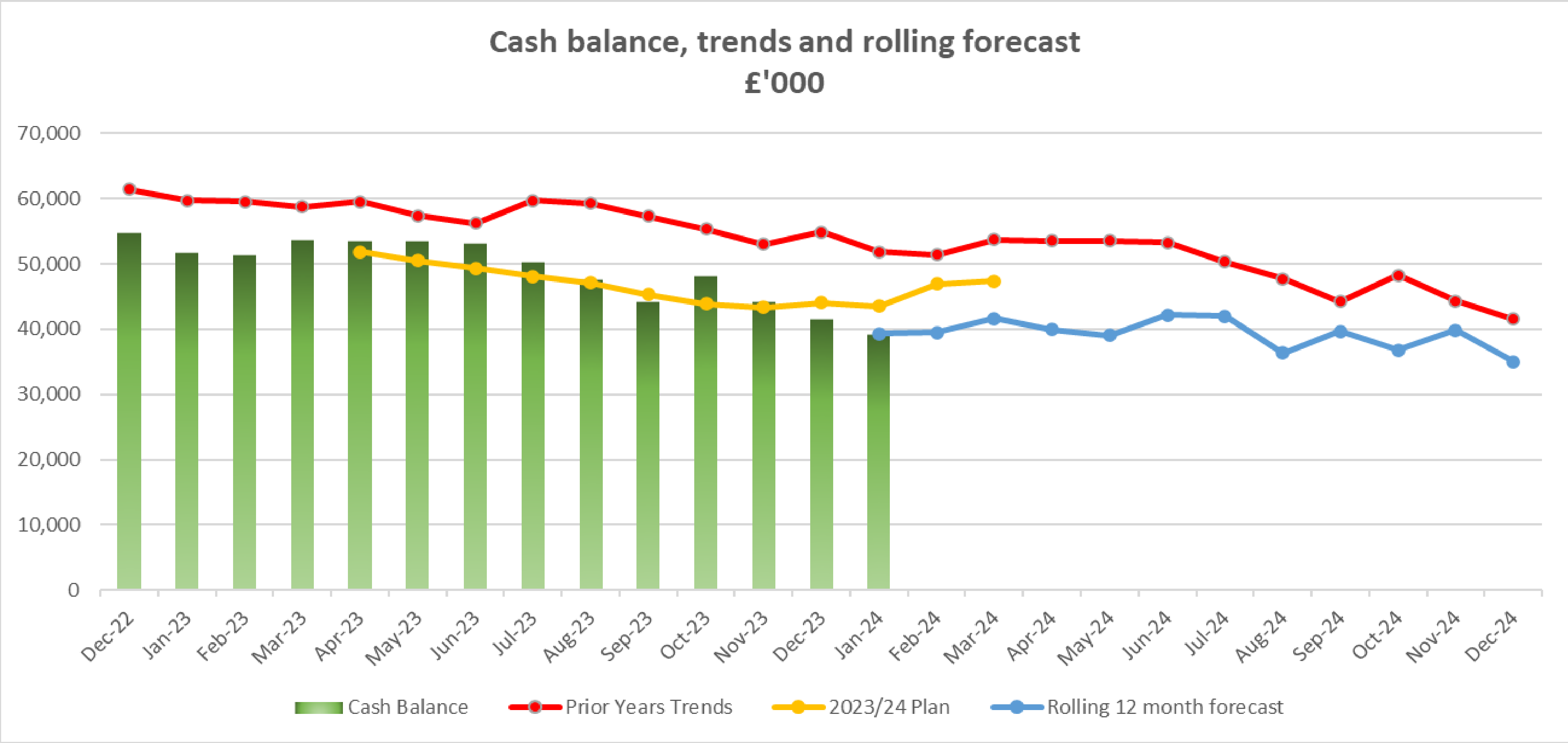
Cost Improvement Programme as at January 2024 £000s

