

Front sheet: Public Board of Directors
Item number: 20
Date: 26th March 2025

Private/ public paper:	Public
Report Title:	Financial Performance Report as at 31st January (month 10)
Author(s) Accountable Director:	Chris Cotton, Deputy director of finance Phillip Easthope, Executive Director of Finance, IMST and Performance
Presented by:	Chris Cotton, Deputy director of finance
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. Ensuring 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 at the 31 st January 2025 and the actions being taken in the Trust to ensure the planned deficit is achieved this financial year.
Executive summary:	<p>At Month 10, the year-to-date deficit position of £6.3m is £0.6m worse than planned (M9 £0.8m worse). Increased Out of Area expenditure remains the key cost driver of the overspend, it is £6.4m overspent as at the 31st January. In month underspending in other areas is offsetting this overspend, including underspending on the Neighbourhood MH hub of £0.8m. The forecast on Out of Area keeps the bed numbers at a similar level to current activity. To achieve the planned deficit of £6.514m, the forecast includes additional mitigation/savings required of £1.1m, £0.7m has been found and it is felt this is possible to achieve with further work continuing across the organization, including work in Finance on accruals reviews and Capital policy.</p> <p>As highlighted previously the adjusted plan includes the non-recurrent deficit funding of £5.9m, if the system plan is not achieved it is expected that this will have to be returned.</p> <p>Cash is higher than planned due to receiving 10/12ths 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 £9.7m were developed, the current forecast for expected delivery is that the £7.3m requirement will be met, £6.0m (82%) of these saving are recurrent savings.</p> <p>Out of Area Acute activity did not decrease in January as expected in the December forecast, there was also a catchup in observation recording and invoicing which meant the year-to-date position (£0.5m) and forecast increased (£0.6m). Acute Spot and PICU bed numbers were still at 44 at the end of January but start to drop in the first week of February so the forecast is to reduce to 39 by the end of February and remaining at that level in March. Scenarios are included in the risk assessment (Section 10), this shows if numbers continued at 44 for the remainder of the year would increase the forecast by £0.2m. Other areas have continued to underspend to offset the majority of the Out of Area increase, since being off plan at Month 6, £3.5m of additional mitigations have been found. Section 6 details the improvements made to date and further actions being taken to achieve further £0.3m</p>

	<p>mitigations required and the planned deficit.</p> <p>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 vacancies in some areas offsetting areas with overspending. The value for Medics pay is adjusted for offsetting income including pay award. As highlighted in previous reports, budget are being updated in 2025/26 planning to reflect approval of additional budget to reflect some of the over-established Medic posts are required, it is also expected that the cost of Medics will reduce from the changes.</p> <p>Aged Debt has increased in the last year which is having a negative impact on the Cash balance. The amount outstanding has increased from £2.7m to £3.5m at the end of January, 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. Further information is in Section 7.</p> <p><u>Appendices attached:</u> Financial Performance Report Month 10</p>
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Which strategic objective does the item primarily contribute to:					
Effective Use of Resources	Yes	X	No		
Deliver Outstanding Care	Yes		No		
Great Place to Work	Yes		No		
Ensuring our services are inclusive	Yes		No		

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</p> <p>The Trusts financial position is submitted each month to South Yorkshire 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. – The Month 10 position shows a reduction of unidentified mitigations of £0.3m – a reduction from Month 9, on this basis it is felt that the risk score for 5051 is correct to stay at 16.</p>
Any background papers/ items previously considered:	<p>Finance and Performance Committee were briefed on the month 10 position, there was a discussion about the reduction in unidentified mitigations to achieve the planned deficit. There was also a discussion about continued work on aged debt with escalation and contract disputes continuing. After a verbal update about the Month 11 position was shared, highlighting that the changes within month and confirmation that the planned deficit will be achieved.</p>
Recommendation:	<p>Board of Directors are asked to note the financial position as at 31st January 2025 and the actions being taken in the Trust to ensure the planned deficit is achieved this financial year.</p>

FINANCIAL PERFORMANCE REPORT

JANUARY 2025



Executive Summary – Month 10

Key Performance Indicator	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Surplus/(Deficit)	(5,673)	(6,297)	(624)	(6,514)	(6,514)	0
Adjusted Plan Surplus/(Deficit)	0	(624)	(624)	(603)	(603)	0
Cash	36,678	39,294	2,616	33,897	38,766	4,869
Efficiency Savings	5,887	5,887	0	7,334	7,334	0
Capital	(7,001)	(2,240)	4,761	(10,246)	(7,681)	2,565
				Target	Number	Value
Invoices paid within 30 days (Better Payments Practice Code)			NHS	95%	100.0%	100%
			Non-NHS	95%	99.7%	99.3%
~ Updated after NHSE reporting						

At Month 10, the year to date deficit position of £6.3m is £0.6m worse than planned (M9 £0.8m worse). Out of Area overspent by £1.6m due to numbers continuing at a high level, the majority of this overspend was expected. This has been offset by underspends in other areas, including underspending on the neighbourhood MH hub (£0.8m). The forecast on Out of Area keeps the bed numbers at a similar level to current activity. To achieve the planned deficit of £6.514m, the forecast includes additional mitigation/savings required of £1.1m, £0.7m has been found and it is felt this is possible to achieve with further work continuing across the organization, including work in Finance on accruals reviews and Capital policy.

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 10/12ths 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 £9.7m have been developed, the current forecast for expected delivery is that the £7.3m requirement will be met, £6.0m of these saving are recurrent savings.

Executive Summary – Month 10

Area of Focus	YTD Plan £'000	YTD Actual £'000	Variance £'000	Annual Plan £'000	24/25 Forecast £'000	Variance £'000
Out of Area spend *	(5,433)	(11,831)	(6,398)	(6,486)	(14,914)	(8,427)
Medics pay **	(11,628)	(13,536)	(1,908)	(14,115)	(16,229)	(2,115)
				Apr-Nov 24/25 Av	Sep-24	Variance
Aged Debt (Amount above 30 Days)				(2,098)	(3,710)	(1,612)

* Includes Purchase of Healthcare only, excludes travel costs.
 ** Figures adjusted for offsetting income

Out of area Acute activity did not decrease in January as expected in the December forecast, there was also a catchup in observation recording and invoicing which meant the year to date position (£0.5m) and forecast increased (£0.6m). Acute Spot and PICU bed numbers were still at 44 at the end of January but start to drop in the first week of February so the forecast is to reduce to 39 by the end of February and remaining at that level in March. Scenarios are included in the risk assessment (Section 10), this shows if numbers continued at 44 for the remainder of the year would increase the forecast by £0.2m. Other areas have continued to underspend to offset the majority of the Out of Area increase, since being off plan at Month 6, £3.5m of additional mitigations have been found. Section 6 details the improvements made to date and further actions being taken to achieve further £0.3m mitigations required and the planned deficit.

