










# Kingston Hospital NHS Foundation Trust

## Finance Report December 2018 (Month 09)

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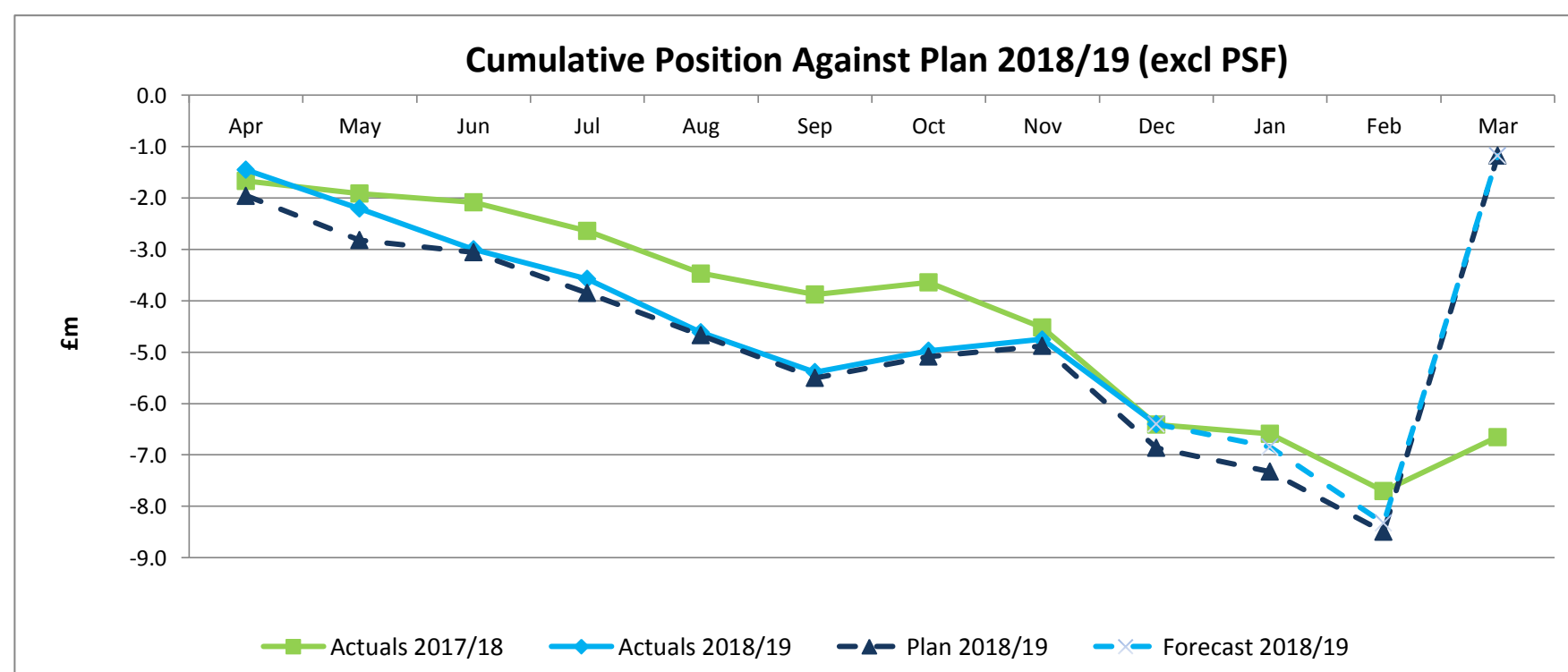
## EXECUTIVE SUMMARY

