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NHS
Sheffield Health and Social Care
NHS Foundation Trust

Board of Directors – Public

SUMMARY REPORT	Meeting Date:	24 January 2024
	Agenda Item:	19

Report Title:	**Financial Performance Report as at 30th November 2023 (month 8)**	
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**	Finance & Performance Committee (FPC) Executive Director of Finance briefing to FPC Non-Executive Directors Executive Management Team (EMT)
	Date:	11th January 2024 5th January 2024 4thJanuary 2024
Key points/ recommendations from those meetings	**Finance & Performance Committee** considered the reported financial position noting the briefing on the 5th January where an update on the delivery of the financial recovery plans was received. The update reported positive performance against directorate recovery plans with agency usage reducing in December. Other areas remained on plan except for Out of Area which is forecast to deliver £1.2m but that the stretch target was at risk. FPC were assured that the implementation of the recovery plan is under scrutiny to ensure corrective action can be taken rapidly. **Executive Management Team (EMT)** considered the update to the recovery plans to ensure delivery of the planned £3.2m deficit. EMT noted the positive December performance against directorate recovery plans and considered what further action can be taken regarding the out of area recovery plan to maximise delivery against the stretch target.	

Summary of key points in report

At month 8, we are reporting a year-to-date (YTD) deficit £0.9m worse than plan, at £3.204m. The forecast is on plan with a deficit of £3.262m.

Recovery plans and efficiency schemes must deliver by year-end to achieve the forecast.

Detail of the delivery plans are included in the financial overview bridge, however, a summary of plan to deliver forecast is as follows:

Scheme	Amount
Directorate Recovery Plans	£1.1m
Non pay forecast reduction	£0.5m
Deliver out of area CIP in full	£0.6m
Medical agency/locum stretch target	£0.2m
Cap agency to stretch recovery plan delivery	£0.5m
Review pay growth in forecasts	£0.2m
Underspend area (not in recovery plan)	£0.2m
Total	£3.3m

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.

The forecast capital spend is £4m less than plan as the receipt from the sale of Fulwood is no longer expected this year. The delay in completing the sale and the £0.8m overspend on the Electronic Patient Record (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. Despite the action taken there is still a risk of overspend from undertaking the minimum work possible to finalise ongoing schemes that started in 2022/23 along with essential work for 2023/24. The risk is estimated at between £0.8m and £1m above the reported forecast outturn of £8.791m. The possibility of utilising other Trust's capital underspends is being pursued but there is little scope for this to happen within the South Yorkshire system. Integrated Care Board (ICB) colleagues are liaising with other systems to establish if underspends elsewhere can be utilised and then repaid next year.

Appendices attached:
Financial Performance Report M8

Recommendation for the Board/Committee to consider:

Consider for Action		Approval		Assurance	X	Information	

Board of Directors to note the financial position as at 30th November 2023.

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

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

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

FINANCIAL PERFORMANCE REPORT
NOVEMBER 2023

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Key Performance Indicator	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	23/24 Forecast £'000	Variance £'000
Surplus/(Deficit)	(2,259)	(3,204)	(945)	(3,262)	(3,262)	(0)
Out of Area spend *	(5,917)	(6,474)	(556)	(8,496)	(8,496)	(0)
Agency spend	(4,393)	(4,876)	(483)	(6,479)	(6,479)	(0)
Cash	43,366	44,301	935	47,405	43,977	(3,428)
Efficiency Savings #	3,043	3,043	0	5,734	5,734	0
Capital ~	(9,043)	(7,170)	1,873	(12,791)	(8,791)	4,000

KPI		Target	Number	Value
Invoices paid within 30 days (Better Payments Practice Code)	NHS	95%	100%	100%
	Non-NHS	95%	99.6%	99.3%

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 8, we are reporting a YTD deficit £0.9m worse than plan at £3.204m. We are forecasting on plan for the year-end deficit of £3.262m.

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

- Operational recovery plans £1.1m
- Non-Pay controls £0.5m
- Eliminate Out of Area shortfall £0.6m
- Cap agency booking in addition to recovery plans £0.5m
- Other schemes £0.6m

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

The efficiency plan is forecast to deliver on plan but this is 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.

The forecast capital spend is £4m less than plan as the receipt from the sale of Fulwood is no longer expected. The delay in completing the sale 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. Despite the action taken there is still a risk of overspend from undertaking the minimum work possible to finalise ongoing schemes that started in 2022/23 along with essential work for 2023/24. The risk is estimated at between £0.8m and £1m above the reported forecast outturn of £8.791m. The possibility of utilising other Trusts capital underspends is being pursued but there is little scope for this to happen within the South Yorkshire system. ICB colleagues are liaising with other systems to establish if underspends elsewhere can be utilised and then repaid next year.

Year To Date Position

At month 8, the YTD position is a deficit of £3.204m (M7: £2.634m), which is £0.945m 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	84,296	86,568	2,272	2.7%
Other Income	13,936	15,229	1,293	9.3%
Total Income	**98,232**	**101,797**	**3,565**	**3.6%**
Pay	(79,365)	(83,573)	(4,208)	5.3%
Non Pay	(20,570)	(21,493)	(923)	4.5%
Total Expenditure	**(99,935)**	**(105,065)**	**(5,130)**	**5.1%**
Interest receipts	856	1,695	839	98.1%
Finance expense	(40)	(44)	(4)	10.6%
PDC dividends payable	(1,512)	(1,701)	(189)	12.5%
Net Finance Costs	**(696)**	**(50)**	**646**	**(92.8%)**
Net Surplus / (Deficit)	**(2,399)**	**(3,319)**	**(920)**	**38.3%**
Technical Adjustments	140	115	(25)	(17.9%)
Adjusted Net Surplus / (Deficit)	**(2,259)**	**(3,204)**	**(945)**	**41.8%**
KPI's				
Acute OOA purchase of healthcare	(3,858)	(3,922)	(64)	1.7%
PICU OOA purchase of healthcare	(1,128)	(1,892)	(764)	67.7%
Rehab OOA purchase of healthcare	(931)	(660)	272	(29.2%)
Agency	(4,393)	(4,876)	(483)	11.0%

Key variances are described below:

Clinical income - £2.272m favourable:

- £1.9m increased Integrated Care Board (ICB) & NHS England (NHSE) contract funding increase of 2.3% for the pay settlements.
- £0.7m favourable variance as all expected income for Substance Misuse and Buckwood View has been received in the YTD but was phased across the year in the plan. Offset by matching adverse pay & non-pay phasing variances.
- £0.3m other net adverse income adjustments.

Other income - £1.293m favourable:

- £0.7m favourable variance for the reimbursement of seconded staff costs.
- £0.1m additional income for a research project (matched by additional 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.
- £0.2m favourable variance as all expected income for Substance Misuse and Buckwood View has been received in the YTD but was phased across the year in the plan. Offset by matching adverse pay & non-pay phasing variances.
- £0.1m favourable variance across a range of cost centres.

Pay - £4.208m adverse:

- £1.2m 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.
- £2.4m 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.
- £0.7m adverse variance due to all Substance Misuse and Buckwood View costs being incurred in the YTD but phased across the year in the plan. Offset by matching favourable income variances.
- £0.2m favourable variance from the release of the 2022/23 annual leave accrual.