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 vacancies in some areas offsetting areas with overspending. The value for Medics pay is adjusted for offsetting income including pay award. As highlighted in previous reports, budget are being updated in 2025/26 planning to reflect approval of additional budget to reflect some of the over-established Medic posts are required, it is also expected that the cost of Medics will reduce from the changes.

Aged Debt has increased in the last year which is having a negative impact on the Cash balance. The amount outstanding has increased from £2.7m to £3.5m at the end of January, 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. Further information is in Section 7.

Section 1: Year to Date (YTD)

Year To Date Position

At month 10, the YTD position is a deficit of £6.298m, which is £0.624m worse than plan. The table below sets out the income and expenditure summary and the variances compared to plan including the system deficit funding:

	2024/25			
	Plan £000	YTD £000	Variance £000	%
Clinical Income	108,313	113,542	5,229	4.8%
Other Income	17,429	19,839	2,410	14%
Total Income	125,741	133,381	7,640	6%
Pay (substantive, agency, bank & other)	(105,270)	(108,274)	(3,005)	2.9%
Non Pay	(25,870)	(30,986)	(5,116)	19.8%
Total Expenditure	(131,140)	(139,260)	(8,120)	6.2%
Interest receipts	1,710	1,702	(8)	(0.5%)
Finance expense	(52)	(48)	3	(6.2%)
PDC dividends payable	(2,078)	(2,207)	(129)	6.2%
Net Finance Costs	(420)	(554)	(134)	32.0%
Other gains/(losses) inc disposal of assets	0	1	1	100.0%
Net Surplus / (Deficit)	(5,818)	(6,432)	(614)	1
Technical Adjustments	144	135	(10)	(6.6%)
Net Surplus / (Deficit) inc. Technical Adj	(5,674)	(6,298)	(624)	11%
System Deficit Funding	5,281	5,281	0	0.0%
Adjusted Net Surplus / (Deficit)	(393)	(1,017)	(624)	159.0%
KPI's				
Acute OOA purchase of healthcare	(3,861)	(8,232)	(4,372)	113.2%
PICU OOA purchase of healthcare	(1,056)	(2,448)	(1,393)	131.9%
Rehab OOA purchase of healthcare	(517)	(1,150)	(633)	122.4%
Medics pay	(11,628)	(16,579)	(4,951)	42.6%
Bank pay	(3,199)	(6,051)	(2,852)	89.2%
Agency pay	(4,046)	(2,203)	1,843	(45.6%)

Key variances are described below:

Clinical income - £5.2m favourable:

- £4.5m additional income from the ICB's & NHS England for pay award, NHS 111 Crisis Line initiative and Better Care Fund contribution to patient flow services.
- £0.2m non recurrent additional income from ICB to support with pay award impact
- £0.5m additional income from the local authority for contributions towards jointly funded service users in Woodland View.

Other income - £2.4m favourable:

- £1.4m favourable variance for the reimbursement of seconded staff costs including pay award impact on trainee doctors.
- £1.0m favourable variance for additional research income

Pay - £3.0m adverse:

Section 1: Year to Date (YTD)

- £2.6m 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.
- £1.9m underspend in agency and substantive pay expenditure compared to plan. This is due to additional reduction in agency compared to the planned expectation and vacancies.
- £2.2m 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 - £5.1m adverse:

- £6.4m adverse cost increase relating to out of area activity as described previously.
- £0.2m favourable variance from prior year benefits where costs were lower than amount accrued at year-end.
- £2.2m favourable variance due to actual investments and efficiency being pay/non-pay compared to assumption in plan.
- £0.8m adverse variance due to Research expenditure which is offset by £1m additional income mentioned above.

Section 2: Current Month

Month 10 in month position

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

	Current month			
	M10 forecast £000	M10 actual £000	Variance £000	%
Clinical Income	12,162	12,380	219	1.8%
Other Income	2,085	2,211	126	6.0%
Total Income	14,246	14,591	344	2%
Pay	(10,538)	(10,804)	(266)	2.5%
Non Pay	(3,732)	(3,948)	(215)	5.8%
Total Expenditure	(14,271)	(14,751)	(481)	3.4%
Interest receipts	164	170	6	3.9%
Finance expense	(5)	(4)	1	(24.4%)
PDC dividends payable	(222)	(215)	7	(3.2%)
Net Finance Costs	(63)	(48)	15	(23.2%)
Other gains/(losses) inc disposal of assets	0	0	0	0.0%
Net Surplus / (Deficit)	(87)	(209)	(122)	139.6%
Technical Adjustments	5	5	(0)	(9.6%)
Adjusted Net Surplus / (Deficit)	(82)	(204)	(122)	148.8%
System Deficit Funding	315	315	0	0%
Adjusted Net Surplus / (Deficit)	233	111	(122)	(52.5%)
KPI's				
Acute OOA purchase of healthcare	(866)	(1,490)	(625)	72.2%
PICU OOA purchase of healthcare	(397)	(484)	(86)	21.8%
Rehab OOA purchase of healthcare	(101)	(155)	(54)	53.8%
Medics pay	(1,564)	(1,655)	(91)	5.8%
Bank pay	(570)	(662)	(93)	16.2%
Agency pay	(99)	(231)	(132)	132.8%

The increases in Income is as a result of reducing the deferral of income in previous months and receiving income for specific projects. The reduction in the deferral is as a result of expenditure being incurred against the specific income.

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.

