

Front Sheet: Public Board of Directors
Item number: 15
Date: 29 January 2025

Private/ public paper:	Public
Report Title:	Financial Performance Report as at 30th November (month 8)
Author(s) Accountable Director:	Chris Cotton, Deputy director of finance Phillip Easthope, Executive director of finance, IMST and performance
Presented by:	Phillip Easthope, Executive director of finance, IMST and performance
Vision and values:	The financial performance report shows our progress against our strategic priority to deliver our financial plan and efficiency programme by ensuring we deliver best value with every pound we spend. This ensures we have effective use of resources and that we can achieve our vision and values in a financially sustainable way.
Purpose and key actions:	Board of Directors is asked to note the financial position as of 30 th November 2024 and the actions being taken in the Trust to ensure the planned deficit is achieved this financial year.
Executive summary:	<p>At Month 8, the year to date deficit position of £5.331m is £0.524m worse than planned (M7 £0.734m worse). To achieve the planned deficit of £6.514m, the forecast includes additional mitigation/savings required of £0.9m. 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. With current numbers of out of area bed usage in December it is expected that the out of area forecast will increase at month 9 and further mitigations will be required.</p> <p>As highlighted previously the adjusted plan includes the non-recurrent deficit funding of £5.9m, it is expected that this will have to be returned if the system plan is not achieved.</p> <p>Cash is higher than planned due to receiving 8/12ths of the non-recurrent deficit funding and the pausing of the Capital program, this is partial offset with not receiving the Fulwood receipt and aged debts being higher throughout the year compared to plan.</p> <p>Value improvement and recovery plans totaling £9.5m have been developed, the current forecast for expected delivery is £5.8m, mainly due to Out of Areas plans not being achieved. In line with the current forecast included in the reporting is fortuitous non-recurrent savings from vacancies and some of the additional mitigations to meet the planned efficiency savings.</p> <p>Out of area Acute activity increased in November which meant the recovery plan was not achieved, this was additional spend compared to forecast for November of £220k. The Acute bed numbers continued to rise in the first week December (26) and PICU bed numbers did not reduce as expected (10), this is included within the forecast of £5.4m overspend, which is an increase of £1.1m from Month 7. The current forecast is based on the Home First plan agreed in November returning to 9 spot Acute Out of Area beds by</p>

	<p>the end of December, and 6 PICU beds by mid-February. 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 £1.6m - £2.3m. Since being off plan at Month 6 additional mitigations have been found (£2m within the current forecast), however over this time the Out of Area overspend has increased. Section 6 details the improvements made to date and further actions being taken to achieve further £0.9m mitigations required and the planned deficit.</p> <p>Highlighted in Section 6 is a list of overspending areas because of a mixture of overspending pay in different areas. At an organisation view, the medics pay is the largest driver behind the pay overspend as other professions have vacancies in some areas offsetting areas with overspending. The value for medics pay is adjusted for offsetting income including pay award. In 2023/24 the medics overspend was £2.1m, an EMT paper has been agreed relating to Acute inpatient medical establishments, this will result in an additional £600k budget in 25/26 and a reduction in spend of £135k. Further work is continuing in other areas to feed into the 2025/26 planning process.</p> <p>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 reduced from £3.6m to £2.7m, 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. Some debts are being escalated to executive level to resolve; further information is in Section 7.</p> <p><u>Appendices attached:</u> Financial Performance Report Month 8</p>
--	---

Which strategic objective does the item primarily contribute to:					
Effective Use of Resources	Yes	X	No		
Deliver Outstanding Care	Yes		No	X	
Great Place to Work	Yes		No	X	
Ensuring our services are inclusive	Yes		No	X	

What is the contribution to the delivery of standards, legal obligations and/or wider system and partnership working.	
<p>Paper contributes to Care Quality Commission Fundamental Standards Regulation 13: Financial Position and Regulation 17: Good Governance. The Trusts financial position is submitted each month to South Yorkshire Integrated Care Board (ICB) to be included within the South Yorkshire system position. Discussions are ongoing about the system position including with NHS England on where the expected year end position and additional actions being taken across the system to reduce the deficit as much as possible.</p>	
BAF and corporate risk/s:	<p>BAF RISK 0022 There is a risk we fail to deliver the break-even position in the medium term caused by factors including failure to develop and deliver robust financial plans based on delivery of operational, transformation and efficiency plans resulting in a reduction in our financial sustainability and delivery of our statutory duties.</p> <p>Corporate Risk 5051 - There is a risk of failure to deliver the required level of savings for 2024/25. This includes reducing overspending areas through recovery plans. – With the updated position improving it is recommended to keep the current risk scoring at 16.</p>
Any background papers/ items previously considered:	<p>Finance & Performance Committee were briefed on the month 8 position, there was a discussion about major risks to meeting the planned deficit. This included Out of Area usage and spend, with details provided on escalation processes into the system and steps being taken to reduce delayed</p>

	<p>discharges. After a verbal update about the Month 9 position, highlighting that further non-recurrent mitigations have been used to offset the increased Out of Area spend, resulting in the level of unidentified mitigations reducing. There was a discussion that there is still confidence in delivery of plan however further non-recurrent mitigations could have negative impact on 2025/26 financial plan.</p>
<p>Recommendation:</p>	<p>Board of Directors are asked to:</p> <ul style="list-style-type: none"> • Note the financial position as at 30th November 2024 and the actions being taken in the Trust to ensure the planned deficit is achieved this financial year.

FINANCIAL PERFORMANCE REPORT

NOVEMBER 2024



Executive Summary – Month 8

Key Performance Indicator	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Surplus/(Deficit)	(4,806)	(5,331)	(524)	(6,514)	(6,514)	0
Adjusted Plan Surplus/(Deficit)	(156)	(680)	(524)	(603)	(603)	0
Cash	40,445	42,056	1,611	33,897	38,766	4,869
Efficiency Savings	4,481	4,481	0	7,334	7,334	0
Capital	(4,453)	(1,663)	2,790	(10,246)	(3,928)	6,318
				Target	Number	Value
Invoices paid within 30 days (Better Payments Practice Code)			NHS	95%	100.0%	100%
			Non-NHS	95%	99.7%	99.4%
~ Updated after NHSE reporting						

At Month 8, the year to date deficit position of £5.331m is £0.524m worse than planned (M7 £0.734m worse). To achieve the planned deficit of £6.514m, the forecast includes additional mitigation/savings required of £0.9m. 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. With current numbers of Out of Area bed usage in December it is expected that the Out of Area forecast will increase at Month 9 and further mitigations will be required.

As highlighted previously the adjusted plan includes the non-recurrent deficit funding of £5.9m, it is expected that this will have to be returned if the system plan is not achieved.

Cash is higher than planned due to receiving 8/12ths of the non-recurrent deficit funding and the pausing of the Capital program, this is partial offset with not receiving the Fulwood receipt and aged debts being higher throughout the year compared to plan.

Value improvement and recovery plans totaling £9.5m have been developed, the current forecast for expected delivery is £5.8m, mainly due to Out of Areas plans not being achieved. In line with the current forecast included in the reporting is fortuitous non-recurrent savings from vacancies and some of the additional mitigations to meet the planned efficiency savings.

Executive Summary – Month 8

Area of Focus	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Out of Area spend *	(4,372)	(7,934)	(3,563)	(6,486)	(11,917)	(5,430)
Medics pay **	(9,453)	(10,953)	(1,499)	(14,210)	(16,353)	(2,143)
				Apr-Nov 24/25 Av	Sep-24	Variance
Aged Debt (Amount above 30 Days)				(2,098)	(2,696)	(598)
* Includes Purchase of Healthcare only, excludes travel costs.						
** Figures adjusted for offsetting income						

Out of area Acute activity increased in November which meant the recovery plan was not achieved, this was additional spend compared to the forecast for November of £220k. The Acute bed numbers continued to rise in the first week of December (26) and PICU bed numbers did not reduce as expected (10), this is included within the forecast of £5.4m overspend, which is an increase of £1.1m from Month 7. The current forecast is based on the Home First plan agreed in November returning to 9 spot Acute Out of Area beds by the end of December, and 6 PICU beds by mid-February. 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 £1.6m - £2.3m. Since being off plan at Month 6 additional mitigations have been found (£2m within the current forecast) however over this time the Out of Area overspend has increased. Section 6 details the improvements made to date and further actions being taken to achieve further £0.9m mitigations required and the planned deficit.

