

Board of Directors - Public

SUMMARY REPORT

Meeting Date: 27 November 2024

Agenda Item: 16

Report Title:	Financial Performance Report as at 30th September (month 6)	
Author(s):	Chris Cotton, Deputy Director of Finance	
Accountable Director:	Phillip Easthope, Executive Director of Finance and Digital	
Other meetings this paper has been presented to or previously agreed at:	Committee/Tier 2 Group/Tier 3 Group	Finance and Performance Committee
	Date:	14 November 2024
Key points/recommendations from those meetings	Finance & Performance Committee were briefed on the month 6 position, there was a discussion about major risks to meeting the planned deficit, especially around Out of Area usage and spend. After a verbal update about the Month 7 position there was a discussion about the increase in the mitigations required in the position, mitigations in place and further work that is ongoing.	

Summary of key points in report

At Month 6, the year-to-date deficit position of £4.107m is £0.236m worse than planned (M5 £0.063m worse). To achieve the planned deficit of £6.514m, the forecast includes additional mitigation/savings required of £1.1m. With the additional risks in the financial position, plans are being developed for £2.1m worth of mitigations so that the current forecast can be achieved. Out of Area spend is the main driver for the deterioration of the financial position, the majority of the year to date overspend is offset by non-recurrent underspends as a result of vacancies and reductions in non-pay spend.

At Month 6 NHS England nationally have given non-recurrent deficit funding to systems with planned deficits (South Yorkshire = £49m) so that systems have enough cash for their agreed plan. This means the system can technically report a breakeven plan position with the additional funding given, this is not additional funding to spend, it is just to offset the agreed spend/plan. SHSC's share of the funding £5.9m means our adjusted planned deficit is £0.6m, it is expected that this will have to be returned if the plan is not achieved.

Cash is lower than planned due to not receiving the Fulwood receipt, this is partially offset by Capital spend being lower than planned at this point in the year. After discussions with NHS England regionally colleagues the year end Cash and Capital forecast at Month 6 is based on not spending the Fulwood receipt and deferring to be able to spend the funds in 2025/26.

Value improvement and recovery plans totaling £9.5m have been developed, the current forecast for expected delivery has decreased to £5.1m due to Out of Areas increases. Included in the reporting is £1.1m of fortuitous non-recurrent savings from vacancies and unidentified mitigations of £1.1m as highlighted above.

Out of area Acute activity continued at a similar level to August which meant the recovery plan was not achieved in September, on top of this demand for PICU beds increased (Out of Area beds increased from 3 to 6 in September). Both Acute & PICU bed usage resulting in additional spend compared to forecast for September of £188k. The PICU out of area activity continued to rise in the first week October (increased to 11), this was included within the forecast of £3.4m overspend, which is an increase of £1m from Month 5.

The current forecast is based on returning to 9 spot Acute Out of Area beds by the end of November, reducing to 6 by the end December and 3 in January for the remainder of the year; and 3 PICU beds by the end of November. Scenarios are included in the risk assessment (Section 10), this shows the worst case of current levels continuing for the remainder of the year would increase the forecast by £2.4m, continuing year to date spend would be an additional £1m.

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 and this has increased in 2024/25, further work is being done to re-assess current locum usage and the expectation is that the forecast will reduce as part of the further mitigations work.

Aged Debt has increased in the last year which is having a negative impact on the Cash balance, the comparator used is the average of April-November 2023 as the outstanding debt increased from December 2023. The amount outstanding has decreased from £3.9m in August, the Finance Team continues with increased debt recovery action to ensure older disputed debts are paid or escalated to ensure quicker resolution can be found. This work has seen some reductions and it is anticipated that further reductions will continue in the next few months. More information is included in Section 7.

Appendices attached:

Financial Performance Report Month 6

Recommendation for the Board/Committee to consider:

Consider for Action		Approval		Assurance	X	Information	
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Trust Board to note the financial position as at 30th September 2024 for information and assurance.

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

SEPTEMBER 2024



Executive Summary – Month 6

Key Performance Indicator	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Surplus/(Deficit)	(3,871)	(4,107)	(236)	(6,514)	(6,514)	(0)
Adjusted Plan Surplus/(Deficit)	0	(236)	(236)	(603)	(603)	0
Cash	40,346	35,654	(4,692)	33,897	42,430	8,533
Efficiency Savings	3,177	3,199	22	7,334	7,334	0
Capital	(2,521)	(1,008)	1,513	(10,246)	(4,047)	6,199
				Target	Number	Value
Invoices paid within 30 days			NHS	95%	100.0%	100%
(Better Payments Practice Code)			Non-NHS	95%	99.6%	99.3%

At Month 6, the year to date deficit position of £4.107m is £0.236m worse than planned (M5 £0.063m worse). To achieve the planned deficit of £6.514m, the forecast includes additional mitigation/savings required of £1.1m. With the additional risks in the financial position, plans are being developed for £2.1m worth of mitigations so that the current forecast can be achieved. Out of Area spend is the main driver for the deterioration of the financial position, the majority of the year to date overspend is offset by non-recurrent underspends as a result of vacancies and reductions in non-pay spend.

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Executive Summary – Month 6

Area of Focus	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Out of Area spend *	(3,313)	(5,164)	(1,852)	(6,486)	(9,881)	(3,395)
Medics pay^	(6,195)	(7,181)	(986)	(12,437)	(14,756)	(2,319)
				Apr-Nov 23 Av	Sep-24	Variance
Aged Debt (Amount above 30 Days)				(2,098)	(3,331)	(1,233)
* Includes Purchase of Healthcare only, excludes travel costs.						
^ Figures adjusted for offsetting income						

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Section 1: Year to Date (YTD)

Year To Date Position

At month 6, the YTD position is a deficit of £4.107m, which is £0.236m worse 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	65,043	64,363	(679)	(1.0%)
Other Income	10,457	11,113	656	6%
Total Income	75,500	75,476	(23)	0%
Pay (substantive, agency, bank & other)	(63,652)	(63,083)	570	(0.9%)
Non Pay	(15,583)	(16,260)	(677)	4.3%
Total Expenditure	(79,235)	(79,343)	(107)	0.1%
Interest receipts	1,055	1,007	(48)	(4.6%)
Finance expense	(31)	(31)	(0)	1.4%
PDC dividends payable	(1,247)	(1,305)	(58)	4.6%
Net Finance Costs	(222)	(329)	(106)	47.8%
Net Surplus / (Deficit)	(3,958)	(4,195)	(237)	6.0%
Technical Adjustments	87	88	2	1.9%
Net Surplus / (Deficit) inc. Technical Adj	(3,872)	(4,107)	(236)	6%
System Deficit Funding	3,872	3,872	0	0.0%
Adjusted Net Surplus / (Deficit)	0	(236)	(236)	
<u>KPI's</u>				
Acute OOA purchase of healthcare	(2,371)	(3,851)	(1,480)	62.4%
PICU OOA purchase of healthcare	(632)	(700)	(68)	10.8%
Rehab OOA purchase of healthcare	(310)	(614)	(304)	97.8%
Medics pay	(6,195)	(9,323)	(3,128)	50.5%
Bank pay	(1,919)	(3,430)	(1,511)	78.7%
Agency pay	(2,428)	(1,546)	882	(36.3%)

Key variances are described below:

Clinical income - £0.679m adverse:

- £0.3m additional income from the ICB for the NHS 111 Crisis Line initiative. Consultant pay award and Better Care Fund contribution to patient flow services.
- £1.2m adverse ICB income deferred into future months to match when spend will be incurred. Expenditure has reduced against plan to match.
- £0.2m additional income from the local authority for contributions towards jointly funded

service users in Woodland View.

Other income - £0.656m favourable:

- £0.6m favourable variance for the reimbursement of seconded staff costs.

Pay - £0.570m favourable:

- £1.5m overspend 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.
- £3.0m underspend in agency and substantive pay expenditure compared to plan. This is due to additional reduction in agency and vacancies.
- £0.9m adverse variance due to actual investments and efficiency being pay/non-pay compared to assumption in plan
- It should be noted that assumptions were made in the financial plan around the split of savings between substantive, bank and agency as VIP and Recovery plans were not fully formed at that point. Appendix 2 shows the changes in spend from last year, this shows bank spend is forecast to increase by £1.4m from 23/24 and agency spend reduce by £4.0m.