Headline	In Month Performance Against Budget	Narrative
	(Dec)	
I&E Position (control total basis - excluding PSF and donated asset adjustments) - The Trust reported a deficit in month of £1.6m, and YTD deficit of £6.4m. Variance to Plan (in month, YTD) ahead by £0.3m.		The underlying position is ahead plan year to date (£0.3m), it is forecast to be in line with plan to the end of the year. The forecast is a Full year deficit of £1.0m.
Provider Sustainability Funding (PSF) matches plan in month at £3.0m and YTD at £11.8m.		Both the financial performance target and A&E access target have been reported as being met YTD at month 9. PSF is therefore accrued to plan. The in month accrued PSF is an increase of c.£3.0m. It is reflective of the adjustment to the control total to recognise the expected proceeds of sale of Land of forecast in M12.
Income (excluding PSF) is £1.8m favourable to plan in month and £6.7m favourable to plan YTD.		Income from patient care activities is above plan by £1.1m in month, and by £4.7m YTD. Overperformance on Non-Elective has increased ahead of YTD Trend, £0.3m above plan in month and £2.6m above plan YTD. Daycase and Elective income were £0.4m above plan in month and £0.9m above YTD. Outpatients income was £0.2m ahead of plan in month and is £0.1m below plan YTD. Impact of prior month coding on M9, contributed £0.3m of variance. 59% of M9 activity was uncoded, at the time of reporting (66% of M8 activity was uncoded, at the time of reporting). Other income is favourable £0.8m in month (due to donated asset income received and Education funding), YTD it is £1.8m above plan.
Pay expenditure is £0.3m adverse to plan in month and £2.7m adverse YTD.		Pay expenditure is £0.3m overspent in the month and £2.7m over year to date. Medical pay is £0.1m adverse to budget in month, with £0.1m in Unplanned Care - due to vacancy in certain areas (A&E, Imaging) being covered by agency, including maternity leave covers and activity pressure, offset by favourable variances £0.1m in Planned Care. Qualified Nurses and Midwifery are on plan in month, and YTD. Within Reserves there is phasing and contingency adjustments to our Operating plan of £0.2m with YTD adjustments of £0.8m adverse to plan. Unallocated FIPs £0.5m of this adverse variance.
Non-pay expenditure is £0.7m adverse to plan in month and £2.4m adverse YTD (excl. high cost drugs).		Non-pay expenditure is £0.6m adverse to plan in the month (£2.6m adverse YTD), including high cost drugs. Clinical expenditure is £0.2m adverse in month; relating to increased pathology costs due to SWLP activity data identifying increased no. of Pathology tests. PFI costs were £0.1m adverse in the month due to increased gas pricing and cleaning activity. Drugs within Tariff were also £0.1m adverse to Plan, due to increased levels of activity, compared with Plan. Other non pay was £0.4m adverse in month due to a review of bad debt provisions and other specific provisions.
FIP Delivery in month is £1.4m (incl. mitigations) increasing YTD delivery to £7.1m, which is £0.8m below YTD target of £7.9m.		FIP delivery in month, and YTD (once mitigations have been factored in) are broadly in line with plan for identified schemes. Where there has been unallocated FIP, and schemes not delivering (e.g. Outpatients and Admin, MRET). The non-recurrent effect of increased activity (non-elective overperformance activity, RTT from other Trusts are contributing as non-recurrent mitigation factors overall.
Capital expenditure YTD is £13.9m, which is £3.6m below plan		The YTD Capital spend of £13.9m is £3.6m below the YTD plan of £17.5m due to delays in spend of Medical Equipment, IMT and Estates Projects.
The cash balance reported at the end of M9 was £3.0m.		The closing cash position for November was £3.0m which was £1.3m lower than the previous month and £0.2m below forecast. Significant receipts in the month included £1.6m for Q2 18/19 PSF funding, £0.8m from HMRC for the November VAT reclaim, and £0.4m from KH Charity (including reimbursement of capital spend for the Sir William Rous project).
Total Surplus In Month is £2.0m, which is £1.0m ahead of Plan (YTD the surplus is £6.4m, £1.6m ahead of plan, due to the donated asset income on William Rous unit). The surplus reflects the incentivised PSF, recognised in the Operating Plan.		The in month PSF of £3.0m was achieved. YTD PSF achieved was £11.8m. The PSF achievements are reflective of the 2 for 1 £10m increase in PSF from the adjustment to the control total to recognise the expected proceeds of the land sale.

