Barnet, Enfield and Haringey Mental Health NHS Trust

Trust Board

Finance Report to 31 August 2017

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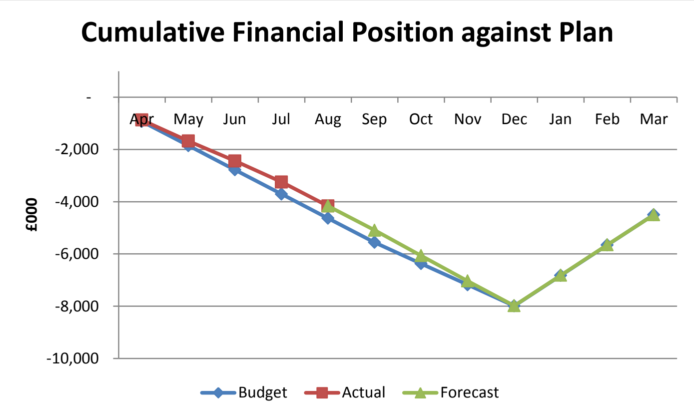
Financial Performance Overview

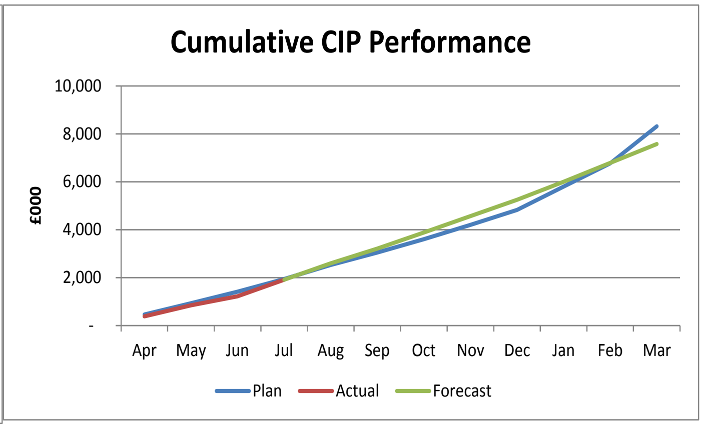
Achievement of Forecast

	£000		
	Budget	Actual	Variance
Month 5	(926)	(918)	8
Year to Date	(4,443)	(4,164)	279
Forecast	(4,616)	(4,616)	0

Budget/Actual - Surplus/(Deficit)
Variance - Favourable/(Adverse)

- Financial performance at the end of month 5 is a deficit of £4,164k against a planned deficit of £4,443k.
- Forecast outturn remains a £4.6m deficit.





- The actual deficit is better than plan by £8k in month;
- The forecast is of a £4.6m deficit. The trust's control total is £4.6m, which includes Sustainability and Transformation Funding (STF) of £1.1m. The 2016/17 outturn was a £12.3m deficit;
- The forecast is dependent on £4.3m as yet unidentified income profiled to quarter 4;
- An average of 11 private beds per night were used during August, down from an average of 17 in July and 19 in June. The year to date cost of £1.3m is partly offset by £792k of reserves;
- The continued use of private beds is the most significant expenditure risk to the trust;
- Income has increased since month 4. Overseas visitors income has increased by £311k in month and is now £848k year to date;
- Pay expenditure rose in month, agency expenditure of £932k is higher than £829k reported in month 4 and also higher than months 1 and 2;
- If current levels of agency expenditure continue, the Trust will exceed the target set by NHS Improvement for agency expenditure this financial year.
- £200k of new bad debt provisions were made in non pay in August;

Cost Improvement Programme (CIP)

- CIP performance is better than plan by £91k in month, and is now better than plan by £65k year to date;
- The trust's savings target is £8.3m, and the Trust has £8.3m of identified schemes. Of the identified schemes, £4.1m are classified as green and £3.1m as amber;
- The current forecast is for £7,577k CIPs to be achieved;
- £163k of identified CIP is non-recurrent.

Key Areas of Risk

- Increased use of private beds, however the forecast assumes that the current level of usage continues.
- Unidentified income of £4.3m which is budgeted but profiled to the final quarter of the year. This is a risk to the achievement of the trust's control total, and dependent upon a successful outcome of the pricing review.