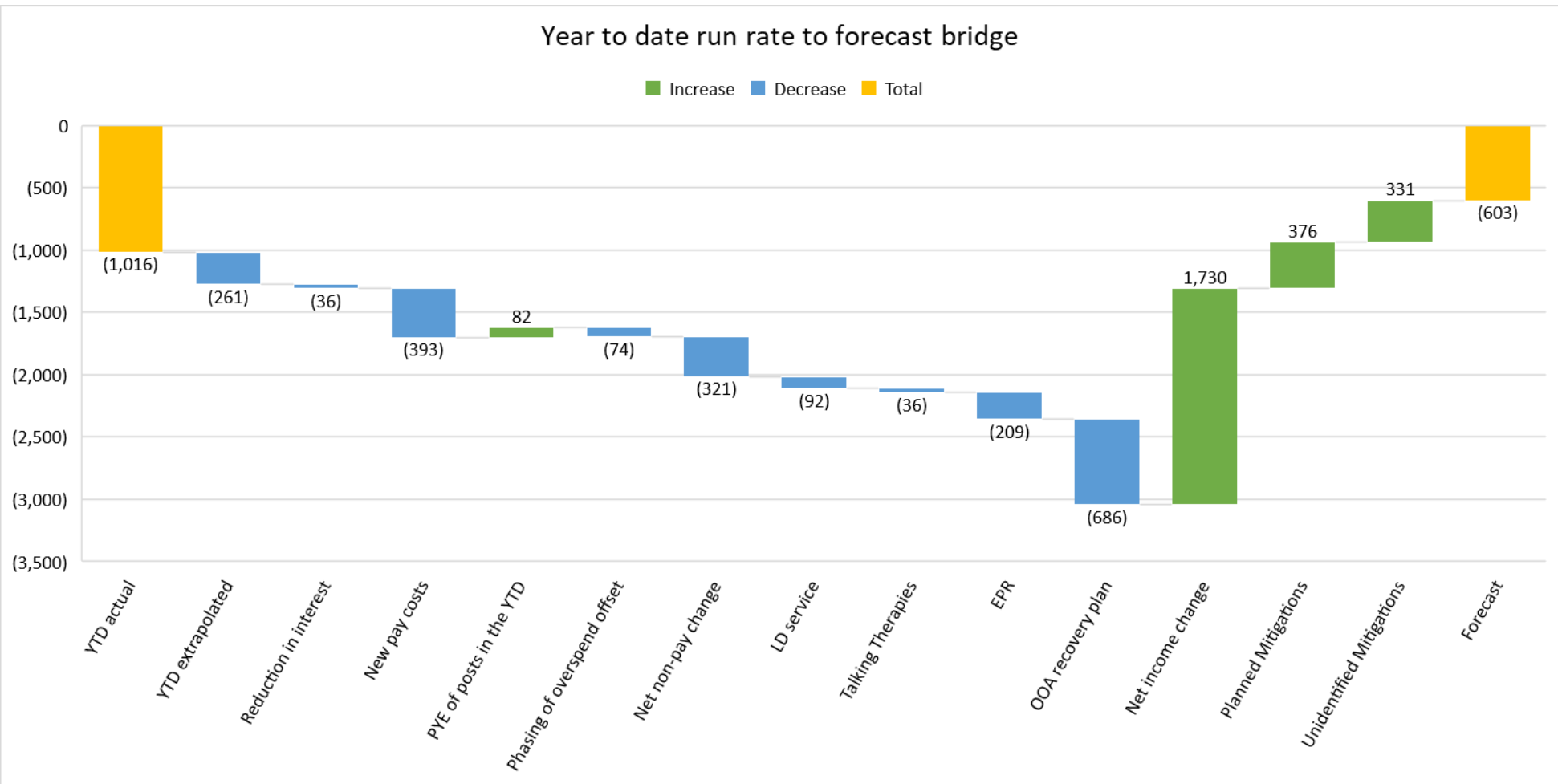
	Prior Year	Actual										Forecast		
	£'000	Apr-24 £'000	May-24 £'000	Jun-24 £'000	Jul-24 £'000	Aug-24 £'000	Sep-24 £'000	Oct-24 £'000	Nov-24 £'000	Dec-24 £'000	Jan-25 £'000	YTD £'000	Feb-25 £'000	Mar-25 £'000
Income														
Income from Patient Care Activities	135,138	10,655	10,453	10,642	10,755	11,784	13,947	13,938	12,060	11,893	12,695	118,823	12,544	12,539
Other Operating Income	24,494	1,861	1,818	1,855	1,765	1,863	1,952	2,288	2,069	2,159	2,211	19,839	2,177	2,198
Total Income	159,633	12,516	12,271	12,497	12,520	13,647	15,898	16,226	14,129	14,052	14,906	138,662	14,721	14,737
Expenditure														
Substantive	(112,933)	(9,704)	(9,698)	(9,657)	(9,441)	(10,473)	(8,895)	(12,266)	(9,802)	(9,792)	(9,869)	(99,598)	(9,628)	(9,782)
Bank	(5,427)	(588)	(449)	(622)	(632)	(574)	(565)	(740)	(570)	(650)	(662)	(6,051)	(678)	(773)
Agency	(6,893)	(412)	(222)	(227)	(274)	(183)	(228)	(171)	(99)	(156)	(231)	(2,203)	(281)	(260)
NHSE pension costs	(5,256)											0		
Other (Apprenticeship Levy)	(526)	(40)	(40)	(42)	(40)	(36)	(39)	(54)	(46)	(43)	(42)	(422)	(42)	(42)
Pay	(131,035)	(10,744)	(10,409)	(10,549)	(10,388)	(11,266)	(9,728)	(13,230)	(10,517)	(10,640)	(10,804)	(108,274)	(10,629)	(10,858)
Out of Area healthcare		(608)	(642)	(855)	(1,059)	(999)	(1,000)	(1,406)	(1,364)	(1,767)	(2,129)	(11,831)	(1,508)	(1,575)
Drugs	(1,094)	(87)	(89)	(82)	(81)	(82)	(78)	(90)	(94)	(102)	(82)	(868)	(82)	(84)
Impairments	(3,982)													
Other non pay	(28,930)	(1,219)	(1,577)	(1,652)	(1,073)	(1,631)	(1,464)	(1,580)	(1,769)	(1,630)	(1,420)	(15,016)	(1,778)	(1,768)
Non Pay	(34,006)	(1,914)	(2,309)	(2,590)	(2,205)	(2,721)	(2,542)	(3,076)	(3,227)	(3,499)	(3,632)	(27,715)	(3,368)	(3,427)
Total Expenditure	(165,041)	(12,658)	(12,718)	(13,138)	(12,592)	(13,988)	(12,270)	(16,306)	(13,743)	(14,139)	(14,436)	(135,989)	(13,998)	(14,285)
Earnings Before Interest, Tax, Depre'n & Amort'n	(5,408)	(142)	(447)	(641)	(72)	(341)	3,629	(80)	385	(88)	470	2,673	723	451
Depreciation & Amortisation	(3,496)	(330)	(330)	(330)	(330)	(330)	(330)	(326)	(326)	(326)	(316)	(3,271)	(320)	(304)
Net Operating Surplus / (Deficit)	(8,904)	(472)	(777)	(971)	(402)	(670)	3,299	(406)	60	(413)	154	(598)	403	147
Interest receipts	2,438	180	177	164	167	163	157	176	177	172	170	1,702	154	153
Finance expense	(89)	(4)	(6)	(6)	(4)	(5)	(5)	(5)	(4)	(4)	(4)	(48)	(5)	(5)
PDC dividends payable	(2,512)	(204)	(208)	(206)	(207)	(211)	(268)	(278)	(193)	(217)	(215)	(2,207)	(222)	(222)
Net Finance Costs	(163)	(28)	(37)	(48)	(45)	(54)	(116)	(107)	(20)	(49)	(48)	(554)	(73)	(74)
Net Surplus/ (Deficit) for the year	(9,068)	(500)	(814)	(1,019)	(447)	(725)	3,183	(512)	39	(462)	106	(1,152)	331	73
Technical Adjustments	4,136	14	14	14	14	15	14	14	14	14	5	135	5	5
Adjusted Net Surplus / (Deficit)	(4,932)	(486)	(799)	(1,005)	(432)	(710)	3,197	(499)	54	(448)	111	(1,017)	336	78
Plan		(734)	(758)	(771)	(550)	(557)	3,371	0	(156)	(139)	(99)	(393)	(103)	(108)
Variance to plan		248	(41)	(234)	118	(153)	(174)	(499)	210	(309)	210	(624)	439	186

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

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.
- New pay costs show the additional spend anticipated because of recruitment into vacancies.
- The non pay increase is due to Utility costs being higher in winter and specific projects with offset on income increases.
- The majority of the net income change is as a result of the neighbourhood MH hub income being shown in the forecast position.
- Planned Mitigations are described in the section 6 on value improvement programme, the reason the value on this chart is lower than the total planned mitigations in the central forecast is due to some of the adjustments already being within the Month 10 year to date position.
- This leaves £0.3m further mitigations required to achieve the adjusted deficit plan shown in the chart.