Non-pay - £0.677m adverse:

- £1.9m adverse cost increase relating to out of area activity as described previously.
- £0.2m favourable variance from prior year benefits where costs were accrued at year-end but did not materialise.
- £0.1m favourable variance as investment expenditure has not been incurred as early as anticipated. Income has been deferred to match the expenditure profile.
- £0.9m favourable variance due to actual investments and efficiency being pay/non-pay compared to assumption in plan

Section 2: Current Month

Month 6 in month position

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

	Current month			
	M6 plan	M6 actual	Variance	
	£000	£000	£000	%
Clinical Income	11,166	10,075	(1,092)	(9.8%)
Other Income	1,738	1,863	126	7.2%
Total Income	12,904	11,938	(966)	(7.5%)
Pay	(11,123)	(9,728)	1,395	(12.5%)
Non Pay	(2,301)	(3,051)	(750)	32.6%
Total Expenditure	(13,424)	(12,779)	646	(4.8%)
Interest receipts	169	157	(11)	(6.8%)
Finance expense	(1)	(5)	(4)	408.1%
PDC dividends payable	(207)	(268)	(61)	29.3%
Net Finance Costs	(40)	(116)	(76)	191.9%
Net Surplus / (Deficit)	(560)	(957)	(397)	70.8%
Technical Adjustments	14	14	0	0.2%
Adjusted Net Surplus / (Deficit)	(546)	(943)	(397)	72.7%
System Deficit Funding	3,872	3,872	0	0.0%
Adjusted Net Surplus / (Deficit)	3,326	2,929	(397)	(11.9%)
<u>KPI's</u>				
Acute OOA purchase of healthcare	(320)	(695)	(374)	116.7%
PICU OOA purchase of healthcare	(220)	(196)	24	(11.0%)
Rehab OOA purchase of healthcare	(86)	(110)	(24)	27.7%
Medics pay	(1,203)	(1,504)	(301)	25.0%
Bank pay	(320)	(565)	(245)	76.5%
Agency pay	(405)	(228)	177	(43.7%)

The variances in Clinical Income and most of Pay (offsetting) relate to change in code of the deferral of income in Month 5 which has been corrected for Month 6.

£0.4m offsetting variances in Pay (favourable) and Non-Pay (adverse) due to actual investments and efficiency being pay/non-pay compared to assumption in plan

£0.4m non pay variance as shown in the KPI's section of the table is due to Out of Area, roughly half of this was already forecast to happen at Month 5.

Section 3: Forecast

The forecast to meet the planned deficit is in the table below, the non-recurrent deficit funding is included within the Income from Patient Care Activities as this is where it will be coded as its income from the ICB.

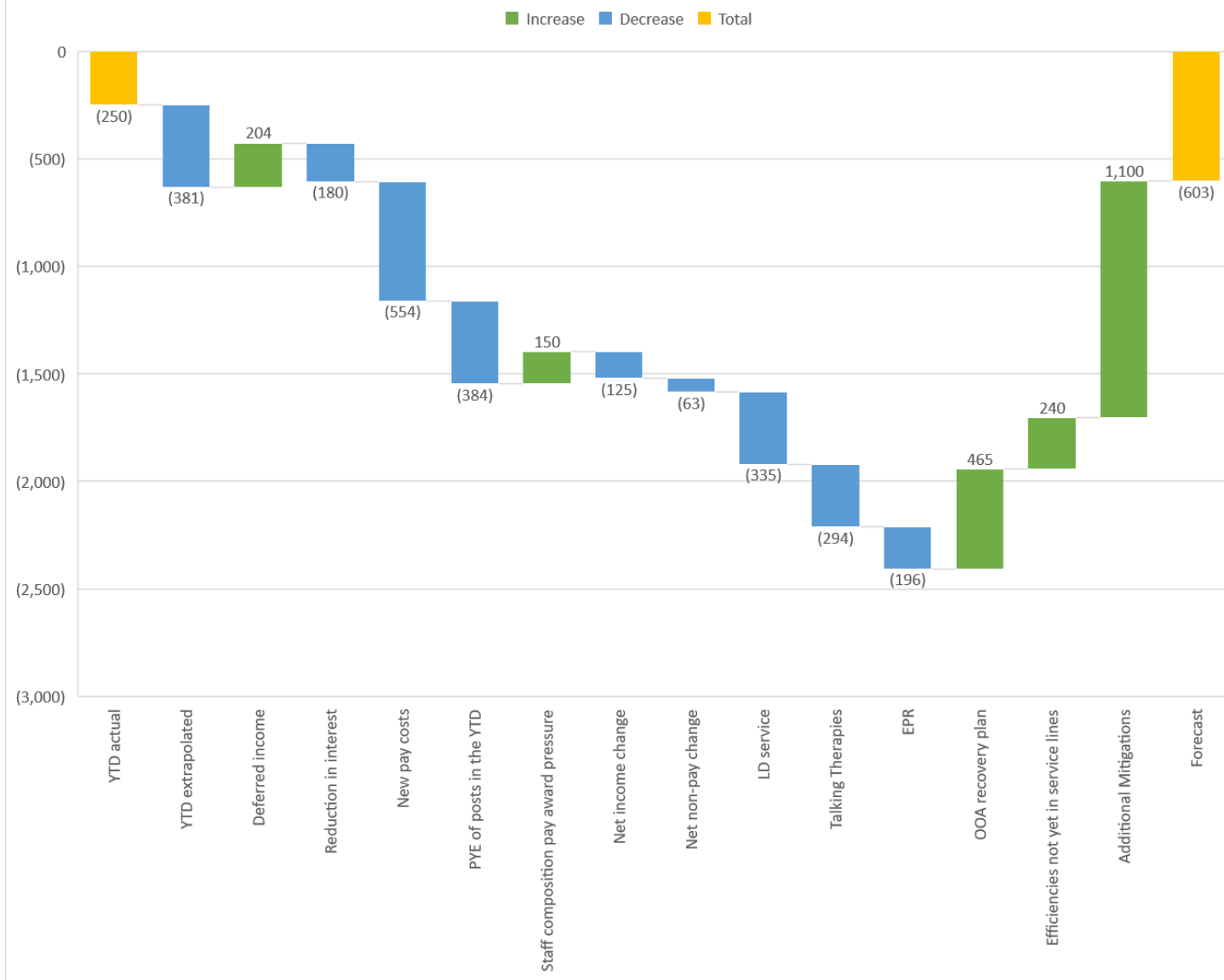
	Actual						YTD £'000	Forecast						M12 Plan £'000	Forecast £'000	Variance £'000
	Apr-24 £'000	May-24 £'000	Jun-24 £'000	Jul-24 £'000	Aug-24 £'000	Sep-24 £'000		Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000	Feb-25 £'000	Mar-25 £'000			
Income																
Income from Patient Care Activities	10,655	10,453	10,642	10,755	11,784	13,947	68,236	11,561	11,389	11,391	11,362	11,362	11,424	135,737	136,725	988
Other Operating Income	1,861	1,818	1,855	1,765	1,863	1,952	11,113	1,829	1,836	1,836	1,832	1,832	1,839	20,914	22,118	1,203
Total Income	12,516	12,271	12,497	12,520	13,647	15,898	79,349	13,389	13,225	13,227	13,194	13,194	13,263	156,651	158,843	2,191
Expenditure																
Substantive	(9,704)	(9,698)	(9,657)	(9,441)	(10,473)	(8,895)	(57,869)	(9,384)	(9,605)	(9,725)	(9,757)	(9,767)	(9,782)	(116,652)	(115,890)	762
Bank	(588)	(449)	(622)	(632)	(574)	(565)	(3,430)	(596)	(583)	(599)	(533)	(552)	(640)	(3,839)	(6,934)	(3,095)
Agency	(412)	(222)	(227)	(274)	(183)	(228)	(1,546)	(183)	(203)	(223)	(208)	(197)	(147)	(4,856)	(2,706)	2,150
NHSE pension costs																
Other (Apprenticeship Levy)	(40)	(40)	(42)	(40)	(36)	(39)	(238)	(41)	(41)	(41)	(41)	(41)	(41)	(480)	(483)	(3)
Pay	(10,744)	(10,409)	(10,549)	(10,388)	(11,266)	(9,728)	(63,083)	(10,204)	(10,432)	(10,588)	(10,539)	(10,556)	(10,610)	(125,826)	(126,013)	(187)
							0									
Out of Area healthcare	(608)	(642)	(855)	(1,059)	(999)	(1,000)	(5,164)	(1,128)	(904)	(709)	(670)	(635)	(670)	(6,486)	(9,881)	(3,395)
Drugs	(87)	(89)	(82)	(81)	(82)	(78)	(500)	(84)	(88)	(88)	(88)	(88)	(86)	(825)	(1,022)	(197)
Impairments							0									0
Other non pay	(1,219)	(1,577)	(1,652)	(1,073)	(1,631)	(1,464)	(8,617)	(1,513)	(1,555)	(1,581)	(1,576)	(1,541)	(1,528)	(19,783)	(17,911)	1,872
Non Pay	(1,914)	(2,309)	(2,590)	(2,205)	(2,721)	(2,542)	(14,281)	(2,725)	(2,548)	(2,377)	(2,335)	(2,265)	(2,284)	(27,095)	(28,815)	(1,720)
							0									
Total Expenditure	(12,658)	(12,718)	(13,138)	(12,592)	(13,988)	(12,270)	(77,365)	(12,929)	(12,980)	(12,965)	(12,874)	(12,821)	(12,894)	(152,921)	(154,827)	(1,907)
Earnings Before Interest, Tax, Depre'n & Amort'n	(142)	(447)	(641)	(72)	(341)	3,629	1,985	461	245	262	321	374	369	3,731	4,016	285
Depreciation & Amortisation	(330)	(330)	(330)	(330)	(330)	(330)	(1,978)	(330)	(330)	(330)	(320)	(320)	(320)	(3,955)	(3,926)	29
Net Operating Surplus / (Deficit)	(472)	(777)	(971)	(402)	(670)	3,299	7	131	(84)	(68)	1	54	49	(225)	90	314
Interest receipts	180	177	164	167	163	157	1,007	152	161	160	147	146	145	2,004	1,918	(86)
Finance expense	(4)	(6)	(6)	(4)	(5)	(5)	(31)	(5)	(5)	(5)	(5)	(5)	(5)	(62)	(63)	(1)
PDC dividends payable	(204)	(208)	(206)	(207)	(211)	(268)	(1,305)	(231)	(231)	(231)	(231)	(231)	(231)	(2,493)	(2,693)	(200)
Net Finance Costs	(28)	(37)	(48)	(45)	(54)	(116)	(329)	(85)	(76)	(76)	(89)	(91)	(92)	(552)	(838)	(286)
Net Surplus/ (Deficit) for the year	(500)	(814)	(1,020)	(447)	(725)	3,183	(322)	46	(160)	(144)	(89)	(37)	(43)	(776)	(748)	28
Technical Adjustments	14	14	14	14	15	14	87	14	14	14	5	5	5	173	145	(28)
Adjusted Net Surplus / (Deficit)	(486)	(799)	(1,005)	(432)	(710)	3,197	(235)	61	(145)	(130)	(83)	(32)	(38)	(603)	(603)	0
Plan	(734)	(758)	(771)	(550)	(557)	3,371	1	(0)	(156)	(138)	(99)	(103)	(108)		(603)	
Variance to plan	248	(41)	(234)	118	(153)	(174)	(236)	61	11	8	16	71	69		(0)	

