

Board of Directors - Public

SUMMARY REPORT

Meeting Date: 25 September 2024
 Agenda Item: 17

Report Title:	Financial Performance Report as at 31st July (month 4)	
Author(s):	Jill Savoury, Head of Finance	
Accountable Director:	Phillip Easthope, Executive Director of Finance, IMST and Performance	
Other meetings this paper has been presented to or previously agreed at:	Committee/Tier 2 Group/Tier 3 Group	Finance and Performance Committee
	Date:	12 th September 2024
Key points/recommendations from those meetings	Finance & Performance Committee were briefed on the month 4 position, there was a discussion about major risks to meeting the planned deficit, especially around Out of Area usage and spend. Clarity was given around Medics overspend which has reduced slightly from 23/24, with further information provided on Medical workforce review. The Deputy Director of Finance also updated on additional actions to ensure the levels of outstanding debt decrease, highlighting that the outstanding debts at the date of the meeting have decreased by £1m.	

Summary of key points in report

At M4, the YTD deficit position of £2.722m is £0.91m better than planned (M3 £0.027m worse). The forecast is expected to achieve the planned deficit of £6.514m. The forecast deficit and efficiency savings are Red RAG rated as unidentified mitigations of £0.7m are included in the position. On the next page are areas of focus highlighting Out of Area and Medical pay as the main overspend drivers across the organisation. Currently these pressures are offset by non-recurrent underspends as a result of vacancies and reductions in non-pay spend.

Cash is broadly in line with plan. It is Amber RAG rated as the finance team are continuing to focus on debt recovery to increase cash balances, maximise the interest receipts from the cash bank account and reduced aged debt.

Value improvement and recovery plans totaling £9.1m have been developed, the current forecast shows an expected delivery of £6.3m. However, £0.3m fortuitous savings and unidentified mitigations of £0.7m without a plan for delivery increase the reported forecast to £7.3m. The year-to-date under-delivery is mainly due to the increased Out of Area bed usage. Work is ongoing to strengthen and implement the plans and identify further opportunities to ensure we are able to achieve the £7.3m required planned savings.

Capital expenditure at Month 4 is lower than planned but the forecast is to meet the plan for the year. As highlighted in the risk section there is still uncertainty around the timing of the Fulwood sale which to be a risk to delivery of the capital programme.

Out of area activity increased significantly since the start of May to a high of 19 beds in July, this has been driven by increased demand for inpatient care. The out of area forecast of £1.9m overspend (£2.1m including Out of Area Transport) is based on returning to 9 spot Acute Out of Area beds throughout

September, reducing to 6 for October and 3 from November for the remainder of the year. If Out of Area usage continues at the current rate then, the expected overspend is £3.5-4m. If all other factors remain constant, then this would result in an overall Trust deficit of £8m+ compared to the plan of £6.5m.

Highlighted in Section 6 is a list of overspending areas as a result of a mixture of pay overspends in different areas. At an organisation view the Medics pay is the largest driver behind the pay overspend as other professions have partial offsetting vacancies to areas with overspending. The value for Medics pay is adjusted for offsetting income. In 2023/24 the Medics overspend was £2.1m so there has been a small decrease, there was no cost pressure from the consultant pay award funding received. Work is ongoing to review Medical workforce across clinical areas and reduce Medical locum expenditure.

Aged Debt has increased in the last year which is having a negative impact on the Cash balance. The majority of the older debt is with Sheffield Teaching Hospitals, The Guinness Partnership and South Yorkshire Housing Association. The Finance Team have increased debt recovery action to ensure older disputed debts are paid or escalated to ensure quicker resolution can be found. This work is expected to result in the aged debt dramatically reducing in the next few months. Some organisations had agreed to pay some of the outstanding amounts but payment had not been received by the end of July.

Appendices attached:

Financial Performance Report M4

Recommendation for the Board/Committee to consider:

Consider for Action		Approval		Assurance	X	Information	
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Board of Directors to **note** the financial position as at 31st July.

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 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	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

JULY 2024



Executive Summary – Month 4

Key Performance Indicator	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Surplus/(Deficit)	(2,813)	(2,722)	91	(6,514)	(6,514)	(0)
Cash	36,766	36,742	(24)	33,897	33,897	0
Efficiency Savings	2,058	1,583	(475)	7,334	7,334	(0)
Capital	(1,342)	(286)	1,056	(10,246)	(10,246)	0
				Target	Number	Value
Invoices paid within 30 days (Better Payments Practice Code)			NHS	95%	100.0%	100%
			Non-NHS	95%	99.6%	99.0%

At M4, the YTD deficit position of £2.722m is £0.91m better than planned (M3 £0.027m worse). The forecast is expected to achieve the planned deficit of £6.514m. The forecast deficit and efficiency savings are Red RAG rated as unidentified mitigations of £0.7m are included in the position. On the next page are areas of focus highlighting Out of Area and Medical pay as the main overspend drivers across the organisation. Currently these pressures are offset by non-recurrent underspends as a result of vacancies and reductions in non-pay spend.

Cash is broadly in line with plan. It is Amber RAG rated as the finance team are continuing to focus on debt recovery to increase cash balances, maximise the interest receipts from the cash bank account and reduced aged debt.

Value improvement and recovery plans totaling £9.1m have been developed, the current forecast shows an expected delivery of £6.3m. However, £0.3m fortuitous savings and unidentified mitigations of £0.7m without a plan for delivery increase the reported forecast to £7.3m. The year-to-date under-delivery is mainly due to the increased Out of Area bed usage. Work is ongoing to strengthen and implement the plans and identify further opportunities to ensure we are able to achieve the £7.3m required planned savings.

Capital expenditure at Month 4 is lower than planned but the forecast is to meet the plan for the year. As highlighted in the risk section there is still uncertainty around the timing of the Fulwood sale which to be a risk to delivery of the capital programme.

Executive Summary – Month 4

Area of Focus	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Out of Area spend *	(2,208)	(3,165)	(957)	(6,486)	(8,429)	(1,943)
Medics pay^	(4,094)	(4,781)	(686)	(12,346)	(14,335)	(1,989)
				Jul-23	Jul-24	Variance
Aged Debt (Amount above 30 Days)				(1,413)	(4,277)	(2,864)
* Includes Purchase of Healthcare only, excludes travel costs.						
^ Figures adjusted for offsetting income						

Out of area activity increased significantly since the start of May to a high of 19 beds in July, this has been driven by increased demand for inpatient care. The out of area forecast of £1.9m overspend (£2.1m including Out of Area Transport) is based on returning to 9 spot Acute Out of Area beds throughout September, reducing to 6 for October and 3 from November for the remainder of the year.

If Out of Area usage continues at the current rate then, the expected overspend is £3.5-4m. If all other factors remain constant, then this would result in an overall Trust deficit of £8m+ compared to the plan of £6.5m.

Highlighted in Section 6 is a list of overspending areas as a result of a mixture of pay overspends in different areas. At an organisation view the Medics pay is the largest driver behind the pay overspend as other professions have partial offsetting vacancies to areas with overspending. The value for Medics pay is adjusted for offsetting income. In 2023/24 the Medics overspend was £2.1m so there has been a small decrease, there was no cost pressure from the consultant pay award funding received. Work is ongoing to review Medical workforce across clinical areas and reduce Medical locum expenditure.

Aged Debt has increased in the last year which is having a negative impact on the Cash balance. The majority of the older debt is with Sheffield Teaching Hospitals, The Guinness Partnership and South Yorkshire Housing Association. The Finance Team have increased debt recovery action to ensure older disputed debts are paid or escalated to ensure quicker resolution can be found. This work is expected to result in the aged debt dramatically reducing in the next few months. Some organisations had agreed to pay some of the outstanding amounts but payment had not been received by the end of July. More information is included in Section 7.

Section 1: Year to Date (YTD)

Year To Date Position

At month 4, the YTD position is a deficit of £2.722m, which is £0.091m better than plan. The table below sets out the income and expenditure summary and the variances compared to plan:

	2024/25			
	Plan	YTD	Variance	
	£000	£000	£000	%
Clinical Income	43,101	42,506	(595)	(1.4%)
Other Income	6,951	7,298	347	5.0%
Total Income	50,052	49,804	(248)	(0.5%)
Pay (substantive, agency, bank & other)	(41,898)	(42,088)	(190)	0.5%
Non Pay	(10,873)	(10,336)	537	(4.9%)
Total Expenditure	(52,771)	(52,424)	347	(0.7%)
Interest receipts	705	687	(17)	(2.5%)
Finance expense	(24)	(21)	3	(11.8%)
PDC dividends payable	(832)	(825)	7	(0.8%)
Net Finance Costs	(151)	(159)	(8)	5.2%
Net Surplus / (Deficit)	(2,871)	(2,780)	91	(3.2%)
Technical Adjustments	58	58	0	0.6%
Adjusted Net Surplus / (Deficit)	(2,813)	(2,722)	91	(3.2%)
<u>KPI's</u>				
Acute OOA purchase of healthcare	(1,581)	(2,384)	(804)	50.9%
PICU OOA purchase of healthcare	(421)	(379)	42	(9.9%)
Rehab OOA purchase of healthcare	(207)	(401)	(194)	94.0%
Medics pay	(5,107)	(6,198)	(1,091)	21.4%
Bank pay	(1,471)	(2,291)	(820)	55.8%
Agency pay	(1,619)	(1,135)	484	(29.9%)

Key variances are described below:

Clinical income - £0.595m adverse:

- £0.7m adverse ICB income deferred into future months to match when spend will be incurred. Expenditure has reduced against plan to match.
- £0.1m additional income from the local authority for contributions towards jointly funded service users in Woodland View.

Other income - £0.347m favourable:

- £0.3m favourable variance for the reimbursement of seconded staff costs.