Section 4: Directorate Position

Directorate	YTD budget £'000	YTD actual £'000	YTD variance £'000	Annual budget £'000	Forecast £'000	Variance £'000
Acute & community	(39,022)	(44,920)	(5,899)	(46,798)	(54,570)	(7,773)
Rehab & specialist	(35,627)	(33,767)	1,861	(42,723)	(40,854)	1,870
Directorate management/ central	(1,065)	(731)	334	(1,181)	620	1,801
Medical	(3,723)	(4,009)	(286)	(4,466)	(4,800)	(334)
Chair/Chief Exec Office	(1,358)	(1,356)	2	(1,630)	(1,628)	2
Corporate Governance	(1,273)	(1,268)	5	(1,521)	(1,519)	2
Director of Finance	(6,368)	(5,670)	698	(7,866)	(6,978)	888
Exec Dir of Operations & Trans	(70)	(70)	(0)	(84)	(83)	0
Nursing & Professions	(3,694)	(3,447)	247	(4,415)	(4,127)	288
People Directorate	(3,340)	(3,483)	(143)	(3,997)	(4,207)	(211)
Strategy, Estates & Facilities	(7,416)	(6,983)	433	(8,861)	(8,511)	350
Reserves	(1,522)	112	1,635	(1,827)	712	2,539
Central budgets	103,936	104,440	504	124,592	125,199	607
Net surplus/ (deficit)	(542)	(1,151)	(609)	(776)	(747)	29
Technical adjustments	144	135	(10)	173	144	(29)
ADJUSTED SURPLUS/ (DEFICIT)	(397)	(1,016)	(618)	(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 M10 of more than £99,999 for clinical and medical services or £49,999 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	2,291,601	2,578,760	(287,159)	55.86	61.67	(5.81)	189,115	(153,074)	(307,635)	(15,564)	Staffing over establishment levels
Burbage Ward	2,409,825	2,762,500	(352,675)	61.29	69.55	(8.26)	728,222	(322,976)	(732,750)	(25,171)	Staffing over establishment levels
Endcliffe Ward	2,340,010	2,872,820	(532,810)	58.04	75.29	(17.25)	282,247	(96,323)	(697,370)	(21,364)	Staffing over establishment levels
Acute & Comm Central	220,568	520,433	(299,865)	0.97	1.00	(0.03)	(3,095)	-	-	(296,769)	Secure patient transport costs - recovery plan is being implemented
Out of Town Acute	4,040,050	8,620,995	(4,580,945)	-	-	0.00	-	-	-	(4,580,945)	Spot purchased bed nights significantly higher than planned
Out of Town PICU	1,092,544	2,558,655	(1,466,111)	-	-	0.00	-	-	-	(1,466,111)	Bed nights significantly higher than planned
Directorate management/ central											
Clinical Management Team	475,467	1,284,361	(808,894)	15.40	17.00	(1.60)	(920,535)	-	(2)	111,644	Staffing over establishment levels
People Directorate											
HR Management	251,321	325,673	(74,352)	5.71	5.66	0.05	(112,148)	-	(3,499)	41,295	VIPs for People directorate contribute to pay variance.
Medical											
Medical Management Team	296,677	470,761	(174,084)	5.88	6.19	(0.31)	(113,421)	-	-	(60,663)	Staffing over establishment levels & Unidentified VIP contribute to Pay variance
PGME Sheffield	1,297,546	1,549,190	(251,644)	42.92	41.55	1.37	(365,764)	-	-	114,119	Skill mix higher than the budgeted establishment

Section 5: Spotlight on YTD Overspends

PGME Risk Share	(18,102)	63,969	(82,071)	-	-	0.00	(61,531)	-	-	(20,540)	Lower income than planned, not covering costs.
PGME MH Regional PA Project	-	98,912	(98,912)	-	3.50	(3.50)	(146,318)	-	-	47,406	Project funding ended but staff still in post.
R&D Commercial Studies-Staff	4,064	64,405	(60,341)	0.80	1.00	(0.20)	(1,787)	-	-	(58,554)	Lower income than planned, not covering costs.
Rehab & Specialist											
Older Adults Central	164,844	339,340	(174,496)	3.40	5.04	(1.64)	(174,582)	-	-	86	Staffing over establishment levels
Birch Avenue	83,120	571,226	(488,106)	74.70	84.47	(9.77)	42,783	(9,765)	(658,743)	137,620	Staffing over establishment levels
Dovedale 1	2,191,692	2,522,772	(331,080)	52.85	66.48	(13.63)	329,096	(46,983)	(599,230)	(13,962)	Staffing over establishment levels
G1 Ward	2,179,614	2,434,201	(254,587)	54.92	60.76	(5.84)	341,557	(93,137)	(503,888)	881	Staffing over establishment levels
OA CMHT	2,301,449	2,587,349	(285,900)	48.89	47.67	1.22	(143,206)	(97,709)	(34,041)	(10,944)	2.4 WTE over on medical staff (under on other staff) resulting in increased costs
Dovedale 1	2,191,692	2,522,772	(331,080)	52.85	66.48	(13.63)	329,096	(46,983)	(599,230)	(13,962)	Staffing over establishment levels
Forest Lodge	112,952	314,404	(201,452)	67.41	67.77	(0.36)	183,692	(20,809)	(391,805)	27,471	Staffing over establishment levels
IFR - Out of Town	527,058	951,857	(424,799)	0.20	0.20	0.00	40	-	-	(424,839)	Increased placement costs.
Strategy, Estates & Facilities											
Fulwood Site	55,828	176,498	(120,670)	-	-	0.00	-	-	-	(120,670)	No funding for Fulwood site beyond M3 but running costs ongoing until sold.
Fulwood Site Disposal	30,527	175,302	(144,775)	-	-	0.00	-	-	-	(144,775)	
TOTAL	24,453,992	36,015,353	(11,561,361)	602.09	681.28	(79.19)	383,460	(887,760)	(4,528,195)	(6,528,867)	

Of the £11.56m overspend for these areas, the biggest drivers are bank usage (£4.53m) and out of area activity (£6.47m 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 10 against identified schemes and additional non-recurrent savings/underspends to offset underperformance in recurrent schemes.