Highlighted in Section 6 is a list of overspending areas as a result of a mixture of overspending pay in different areas. At an organisation view, the Medics pay is the largest driver behind the pay overspend as other professions have vacancies in some areas offsetting areas with overspending. The value for medics pay is adjusted for offsetting income including pay award. In 2023/24 the Medics overspend was £2.1m, an EMT paper has been agreed relating to acute inpatient medical establishments, this will result in additional £600k budget in 25/26 and a reduction in spend of £135k. Further work is continuing in other areas to feed into the 2025/26 planning process.

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 reduced from £3.6m to £2.7m, 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. Some debts are being escalated to executive level to resolve, further information is in Section 7.

Section 1: Year to Date (YTD)

Year To Date Position

At month 8, the YTD position is a deficit of £4.806m, which is £0.524m 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	86,678	89,583	2,906	3.4%
Other Income	13,943	15,469	1,526	11%
Total Income	100,621	105,052	4,432	4%
Pay (substantive, agency, bank & other)	(84,510)	(86,830)	(2,320)	2.7%
Non Pay	(20,720)	(23,213)	(2,493)	12.0%
Total Expenditure	(105,231)	(110,043)	(4,813)	4.6%
Interest receipts	1,392	1,359	(33)	(2.4%)
Finance expense	(41)	(41)	1	(2.0%)
PDC dividends payable	(1,663)	(1,775)	(112)	6.7%
Net Finance Costs	(312)	(456)	(145)	46.4%
Net Surplus / (Deficit)	(4,922)	(5,448)	(526)	10.7%
Technical Adjustments	115	117	2	1.4%
Net Surplus / (Deficit) inc. Technical Adj	(4,807)	(5,331)	(524)	11%
System Deficit Funding	4,651	4,651	0	0.0%
Adjusted Net Surplus / (Deficit)	(156)	(680)	(524)	
<u>KPI's</u>				
Acute OOA purchase of healthcare	(3,116)	(5,508)	(2,392)	76.8%
PICU OOA purchase of healthcare	(842)	(1,564)	(722)	85.7%
Rehab OOA purchase of healthcare	(414)	(862)	(449)	108.5%
Medics pay	(9,453)	(13,386)	(3,932)	41.6%
Bank pay	(2,559)	(4,739)	(2,180)	85.2%
Agency pay	(3,237)	(1,816)	1,421	(43.9%)

Key variances are described below:

Clinical income - £2.906m favourable:

- £1.6m additional income from the ICB's for pay award, NHS 111 Crisis Line initiative and Better Care Fund contribution to patient flow services.
- 0.22m non recurrent additional income from ICB to support with pay award impact
- £0.53m adverse ICB income deferred into future months to match when spend will be incurred. Expenditure has reduced against plan to match.

Section 1: Year to Date (YTD)

- £0.36m additional income from the local authority for contributions towards jointly funded service users in Woodland View.

Other income - £1.526m favourable:

- £1.2m favourable variance for the reimbursement of seconded staff costs including pay award impact on trainee doctors.

Pay - £2.320m adverse:

- £2.2m 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.
- £1.4m underspend in agency and substantive pay expenditure compared to plan. This is due to additional reduction in agency and vacancies, this has reduced in Month 7 due to the pay award which is offset by income variance.
- £1.6m 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 £1.8m from 23/24 and agency spend reduce by £4.3m, this includes 2024/25 pay award.

Non-pay - £2.493m adverse:

- £3.56m adverse cost increase relating to out-of-area activity as described previously.
- £0.44m adverse variance from prior year's benefits where costs were higher than amount accrued at year-end.
- £1.6m favourable variance due to actual investments and efficiency being pay/non-pay compared to assumption in plan

Section 2: Current Month

Month 8 in month position

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

	Current month			
	M8 plan	M8 actual	Variance	
	£000	£000	£000	%
Clinical Income	10,669	11,591	922	8.6%
Other Income	1,743	2,069	326	18.7%
Total Income	12,411	13,659	1,248	10.1%
Pay	(10,419)	(10,517)	(97)	0.9%
Non Pay	(2,582)	(3,552)	(970)	37.6%
Total Expenditure	(13,002)	(14,069)	(1,068)	8.2%
Interest receipts	169	177	8	4.5%
Finance expense	(5)	(4)	1	(22.8%)
PDC dividends payable	(208)	(193)	15	(7.2%)
Net Finance Costs	(44)	(20)	24	(53.8%)
Net Surplus / (Deficit)	(634)	(430)	204	(32.2%)
Technical Adjustments	14	14	0	0.2%
Adjusted Net Surplus / (Deficit)	(620)	(416)	204	(32.9%)
System Deficit Funding	464	464	0	0.0%
Adjusted Net Surplus / (Deficit)	(156)	48	204	-131%
<u>KPI's</u>				
Acute OOA purchase of healthcare	(320)	(866)	(545)	170.1%
PICU OOA purchase of healthcare	(220)	(397)	(177)	80.5%
Rehab OOA purchase of healthcare	(86)	(101)	(15)	17.6%
Medics pay	(1,308)	(1,564)	(256)	19.6%
Bank pay	(320)	(570)	(249)	77.9%
Agency pay	(405)	(99)	305	(75.4%)

The majority of the variances in Clinical Income, Other Income and Pay (offsetting) relate to Pay award and additional income received since the plan was agreed.

As highlighted in the KPI's the majority of the non-pay variance is due to Out of Area, there is also the offsetting variances for actual investments and efficiency being pay/non-pay compared to assumption in plan

Section 3: Forecast

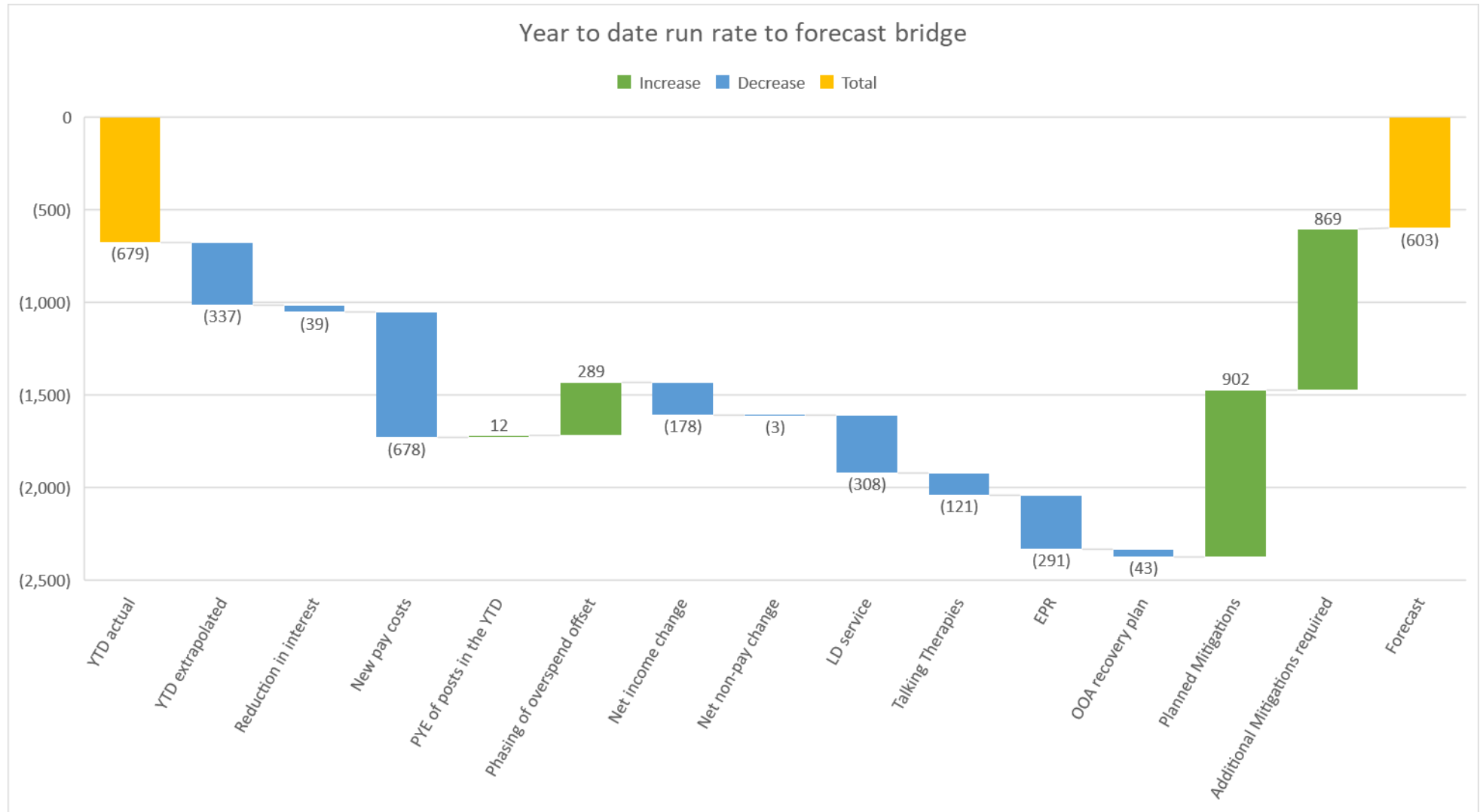
The forecast to meet the planned deficit is in the table below, the non-recurrent deficit funding is included within the Income from Patient Care Activities as this is where it will be coded as its income from the ICB.