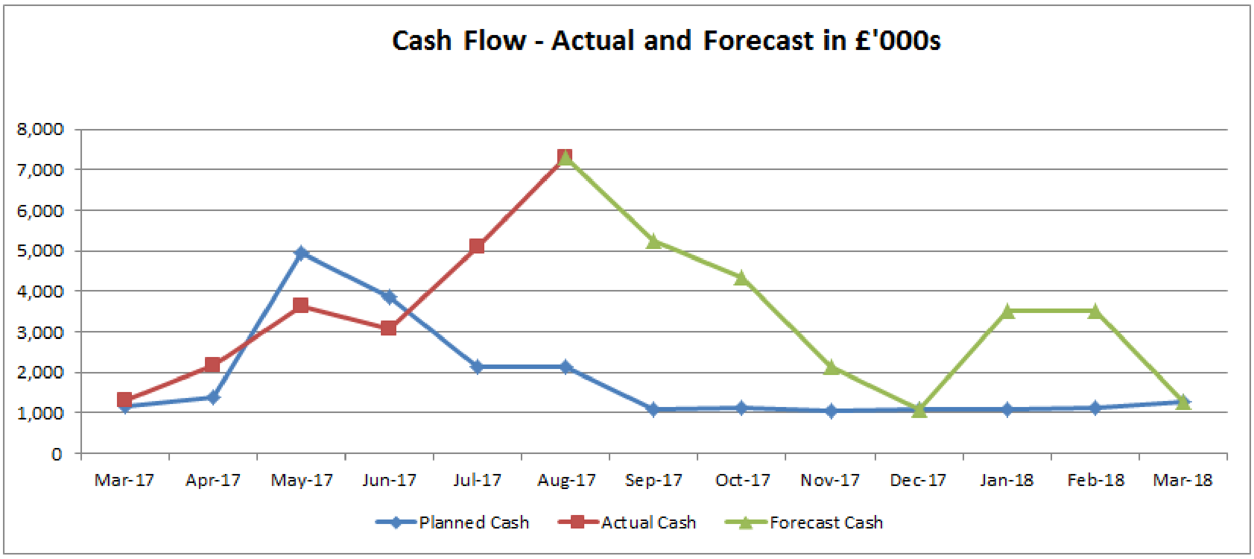
Actions to achieve the Forecast Outturn

- Continued focus on CIP delivery where savings are forecast to start delivering later in the year.
- 10 beds contract extension until March 2018, with East London Foundation Trust (ELFT), while plans are progressing to open a new acute ward and continuing efforts to relieve pressure on the s136 suites in Enfield.
- Draft Pricing Review report has been received and is being discussed with Commissioners.

- Enfield's recovery plans to control pay costs have benefited its financial position and now need to be monitored closely and maintained.

Cash

- Required Cash support is forecast to be £9.5m in 2017/18 (2016/17:£10m). Support of £1m was drawn down in May 2017 and a further £8.5m of support is anticipated to be drawn down in March 2018.
- The early lag between forecast cash and planned cash during the year in the graph below was largely due to a delay in completion of a fixed asset disposal. Subsequent positions of cash being better than plan is due to a combination of better than forecast debt recovery, delays in payments due to suppliers from late invoicing and receipt of a prepayment of income from Enfield CCG.



Single Oversight Risk Rating

- The Trust continues to score a 3 against the NHS Improvement Single Oversight Risk Assessment Framework for the year to date, and sustaining it going forward is dependent upon achieving the full year financial plan.

1. Financial Summary Year to Date - Income and Expenditure

The table below shows the values for planned and actual performance against the budgeted deficit of £4.6m submitted to NHS Improvement in April, with £1.1m of Sustainability and Transformation Funding (STF) included in the forecast.

Annual Budget £000's		Month 5 Budget £000's	Month 5 Actual £000's	Month 5 Variance £000's	YTD Month 5 Budget £000's	YTD Month 5 Actual £000's	YTD Month 5 Variance £000's	Forecast Outturn £000's
200,147	Patient Care Income	17,155	16,978	(178)	81,948	82,056	108	194,074
7,955	Non Patient Care Income	658	685	27	3,558	3,624	66	8,690
(157,058)	Pay	(13,047)	(12,987)	60	(65,488)	(64,034)	1,454	(155,229)
(42,646)	Non Pay	(4,608)	(4,477)	131	(19,038)	(20,272)	(1,234)	(40,363)
8,399	**EBITDA**	**159**	**200**	**42**	**980**	**1,374**	**394**	**7,172**
-4%	EBITDA %	-1%	-1%		1%	2%		4%
-	Profit / (loss) on disposal of assets	-	-	-	-	(1)	(1)	1,380
-	Fixed Asset Impairments	-	-	-	-	-	-	
(6,350)	Depreciation and Amortisation	(529)	(547)	(18)	(2,646)	(2,779)	(133)	(6,553)
(6,282)	PDC Dividend	(524)	(488)	36	(2,618)	(2,472)	146	(5,953)
(383)	Interest payable	(32)	(83)	(51)	(160)	(291)	(131)	(662)
-	Interest Receivable	-	1	1	-	4	4	
(4,616)	**Surplus / Deficit**	**(926)**	**(918)**	**8**	**(4,443)**	**(4,164)**	**279**	**(4,616)**
-	Fixed Asset Impairments removed	-	-	-	-	-	-	
(4,616)	**Surplus / Deficit excluding impairments**	**(926)**	**(918)**	**8**	**(4,443)**	**(4,164)**	**279**	**(4,616)**