Non-pay - £0.923m 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. Offset by matching favourable income variances.
- 0.6m 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 £0.06m compared to a plan of £0.02m. In addition, 92 more bed nights have been purchased than planned and the average bed night cost ranges from £870 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.
- £0.3m net favourable variance across a range of areas.

Net finance costs - £0.646m favourable:

- £0.8m 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	(35,555)	(40,978)	(5,424)	(53,322)	(60,101)	(6,778)	643
Rehab & specialist	(18,016)	(18,604)	(588)	(27,709)	(28,289)	(580)	1,063
Directorate management/ central	(1,760)	(1,919)	(159)	(2,727)	(2,842)	(114)	32
Medical	(3,908)	(3,995)	(87)	(5,912)	(6,072)	(160)	103
Chair/Chief Exec Office	(960)	(949)	11	(1,519)	(1,520)	(1)	50
Corporate Governance	(1,057)	(1,058)	(1)	(1,600)	(1,623)	(22)	32
Director of Finance	(5,042)	(5,026)	16	(7,609)	(7,940)	(331)	80
Exec Dir of Operations & Trans	(48)	(51)	(3)	(72)	(76)	(4)	-
Nursing & Professions	(2,374)	(2,376)	(1)	(3,964)	(3,594)	370	807
People Directorate	(2,608)	(2,796)	(188)	(3,912)	(4,097)	(185)	-
Special Projects & Facilities	(5,048)	(5,087)	(39)	(7,578)	(7,923)	(345)	17
Reserves	47	2,051	2,004	(209)	4,504	4,713	-
Central budgets	73,930	77,469	3,539	112,673	116,138	3,466	(2,827)
Net surplus/ (deficit)	***(2,399)***	***(3,319)***	***(920)***	***(3,462)***	***(3,434)***	***28***	***-***
Technical adjustments	140	115	(25)	200	172	(28)	-
ADJUSTED SURPLUS/ (DEFICIT)	**(2,259)**	**(3,204)**	**(945)**	**(3,262)**	**(3,262)**	**0**	**-**

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, non-compliance with 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. Further recovery plans will be developed for services that subsequently exceed the threshold.

The forecast includes recovery plans at service level for the Acute & Community and Rehab & Specialist 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 significant underspend on the Nursing & Professions service line is partly due to budget anomalies of £0.7m that will be rectified through the budget virement process ongoing at present.

The £4.7m forecast underspend on central reserves is primarily due to:

- £2.1m MHIS and SDF costs recognised on service lines rather than on reserves, budgets will be vired to match.
- £1.7m release of prior year accruals.
- £1.1m contingency released to partially offset pressures.

The £3.5m forecast underspend on central budgets is primarily due to:

- £1.2m of interest receipts higher than plan following interest rate rises
- £2.8m 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.

There are adverse variances for each of these directorates to partially offset the gross underspends listed above.

Current Month Actuals Compared To Forecast Last Month

The table below compares the actual income and expenditure in M8 to the M8 forecast reported in M7 to highlight significant variances in assumptions.

	Current month			
	M8 forecast £000	M8 actual £000	Variance £000	%
Clinical Income	10,511	10,222	(289)	(2.8%)
Other Income	1,849	2,057	208	11.3%
Total Income	**12,360**	**12,279**	**(81)**	**(0.7%)**
Pay	(10,210)	(10,510)	(300)	2.9%
Non Pay	(2,418)	(2,399)	19	(0.8%)
Total Expenditure	**(12,628)**	**(12,909)**	**(281)**	**2.2%**
Interest receipts	197	208	11	5.7%
Finance expense	(5)	(5)	0	(1.6%)
PDC dividends payable	(220)	(158)	63	(28.5%)
Net Finance Costs	**(29)**	**45**	**74**	**(257.3%)**
Net Surplus / (Deficit)	**(296)**	**(584)**	**(288)**	**97.2%**
Technical Adjustments	14	15	1	4.7%

Adjusted Net Surplus / (Deficit)	**(282)**	**(569)**	**(287)**	**101.9%**
KPI's				
Acute OOA purchase of healthcare	(403)	(492)	(89)	22.1%
PICU OOA purchase of healthcare	(183)	(251)	(68)	37.2%
Rehab OOA purchase of healthcare	(85)	(91)	(6)	6.8%
Agency	(568)	(801)	(233)	40.9%

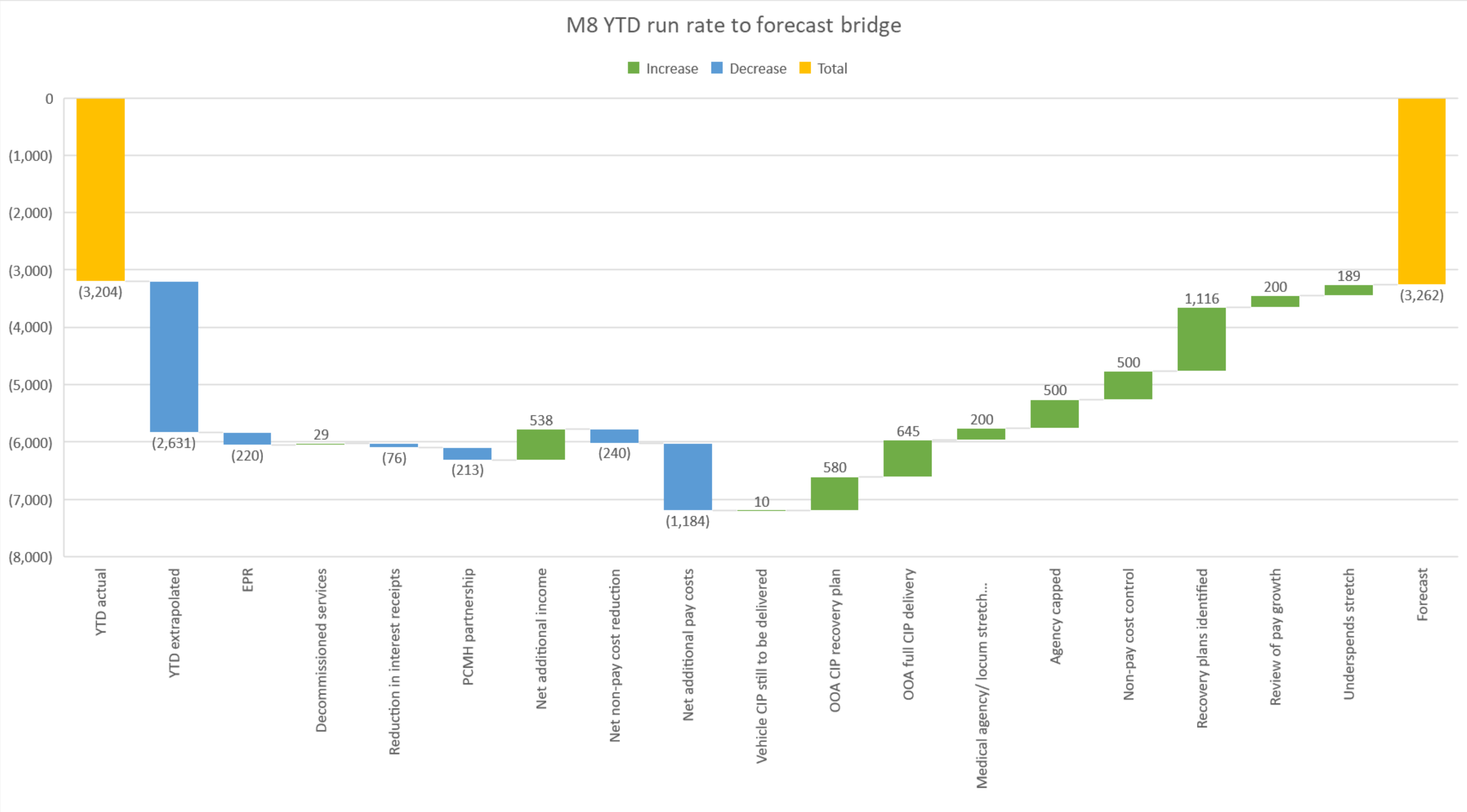
The gross forecast variances for M8 are small at 0.7% for income and 2.2% for expenditure. However, the net increase to the deficit of £0.287m is double the forecast deficit for M8. The main drivers of this are agency expenditure of £0.233m (40.9%) and OOA expenditure of £0.163m (24.2%) above expected levels.

