



Paper A
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**Sheffield Accountable Care Partnership (ACP) Board**

**System Financial Update**

**25th October 2019**

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<b>Sponsor</b>	John Somers, as Chief Executive sponsor to F& PR Work Stream
<b>1. Purpose</b>	
Purpose of the paper is to provide a high level system financial update to members of the Sheffield ACP Board, together with a brief update on the work being led by the finance and payment reform work stream of the ACP.	
<b>2. Introduction / Background</b>	
The report highlights that the actual to quarter one of 2019/20 for the organisations within the ACP, together with information to about the anticipated forecast outturn position for 2019/20.	
<b>3. Is your report for Approval / Consideration / Noting</b>	
Consideration	
<b>4. Recommendations</b>	
The Accountable Care Partnership Board is asked to consider the update of the quarter one 2019/20 financial position, the forecast outturn for 2019/20 and the work of the Finance and Payment Reform work stream of the ACP.	
<b>5. Other</b>	
N/A	
<b>Are there any Resource Implications (including Financial, Staffing etc)?</b>	
N/A	

# Sheffield Accountable Care Partnership (ACP) Board

## System Financial Update

25th October 2019

### 1. Introduction

This paper provides members with an update on the 2019/20 Quarter One financial position against the combined financial plans of the six key partner organisations within the Sheffield ACP (with a total budget of £1.8bn), the forecast outturn against target and delivery of the £79m efficiency requirement.

The South Yorkshire and Bassetlaw Integrated Care System team (ICS) continue to receive monthly reports from the ACP NHS organisations. While this allows the ICS to track progress against the individual organisational control totals and produce a wider ICS system financial position their published summaries do not include all the partners within the Sheffield ACP.

This paper will also provide a brief summary of the work undertaken to date by the Finance and Payment Reform work stream.

### 2. System wide Financial Position at Quarter One

At the time of writing this paper each organisation is still completing their Quarter Two positions to their respective Boards or equivalent and making an assessment of their forecast outturn positions. The most up to date comparable quarter of data available is the position to Quarter One.

Tables A and B on the attached **Appendix A** provide an overview of the year to date position at the end of Quarter One and then the forecast outturn position for 31 March 2020 based upon current understanding. It should be noted that for Sheffield City Council (SCC) the position only relates to the £248m budgets for adult and childrens' social care and public health grant budgets.

In summary, Table A (position at Quarter One) shows that based on the profiles included in organisational plans, the system planned to be at a £4.3m deficit. The actual reported position is showing a £4.9m deficit, a negative variance of £0.6m. This is a variable movement split across NHS provider organisations, reflecting a complex range of pressures and mitigations by each organisation, with the £1.3m year to date pressure at Sheffield Teaching Hospitals being in part offset by other NHS providers and Primary Care Sheffield. At Quarter One there is a reported £4.6m shortfall in efficiency programme savings, with £2.4m relating to SCC. These efficiency shortfalls, with the exception of Sheffield Teaching Hospitals, are being offset to date by underspends on other budgets or use of contingency reserves.

Table B presents the forecast outturn position for 31 March 2020. Each of the ACP organisations is forecasting to achieve their planned outturn or achieve a more favourable position by yearend, working to mitigate the identified in year delivery risk through use of business as usual underspends or through non-recurrent use of

contingency reserves. SCC are reporting a likely £14.3m shortfall in their efficiency programmes against the budgets within the scope of the ACP, which is being offset by the wider budget management arrangements of SCC and non-recurrent use of their reserves.

It should be noted that the Sheffield NHS Provider organisations are planning to receive £18.8m of the Provider Sustainability Funding (PSF) within their forecasted positions. In a change to the guidance from previous years there are only two targets which need to be met to receive the allocation, each organisation must meet their Financial Improvement Trajectory and for the overall South Yorkshire and Bassetlaw ICS to achieve an overall financial control total.