Directorate	Target	Plans in place	Recurrent Savings	Non-Recurrent Savings	Var to Target	YTD Plan	YTD Savings	YTD Variance
Out of Area	3,612	3,612	0		(3,612)	2,709	0	(2,709)
Clinical Management	165	220	67		(98)	150	32	(118)
Acute & Community	2,006	2,591	2,303		297	2,011	1,766	(245)
Rehab & Specialist	2,658	1,022	2,539	1,265	1,146	1,410	3,143	1,733
Medical	210	210	161	48	0	171	171	(0)
Corp Gov	62	62	62		0	52	52	0
Finance & Digital	294	302	228	74	9	240	250	10
Nursing, Quality & Prof	161	161	161		0	125	125	0
People	263	164	126		(137)	161	117	(44)
Strategy, Estates & Facilities	300	300	300		(0)	244	242	(2)
Total	9,730	8,643	5,947	1,387	(2,396)	7,273	5,898	(1,375)
Headroom	(2,396)				2,396	(2,109)		2,109
Savings Required	7,334	8,643	5,947	1,387	0	5,164	5,898	734

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 £4.8m to offset. Since Month 6 there has been an additional £1.4m improvement in the forecast of overspending areas, mainly due to further improvements on roster efficiency and reducing costs relating to observations.

80% of the savings realised in 2024/25 have been recurrent, this has been used in planning for future years.

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 £3.95m (45%) (M9: £3.85m).

Service Area	23/24 Variance	Month 10 Forecast Variance	% Change from 23/24 Overspend	Movement in Month	Further Information	
Woodland View	(476,118)	552,061	216%	↑	30%	Increase in SCC income
Early Intervention Service	(121,429)	126,248	204%	↑	25%	
Decisions Unit	(63,036)	(5,183)	92%	↓	(36%)	Increase in staffing
Acute Central	(125,721)	19,239	115%	↓	(2%)	
Crisis Central	(83,523)	8,037	110%	↓	(3%)	
Dovedale 2	(833,777)	87,421	110%	↓	(1%)	
International Recruitment	(64,486)	(275)	100%	⇒	0%	
Hast - Changing Futures	(84,100)	27,789	133%	↑	48%	
Flow Team	(124,424)	(42,864)	66%	↓	(14%)	
OA Home Treatment Team	(139,027)	(48,508)	65%	↑	2%	Recovery plan actions
Workforce Information	(70,763)	(27,123)	62%	↑	3%	Recovery plan actions
Burbage Ward	(625,979)	(395,160)	37%	↓	(5%)	Increase in staffing
G1 Ward	(417,899)	(293,504)	30%	↓	(10%)	Increase in staffing
Stanage Ward	(508,330)	(322,123)	37%	↑	1%	
OACMHT	(515,466)	(334,974)	35%	↓	(0%)	
Dovedale 1	(619,401)	(442,440)	29%	↑	1%	
Endcliffe Ward	(807,545)	(663,640)	18%	↓	(5%)	Increase in staffing
Forest Lodge	(436,674)	(316,322)	28%	↑	14%	Recovery plan action
Birch Avenue	(721,009)	(612,531)	15%	↑	4%	
Clinical Management Team	(183,520)	(178,319)	3%	↓	(1%)	
Longley Site Services	(81,473)	(81,832)	(0%)	↓	(5%)	
Older Adults Central	(142,696)	(155,162)	(9%)	↑	4%	Increase Medical & AHP costs, improvement due to Recovery plan action
Acute & Comm Central	(226,251)	(357,264)	(58%)	↓	(24%)	Increased Secure Patient Transport, improvement due to Recovery plan action
Medical Management Team	(143,986)	(211,565)	(47%)	↓	(1%)	Increase due to VIP under-delivery
Out of Town PICU	(822,751)	(2,028,072)	(146%)	↓	(15%)	Increase in beds used
Out of Town Acute	(281,712)	(5,948,084)	(2,011%)	↓	(167%)	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 10 Directorate forecast	In Month 10 Central forecast	
VIP Increase			-
Recovery Plans	1,421		1,421
Runrate Growth	1,023		1,023
Underspends Going further	85	36	121
Contract Issues			-
Grip & Control	180	20	200
Finance reviews		716	716
Total	2,708	773	3,481

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 with balance sheet and Capital policy reviews completed by Finance and mitigations not yet in the directorate forecasts.

As highlighted in the summary and the forecast bridge there is still a further £0.3m mitigations to identify to offset the current Out of Area forecast overspend plus any further increases. It is expected this can be found through the further work being done in finance, improvements in Out of Area bed usage numbers and continuing work on recovery plans.

Section 7: Statement of Financial Position

The table below shows the Statement of Financial Position (SoFP) as at 31st January 2025 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	10,357	9,437	(920)	11,106	10,723	(383)
Property, Plant & Equipment (PPE)	63,594	64,328	61,144	(3,184)	67,043	61,898	(5,145)
Right of Use Assets (IFRS 16 Leases)	6,896	6,357	6,359	2	6,208	6,457	249
Other Non-Current Assets	212	465	69	(396)	276	276	0
Non-Current Assets Total	78,848	81,507	77,009	(4,498)	84,633	79,354	(5,279)
<u>Current Assets</u>							
Receivables	9,687	6,711	10,029	3,318	6,127	7,227	1,100
Cash and Cash Equivalents	38,963	39,541	40,725	1,184	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	586	77	(509)	575	587	12
Total Current Assets	60,725	52,888	63,426	10,538	46,649	59,180	12,531
<u>Current Liabilities</u>							
Provisions	(248)	(241)	(172)	69	(241)	(153)	88
Payables	(13,475)	(12,656)	(13,108)	(452)	(12,465)	(13,474)	(1,009)
Borrowings (leases)	(581)	(587)	(582)	5	(566)	(566)	0
Other Current Liabilities	(414)	(1,853)	(3,496)	(1,643)	(414)	(414)	0
Total Current Liabilities	(14,718)	(15,337)	(17,358)	(2,020)	(13,686)	(14,607)	(921)
Net Current Assets/ (Liabilities)	46,007	37,551	46,069	8,518	32,963	44,573	11,610
Provisions	(853)	(860)	(815)	45	(860)	(826)	34
Borrowings (leases)	(4,754)	(4,307)	(4,276)	32	(4,182)	(4,432)	(250)
Other Non-Current Liabilities		(209)	0	209	(209)	(209)	0
Total Non-Current Liabilities	(5,607)	(5,376)	(5,091)	286	(5,251)	(5,467)	(216)
Total Net Assets	119,248	113,681	117,987	4,306	112,345	118,460	6,115
Total Taxpayers Equity	119,248	113,681	117,987	4,306	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 3.8:1, with cash contributing 63% of current assets.