Forecast Outturn

The forecast matches the planned deficit of £3.262m despite increasing cost pressures. Several savings assumptions have been made to arrive at this forecast, including:

- £1.1m from recovery plans for Acute & Community and Rehab & Specialist services
- £0.5m stretch to recovery plans through capping agency usage
- £0.2m stretch plans for medical agency & locum usage
- £0.5m reduction in non-pay expenditure due to the stopping of all non-essential spend
- £0.6m of out of area efficiencies will be achieved to deliver the CIP target in full
- £0.2m reduction in anticipated pay growth
- £0.2m 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.


M8 YTD run rate to forecast bridge
Increase
Decrease
Total
0
(1,000)
(2,000)
(3,000)
(4,000)
(5,000)
(6,000)
(7,000)
(8,000)
(3,204)
(2,631)
(220)
29
(76)
(213)
538
(240)
(1,184)
10
580
645
200
500
500
1,116
200
189
(3,262)
YTD actual
YTD extrapolated
EPR
Decommissioned services
Reduction in interest receipts
PCMH partnership
Net additional income
Net non-pay cost reduction
Net additional pay costs
Vehicle CIP still to be delivered
OOA CIP recovery plan
OOA full CIP delivery
Medical agency/ locum stretch...
Agency capped
Non-pay cost control
Recovery plans identified
Review of pay growth
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.
- EPR costs are anticipated above the current run rate to reflect the expected phase 2 implementation costs from M8 onwards. Please note however, that this position does not reflect the phase 2 delay as the implications of this have not yet been confirmed and approved.
- Net additional pay, non-pay, income 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. Recovery plans are targeted at reducing these forecast cost pressures.
- Non-pay cost reductions of 10% of spend have been forecast leading to an expected reduction of £0.5m.
- 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 along with stretch of £0.6m to deliver the total planned of £1.7m in year.
- Recovery plans have identified £1.1m of savings to date. Further savings are anticipated from the review of pay growth in services and maximisation of savings in already underspending areas.

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

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	10,625	10,625	10,625	10,625	126,438	129,070	(2,632)
Other Operating Income	22,571	1,866	1,866	1,696	1,729	1,884	1,827	2,304	2,057	2,357	1,818	1,818	1,918	20,897	23,139	(2,242)
Total Income	160,541	12,741	12,741	13,150	12,291	12,911	12,299	13,386	12,279	12,983	12,443	12,443	12,543	147,335	152,209	(4,874)
Expenditure																
Substantive	110,235	(8,739)	(8,739)	(11,216)	(9,389)	(8,715)	(10,022)	(9,181)	(9,246)	(9,855)	(9,205)	(9,223)	(9,202)	(111,800)	(112,732)	932
Bank	4,409	(286)	(286)	(606)	(231)	(428)	(568)	(284)	(423)	(429)	(426)	(426)	(427)	(195)	(4,821)	4,626
Agency	8,963	(1,334)	(1,334)	1,098	(544)	(710)	(555)	(695)	(801)	(654)	(347)	(302)	(301)	(6,479)	(6,479)	0
NHSE pension costs	4,835															
Other (Apprenticeship Levy)	470	(37)	(37)	(38)	(67)	(37)	(41)	(39)	(40)	(39)	(39)	(39)	(38)	(441)	(491)	50
Total Pay	128,913	(10,397)	(10,397)	(10,762)	(10,232)	(9,890)	(11,186)	(10,199)	(10,510)	(10,976)	(10,016)	(9,990)	(9,968)	(118,915)	(124,523)	5,608
Out of Area healthcare	9,549	(760)	(760)	(763)	(754)	(910)	(920)	(773)	(835)	(490)	(490)	(459)	(583)	(8,496)	(8,496)	(0)
Drugs	1,262	(73)	(73)	131	(453)	(98)	(90)	(75)	(75)	(92)	(92)	(92)	(92)	(871)	(1,173)	302
Other non pay	18,034	(1,625)	(1,625)	(1,432)	(1,152)	(1,901)	(780)	(1,960)	(1,169)	(1,586)	(1,506)	(1,474)	(1,246)	(18,036)	(17,457)	(579)
Total Non Pay	28,845	(2,457)	(2,457)	(2,064)	(2,359)	(2,909)	(1,790)	(2,808)	(2,079)	(2,168)	(2,088)	(2,026)	(1,921)	(27,402)	(27,126)	(276)
Total Expenditure	157,758	(12,854)	(12,854)	(12,826)	(12,591)	(12,799)	(12,975)	(13,007)	(12,589)	(13,145)	(12,104)	(12,016)	(11,889)	(146,317)	(151,650)	5,332
EBITDA	2,783	(113)	(113)	323	(300)	112	(676)	379	(310)	(162)	339	428	654	1,018	559	458
Depreciation & Amortisation	3,142	(260)	(260)	(445)	(321)	(322)	(321)	(321)	(320)	(319)	(317)	(317)	(318)	(3,425)	(3,842)	417
Net Operating Surplus / (Deficit)	(360)	(373)	(373)	(121)	(621)	(210)	(997)	58	(630)	(481)	21	110	336	(2,407)	(3,282)	875
Interest receipts	1,278	200	200	222	439	9	206	212	208	188	184	195	203	1,279	2,465	(1,186)
Finance expense	(97)	0	0	(15)	(8)	(6)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(62)	(66)	4
PDC dividends payable	(2,226)	(161)	(161)	(188)	(279)	(226)	(308)	(221)	(158)	(212)	(212)	(212)	(212)	(2,272)	(2,551)	279
Net Finance Costs	(1,045)	39	39	19	153	(223)	(108)	(14)	45	(30)	(34)	(23)	(15)	(1,055)	(151)	(903)
Technical Adjustments	(1,092)	15	15	14	14	15	14	14	15	14	14	14	15	200	173	28
Adjusted Net Surplus / (Deficit)	(2,497)	(320)	(320)	(88)	(454)	(419)	(1,091)	57	(569)	(496)	2	102	336	(3,262)	(3,262)	(0)
Previous month forecast									(282)	(252)	(213)	(127)	246		(3,262)	
Change from the previous month									*(287)*	*(245)*	*215*	*229*	*90*		*0*	

At M7 it was forecast that the M8 November position would be a deficit of £0.282m, which is £0.287m better than the actual net £0.569m surplus achieved for the month. Further information on the variance is given in section 1 of the report.