Summary: The Trust's financial performance at the end of month 5 is an in month deficit of £918k against a budgeted deficit of £926k, which is favourable to plan by £8k, and a year to date deficit of £4,164k against a £4,443k budgeted deficit, favourable to plan by £279k.

<u>Income</u>
Total income is worse than plan by £150k in month;

Patient care income is £178k worse than plan in month 5.

- Block income underachieved by £519k in month and is £781k underachieved year to date. £578k of the year to date variance is due to uninvoiced CQUIN income - 50% of CQUIN has been invoiced and is in the trust's position, the remaining 50% is not in the position as it is dependent the achievement of targets. Risks to the achievement of CQUIN are factored into the trusts forecast likely, best and worst case forecasts;
- Non contractual income was £183k better than plan in month, and better than plan by £300k year to date;
- Overseas income of £311k in month and £848k year to date is better than plan by £170k year to date. This is based on month 4 data extrapolated;
- Other clinical income is better than plan by £169k in month and £390k year to date, £90k better than plan in month in Specialist (prisons income), £59k in Barnet (camhs), £45k in Enfield (camhs and physio);

Non patient care income is better than plan by £27k in month.

- £46k related to a budget adjustment for learning and development income, where the year to date variance is now zero. Non patient care is overachieved by £66k year to date due to commercial income generated in the Estates, Specialist and Enfield service lines.

<u>Pay</u>
The monthly pay bill was £60k better than plan in month, although agency spend again increased:

- £254k of pay reserves were released in month;
- The main pressure on pay budgets continues to be over spends on wards due to additional staffing for 1-1 observations and to cover sickness;
- Barnet wards are over spent by £99k in month (up from £84k in July but down from £131k over spent in May);
- Enfield Older People's wards (including Magnolia) – over spent by £95k in month;

- This is offset by under spends in other areas such as £110k and £76k respectively for Barnet and Haringey Community Mental Health services. This is due to on-going vacancies and funding for new posts which have not yet been filled;

Non Pay

Non Pay is underspent by £131k in month.

- Private bed costs were £183k in month;
- £200k additional bad debt provisions were made in month;
- £72k IT underspend; and
- £217k non pay reserves were released in month.

Other Expenditure

- Relates to the PDC dividend, depreciation and interest payable and receivable and is £33k worse than plan in month, £51k of which was interest payable. This is higher than the budget set last year due to the 2016/17 cash drawdown;
- Depreciation is £18k adverse in month (as in month 4). There were a number of capital additions in Quarter 4 2016/17 which increase the monthly charge.

Forecast Outturn

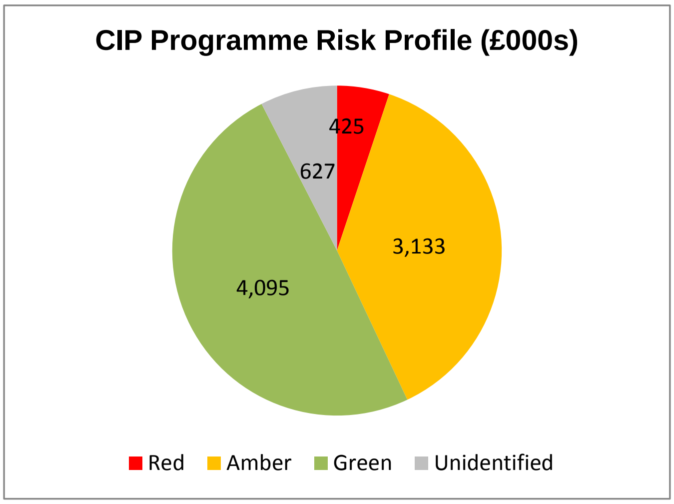
- The trust is forecasting a £4.6m deficit in line with the control total, and this assumes the achievement of £4.3m additional income in quarter 4 (or the identification of additional non-recurrent opportunities to reduce expenditure).
- The trust will be eligible for £1.1m Sustainability and Transformation Funding (STF) if it meets its control total. This is included in the forecast outturn position.