	Prior Year	Actual								YTD	Forecast				M12 Plan	Forecast	Variance
	£'000	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24		£'000	£'000	£'000	£'000			
Income																	
Income from Patient Care Activities	135,138	10,655	10,453	10,642	10,755	11,784	13,947	13,938	12,061	94,235	11,693	11,665	11,665	11,727	135,737	140,984	5,247
Other Operating Income	24,494	1,861	1,818	1,855	1,765	1,863	1,952	2,288	2,069	15,470	1,995	1,978	1,988	1,994	20,914	23,424	2,510
Total Income	159,633	12,516	12,271	12,497	12,520	13,647	15,898	16,226	14,129	109,705	13,688	13,643	13,653	13,721	156,651	164,408	7,757
Expenditure																	
Substantive	(112,933)	(9,704)	(9,698)	(9,657)	(9,441)	(10,473)	(8,895)	(12,266)	(9,802)	(79,937)	(9,614)	(9,711)	(9,743)	(9,794)	(116,652)	(118,799)	(2,148)
Bank	(5,427)	(588)	(449)	(622)	(632)	(574)	(565)	(740)	(570)	(4,739)	(628)	(581)	(599)	(685)	(3,839)	(7,232)	(3,393)
Agency	(6,893)	(412)	(222)	(227)	(274)	(183)	(228)	(171)	(99)	(1,816)	(212)	(186)	(197)	(163)	(4,856)	(2,575)	2,281
NHSE pension costs	(5,256)																
Other (Apprenticeship Levy)	(526)	(40)	(40)	(42)	(40)	(36)	(39)	(54)	(46)	(338)	(42)	(42)	(42)	(42)	(480)	(507)	(27)
Pay	(131,035)	(10,744)	(10,409)	(10,549)	(10,388)	(11,266)	(9,728)	(13,230)	(10,517)	(86,830)	(10,496)	(10,520)	(10,582)	(10,684)	(125,826)	(129,113)	(3,287)
Out of Area healthcare		(608)	(642)	(855)	(1,059)	(999)	(1,000)	(1,406)	(1,364)	(7,934)	(1,178)	(987)	(884)	(934)	(6,486)	(11,917)	(5,430)
Drugs	(1,094)	(87)	(89)	(82)	(81)	(82)	(78)	(90)	(94)	(684)	(87)	(85)	(85)	(79)	(825)	(1,020)	(195)
Impairments	(3,982)																0
Other non pay	(28,930)	(1,219)	(1,577)	(1,652)	(1,073)	(1,631)	(1,464)	(1,580)	(1,769)	(11,966)	(1,625)	(1,637)	(1,629)	(1,625)	(19,783)	(18,481)	1,302
Non Pay	(34,006)	(1,914)	(2,309)	(2,590)	(2,205)	(2,721)	(2,542)	(3,076)	(3,227)	(20,584)	(2,889)	(2,708)	(2,598)	(2,638)	(27,095)	(31,418)	(4,323)
Total Expenditure	(165,041)	(12,658)	(12,718)	(13,138)	(12,592)	(13,988)	(12,270)	(16,306)	(13,743)	(107,414)	(13,386)	(13,229)	(13,180)	(13,323)	(152,921)	(160,531)	(7,610)
Earnings Before Interest, Tax, Depre'n & Amort'n	(5,408)	(142)	(447)	(641)	(72)	(341)	3,629	(80)	386	2,291	302	414	473	398	3,731	3,877	147
Depreciation & Amortisation	(3,496)	(330)	(330)	(330)	(330)	(330)	(330)	(326)	(326)	(2,629)	(330)	(320)	(320)	(304)	(3,955)	(3,903)	52
Net Operating Surplus / (Deficit)	(8,904)	(472)	(777)	(971)	(402)	(670)	3,299	(406)	60	(339)	(28)	94	153	94	(225)	(25)	199
Interest receipts	2,438	180	177	164	167	163	157	176	177	1,359	170	164	154	153	2,004	2,001	(3)
Finance expense	(89)	(4)	(6)	(6)	(4)	(5)	(5)	(5)	(4)	(41)	(5)	(5)	(5)	(5)	(62)	(61)	1
PDC dividends payable	(2,512)	(204)	(208)	(206)	(207)	(211)	(268)	(278)	(193)	(1,775)	(222)	(222)	(222)	(222)	(2,493)	(2,663)	(170)
Net Finance Costs	(163)	(28)	(37)	(48)	(45)	(54)	(116)	(107)	(20)	(456)	(57)	(63)	(73)	(74)	(552)	(723)	(171)
Net Surplus/ (Deficit) for the year	(9,068)	(500)	(814)	(1,020)	(447)	(725)	3,183	(513)	40	(795)	(85)	31	80	20	(776)	(748)	28
Technical Adjustments	4,136	14	14	14	14	15	14	14	14	116	14	5	5	5	173	145	(28)
Adjusted Net Surplus / (Deficit)	(4,932)	(486)	(799)	(1,005)	(432)	(710)	3,197	(499)	54	(680)	(70)	36	85	25	(603)	(603)	0
Plan		(734)	(758)	(771)	(550)	(557)	3,371	0	(156)	(155)	(138)	(99)	(103)	(108)		(603)	
Variance to plan		248	(41)	(234)	118	(153)	(174)	(499)	210	(524)	68	135	188	132		(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 below shows the income and expenditure flows and changes in run rate from year-to-date position.