The services showing overspends at M8 are detailed in the table below:

Directorate	Service Line	M8 (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	(515,976)	23.01	20,248	(338,350)	(242,474)	44,600	Staffing over establishment levels
	Birch Avenue	(409,312)	13.43	(29,380)	(172,757)	(306,784)	99,609	Staffing over establishment levels
	G1 Ward	(200,867)	10.98	233,305	(118,853)	(295,347)	(19,972)	Staffing over establishment levels
	OA CMHT	(348,864)	2.79	(145,807)	(147,984)	(46,241)	(8,832)	Staffing over establishment levels
	Dovedale 1	(386,068)	19.97	52,797	(196,042)	(225,790)	(17,032)	Staffing over establishment levels
	Burbage Ward	(339,712)	13.89	235,785	(330,349)	(251,735)	6,588	Staffing over establishment levels
	Dovedale 2	(296,914)	21.22	528,483	(465,432)	(336,439)	(23,525)	Staffing over establishment levels
	Maple Ward	(592,368)	23.98	179,392	(466,360)	(277,494)	(27,906)	Staffing over establishment levels
	Endcliffe Ward	(474,570)	21.40	125,504	(304,983)	(264,027)	(31,065)	Staffing over establishment levels
	Acute & Comm Central	(163,502)	0.00	(3,046)	-	-	(160,456)	Patient transport costs
	Out of Town PICU	(771,838)	0.00	-	-	-	(771,838)	£383k due to high number of observations for a small cohort of patients (plan of £15k per month); 82 bed nights more than planned (65 more in Nov alone) and the average bed night cost ranging from £870 to £953 compared to planned £861.

Central	Capital Charges	(472,432)	0.00	-	-	-	(472,432)	Asset valuation increases
	Contract income	(255,271)	0.00	(101,560)	-	-	(153,710)	£118k due to the bank staff backdated pay award for 22/23.
Director of finance	New EPR *	(185,559)	3.75	(98,330)	(486,432)	-	399,203	Programme slippage
	Information Governance *	(157,857)	4.67	(26,271)	(102,788)	(33,423)	4,625	Fixed term agreement to over establish the team to clear backlog of work following ICO intervention.
Directorate management / central	Clinical Management Team	(176,656)	0.81	(190,143)	(6,035)	(12,999)	32,521	£89k consultant on-call, £30k additional PAs and £46k trainee doctors
Medical	Medical Management Team	(70,543)	3.72	(29,405)	-	-	(41,139)	Staffing over establishment levels High level of training & venue costs
	PGME personnel	(45,617)	(0.10)	(31,177)	-	(6,216)	(8,224)	Costs exceeding income received from HEE. Recovery plan to be requested.
	PGME Sheffield	(164,376)	(1.71)	(51,922)	(80,834)	-	(31,621)	Cost centre to be reviewed in detail. Agency & non-pay costs may be attributable to other service lines.
People	Training	(48,018)	1.84	(44,193)	-	-	(3,825)	Over established due to maternity backfill & temporary post agreed to 31/3/24.
	International Recruitment *	(53,499)	0.00	-	-	-	(53,499)	Recruitment fees and accommodation costs more than national funding.
	Apprenticeship Levy Costs *	(41,814)	0.00	(41,814)	-	-	-	Costs increase as substantive staff increases. Not a controllable cost for

								the directorate.
	Flu vaccinations *	(50,403)	0.00	-	-	(50,280)	(123)	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	(128,990)	0.72	(50,778)	(46,657)	(30,290)	(1,266)	Staffing over establishment levels
	Forest Lodge	(310,202)	(0.14)	26,361	(252,070)	(38,743)	(45,749)	Staffing over establishment levels
Special projects & facilities	Maintenance Support	(282,255)	(1.23)	(100,203)	(48,470)	(15,579)	(118,003)	Not over established at M8 but overtime incurred. Agency costs in prior months.
	Small Scheme Improvements	(128,712)	0.00	-	-	-	(128,712)	A range of maintenance overspends. Recovery plan requested
TOTAL		**(7,072,193)**	**163.00**	**457,847**	**(3,564,397)**	**(2,433,861)**	**(1,531,782)**	

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.

The YTD CIP programme target is £3.0m and this has been achieved with the inclusion of non-recurrent interest receipts.

Cost Improvement Programme as at November 2023 **£000s**

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CIP lead	Scheme	Scheme Status													
		Apr Actual £	May Actual £	Jun Actual £	Jul Actual £	Aug Actual £	Sep Actual £	Oct Actual £	Nov Actual £	Dec Forecast £	Jan Forecast £	Feb Forecast £	Mar Forecast £	YTD £	Total £
Out of Area Delivery Group															
Mike Hunter	Expected spend pre CIPs	826	835	826	835	959	840	850	840	850	850	840	850	6,809	10,197
	Spend 23/24	801	718	763	754	910	921	773	835	645	645	615	762	6,474	9,141
	Variance	25	117	63	81	49	(81)	77	5	205	205	225	88	334	1,055
	CIP plans	17	88	103	124	29	168	177	185	194	211	194	211	891	1,701
	Gap to CIP plan	**8**	**29**	**(40)**	**(43)**	**20**	**(249)**	**(100)**	**(181)**	**11**	**(6)**	**31**	**(123)**	**(556)**	**(645)**
Agency Reduction Delivery Group															
Caroline Parry	Average spend 22/23	747	747	747	747	747	747	747	747	747	747	747	748	5,975	8,964
	Spend 23/24	507	507	557	580	674	695	555	801	606	324	252	421	4,876	6,479
	Variance	240	240	190	167	73	52	192	- 54	141	423	495	326	1,099	2,484
	CIP plans	190	160	183	183	181	205	257	223	219	227	224	232	1,583	2,484
	Gap to CIP plan	**49**	**80**	**7**	**(16)**	**(107)**	**(153)**	**(65)**	**(277)**	**(78)**	**196**	**271**	**94**	**(483)**	**(0)**
Efficiency Delivery Group															
Neil Robertson	CIP plans	49	49	49	49	69	69	110	114	114	114	119	642	559	1,549
	Achieved	31	31	31	32	156	331	416	572	231	183	86	95	1,599	2,195
	Gap to CIP plan	**(18)**	**(18)**	**(18)**	**(17)**	**86**	**262**	**306**	**458**	**117**	**69**	**(33)**	**(547)**	**1,040**	**646**
Totals	**CIP plans**	257	297	335	356	279	442	544	523	527	552	537	1,085	3,033	5,734
	Achieved/ forecast	295	388	283	280	278	302	685	523	576	811	806	509	3,033	5,734
	Gap to CIP plan	**38**	**91**	**(52)**	**(75)**	**(1)**	**(140)**	**140**	**(0)**	**49**	**259**	**269**	**(576)**	**0**	**0**

The OOA forecast shows an under achievement against plan of £0.645m. However, the M8 OOA spend in sections 1 and 2 of this report assumes the recovery plan is stretched to meet the original CIP target of £1.7m and hence break-even against plan. The Delivery Group is working on the detail of how this will be achieved.