# SECTION 1: OVERALL INCOME AND EXPENDITURE

Summary as at the end of Dec-18

Income & Expenditure	Annual Budget £000's	IN MONTH			YEAR TO DATE			FULL YEAR FORECAST			
		Budget v Actuals			Budget v Actuals			Budget v Forecast			
		Budget £000's	Actual £000's	Var £000's	Budget £000's	Actual £000's	Var £000's	Annual Budget £000's	Forecast £000's	Var £000's	
Income											
Patient Care Income	223,781	17,538	18,612	1,073	167,542	172,288	4,745	223,781	230,812	7,031	
High Cost Drug Income	15,314	1,073	1,007	(65)	11,382	11,621	239	15,314	15,835	520	
Other Income	27,777	2,058	2,892	834	18,813	20,577	1,764	27,777	28,035	258	
<b>Income</b>	<b>266,872</b>	<b>20,669</b>	<b>22,511</b>	<b>1,842</b>	<b>197,737</b>	<b>204,486</b>	<b>6,749</b>	<b>266,872</b>	<b>274,681</b>	<b>7,809</b>	
Expenditure											
Pay	(166,406)	(13,953)	(14,265)	(312)	(124,800)	(127,521)	(2,721)	(166,406)	(171,304)	(4,898)	
Non Pay	(77,308)	(6,397)	(7,059)	(661)	(57,899)	(60,251)	(2,352)	(77,308)	(78,934)	(1,626)	
High Cost Drugs	(15,315)	(1,073)	(1,000)	73	(11,382)	(11,603)	(222)	(15,315)	(15,635)	(320)	
<b>Expenditure</b>	<b>(259,029)</b>	<b>(21,423)</b>	<b>(22,323)</b>	<b>(900)</b>	<b>(194,081)</b>	<b>(199,375)</b>	<b>(5,294)</b>	<b>(259,029)</b>	<b>(265,873)</b>	<b>(6,844)</b>	
<b>EBITDA</b>	<b>7,843</b>	<b>(754)</b>	<b>188</b>	<b>942</b>	<b>3,656</b>	<b>5,111</b>	<b>1,455</b>	<b>7,843</b>	<b>8,808</b>	<b>965</b>	
Depreciation and Amortisation	(7,698)	(651)	(672)	(21)	(5,746)	(5,843)	(98)	(7,698)	(7,490)	209	
Investment Revenue	12	1	4	3	9	33	24	12	47	35	
Finance Costs	(3,881)	(371)	(325)	46	(2,895)	(2,902)	(7)	(3,881)	(3,885)	(4)	
Public Dividend Capital	(2,456)	(206)	(189)	17	(1,888)	(1,700)	188	(2,456)	(2,422)	34	
Income Generation and Other	5,000							5,000	5,000	0	
<b>I&amp;E excl. PSF</b>	<b>(1,181)</b>	<b>(1,981)</b>	<b>(993)</b>	<b>988</b>	<b>(6,864)</b>	<b>(5,302)</b>	<b>1,562</b>	<b>(1,181)</b>	<b>58</b>	<b>1,239</b>	
Depreciation on donated assets	181	15	15	(0)	135	132	(3)	181	174	(7)	
Donated Asset Income	0	0	(671)	(671)	0	(1,232)	(1,232)	0	(1,232)	(1,232)	
<b>Control Total - I&amp;E excl. PSF and Impairments with donated asset adjs.</b>	<b>(1,000)</b>	<b>(1,966)</b>	<b>(1,649)</b>	<b>317</b>	<b>(6,729)</b>	<b>(6,402)</b>	<b>327</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>0</b>	
Provide Sustainability Funding (PSF)	18,074	2,974	2,974	0	11,748	11,748	0	18,074	18,074	0	
Impairments	0	0	0	0	0	0	0	0	0	0	
<b>Total Surplus/(Deficit)</b>	<b>16,893</b>	<b>993</b>	<b>1,981</b>	<b>988</b>	<b>4,884</b>	<b>6,446</b>	<b>1,562</b>	<b>16,893</b>	<b>18,132</b>	<b>1,239</b>	
	Annual Plan	Plan	Actual		Plan	Actual YTD		FOT YTD	Actual YTD		
EBITDA Margin	2.9%	-3.6%	0.8%		1.8%	2.5%		2.9%	3.2%		
EBITDA Achieved	100.0%	100.0%	-24.9%		100.0%	139.8%		100.0%	112.3%		
I&E Surplus Margin	-0.4%	-9.6%	-4.4%		-3.5%	-2.6%		-0.4%	0.0%		