The key YTD variances are:

Non-current assets are £5.0m lower than expected:

- £0.9m relates to intangibles, this is a timing issue of EPR expenditure is recognised. The EPR forecast for the year is now £0.5m lower than planned with £0.4m costs moved back into Q1 of 2025/26.
- £4.1m relates to property plant and equipment additions, this is due to the delay in Capital projects.

Current assets are £11.1m higher than planned.

- £4.0m receivables are higher than expected due to income accruals and aged debt – information included in the next section.
- £2.6m cash is higher than planned, £6.0m is due to the delay in the sale of Fulwood, this is offset by £5.3m received for Non-recurrent deficit funding and £4.1m 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.
- £2.0m 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 31st January 2025 there were unpaid receivable invoices totalling £4.8m. £1.1m of the unpaid invoices relate to invoices raised during January 2025 and were not overdue at the reporting date. £3.7m 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 £'000	Sum of In Date £'000	Sum of 1-30 Days £'000	Sum of 31-60 days £'000	Sum of 61-90 Days £'000	Sum of 91-120 days £'000	Sum of Over 120 days £'000	Total Balance £'000 at 14th February 2025
NHS Trusts, Ft's and ICB	2439	641	590	301	45	223	638	1988
NHSE and DOH	88	4	0	0	0	0	84	88
Staff Overpayments	104	10	5	7	6	3	72	103
Other	2051	389	261	342	270	249	539	2034
Local Authority	140	68	0	0	0	0	72	140
Grand Total	4821	1112	856	650	322	476	1406	4353

The total outstanding receivable balance has reduced in the first half of February.

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

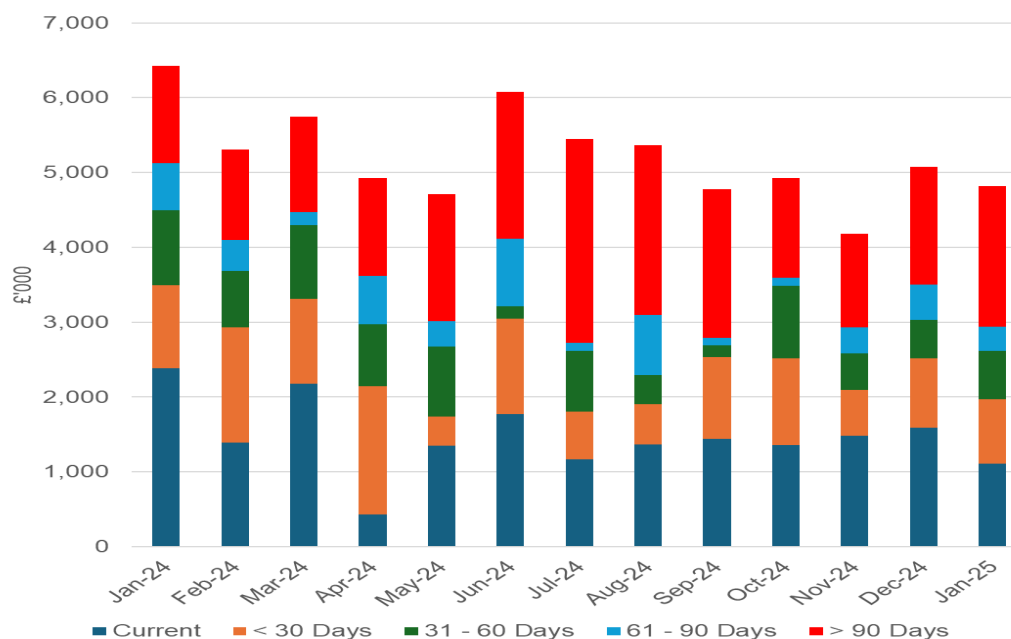
Section 7: Statement of Financial position

(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.

19 outstanding debts totalling £0.037m have been referred to the Trust's debt collection agency. These are predominantly the older salary overpayments where the Trust has been unable to make progress with the former employees to recoup over payments. A further 18 salary overpayment debts totalling £0.022m 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. The finance department continues an improvement project around income to improve processes across all teams in the department and stages in the process of receiving income. There has been clear improvements and the aged debt is largely due to the balance outstanding with Sheffield Teaching Hospitals and South Yorkshire Housing Association (£2.6m outstanding)

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 31 January 2025	Prior Year Mar-24 £000s	Actual										Forecast		
		2024/25 April & May- 24 £000s	2024/25 Jun-24 £000s	2024/25 Jul-24 £000s	2024/25 Aug-24 £000s	2024/25 Sep-24 £000s	2024/25 Oct-24 £000s	2024/25 Nov-24 £000s	2024/25 Dec-24 £000s	2024/25 Jan-25 £000s	2024/25 Feb-25 £000s	2024/25 Mar-25 £000s	2024/25 Full Year £000s	
Operating Surplus/(deficit)	(8,904)	(1,480)	(740)	(401)	(657)	3,283	(405)	59	(419)	291	339	90	(40)	
Net cash inflow / (outflow) from operations	4,268	(123)	(1,472)	1,695	(238)	(122)	5,257	2,994	(1,963)	(59)	(241)	(241)	5,488	
Net cash inflow/(outflow) from investing activities, Total	(9,231)	(1,552)	(776)	223	(73)	785	1,234	(2,505)	93	(280)	253	253	(2,346)	
Net cash inflow/(outflow) before financing	(13,867)	(1,675)	(2,248)	1,918	(311)	663	6,491	489	(1,870)	(339)	12	12	12	
Net Cash inflow/(outflow) from financing activities,	(884)			(215)	(48)	(1,392)	(328)	(250)	538	(1,091)	(250)	2,950	(86)	
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,248)	1,703	(359)	(729)	6,163	239	(1,332)	(1,430)	(238)	2,962	3,056	
Cash and cash equivalents at start of period	53,714	38,963	37,288	35,040	36,743	36,384	35,655	41,818	42,057	40,725	39,295	39,057		
Increase/(decrease) in cash and cash equivalents	(14,751)	(1,675)	(2,248)	1,703	(359)	(729)	6,163	239	(1,332)	(1,430)	(238)	2,962		
Cash and cash equivalents at end of period	38,963	37,288	35,040	36,743	36,384	35,655	41,818	42,057	40,725	39,295	39,057	42,019		
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		(1,075)	(3,171)	(23)	155	(4,692)	999	1,611	1,184	2,616	2,325	8,122		

The cash balance at the end of January 2025 was £39.3m. This is £2.6m above plan due to the non-recurrent deficit funding and delays in the Capital programme, which is partly offset by the delay in the sale of Fulwood.

By the end of the financial year it is assumed that the forecast cash balance will be £8.1m above plan due to additional Capital funds that will be received however it is expected that the majority of payments relating to these Capital projects will be made in April.