The forecast positions assume that all the available contingency funding is fully utilised to manage risks known at the time of writing this report. All partners are working closely together to monitor achievement of activity and efficiency plans to ensure early identification of further possible pressures.

### **3. Finance and Payment Reform Work Stream Update**

The Payment Reform Work Stream is responsible for ensuring that the partner organisations continue to work together at a level above the minimum requirements dictated by NHS financial guidance to understand the impact of pressures, decision making and financial challenges at a system wide level.

Building upon planning undertaken by the ICS the ACP partners are working together to compile a detailed financial model of the next five year period, calculating different “what if” scenarios to understand the pace of transformation being designed and whether these changes to future demand for health and social care provision can be achieved in line with longer term financial sustainability.

The system will continue to use the existing mechanisms in place, such as the blended tariff for urgent and community services as well as risk pool arrangements to manage and mitigate individual organisation financial risks in the short term.

### **4. Recommendation**

The Accountable Care Partnership Board is asked to consider the update of the Quarter One 2019/20 financial position, the forecast outturn for 2019/20 and the work of the Finance and Payment Reform work stream of the ACP.

Paper prepared by: Judith Town, ACP Senior Finance Manager and Jackie Mills on behalf of the Sheffield ACP Directors of Finance

Paper sponsored by: John Somers, Chief Executive Sponsor for Finance & Payment Reform work stream

25<sup>th</sup> October 2019

## Appendix A

Table One

FINANCIAL POSITION AS AT QUARTER ONE 2019/20						
ACP Key Partners	OVERALL year to date			Efficiency Target Delivery		
	Per Plan Profile ( ) = deficit	Actual YTD ( ) = deficit or overspend	Variance + = better than plan	Per Plan Profile	Actual YTD	Variance + = better than plan
	£'m	£'m	£'m	£'m	£'m	£'m
<b>Commissioners</b>						
Sheffield CCG	0.0	0.0	0.0	3.5	2.8	(0.7)
Sheffield City Council	0.0	0.0	0.0	12.2	9.8	(2.4)
<b>Providers</b>						
Sheffield Teaching Hospitals NHS FT	(1.6)	(2.9)	(1.3)	4.7	3.3	(1.4)
Sheffield Childrens Hospital NHS FT	(2.3)	(2.2)	0.1	0.8	0.7	(0.1)
Sheffield Health & Social Care NHS FT	(0.3)	0.2	0.5	0.8	0.8	0.0
Primary Care Sheffield Ltd	(0.2)	0.0	0.2	0.0	0.0	0.0
<b>TOTAL</b>	<b>(4.4)</b>	<b>(4.9)</b>	<b>(0.5)</b>	<b>22.0</b>	<b>17.4</b>	<b>(4.6)</b>

Table Two

FORECAST POSITION AGAINST FULL YEAR PLAN						
ACP Key Partners	Forecast Yearend Outturn Position for 2019/20			Forecast Efficiency Target Delivery		
	PLAN ( ) = deficit	FORECAST ( ) = deficit or overspend	Variance + = better than plan	Per Plan Profile	Forecast Out-turn	Variance + = better than plan
	£'m	£'m	£'m	£'m	£'m	£'m
<b>Commissioners</b>						
Sheffield CCG	0.0	0.0	0.0	15.2	14.5	(0.7)
Sheffield City Council	0.0	0.0	0.0	32.0	17.7	(14.3)
<b>Providers</b>						
Sheffield Teaching Hospitals NHS FT	(1.3)	(0.4)	0.9	20.6	20.5	(0.1)
Sheffield Childrens Hospital NHS FT	0.9	0.9	0.0	7.9	7.9	0.0
Sheffield Health & Social Care NHS FT	1.0	1.2	0.2	3.2	3.2	0.0
Primary Care Sheffield Ltd	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.6</b>	<b>1.7</b>	<b>1.1</b>	<b>78.9</b>	<b>63.8</b>	<b>(15.1)</b>