Pay - £0.190m adverse:

- £0.8m increase in bank staff spend compared to plan. The largest area of bank overspends are the acute and older adult wards and the nursing homes. Each of these is subject to recovery plans. Additional controls have been put in place to monitor bank staffing as part of the weekly review of rota management.
- £1.4m favourable net reduction in agency and substantive pay expenditure compared to plan. However, within this, Medics substantive pay costs are an area of concern with a YTD overspend of £1.3m, although it is partially offset by additional income of circa £0.4m. A review of the medical establishment is underway as part of the recovery plans described in section 5 of this report.
- £0.2m adverse variance related to prior year costs that were not known at year-end.
- £0.6m adverse variance due to agreed budget profile changes. There is a corresponding impact on the non-pay budgets. This is because a large proportion of efficiency savings were allocated to pay in the financial plan. As schemes have been developed, the savings have been identified in non-pay expenditure leading to this variance. The plan we are monitoring against in this report and to NHSE will be updated to reflect these and other agreed budget changes. Any significant changes will be reported to FPC.

Non-pay - £0.537m favourable:

- £1.0m adverse cost increase relating to out of area activity, particularly for acute patients. The plan anticipated an average of 3 beds being used per day throughout the first 6 months of the year but this has escalated since the start of May to a high of 19 beds in July. Operational colleagues are implementing a revised recovery plan to reduce the spot bed usage to 9 beds in September, 6 in October and 3 from November onwards.
- £0.4m favourable variance from prior year benefits where costs were accrued at year-end but did not materialise.
- £0.4m favourable variance as investment expenditure has not been incurred as early as anticipated. Income has been deferred to match the expenditure profile.
- £0.6m favourable variance due to agreed budget profile changes as described in the pay variance above.
- £0.1m net favourable variance across a range of expenditure lines.

Section 2: Current Month

M4 in month position

The table below shows the current month actual position against the plan:

	M4 plan	M4 actual	Variance	
	£000	£000	£000	%
Clinical Income	10,775	10,755	(20)	(0.2%)
Other Income	1,738	1,765	27	1.6%
Total Income	12,513	12,520	7	0.1%
Pay	(10,355)	(10,388)	(33)	0.3%
Non Pay	(2,694)	(2,534)	159	(5.9%)
Total Expenditure	(13,048)	(12,922)	127	(1.0%)
Interest receipts	185	167	(18)	(9.9%)
Finance expense	(6)	(4)	2	(31.2%)
PDC dividends payable	(208)	(207)	1	(0.3%)
Net Finance Costs	(29)	(45)	(16)	55.1%
Net Surplus / (Deficit)	(564)	(447)	118	(20.9%)
Technical Adjustments	14	14	0	0.2%
Adjusted Net Surplus / (Deficit)	(550)	(432)	118	(21.4%)
<u>KPI's</u>				
Acute OOA purchase of healthcare	(320)	(821)	(500)	156.1%
PICU OOA purchase of healthcare	(220)	(31)	189	(85.8%)
Rehab OOA purchase of healthcare	(86)	(207)	(122)	141.3%
Medics pay	(1,318)	(1,582)	(264)	20.0%
Bank pay	(368)	(632)	(264)	71.9%
Agency pay	(405)	(275)	130	(32.1%)

The drivers of the variances are the same as those described in section 1 above for the YTD.

The main areas of concern are: the acute out of area increased activity, medics pay and bank usage. Recovery plans are being implemented to address these issues and actions are monitored on a weekly basis.

Section 3: Forecast

The forecast is expected to deliver the year-end planned deficit of £6.514m.

	Actual					Forecast								M12 Plan	Forecast	Variance
	Apr-24 £'000	May-24 £'000	Jun-24 £'000	Jul-24 £'000	YTD £'000	Aug-24 £'000	Sep-24 £'000	Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000	Feb-25 £'000	Mar-25 £'000			
Income																
Income from Patient Care Activities	10,655	10,453	10,642	10,755	42,506	11,212	10,978	10,959	10,937	10,937	10,940	10,940	10,939	129,041	130,349	1,308
Other Operating Income	1,861	1,818	1,855	1,765	7,298	1,800	1,783	1,768	1,760	1,760	1,756	1,756	1,774	20,852	21,451	600
Total Income	12,516	12,271	12,497	12,520	49,804	13,011	12,762	12,727	12,696	12,697	12,696	12,696	12,714	149,893	151,800	1,907
Expenditure																
Pay	(10,744)	(10,409)	(10,549)	(10,388)	(42,089)	(10,430)	(10,406)	(10,435)	(10,517)	(10,646)	(10,616)	(10,550)	(10,546)	(123,617)	(126,207)	(2,590)
Non Pay	(1,914)	(2,309)	(2,590)	(2,205)	(9,018)	(2,641)	(2,347)	(2,302)	(2,186)	(2,244)	(2,229)	(2,339)	(2,378)	(28,478)	(27,708)	771
Total Expenditure	(12,658)	(12,718)	(13,138)	(12,592)	(51,107)	(13,070)	(12,753)	(12,737)	(12,703)	(12,890)	(12,845)	(12,890)	(12,923)	(152,096)	(153,915)	(1,819)
Earnings Before Interest, Tax, Depre'n & Amort'n	(142)	(447)	(641)	(72)	(1,303)	(59)	8	(11)	(6)	(194)	(149)	(193)	(209)	(2,203)	(2,115)	88
Depreciation & Amortisation	(330)	(330)	(330)	(330)	(1,319)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(3,925)	(3,956)	(31)
Net Operating Surplus / (Deficit)	(472)	(777)	(971)	(402)	(2,621)	(388)	(321)	(340)	(336)	(524)	(478)	(523)	(539)	(6,128)	(6,071)	57
Interest receipts	180	177	164	167	687	154	148	149	150	155	147	142	136	2,007	1,868	(138)
Finance expense	(4)	(6)	(6)	(4)	(21)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(12)	(72)	(69)	3
PDC dividends payable	(204)	(208)	(206)	(207)	(825)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(137)	(2,493)	(2,416)	77
Net Finance Costs	(28)	(37)	(48)	(45)	(159)	(59)	(65)	(64)	(63)	(58)	(66)	(71)	(12)	(559)	(616)	(57)
Net Surplus/ (Deficit) for the year	(500)	(814)	(1,020)	(447)	(2,780)	(448)	(386)	(404)	(399)	(581)	(544)	(594)	(551)	(6,687)	(6,687)	(0)
Technical Adjustments	14	14	14	14	58	14	14	14	14	14	14	14	14	173	173	(0)
Adjusted Net Surplus / (Deficit)	(486)	(799)	(1,005)	(432)	(2,722)	(433)	(371)	(389)	(385)	(567)	(529)	(580)	(536)	(6,514)	(6,514)	(0)
Plan	(734)	(758)	(771)	(550)	(2,813)	(557)	(501)	(464)	(471)	(453)	(414)	(418)	(423)		(6,514)	
Variance to plan	248	(41)	(234)	118	91	124	130	75	86	(114)	(115)	(162)	(114)		(0)	

Key points to note from the forecast are:

Income from Patient Care Activities - £1.308m favourable:

Additional income forecast due to the consultant pay award agreement (£0.4m), new Better Care Funding (£0.4m), delayed notice on the Derbyshire ICB contract until October for autism services (£0.1m), crisis telephone line investment (£0.1m) and greater number of local authority funded service users in nursing homes (£0.4m).

Section 3: Forecast

Other Operating Income - £0.600m favourable:

£1m of the favourable variance is due to an increase in salary recharges, mainly for postgraduate and undergraduate trainees on placement at other trusts (£0.8m), with a corresponding increase in associated pay costs in the Medical directorate. This is offset partially offset by a reduction in expected education income and associated costs (£0.4m).

Pay costs - £2.590m adverse:

£1.8m adverse variance due to agreed budget profile changes. A large proportion of efficiency savings were allocated to pay in the financial plan which have been identified as non-pay efficiencies as plans have developed. There is a corresponding impact on the non-pay budgets.

Bank staff costs are forecast to overspend by £2.3m. This is partially offset by the net underspend forecast for agency and substantive staff of £1.5m. Work is ongoing to mitigate the net overspend through the recovery plan process.

Pay costs include the additional costs described in the income section above for additional postgraduate and undergraduate staff costs and for the consultant pay award. Overspends on individual services are being offset by underspends in other services, the most significant of which is £1.3m due to recruitment delays in the new community learning disabilities service.

Costs are not yet included for the Agenda for Change and other medical pay settlements above the 2.1% planning assumption in line with NHSE guidance.

Non pay - £0.771m favourable:

£1.8m favourable variance due to agreed budget profile changes as described in the pay variance above.

Out of area activity increased significantly since the start of May to a high of 19 beds in July, this has been driven by increased demand for inpatient care. The out of area forecast of £1.9m overspend (£2.1m including Out of Area Transport) is based on returning to 9 spot Acute Out of Area beds throughout September, reducing to 6 for October and 3 from November for the remainder of the year.

If Out of Area usage continues at the current rate then, the expected overspend is £3.5 - 4m. If all other factors remain constant, then this would result in an overall Trust deficit of £8m+ compared to the plan of £6.5m.

£0.4m favourable variance from prior year benefits where costs were accrued at year-end but did not materialise.

There are a number of other net underspends across a range of expenditure lines including professional fees and premises.

A more detailed breakdown of the run rates and monthly forecast by type of income and expenditure is given in appendix 4.