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.
- New pay costs show the additional spend anticipated because of recruitment into vacancies. Work is being done to check forecasts against the latest recruitment information (i.e. shortlisting, interview or offer stage). This increase is partly offset by planned mitigations as it is anticipated actual start dates will be later than currently forecast and further vacancies will materialise in the remainder of the year.
- Recruitment into the new LD service and Talking Therapies is expected in the latter part of the year.
- Planned Mitigations are expected changes to forecast that are not currently included in Directorate forecasts.
- This leaves £0.9m further mitigations required to achieve an adjusted deficit plan of £0.6m

Section 4: Directorate Position

Directorate	YTD budget £'000	YTD actual £'000	YTD variance £'000	Annual budget £'000	Forecast £'000	Variance £'000
Acute & community	(31,232)	(34,559)	(3,327)	(46,801)	(51,858)	(5,057)
Rehab & specialist	(28,466)	(27,253)	1,213	(42,740)	(41,848)	891
Directorate management/ central	(950)	(1,235)	(285)	(1,178)	(1,845)	(667)
Medical	(2,980)	(3,240)	(261)	(4,466)	(4,816)	(350)
Chair/Chief Exec Office	(1,087)	(1,102)	(15)	(1,630)	(1,619)	11
Corporate Governance	(1,024)	(1,026)	(2)	(1,521)	(1,544)	(22)
Director of Finance	(5,079)	(4,548)	531	(7,870)	(7,169)	701
Exec Dir of Operations & Trans	(56)	(54)	1	(84)	(81)	2
Nursing & Professions	(2,965)	(2,782)	183	(4,392)	(4,258)	134
People Directorate	(2,642)	(2,765)	(122)	(3,918)	(4,162)	(245)
Strategy, Estates & Facilities	(5,892)	(5,668)	224	(8,857)	(8,628)	229
Reserves	(1,218)	508	1,726	(1,827)	2,810	4,637
Central budgets	83,316	82,928	(388)	124,506	124,270	(236)
Net surplus/ (deficit)	(275)	(796)	(522)	(776)	(748)	28
Technical adjustments	115	117	2	173	145	(28)
ADJUSTED SURPLUS/ (DEFICIT)	(159)	(680)	(520)	(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 M8 of more than £79,999 for clinical and medical services or £39,999 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	1,833,277	2,090,629	(257,352)	55.86	62.78	(6.92)	159,293	(149,286)	(254,574)	(12,785)	Staffing over establishment levels
Burbage Ward	1,912,809	2,209,392	(296,583)	61.29	65.06	(3.77)	533,339	(234,975)	(583,468)	(11,479)	Staffing over establishment levels
Endcliffe Ward	1,872,002	2,270,936	(398,934)	58.04	69.95	(11.91)	253,732	(74,377)	(562,654)	(15,635)	Staffing over establishment levels
Acute & Comm Central	176,456	385,525	(209,069)	0.97	1.57	(0.60)	(5,162)	-	-	(203,906)	Secure patient transport costs - recovery plan in development but implementation timing not yet confirmed.
Out of Town Acute	3,259,232	5,840,065	(2,580,833)	-	-	0.00	-	-	-	(2,580,833)	Spot purchased bed nights significantly higher than planned.
Out of Town PICU	871,596	1,649,463	(777,867)	-	-	0.00	-	-	-	(777,867)	Spot purchased bed nights significantly higher than planned.
Directorate management/ central											
Clinical Management Team	478,163	1,040,202	(562,039)	15.40	17.00	(1.60)	(650,306)	-	(2)	88,269	Staffing over establishment levels
People Directorate											
HR Management	219,861	285,093	(65,232)	5.71	5.21	0.50	(70,899)	-	(304)	5,971	VIPs for People directorate contribute to pay variance.
Medical											

Section 5: Spotlight on YTD Overspends

Medical Management Team	234,473	381,230	(146,757)	5.35	6.01	(0.66)	(91,508)	-	-	(55,248)	Staffing over establishment levels & Unidentified VIP contribute to Pay variance
PGME Sheffield	1,038,038	1,247,691	(209,653)	42.92	44.01	(1.09)	(292,531)	-	-	82,879	Skill mix higher than the budgeted establishment
PGME Risk Share	(14,482)	48,284	(62,766)	-	-	0.00	(33,815)	-	-	(28,951)	Lower income than planned, not covering costs.
PGME MH Regional PA Project	-	71,238	(71,238)	-	3.50	(3.50)	(118,644)	-	-	47,406	Project funding ended but staff still in post.
R&D Commercial Studies-Staff	3,252	49,476	(46,224)	0.80	1.00	(0.20)	(24)	-	-	(46,200)	Lower income than planned, not covering costs.
Rehab & Specialist											
Older Adults Central	131,872	280,039	(148,167)	3.40	5.04	(1.64)	(148,305)	-	-	137	Staffing over establishment levels
Birch Avenue	66,494	465,387	(398,893)	74.70	86.37	(11.67)	4,166	(9,431)	(507,527)	113,899	Staffing over establishment levels
Dovedale 1	1,753,348	2,021,911	(268,563)	52.85	68.10	(15.25)	224,452	(41,344)	(438,505)	(13,166)	Staffing over establishment levels
G1 Ward	1,743,686	1,982,416	(238,730)	54.92	60.06	(5.14)	254,153	(90,359)	(403,460)	937	Staffing over establishment levels
OA CMHT	1,841,157	2,088,285	(247,128)	48.89	46.66	2.23	(139,698)	(70,641)	(28,101)	(8,688)	2.4 WTE over on medical staff (under on other staff) resulting in increased costs
Dovedale 1	1,753,348	2,021,911	(268,563)	52.85	68.10	(15.25)	224,452	(41,344)	(438,505)	(13,166)	Staffing over establishment levels
Forest Lodge	90,360	282,502	(192,142)	67.41	69.64	(2.23)	106,914	(13,981)	(291,879)	6,805	Staffing over establishment levels
IFR - Out of Town	421,646	870,615	(448,969)	0.20	0.20	0.00	93	-	-	(449,062)	Increased placement costs.
Strategy, Estates & Facilities											

Section 5: Spotlight on YTD Overspends

Fulwood Site	55,828	142,698	(86,870)	-	-	0.00	-	-	-	(86,870)	No funding set for Fulwood site beyond M3 but running costs ongoing until sold.
Fulwood Site Disposal	30,527	129,149	(98,622)	-	-	0.00	-	-	-	(98,622)	
TOTAL	19,686,588	27,582,289	(7,895,701)	601.56	680.26	(78.70)	209,701	(725,738)	(3,508,981)	(3,870,684)	

Of the £7.9m overspend for these areas, the biggest drivers are bank usage (£3.5m) and out of area activity (£3.87m inc. Transport).

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, this is lower than previously stated as some schemes have been deemed not viable due to impact on quality so have been taken off VIP reporting.

The table below shows the forecast and year to date achievement at Month 8 against identified schemes and additional non-recurrent savings/underspends to offset underperformance in recurrent schemes.

Directorate	Target	Plans in place	Forecast Savings	Additional Non-Recurrent	VartoTarget	YTDPlan	YTD Savings	YTD Variance
Out of Area	3,612	3,612	0		(3,612)	1,806	0	(1,806)
Clinical Management	165	280	227		62	114	17	(97)
Acute & Community	2,006	2,855	2,270		264	1,669	1,388	(280)
Rehab & Specialist	2,658	2,509	2,430	1,282	1,054	3,195	2,484	(710)
Medical	210	198	168		(42)	128	87	(41)
Corp Gov	62	44	44		(18)	16	16	(0)
Finance & Digital	294	275	231	62	0	193	193	(0)
Nursing, Quality & Prof	161	128	128	33	0	66	66	0
People	263	175	158		(105)	133	110	(24)
Strategy, Estates & Facilities	300	300	283	17	0	119	120	0
Total	9,730	10,376	5,939	1,395	(2,396)	7,439	4,481	(2,958)
Headroom	(2,396)				2,396	(2,958)		2,958
Savings Required	7,334	10,376	5,939	1,395	0	4,481	4,481	0

Out of area is the biggest driver of under-delivery with none of the planned £3.6m savings achieved. With the headroom and Non-recurrent underspends in other clinical areas the non-delivery of Out of Area is being offset. The challenge and reason for the additional mitigations required is that Out of Area has a further overspend above the £3.6m of £1.8m to offset. Since Month 6 there has been an additional £1m improvement in the forecast of overspending areas, mainly due to further improvements on roster efficiency and reducing costs relating to observations.

Section 6: Value Improvement Programme and Recovery Plans

Within the reporting of these savings in the previous page 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 £3.5m (40%) (M6: £3.0m).