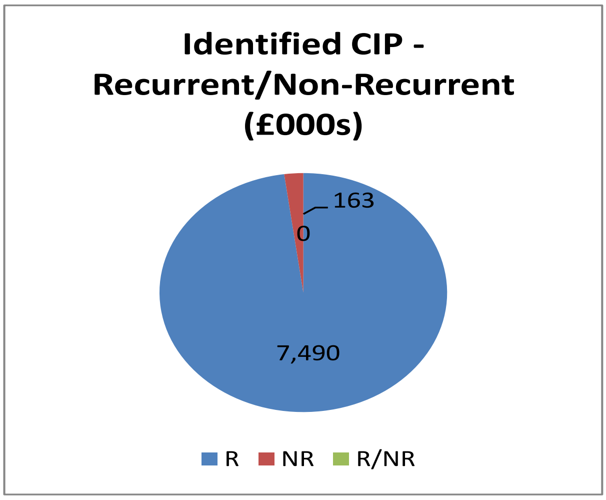
2. Cost Improvement Programme Monitoring

2017/18

The table below shows the performance against the CIP target at month 5.

Service Line	17-18 Target	In-Month Plan	In-Month Act	In-Month Var	YTD Plan	YTD Act	YTD Var	FY Plan	FY FC	FY Var	Annualised
Barnet	1,068	69	170	101	345	423	78	1,105	1,526	421	1,550
Corporate	1,823	152	107	(45)	760	680	(79)	1,823	1,697	(126)	2,401
Enfield	2,302	149	104	(44)	709	589	(120)	2,303	1,868	(435)	2,540
Estates	619	130	137	7	246	220	(26)	618	629	11	691
Haringey	838	57	150	92	287	501	214	838	1,392	554	1,148
Specialist	1,630	36	7	(29)	181	139	(42)	1,630	365	(1,265)	955
Trustwide		0	8	8	0	42	42	0	100	100	100
Grand Total	**8,280**	**593**	**684**	**91**	**2,529**	**2,594**	**65**	**8,316**	**7,577**	**(740)**	**9,385**





The CIP target for 2017/18 is £8.3m or 4%. Each Service Line has been given a target equivalent to 4% of their expenditure budget. Barnet and Haringey directorates have identified their target CIPs and other directorates are developing further plans, including non recurrently holding vacancies, to close the remaining gap. The anticipated non-recurrent profit on disposal of estate is now unlikely to materialise in this financial year, however Barnet and Haringey savings are forecast to over achieve by £975k that will partially mitigate the shortfall in other directorates.

CIP achievement is ahead of plan by £65k year to date due to £678k Overseas Visitors income being recognised, based on actual activity data from April to July.

<u>Barnet</u>
Barnet have identified £1,105k of their £1,068k CIP target. All the plans are on track with the exception of the ADHD scheme which is £29k behind plan in month, £146k behind plan year to date. Activity is below plan – meeting the plan is dependent on recruiting additional clinical staff, latest estimates are that these will be in post by mid November.

Current progress on estates is as follows:

- Finalised floor plans have been agreed;
- Capital costs have now been reviewed and were signed off in July;
- The Chief Finance and Investment Officer and the Director of Estates have agreed a completion date of the end of November 2017, subject to the outcome of the tendering process;
- Engagement process with service users, carers and stake holders is in place, in liaison with the Communications team.

<u>Enfield</u>
Enfield have identified £1,936k of their £2,302k CIP target. Enfield have underachieved by £44k in month and are underachieved by £120k for the YTD. Magnolia beds are £22k underachieved in month, and Overseas Visitors

underachieved by £11k in month although it is £27k better than plan year to date. The forecast outturn is £1,868k against the £2,302k target. Enfield plan to close the savings gap by managing vacancies, and a local recruitment panel has been set up and is meeting weekly to do this.

The estates schemes are progressing as follows:
- Decant dates for both schemes have been set;
- Final proposals for the re-location of services have been completed;
- Stakeholder consultation has been launched following Board approval in July.

Haringey
Haringey have identified all of their £838k CIP target, and are forecast to achieve £1,392k CIPs.

