



MONTH 12 SHEFFIELD PLACE FINANCE REPORT
SHEFFIELD HEALTH AND CARE PARTNERSHIP BOARD
13 JUNE 2023

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Purpose of Paper	
<p>This report provides an update on the final financial position for 2022/23 (based on unaudited accounts).</p> <p>Part A of this report provides an overview of the financial position of Sheffield.</p> <p>Part B of the report provides more detailed information on the ICB (Sheffield) financial position for 2022/23.</p>	
Key Issues	
<p>Part A.</p> <p>Partners ended the financial year with a £17.5m revenue deficit, subject to audit. This is made up of a deficit of £11.1m for Adult Social Care and Education, Children & Families within the overall Sheffield City Council position and £6.4m in NHS organisations.</p> <p>In terms of the NHS position, the South Yorkshire ICS met the required breakeven position as a system.</p> <p>Part B.</p> <p>The Sheffield Place within SY ICB ended the year with a deficit of £5.1m. This compares to the opening forecast deficit of £8.3m. A reduction to the planned deficit of £3.2m has been possible due to non-recurrent slippage from in year allocations, this represents a further improvement of £0.5m compared with the forecast reported last month.</p>	
Is your report for Approval/Consideration/Noting	
For noting.	
Recommendations/Action Required by the Sheffield Health and Care Partnership Board	
Sheffield Health and Care Partnership Board are recommended to note the report.	

What assurance does this report provide to the Sheffield Health and Care Partnership Board in relations to the ambitions of the Health and Wellbeing Strategy 2019-2024	
	Please ✓
Every child achieves a level of development in their early year for the best start in life	✓
Every child is included in their education and can access their local school	
Every child and young person has a successful transition to independence	✓
Everyone has access to a home that supports their health	✓
Everyone has a fulfilling occupation and the resources to support their needs	✓
Everyone can safely walk or cycle in their local area regardless of age or ability	
Everyone has equitable access to care and support shaped around them	✓
Everyone has the level of meaningful social contact that they want	✓
Everyone lives the end of their life with dignity in the place of their choice	✓
Are there any Resource Implications (including Financial, Staffing etc)?	
N/A	
Have you carried out an Equality Impact Assessment and is it attached?	
N/A	
Have you involved patients, carers and the public in the preparation of the report?	
N/A	

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Executive Summary

Financial Position of Partners (variance to plan)	Year-end Position (£'000)	Key Issues
ICB (Sheffield place)	5,154	See Part B of this report
Primary Care Sheffield	0	
Sheffield Children's NHS FT	(945)	Improvement compared to breakeven forecast previously.
Sheffield City Council (People)	11,066	Adult Social Care outturn position was an overspend of £5.7m, and Education, Children and Families an overspend of £5.4m. This is an improved position from previous months reporting.
Sheffield Health and Care NHS FT	2,497	Slight improvement from £2.7m deficit forecast in previous months
Sheffield Teaching Hospitals NHS FT	(280)	Slight improvement on breakeven forecast previously shown.
TOTAL	17,477	

Key Duties - ICB	Year end Position (£'000)	Key Issues
Deliver an overall in-year breakeven position	5,154	The final year end position shows a deficit of £5.1m. The forecast deficit has reduced by a further £0.5m due to slippage on in year allocations.
a) Achieve an in-year breakeven position against the Programme Allocation	5,471	Non-recurrent slippage offset the planned deficit (£8.3m) however the £5m overspend on GP Prescribing has meant the ICB has reported the deficit position shown.
b) Remain within Running Cost Allowance	(317)	An improvement against the running cost budget is reported at M12 due to an additional allocation for costs of the Agenda for Change non-consolidated pay award. The budget is lower than the maximum running cost allowance (RCA) due to the agreement of a £750k QIPP programme to review costs.

Key:

Red	Significant risk of non-delivery. Additional actions need to be urgently pursued.
Amber	Medium risk of non-delivery requires additional management effort.
Green	Low risk of non-delivery – current management effort should deliver success.

Part A

1. Introduction

The Health and Care Act 2022 has introduced new requirements for NHS bodies to work together to meet joint financial objectives and duties. The Act also introduced a duty for all NHS bodies – ICBs, NHS England and provider trusts, to have regard to the wider effect of decisions in relation to:

- the health and well-being of the people of England
- the quality of services provided to individuals
- efficiency and sustainability in relation to use of resources.