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	2,712	1,887	(825)	3,293	2,912	540				3,833
Buildings	4,018	353	(3,665)	6,663	744	7,986	9,106	3,246	3,896	30,897
Transport			-		-	-	140		-	140
Green Plan		-	-	-	-	1,350	800	1,250	600	4,000
Lease Revaluation	243		(243)	250	351	200	200	200	200	1,050
Digital	28	-	(28)	40	40	944	400			1,384
Total	7,001	2,240	(4,761)	10,246	4,047	11,020	10,646	4,696	4,696	41,304

The 2025/26 & 2026/27 plan numbers are updated for the assumptions at Month 10 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 £0.3m unidentified mitigations still to find.	(£0.0m)	(£0.0m)	(£0.3m)
Out of area expenditure	As described in the report if out of area usage continues at the level towards the end of February (31 Acute, 11 PICU). Levels at the start of February (33 Acute, 11 PICU) result in £0.2m additional.	(£0.0m)	£0.2m	(£0.2m)
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	All pay award pressures are now included within the position	(£0.0m)	(£0.0m)	(£0.0m)
Mitigation – Additional Recovery plans and actions	As highlighted in the report work is continuing to find further mitigations beyond the £0.3m to offset any further cost pressures in the last two months	£0.0m	£0.5m	£0.0m
TOTAL		£0.0m	£0.7m	(£1.9m)

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.

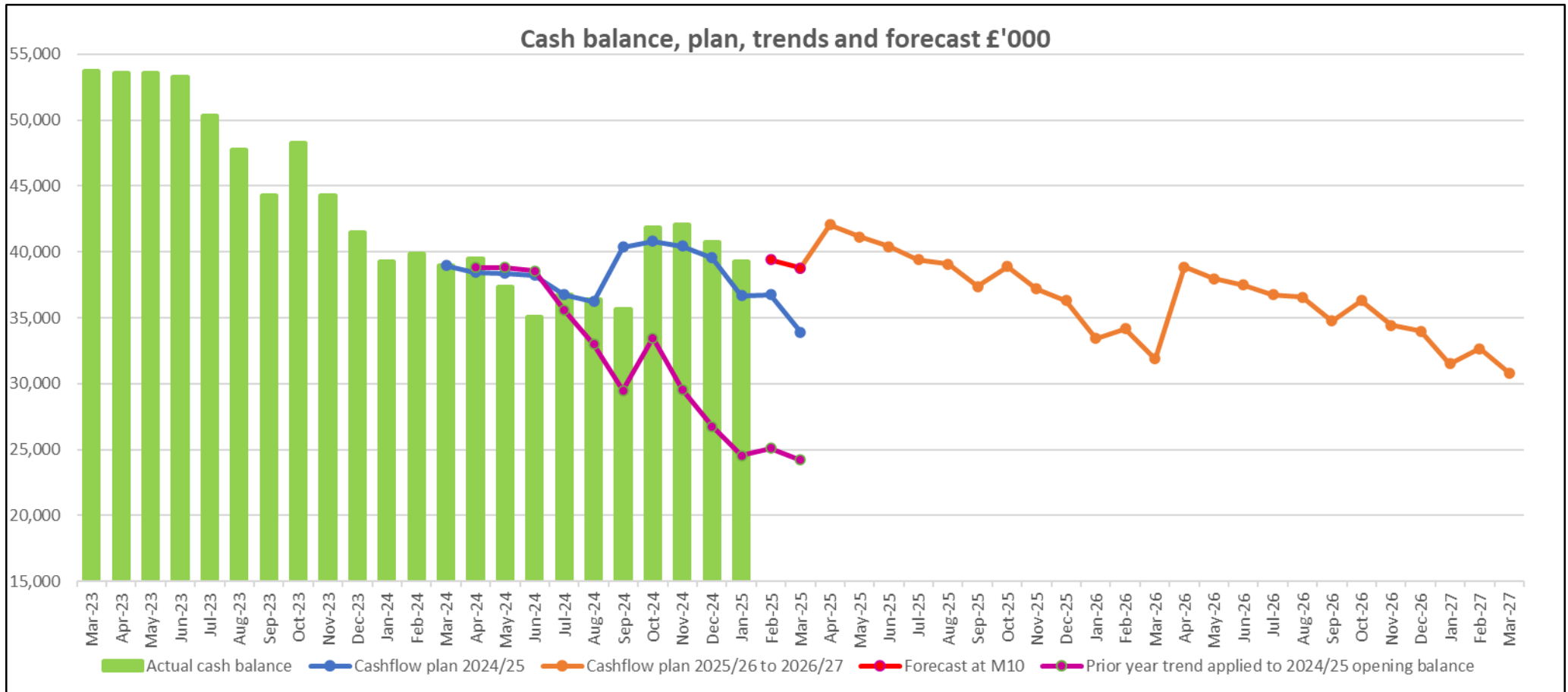
Out of area spend is broken down into 3 components of acute, PICU and rehab. Historically, acute is the key area of concern as expenditure has gone up significantly year on year. However, pressures were seen in PICU spend in 2023/24 due to escalating costs for high level observations for a small number 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	22/23	% of	23/24	% of	24/25	% of
		£000	total	£000	total	£000	total	£000	total
			pay		pay		pay		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



Appendix 4: Detailed income and expenditure breakdown by month

This appendix sets out the income and expenditure of the Trust by type from April 2023 to March 2025. This is to show the run rates for the year.

Below is the breakdown of income by type from April 2024 to March 2025:

	Actual										Forecast		
	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	YTD £'000	Feb-25 £'000	Mar-25 £'000
Income													
<u>Income from patient care activities</u>													
NHSE	181	214	182	201	181	176	220	468	184	187	2,192	189	189
ICBs	9,905	9,727	9,898	10,043	11,003	13,197	13,188	11,038	11,206	11,929	111,133	11,810	11,810
NHS FTs	368	374	371	371	391	391	386	376	376	340	3,745	372	371
LAs	197	133	187	119	199	173	135	164	124	231	1,662	165	165
Other	4	4	4	21	10	10	9	9	9	9	91	9	5
Sub-total	10,655	10,453	10,642	10,755	11,784	13,947	13,938	12,055	11,899	12,695	118,823	12,544	12,539
<u>Other operating income</u>													
R&D	187	180	259	184	193	212	583	266	428	298	2,790	290	290
Education & training	842	812	802	739	867	908	650	882	876	915	8,294	1,006	1,009
Other WGA	137	115	129	124	101	74	133	153	129	214	1,309	116	144
Non WGA	266	262	212	284	303	260	271	274	269	267	2,668	280	280
Pay recharges	415	436	440	422	408	496	625	474	430	486	4,632	449	449
Other	14	13	12	11	(9)	2	26	19	27	31	146	37	27
Sub-total	1,861	1,818	1,855	1,765	1,863	1,952	2,288	2,069	2,159	2,211	19,839	2,177	2,198
Total income	12,516	12,271	12,497	12,520	13,647	15,898	16,226	14,123	14,057	14,906	138,662	14,721	14,737

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 and October due to pay award funding.