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

The bridge overleaf shows the income and expenditure flows that are forecast for the remainder of the year and changes in runrate from year to date position

Section 3: Forecast

Year to date run rate to forecast bridge



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 largest values relate to £0.1m in Primary & Community Mental health team (MHIS planned investment), £0.1m in Gender service and £0.1m in Pharmacy.
- 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.
- Talking Therapies change is due to new trainees starting in October as planned.
- 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	(23,288)	(25,240)	(1,953)	(46,503)	(49,979)	(3,476)
Rehab & specialist	(21,086)	(20,635)	451	(42,318)	(42,540)	(223)
Directorate management/ central	(758)	(917)	(160)	(1,126)	(1,783)	(658)
Medical	(2,150)	(2,380)	(230)	(4,291)	(4,693)	(401)
Chair/Chief Exec Office	(796)	(781)	15	(1,592)	(1,617)	(24)
Corporate Governance	(786)	(757)	29	(1,541)	(1,523)	17
Director of Finance	(3,749)	(3,493)	256	(7,811)	(7,189)	622
Exec Dir of Operations & Trans	(42)	(41)	1	(84)	(81)	2
Nursing & Professions	(2,239)	(2,058)	182	(4,377)	(4,217)	159
People Directorate	(1,979)	(2,031)	(52)	(3,867)	(3,972)	(105)
Strategy, Estates & Facilities	(4,430)	(4,238)	191	(8,828)	(8,649)	179
Reserves	(1,004)	1,768	2,772	(2,008)	3,555	5,563
Central budgets	62,192	60,496	(1,696)	123,569	121,940	(1,629)
Net surplus/ (deficit)	(114)	(307)	(194)	(776)	(748)	28
Technical adjustments	87	88	2	173	145	(28)
ADJUSTED SURPLUS/ (DEFICIT)	(27)	(219)	(192)	(603)	(603)	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 M6 of more than £59,999 for clinical and medical services or £29,999 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 established WTE	Substantive (over)/under £	Agency (over)/under £	Bank (over)/under £	Income & non pay (over)/under £	Main drivers / comments
Acute & community											
Stanage Ward	1,368,819	1,577,535	(208,716)	55.86	63.08	(7.22)	122,897	(123,296)	(199,536)	(8,780)	Staffing over establishment levels
Burbage Ward	1,410,564	1,672,996	(262,432)	61.29	67.88	(6.59)	375,000	(156,823)	(473,409)	(7,200)	Staffing over establishment levels
Endcliffe Ward	1,385,562	1,750,771	(365,209)	57.54	73.32	(15.78)	174,898	(67,870)	(458,869)	(13,368)	Staffing over establishment levels
Acute & Comm Central	132,344	279,984	(147,640)	0.97	0.97	0.00	(291)	-	-	(147,349)	Secure patient transport costs - recovery plan in development but implementation timing not yet confirmed.
Adult Home Treatment Team	1,751,347	1,825,023	(73,676)	57.97	63.87	(5.90)	106,323	(93,181)	(85,891)	(927)	Staffing over establishment levels
Out of Town Acute	2,478,414	4,049,004	(1,570,590)	-	-	0.00	-	-	-	(1,570,590)	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
Out of Town PICU	653,697	746,496	(92,799)	-	-	0.00	-	-	-	(92,799)	
Directorate management/ central											

Section 5: Spotlight on YTD Overspends

Clinical Management Team	405,475	750,490	(345,015)	35.40	19.00	16.40	(424,721)	-	(2)	79,708	Staffing over establishment levels
Medical											
Medical Management Team	145,282	281,493	(136,211)	4.88	6.18	(1.30)	(85,852)	-	-	(50,360)	Staffing over establishment levels & Unidentified VIP contribute to Pay variance
PGME Sheffield	718,998	871,359	(152,361)	42.92	43.33	(0.41)	(104,114)	-	-	(48,247)	Skill mix higher than the budgeted establishment
PGME Risk Share	(12,978)	31,838	(44,816)	-	1.00	(1.00)	(23,431)	-	-	(21,385)	Lower income than planned, not covering costs.
PGME MH Regional PA Project	-	45,140	(45,140)	-	3.50	(3.50)	(92,546)	-	-	47,406	Project funding ended but staff still in post.
Undergraduate Medical Training	3,212	36,664	(33,452)	4.18	4.61	(0.43)	(30,055)	-	(768)	(2,628)	Skill mix higher than the budgeted establishment
R&D Commercial Studies-Staff	2,440	35,255	(32,815)	0.80	1.00	(0.20)	1,785	-	-	(34,600)	Lower income than planned, not covering costs.
Nursing & professions											
Reg Nurse Degree Apprentices	45,427	105,612	(60,185)	6.00	6.60	(0.60)	(10,085)	-	-	(50,100)	Apprenticeship funding no longer available from NHSE but costs still being incurred.
Flourish Partnership	80,136	118,750	(38,614)	-	-	0.00	-	-	-	(38,614)	
Rehab & specialist											
Birch Avenue	49,868	395,409	(345,541)	74.70	88.53	(13.83)	(31,125)	(9,431)	(381,531)	76,547	Staffing over establishment levels
Older Adults Central	93,430	206,358	(112,928)	3.40	4.55	(1.15)	(113,101)	-	-	173	Staffing over establishment levels
G1 Ward	1,300,501	1,523,392	(222,891)	54.92	64.17	(9.25)	159,520	(69,029)	(311,977)	(1,405)	Staffing over establishment levels