NHS providers remain separate statutory bodies with their own functions and duties as set out in the current legislation. However, the financial performance (both revenue and capital) of the South Yorkshire Integrated Care System is now assessed on the collective performance of all the NHS bodies within South Yorkshire.

The place partnership board has a wider remit than just the financial health of the NHS organisations in Sheffield. At present it is not possible to report on the financial position of the many organisations providing support to our Sheffield population (including individual GP practices, care providers and VCSE organisations). This report pulls together information on the largest 6 organisations represented within the partnership.

2. Summary Revenue Position

Table 1 below summarises the in-year revenue position as at M12. The overall year-end position for the year for the partnership is an in year £17.5m deficit. This is an improvement on the position reported last month, as a result of improvements in all partners positions.

Table 1: Financial position @ M12	Year-end Position		
	Plan (Surplus) /Deficit	Actual (Surplus) /Deficit	(Surplus) /Deficit Variance to Plan
	£m	£m	£m
ICB Sheffield Place (in year)	8.3	5.1	(2.7)
Sheffield Children's NHS Foundation Trust	0.0	(0.9)	(0.9)
Sheffield Health and Social Care NHS Foundation Trust*	0.0	2.5	2.5
Sheffield Teaching Hospitals NHS Foundation Trust	0.0	(0.3)	(0.3)
Sheffield City Council	0.0	11.1	11.1
Primary Care Sheffield	0.0	0.0	0.0
Total for Sheffield organisations	8.3	17.5	9.7

3. Efficiency

As a place partnership our organisations have reported delivery of £117m efficiency savings against the annual target of £137m. To date, most efficiency schemes are organisationally based (with the exception of some joint schemes between adult social care and adult continuing care). A number of the efficiencies delivered in 2022/23 are non-recurrent in nature and so do not improve the financial position going into 2023/24. The challenge to the partnership is to identify other schemes that through improved integration we can release efficiency and improve outcomes for our population.

4. Capital

The capital plans for the NHS providers plus the planned use of the Disabled Facilities Grant by the council as part of the BCF amount to £81m for the full year. The year-end spend of £82.5m is slightly higher than the annual plan (£1,325k) which is accommodated within the overall ICS system capital plan.

5. Key Partnership issues

As per previous updates the system made full utilisation of the funding streams available to support winter and in particular discharge from acute settings and system flow. The focus has now shifted to evaluation and planning of schemes to utilise the recurrent funding within allocations.

The non-recurrent demand and capacity funding (BAF) £3.8m has proven successful with longer term work underway to ensure the learning underpins 2023/24 pathway revisions. The current planning recognises that the additional elements added using the BAF funding are required to continue until the system wide review of services can be undertaken in 2023/24.

A full evaluation of the discharge schemes identified as part of the Adult Social Care Discharge Fund (ASC) of £5.6m has been undertaken with submission of the key findings in the 2 May return to DHSC.

The final allocations of the funding can be summarised into the following categories:

Table 2: Utilisation of the Adult Social Care Discharge Funding Service Type	Spend from ICB	Spend from LA	Total Spend
	£'000	£'000	£'000
Home Care or Domiciliary care (short term - up to 6 weeks)	1,116	10	1,126
Reablement in a person's own home	0	886	886
Care home placements (residential - short term - up to 6 weeks)	208	280	488
Workforce recruitment and retention	29	0	29
Assistive technology & equipment	55	459	514
Spend in other areas (e.g admin, VCSE, Hospice)	1,913	619	2,532
Total	3,321	2,254	5,575

A two-year plan for the use of ASC Discharge Funding is due for submission by 28 June to DHSC. The funding conditions include the fortnightly submissions to be made to show costs, activity and progress against objectives. While this is a two-year plan, there is the potential to realign the plan for year two towards the end of 2023, as we clarify our understanding of the longer-term investment required as part of the pathway remodelling.

The final outturn against the Step-Down Discharge funding was £0.1m. This was achieved by expansion of the use of bedded Somewhere Else to Assess (S2A) capacity during February and March. This funding ended on 31 March and isn't planned to be required in 2023/24 as demand returns in line with commissioned capacity.