The estates scheme is progressing as follows:
- Floor plans have been finalised but the target relocation date has moved from October to January 2017. Efforts will be made to bring forward works where possible, subject to tendering process;
- Estimates for costs and timescales for reconfiguration works are being prepared by Estates which once agreed will firm up the relocation date;
- Further stakeholder communications have taken place following the Board decision in July.

Overseas visitors income of £1,021k have now been identified, which is £721k better than planned.

Specialist Services
- Specialist Services have identified £1,261k of their £1,630k CIP target. £7k was achieved in August, £29k worse than plan;
- The Specialist Services plan includes a number of business development projects that are subject to the successful outcome of a tender process and are therefore inherently risky.

Estates
- Estates have identified £591k of their £619k CIP target;
- £137k were achieved in month 5, £7k better than plan;

Corporate and Trustwide
- Plans have been identified to meet the CIP target of £1,823k;
- £1.3m savings are planned to derive from the IT re-procurement.

3. Balance Sheet

Annual plan		Opening B/Sheet	YTD plan	YTD Actual	YTD Variance	Year end forecast	Forecast variance
207,036	**Total Non-Current Assets**	203,763	202,878	202,407	(471)	205,275	(1,761)
	Current Assets						
92	Inventories	88	88	104	16	88	(4)
22,823	Receivables	12,380	13,996	15,671	1,675	17,829	(4,994)
1,160	Cash at Bank & in Hand	1,303	1,115	7,323	6,208	1,289	129
0	Non-Current Asset held for sale	1,720	1,720	1,720	0	0	0
24,075	**Total Current Assets**	**15,491**	**16,919**	**24,818**	**7,899**	**19,206**	**(4,869)**
	Current Liabilities						
(29,733)	Payables	(21,724)	(24,656)	(32,943)	(8,287)	(23,718)	6,015
(498)	Loan, Current portion	(498)	(498)	(498)	0	(498)	0
(1,122)	Other current liabilities	(2,227)	(2,227)	(2,323)	(96)	(39)	1,083
(31,353)	**Total Current Liabilities**	**(24,449)**	**(27,381)**	**(35,764)**	**(8,383)**	**(24,255)**	**7,098**
199,758	**Non-Current Assets/Liabilities**	**194,805**	**192,416**	**191,461**	**(955)**	**200,226**	**468**
(27,173)	Borrowings > 1 Year	(18,167)	(19,167)	(19,167)	0	(27,169)	4
(1,526)	Creditors > 1 Year	(1,741)	(1,722)	(1,559)	163	(1,686)	(160)
(28,699)	**Total Non-current Liabilities**	**(19,908)**	**(20,889)**	**(20,726)**	**163**	**(28,855)**	**(156)**
							0
171,059	**Total Assets Employed**	**174,897**	**171,527**	**170,735**	**(792)**	**171,371**	**312**
	Taxpayers and Others Equity						
147,814	Public Dividend Capital	147,814	147,814	147,814	0	147,814	0
(56,160)	Retained Earnings	(52,634)	(56,004)	(56,796)	(792)	(56,160)	0
79,405	Revaluation Reserve	79,717	79,717	79,717	0	79,717	312
171,059	**TOTAL**	**174,897**	**171,527**	**170,735**	**(792)**	**171,371**	**312**

Non-Current Assets: The YTD variance arises from two factors:

- Land and Buildings were revalued at the year end by the District Valuer Service resulting in a decrease in the opening position compared with plan
- There has been a slippage in the capital programme YTD.

Cash: Cash YTD is £6.2m above plan. This is mainly due to total current liabilities being £8.4m higher than plan (see below). This is partially offset by receivables being £1.7m higher than plan.

Current Receivables: Current receivables are £15.7m at 31 August 2017, £1.7m higher than plan. This is due to £3m of invoiced prepayment of 17/18 SLA income from Barnet & Haringey CCGs being outstanding at the month end, masking an underlying improvement of £1.3m against expected debt recovery, mainly from LB of Enfield and local CCGs.

Assets held for disposal: Baytree House has been vacated and marketed for disposal as part of the estates rationalisation plan. In accordance with accounting standards this has been reclassified as an asset held for disposal at the lower of its carrying value and fair value.

Total Current Liabilities: Current liabilities (authorised invoices, provisions, accruals and deferred income) are £8.3m above the planned level, mainly due to £5.0m of deferred income from a prepayment of 2017/18 SLA income from Barnet, Enfield & Haringey CCGs invoiced in August. The other significant variance is £1.9m of amounts due to NHS Property Services remaining outstanding due to delays at NHSPS preventing the invoices from being raised to date.