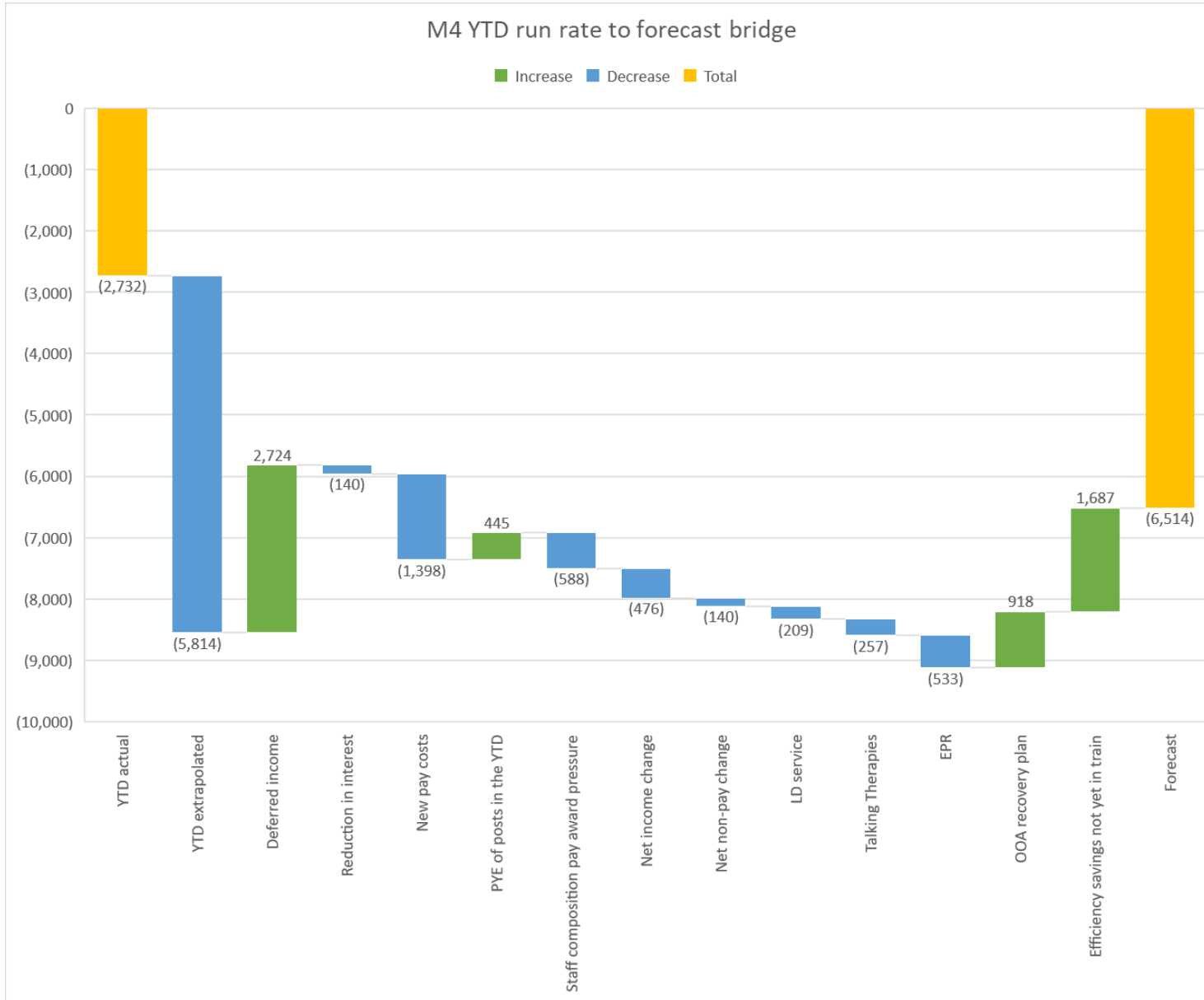
To deliver the forecast, it has been assumed that the Trust will achieve a minimum of £7.3m savings in year. This is a risk as in 2023/24 we delivered a total of £4.8m against a plan of £5.7m and projections show that current schemes are forecast to deliver £6.3m. The balance of £1m is

Section 3: Forecast

forecast to be from £0.3m fortuitous underspends and £0.7m of unidentified mitigations. Work is ongoing internally to progress saving plans to achieve a target of £9.7m to build in headroom above the £7.3m and to mitigate the risk of slippage. In addition, action is being taken with system partners to identify all opportunities to make efficiencies and reduce costs.

The bridge below shows the income and expenditure flows that are forecast for the remainder of the year.

Section 3: Forecast



Section 3: Forecast

Key points to note and run rate changes in 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.
- Deferred income in the YTD has been extrapolated and so it assumes that we will continue deferring the same amount every month. That is not the case and we will recognise the YTD income in future months to match the spend as it happens. Therefore, the bridge shows a significant improvement to correct the extrapolation; it is not new money.
- New pay costs show the additional spend anticipated because of recruitment into vacancies.
- The Agenda for Change pay settlement is expected to result in cost pressures due to the composition of staffing in the Trust.
- The net income change is a negative figure as there is non-recurrent income in the YTD that will not continue throughout the year, such as £0.142m for a Medical Directorate physician associate project and £0.105m for a research project.
- Recruitment into the new LD service is expected to increase in the latter part of the year.
- The OOA recovery plan assumes that out of area activity reduces significantly from September onwards.
- A higher proportion of efficiency savings are expected in Q2 to Q4 than have been recognised in the first quarter of the year.

Section 4: Directorate Position

Directorate	YTD budget £'000	YTD actual £'000	YTD variance £'000	Annual budget £'000	Forecast £'000	Variance £'000
Acute & community	(15,032)	(16,281)	(1,249)	(45,128)	(48,142)	(3,014)
Rehab & specialist	(13,325)	(13,313)	12	(40,368)	(41,011)	(644)
Directorate management/ central	(461)	(618)	(156)	(846)	(1,266)	(420)
Medical	(1,371)	(1,547)	(176)	(4,134)	(4,520)	(387)
Chair/Chief Exec Office	(528)	(508)	21	(1,585)	(1,548)	37
Corporate Governance	(517)	(496)	21	(1,520)	(1,519)	1
Director of Finance	(2,413)	(2,239)	174	(7,644)	(7,369)	274
Exec Dir of Operations & Trans	(27)	(25)	2	(81)	(78)	3
Nursing & Professions	(1,575)	(1,416)	159	(4,596)	(4,294)	302
People Directorate	(1,265)	(1,319)	(54)	(3,702)	(3,957)	(255)
Strategy, Estates & Facilities	(2,774)	(2,635)	139	(8,178)	(8,172)	6
Reserves	(753)	185	938	(2,259)	(403)	1,856
Central budgets	37,170	37,432	261	113,352	115,591	2,240
Net surplus/ (deficit)	(2,871)	(2,780)	91	(6,687)	(6,687)	0
Technical adjustments	58	58	0	173	173	(0)
ADJUSTED SURPLUS/ (DEFICIT)	(2,813)	(2,722)	91	(6,514)	(6,514)	(0)

The Directorate analysis shows significant over and underspends at line level compared to forecast. This is because central reserves and central budgets were set during financial planning to recognise that services subject to recovery plans in 2023/24 would continue to overspend during 2024/25 while the recovery plans were implemented. The central reserves and budgets are then reported without spend against them to offset the additional costs elsewhere in the organisation.

The drivers of the YTD and forecast variances are as described above in sections 1 and 2 and this table shows how this breaks down over the directorates. The largest overspending area is Acute & Community mainly caused by out of area activity, staffing above agreed rotas and over establishment on the wards, secure patient transport costs and drugs costs.

Recovery plans are progressing and being strengthened to address the issues in the overspending services.

Section 5: Spotlight on YTD Overspends

The services showing overspends at M4 of more than £39,999 for clinical and medical services or £19,999 for corporate services and 5% are detailed in the table below:

Service Line	YTD budget	YTD actual	YTD (over)/under £	WTE budget	WTE actual	(Over)/under WTE	Substantive (over)/under £	Agency (over)/under £	Bank (over)/under £	Income & non pay (over)/under £	Main drivers / comments
Acute & community											
Stanage Ward	884,760	1,031,235	(146,475)	55.86	64.61	(8.75)	75,793	(88,897)	(130,146)	(3,225)	Staffing over establishment levels
Burbage Ward	887,188	1,120,933	(233,745)	55.85	74.09	(18.24)	198,340	(89,848)	(332,623)	(9,614)	Staffing over establishment levels
Endcliffe Ward	894,864	1,165,182	(270,318)	57.54	71.18	(13.64)	115,099	(61,110)	(313,201)	(11,106)	Staffing over establishment levels
Acute & Comm Central	87,099	181,844	(94,745)	0.97	0.97	0.00	(162)	-	-	(94,583)	Secure patient transport costs - recovery plan in development but implementation timing not yet confirmed.
Longley Site Services	168,548	209,112	(40,564)	11.70	10.98	0.72	9,738	(69)	(2,206)	(48,027)	Additional security costs - recovery plan in development but implementation timing not yet confirmed.
Out of Town Acute	1,652,276	2,509,567	(857,291)	-	-	0.00	-	-	-	(857,291)	Spot purchased bed nights significantly higher than planned. Budget set with assumption of 3 in out of area beds for first six months but reached 19 in July
Directorate management/ central											
Clinical Management Team	243,537	460,208	(216,671)	12.20	15.00	(2.80)	(265,643)	-	(2)	48,975	Staffing over establishment levels
Medical											

Section 5: Spotlight on YTD Overspends

Medical Management Team	74,052	181,960	(107,908)	4.88	6.11	(1.23)	(80,966)	-	-	(26,942)	Staffing over establishment levels - £29k All medical VIP is on this code to be moved to service lines as plans confirmed - £22k Lower income than planned - £18k
PGME Sheffield	478,752	575,449	(96,697)	42.92	39.69	3.23	(65,099)	-	-	(31,598)	Skill mix higher than the budgeted establishment
PGME Risk Share	(8,652)	12,498	(21,150)	-	-	0.00	(5,761)	-	-	(15,390)	Lower income than planned, not covering costs.
PGME MH Regional PA Project	-	47,617	(47,617)	-	5.30	(5.30)	(95,023)	-	-	47,406	Project funding ended but staff still in post.
Undergraduate Medical Training	4	21,933	(21,929)	4.18	4.29	(0.11)	(18,925)	-	(737)	(2,267)	Skill mix higher than the budgeted establishment
R&D Commercial Studies-Staff	1,340	24,822	(23,482)	0.80	1.10	(0.30)	1,186	-	-	(24,668)	Lower income than planned, not covering costs.
Nursing & professions											
Reg Nurse Degree Apprentices	28,232	68,145	(39,913)	6.00	6.60	(0.60)	(6,513)	-	-	(33,400)	Apprenticeship funding no longer available from NHSE but costs still being incurred.
Rehab & specialist											
Birch Avenue	4	260,198	(260,194)	74.70	90.65	(15.95)	(30,946)	(10,014)	(235,346)	16,112	Staffing over establishment levels
Older Adults Central	59,472	139,736	(80,264)	3.40	5.45	(2.05)	(80,386)	-	-	122	Staffing over establishment levels
G1 Ward	841,548	982,107	(140,559)	54.92	63.51	(8.59)	96,278	(29,063)	(203,652)	(4,123)	Staffing over establishment levels