Part B: ICB (Sheffield Place) Financial Position as at M12 (March 2023)

1. Executive Summary

The financial plan submitted by the ICB (Sheffield Place), as part of the overall system financial plan, forecast a deficit of £8.3m compared to available resources. It has been possible to reduce the deficit further due to non-recurrent slippage from in year allocations. The overall year end position shows a deficit of £5.1m, which is an improvement of £0.5m when compared with last month's forecast, this is due to in-year allocations being received not being spent.

Table 3 below summarises the final year-end variance. Please note that the values stated are full year including Month 1-3 which was reported under NHS Sheffield CCG.

Table 3 - Variances against budget Overspends/(Underspends)	Final Year End Variance £'000	Previous Full Year Forecast (at M11)	Change
Acute	796	848	i
Mental Health	664	(211)	h
Community Services	429	532	i
Continuing Care	(2,704)	(1,422)	i
Prescribing	5,521	5,090	h
Other Primary Care services	(663)	(926)	h
Delegated Primary Care Commissioning	(13)	128	i
Other	(320)	120	i
Reserves	(6,553)	(6,490)	i
Total Programme Position	(2,843)	(2,331)	i
Running Costs	(317)	61	i
In Year planned deficit	8,314	8,314	g
Overall Position	5,154	6,044	i

2. Key Issues

Acute	As described previously, Acute services overspends relate to Independent Sector contracts with Spa Medica and New Medical Systems (cataract surgery and aftercare), Marie Stopes (ToPs) and Psychiatry UK (Adult ADHD). There has been a small improvement to this position reported at year-end.
Mental Health	Sheffield Place has achieved the Mental Health Investment Standard. As highlighted previously there has been higher than expected growth in the volume and price of S117 aftercare packages, offset in part by non-recurrent benefits relating to last year's estimates. The underspend on Individual Funding Requests continued for the whole year.
Continuing Health Care (CHC) and Funded Nursing Care (FNC)	The forecast for CHC (excluding Mental Health) has improved at year end, partly due to additional funding received as part of the national Winter Surge monies. Work is continuing with Sheffield City Council social care staff to review packages to ensure these are as cost effective as possible.
Prescribing	Data for the period April – February has now been received. There are significant pressures on prescribing spend, due to increase growth in items prescribed (national trend) and increases in specific drug shortages resulting in more expensive drugs being used. Out of the £5m forecast overspend, £2.6m has been driven by 'No Cheaper Stock Obtainable' (NCSO) cost pressures.

Running Costs	The full year allocation for Sheffield Place's running costs increased by £707k at M12 to £12,129k. The additional allocation received was to fund the 2022/23 Agenda for Change non-consolidated pay offer. The application of the QIPP target of £750k reduced the full year budget to £11,379k. The year end position is an underspend of £317k against this reduced budget. The improvement from the M11 position is mainly because the allocation for pay awards was allocated as a running cost allocation, but a significant amount of the costs accrued against this were programme. Work is continuing on the process for reviewing the ICB running cost spend in light of the confirmation from NHS England of the reduction in ICB running cost allocation in 2024/25 and 2025/26.
Reserves	There has been slippage (£6.5m) from a range of reserves (mainly additional allocations received in year) to manage the budget pressures reported above. The contingency reserve has been released in full to offset current known pressures.
Recurrent Underlying Position	Both in setting the financial plan and in forecasting expected net expenditure we have relied on a range of non-recurrent measures including delivery of non-recurrent efficiencies, utilisation of non-recurrent income and non-recurrent slippage. In total we have identified £23.2m non recurrent benefits which offset the recurrent underlying position. This level of recurrent pressure is built into the opening financial plan for 2023/24.

3. Efficiencies

The QIPP target for 22-23 is £23.9m. At month 12 we are reporting a shortfall of £1,037k against the forecast position, as summarised in Table 4 below. This represents a forecast delivery of 96% of our QIPP programme.

Table 4: QIPP Plan by Budget Area	Annual Target £000	Annual Delivery £000	Annual variance £000
Continuing healthcare adult	4,500	4,138	(362)
Prescribing	4,731	4,373	(358)
Running costs	750	433	(317)
Various budgets incl. part year effect from 21-22	13,915	13,915	0
TOTAL	23,896	22,859	(1,037)

4. Recommendations

Sheffield Health and Care Partnership Board Members are asked to note the update on the place partnership financial position for 2022/23.

Jackie Mills
Chief Finance Officer – Sheffield
June 2023