Section 5: Spotlight on YTD Overspends

OA CMHT	1,355,533	1,563,265	(207,732)	48.89	47.31	1.58	(114,776)	(63,074)	(21,608)	(8,273)	2.4 WTE over on medical staff (under on other staff) resulting in increased costs
Dovedale 1	1,309,712	1,537,262	(227,550)	52.85	72.42	(19.57)	116,087	(39,185)	(294,261)	(10,191)	Staffing over establishment levels
Perinatal Collaboration	958,924	1,049,781	(90,857)	33.54	30.99	2.55	17,076	(85,341)	-	(22,592)	Staffing over establishment levels
Forest Lodge	67,768	216,014	(148,246)	67.41	70.51	(3.10)	51,279	(3,552)	(201,536)	5,562	Staffing over establishment levels
IFR - Out of Town	316,234	619,662	(303,428)	0.20	0.20	0.00	149	-	-	(303,577)	Increased placement costs.
TOTAL	16,020,709	21,289,555	(5,268,846)	663.72	733.02	(69.30)	94,915	(710,783)	(2,429,389)	(2,223,589)	

Of the £5.2m overspend for these areas, the biggest drivers are bank usage (£2.4m) and out of area activity (£1.9m).

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 6 against identified schemes.

Directorate	Target	Plans in place	Forecast Savings	Var to Target	YTD Plan	YTD Savings	YTD Variance
Out of Area	3,612	3,612	0	(3,612)	1,806	0	(1,806)
Clinical	1,400	433	245	(1,156)	107	21	(87)
Acute & Community	2,043	2,301	1,909	(134)	1,024	879	(144)
Rehab & Specialist	1,386	2,094	2,049	663	1,027	1,147	119
Medical	210	188	167	(42)	76	68	(7)
Corp Gov	62	24	24	(38)	12	12	(0)
Finance & Digital	294	296	231	(62)	156	110	(46)
Nursing, Quality & Prof	161	145	145	(16)	43	43	0
People	263	204	175	(88)	98	73	(26)
Strategy, Estates & Facilities	300	192	188	(112)	83	64	(19)
Total from Plans	9,730	9,490	5,134	(4,596)	4,433	2,417	(2,016)
Headroom	(2,396)			2,396	(1,256)		1,256
Non-Recurrent Savings			1,100	1,100		782	782
Unidentified Mitigations			1,100	1,100			0
Totals	7,334	9,490	7,334		3,177	3,199	22

Shown in the table is the Non-recurrent and unidentified mitigations required to meet the £7.3m plan.

Out of area is the biggest driver with none of the planned £3.6m savings achieved. The remaining difference is over 34 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. These are partial offset by 6 schemes that overachieved.

Additional schemes will be added to replace the unidentified mitigations once the breakdown has been agreed.

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. Excluding the Out of Area changes the reduction is £2.8m (33%) (M5: £3.7m). This is mainly due to increased bank costs and across a number of areas and increased staffing on Decision unit due to pressures for inpatients beds. Additional work is being done to increase recovery plans as part of the additional mitigations required.

Service Area	23/24 Variance	Month 6 Forecast Variance	% Change	Further Information
Woodland View	(476,118)	440,059	192%	
Early Intervention Service	(121,429)	20,367	117%	
Crisis Central	(83,523)	2,681	103%	
International Recruitment	(64,486)	(275)	100%	
Dovedale 2	(833,777)	(78,974)	91%	
Acute Central	(125,721)	(14,164)	89%	
Hast - Changing Futures	(84,100)	(24,974)	70%	
OA Home Treatment Team	(139,027)	(54,070)	61%	
Workforce Information	(70,763)	(35,482)	50%	
Out of Town PICU	(822,751)	(482,352)	41%	Increase in beds used in Sept/Oct
Dovedale 1	(619,401)	(456,317)	26%	
Burbage Ward	(625,979)	(465,546)	26%	
Decisions Unit	(63,036)	(48,204)	24%	Increase in Healthcare Assistant Bank due to bed pressures
Endcliffe Ward	(807,545)	(618,413)	23%	
Stanage Ward	(508,330)	(428,202)	16%	
Older Adults Central	(142,696)	(130,211)	9%	Increase Medical & AHP costs
Longley Site Services	(81,473)	(76,486)	6%	
Flow Team	(124,424)	(117,117)	6%	
OA CMHT	(515,466)	(539,107)	(5%)	
Birch Avenue	(721,009)	(757,187)	(5%)	Increase in Healthcare Assistant Bank
Forest Lodge	(436,674)	(470,259)	(8%)	
Clinical Management Team	(183,520)	(213,368)	(16%)	
G1 Ward	(417,899)	(493,792)	(18%)	
Acute & Comm Central	(226,251)	(295,376)	(31%)	Increased Secure Patient Transport
Medical Management Team	(143,986)	(234,315)	(63%)	Increase due to VIP under-delivery
Out of Town Acute	(281,712)	(2,518,097)	(794%)	Increase in beds used in Sept/Oct

Section 7: Statement of Financial Position

The table below shows the Statement of Financial Position (SoFP) as at 30th September 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	9,610	8,827	(783)	11,106	10,561	(545)
Property, Plant & Equipment (PPE)	63,594	63,297	62,302	(995)	67,043	62,640	(4,403)
Right of Use Assets (IFRS 16 Leases)	6,896	6,537	6,538	1	6,208	6,208	0
Other Non-Current Assets	212	340	251	(89)	276	276	0
Non-Current Assets Total	78,848	79,784	77,918	(1,866)	84,633	79,685	(4,948)
<u>Current Assets</u>							
Receivables	9,687	6,578	12,289	5,711	6,127	9,127	3,000
Cash and Cash Equivalents	38,963	40,346	35,654	(4,692)	33,897	42,430	8,533
Assets held for sale (Fulwood HQ)	12,000	6,050	12,000	5,950	6,050	6,050	0
Other Current Assets	74	589	1,291	702	575	575	0
Total Current Assets	60,725	53,563	61,234	7,671	46,649	58,182	11,533
<u>Current Liabilities</u>							
Provisions	(248)	(241)	(154)	87	(241)	(241)	0
Payables	(13,475)	(10,580)	(12,955)	(2,375)	(12,465)	(14,139)	(1,674)
Borrowings (leases)	(581)	(586)	(582)	4	(566)	(566)	0
Other Current Liabilities	(414)	(1,342)	(1,251)	91	(414)	(414)	0
Total Current Liabilities	(14,718)	(12,749)	(14,943)	(2,194)	(13,686)	(15,360)	(1,674)
Net Current Assets/ (Liabilities)	46,007	40,814	46,291	5,476	32,963	42,822	9,859
Provisions	(853)	(860)	(826)	34	(860)	(810)	50
Borrowings (leases)	(4,754)	(4,456)	(4,435)	21	(4,182)	(4,182)	0
Other Non-Current Liabilities		(209)	0	209	(209)	0	209
Total Non-Current Liabilities	(5,607)	(5,525)	(5,261)	264	(5,251)	(4,992)	259
Total Net Assets	119,248	115,073	118,948	3,875	112,345	117,515	5,170
Total Taxpayers Equity	119,248	115,073	118,948	3,875	112,345	117,515	5,170

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 4.1:1, with cash contributing 58% of current assets.