Service Area	23/24 Variance	Month 8 Forecast Variance	% Change	Movement in Month	Further Information
Woodland View	(476,118)	409,915	186%	↓ (5%)	Reduction in SCC income
Early Intervention Service	(121,429)	94,686	178%	↑ 32%	
Dovedale 2	(833,777)	88,538	111%	↑ 13%	Recovery plan action
Crisis Central	(83,523)	4,117	105%	↑ 0%	
International Recruitment	(64,486)	(275)	100%	→ 0%	
Acute Central	(125,721)	(6,115)	95%	↑ 3%	
Hast - Changing Futures	(84,100)	(19,642)	77%	↓ (0%)	
Flow Team	(124,424)	(49,374)	60%	↑ 22%	Recovery plan action
Workforce Information	(70,763)	(35,762)	49%	↑ 1%	
OA Home Treatment Team	(139,027)	(70,403)	49%	↑ 8%	Recovery plan action
Dovedale 1	(619,401)	(368,537)	41%	↑ 5%	Recovery plan action
Decisions Unit	(63,036)	(40,313)	36%	↑ 5%	Increase in Healthcare Assistant Bank due to bed pressures
Stanage Ward	(508,330)	(359,803)	29%	↓ (1%)	
Endcliffe Ward	(807,545)	(638,235)	21%	↓ (6%)	
Burbage Ward	(625,979)	(416,583)	33%	↑ 7%	Recovery plan action
G1 Ward	(417,899)	(321,892)	23%	↑ 14%	Recovery plan action
OACMHT	(515,466)	(389,730)	24%	↑ 21%	Recovery plan action
Birch Avenue	(721,009)	(621,358)	14%	↑ 21%	Increase in Healthcare Assistant Bank
Forest Lodge	(436,674)	(392,962)	10%	↓ (15%)	Recovery plan action
Clinical Management Team	(183,520)	(206,377)	(12%)	↓ (13%)	Increase due to backlog of oncall payments
Longley Site Services	(81,473)	(92,341)	(13%)	↑ 2%	
Older Adults Central	(142,696)	(170,589)	(20%)	↑ 15%	Increase Medical & AHP costs, improvement due to Recovery plan action
Acute & Comm Central	(226,251)	(304,381)	(35%)	↑ 6%	Increased Secure Patient Transport, improvement due to Recovery plan action
Medical Management Team	(143,986)	(209,280)	(45%)	↑ 11%	Increase due to VIP under-delivery, improvement due to Recovery plan action
Out of Town PICU	(822,751)	(1,458,846)	(77%)	↓ (71%)	Increase in beds used
Out of Town Acute	(281,712)	(3,692,799)	(1,211%)	↓ (183%)	Increase in beds used

Section 6: Value Improvement Programme and Recovery Plans

Since Month 6 the Trust has been working to find additional mitigations to offset the out of area overspend. The table below shows identified mitigations that have been included within the Month 8 forecast.

Mitigation	Identified Mitigations		Total Identified Mitigations
	In Month 8 Directorate forecast	In Month 8 Central forecast	
VIP Increase		92	92
Recovery Plans	972	176	1,148
Runrate Growth	88	313	401
Underspends Going further		121	121
Contract Issues			-
Grip & Control		200	200
Total	1,060	902	1,962

The recovery plans actions within directorate forecast are included in the VIP and recovery plans reporting on the previous 2 pages. Central adjustments have been made to account for identified mitigations that have not yet adjusted directorate forecasts. It is expected that the majority of these adjustments will be within the month 9 directorate forecasts, the work mentioned in Section 3 (Forecast bridge) around checking forecasts against latest recruitment information is anticipated to reduce expected start dates within forecasts for new starters.

As highlighted in the summary and the forecast bridge there is still a further £0.9m mitigations to identify to offset the current Out of Area forecast overspend plus any further increases.

Other actions to identify further mitigations are as follows:

- Home First Programme – actions to reduce Out of Area usage and spend as much as possible.
- Roster Efficiency – continued scrutiny on weekly roster monitoring
- Observations Policy – Reviewing policy with a view to increasing number of observations covered within establishments and therefore reducing bank costs
- Continue Financial Controls – continued scrutiny through Vacancy control panel and non-pay approval panel.
- Non-Recurrent actions – identify further non-recurrent actions to mitigate overspend.

Section 7: Statement of Financial Position

The table below shows the Statement of Financial Position (SoFP) as at 30th November 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	10,108	9,347	(761)	11,106	10,723	(383)
Property, Plant & Equipment (PPE)	63,594	63,565	61,310	(2,255)	67,043	61,898	(5,145)
Right of Use Assets (IFRS 16 Leases)	6,896	6,417	6,419	2	6,208	6,457	249
Other Non-Current Assets	212	293	79	(214)	276	276	0
Non-Current Assets Total	78,848	80,383	77,155	(3,228)	84,633	79,354	(5,279)
<u>Current Assets</u>							
Receivables	9,687	6,756	9,224	2,468	6,127	7,227	1,100
Cash and Cash Equivalents	38,963	40,445	42,056	1,611	33,897	38,766	4,869
Assets held for sale (Fulwood HQ)	12,000	6,050	12,595	6,545	6,050	12,600	6,550
Other Current Assets	74	1,092	84	(1,008)	575	587	12
Total Current Assets	60,725	54,343	63,960	9,617	46,649	59,180	12,531
<u>Current Liabilities</u>							
Provisions	(248)	(241)	(153)	88	(241)	(153)	88
Payables	(13,475)	(11,761)	(12,903)	(1,142)	(12,465)	(13,474)	(1,009)
Borrowings (leases)	(581)	(586)	(582)	4	(566)	(566)	0
Other Current Liabilities	(414)	(2,582)	(3,846)	(1,264)	(414)	(414)	0
Total Current Liabilities	(14,718)	(15,170)	(17,485)	(2,314)	(13,686)	(14,607)	(921)
Net Current Assets/ (Liabilities)	46,007	39,173	46,475	7,302	32,963	44,573	11,610
Provisions	(853)	(860)	(819)	41	(860)	(826)	34
Borrowings (leases)	(4,754)	(4,340)	(4,329)	11	(4,182)	(4,432)	(250)
Other Non-Current Liabilities		(209)	0	209	(209)	(209)	0
Total Non-Current Liabilities	(5,607)	(5,409)	(5,148)	261	(5,251)	(5,467)	(216)
Total Net Assets	119,248	114,147	118,482	4,335	112,345	118,460	6,115
Total Taxpayers Equity	119,248	114,147	118,482	4,335	112,345	118,460	6,115

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 3.7:1, with cash contributing 66% of current assets.

The key YTD variances are:

Non-current assets are £3.2m lower than expected:

- (£0.8m) relates to intangibles. The spend to month 8 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 £0.545m lower than planned with £0.381m costs moved back into Q1 of 2025/26.
- (£2.3m) relates to property plant and equipment additions. Expenditure to month 8 is lower than expected. This is due to the delay in Capital projects.

Current assets are £9.6m higher than planned.

- £2.4m receivables are higher than expected due to income accruals and aged debt – information included in the next section.
- £1.6m cash is higher than planned, £5.950m is due to the delay in the sale of Fulwood, this is offset by £4.9m received for Non-recurrent deficit funding and £2.8m lower capital spend than planned.
- £6.5m asset held for sale is higher than planned due to the delay in the sale of Fulwood and St George's to next financial year.
- £1m other current assets are lower than planned due to the timing of payments.

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

Aged Debt Analysis

As at 30th November 2024 there were unpaid receivable invoices totaling £4.178m. £1.482m of the unpaid invoices relate to invoices raised during November 2024 and were not overdue at the reporting date. £2.696m was overdue at the reporting date.

