



MONTH 11 SHEFFIELD PLACE FINANCE REPORT
SHEFFIELD PLACE HEALTH AND CARE PARTNERSHIP BOARD

18 APRIL 2023

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Purpose of Paper	
<p>This report an update on the financial position as at the end of February 2023.</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 11 (February 2023).</p>	
Key Issues	
<p>Part A.</p> <p>Partners are currently forecasting a £20.9m revenue deficit for the year. This is made up of a forecast deficit of £12.1m in the people portfolio in Sheffield City Council (which is the main driver of the council’s overall forecast deficit of £7.9m); and £8.7m in NHS organisations (£2.7m Sheffield Health & Care FT and £6.0m 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 in the process of finalising their year-end positions and there is an ICS process for sharing and understanding the overall system position before completion of the draft accounts.</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. NHS partners submitted financial plans to NHS England at the end of March. A separate briefing on financial plans will be provided to this meeting.</p> <p>Part B.</p> <p>The financial plan submitted by the ICB (Sheffield Place), as part of the overall system financial plan for 22/23, forecast a deficit of £8.3m compared to available resources. South Yorkshire ICB organisations have been working together to collectively improve the overall position and as part of this we have been assessing over the previous months if we could</p>	

reduce our planned. A reduction to the deficit of £2.3m has been possible due to non-recurrent slippage from in year allocations.

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

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Executive Summary

Financial Position of Partners (variance to plan)	Year to date (£'000)	Forecast (£'000)	Key Issues
ICB (Sheffield place)	5,622	6,044	See Part B of this report
Primary Care Sheffield	0	0	
Sheffield Children's NHS FT	(202)	0	Adjusted I&E per NHSE reporting shows Trust position at variance of £202k surplus at month 11, Forecast breakeven.
Sheffield City Council (People)		12,141	Adult Social Care are forecast to overspend by £5.2m. Education, Children and Families are forecast to overspend by £6.9m. This is an improving position from previous months reporting.
Sheffield Health and Care NHS FT	3,256	2,733	The Trust is forecasting a deficit of £2.7m, predominantly driven by pressures from agency and out of area expenditure.
Sheffield Teaching Hospitals NHS FT	(1,965)	0	Adjusted I&E per NHSE reporting shows Trust position at £3.3m surplus at month 10, against a plan surplus of £1.3m a favourable variance of £2m. Forecast breakeven due to risks identified.
TOTAL	6,651	20,918	

Key Duties - ICB	Year to date (£'000)	Forecast (£'000)	Key Issues
Deliver an overall in-year breakeven position	5,622	6,044	The overall year-to-date position at the end of February shows a deficit of £5.6m. The forecast deficit has reduced by a further £1.2m due to slippage on in year allocations.
a) Achieve an in-year breakeven position against the Programme Allocation	5,810	5,983	In addition to the planned deficit there are a range of pressures on the ICB budgets, most notably CHC (mental health) and prescribing, although CHC has again improved slightly since last month. These are currently being offset by non-recurrent slippage in other areas.
b) Remain within Running Cost Allowance	(205)	61	A reduced overspend is reported at M12 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

Table 1 below summarises the in-year revenue position as at M11. The overall forecast for the year for the partnership is an in year £20.8m deficit. This is an improvement on the position reported last month, as a result of a reductions to the forecast deficit in the SCC forecast position for the people directorate, ICB Sheffield place and Sheffield Health & Social Care NHS FT.

Table 1: Financial position @ M11	YTD Position			Forecast Outturn Position		
	Plan (Surplus) /Deficit	Actual (Surplus) /Deficit	(Surplus) /Deficit Variance to Plan	Plan (Surplus) /Deficit	Forecast (Surplus) /Deficit	(Surplus) /Deficit Variance to Plan
	£m	£m	£m	£m	£m	£m
ICB Sheffield Place (in year)	6.1	5.6	(0.5)	8.3	6.0	(2.3)
Sheffield Children's NHS Foundation Trust	(0.2)	(0.4)	(0.2)	0.0	0.0	0.0
Sheffield Health and Social Care NHS Foundation Trust*	0.1	3.1	3.0	0.0	2.7	2.7
Sheffield Teaching Hospitals NHS Foundation Trust	(1.3)	(3.3)	(2.0)	0.0	0.0	0.0
Sheffield City Council				0.0	12.1	12.1
Primary Care Sheffield	0.0	0.0	0.0	0.0	0.0	0.0
Total for Sheffield organisations	4.8	5.0	0.2	8.3	20.9	12.5

3. Efficiency

As a place partnership our organisations are forecasting to deliver £116m 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. To date there is slippage (10%), although there is forecast spend is slightly higher than the annual plan (£1,415k) which is accommodated within the overall ICS system capital plan.

5. Key Partnership issues

As per previous updates the system continues to make 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 expansion of the demand and capacity funding (BAF) £3.8m has proven successful with longer term work required to build this learning into pathway revisions and make best use of budgeted resources as the funding comes to an end. The current planning recognises that the additional element added using the BAF are required to continue until the system wide review of services can be undertaken in 2023/24.

The system continues to deliver the discharge schemes identified as part of the Adult Social Care Discharge Fund (ASC) planning with £5.6m of non-recurrent money. To date the fortnightly submissions are being accepted without additional challenge and the funding is forecast to be full committed by the 31 March. There is a level of variation in actual delivery against the initial plans due to the casemix of patients during the period and the ability to implement and flex schemes to meet demand and available capacity.