The key YTD variances are:

Non-current assets are £1.866m lower than expected:

- (£0.783m) relates to intangibles. The spend to month 6 is lower than planned predominantly on EPR. This is a timing issue of when expenditure is recognised. The EPR forecast for the year is now £0.381m lower than planned as costs are moved back into Q1 of 2025/26.
- (£0.995m) relates to property plant and equipment additions. Expenditure to month 6 is lower than expected. This is due to the delay in Capital projects.

Current assets are £7.671m higher than planned.

- £5.711m receivables are higher than expected. £3.871m is for the Non-recurrent deficit funding that has not been received yet, for remainder relates to details included in the Aged Debt Analysis below.
- £4.692m cash is lower than planned, £5.950m is due to the delay in the sale of Fulwood, this is partly offset by £1.2m lower capital spend than planned.
- £5.950m asset held for sale is higher than planned due to the delay in the sale of Fulwood.
- £0.702m other current assets, which includes prepayments, is higher than plan. This is due to the timing of payments.

These key changes have been reflected in the forecast positions shown.

Aged Debt Analysis

As at 30th September 2024 there were unpaid receivable invoices totalling £4.775m (M5: £5.336m). £1.444m of the unpaid invoices relate to invoices raised during September 2024 and were not overdue at the reporting date. £3.331m (M4: £3.999m) 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 15/10/24
NHS Trusts, Ft's and ICB	2,721	1,171	605	143	98	175	530	2,659
NHSE and DOH	122	7	0	0	0	16	99	121
Staff Overpayments	86	3	10	6	0	1	66	84
Other	1,550	264	478	8	1	614	186	1,043
Local Authority	297	0	0	0	0	0	297	297
Grand Total	4,775	1,444	1093	157	99	805	1,177	4,204

Section 7: Statement of Financial position

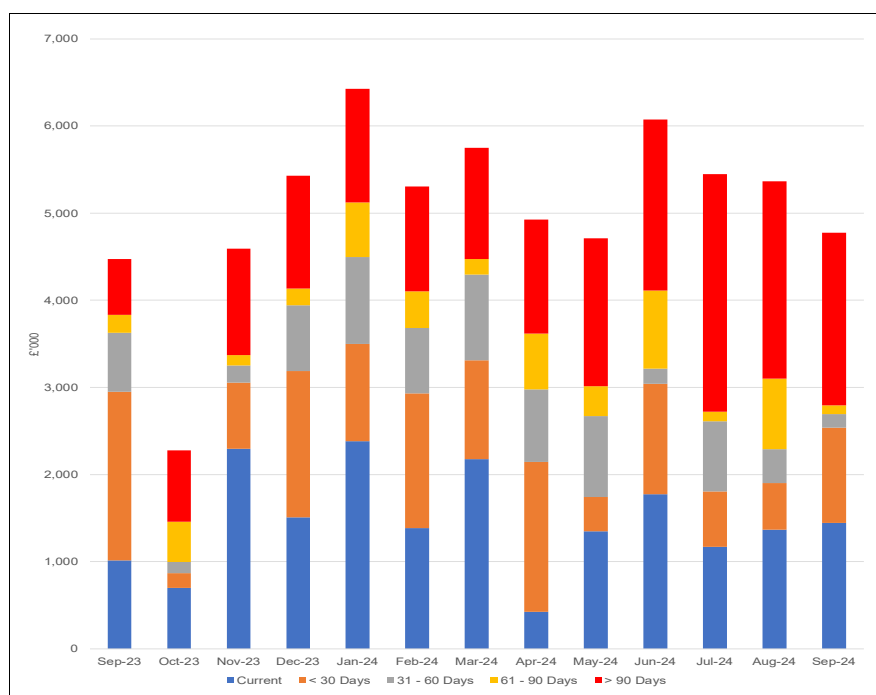
As at 15th September the total outstanding receivable balance was £4.204m however the oldest debt in the over 120 day category has stayed at a similar level.

SHSC are continuing to work with and chase other organisations to resolve queries around the unpaid invoices as quickly as possible. Further detail on specific debts is included in 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.

21 outstanding debts totalling £0.036m 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 12 salary overpayment debts totalling £0.017m 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 30th September 2024	Prior Year Mar-24 £000s	Actual					Forecast						2024/25 Full Year £000s
		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	
Operating Surplus/(deficit)	(8,904)	(1,249)	(970)	(402)	(656)	3,283	14	14	14	14	14	14	90
Net cash generated from / (used in) operations	4,268	1,410	(786)	2,096	419	(3,405)	4,000	264	264	264	264	263	5,053
Net cash inflow/(outflow) from investing activities, Total	(9,231)	(1,836)	(493)	223	(73)	785	218	218	218	1,418	519	519	1,716
Net cash inflow/(outflow) before financing	(13,867)	(1,675)	(2,249)	1,917	(310)	663	4,232	496	496	1,696	797	796	6,859
Net Cash inflow/(outflow) from financing activities,	(884)			(215)	(48)	(1,392)	(289)	(289)	(290)	(290)	(290)	(289)	(3,392)
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,249)	1,702	(358)	(729)	3,943	207	206	1,406	507	507	3,467
Cash and cash equivalents at start of period	53,714	38,963	37,288	35,039	36,741	36,383	35,654	39,597	39,804	40,010	41,416	41,923	
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,249)	1,702	(358)	(729)	3,943	207	206	1,406	507	507	
Cash and cash equivalents at end of period	38,963	37,288	35,039	36,741	36,383	35,654	39,597	39,804	40,010	41,416	41,923	42,430	
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)	154	(4,693)	(1,222)	(642)	469	4,737	5,191	8,533	

The cash balance at the end of September 2024 was £35.7m. This is £4.7m below plan due to the delay in the sale of Fulwood partially offset by delays in the Capital programme.

The anticipated increase in the October 2024/25 cash position includes the non-recurrent deficit funding of £3.4m for the year to date position. Forecasts for future months assume the sale of Fulwood in Q4.

By the end of the financial year it is assumed that the forecast cash balance will be £8.5m above plan. This includes non-recurrent deficit funding and delays in the Capital programme that were not included within the plan.

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 continues to be met 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. As highlighted in the previous sections the proposal to defer the Fulwood Capital receipt has meant the Capital forecast at Month 6 has reduced accordingly as shown in the table below:

Category	2024/25					2025/26	2026/27	2027/28	2028/29	Total Programme Forecast (5 years)
	YTD Plan	YTD Actual	YTD Variance	2024/25 Plan	2024/25 Forecast Outturn	Plan	Plan *	Plan *	Plan *	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
EPR	1,509	871	(638)	3,293	2,912	540				3,833
Buildings	930	137	(793)	6,663	1,094	13,936	3,156	3,246	3,896	30,897
Transport			-		-	-	140		-	140
Green Plan			-		-	1,350	800	1,250	600	4,000
Lease Revaluation	70		(70)	250	250	200	200	200	200	1,050
Digital	12		(12)	40	40	944	400			1,384
Total	2,521	1,008	(1,513)	10,246	4,296	16,970	4,696	4,696	4,696	41,304

The 2025/26 plan is updated for the assumption at Month 6 that the Capital receipt could be deferred and spent next year, all other Plan values are as per the plan submitted to NHS England in 2024/25.

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 and possible mitigations will be reported when identified, quantified wherever possible with upside and downside ranges.