4. Monthly Actual and Rolling 12 month Cash Flow Forecast at 31st August 2017

	Actual M01 17/18	Actual M02 17/18	Actual M03 17/18	Actual M04 17/18	Actual M05 17/18	Forecast M06 17/18	Forecast M07 17/18	Forecast M08 17/18	Forecast M09 17/18	Forecast M10 17/18	Forecast M11 17/18	Forecast M12 17/18	Forecast M01 18/19	Forecast M02 18/19	Forecast M03 18/19	Forecast M04 18/19	Forecast M05 18/19
Receipts from Operations																	
NHS SLA Income Receipts	12,183	13,957	13,895	15,319	18,416	13,383	13,383	13,383	13,383	13,383	13,383	8,383	12,848	12,848	12,848	12,848	12,848
Other Clinical Income	567	1,323	1,711	680	1,347	567	567	567	567	567	567	567	544	544	544	544	544
Receipts from Local Authorities	1,095	950	789	230	214	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,051	1,051	1,051	1,051	1,051
Research, Education and Training	366	481	264	931	447	366	366	366	366	366	366	366	351	351	351	351	351
Other Non Clinical Income	743	359	224	280	239	743	743	743	743	743	743	743	713	713	713	713	713
VAT	350	443	283	0	830	235	235	235	235	235	235	235	226	226	226	226	226
Total Receipts from Operations	**15,304**	**17,513**	**17,166**	**17,440**	**21,493**	**16,389**	**16,389**	**16,389**	**16,389**	**16,389**	**16,389**	**11,389**	**15,733**	**15,733**	**15,733**	**15,733**	**15,733**
Operating Payments																	
Monthly Payroll (Net pay)	(6,601)	(6,814)	(6,754)	(6,733)	(6,790)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)	(6,600)
Statutory & Other Deductions from payroll	(5,131)	(5,378)	(5,229)	(5,227)	(5,265)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)
Non Pay	(4,700)	(5,685)	(5,661)	(6,289)	(6,526)	(4,700)	(4,700)	(4,700)	(4,700)	(4,700)	(4,700)	(4,700)	(4,512)	(4,512)	(4,512)	(4,512)	(4,512)
Total Payments on Operations	**(16,432)**	**(17,877)**	**(17,644)**	**(18,249)**	**(18,581)**	**(16,500)**	**(16,500)**	**(16,500)**	**(16,500)**	**(16,500)**	**(16,500)**	**(16,500)**	**(16,312)**	**(16,312)**	**(16,312)**	**(16,312)**	**(16,312)**
Net Cashflow from Operations	(1,128)	(364)	(478)	(809)	2,912	(111)	(111)	(111)	(111)	(111)	(111)	(5,111)	(579)	(579)	(579)	(579)	(579)
Other:																	
PDC dividend						(3,041)						(2,978)					
Loan repayment						(249)						(249)					
Interest Paid						(297)						(286)		(147)		(180)	
Capital Expenditure	(59)	(539)	(67)	(260)	(256)	(500)	(700)	(700)	(750)	(850)	(1,100)	(1,769)	(300)	(400)	(400)	(400)	(400)
Non recurrent income										3,100							
Interim Support received		1,000										8,500					
Interest Received																	
Movement in Creditors	552	923	771	3,492	(1,779)	(153)	(592)	(1,391)	50	1,000	4,320	4,857	100	500	500	500	500
Movement in Debtors	1,500	(595)	(1,187)	(897)	1,388	2,438	505	(2)	500	(567)	(3,067)	(4,066)	1,000	500	500	500	500
Other Movements	(4)	1,032	413	514	(55)	(144)	(4)	(5)	(736)	(155)	(5)	(1,171)	(4)	(4)	(4)	(4)	(4)
Net Movements in Other items	1,989	1,821	(70)	2,849	(702)	(1,946)	(791)	(2,098)	(936)	2,528	148	2,838	796	449	596	416	596
Net Cash flow Movement in Month	861	1,457	(548)	2,040	2,210	(2,057)	(902)	(2,209)	(1,047)	2,417	37	(2,273)	217	(130)	17	(163)	17
Bal b/fwd	1,303	2,164	3,621	3,073	5,113	7,323	5,266	4,364	2,155	1,108	3,525	3,562	1,289	1,506	1,377	1,394	1,232
Bal C/fwd	**2,164**	**3,621**	**3,073**	**5,113**	**7,323**	**5,266**	**4,364**	**2,155**	**1,108**	**3,525**	**3,562**	**1,289**	**1,506**	**1,377**	**1,394**	**1,232**	**1,249**
Original plan bal c/fwd	1,374	4,951	3,851	1,115	2,154	1,084	1,107	1,058	1,088	1,075	1,113	1,289					
Actual/Forecast Variance against plan	790	(1,330)	(778)	3,998	5,169	4,182	3,257	1,097	20	2,450	2,449	0					
Closing cash balance before 17/18 cash support	2,164	2,621	2,073	4,113	6,323	4,266	3,364	1,155	108	2,525	2,562	(8,211)					
Cumulative 17/18 cash support	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,500					
Closing cash balance after 17/18 cash support	2,164	3,621	3,073	5,113	7,323	5,266	4,364	2,155	1,108	3,525	3,562	1,289					
Cumulative original plan cash support drawdowns	0	0	0	0	0	2,600	3,000	4,000	4,000	4,000	5,200	9,500					
Cumulative Actual/Forecast cash support drawdowns	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,500					
Variance	0	1,000	1,000	1,000	1,000	(1,600)	(2,000)	(3,000)	(3,000)	(3,000)	(4,200)	0					