Section 5: Spotlight on YTD Overspends

OA CMHT	874,656	1,010,857	(136,201)	48.89	49.09	(0.20)	(84,368)	(34,057)	(13,154)	(4,622)	2.4 WTE over on medical staff (under on other staff) resulting in increased costs
Dovedale 1	847,956	988,494	(140,538)	52.85	61.02	(8.17)	69,499	(35,449)	(168,328)	(6,260)	Staffing over establishment levels
Forest Lodge	11,832	92,717	(80,885)	67.41	68.69	(1.28)	39,152	(2,823)	(112,912)	(4,303)	Staffing over establishment levels
Specialist Community Forensic	81,172	121,778	(40,606)	11.40	12.00	(0.60)	(33,693)	-	-	(6,913)	Staffing over establishment levels
IFR - Out of Town	210,696	405,014	(194,318)	0.20	0.20	0.00	97	-	-	(194,415)	Increased placement costs.
TOTAL	8,493,356	11,772,568	(3,279,212)	576.78	660.35	(83.57)	(156,752)	(351,330)	(1,512,307)	(1,258,823)	

Of the £3.3m overspend for these areas, the biggest drivers are bank usage (£1.5m) and out of area activity (£1.1m).

Recovery plans have been or are being developed for each of the above services and these are being monitored closely as described in section 6: Value Improvement Plans and Recovery Plans.

Section 6: Value Improvement Programme and Recovery Plans

The financial plan required savings are £7.3m, to create headroom to account for under-delivery and other in year cost pressures the target across Directorates for the year is £9.7m.

The table below shows the forecast and year to date achievement at Month 4 against identified schemes.

Directorate	Target	Plans in place	M4 Forecast Savings	Var to Target	YTD Plan	YTD Savings	YTD Variance
Clinical	5,012	4,045	1,893	(3,119)	1,269	247	(1,022)
Acute & Community	2,043	1,763	1,125	(918)	500	371	(129)
Rehab & Specialist	1,386	2,175	2,187	801	605	704	99
Medical	210	156	146	(64)	44	40	(4)
Corp Gov	62	24	24	(38)	8	8	0
Finance & Digital	294	296	268	(26)	108	80	(28)
Nursing, Quality & Prof	161	145	145	(16)	20	20	0
People	263	204	174	(89)	63	46	(17)
Strategy, Estates & Facilities	300	305	301	1	55	66	11
Total	9,730	9,113	6,263	(3,467)	2,672	1,582	(1,089)
Headroom	(2,396)			2,396	(1,140)		1,140
Savings Required	7,334		6,263	(1,071)	1,532		50

The forecast saving is £1m lower than the total efficiency saving reported in the Executive Summary of this report and the national reporting to NHSE, which includes £0.3m fortuitous underspends and £0.7m unidentified mitigations required to achieve the planned deficit.

Even though plans in place are above the required £7.3m plan, there is currently an expected under-delivery on these plans of £2.9m which result in the shortfall against the plan of £1.1m. The main driver of the under-delivery is Out of Area (£2.1m including transport), the remaining difference is over 40 other schemes that are either not expected to achieve the planned savings or haven't yet been approved through the Quality, Equality Impact Assessment panel process.

New schemes continue to be added as each Directorate is reviewing latest plans and forecasts to ensure the savings requirement can be met. Regular meetings are taking place in each directorate with the Project Management Office (PMO) and Finance to work through the detail of plans and next steps to reduce gaps in targets and achieve savings above the required £7.3m. Executive Value Improvement Plan assurance meetings continue to take place with a focus on all red and amber rated plans.

Section 6: Value Improvement Programme and Recovery Plans

Within the reporting of these savings above are recovery plans of overspending areas. The table below shows cost centres that overspent by more than £50k (where Directorate was overspending in total) and how the overspend has changed to this year. The target for reducing overspends by recovery plan actions is 60%. Work is continuing with each budget manager where 100% hasn't been achieved to find further plans and mitigations to reduce spend in this year and have plans to not overspend from 2025/26. Over these cost centres the overspend variance has reduced by £1.8m compared to 2023/24 (M3: £2.5m) but this includes Out of Area Acute, where the increase in overspend is as a result of Value Improvement Plan (VIP) under-delivery. Excluding this the reduction is £3.3m (38%) (M3: £3.5m).

Service Area	23/24 Variance	Month 4 Forecast Variance	% Change	Further Information
Decisions Unit	(63,036)	49,025	178%	
Woodland View	(476,118)	345,689	173%	
Hast - Changing Futures	(84,100)	40,065	148%	
Early Intervention Service	(121,429)	27,872	123%	
Out of Town PICU	(822,751)	111,646	114%	
Crisis Central	(83,523)	7,189	109%	
International Recruitment	(64,486)	(275)	100%	
Dovedale 2	(833,777)	(44,051)	95%	
Workforce Information	(70,763)	(34,204)	52%	
Dovedale 1	(619,401)	(308,959)	50%	
OA Home Treatment Team	(139,027)	(73,358)	47%	
Acute Central	(125,721)	(74,784)	41%	Planning gap from CER shortfall
Longley Site Services	(81,473)	(52,004)	36%	
Flow Team	(124,424)	(80,173)	36%	
Forest Lodge	(436,674)	(281,657)	35%	
Stanage Ward	(508,330)	(338,298)	33%	
Clinical Management Team	(183,520)	(126,060)	31%	
OA CMHT	(515,466)	(411,940)	20%	
Endcliffe Ward	(807,545)	(852,703)	(6%)	
Burbage Ward	(625,979)	(740,725)	(18%)	Increase in Healthcare Assistant Bank
G1 Ward	(417,899)	(501,586)	(20%)	
Older Adults Central	(142,696)	(171,833)	(20%)	Increase Medical & AHP costs
Acute & Comm Central	(226,251)	(284,271)	(26%)	Increased Secure Patient Transport
Birch Avenue	(721,009)	(1,066,010)	(48%)	Increase in Healthcare Assistant Bank
Medical Management Team	(143,986)	(243,222)	(69%)	Increase due to VIP under-delivery
Out of Town Acute	(281,712)	(1,806,949)	(541%)	Increase due to VIP under-delivery, spend at similar level to 23/24

Section 7: Statement of Financial Position

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

	2023/24 Prior Year	YTD Plan	YTD Actual	YTD Variance	Annual Plan	2024/25 Forecast	Forecast v Plan
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Non-Current Assets</u>							
Intangible Assets	8,146	9,120	8,277	(843)	11,106	11,106	0
Property, Plant & Equipment (PPE)	63,594	63,165	62,670	(495)	67,043	67,043	0
Right of Use Assets (IFRS 16 Leases)	6,896	6,656	6,658	2	6,208	6,208	0
Other Non-Current Assets	212	163	104	(59)	276	276	0
Non-Current Assets Total	78,848	79,104	77,709	(1,395)	84,633	84,633	0
<u>Current Assets</u>							
Receivables	9,687	6,578	9,336	2,758	6,127	6,127	0
Cash and Cash Equivalents	38,963	36,766	36,742	(24)	33,897	33,897	0
Assets held for sale (Fulwood HQ)	12,000	12,000	12,000	0	6,050	6,050	0
Other Current Assets	74	2,077	1,533	(544)	575	575	0
Total Current Assets	60,725	57,421	59,611	2,190	46,649	46,649	0
<u>Current Liabilities</u>							
Provisions	(248)	(241)	(223)	18	(241)	(241)	0
Payables	(13,475)	(11,210)	(11,842)	(632)	(12,465)	(12,465)	0
Borrowings (leases)	(581)	(587)	(582)	5	(566)	(566)	0
Other Current Liabilities	(414)	(2,672)	(2,809)	(137)	(414)	(414)	0
Total Current Liabilities	(14,718)	(14,710)	(15,456)	(746)	(13,686)	(13,686)	0
Net Current Assets/ (Liabilities)	46,007	42,711	44,155	1,444	32,963	32,963	0
Provisions	(853)	(860)	(830)	30	(860)	(860)	0
Borrowings (leases)	(4,754)	(4,540)	(4,560)	(20)	(4,182)	(4,182)	0
Other Non-Current Liabilities		(209)	0	209	(209)	(209)	0
Total Non-Current Liabilities	(5,607)	(5,609)	(5,391)	219	(5,251)	(5,251)	0
Total Net Assets	119,248	116,206	116,474	269	112,345	112,345	0
Total Taxpayers Equity	119,248	116,206	116,474	268	112,345	112,345	0

Section 7: Statement of Financial position

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 considered in the following Aged Debt Analysis section of this report.

The Better Payment Practice Code (BPPC) target has been met for the year to date.

The current ratio (current assets to current liabilities) for the year-to-date position is 3.9:1, with cash contributing 62% of current assets.

At month 4 the forecast remains in line with plan. The variations to plan for the year-to-date are due to timing and there are no indicators at this point in the year to revise forecast outturn. This will be constantly reviewed throughout the year.

The key YTD variances are:

Non-current assets are £1.395m lower than expected:

- (£0.843m) relates to intangibles. The spend to month 3 is lower than planned predominantly on EPR. This is a timing issue of when expenditure is recognised. It is expected to catch up in future months as the full year forecast remains unchanged.
- (£0.495m) relates to property plant and equipment additions. Expenditure to month 4 is lower than expected. This is due to a number of factors including the timing of expenditure, uncertainty around the likelihood and timing of capital receipts and progress on business cases.

Current assets are £2.190m higher than planned.

