



Month 9 Sheffield Place Finance Report

SHEFFIELD PARTNERSHIP BOARD

21 February 2023

Author(s)	Chris Cotton, Deputy Chief Finance Officer – Sheffield Jackie Mills, Chief Finance Officer – Sheffield
Sponsor	Jackie Mills, Chief Finance Officer – Sheffield
Purpose of Paper	
<p>This report provides an update on the financial position as at the end of December 2022.</p> <p>Part A of this report provides an overview of the financial position of Sheffield partners and outlines shared financial issues.</p> <p>Part B of the report provides more detailed information on the ICB (Sheffield) financial position as at Month 9 (December 2022).</p>	
Key Issues	
<p>Part A. Partners are currently forecasting a £28.6m revenue deficit for the year. This is made up of a forecast deficit of £17.4m in the people portfolio in Sheffield City Council (which is the main driver of the council's overall forecast deficit of £18.7m); and £11.2m in NHS organisations (£3.9m Sheffield Health & Care FT and £7.3m in the Sheffield place, part of NHS South Yorkshire).</p> <p>In terms of the NHS position, the South Yorkshire ICS continues to report overall balance with pressures within specific organisations assumed to be offset by savings within the ICB. Partners are working together to confirm specific actions and mitigations to deliver this balanced position.</p> <p>Teams across all organisations are working hard to finalise plans for 23/24 budgets. Sheffield City Council Strategy and Resources committee received an update of budget proposals at its meeting on 19 December. Draft Operational and Financial planning guidance for NHS organisations was issued on 23 December. A separate update on NHS planning will be provided to this meeting.</p> <p>Part B. The financial plan submitted by the ICB (Sheffield Place), as part of the overall NHS South Yorkshire system financial plan, was a forecast in year deficit of £8.31m. Whilst additional resources have been received since the original plan, the majority of these relate to additional expenditure commitments required. A small improvement to this forecast is now expected, with a revised forecast deficit of £7.3m reported as at the end of December 2022.</p>	

Is your report for Approval/Consideration/Noting	
Consideration	
Recommendations/Action Required by the Sheffield Partnership Board	
Sheffield Partnership Board is asked to consider the overall financial position within the place partnership and implications for planning for future years.	
What assurance does this report provide to the Sheffield 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	

MONTH 9 SHEFFIELD PLACE FINANCE REPORT
SHEFFIELD HEALTH AND CARE PARTNERSHIP BOARD
21 FEBRUARY 2023

Executive Summary

Financial Position of Partners (variance to plan)	Year to date (£m)	Forecast (£m)	Key Issues
ICB (Sheffield place)	6.1	7.2	Slight improvement on planned deficit of £8.3m due to slippage on specific allocations.
Primary Care Sheffield	0	0	
Sheffield Children's NHS FT	0.3	0	
Sheffield City Council (People)		17.4	Adult Social Care are forecast to overspend by £11.1m. Education, Children and Families are forecast to overspend by £6.3m.
Sheffield Health and Care NHS FT	2.2	3.9	The Trust is forecasting a deficit of £3.9m, predominantly driven by pressures from agency and out of area expenditure.
Sheffield Teaching Hospitals NHS FT	1.0	0	

Key Duties - ICB	Year to date (£m)	Forecast (£m)	Key Issues
Deliver an overall in-year breakeven position	3.3	7.2	The overall year-to-date position at the end of December shows a deficit of £3m (which is lower than the planned deficit). The forecast deficit has reduced by £1m compared to the plan due to slippage on in year allocations.
a) Achieve an in-year breakeven position against the Programme Allocation	3.4	7.0	In addition to the planned deficit there are a range of pressures on the ICB budgets, most prescribing. These are currently being offset by non-recurrent slippage in other areas.
b) Remain within Running Cost Allowance	-0.1	0.2	Although a small overspend is reported against the running cost budget, 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

Partners are currently forecasting a £28.6m revenue deficit for the year. This is made up of a forecast deficit of £17.4m in the people portfolio in Sheffield City Council (which is the main driver of the council's overall forecast deficit of £18.7m); and £11.2m in NHS organisations (£3.9m Sheffield Health & Care FT and £7.3m in the Sheffield place, part of NHS South Yorkshire).