The agency reduction delivery group is expecting to deliver savings of £2.5m in line with the plan. This includes £0.8m of service's recovery plans.

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 30th November 2023 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)	66,647	74,361	7,714	66,650	71,723	5,073
Intangible Assets	4,684	6,585	1,901	4,658	7,089	2,431
Other Non-Current Assets	4,209	429	(3,780)	4,270	429	(3,841)
Non-Current Assets Total	75,540	81,375	5,835	75,578	79,241	3,663
Current Assets						
Receivables	8,062	6,717	(1,345)	9,268	2,276	(6,992)
Cash and Cash Equivalents	43,366	44,301	935	47,405	43,977	(3,428)
Assets held for sale (Fulwood HQ)	12,000	12,000	0	8,000	12,000	4,000
Other Current Assets	1,375	844	(531)	2,089	1,236	(853)
Total Current Assets	64,803	63,862	(941)	66,762	59,489	(7,273)
Current Liabilities						
Provisions	(610)	(331)	279	(759)	(331)	428
Payables	(8,284)	(12,468)	(4,184)	(14,102)	(8,229)	5,873
Other Current Liabilities	(5,226)	(2,582)	2,644	(1,890)	(572)	1,318
Total Current Liabilities	(14,120)	(15,381)	(1,261)	(16,751)	(9,132)	7,619
Net Current Assets/ (Liabilities)	50,683	48,481	(2,202)	50,011	50,357	346
Total Non-Current Liabilities	(10,494)	(6,044)	4,450	(9,418)	(5,851)	3,567
Total Net Assets	115,729	123,812	8,083	116,171	123,747	7,576
Total Taxpayers Equity	115,729	123,812	8,083	116,171	123,747	7,576

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.

Cash at the end of month 8 is £0.9m higher than plan. This is due to movements in working capital, mainly an increase in payable balances, which is due to the timing of payment runs at month-end. The cash balance is expected to reduce over the coming months as the deficit position continues and the capital receipt from the sale of Fulwood is no longer expected in 2023/24.

Aged Debt Analysis

As at 30th November 2023 there were unpaid receivable invoices totalling £4.591m (M7: £2.279m). £2.297m of the unpaid invoices relate to invoices raised during November 2023 and were not overdue at the reporting date. £2.294m was overdue at the reporting date and £0.06m has subsequently been paid in December leaving £2.234m overdue (M7: £2.143m).

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 30/11/2023 £'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 15/12/2023
NHS Trusts, Ft's and ICB	2,758	1,749	361	165	5	111	367	2,287
NHSE and DOH	289	15	3	-11	0	49	233	289
Staff Overpayments	94	9	35	0	5	0	45	87
Other	840	230	67	21	110	208	204	838
Local Authority	610	294	291	22	0	22	-19	610
Grand Total	**4,591**	**2,297**	**757**	**198**	**120**	**391**	**829**	**4,111**

Section 6: 12 Month Cash Flow Forecast

Cash flow as at 31st October 2023	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	Forecast 2023/24 Dec-23 £000s	Forecast 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)	(481)	21	(110)	336	(3,503)
Net cash generated from / (used in) operations	(808)	355	523	735	(13)	(484)	1,418	2,718	(3,734)	(531)	2,041	(2,044)	58	1,043
Net cash inflow/(outflow) from investing activities, Total	(3,563)	95	94	(624)	(2,045)	(1,564)	(3,718)	1,159	1,128	408	(1,592)	(430)	762	(6,326)
Net cash inflow/(outflow) before financing	(2,571)	77	243	(10)	(2,679)	(2,258)	(3,297)	3,934	(3,236)	(604)	471	(2,584)	1,156	(8,787)
Net Cash inflow/(outflow) from financing activities, Total	4,912	(244)	(243)	(244)	(278)	(331)	(197)	44	(695)	1,125	64	64	(17)	(953)
Increase/(decrease) in cash and cash equivalents	2,340	(167)		(254)	(2,957)	(2,589)	(3,494)	3,978	(3,931)	521	535	(2,520)	1,139	(9,739)
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	44,822	45,357	42,837	
Increase/(decrease) in cash and cash equivalents	2,340	(167)		(254)	(2,957)	(2,589)	(3,494)	3,978	(3,931)	521	535	(2,520)	1,139	
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	44,822	45,357	42,837	43,976	
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	763	1,808	(4,125)	(3,429)	

The cash balance at the end of November 2023 was £44.3m (M7: £48.2m). By the end of March it is expected cash balances to drop below plan due to revised assumptions on working capital movements and the Fulwood capital receipt not being expected until 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 8 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, at present, we assume the £4m will not be received early enough to utilise it in the 2023/24 financial year.

With this assumption 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 8 the actual capital spend was £7.170m against an original plan of £10.118m and a revised plan of £9.043m. The forecast is rated amber due to the financial and operational implications of the delayed Fulwood receipt. Also, whilst reporting a balanced position to plan we do have approximately £0.7m of risk which is being managed. This is the possibility of actual costs coming in higher than current forecasts for the completion of ongoing schemes.

Capital Position to Date:	Original Plan £'000	Revised September Plan £'000	Actual £'000	Variance £'000	Indicator
In-month spend	576	1,093	1,093	0	Green
Cumulative spend	10,118	9,043	7,170	(1,873)	Green
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	Variance against plan £'000	Indicator against CDEL	Indicator against revised plan
Full Year cumulative spend	8,791	8,791	8,791	0	0	Green	Green

There is also uncertainty in respect of the EPR programme, which at month 8 has a forecast cost pressure in the region of £0.7m. However, this was prior to the decision to delay phase 2 of the EPR roll out and the financial implications of this are yet to be determined. There is a risk that costs could escalate further but the opportunity to secure capital funding from system partners is being explored. It must be recognised that any funding secured would have to be repaid in the next financial 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	1.1	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	0.5	The forecast assumes that non-pay costs will reduce by £0.5m before year-end.	Stricter financial controls have been implemented including a vacancy control panel and stopping all non-essential expenditure.	
Out of area efficiency stretch target	0.6	The out of area forecast assumes that savings of £1.7m will be delivered this year but this will be difficult to realise based on current run rates due to high cost PICU observations and delayed social care support for those clinically ready for discharge.	A recovery plan has been developed and its implementation is under scrutiny to ensure corrective action can be taken rapidly as required.	
Medical agency efficiency savings & agency cap stretch target	0.7	Plans are being progressed to achieve the original agency cost reductions and stretch further. The forecast assumes that these savings will be recovered by year-end.	Delivery Group is working to ensure that the efficiencies are achieved and maximised.	
Additional depreciation funding	0.2	The plan includes £0.6m funding from the ICB for increased capital charges. £0.4m has now been confirmed leaving £0.2m at risk. The forecast assumes the £0.2m will be received.	The ICB is working to secure the additional funding from NHSE and confirmation obtained from NHSE in M7 that this is a reasonable assumption to make.	
EPR	0.3	Invoices for floor walking costs have been received that are significantly higher than contract value. It has been assumed that credit notes will be issued.	Digital and procurement colleagues are challenging the provider to ensure payments are made within the expected contractual terms.	
Birch Avenue	0.3	An uplift of 9.8% has been included in the forecast from	Negotiations are ongoing with SYHA to secure the	