- £2.758m receivables are higher than expected. See the Aged Debt Analysis for further information.
- (£0.544m) other current assets, which includes prepayments, is lower than plan. This is due to the timing of payments.

Aged Debt Analysis

As at 31st July 2024 there were unpaid receivable invoices totalling £5.448m (M3: £6.076m). £1.171m of the unpaid invoices relate to invoices raised during July 2024 and were not overdue at the reporting date. £4.277m was overdue at the reporting date.

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

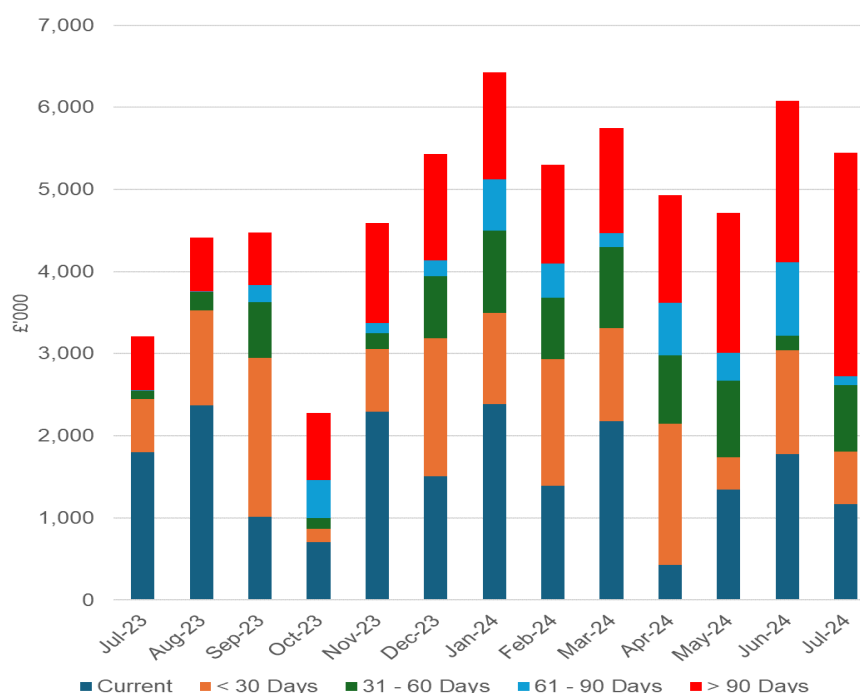
Customer Type	Total Balance 31/07/2024 £'000	Not yet overdue £'000	1-30 Days £'000	31- 60 days £'000	61- 90 Days £'000	91- 120 days £'000	Over 120 days £'000	Balance still outstanding at 15/08/24
NHS Trusts, Ft's and ICB	2,425	771	318	175	104	607	452	1,991
NHSE and DOH	118	3	0	16	0	2	97	118
Staff Overpayments	89	17	0	1	2	0	69	77
Other	2,046	381	220	614	2	12	817	1,933
Local Authority	770	0	100	0	0	223	447	689
Grand Total	5,448	1,171	637	806	109	844	1,881	4,807

Section 7: Statement of Financial position

Work is ongoing within finance to reduce outstanding debts, further detail on specific debts is included within Appendix 5 (confidential). There is also continuing effort to improve collections for debts for overpayments to employees leaving SHSC and debt recovery services are used where appropriate.

20 outstanding debts totalling £0.037m have been referred to the Trust's debt collection agency. These are predominantly the older salary overpayments where the Trust has been unable to make progress with the former employees to recoup over payments. A further 18 salary overpayment debts totalling £0.031m are being paid back via instalments on agreed repayment plans.

The level and age of debt owed to SHSC is higher than the comparable months in 2023/24 and has been consistently high since November as shown in the chart below:



Action is being taken to speed up recovery of the aged debt to ensure the Trust can maximise the amount of interest that can be generated from the bank account and also to minimise the risk of debt write offs. This action includes weekly monitoring of progress made on debt recovery and escalation meetings with customers where payment is being withheld.

Despite the large aged debt, there are no concerns of material bad debt risk to highlight at present.

Section 8: 12 Month Cash Flow Forecast

Cash flow as at 31st July 2024	Prior Year Mar-24 £000s	Actual			Forecast								
		2024/25 April & May- 24 £000s	2024/25 Jun-24 £000s	2024/25 Jul-24 £000s	2024/25 Aug-24 £000s	2024/25 Sep-24 £000s	2024/25 Oct-24 £000s	2024/25 Nov-24 £000s	2024/25 Dec-24 £000s	2024/25 Jan-25 £000s	2024/25 Feb-25 £000s	2024/25 Mar-25 £000s	2024/25 Full Year £000s
Operating Surplus/(deficit)	(8,904)	(1,249)	(970)	(402)	(590)	(218)	(252)	(277)	(409)	(400)	(333)	(971)	(6,071)
Net cash generated from / (used in) operations	4,268	1,410	(786)	2,096	457	457	457	457	457	458	458	458	6,379
Net cash inflow/(outflow) from investing activities, Total	(9,231)	(1,836)	(493)	223	(635)	(467)	(251)	4,183	(1,780)	(137)	(374)	(1,028)	(2,595)
Net cash inflow/(outflow) before financing	(13,867)	(1,675)	(2,249)	1,917	(768)	(228)	(46)	4,363	(1,732)	(79)	(249)	(1,541)	(2,287)
Net Cash inflow/(outflow) from financing activities,	(884)			(215)	(55)	(1,203)	(55)	(55)	(55)	(55)	(55)	(1,031)	(2,779)
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,249)	1,702	(823)	(1,431)	(101)	4,308	(1,787)	(134)	(304)	(2,572)	(5,066)
Cash and cash equivalents at start of period	53,714	38,963	37,288	35,039	36,741	35,918	34,487	34,386	38,694	36,907	36,773	36,469	
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,249)	1,702	(823)	(1,431)	(101)	4,308	(1,787)	(134)	(304)	(2,572)	
Cash and cash equivalents at end of period	38,963	37,288	35,039	36,741	35,918	34,487	34,386	38,694	36,907	36,773	36,469	33,897	
Cashflow balance as per 2024/25 plan		38,362	38,211	36,766	36,228	40,346	40,818	40,445	39,541	36,678	36,732	33,897	
Variance between actual and forecast cash balance to plan		(1,074)	(3,172)	(25)	(311)	(5,859)	(6,432)	(1,751)	(2,633)	94	(263)	0	

The cash balance at the end of July 2024 was £36.7m. This is £0.03m below plan.

The anticipated increase in the November 2024/25 cash position includes the anticipated £6m capital receipt for the sale of Fulwood. This was previously assumed for September. The timing of this has still not been confirmed.

By the end of the financial year, it is assumed that the forecast cash balance will return to plan. This is based on the timing of working capital assumptions.

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. Performance against the Better Payment Practice Code (BPPC) target continues to exceed expectations and has been met for first two months of this financial year.

The historic cash balance trends and rolling 12-month forecast is shown in Appendix 3.

Section 9: Capital Programme

The capital programme for 2024/25 has planned expenditure of £10.246m. This is after the repayment of £1m brokerage as agreed in 2023/24 and assumes capital receipts of £6m and £0.6m from the sale of Fulwood and St Georges land and buildings respectively.

	2024/25					25/26	26/27	27/28	28/29
	YTD Plan	YTD Actual	YTD Variance	24/25 Plan	24/25 FOT	Plan *	Plan *	Plan *	Plan *
Category	£000	£000	£000	£000	£000	£000	£000	£000	£000
EPR	908	242	(666)	3,293	3,293	159			
Buildings	404	44	(360)	6,663	6,663	8,367	3,156	3,246	3,896
Transport			-		-	-	140		-
Green Plan		-	-	-	-	1,350	800	1,250	600
Lease	30		(30)	250	250	200	200	200	200
Revaluation			-	40	40	944	400		
Digital			-						
Total	1,342	286	(1,056)	10,246	10,246	11,020	4,696	4,696	4,696

* the plan for 2025/26 to 2028/29 has been submitted to NHSE. However, it will be under regular review and updated as appropriate.

The timing of the capital receipts are not certain therefore the forecast outturn has been given an 'Amber' risk rating as schemes cannot commence until the Trust are certain of the amount and timing of the capital receipt. The sale and re-investment carries considerable risk so will be monitored and reported throughout the year. Opportunities for brokerage are being pursued within the system as a mitigation.

The confirmed CDEL for 2024/25 stands at £4.0m.

The two largest schemes for 2024/25 are EPR at £3.3m and Maple refurbishment at £3.1m. The EPR work is a continuation from 2023/24 whilst the work on Maple has not started and cannot commence until the capital receipts are confirmed.

Work is ongoing to prioritise the smaller estates and digital schemes that are affordable within the guaranteed CDEL funds.

Section 10: Financial Risks

The 2024/25 financial plan incorporated all known cost pressures and mitigations at the time it was developed. Circumstances change quickly however, and risks will emerge during the year that will make delivering the planned revenue deficit of £6.514m increasingly challenging. These risks will be reported when identified, quantified wherever possible and RAG rated below.