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

Section 7: Statement of Financial position

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
NHS Trusts, Ft's and ICB	2386	1057	333	227	47	48	675
NHSE and DOH	99	7	0	7	0	0	84
Staff Overpayments	103	16	7	3	8	6	63
Other	1518	402	271	249	299	3	294
Local Authority	73	0	0	0	0	0	72
Grand Total	4,178	1482	611	486	353	57	1,189

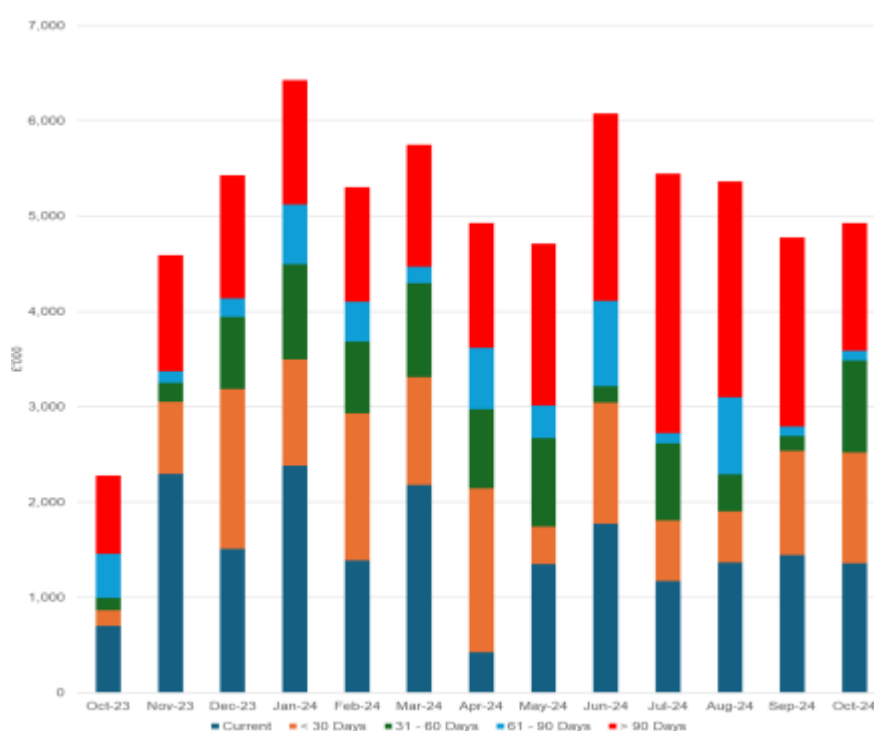
The total outstanding receivable balance in December stayed at a similar level.

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.

23 outstanding debts totalling £0.048m 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 14 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:



Section 7: Statement of Financial position

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. The finance department have also started an improvement project around income to improve processes across all teams in the department and stages in the process of receiving income.

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 30 November 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	(406)	60	79	79	79	79	(25)	
Net cash generated from / (used in) operations	4,268	1,410	(786)	2,096	419	(3,405)	5,662	2,935	(702)	(702)	(702)	(702)	5,525	
Net cash inflow/(outflow) from investing activities, Total	(9,231)	(1,836)	(493)	223	(73)	785	1,234	(2,505)	80	80	80	80	(2,346)	
Net cash inflow/(outflow) before financing	(13,867)	(1,675)	(2,249)	1,917	(310)	663	6,490	490	(543)	(543)	(543)	(543)	3,154	
Net Cash inflow/(outflow) from financing activities,	(884)			(215)	(48)	(1,392)	(328)	(250)	(280)	(280)	(280)	(280)	(3,351)	
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,249)	1,702	(358)	(729)	6,162	240	(823)	(823)	(823)	(823)	(197)	
Cash and cash equivalents at start of period	53,714	38,963	37,288	35,039	36,741	36,383	35,654	41,816	42,056	41,233	40,411	39,588	38,963	
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,249)	1,702	(358)	(729)	6,162	240	(823)	(823)	(823)	(823)	(197)	
Cash and cash equivalents at end of period	38,963	37,288	35,039	36,741	36,383	35,654	41,816	42,056	41,233	40,411	39,588	38,766	38,766	
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	33,897	
Variance between actual and forecast cash balance to plan		(1,074)	(3,172)	(25)	154	(4,693)	997	1,610	1,692	3,732	2,856	4,869	4,869	

The cash balance at the end of November 2024 was £42.1m. This is £1.6m above plan due to the delay in the sale of Fulwood offset by the non-recurrent deficit funding and delays in the Capital programme.

By the end of the financial year it is assumed that the forecast cash balance will be £4.9m above 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 assumed capital receipts of £6m and £0.6m from the sale of Fulwood and St Georges land and buildings respectively. As highlighted in the previous reports the Fulwood and St George's Capital receipts have been delayed to 2025/26 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	2,130	1,447	(683)	3,293	2,912	540				3,833
Buildings	2,130	216	(1,914)	6,562	744	13,936	9,106	3,246	3,896	36,746
Transport							140			140
Green Plan						1,350	800	1,250	600	4,000
Lease Revaluation	173		(173)	351	351	200	200	200	200	1,151
Digital	20		(20)	40	40	944	400			1,384
Total	4,453	1,663	(2,790)	10,246	4,047	16,970	10,646	4,696	4,696	47,254

The 2025/26 & 2026/27 plan numbers are updated for the assumptions at Month 8 that the Capital receipts will be received and spent next year, with second half of Fulwood site being sold in 2026/27. 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 mitigations	As highlighted in the report there is £0.9m unidentified mitigations still to find. There is also a risk that some of the identified mitigations will not materialise as expected (Worst case = 50% of Central forecast adjustment)	(£0.0m)	(£0.0m)	(£1.3m)
Out of area expenditure	As described in the report if out of area usage continues at the level towards the end of December (31 Acute, 11 PICU) for the remainder of the year this would create an additional £2.3m overspend. Levels at the start of December (26 Acute, 9 PICU) result in £1.6m additional – it is expected with System actions there will be improvement from numbers at the end of December.	(£1.6m)	£1.0m	(£2.3m)
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)
Pay award pressure	Calculated pressure from 2024/25 pay award is £0.7m, the current assumption is this will be funded from the ICB.	(£0.0m)	(£0.0m)	(£0.7m)
Mitigation – Additional Recovery plans	As highlighted in the report work is continuing to find unidentified mitigations beyond the £0.9m to offset the expected further overspend on OOA. This includes further non-recurrent underspends and actions available.	£1.6m	£3.0m	£0.0m
TOTAL		£0.0m	£2.0m	(£5.7m)

Section 10: Financial Risks

The capital plan is also subject to risk:

Issue	Risk/Mitigation description	Expected £m	Upside £m	Downside £m
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. It is expected cost of possible work in 2024/25 on the fire doors can be contained within the allocation or additional Capital funding if received.	£0.0m	£0.0m	£0.0m

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:

	£000	£000	£000	£000	£000	£000	£000
Income from patient care activities	98,720	105,734	118,174	130,481	137,970	135,138	135,073
Other Income	29,216	25,741	35,537	21,368	22,571	24,494	23,424
Total Income	127,936	131,475	153,711	151,849	160,541	159,633	158,497
Pay	(94,015)	(104,443)	(116,244)	(117,422)	(128,913)	(131,035)	(129,113)
Non Pay	(20,798)	(22,547)	(33,589)	(32,246)	(31,988)	(37,502)	(35,321)
Total Expenditure	(114,813)	(126,990)	(149,833)	(149,668)	(160,901)	(168,537)	(164,434)
Interest receipts	224	322	1	29	1,278	2,438	2,001
Finance expense	(21)	(38)	(22)	(25)	(97)	(89)	(61)
PDC dividends payable	(1,635)	(1,432)	(1,374)	(1,765)	(2,226)	(2,512)	(2,663)
Net Finance Costs	(1,432)	(1,148)	(1,395)	(1,761)	(1,045)	(163)	(723)
Net Surplus / (Deficit)	11,691	3,337	2,483	420	(1,405)	(9,068)	(6,659)
Technical Adjustments	172	145	182	1,391	(1,092)	4,136	145
Adjusted Net Surplus / (Deficit)	11,863	3,482	2,665	1,811	(2,497)	(4,932)	(6,514)
System Deficit Funding	0	0	0	0	0	0	5,911
KPI's							
Acute OOA purchase of healthcare	(270)	(625)	(2,079)	(5,283)	(6,460)	(5,735)	(8,016)
PICU OOA purchase of healthcare	(1,088)	(881)	(1,403)	(1,696)	(1,764)	(2,480)	(2,634)
Rehab OOA purchase of healthcare	(628)	(1,691)	(1,789)	(1,525)	(1,324)	(1,129)	(1,267)
Total Out of Area healthcare	(1,986)	(3,197)	(5,271)	(8,504)	(9,549)	(9,343)	(11,917)
Year on year % increase		61%	65%	61%	12%	(2%)	28%
Total Medics Spend	(14,695)	(16,061)	(17,355)	(16,428)	(17,368)	(17,906)	(19,999)
Year on year % increase		9%	8%	-5%	6%	3%	12%
Total Bank Revenue Spend	(4,590)	(4,879)	(6,006)	(6,474)	(4,409)	(5,427)	(7,232)
Year on year % increase		6%	23%	8%	-32%	23%	33%
Total Agency Revenue Spend	(3,516)	(3,819)	(4,638)	(5,873)	(8,963)	(6,893)	(2,575)
Year on year % increase		9%	21%	27%	53%	(23%)	(63%)

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.