The following risks have been identified:

Issue	Risk/Mitigation description	Expected £m	Upside £m	Downside £m
Unidentified efficiencies	Unidentified efficiencies of £1.1m 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. The offset to this risk is included in the Mitigation below	(£1.1m)	(£1.1m)	(£1.1m)
Out of area expenditure	As described in the report if out of area usage stays at the current levels for the remainder of the year this would create an additional £2.4m overspend. If the year to date position continues the additional overspend would be £1m	(£1.0m)	£0.0m	(£2.4m)
Education Income	SHSC has not yet received a schedule for education income that matches our expectations of funding. The current position is based on receiving similar funding to 2023/24. The current schedule is less by £1.4m however NHS England are working through queries and it is expected the issues will be resolved, other local providers are experiencing similar issues	£0.0m	£0.0m	(£1.4m)
Mitigation – Additional Recovery plans and Financial Controls	Work is continuing to increase recovery plan and value improvement plans to find a minimum of £2.1m additional savings in the second half of the year to ensure to planned deficit can be achieved. This includes the additional financial controls implemented from October.	£2.1m	£3.0m	£0.0m
TOTAL		£0.0m	£1.9m	(£4.9m)

Section 10: Financial Risks

The capital plan is also subject to risk:

Issue	Risk/Mitigation description	Expected £m	Upside £m	Downside £m
Sale of St Georges	St George's is currently on the market but may not be completed within this financial year. It is felt that the risk is low.	£0.0m	£0.0m	(£0.6m)
Fire Doors & other critical schemes	All Capital plans that are not already committed to have been paused. Critical schemes will be presented to EMT for approval if further funds are required. The fire doors survey has been completed and SHSC are waiting on further information of cost. It is expected that these costs can be contained within the receipt value of St George's and remaining contingency	£0.0m	£0.0m	Unclear at this point
TOTAL		£0.0m	£0.0m	(£0.6m)

Appendix 2: Income & Expenditure Trends

Ward Overview - Monthly

Period : Based on the Month of Sept 24

Area	Ward	KPI 1	KPI 2		KPI3				KPI 4		KPI 5
		Wte	YTD £000s	FYE £000's	YTD Average £000's	FYE £000's	Change £000's	%	Registered	Un Registered	Hours
Acute	Burbage Ward	6.6	262	466	313	626	(160)	(26%)	50%	11%	185
	Endcliffe Ward	15.8	365	618	404	808	(189)	(23%)	26%	20%	(247)
	Dovedale 2 Ward	6.5	5	79	417	834	(755)	(91%)	25%	28%	80
	Stanage Ward	7.2	209	428	254	508	(80)	(16%)	29%	15%	103
Rehab	Forest Close 1	(0.9)	18	37	92	183	(146)	(80%)	44%	38%	(106)
	Forest Close 1a	(2.8)	(87)	(168)	65	129	(297)	(230%)	31%	28%	0
	Forest Close 2	1.4	37	72	62	123	(51)	(42%)	39%	25%	(100)
	Forest Lodge	3.1	148	370	218	437	(66)	(15%)	65%	52%	14
Older Adults	Birch Avenue	13.8	346	757	361	721	36	5%	22%	30%	444
	Woodland View	2.0	(260)	(440)	238	476	(916)	(192%)	32%	28%	(47)
	Dovedale 1	19.6	228	456	310	619	(163)	(26%)	50%	52%	59
	G1 Ward	9.3	223	494	209	418	76	18%	32%	39%	211

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

KPI 2 - Over budget

Budget compared to spend Amber /Green= achieved the 60% reduction in overspend compared to last year

KPI 3 - Performance against 23/24

Change is the difference between 23/24 out turn and Forecast 24/25 out turn

% is the (reduction) or increase in the overspend compared to 23/24 Green= Achieved 60% target Amber = reduction to 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 29th July 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	136,725
Other Income	29,216	25,741	35,537	21,368	22,571	24,494	22,118
Total Income	127,936	131,475	153,711	151,849	160,541	159,633	5,911
Pay	(94,015)	(104,443)	(116,244)	(117,422)	(128,913)	(131,035)	164,754
Non Pay	(20,798)	(22,547)	(33,589)	(32,246)	(31,988)	(37,502)	(125,974)
Total Expenditure	(114,813)	(126,990)	(149,833)	(149,668)	(160,901)	(168,537)	(32,779)
Interest receipts	224	322	1	29	1,278	2,438	(158,753)
Finance expense	(21)	(38)	(22)	(25)	(97)	(89)	1,918
PDC dividends payable	(1,635)	(1,432)	(1,374)	(1,765)	(2,226)	(2,512)	(63)
Net Finance Costs	(1,432)	(1,148)	(1,395)	(1,761)	(1,045)	(163)	(2,693)
Net Surplus / (Deficit)	11,691	3,337	2,483	420	(1,405)	(9,068)	(838)
Technical Adjustments	172	145	182	1,391	(1,092)	4,136	5,163
Adjusted Net Surplus / (Deficit)	11,863	3,482	2,665	1,811	(2,497)	(4,932)	145
KPI's							
Acute OOA purchase of healthcare	(270)	(625)	(2,079)	(5,283)	(6,460)	(5,735)	(6,944)
PICU OOA purchase of healthcare	(1,088)	(881)	(1,403)	(1,696)	(1,764)	(2,480)	(1,694)
Rehab OOA purchase of healthcare	(628)	(1,691)	(1,789)	(1,525)	(1,324)	(1,129)	(1,244)
Total Out of Area healthcare	(1,986)	(3,197)	(5,271)	(8,504)	(9,549)	(9,343)	(9,881)
Year on year % increase		61%	65%	61%	12%	(2%)	(6%)
Total Medics Spend	(14,695)	(16,061)	(17,355)	(16,428)	(17,368)	(17,906)	(19,002)
Year on year % increase		9%	8%	-5%	6%	3%	6%
Total Bank Revenue Spend	(4,590)	(4,879)	(6,006)	(6,474)	(4,409)	(5,427)	(6,781)
Year on year % increase		6%	23%	8%	-32%	23%	25%
Total Agency Revenue Spend	(3,516)	(3,819)	(4,638)	(5,873)	(8,963)	(6,893)	(2,729)
Year on year % increase		9%	21%	27%	53%	(23%)	(60%)

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.

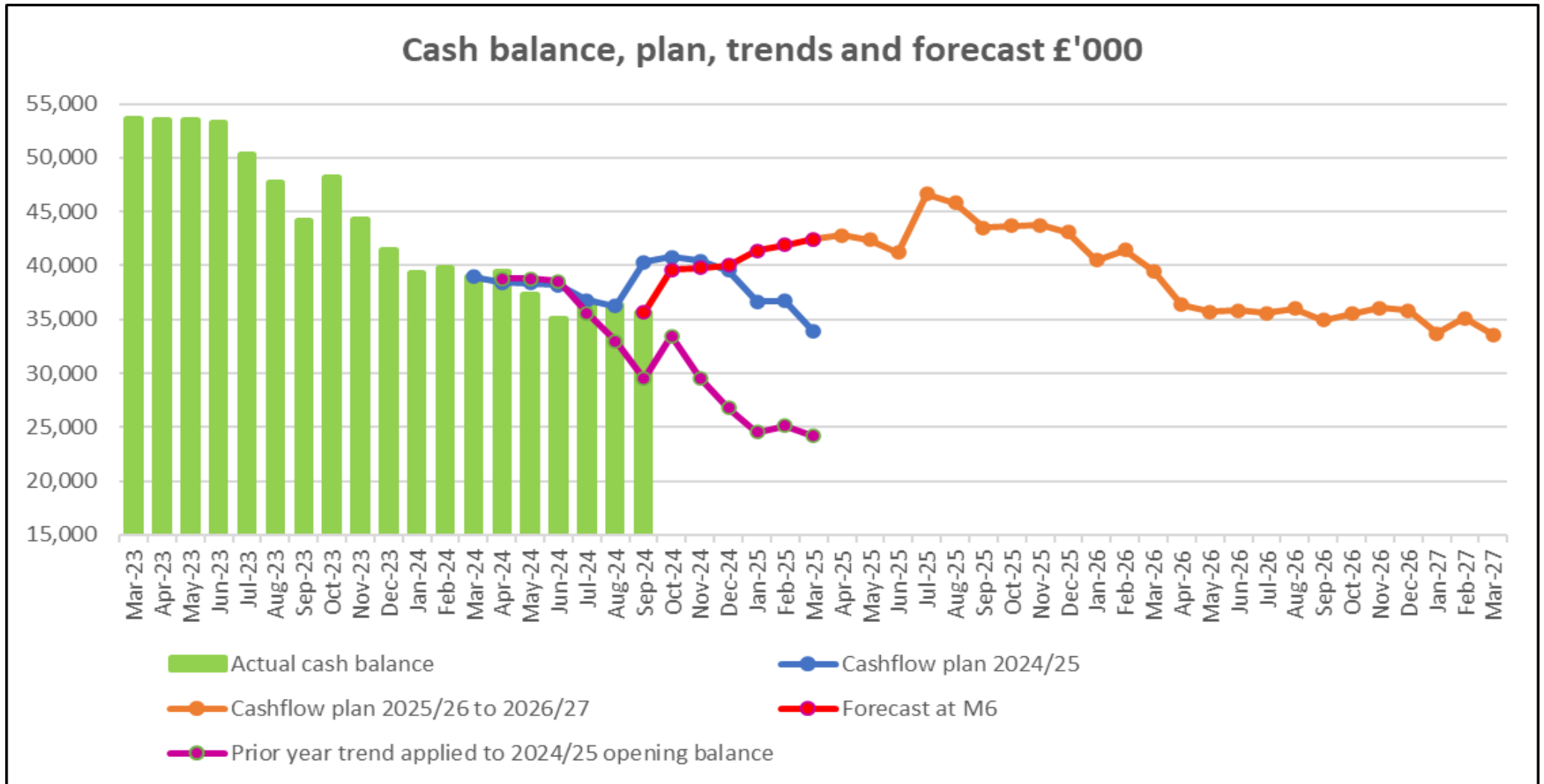
Out of area spend is broken down into 3 components of acute, PICU and rehab. Historically, acute is the key area of concern as expenditure has gone up significantly year on year. However, pressures were seen in PICU spend in 2023/24 due to escalating costs for high level observations for a small number 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%	(115,890)	92.0%
	Bank staff	(6,474)	5.5%	(4,409)	3.6%	(5,427)	4.1%	(6,934)	5.5%
	Agency / contract	(5,873)	5.0%	(8,963)	7.2%	(6,893)	5.3%	(2,706)	2.1%
	Other	(411)	0.4%	(470)	0.4%	(5,782)	4.4%	(483)	0.4%
	Total pay expenditure	(117,422)	100.0%	(124,031)	100.0%	(131,035)	100.0%	(126,013)	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.