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		
	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	YTD £'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)	(1,447)	(1,492)	(15,153)	(1,461)	(1,466)
Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency	(209)	(133)	(118)	(155)	(185)	(146)	(128)	(97)	(90)	(163)	(1,425)	(195)	(176)
Sub-total	(1,581)	(1,556)	(1,479)	(1,582)	(1,621)	(1,504)	(2,498)	(1,564)	(1,537)	(1,655)	(16,579)	(1,656)	(1,642)
<u>Nursing</u>													
Substantive	(2,245)	(2,150)	(2,191)	(2,129)	(2,165)	(2,181)	(2,649)	(2,224)	(2,250)	(2,275)	(22,456)	(2,312)	(2,341)
Bank	(100)	(108)	(110)	(131)	(148)	(149)	(194)	(119)	(160)	(169)	(1,386)	(166)	(167)
Agency	(125)	(48)	(46)	(49)	(32)	(41)	(43)	(12)	(40)	(50)	(486)	(69)	(69)
Sub-total	(2,470)	(2,305)	(2,346)	(2,309)	(2,345)	(2,371)	(2,885)	(2,354)	(2,449)	(2,494)	(24,329)	(2,547)	(2,577)
<u>Scientific, therapeutic and technical staff</u>													
Substantive	(2,313)	(2,301)	(2,340)	(2,345)	(2,328)	(2,339)	(2,996)	(2,484)	(2,473)	(2,477)	(24,394)	(2,485)	(2,558)
Bank	(55)	46	(6)	(7)	(8)	(5)	(10)	(15)	3	(7)	(64)	(5)	(5)
Agency	3	(5)	(3)	(3)	(2)	(1)	(6)	1	(3)	0	(19)	0	0
Sub-total	(2,365)	(2,260)	(2,349)	(2,355)	(2,338)	(2,344)	(3,012)	(2,497)	(2,473)	(2,484)	(24,477)	(2,491)	(2,563)
<u>Support to clinical staff</u>													
Substantive	(2,116)	(2,230)	(2,140)	(1,943)	(2,309)	(2,060)	(2,141)	(1,985)	(1,977)	(1,981)	(20,882)	(1,726)	(1,729)
Bank	(386)	(367)	(459)	(446)	(382)	(374)	(490)	(389)	(438)	(442)	(4,173)	(434)	(434)
Agency	(58)	(13)	(29)	(20)	(22)	(6)	(8)	(5)	(9)	(17)	(187)	(15)	(14)
Sub-total	(2,560)	(2,610)	(2,627)	(2,410)	(2,713)	(2,440)	(2,639)	(2,379)	(2,424)	(2,439)	(25,241)	(2,175)	(2,177)
<u>Non-medical, non-clinical staff</u>													
Substantive	(1,659)	(1,594)	(1,626)	(1,598)	(1,545)	(1,649)	(2,110)	(1,643)	(1,646)	(1,644)	(16,713)	(1,644)	(1,688)
Bank	(46)	(20)	(48)	(47)	(37)	(37)	(46)	(47)	(55)	(45)	(428)	(72)	(167)
Agency	(23)	(24)	(32)	(47)	59	(34)	15	13	(13)	(1)	(86)	(2)	(2)
Sub-total	(1,728)	(1,637)	(1,705)	(1,692)	(1,523)	(1,720)	(2,141)	(1,676)	(1,714)	(1,689)	(17,226)	(1,718)	(1,857)
Planned net overspend											0		
Accounting adjustment					(691)	691					0		
NHSE pension costs											0		
Other (Apprenticeship Levy)	(40)	(40)	(42)	(40)	(36)	(39)	(54)	(46)	(43)	(42)	(422)	(42)	(42)
Total Pay	(10,744)	(10,409)	(10,549)	(10,388)	(11,266)	(9,728)	(13,230)	(10,517)	(10,640)	(10,804)	(108,274)	(10,629)	(10,858)

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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		
	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	YTD	Feb-25	Mar-25
	£'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)	(1,234)	(1,490)	(8,232)	(1,018)	(1,052)
Out of Area healthcare - PICU	(91)	(83)	(174)	(31)	(125)	(196)	(466)	(397)	(401)	(484)	(2,448)	(359)	(392)
Out of Area healthcare - rehab	(78)	(77)	(38)	(207)	(103)	(110)	(148)	(101)	(132)	(155)	(1,150)	(130)	(130)
External audit fees	(20)	(20)	(26)	(37)	(21)	(20)	(20)	(20)	(20)	(20)	(222)	(20)	(20)
Clinical negligence	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(564)	(56)	(56)
Consultancy	(31)	(55)	(25)	(4)	(102)	(26)	(21)	(109)	(48)	(24)	(445)	(30)	(30)
Depreciation & amortisation	(330)	(330)	(330)	(330)	(330)	(330)	(326)	(326)	(326)	(316)	(3,271)	(320)	(304)
Drugs	(87)	(89)	(82)	(81)	(82)	(78)	(90)	(94)	(102)	(82)	(868)	(82)	(84)
Education and training: non-staff	(45)	(41)	(54)	(54)	(73)	(59)	18	(42)	(49)	(59)	(459)	(132)	(119)
Establishment	(40)	(26)	(48)	(36)	(16)	(38)	(66)	(49)	(46)	(41)	(406)	(51)	(45)
Impairments	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal fees	(16)	(21)	(32)	(21)	(11)	(16)	(30)	(4)	1	(13)	(163)	(13)	(13)
Non-executive directors	(11)	(11)	(11)	(11)	(10)	(10)	(12)	(6)	(10)	(10)	(103)	(10)	(10)
Premises - business rates	(68)	(97)	(82)	(82)	(84)	(82)	(82)	(82)	(82)	(82)	(824)	(82)	(82)
Premises - other	(420)	(516)	(533)	(330)	(768)	(144)	(295)	(597)	(475)	(178)	(4,254)	(565)	(574)
Purchase of healthcare from non-NHS	(94)	(121)	(145)	(56)	(96)	(121)	(78)	(88)	(99)	(94)	(992)	(99)	(99)
R&D: non-staff	(94)	(97)	(164)	(94)	(91)	(96)	(485)	(179)	(259)	(195)	(1,753)	(195)	(195)
Supplies & services	(162)	(316)	(228)	(256)	(421)	(278)	(261)	(282)	(348)	(365)	(2,917)	(315)	(315)
Transport	(124)	(137)	(208)	5	(99)	(156)	(170)	(204)	(73)	(227)	(1,393)	(153)	(153)
Other non pay *	(36)	(64)	(42)	(32)	208	(363)	(22)	(49)	(65)	(58)	(522)	(57)	(57)
Total Non Pay	(2,244)	(2,639)	(2,919)	(2,534)	(3,051)	(2,872)	(3,402)	(3,552)	(3,825)	(3,948)	(30,986)	(3,688)	(3,731)

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

Appendix 4: Detailed income and expenditure breakdown by month

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.