income		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.	9.8% uplift.	
Smoking cessation income	0.1	20% of the Smoking Cessation contract income is dependent upon achieving KPIs; the forecast assumes the full income.	The service is working to deliver as required and is currently expecting to achieve the KPIs.	
Capital	0.7	There is a risk that the cost of ongoing capital schemes may exceed the CDEL available for 2023/24. This is due to inflationary pressures and remedial works required on the Stanage Ward project.	The opportunity to obtain additional capital funding from system partners/ wider NHS in 2023/24 is being explored, recognising that this would need to be repaid in 2024/25.	
EPR capital & revenue	TBC	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 quantify the risk until the ‘go live’ date is confirmed.	The opportunity to obtain additional capital funding from system partners/ wider NHS in 2023/24 is being explored, recognising that this would need to be repaid in 2024/25.	
TOTAL	**4.5**			

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	1 – 2	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. However, the increase could be as much as an additional £2m due to significant price rises over the last 2years.	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	TBC	The trust is required by the Long-Term Plan (LTP) to offer universal access to urgent mental health helplines by April 2024. Procurement processes are underway and initial indications are that costs are likely to be higher than originally anticipated.	The ICB have verbally confirmed that some funding will be made available to support this 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	129,070
Other Income	29,216	25,741	35,537	21,368	22,571	23,139
Total Income	**127,936**	**131,475**	**153,711**	**151,849**	**160,541**	**152,209**
Pay	(94,015)	(104,443)	(116,244)	(117,422)	(128,913)	(124,523)
Non Pay	(20,798)	(22,547)	(33,589)	(32,246)	(31,988)	(30,987)
Total Expenditure	**(114,813)**	**(126,990)**	**(149,833)**	**(149,668)**	**(160,901)**	**(155,511)**
Interest receipts	224	322	1	29	1,278	2,465
Finance expense	(21)	(38)	(22)	(25)	(97)	(47)
PDC dividends payable	(1,635)	(1,432)	(1,374)	(1,765)	(2,226)	(2,551)
Net Finance Costs	**(1,432)**	**(1,148)**	**(1,395)**	**(1,761)**	**(1,045)**	**(132)**
Net Surplus / (Deficit)	**11,691**	**3,337**	**2,483**	**420**	**(1,405)**	**(3,434)**
Technical Adjustments	172	145	182	1,391	(1,092)	172
Adjusted Net Surplus / (Deficit)	**11,863**	**3,482**	**2,665**	**1,811**	**(2,497)**	**(3,262)**
KPI's						
Acute OOA purchase of healthcare	(270)	(625)	(2,079)	(5,283)	(6,460)	(5,508)
PICU OOA purchase of healthcare	(1,088)	(881)	(1,403)	(1,696)	(1,764)	(1,986)
Rehab OOA purchase of healthcare	(628)	(1,691)	(1,789)	(1,525)	(1,324)	(1,001)
Total Out of Area healthcare	**(1,986)**	**(3,197)**	**(5,271)**	**(8,504)**	**(9,549)**	**(8,496)**
Year on year % increase		***61%***	***65%***	***61%***	***12%***	***(11%)***
Total Agency Revenue Spend	**(3,516)**	**(3,819)**	**(4,638)**	**(5,873)**	**(8,963)**	**(6,479)**
Year on year % increase		***9%***	***21%***	***27%***	***53%***	***(28%)***

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 OOA stretch target has reduced the forecast by £0.645m but the actions taken could impact the other areas and not just PICU.

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%*	(112,732)	*90.5%*
	Bank staff	(6,474)	5.5%	(4,409)	*3.6%*	(4,821)	*3.9%*
	Agency / contract	(5,873)	5.0%	(8,963)	*7.2%*	(6,479)	*5.2%*
	Other	(411)	0.4%	(470)	*0.4%*	(491)	*0.4%*
	Total pay expenditure	**(117,422)**	**100.0%**	**(124,031)**	***100.0%***	**(124,523)**	***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 5.2% of total pay, 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.

Substantive staff costs in 2023/24 are forecast to only increase by 0.2% 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.

Appendix 1: Income & Expenditure Trends

Cost centre			21/22 £000	22/23 £000	% change	23/24 FOT £000	% change
011129	G1 Ward	Substantive staff	(1,418)	(944)	*(33%)*	(2,013)	*113%*
		Bank staff	(456)	(438)	*(4%)*	(456)	*4%*
		Agency / contract	(577)	(1,496)	*159%*	(176)	*(88%)*
		G1 Ward	***(2,451)***	***(2,878)***	***17%***	***(2,645)***	***(8%)***
011153	Dovedale 1	Substantive staff	(1,773)	(1,788)	*1%*	(2,286)	*28%*
		Bank staff	(453)	(445)	*(2%)*	(331)	*(26%)*
		Agency / contract	(328)	(695)	*112%*	(303)	*(56%)*
		Dovedale 1	***(2,554)***	***(2,928)***	***15%***	***(2,920)***	***(0%)***
011320	Burbage Ward	Substantive staff	(1,512)	(677)	*(55%)*	(2,111)	*212%*
		Bank staff	(354)	(521)	*47%*	(434)	*(17%)*
		Agency / contract	(455)	(1,319)	*190%*	(512)	*(61%)*
		Burbage Ward	***(2,321)***	***(2,517)***	***8%***	***(3,057)***	***21%***
0111321	Dovedale 2	Substantive staff	(1,784)	(1,287)	*(28%)*	(1,734)	*35%*
		Bank staff	(87)	(652)	*652%*	(540)	*(17%)*
		Agency / contract	(416)	(465)	*12%*	(684)	*47%*
		Dovedale 2	***(2,287)***	***(2,403)***	***5%***	***(2,958)***	***23%***
011370	Maple Ward	Substantive staff	(1,769)	(1,889)	*7%*	(2,536)	*34%*
		Bank staff	(673)	(597)	*(11%)*	(388)	*(35%)*
		Agency / contract	(306)	(500)	*63%*	(736)	*47%*
		Maple Ward	***(2,749)***	***(2,986)***	***9%***	***(3,660)***	***23%***
011380	Endcliffe Ward	Substantive staff	(1,776)	(1,823)	*3%*	(2,399)	*32%*
		Bank staff	(680)	(332)	*(51%)*	(413)	*25%*
		Agency / contract	(335)	(723)	*116%*	(436)	*(40%)*
		Endcliffe Ward	***(2,791)***	***(2,878)***	***3%***	***(3,248)***	***13%***

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 Burbage, Dovedale 2, Maple and Endcliffe wards.

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.