Non recurrent efficiencies are shown as blue text @20.2.24

CIP lead	Service Area	Scheme	CIP Efficiency Target	(Under) / Over Achievement to date	Risk Rating	Apr Actual £	May Actual £	Jun Actual £	Jul Actual £	Aug Actual £	Sep Actual £	Oct Actual £	Nov Actual £	Dec Actual £	Jan Actual £	Feb Forecast £	Mar Forecast £	Total £	Var to plan
						Scheme Status													
Efficiency Delivery Group																			
Samantha Crosby	Special Projects & Facilities	Waste contract renewal	24			4	4	4	4	4	4							24	
Sarah Bawden	People	Occupational Health contract	10			2	2	2	2	2	2							10	
Neil Robertson	Central Management	Secure Patient Transport	50	(42)															(50)
Samantha Crosby	Special Projects & Facilities	Electric Vehicle (Phase 2)	10													5	5	10	
Phill Easthope	Trust Wide	Corporate OH reduction	250	(145)										18	4	4	4	30	(220)
Derek Bolton	Special Projects & Facilities	Fulwood Site (Phase 2)	171	(143)															(171)
Abiola Allinson	Medical	Pharmacy Formulary	30	(20)					1	4	(5)								(30)
Pete Kendal	Trust Wide	Telecoms Contract	80	7								27	13	13	13	13	13	93	13
Derek Bolton	Trust Wide	Improved HQ space utilisation	60	(34)											3	3	3	8	(53)
James Sabin	Central Budgets	Cash investments / interest	363			25	25	25	25	35	35	35	27	27	27	27	50	364	
Philip Easthope	Trust Wide	Technical Adj - System wide approach (N/R)	500	578									491	87				578	78
Total Efficiency Delivery Group			**1549**	**202**		**31**	**31**	**31**	**32**	**44**	**36**	**62**	**531**	**145**	**47**	**52**	**75**	**1116**	**(432)**

Excluding the unplanned non-recurrent interest receipts, the overall workstream position is £0.202m ahead of plan year to date with an anticipated under achievement of £0.432m. This is primarily due to the lack of savings on the corporate overhead reduction and Fulwood site schemes. Including the interest receipts in the efficiency totals allows us to report break even against the plan for NHSE reporting.

Appendix 5: Cash Balance Trends and Rolling Cash Flow Forecast



Appendix 6: Breakdown of overspending rota services

Finance and Performance Committee (FPC) have requested further information on rota costs compared to budgets for overspending services; the table below gives the breakdown.

Service Line	YTD budget	YTD actual	YTD (over)/ under £	WTE budget	WTE actual	(Over)/ under established WTE	Substantive (over)/ under £	Agency (over)/ under £	Bank (over)/ under £	Income & non pay (over)/ under £
Woodland View *	-	493,083	(493,083)	67.45	80.56	(13.11)	118,220	(394,824)	(309,303)	92,824
Birch Avenue *	-	513,615	(513,615)	74.70	86.92	(12.22)	(43,634)	(188,864)	(388,259)	107,141
G1 Ward	2,061,563	2,328,303	(266,740)	54.92	74.05	(19.13)	308,173	(164,672)	(382,393)	(27,848)
Dovedale 1	2,099,715	2,631,567	(531,852)	53.35	69.82	(16.47)	38,153	(239,637)	(296,315)	(34,053)
Burbage Ward	2,168,188	2,572,505	(404,317)	55.86	60.69	(4.83)	300,475	(401,164)	(305,276)	1,648
Dovedale 2	2,174,272	2,604,565	(430,293)	55.85	76.82	(20.97)	655,077	(603,111)	(464,558)	(17,702)
Maple Ward	2,456,064	3,220,858	(764,794)	61.59	84.82	(23.23)	274,051	(610,954)	(387,591)	(40,300)
Endcliffe Ward	2,192,851	2,792,768	(599,917)	57.54	78.15	(20.61)	191,521	(374,688)	(375,881)	(40,869)
TOTAL	**13,152,653**	**17,157,263**	**(4,004,610)**	**481**	**612**	**(131)**	**1,842,037**	**(2,977,913)**	**(2,909,576)**	**40,842**

* Budget assumes that costs will be matched by income from commissioners.