Appendix 3: Cash Balance Trends and Rolling Cash Flow Forecast



CONFIDENTIAL 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	Aug-24 £'000	Sep-24 £'000	YTD £'000	Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000	Feb-25 £'000	Mar-25 £'000	£'000	£'000	£'000
Income																						
<u>Income from patient care activities</u>																						
NHSE	172	148	171	201	178	5,483	181	214	182	201	181	176	1,135	184	186	186	186	186	186	2,233	2,250	17
ICBs	10,395	9,554	9,978	9,920	9,963	10,441	9,905	9,727	9,898	10,043	11,003	13,197	63,772	10,824	10,653	10,656	10,626	10,626	10,688	127,562	127,846	284
NHS FTs	0	0	3,292	366	366	404	368	374	371	371	391	391	2,267	375	371	371	371	371	371	4,484	4,498	14
LAs	175	150	149	195	190	236	197	133	187	119	199	173	1,008	169	169	168	168	168	168	1,405	2,018	614
Other	370	370	(2,922)	4	4	4	4	4	4	21	10	10	54	10	10	10	10	10	10	54	113	59
Sub-total	11,112	10,222	10,669	10,686	10,701	16,569	10,655	10,453	10,642	10,755	11,784	13,947	68,236	11,561	11,389	11,391	11,362	11,362	11,424	135,737	136,725	988
<u>Other operating income</u>																						
R&D	335	99	112	250	184	166	187	180	259	184	193	212	1,215	199	199	199	197	197	197	2,204	2,404	201
Education & training	918	776	979	1,168	959	1,103	842	812	802	739	867	908	4,970	787	792	792	792	792	799	10,283	9,721	(562)
Other WGA	170	117	59	209	146	234	137	115	129	124	101	74	680	127	127	127	127	127	127	1,491	1,439	(52)
Non WGA	456	639	267	547	391	330	266	262	212	284	303	260	1,587	269	269	269	269	269	269	2,959	3,199	240
Pay recharges	425	425	405	374	398	456	415	436	440	422	408	496	2,617	420	423	422	421	421	421	3,962	5,146	1,183
Other	(0)	2	1	1	143	35	14	13	12	11	(9)	2	43	27	27	27	27	27	27	16	208	193
Sub-total	2,304	2,057	1,822	2,549	2,222	2,324	1,861	1,818	1,855	1,765	1,863	1,952	11,113	1,829	1,836	1,836	1,832	1,832	1,839	20,914	22,118	1,203
Total income	13,416	12,279	12,490	13,235	12,924	18,892	12,516	12,271	12,497	12,520	13,647	15,898	79,349	13,389	13,225	13,227	13,194	13,194	13,263	156,651	158,843	2,191

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. The increase in September is mainly due to the non-recurrent deficit funding.

Additional income forecast due to the consultant pay award agreement (£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).

£1.2m 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 (£0.6m).

Appendix 4: Detailed income and expenditure breakdown by month

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	Aug-24 £'000	Sep-24 £'000	YTD £'000	Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000	Feb-25 £'000	Mar-25 £'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)	(1,435)	(1,358)	(8,377)	(1,417)	(1,456)	(1,478)	(1,478)	(1,473)	(1,477)	(14,051)	(17,155)	(3,104)
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)	(185)	(146)	(947)	(155)	(154)	(154)	(153)	(145)	(100)	(1,740)	(1,808)	(68)
Sub-total	(1,530)	(1,483)	(1,506)	(1,388)	(1,446)	(1,724)	(1,581)	(1,556)	(1,479)	(1,582)	(1,621)	(1,504)	(9,323)	(1,572)	(1,610)	(1,632)	(1,631)	(1,618)	(1,577)	(15,791)	(18,963)	(3,172)
<u>Nursing</u>																						
Substantive	(2,095)	(2,229)	(2,086)	(2,199)	(2,167)	(2,281)	(2,245)	(2,150)	(2,191)	(2,129)	(2,165)	(2,181)	(13,059)	(2,091)	(2,211)	(2,249)	(2,251)	(2,262)	(2,268)	(27,558)	(26,392)	1,166
Bank	(65)	(78)	(83)	(99)	(136)	(149)	(100)	(108)	(110)	(131)	(148)	(149)	(746)	(153)	(153)	(153)	(146)	(136)	(130)	(1,071)	(1,617)	(545)
Agency	(132)	(192)	(126)	(100)	(173)	(145)	(125)	(48)	(46)	(49)	(32)	(41)	(341)	(37)	(36)	(40)	(36)	(36)	(36)	(579)	(561)	18
Sub-total	(2,292)	(2,499)	(2,295)	(2,398)	(2,476)	(2,575)	(2,470)	(2,305)	(2,346)	(2,309)	(2,345)	(2,371)	(14,146)	(2,281)	(2,400)	(2,443)	(2,433)	(2,433)	(2,433)	(29,208)	(28,570)	639
<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)	(2,328)	(2,339)	(13,965)	(2,374)	(2,400)	(2,438)	(2,446)	(2,450)	(2,450)	(30,526)	(28,522)	2,004
Bank	(15)	(10)	(4)	(4)	(1)	(11)	(55)	46	(6)	(8)	(8)	(5)	(35)	(5)	(5)	(5)	(5)	(5)	(5)	0	(67)	(67)
Agency	3	(5)	(5)	(6)	(12)	(14)	3	(5)	(3)	(3)	(2)	(1)	(10)	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)	(2,338)	(2,344)	(14,010)	(2,380)	(2,405)	(2,443)	(2,451)	(2,455)	(2,455)	(30,526)	(28,599)	1,927
<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)	(2,309)	(2,060)	(12,798)	(2,083)	(2,100)	(2,121)	(2,143)	(2,143)	(2,143)	(25,963)	(25,530)	434
Bank	(192)	(303)	(345)	(376)	(512)	(413)	(386)	(367)	(459)	(446)	(382)	(374)	(2,414)	(410)	(397)	(412)	(355)	(355)	(355)	(1,433)	(4,700)	(3,266)
Agency	(188)	(202)	(188)	(142)	(118)	(17)	(58)	(13)	(29)	(20)	(22)	(6)	(148)	(10)	(10)	(26)	(16)	(13)	(8)	(1,377)	(230)	1,146
Sub-total	(2,592)	(2,823)	(2,650)	(2,862)	(2,884)	(2,561)	(2,560)	(2,610)	(2,627)	(2,410)	(2,713)	(2,440)	(15,360)	(2,502)	(2,507)	(2,559)	(2,514)	(2,511)	(2,506)	(28,773)	(30,460)	(1,686)
<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)	(1,545)	(1,649)	(9,671)	(1,419)	(1,438)	(1,438)	(1,440)	(1,440)	(1,444)	(16,766)	(18,291)	(1,525)
Bank	(31)	(35)	(39)	(29)	(49)	(46)	(46)	(20)	(48)	(47)	(37)	(37)	(234)	(28)	(28)	(29)	(27)	(56)	(150)	(1,334)	(551)	783
Agency	(106)	(196)	(176)	45	(30)	(45)	(23)	(24)	(32)	(47)	59	(34)	(100)	19	(3)	(3)	(3)	(3)	(3)	(1,159)	(96)	1,063
Sub-total	(1,703)	(1,421)	(1,771)	(1,503)	(1,179)	(1,697)	(1,728)	(1,637)	(1,705)	(1,692)	(1,523)	(1,720)	(10,005)	(1,428)	(1,469)	(1,470)	(1,469)	(1,498)	(1,598)	(19,260)	(18,937)	322
Planned net overspend																						
Accounting adjustment						(5,256)					(691)	691	0							(1,788)	0	1,788
NHSE pension costs													0							0	0	0
Other (Apprenticeship Levy)	(39)	(40)	(39)	(39)	(40)	(44)	(40)	(40)	(42)	(40)	(36)	(39)	(238)	(41)	(41)	(41)	(41)	(41)	(41)	(480)	(483)	(3)
Total Pay	(10,326)	(10,515)	(10,586)	(10,456)	(10,290)	(16,146)	(10,744)	(10,409)	(10,549)	(10,388)	(11,266)	(9,728)	(63,083)	(10,204)	(10,432)	(10,588)	(10,539)	(10,556)	(10,610)	(125,826)	(126,013)	(187)

