

# I&I update and STH Financial Recovery Plan

## September Public Board

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# Investigation and Intervention

- Confirmed in Private Board in August SY system had been placed into the I&I process alongside 9 other systems.
- Phase 1 (Investigation) has now concluded. No formal output??
- All organisations have agreed to increase expenditure controls - to varying degrees depending on the financial challenge of the organisation.
- System Efficiency Board has been established to oversee key actions required to improve the financial position of the system.
- System Efficiency Board is still deciding what the key areas of focus should be .....
- This will determine the areas of focus for Phase 2 (Intervention), and which elements Deloitte will be asked to support.
- Largest challenge is that each organisation is trying to return back to plan, requiring significant financial improvement, before making inroads into the £48m 'gap' at the ICB.
- Month 5 position is a deficit of £66.1m vs a full year allowed deficit of £49m.

**PROUD TO MAKE A DIFFERENCE**

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## Revised descriptions of plans for £48.7m

Approach to mitigating the £48m				
		Higher confidence	Lower confidence	Notes
1	ERF 2023/24 technical upside	6.50	9.00	From regional team info
2	ERF 2024/25 technical upside	6.50	9.00	
3	Enhanced Controls environment	2.00	8.00	As per submission to JC
4	Additional CIP identified via DOD	3.00	7.00	CFO
5	Urgent Care Demand Mitigations	3.00	6.00	Place
6	Out of Areas MH placements	1.00	2.00	MHLDA
7	Elective recovery volume stretch	2.00	7.00	Acute Fed
8	Further Difficult Choices			Each Trust
9	Service Disposition/Clinical Sustainability			Acute Fed
<b>Total Solutions</b>		<b>24.00</b>	<b>48.00</b>	
<b>Gap</b>		<b>48.00</b>	<b>48.00</b>	
Balance to resolve		24.00	0.00	

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# STH Financial Recovery

- After a better M4, M5 returned to the poor performance seen in Q1. Position at M5 is £11.12m adverse to plan.
- Recovery plan has been developed to address this, signed off by TEG and reviewed by F&P in early September. Started being implemented in September.
- Includes heightened controls for pay and non pay spend, in part because of I&I system action agreed, but also necessary to address the concerning financial position.
- Recovery plan also includes focus in specific areas/directorates to reduce spend, and increase activity delivery to improve receipt of ERF.
- Each action in the recovery plan is assigned a TEG lead responsible for oversight of delivery.
- Recovery plan and improvements in financial position will be monitored by Delivery Group and F&P committee.
- Controls only implemented during September, so unlikely to see much improvement in M6 position, therefore will be essential to see rapid improvement after this.
- Detailed forecast is being carried out based on M5 position to confirm size of the challenge and calculate the monthly change in run rate required – version to be taken to F&P after discussion by TEG.