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

Out of Area as per team forecast	Current position as per Team forecast @11.12.23 V1													
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	3,846	5,676
Contracted Number of Beds	15	15	15	15	21	15	15	15	15	15	15	21		
Contracted Bed nights - Bought	450	465	450	465	465	450	465	450	465	465	435	651	3,660	5,676
Variance in Bed nights	**0**	**0**	**0**	**0**	**186**	**0**	**0**	**0**	**0**	**0**	**0**	**(186)**	**186**	**0**
Spot Purchased Bed Nights - Planned	420	310	270	248	217	180	180	150	150	120	120	120	1,975	2,485
Spot Beds Number of beds	12	10	9	8	9	9	11	10	3	3	3	3		
Spot Purchased Bed Nights - Actual	353	310	268	252	293	256	342	312	93	93	87	93	2,386	2,752
Variance in Bed nights	**67**	**0**	**2**	**(4)**	**(76)**	**(76)**	**(162)**	**(162)**	**57**	**27**	**33**	**27**	**(411)**	**(267)**
Total Variance in Bed nights	**67**	**0**	**2**	**(4)**	**110**	**(76)**	**(162)**	**(162)**	**57**	**27**	**33**	**(159)**	**(225)**	**(267)**
Adult Planned Spend	546	484	460	449	667	423	424	406	407	390	397	390	3,858	5,442
Adult Actual Spend	508	487	457	473	514	471	521	492	373	373	350	490	3,922	5,508
Variance Spend	**38**	**(3)**	**4**	**(24)**	**152**	**(48)**	**(97)**	**(87)**	**34**	**17**	**47**	**(100)**	**(64)**	**(66)**
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	1,373	1,978
PICU Number of beds	5	6	6	6	7	7	4	7	4	4	4	4		
Purchased Bed nights Actual	158	171	180	175	221	207	128	215	124	124	116	124	1,455	1,943
Variance in Bed nights	**22**	**15**	**0**	**11**	**(35)**	**(57)**	**27**	**(65)**	**31**	**31**	**24**	**31**	**(82)**	**35**
PICU Planned Spend	146	146	146	146	146	132	132	132	132	132	132	132	1,128	1,657
PICU Spend	204	204	168	222	315	348	179	251	187	187	180	187	1,892	2,633
Variance Spend	**(58)**	**(58)**	**(22)**	**(75)**	**(169)**	**(216)**	**(47)**	**(119)**	**(55)**	**(55)**	**(48)**	**(55)**	**(764)**	**(976)**
IFR	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**0**	**Total**
Purchased Bed nights Planned	182	188	182	188	188	182	189	182	188	188	176	189	1,481	2,222
IFR Number of beds	5	5	5	5	5	5	6	6	5	5	5	5		
Purchased Bed nights Actual	147	155	150	155	155	154	186	180	155	155	155	155	1,282	1,902
Variance in Bed nights	**35**	**33**	**32**	**33**	**33**	**28**	**3**	**2**	**33**	**33**	**21**	**34**	**199**	**320**
Rehab Planned Spend	116	116	116	116	116	116	116	116	116	116	116	116	931	1,397
Rehab Spend	89	27	138	59	80	102	73	91	85	85	85	85	660	1,001
Variance Spend	**28**	**90**	**(22)**	**57**	**36**	**14**	**43**	**25**	**31**	**31**	**31**	**31**	**272**	**396**
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	8,675	12,361
Total number of beds	37	36	35	34	43	36	36	39	27	27	27	33		
Total actual Bed Nights	1,108	1,101	1,048	1,047	1,134	1,067	1,121	1,157	837	837	793	1,023	8,783	12,273
Total Variance to Plan	**124**	**48**	**34**	**40**	**108**	**(105)**	**(132)**	**(225)**	**121**	**91**	**78**	**(94)**	**(108)**	**88**
Total planned spend	808	747	723	711	929	671	673	654	656	639	646	639	5,917	8,496
Total actual spend	801	718	763	754	910	921	773	835	645	645	615	762	6,474	9,141
Total Variance to Plan	**8**	**29**	**(40)**	**(43)**	**20**	**(249)**	**(100)**	**(181)**	**11**	**(7)**	**31**	**(124)**	**(556)**	**(645)**

Appendix 3: Cost Improvement Programme – Agency Efficiencies

£000s — **Overview SHSC Trust-wide Agency - 2023/24 - Month 08, November 2023**

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	Substantive (Year to Date break down of pay bill)		Bank		Agency	Total Pay Bill
		Note 1	Note 2				Note 1							Note 3		Note 3	Note 3	
Acute & Community	7,101	4,774	4,791	17	Red	(461)	3,297	3,623	326	Red	191	4,156	30,108	82.8%	2,651	7.3%	10.0%	36,382
Rehab & Specialist	724	634	652	18	Red	(30)	430	502	72	Red	3	197	21,770	96.5%	279	1.2%	2.2%	22,551
Clinical Central	150	115	20	(94)	Green	6	82	19	(63)	Green	(14)	275	4,928	99.2%	20	0.4%	0.4%	4,968
Clinical Total	**7,975**	**5,522**	**5,464**	**(59)**	Green	(485)	**3,810**	**4,145**	**335**	Red	180	4,628	56,806	88.9%	2,950	4.6%	6.5%	63,901
Medical	182	150	156	5	Red	(29)	100	133	34	Red	2	446	8,208	98.2%	15	0.2%	1.6%	8,356
Chair/Chief Exec Office	0	0	0	0	Green	0	0	0	0	Green	0	13	869	100.0%				869
Nursing & Professions	75	64	23	(40)	Green	0	42	23	(18)	Green	(6)	242	2,604	97.9%	32	1.2%	0.9%	2,659
People Directorate	155	108	0	(108)	Green	0	68	0	(68)	Green	(10)	180	1,859	95.0%	98	5.0%		1,957
Finance	415	288	84	(205)	Green	(6)	181	84	(98)	Green	(14)	(32)	1,446	93.7%	13	0.9%	5.4%	1,543
IMST	267	186	815	629	Red	192	117	597	481	Red	118	544	1,139	64.0%	44	2.5%	33.5%	1,780
Special Projects & Facilities	198	141	179	39	Red	(34)	89	134	46	Red	4	80	2,210	92.8%	38	1.6%	5.6%	2,383
Corporate Governance	8	5	11	6	Red	0	3	11	8	Red	(1)	10	348	92.1%	18	4.8%	3.0%	377
Central / reserves	(312)	16	(253)	(268)	Green	348	(17)	(253)	(236)	Green	4	(3,530)	417	605.9%	(96)	-138.8%	-367%	69
Corporate Total	**987**	**957**	**1,016**	**59**	Red	482	**583**	**731**	**149**	Red	97	(2,047)	19,099	95.5%	163	0.8%	3.7%	19,993
Total	**8,963**	**6,479**	**6,479**	**0**	Red	(3)	**4,393**	**4,876**	**483**	Red	277	**2,582**	**75,905**	**90.5%**	**3,113**	**3.7%**	**5.8%**	**83,894**

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	1,357	(367)	Green	1,213	1,294	82	Red
Consultants	1,451	1,187	1,325	138	Red	793	806	13	Red
Other Medical	1,316	1,052	1,033	(19)	Green	703	704	1	Red
Nursing Registered	1,646	1,036	1,255	220	Red	730	949	220	Red
Admin & Clerical	1,281	932	1,128	196	Red	587	868	281	Red
Ancillary	311	311	247	(64)	Green	207	159	(48)	Green
Scientific Therapeutic & Tech	207	207	101	(106)	Green	138	61	(77)	Green
Allied Health Professions	32	32	33	1	Red	21	33	12	Red
Total	**8,963**	**6,479**	**6,479**	**(0)**	Green	**4,393**	**4,876**	**483**	Red

Comments

Admin & Clerical has been impacted by the EPR delays and alterations resulted in a significant increase in costs, whilst a specialist staff in Facilities and IMST have now reduced from 3 to 1.