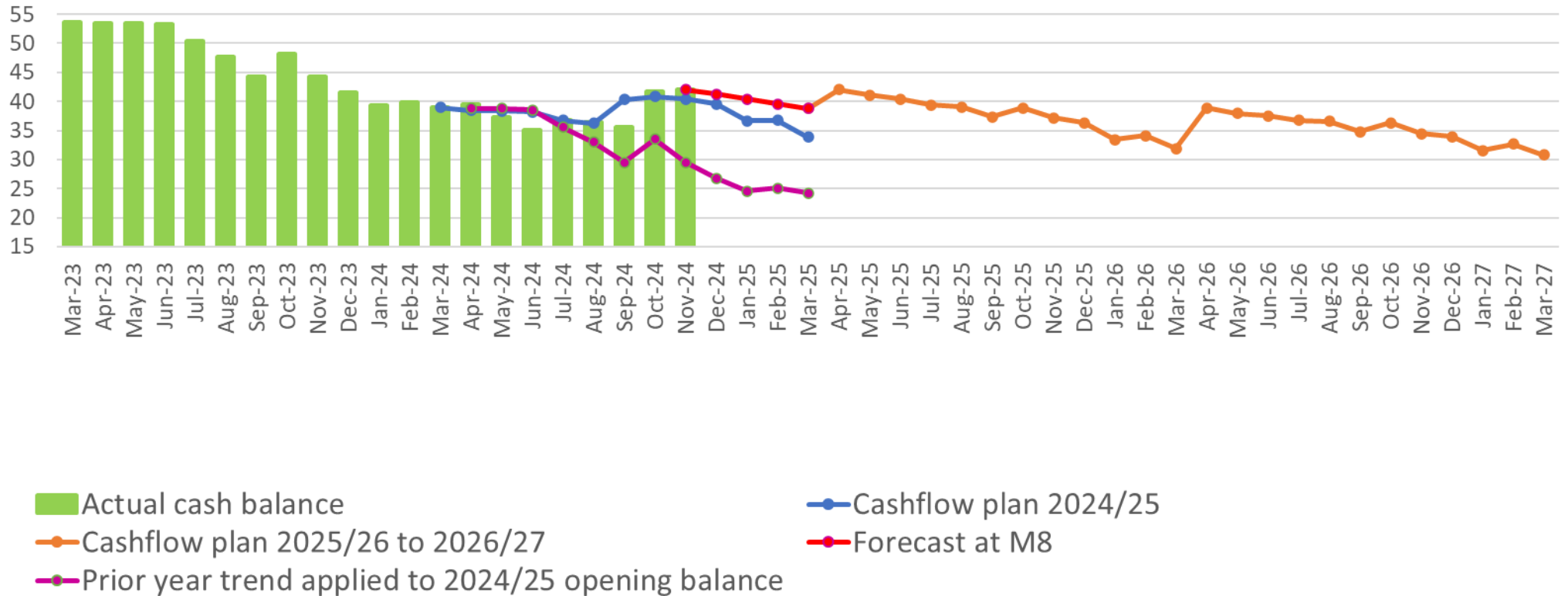
The table below shows the pay expenditure split by substantive, bank and agency pay over 4 years so the movement between categories can be seen.

		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%	(118,799)	92.0%
	Bank staff	(6,474)	5.5%	(4,409)	3.6%	(5,427)	4.1%	(7,232)	5.6%
	Agency / contract	(5,873)	5.0%	(8,963)	7.2%	(6,893)	5.3%	(2,575)	2.0%
	Other	(411)	0.4%	(470)	0.4%	(5,782)	4.4%	(507)	0.4%
	Total pay expenditure	(117,422)	100.0%	(124,031)	100.0%	(131,035)	100.0%	(129,113)	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

Cash balance, plan, trends and forecast £millions



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:

	Actual									Forecast				M12 Plan	Forecast	Variance
	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	YTD	Dec-24	Jan-25	Feb-25	Mar-25			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income																
<u>Income from patient care activities</u>																
NHSE	181	214	182	201	181	176	220	468	1,822	189	189	189	189	2,233	2,576	343
ICBs	9,905	9,727	9,898	10,043	11,003	13,197	13,188	11,038	87,997	10,970	10,940	10,940	11,002	127,562	131,851	4,290
NHS FTs	368	374	371	371	391	391	386	376	3,030	373	373	373	373	4,484	4,521	37
LAs	197	133	187	119	199	173	135	164	1,307	158	154	154	154	1,405	1,927	522
Other	4	4	4	21	10	10	9	9	73	9	9	9	9	54	109	55
Sub-total	10,655	10,453	10,642	10,755	11,784	13,947	13,938	12,055	94,229	11,699	11,665	11,665	11,727	135,737	140,984	5,247
<u>Other operating income</u>																
R&D	187	180	259	184	193	212	583	266	2,064	199	195	195	195	2,204	2,848	645
Education & training	842	812	802	739	867	908	650	882	6,503	919	913	913	928	10,283	10,177	(106)
Other WGA	137	115	129	124	101	74	133	153	966	132	122	122	122	1,491	1,464	(28)
Non WGA	266	262	212	284	303	260	271	274	2,132	272	275	275	275	2,959	3,230	271
Pay recharges	415	436	440	422	408	496	625	474	3,717	445	446	446	446	3,962	5,500	1,538
Other	14	13	12	11	(9)	2	26	19	88	27	27	37	27	16	206	190
Sub-total	1,861	1,818	1,855	1,765	1,863	1,952	2,288	2,069	15,470	1,995	1,978	1,988	1,994	20,914	23,424	2,510
Total income	12,516	12,271	12,497	12,520	13,647	15,898	16,226	14,123	109,699	13,694	13,643	13,653	13,721	156,651	164,408	7,757

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.

Appendix 4: Detailed income and expenditure breakdown by month

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:

	Actual									Forecast				M12 Plan	Forecast	Variance
	Apr-24 £'000	May-24 £'000	Jun-24 £'000	Jul-24 £'000	Aug-24 £'000	Sep-24 £'000	Oct-24 £'000	Nov-24 £'000	YTD £'000	Dec-24 £'000	Jan-25 £'000	Feb-25 £'000	Mar-25 £'000			
Pay Expenditure																
<u>Medical</u>																
Substantive	(1,372)	(1,423)	(1,361)	(1,427)	(1,435)	(1,358)	(2,370)	(1,467)	(12,214)	(1,527)	(1,528)	(1,523)	(1,529)	(14,051)	(18,322)	(4,271)
Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency	(209)	(133)	(118)	(155)	(185)	(146)	(128)	(97)	(1,171)	(127)	(127)	(141)	(111)	(1,740)	(1,677)	63
Sub-total	(1,581)	(1,556)	(1,479)	(1,582)	(1,621)	(1,504)	(2,498)	(1,564)	(13,386)	(1,654)	(1,655)	(1,664)	(1,641)	(15,791)	(19,999)	(4,208)
<u>Nursing</u>																
Substantive	(2,245)	(2,150)	(2,191)	(2,129)	(2,165)	(2,181)	(2,649)	(2,224)	(17,931)	(2,307)	(2,346)	(2,355)	(2,360)	(27,558)	(27,299)	259
Bank	(100)	(108)	(110)	(131)	(148)	(149)	(194)	(119)	(1,058)	(158)	(152)	(142)	(138)	(1,071)	(1,647)	(576)
Agency	(125)	(48)	(46)	(49)	(32)	(41)	(43)	(12)	(396)	(60)	(44)	(44)	(44)	(579)	(588)	(9)
Sub-total	(2,470)	(2,305)	(2,346)	(2,309)	(2,345)	(2,371)	(2,885)	(2,354)	(19,386)	(2,524)	(2,542)	(2,541)	(2,542)	(29,208)	(29,534)	(326)
<u>Scientific, therapeutic and technical staff</u>																
Substantive	(2,313)	(2,301)	(2,340)	(2,345)	(2,328)	(2,339)	(2,996)	(2,484)	(19,444)	(2,590)	(2,601)	(2,602)	(2,601)	(30,526)	(29,838)	687
Bank	(55)	46	(6)	(7)	(8)	(5)	(10)	(15)	(60)	(8)	(8)	(8)	(8)	0	(92)	(92)
Agency	3	(5)	(3)	(3)	(2)	(1)	(6)	1	(15)	0	0	0	0	0	(15)	(15)
Sub-total	(2,365)	(2,260)	(2,349)	(2,355)	(2,338)	(2,344)	(3,012)	(2,497)	(19,520)	(2,598)	(2,609)	(2,610)	(2,609)	(30,526)	(29,946)	580
<u>Support to clinical staff</u>																
Substantive	(2,116)	(2,230)	(2,140)	(1,943)	(2,309)	(2,060)	(2,141)	(1,985)	(16,924)	(1,574)	(1,595)	(1,620)	(1,640)	(25,963)	(15,038)	10,925
Bank	(386)	(367)	(459)	(446)	(382)	(374)	(490)	(389)	(3,293)	(427)	(388)	(388)	(384)	(1,433)	(4,880)	(3,447)
Agency	(58)	(13)	(29)	(20)	(22)	(6)	(8)	(5)	(161)	(24)	(14)	(11)	(6)	(1,377)	(217)	1,160
Sub-total	(2,560)	(2,610)	(2,627)	(2,410)	(2,713)	(2,440)	(2,639)	(2,379)	(20,378)	(2,025)	(1,997)	(2,019)	(2,030)	(28,773)	(20,135)	8,639
<u>Non-medical, non-clinical staff</u>																
Substantive	(1,659)	(1,594)	(1,626)	(1,598)	(1,545)	(1,649)	(2,110)	(1,643)	(13,424)	(1,617)	(1,641)	(1,643)	(1,664)	(16,766)	(28,302)	(11,536)
Bank	(46)	(20)	(48)	(47)	(37)	(37)	(46)	(47)	(328)	(35)	(33)	(61)	(156)	(1,334)	(613)	721
Agency	(23)	(24)	(32)	(47)	59	(34)	15	13	(72)	(2)	(2)	(2)	(2)	(1,159)	(78)	1,081
Sub-total	(1,728)	(1,637)	(1,705)	(1,692)	(1,523)	(1,720)	(2,141)	(1,676)	(13,823)	(1,653)	(1,676)	(1,706)	(1,821)	(19,260)	(28,992)	(9,733)
Planned net overspend									0					(1,788)	0	1,788
Accounting adjustment					(691)	691			0					0	0	0
NHSE pension costs									0					0	0	0
Other (Apprenticeship Levy)	(40)	(40)	(42)	(40)	(36)	(39)	(54)	(46)	(338)	(42)	(42)	(42)	(42)	(480)	(507)	(27)
Total Pay	(10,744)	(10,409)	(10,549)	(10,388)	(11,266)	(9,728)	(13,230)	(10,517)	(86,830)	(10,496)	(10,520)	(10,582)	(10,684)	(125,826)	(129,113)	(3,287)

Appendix 4: Detailed income and expenditure breakdown by month

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.

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:

	Actual								Forecast				M12 Plan	Forecast	Variance	
	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	YTD	Dec-24	Jan-25	Feb-25				Mar-25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-Pay Expenditure																
Out of Area healthcare - acute	(439)	(483)	(642)	(821)	(772)	(695)	(792)	(866)	(5,508)	(768)	(597)	(546)	(597)	(4,606)	(8,016)	(3,410)
Out of Area healthcare - PICU	(91)	(83)	(174)	(31)	(125)	(196)	(466)	(397)	(1,564)	(309)	(289)	(236)	(236)	(1,260)	(2,634)	(1,374)
Out of Area healthcare - rehab	(78)	(77)	(38)	(207)	(103)	(110)	(148)	(101)	(862)	(101)	(101)	(101)	(101)	(621)	(1,267)	(646)
External audit fees	(20)	(20)	(26)	(37)	(21)	(20)	(20)	(20)	(182)	(20)	(20)	(20)	(20)	(236)	(261)	(25)
Clinical negligence	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(451)	(56)	(56)	(56)	(56)	(700)	(676)	24
Consultancy	(31)	(55)	(25)	(4)	(102)	(26)	(21)	(109)	(373)	(29)	(29)	(29)	(29)	(368)	(490)	(123)
Depreciation & amortisation	(330)	(330)	(330)	(330)	(330)	(330)	(326)	(326)	(2,629)	(330)	(320)	(320)	(304)	(3,955)	(3,903)	52
Drugs	(87)	(89)	(82)	(81)	(82)	(78)	(90)	(94)	(684)	(87)	(85)	(85)	(79)	(825)	(1,020)	(195)
Education and training: non-staff	(45)	(41)	(54)	(54)	(73)	(59)	18	(42)	(351)	(80)	(91)	(100)	(95)	(737)	(717)	20
Establishment	(40)	(26)	(48)	(36)	(16)	(38)	(66)	(49)	(319)	(40)	(40)	(46)	(40)	(543)	(485)	58
Impairments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal fees	(16)	(21)	(32)	(21)	(11)	(16)	(30)	(4)	(152)	(15)	(15)	(15)	(15)	(152)	(212)	(60)
Non-executive directors	(11)	(11)	(11)	(11)	(10)	(10)	(12)	(6)	(84)	(10)	(10)	(10)	(10)	(135)	(124)	11
Premises - business rates	(68)	(97)	(82)	(82)	(84)	(82)	(82)	(82)	(659)	(82)	(82)	(82)	(82)	(796)	(988)	(193)
Premises - other	(420)	(516)	(533)	(330)	(768)	(144)	(295)	(597)	(3,601)	(591)	(583)	(562)	(566)	(6,236)	(5,903)	334
Purchase of healthcare from non-NHS	(94)	(121)	(145)	(56)	(96)	(121)	(78)	(88)	(799)	(107)	(107)	(107)	(107)	(1,321)	(1,226)	96
R&D: non-staff	(94)	(97)	(164)	(94)	(91)	(96)	(485)	(179)	(1,299)	(103)	(101)	(101)	(101)	(1,103)	(1,705)	(601)
Supplies & services	(162)	(316)	(228)	(256)	(421)	(278)	(261)	(282)	(2,204)	(287)	(296)	(295)	(298)	(3,069)	(3,379)	(310)
Transport	(124)	(137)	(208)	5	(99)	(156)	(170)	(204)	(1,093)	(157)	(157)	(158)	(157)	(1,264)	(1,722)	(458)
Other non pay *	(36)	(64)	(42)	(32)	208	(363)	(22)	(49)	(400)	(48)	(49)	(49)	(49)	(3,123)	(594)	2,529
Total Non Pay	(2,244)	(2,639)	(2,919)	(2,534)	(3,051)	(2,872)	(3,402)	(3,552)	(23,213)	(3,219)	(3,028)	(2,918)	(2,943)	(31,050)	(35,321)	(4,271)

* 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.