The following risks have been identified:

Issue	£m	Risk description	Mitigation	RAG rating
Unidentified efficiencies	0.7	<p>Unidentified efficiencies of £0.7m are included in the recovery plan & VIP deliver forecast to be able to report achievement of the planned £6.514m deficit and savings target of £7.3m.</p> <p>Risk in relation to out of area savings is considered separately below.</p>	Urgent work is ongoing with system colleagues to identify all opportunities for savings and to control costs.	
Out of area expenditure	1.5	<p>Out of area activity is much higher than planned, driven by increased demand for inpatient care. The out of area forecast of £1.9m overspend (£2.1m including Out of Area Transport) is based on returning to 9 spot Acute Out of Area beds throughout September, reducing to 6 for October and 3 from November for the remainder of the year.</p> <p>If Out of Area usage continues at the current rate then, the expected overspend is £3.5-4m. If all other factors remain constant, then this would result in an overall Trust deficit of £8m+ compared to the plan of £6.5m.</p>	Operational teams have developed a plan to achieve the forecast trajectory.	
TOTAL	2.2			

Section 10: Financial Risks

The capital plan is also subject to risk:

Issue	£m	Risk description	Mitigation	RAG rating
Sale of Fulwood	6	<p>The capital plan expects sale proceeds of £6m in Q2 to enable delivery of the capital programme. The receipt is dependent on planning permission being granted by Sheffield City Council; this was expected in June but was delayed due to the General Election purdah and now is not expected to be considered by the Planning Committee until September. Critical capital projects, including those that impact quality of care and patient/ staff safety, will have to be deferred to 2025/26 if the sale does not go ahead in the expected timeframe.</p> <p>The risk is will increase to Red if the uncertainty continues.</p>	<p>The council is still expected to consider the planning application in Q2.</p> <p>The timing of the capital plan is being reviewed to ensure maximum impact from the funding available.</p> <p>System discussions are taking place to identify if there is the possibility of brokerage in year.</p>	
Sale of St Georges	0.6	<p>The sale is assumed in the capital plan to happen in October, it is unlikely this timescale will be achieved.</p>	<p>Work is ongoing to progress the sale.</p>	
TOTAL	6.6			

Appendix 1: KPIs

Ward Overview - Monthly

Period : Based on the Month of July 24

Area	Ward	KPI 1	KPI 2		KPI 3				KPI 4		KPI 5
		Wte	YTD £000s	FYE £000's	YTD Actual £000's	YTD Average £000's	FYE £000's	%	Registered	Un Registered	Hours
Acute	Burbage Ward	15.2	234	741	723	583	174	18%	40%	12%	181
	Endcliffe Ward	13.5	270	853	674	594	107	6%	36%	30%	(357)
	Dovedale 2 Ward	4.4	19	44	457	392	(722)	-95%	7%	22%	74
	Stange Ward	7.1	146	338	602	514	(111)	-33%	32%	25%	(10)
Rehab	Forest Close 1	0.2	20	58	160	163	51	-68%	53%	33%	(61)
	Forest Close 1a	(4.0)	(50)	(183)	225	202	(73)	-241%	30%	27%	23
	Forest Close 2	0.7	21	101	166	147	13	-18%	13%	37%	(61)
	Forest Lodge	1.5	81	282	774	702	(91)	-35%	64%	67%	29
Older Adults	Birch Avenue	14.3	260	1066	751	666	(303)	48%	26%	36%	132
	Woodland View	4.5	(138)	(346)	522	487	(447)	-173%	27%	24%	(15)
	Dovedale 1	9.2	141	309	571	484	(172)	-50%	31%	32%	95
	G1 Ward	9.1	141	502	586	500	134	20%	37%	32%	629

KPI 1 - Over established *Funded WTE compared to Actual WTE* -

KPI 2 - Over budget
Budget compared to spend
Amber = achieved the 60% reduction in overspend compared to last year

KPI 3 - Performance against plan
The plan is last year's spend less VIP compared to this year's spend
Reduction in spend compared to plan.
le Actual = Apr 24 compared to Apr 23.
Average = Apr 24 compared to average monthly cost 23/24
% is the (reduction) or increase in the overspend compared to 23/24

KPI 4 - Roster efficiency
Registered headroom is 25.56%
Unregister headroom is 22.82%

KPI 5 - Under over hours
Total hours roster period end 2nd June 2024
Red = hours owed to SHSC
Green = hours owed to Staff

Key
WTE – Whole Time Equivalent
() - Under Budget or Plan
YTD – Year to Date
FYE - Full Year Effect (Forecast)

Appendix 2: 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 2024/25:

	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 FOT £000
Income from patient care activities	98,720	105,734	118,174	130,481	137,970	135,138	130,349
Other Income	29,216	25,741	35,537	21,368	22,571	24,494	21,451
Total Income	127,936	131,475	153,711	151,849	160,541	159,633	151,800
Pay	(94,015)	(104,443)	(116,244)	(117,422)	(128,913)	(131,035)	(126,207)
Non Pay	(20,798)	(22,547)	(33,589)	(32,246)	(31,988)	(37,502)	(31,664)
Total Expenditure	(114,813)	(126,990)	(149,833)	(149,668)	(160,901)	(168,537)	(157,871)
Interest receipts	224	322	1	29	1,278	2,438	1,868
Finance expense	(21)	(38)	(22)	(25)	(97)	(89)	(69)
PDC dividends payable	(1,635)	(1,432)	(1,374)	(1,765)	(2,226)	(2,512)	(2,416)
Net Finance Costs	(1,432)	(1,148)	(1,395)	(1,761)	(1,045)	(163)	(616)
Net Surplus / (Deficit)	11,691	3,337	2,483	420	(1,405)	(9,068)	(6,687)
Technical Adjustments	172	145	182	1,391	(1,092)	4,136	173
Adjusted Net Surplus / (Deficit)	11,863	3,482	2,665	1,811	(2,497)	(4,932)	(6,514)
KPI's							
Acute OOA purchase of healthcare	(270)	(625)	(2,079)	(5,283)	(6,460)	(5,735)	(6,102)
PICU OOA purchase of healthcare	(1,088)	(881)	(1,403)	(1,696)	(1,764)	(2,480)	(1,121)
Rehab OOA purchase of healthcare	(628)	(1,691)	(1,789)	(1,525)	(1,324)	(1,129)	(1,205)
Total Out of Area healthcare	(1,986)	(3,197)	(5,271)	(8,504)	(9,549)	(9,343)	(8,429)
Year on year % increase		61%	65%	61%	12%	(2%)	(10%)
Total Medics Spend	(14,695)	(16,061)	(17,355)	(16,428)	(17,368)	(17,906)	(18,523)
Year on year % increase		9%	8%	-5%	6%	3%	3%
Total Bank Revenue Spend	(4,590)	(4,879)	(6,006)	(6,474)	(4,409)	(5,427)	(6,698)
Year on year % increase		6%	23%	8%	-32%	23%	23%
Total Agency Revenue Spend	(3,516)	(3,819)	(4,638)	(5,873)	(8,963)	(6,893)	(2,990)
Year on year % increase		9%	21%	27%	53%	(23%)	(57%)

Appendix 2: Income & Expenditure Trends

Pay was significantly higher in 2022/23 than previous years 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.

Out of area, medics, bank and agency expenditure are shown separately as these are the key drivers of the deficit position and focus points for efficiency savings.

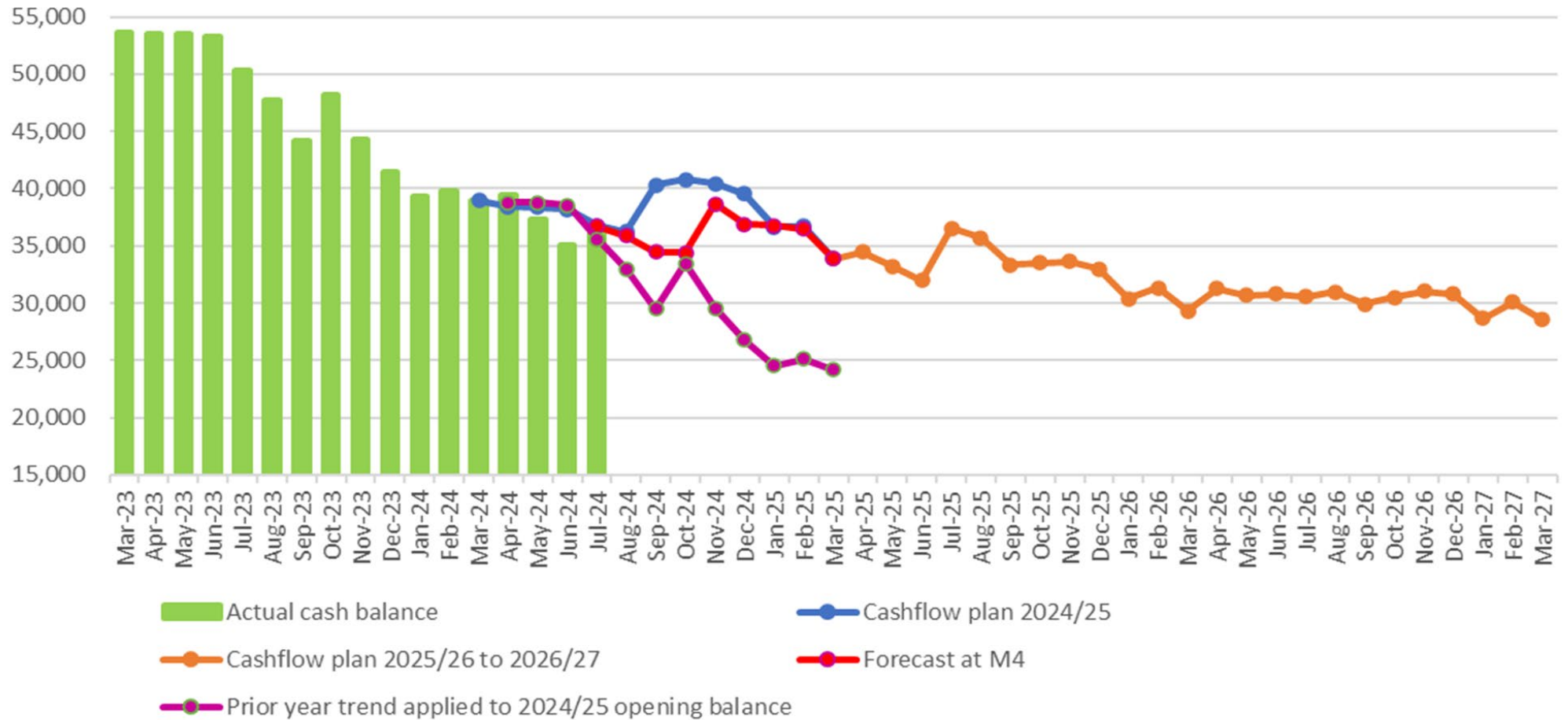
Out of area spend is broken down into 3 components of acute, PICU and rehab. Historically, acute is the key area of concern as expenditure has gone up significantly year on year. However, pressures were seen in PICU spend in 2023/24 due to escalating costs for high level observations for a small number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

The table below shows the pay expenditure split by substantive, bank and agency pay over 4 years so the movement between categories can be seen.