Monthly Actual and Rolling 12 Month Cash Flow Forecast (cont.)

The cash flow forecast and forecast cash balances are based on the 2017/18 financial plan submitted to the NHSI in April 2017. The cash position at 31 August was £7.3m, £5.2m above the 2017/18 plan. This was mainly due to payables being £8.4m higher than plan. This was partially offset by receivables being £1.7m higher than planned.

Due to the Trust continuing to operate at a deficit position the Trust is forecast to require cash support of £9.5m from NHSI in 2017/18 (2016/17: £10m). The Trust received £1m of cash support in May 2017, but it is currently forecast that the additional cash support will not be required from the Department of Health until March 2018, due to the £5m prepayment of SLA income received in August and September 2017. The precise timings of our requirement is particularly dependent on the planned capital disposal.

This plan reflects anticipated movements in debtors and creditors based on historical performance. This cash position will continue to be closely monitored with potential variances being identified as soon as possible and appropriate actions implemented. The underlying position of cash support being required due to the I&E deficit position impacting on cash reserves remains the same in the longer term.

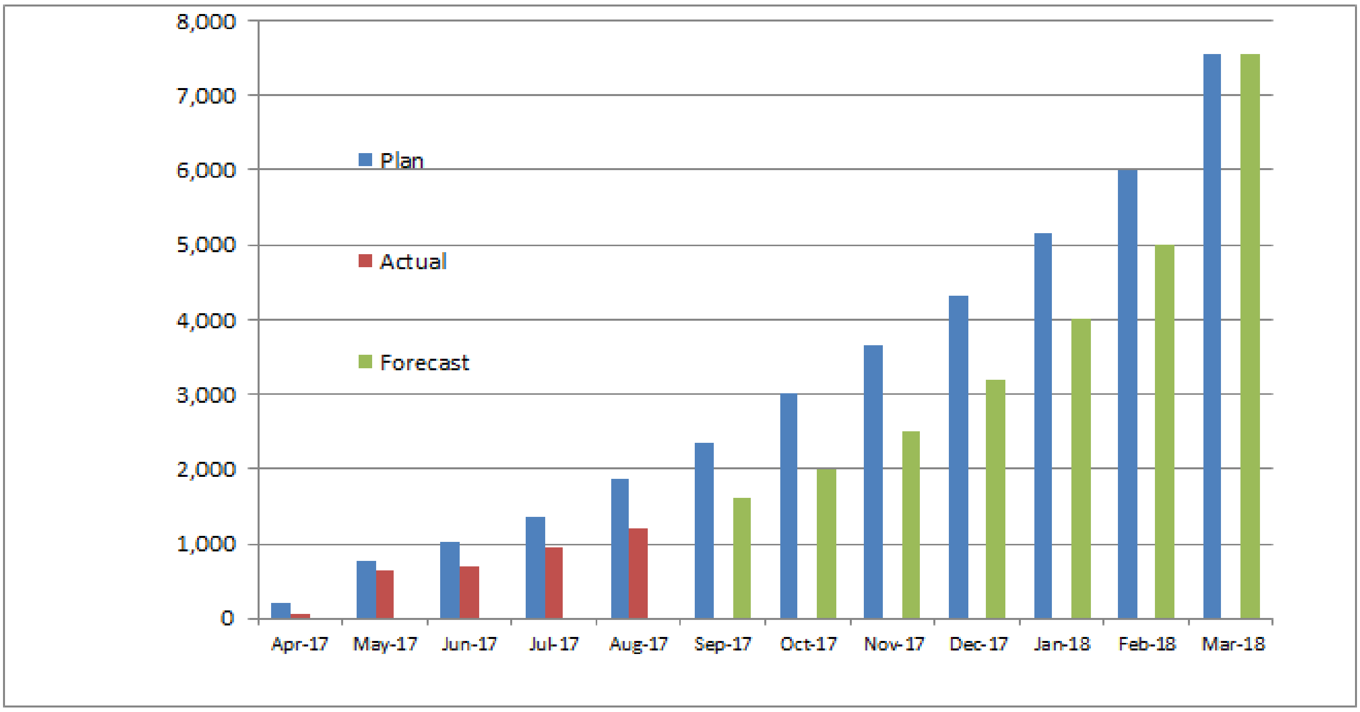
5. Capital Expenditure

Plan	Description	Month Actual	Month Variance	YTD Actual	YTD Variance	Year end forecast	Forecast variance
£000	**Projects**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
53	Statutory Compliance Projects	0	(4)	0	(13)	97	44
569	Risk Management Projects	2	(36)	47	(93)	534	(35)
403	Backlog Maintenance Projects	53	26	77	(22)	532	129
2,730	Information Technology Projects	142	(39)	897	225	2,576	(154)
1,000	St Ann's redevelopment	17	(49)	55	(191)	1,200	200
1,857	Estates Strategy Implementation	38	(85)	71	(386)	2,785	928
1,602	Other Projects	4	(102)	66	(328)	615	(987)
(664)	Contingency	0	44	0	163	(789)	(125)
7,550	**Total**	**256**	**(244)**	**1,213**	**(646)**	**7,550**	**0**
	Funding						
6,645	Depreciation (non cash)	547	7	2,777	8	6,645	0
0	Borrowings	0	0	0	0	0	0
1,720	Asset sales	0	0	0	(1,720)	1,720	0
(815)	Working capital	(291)	(251)	(1,564)	1,066	(815)	0