In terms of the NHS position, the South Yorkshire ICS continues to report overall balance with pressures within specific organisations assumed to be offset by savings within the ICB. Partners are working together to confirm specific actions and mitigations to deliver this balanced position.

3. Key Partnership issues

Plans for additional funding allocated in year to support discharge have been approved. Schemes have been mobilised and are being reviewed to inform plans and priorities for 2023/24.

4. Planning for 2023/24

Teams across all organisations are working hard to finalise plans for 23/24 budgets. Sheffield City Council Strategy and Resources committee received an update of budget proposals at its meeting on 19 December. Draft Operational and Financial planning guidance for NHS organisations was issued on 23 December. A separate update on NHS planning will be provided to this meeting.

It is important to note that all organisations within the partnership have relied on non-recurrent funding sources in the current financial year. A number of these areas will not be available to us in 2023/24 and so we will need to identify additional organisational and cross organisational efficiency schemes over and above those already in place.

Part B: ICB (Sheffield Place) Financial Position as at M9 (December 2022)

1. 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. Despite a significant deterioration in the prescribing budget, additional slippage has been identified in other areas, meaning that that it has been possible to reduce the in-year forecast deficit by £1m to £7.2m.

A summary of variances against main budget areas is shown below:

Table 5 - Variances against budget Overspends/(Underspends)	YTD (Apr-Dec) £'000	Full Year Forecast £'000	Previous Month Forecast (at M8)	Change
Acute	655	704	375	↑
Mental Health	7	188	408	↓
Community Services	252	361	360	↑
Continuing Care	(963)	(1,248)	(644)	↓
Prescribing	3,445	4,593	3,651	↑
Other Primary Care services	(379)	(444)	(367)	↓
Delegated Primary Care Commissioning	(251)	72	(65)	↑
Other	(195)	(263)	(263)	→
Reserves	779	3,080	4,823	↓
Total Programme Position	3,350	7,043	8,278	↓
Running Costs	(57)	189	36	↑
In Year Deficit	3,293	7,232	8,314	↓

2. Key Issues

Mental Health Investment Standard. Sheffield Place is achieving the Mental Health Investment Standard and is expected to exceed the required increase as we are experiencing higher than expected growth in the volume and price of S117 aftercare packages.

Prescribing. We are experiencing significant financial pressures in relation to primary care prescribing. Based on the latest available data (to the end of November) a year-end overspend of £4.6m (5%) is forecast. Of this, £2.6m has been driven by drug shortages and the consequent cost pressures.

Running Costs. The annual budget for running costs was set below the historic Running Cost Allocation for Sheffield and so whilst a small overspend is forecast, we continue to remain within our share of the ICB's overall Running Cost Allocation.

Efficiencies. The QIPP (Quality, Innovation, Productivity and Prevention) target for 22-23 is £23.9m. At month 9 we are reporting a shortfall of £1,045k against the forecast position. This represents a forecast delivery of 96% of our QIPP programme. However, given the volatility of prescribing expenditure and the activity pressure on CHC budgets there remains a level of risk to delivery of this forecast position.

Risk. As we move into the final quarter of the year, the levels of uncertainty reduce. However, there remains significant volatility in certain areas of spend, particularly prescribing. At present, the assessment of the overall level of risks and available mitigations, is such that Sheffield place will be able to achieve the forecast deficit of £7.2m. Work will continue to find further mitigations in the attempt to reduce the deficit position and support the delivery of the ICS wide financial balance.

Recommendation

Sheffield Partnership Board is asked to consider the overall financial position within the place partnership and implications for planning for future years.

Jackie Mills, Chief Finance Officer – Sheffield
Chris Cotton, Deputy Chief Finance Officer – Sheffield
February 2023