		21/22	% of total	22/23	% of total	23/24	% of total	24/25	% of total
		£000	pay	£000	pay	£000	pay	£000	pay
Trust wide costs	Substantive staff *	(104,664)	89.1%	(110,189)	88.8%	(112,933)	86.2%	(116,030)	91.9%
	Bank staff	(6,474)	5.5%	(4,409)	3.6%	(5,427)	4.1%	(6,698)	5.3%
	Agency / contract	(5,873)	5.0%	(8,963)	7.2%	(6,893)	5.3%	(2,990)	2.4%
	Other	(411)	0.4%	(470)	0.4%	(5,782)	4.4%	(489)	0.4%
	Total pay expenditure	(117,422)	100.0%	(124,031)	100.0%	(131,035)	100.0%	(126,207)	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.

Cash balance, plan, trends and forecast £'000



Appendix 4: Detailed income and expenditure breakdown by month

This appendix sets out the income and expenditure of the Trust by type from October 2023 to March 2025. This is to show the run rates in the last half of 2023/24 compared to what has happened in the YTD and what is expected in the year to go.

Below is the breakdown of income by type from October 2023 to March 2025:

	Prior year						Actual					Forecast						M12 Plan	Forecast	Variance			
	Oct-23 £'000	Nov-23 £'000	Dec-23 £'000	Jan-24 £'000	Feb-24 £'000	Mar-24 £'000	Apr-24 £'000	May-24 £'000	Jun-24 £'000	Jul-24 £'000	YTD £'000	Aug-24 £'000	Sep-24 £'000	Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000				Feb-25 £'000	Mar-25 £'000	£'000
Income																							
<u>Income from patient care activities</u>																							
NHSE	172	148	171	201	178	5,483	181	214	182	201	778	198	198	175	175	175	175	175	175	175	2,095	2,221	126
ICBs	10,395	9,554	9,978	9,920	9,963	10,441	9,905	9,727	9,898	10,043	39,572	10,475	10,242	10,245	10,223	10,223	10,226	10,226	10,225	10,225	120,771	121,659	888
NHS FTs	0	0	3,292	366	366	404	368	374	371	371	1,485	371	371	371	371	371	371	371	371	371	4,484	4,454	(30)
LAs	175	150	149	195	190	236	197	133	187	119	636	159	159	160	159	159	159	159	159	159	1,500	1,911	411
Other	370	370	(2,922)	4	4	4	4	4	4	21	35	9	9	9	9	9	9	9	9	9	192	104	(88)
Sub-total	11,112	10,222	10,669	10,686	10,701	16,569	10,655	10,453	10,642	10,755	42,506	11,212	10,978	10,959	10,937	10,937	10,940	10,940	10,939	129,041	130,349	1,308	
<u>Other operating income</u>																							
R&D	335	99	112	250	184	166	187	180	259	184	811	195	195	196	196	196	194	194	199	199	2,204	2,374	171
Education & training	918	776	979	1,168	959	1,103	842	812	802	739	3,196	804	804	788	788	788	788	788	794	794	5,344	9,533	4,188
Other WGA	170	117	59	209	146	234	137	115	129	124	505	122	122	122	122	122	122	122	124	124	1,491	1,485	(6)
Non WGA	456	639	267	547	391	330	266	262	212	284	1,024	261	245	245	245	245	245	245	245	245	7,834	2,997	(4,837)
Pay recharges	425	425	405	374	398	456	415	436	440	422	1,712	415	415	415	407	407	405	405	411	411	3,962	4,991	1,029
Other	(0)	2	1	1	143	35	14	13	12	11	50	2	2	2	2	2	2	2	2	2	16	70	55
Sub-total	2,304	2,057	1,822	2,549	2,222	2,324	1,861	1,818	1,855	1,765	7,298	1,800	1,783	1,768	1,760	1,760	1,756	1,756	1,774	20,852	21,451	600	
Total income	13,416	12,279	12,490	13,235	12,924	18,892	12,516	12,271	12,497	12,520	49,804	13,011	12,762	12,727	12,696	12,697	12,696	12,696	12,714	149,893	151,800	1,907	

In March 2024, we reported notional income of £5.256m from NHSE for pension costs that are paid on behalf of SHSC. We are required by NHSE to report the notional income and cost in our accounts every year but are not permitted to plan for these or forecast them into our position.

ICB income is lower in Q1 than the rest of the year as income has been deferred to future months where spend has not yet been incurred so that the income and expenditure are matched in the same financial period.

Additional income forecast due to the consultant pay award agreement (£0.4m), new Better Care Funding (£0.4m), delayed notice on the Derbyshire ICB contract until October for autism services (£0.1m), crisis telephone line investment (£0.1m) and greater number of local authority funded service users in nursing homes (£0.4m).

Other operating income shows large offsetting variances between education & training and non-whole of government accounts (WGA) organisations. This is a mapping issue which will be updated during the review of the plan compared to agreed budget and coding changes.

£1m of the favourable variance is due to an increase in salary recharges, mainly for postgraduate and undergraduate trainees on placement at other trusts (£0.8m), with a corresponding increase in associated pay costs in the Medical directorate. This is offset partially offset by a reduction in expected education income and associated costs (£0.4m).

CONFIDENTIAL Appendix 5: Aged Debt detail

Below is the breakdown by type of pay expenditure and high-level professional groupings:

	Prior year						Actual					Forecast							M12 Plan	Forecast	Variance																							
	Oct-23 £'000	Nov-23 £'000	Dec-23 £'000	Jan-24 £'000	Feb-24 £'000	Mar-24 £'000	Apr-24 £'000	May-24 £'000	Jun-24 £'000	Jul-24 £'000	YTD £'000	Aug-24 £'000	Sep-24 £'000	Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000	Feb-25 £'000	Mar-25 £'000	£'000	£'000	£'000																						
Pay Expenditure																																												
<u>Medical</u>																																												
Substantive	(1,276)	(1,281)	(1,243)	(1,204)	(1,306)	(1,530)	(1,372)	(1,423)	(1,361)	(1,427)	(5,583)	(1,391)	(1,396)	(1,396)	(1,408)	(1,418)	(1,418)	(1,418)	(1,425)	(13,668)	(16,847)	(3,179)																						
Bank	0	(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																						
Agency	(254)	(201)	(262)	(184)	(140)	(195)	(209)	(133)	(118)	(155)	(615)	(198)	(187)	(125)	(125)	(120)	(100)	(78)	(1,740)	(1,676)	64																							
Sub-total	(1,530)	(1,483)	(1,506)	(1,388)	(1,446)	(1,724)	(1,581)	(1,556)	(1,479)	(1,582)	(6,198)	(1,589)	(1,583)	(1,522)	(1,534)	(1,544)	(1,539)	(1,519)	(1,504)	(15,408)	(18,523)	(3,115)																						
<u>Nursing</u>																																												
Substantive	(2,095)	(2,229)	(2,086)	(2,199)	(2,167)	(2,281)	(2,245)	(2,150)	(2,191)	(2,129)	(8,713)	(2,198)	(2,214)	(2,237)	(2,245)	(2,267)	(2,271)	(2,279)	(2,285)	(26,158)	(26,785)	(627)																						
Bank	(65)	(78)	(83)	(99)	(136)	(149)	(100)	(108)	(110)	(131)	(449)	(117)	(105)	(109)	(109)	(125)	(123)	(113)	(107)	(1,026)	(1,356)	(330)																						
Agency	(132)	(192)	(126)	(100)	(173)	(145)	(125)	(48)	(46)	(49)	(268)	(61)	(58)	(58)	(57)	(68)	(58)	(58)	(58)	(579)	(745)	(165)																						
Sub-total	(2,292)	(2,499)	(2,295)	(2,398)	(2,476)	(2,575)	(2,470)	(2,305)	(2,346)	(2,309)	(9,430)	(2,376)	(2,377)	(2,404)	(2,411)	(2,460)	(2,452)	(2,450)	(2,450)	(27,764)	(28,886)	(1,122)																						
<u>Scientific, therapeutic and technical staff</u>																																												
Substantive	(2,159)	(2,235)	(2,316)	(2,255)	(2,252)	(2,264)	(2,313)	(2,301)	(2,340)	(2,345)	(9,298)	(2,352)	(2,355)	(2,396)	(2,406)	(2,418)	(2,425)	(2,428)	(2,428)	(30,506)	(28,507)	1,998																						
Bank	(15)	(10)	(4)	(4)	(1)	(11)	(55)	46	(6)	(7)	(23)	(7)	(7)	(5)	(5)	(5)	(5)	(5)	(5)	0	(65)	(65)																						
Agency	3	(5)	(5)	(6)	(12)	(14)	3	(5)	(3)	(3)	(7)	(3)	0	0	0	0	0	0	0	0	(10)	(10)																						
Sub-total	(2,170)	(2,250)	(2,325)	(2,265)	(2,265)	(2,289)	(2,365)	(2,260)	(2,349)	(2,355)	(9,328)	(2,361)	(2,361)	(2,401)	(2,411)	(2,423)	(2,430)	(2,433)	(2,433)	(30,506)	(28,582)	1,924																						
<u>Support to clinical staff</u>																																												
Substantive	(2,212)	(2,317)	(2,117)	(2,344)	(2,254)	(2,131)	(2,116)	(2,230)	(2,140)	(1,943)	(8,429)	(2,003)	(2,014)	(2,033)	(2,117)	(2,116)	(2,116)	(2,107)	(2,116)	(25,818)	(24,979)	840																						
Bank	(192)	(303)	(345)	(376)	(512)	(413)	(386)	(367)	(459)	(446)	(1,659)	(397)	(398)	(395)	(395)	(427)	(399)	(389)	(389)	(1,462)	(4,849)	(3,386)																						
Agency	(188)	(202)	(188)	(142)	(118)	(17)	(58)	(13)	(29)	(20)	(120)	(20)	(19)	(19)	(19)	(52)	(52)	(21)	(21)	(1,377)	(342)	1,035																						
Sub-total	(2,592)	(2,823)	(2,650)	(2,862)	(2,884)	(2,561)	(2,560)	(2,610)	(2,627)	(2,410)	(10,207)	(2,420)	(2,431)	(2,447)	(2,531)	(2,595)	(2,567)	(2,517)	(2,526)	(28,658)	(30,169)	(1,511)																						
<u>Non-medical, non-clinical staff</u>																																												
Substantive	(1,566)	(1,189)	(1,555)	(1,519)	(1,100)	(1,606)	(1,659)	(1,594)	(1,626)	(1,598)	(6,477)	(1,568)	(1,542)	(1,583)	(1,553)	(1,549)	(1,552)	(1,555)	(1,556)	(16,521)	(18,912)	(2,391)																						
Bank	(31)	(35)	(39)	(29)	(49)	(46)	(46)	(20)	(48)	(47)	(161)	(42)	(40)	(31)	(31)	(31)	(31)	(31)	(31)	(1,334)	(428)	906																						
Agency	(106)	(196)	(176)	45	(30)	(45)	(23)	(24)	(32)	(47)	(125)	(33)	(29)	(7)	(5)	(5)	(5)	(5)	(5)	(1,159)	(218)	942																						
Sub-total	(1,703)	(1,421)	(1,771)	(1,503)	(1,179)	(1,697)	(1,728)	(1,637)	(1,705)	(1,692)	(6,762)	(1,643)	(1,612)	(1,621)	(1,589)	(1,584)	(1,587)	(1,591)	(1,592)	(19,014)	(19,558)	(544)																						
Planned net overspend											0									(1,788)	0	1,788																						
NHSE pension costs						(5,256)														0	0	0																						
Other (Apprenticeship Levy)	(39)	(40)	(39)	(39)	(40)	(44)	(40)	(40)	(42)	(40)	(163)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(480)	(489)	(9)																						
Total Pay	(10,326)	(10,515)	(10,586)	(10,456)	(10,290)	(16,146)	(10,744)	(10,409)	(10,549)	(10,388)	(42,089)	(10,430)	(10,406)	(10,435)	(10,517)	(10,646)	(10,616)	(10,550)	(10,546)	(123,617)	(126,207)	(2,590)																						