7,550	**Total**	**256**	**(244)**	**1,213**	**(646)**	**7,550**	**0**

The capital programme approved by the Board in March 2017 was for a total expenditure of £7,550k, although individual projects currently identified total £8,339k, leaving unidentified reductions of £789k required. This reduction will be identified as part of the on-going review of the capital programme by the Capital Review Group.

At the end of August capital expenditure is £646k below plan for the YTD. This is due to slippage on existing Estates projects and delays in finalising new projects to commence in 17/18. This is partially offset by a YTD overspend on IT projects of £225k, mainly caused by the capitalisation of 10 year Microsoft licences.

All slippage is considered to arise from temporary timing differences and it is forecast that full year expenditure will be in line with plan.



7. Single Oversight Risk Rating

Financial Criteria	Metric	NHSI Risk Ratings					
		Year to Date			Full Year Forecast		
		Actual	Rating	RAG	Score	Rating	RAG
Continuity of Services	Capital service cover rating	0.5	4	●	1.2	4	●
	Liquidity rating	-18.9	4	●	-9.6	3	●
Financial Efficiency	I&E margin rating	-4.9%	4	●	-2.3%	4	●
	Distance from financial plan	0.7%	1	●	0.0%	1	●
	Agency rating	1.3%	2	●	7.3%	2	●
Weighted Risk Rating			**3**	●		**3**	●

As reported in the September 2016 board report and subsequently, since 1 October 2016 NHSI have been using a new Single Oversight framework. This includes a Use of Resources (“UoR”) rating to replace the previous Financial Sustainability Risk Rating. The new UoR contains all 4 metrics from the FSRR but also has an additional metric relating to agency spend. All 5 metrics have equal weighting and the new ratings are still on a 1-4 range but with 1 now representing the best outcome and 4 the worst. There have been some minor changes to the formulae used in the calculation of the ratings in July 2017 but these have no impact on the Trust’s performance.

Since the Single Oversight framework was introduced the Trust’s FOT position has always resulted in a rating of 3. If the final deficit were to be worse than plan this rating would change to a 4.

Based on NHSI comments to date, a FOT rating of 3 would potentially raise comment but not automatically lead to further measures.