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.

Appendix 4: Detailed income and expenditure breakdown by month

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	Aug-24 £'000	Sep-24 £'000	YTD £'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)	(772)	(695)	(3,851)	(703)	(608)	(480)	(442)	(417)	(442)	(4,606)	(6,944)	(2,338)	
Out of Area healthcare - PICU	(179)	(251)	(205)	(249)	(108)	(26)	(91)	(83)	(174)	(31)	(125)	(196)	(700)	(320)	(191)	(123)	(123)	(114)	(123)	(1,260)	(1,694)	(434)	
Out of Area healthcare - rehab	(73)	(91)	(103)	(83)	(52)	(231)	(78)	(77)	(38)	(207)	(103)	(110)	(614)	(105)	(105)	(105)	(105)	(105)	(105)	(621)	(1,244)	(623)	
External audit fees	(16)	(16)	(16)	(16)	(16)	(16)	(20)	(20)	(26)	(37)	(21)	(20)	(143)	(20)	(20)	(20)	(20)	(20)	(20)	(236)	(261)	(25)	
Clinical negligence	(58)	(58)	(58)	(58)	(58)	(58)	(56)	(56)	(56)	(56)	(56)	(56)	(338)	(56)	(56)	(56)	(56)	(56)	(56)	(700)	(676)	24	
Consultancy	(4)	(4)	(18)	(3)	(5)	(65)	(31)	(55)	(25)	(4)	(102)	(26)	(243)	(38)	(20)	(20)	(20)	(20)	(20)	(368)	(383)	(15)	
Depreciation & amortisation	(321)	(320)	(319)	(320)	(317)	(317)	(330)	(330)	(330)	(330)	(330)	(330)	(1,978)	(330)	(330)	(330)	(320)	(320)	(320)	(3,955)	(3,926)	29	
Drugs	(75)	(102)	(25)	(95)	(86)	(59)	(87)	(89)	(82)	(81)	(82)	(78)	(500)	(84)	(88)	(88)	(88)	(88)	(86)	(825)	(1,022)	(197)	
Education and training: non-staff	(19)	(196)	(115)	(100)	(108)	(127)	(45)	(41)	(54)	(54)	(73)	(59)	(326)	(57)	(57)	(59)	(51)	(58)	(58)	(737)	(665)	72	
Establishment	(102)	(75)	249	(57)	(32)	(48)	(40)	(26)	(48)	(36)	(16)	(38)	(204)	(51)	(40)	(39)	(39)	(39)	(39)	(543)	(450)	93	
Impairments	0	0	0	0	0	(3,982)	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)	(11)	(16)	(118)	(14)	(14)	(14)	(14)	(14)	(14)	(152)	(203)	(51)	
Non-executive directors	(11)	(5)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(10)	(10)	(65)	(10)	(10)	(11)	(11)	(11)	(11)	(135)	(128)	7	
Premises - business rates	(65)	(61)	(58)	(63)	(63)	(27)	(68)	(97)	(82)	(82)	(84)	(82)	(495)	(82)	(82)	(82)	(82)	(65)	(65)	(796)	(955)	(159)	
Premises - other	(713)	(461)	(664)	(724)	(451)	(879)	(420)	(516)	(533)	(330)	(768)	(144)	(2,709)	(547)	(551)	(581)	(574)	(549)	(555)	(6,236)	(6,065)	171	
Purchase of healthcare from non-NHS	(207)	(85)	(123)	(100)	(101)	(272)	(94)	(121)	(145)	(56)	(96)	(121)	(633)	(101)	(96)	(106)	(106)	(106)	(106)	(1,321)	(1,255)	66	
R&D: non-staff	(266)	(54)	65	(116)	(105)	(152)	(94)	(97)	(164)	(94)	(91)	(96)	(636)	(103)	(103)	(103)	(101)	(101)	(101)	(1,103)	(1,247)	(143)	
Supplies & services	(312)	(33)	(323)	(320)	(354)	(374)	(162)	(316)	(228)	(256)	(421)	(278)	(1,661)	(240)	(313)	(294)	(306)	(305)	(287)	(3,069)	(3,406)	(337)	
Transport	(102)	(129)	(435)	(111)	(134)	(121)	(124)	(137)	(208)	5	(99)	(156)	(718)	(137)	(137)	(138)	(138)	(138)	(138)	(1,264)	(1,544)	(280)	
Other non pay *	(46)	20	19	(510)	(10)	(20)	(36)	(64)	(42)	(32)	208	(363)	(329)	(57)	(57)	(57)	(57)	(57)	(57)	(3,123)	(672)	2,450	
Total Non Pay	(3,090)	(2,422)	(2,590)	(3,399)	(2,489)	(7,221)	(2,244)	(2,639)	(2,919)	(2,534)	(3,051)	(2,872)	(16,259)	(3,054)	(2,877)	(2,707)	(2,655)	(2,584)	(2,604)	(31,050)	(32,741)	(1,691)	

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

As expected the major variance is due to the Out of area spend highlighted in the report.

On Other Non Pay £1.7m of the variance is due to planned investment on this line where the actuals have materialised on pay and other non pay lines. The remaining underspend is mainly due to additional non pay controls introduced in 2023/24.

CONFIDENTIAL Appendix 5: Aged Debt detail

As at 15th September the total outstanding receivable balance was £4.204m.

The majority of the older debt on NHS bodies is with Sheffield Teaching Hospitals (£0.535m 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 concern the cost of shared space in buildings they lease and overheads charged.

The other large outstanding value is with South Yorkshire Housing Association (SYHA) (£0.711m – £0.217m over 60 days), this value has decreased significantly since Month 5 with a payment received for the earlier months of 2024/25. The majority of the outstanding amount is agreed to be paid apart from £0.24m, this is being chased up with SYHA. SHSC have started the formal escalation process in line with the contract on the 2023/24 uplift (£0.168m) as SYHA have not agreed to give any uplift, we are very confident that our stance would be supported by an arbitrator if it gets to that point.

Improvements have been made over the last few months however SHSC are continuing to work with and chase other organisations to resolve queries around the unpaid invoices as quickly as possible.