Recovery plans are targeting over spending services to reduce over establishment and significantly improve rota management to reduce the reliance on bank and agency staff. In addition, the vacancy control panel meets on a weekly basis to review all requests to recruit permanently or through secondment, extend fixed term contracts or secondments, increase hours and any other change that would impact on substantive pay. All non-clinical, non-medical agency recruitment must be approved by two Executive Directors and the ICB prior to appointment.

The planned net overspend was set during financial planning to recognise that services subject to recovery plans in 2023/24 would continue to overspend during 2024/25 while the recovery plans were implemented. The overspend value was then reduced by the efficiency savings plans still in development, which couldn't be allocated to specific services. This £1.8m is held centrally and reported without spend against it to offset the additional costs elsewhere in the organisation.

CONFIDENTIAL Appendix 5: Aged Debt detail

Below is the breakdown by type of non-pay expenditure:

	Prior year						Actual					Forecast								M12 Plan	Forecast	Variance	
	Oct-23 £'000	Nov-23 £'000	Dec-23 £'000	Jan-24 £'000	Feb-24 £'000	Mar-24 £'000	Apr-24 £'000	May-24 £'000	Jun-24 £'000	Jul-24 £'000	YTD £'000	Aug-24 £'000	Sep-24 £'000	Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000	Feb-25 £'000	Mar-25 £'000	£'000	£'000	£'000	
Non-Pay Expenditure																							
Out of Area healthcare - acute	(521)	(492)	(446)	(461)	(474)	(432)	(439)	(483)	(642)	(821)	(2,384)	(776)	(524)	(470)	(378)	(399)	(399)	(373)	(399)	(4,606)	(6,102)	(1,497)	
Out of Area healthcare - PICU	(179)	(251)	(205)	(249)	(108)	(26)	(91)	(83)	(174)	(31)	(379)	(94)	(92)	(94)	(92)	(94)	(94)	(88)	(94)	(1,260)	(1,121)	139	
Out of Area healthcare - rehab	(73)	(91)	(103)	(83)	(52)	(231)	(78)	(77)	(38)	(207)	(401)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(621)	(1,205)	(585)	
External audit fees	(16)	(16)	(16)	(16)	(16)	(16)	(20)	(20)	(26)	(37)	(102)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(236)	(259)	(23)	
Clinical negligence	(58)	(58)	(58)	(58)	(58)	(58)	(56)	(56)	(56)	(56)	(225)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(700)	(676)	24	
Consultancy	(4)	(4)	(18)	(3)	(5)	(65)	(31)	(55)	(25)	(4)	(115)	(33)	(33)	(33)	(33)	(30)	(30)	(30)	(30)	(61)	(376)	(315)	
Depreciation & amortisation	(321)	(320)	(319)	(320)	(317)	(317)	(330)	(330)	(330)	(330)	(1,319)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(3,925)	(3,956)	(31)	
Drugs	(75)	(102)	(25)	(95)	(86)	(59)	(87)	(89)	(82)	(81)	(340)	(86)	(86)	(86)	(89)	(89)	(89)	(89)	(86)	(825)	(1,038)	(213)	
Education and training: non-staff	(19)	(196)	(115)	(100)	(108)	(127)	(45)	(41)	(54)	(54)	(195)	(53)	(68)	(63)	(60)	(62)	(57)	(64)	(64)	(740)	(686)	54	
Establishment	(102)	(75)	249	(57)	(32)	(48)	(40)	(26)	(48)	(36)	(150)	(44)	(51)	(56)	(44)	(44)	(44)	(44)	(44)	(717)	(520)	198	
Impairments	0	0	0	0	0	(3,982)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal fees	(0)	(8)	(4)	(4)	(5)	(3)	(16)	(21)	(32)	(21)	(90)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(152)	(218)	(66)	
Non-executive directors	(11)	(5)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(45)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(135)	(135)	0	
Premises - business rates	(65)	(61)	(58)	(63)	(63)	(27)	(68)	(97)	(82)	(82)	(329)	(82)	(82)	(82)	(65)	(65)	(65)	(65)	(65)	(599)	(902)	(303)	
Premises - other	(713)	(461)	(664)	(724)	(451)	(879)	(420)	(516)	(533)	(330)	(1,797)	(580)	(533)	(550)	(564)	(590)	(581)	(578)	(582)	(6,290)	(6,356)	(65)	
Purchase of healthcare from non-NHS	(207)	(85)	(123)	(100)	(101)	(272)	(94)	(121)	(145)	(56)	(416)	(100)	(100)	(100)	(95)	(105)	(105)	(105)	(105)	(2,114)	(1,232)	882	
R&D: non-staff	(266)	(54)	65	(116)	(105)	(152)	(94)	(97)	(164)	(94)	(449)	(98)	(98)	(98)	(98)	(97)	(97)	(97)	(97)	(1,103)	(1,231)	(128)	
Supplies & services	(312)	(33)	(323)	(320)	(354)	(374)	(162)	(316)	(228)	(256)	(962)	(292)	(286)	(275)	(272)	(273)	(273)	(411)	(411)	(3,458)	(3,450)	8	
Transport	(102)	(129)	(435)	(111)	(134)	(121)	(124)	(137)	(208)	5	(463)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(139)	(1,231)	(1,574)	(343)	
Other non pay *	(46)	20	19	(510)	(10)	(20)	(36)	(64)	(42)	(32)	(174)	(61)	(52)	(52)	(52)	(52)	(52)	(57)	(57)	(3,630)	(626)	3,004	
Total Non Pay	(3,090)	(2,422)	(2,590)	(3,399)	(2,489)	(7,221)	(2,244)	(2,639)	(2,919)	(2,534)	(10,336)	(2,970)	(2,677)	(2,632)	(2,515)	(2,574)	(2,559)	(2,669)	(2,707)	(32,404)	(31,664)	740	

* Other non-pay includes: internal audit fees, bank charges, insurance, losses and special payments, miscellaneous staff and patient expenses, fees and subscriptions, professional fees

Out of area activity increased significantly since the start of May to a high of 19 beds in July, this has been driven by increased demand for inpatient care. The out of area forecast of £1.9m overspend (£2.1m including Out of Area Transport) is based on returning to 9 spot Acute Out of Area beds throughout September, reducing to 6 for October and 3 from November for the remainder of the year.

If Out of Area usage continues at the current rate then, the expected overspend is £3.5 - 4m. If all other factors remain constant, then this would result in an overall Trust deficit of £8.5m+ compared to the plan of £6.5m.

A large proportion of efficiency savings were allocated to pay in the financial plan. Some of the savings relate to non-pay expenditure and so the plan we are monitoring against in this report and to NHSE will be updated to reflect these and any other agreed budget changes. Any significant changes will be reported to FPC.

CONFIDENTIAL Appendix 5: Aged Debt detail

The majority of the older debt on NHS bodies is with Sheffield Teaching Hospitals (£863k above 60 days – FTs). Various meetings have been held to go through the details of disputes on the values. Sheffield Teaching Hospitals have agreed to pay the majority of amounts outstanding, whilst work continues on remaining outstanding values which is around cost of shared space in buildings they lease and overheads charged.

Within the other category the main debt is with The Guinness Partnership (£638k above 120 days) who had agreed to pay outstanding invoices in July and this was received in August. The other large outstanding value is with South Yorkshire Housing Association (SYHA) (£923k – mainly 31-60 days), the majority of the outstanding amount has been agreed to be paid. SHSC have had to start formal escalation process in line with the contract on the 2023/24 uplift (£168k) as SYHA have not agreed to give any uplift, we are very confident that our stance would be supported by a arbitrator if it gets to that point. SHSC are continuing to work with and chase other organisations to resolve queries around the unpaid invoices as quickly as possible.