The current forecast spend can be summarised into the following categories:

Service type	Forecast Spend from ICB (£)	Forecast Spend from LA (£)	Total Forecast Spend (£)
Home care or domiciliary care (short term - up to 6 weeks)	£ 772,406.00	£ 9,998.00	£ 782,404.00
Reablement in a person's own home	£ -	£ 885,885.00	£ 885,885.00
Care home placements (residential - short term - up to 6 weeks)	£ 546,987.00	£ 280,000.00	£ 826,987.00
Workforce recruitment and retention	£ 24,795.00	£ -	£ 24,795.00
Assistive technology and equipment	£ 67,515.00	£ 459,305.00	£ 526,820.00
Spend on other areas (e.g. admin, VCSE, Hospice)	£ 1,909,169.00	£ 619,198.00	£ 2,528,367.00
Total	£ 3,320,872.00	£ 2,254,386.00	£ 5,575,258.00

ASC Discharge Funding has been added recurrently to allocations from 2023/24, therefore, planning discussions are underway to understand the longer-term investment required as part of the pathway remodelling and the medium and short-term options to meeting demand while the redesign reaches maturity.

As previously reported there is 2022/23 non recurrent funding of £200m nationally available to support step down care until the end of March. Local plans against this funding are in place to make use of bedded Somewhere Else to Assess (S2A) capacity during February and March which will be claimed as costs are incurred. This is forecast as £0.1m in the period.

Planning for 2023/24

Sheffield City Council approved the net Revenue Budget for 2023/24 at its meeting on 1 March. In terms of NHS organisations, two draft financial plans have now been submitted to NHS England, both submissions highlighted significant financial pressures within the system and at Place. Given the position, it is expected that a further submission will be due towards end April.

The main driver of the pressures is the recurrent underlying position as we move into 23-24 which is a reflection of the high level of non-recurrent resources made available during the COVID period. As the system moves to 2-year allocations, a number of the historic non-recurrent allocations are no longer available to us. There is a significant level of excess inflation (ie; inflation assumptions in excess of those assumed by NHS England when allocating funding to systems).

Part B: ICB (Sheffield Place) Financial Position as at M11 (February 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 of £2.3m due to non-recurrent slippage from in year allocations. The overall year-to-date position at the end of January shows a deficit of £5.6m (which is in line with our in-year planned deficit).

Table 5 below summarises the year to date (YTD) variance and full year forecast outturn. Please note that the values stated are full year including Month 1-3 which was reported under NHS Sheffield CCG.

Table 5 - Variances against budget Overspends/(Underspends)	YTD (Apr-Feb) £'000	Full Year Forecast £'000	Full Year Forecast (at M10)	Change
Acute	680	848	788	↑
Mental Health	(95)	(211)	(16)	↓
Community Services	438	532	360	↑
Continuing Care	(1,414)	(1,422)	(1,486)	↑
Prescribing	4,758	5,090	4,593	↑
Other Primary Care services	(797)	(926)	(941)	↑
Delegated Primary Care				↑
Commissioning	31	128	101	↓
Other	186	120	168	↓
Reserves	(6,140)	(6,490)	(4,879)	↓
Total Programme Position	(2,353)	(2,331)	(1,312)	↓
Running Costs	(205)	61	232	↓
In Year Deficit	6,980	8,314	8,314	→
In Year Position	4,422	6,044	7,234	↓

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 increase this month to the forecast of activity with Spa Medica.
Mental Health	Sheffield Place is achieving 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 review of packages by the Council has been slower than expected and the CHC team is in discussions to agree a way forward with this work. The underspend on Individual Funding Requests continues as there have been no cases this year.

Continuing Health Care (CHC) and Funded Nursing Care (FNC)	The forecast for CHC (excluding Mental Health) remains relatively flat this month with a small increase of £65k. However, the package cost increases continue to create a significant recurrent financial pressure which is offset non-recurrently by a benefit relating to last year's estimates. 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 – January has now been received. There are significant pressures on prescribing spend, due to increase growth in items prescribed and increases in specific drug shortages resulting in more expensive drugs being used. Out of the £5.1m forecast overspend, £2.6m has been driven by NCSO cost pressures.
Running Costs	The full year allocation for Sheffield Place's running cost is unchanged at £11.422m. The application of the QIPP target of £750k has reduced the full year budget to £10,672k. The year-to-date position is an underspend of £205k with a year-end deficit of £61k. Staffing vacancies have resulted in the saving against total allocation. Work has commenced 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	It is assumed that there will be 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. Based on current resources, this would imply a recurrent deficit in the ICB Sheffield place of circa £23m.

3. Efficiencies

The QIPP target for 22-23 is £23.9m. At month 11 we are reporting a shortfall of £927k against the forecast position, as summarised in Table 7 below. 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 small level of risk to delivery of this forecast position.

Table 7: QIPP Plan by Budget Area	Annual Target £000	Forecast Delivery £000	Forecast variance £000
Continuing healthcare adult	4,500	4,141	(359)
Prescribing	4,731	4,395	(336)
Running costs	750	518	(232)
Various budgets - part year effect benefit from 21-22	13,915	13,915	0
TOTAL	23,896	22,969	(927)

4. Recommendations

Sheffield Place Health and Care Partnership Board Members are asked to note the update on the place partnership financial position for 2022/23 as at the end of February 2023.