The new ICB sign of form for non clinical agency started on the 1st October 23. We have not had any application since, although we have had 1 new starter where the process started before this date.

The target for agency is 3.7% of which we are at 5.6% we are currently 1.9% over.

The reduction required for 24/25 based on an Est pay bill of £126,381k would be a maximum of £4,697k Therefore a further £1,785k minimum.

The recovery plans are expecting £30k medical, £298k from nursing and HCA, these are included in the forecast.

Notes

1) The target is based on the out turn 22/23 Less the CIP (the inflation of 5% is currently not applied whilst the increase in agency cost are being ratified and applied)

2) The forecast has been calculated based on pro rata last 2 month, 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 November 2023 £000s

Non recurrent efficiencies are shown as blue text @ 11.12.23 V1

CIP lead	Service Area	Scheme	CIP Efficiency Target	(Under) / Over Achievement to date	Risk Rating at Nov	Scheme Status													Var to plan
						Apr Actual £	May Actual £	Jun Actual £	Jul Actual £	Aug Actual £	Sep Actual £	Oct Actual £	Nov Actual £	Dec Forecast £	Jan Forecast £	Feb Forecast £	Mar Forecast £	Total £	
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	(33)															(50)
Samantha Crosby	Special Projects & Facilities	Electric Vehicle (Phase 2)	10													5	5	10	
Phill Easthope	Trust Wide	Corporate OH reduction	250	(83)											42	42	42	125	(125)
Derek Bolton	Special Projects & Facilities	Fulwood Site (Phase 2)	171	(114)											14	14	14	43	(129)
Abiola Allinson	Medical	Pharmacy Formulary	30	(10)					1	4	(5)								(30)
Pete Kendal	Trust Wide	Telecoms Contract	80	()								27	13	13	13	13	13	93	13
Derek Bolton	Trust Wide	Improved HQ space utilisation	60	(12)										24	12	12	12	60	
James Sabin	Central Budgets	Cash investments / interest	363	802		25	25	25	25	146	331	389	68	106	102			1242	879
Philip Easthope	Trust Wide	Technical Adj - System wide approach (N/R)	500	491									491	87				578	78
Ben Sewell	IMST	System one															9	9	9
Total Efficiency Delivery Group			**1549**	**1040**		**31**	**31**	**31**	**32**	**156**	**331**	**416**	**572**	**231**	**183**	**86**	**95**	**2195**	**645**

The overall position is £1.040m (M7: £0.582m) ahead of plan year to date with an anticipated over achievement of £0.645m (M7: £0.486m) for the workstream. As previously agreed, additional interest receipts are included in efficiencies where needed to contribute to the overall delivery of the CIP programme.

Other points to note:

- System one is under review as there is an indication there will be no savings, which would reduce the forecast by £0.009m.
- Space utilisation currently under review; this could possibly under achieve by £0.04m but the forecast has been held until confirmed.

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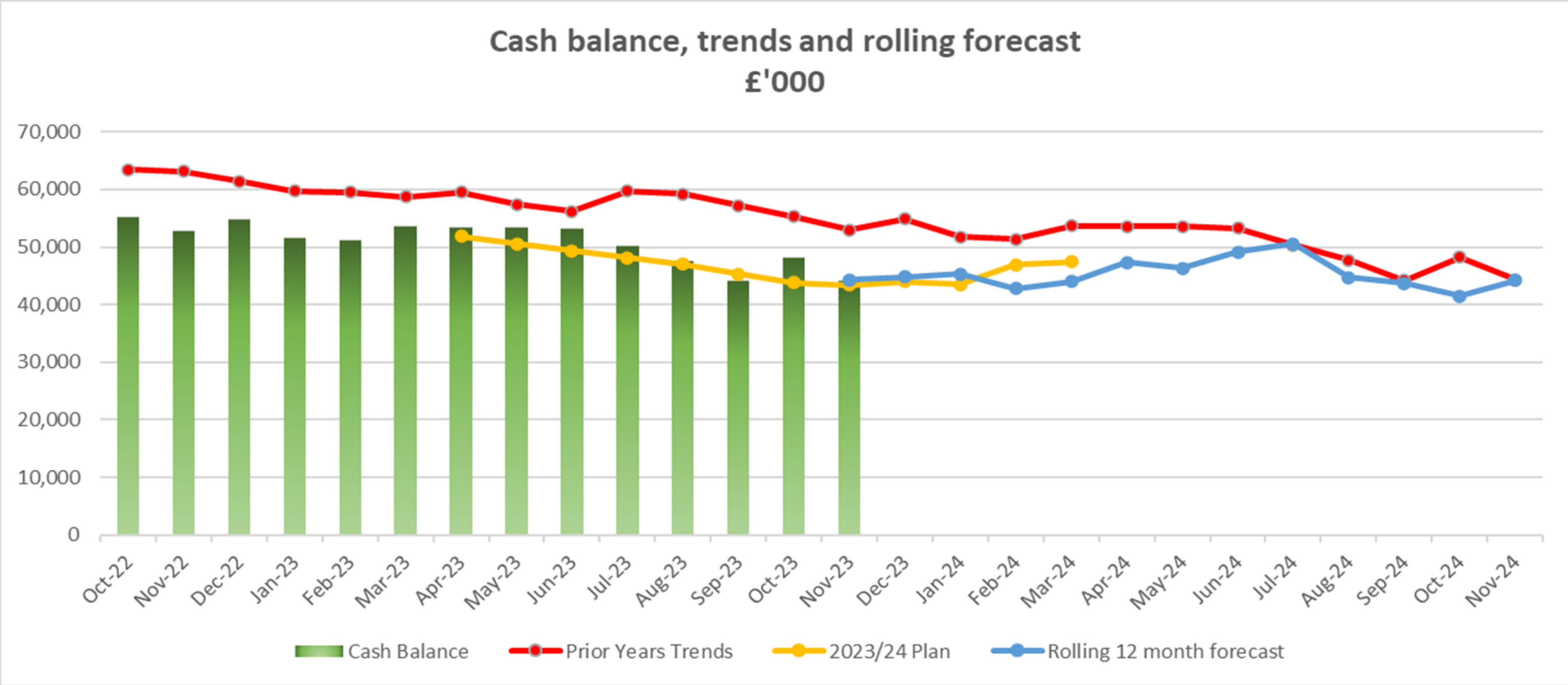
Cash balance, trends and rolling forecast
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Cash Balance
Prior Years Trends
2023/24 Plan
Rolling 12 month forecast