## SECTION 2: DIVISIONAL POSITIONS

### Overview

Summary as at the end of Dec-18

Income & Expenditure	Annual Plan £000's	IN MONTH							YEAR TO DATE						
		Budget v Actuals			Variances				Budget v Actuals			Variances			
		Plan £000's	Actual £000's	Var £000's	Inc £000	Pay £000	Non Pay £000	Total £000	Plan £000's	Actual £000's	Var £000's	Inc £000	Pay £000	Non Pay £000	Total £000
Unplanned Care Division	(4,541)	1,184	1,215	31	446	(165)	(250)	31	(3,816)	(5,390)	(1,573)	1,080	(1,393)	(1,260)	(1,573)
Planned Care Division	37,320	266	717	450	386	98	(34)	450	26,751	28,158	1,407	4,090	(962)	(1,721)	1,407
<b>Clinical Divisions</b>	<b>32,779</b>	<b>1,450</b>	<b>1,931</b>	<b>481</b>	<b>832</b>	<b>(67)</b>	<b>(283)</b>	<b>481</b>	<b>22,935</b>	<b>22,768</b>	<b>(166)</b>	<b>5,170</b>	<b>(2,355)</b>	<b>(2,981)</b>	<b>(166)</b>
Strategy Director	(2,271)	(189)	(181)	8	(7)	8	6	8	(1,705)	(1,711)	(6)	(9)	(47)	51	(6)
Corporate Affairs	(3,120)	(259)	(263)	(4)	8	(29)	17	(4)	(2,342)	(2,297)	45	12	(34)	66	45
Finance	(3,686)	(308)	(333)	(25)	(4)	(2)	(20)	(25)	(2,762)	(2,891)	(129)	(31)	17	(115)	(129)
Human Resources	(694)	(54)	(98)	(43)	20	(9)	(55)	(43)	(531)	(969)	(438)	124	(258)	(304)	(438)
Medical Director	(5,755)	(482)	(413)	69	11	9	50	69	(4,301)	(4,001)	300	92	109	99	300
Nursing Director	(2,614)	(216)	(177)	39	6	2	31	39	(1,966)	(1,861)	106	21	7	78	106
Operations	(16,919)	(1,442)	(1,559)	(117)	(29)	(0)	(88)	(117)	(12,950)	(13,457)	(507)	(206)	40	(341)	(507)
<b>Directorates</b>	<b>(35,058)</b>	<b>(2,950)</b>	<b>(3,024)</b>	<b>(74)</b>	<b>6</b>	<b>(22)</b>	<b>(58)</b>	<b>(74)</b>	<b>(26,558)</b>	<b>(27,186)</b>	<b>(628)</b>	<b>3</b>	<b>(166)</b>	<b>(465)</b>	<b>(628)</b>
Central Income	5,283	404	195	(209)	231	0	(440)	(209)	3,981	3,569	(411)	90	0	(501)	(411)
Other Central Budgets	9,839	342	1,086	744	773	(222)	193	744	3,299	5,959	2,660	1,485	(200)	1,374	2,660
<b>EBITDA</b>	<b>12,843</b>	<b>(754)</b>	<b>188</b>	<b>942</b>	<b>1,842</b>	<b>(312)</b>	<b>(589)</b>	<b>942</b>	<b>3,656</b>	<b>5,111</b>	<b>1,455</b>	<b>6,749</b>	<b>(2,721)</b>	<b>(2,574)</b>	<b>1,455</b>
Depreciation & Losses	(7,698)	(651)	(672)	(21)				(21)	(5,746)	(5,843)	(98)				(98)
Finance Costs & Investment Revenue	(3,869)	(370)	(320)	50				50	(2,886)	(2,869)	18				18
PDC	(2,456)	(206)	(189)	17				17	(1,888)	(1,700)	188				188
Land Sale	5,000									0	0				0
<b>Total I&amp;E</b>	<b>3,819</b>	<b>(1,981)</b>	<b>(993)</b>	<b>988</b>				<b>988</b>	<b>(6,864)</b>	<b>(5,302)</b>	<b>1,562</b>				<b>1,562</b>

#### COMMENTARY

The Divisional Position highlights that in month the variances within Clinical Divisions are broadly similar. YTD Unplanned Care is 'contributing' £1.6m adverse to plan, and Planned care £1.4m favourable to Plan.

Within Corporate Divisions the headlines are as follows:

Finance - YTD adverse variances on non-pay due to VAT / Interest Charges on borrowings

Human Resources - YTD the non-pay adverse variance is due to Bank Premium charges and Agency Apprenticeship Levy (due to increased establishment numbers), and pay variances due to some dual running of costs, and 4 maternity covers in year within the position.

Operations YTD variances include Estates - energy and PFI costs

**SECTION 3: FINANCIAL IMPROVEMENT PROGRAMME**

Summary as at the end of Dec-18

Theme	Annual Target £000's	FIP Allocation			IN MONTH				YEAR TO DATE			
		Allocation Devolved to Budgets			In Month				Year to Date			
		Devolved £000's	Outstanding £000's	Devolved %	Plan £000's	Actual £000's	Mitigation £000's	Variance (inc. mitigations) £000's	Plan £000's	Actual £000's	Mitigation £000's	Variance (inc. mitigations) £000's
Inpatient Flow	1,565	1,565		100%	258	214	0	(44)	915	818	0	(97)
Theatre Productivity	1,059	1,059		100%	96	144	0	48	771	1,043	0	273
Outpatients & Patient Admin	500	500		100%	28	0	0	(28)	417	0	0	(417)
Finance	1,000	1,000		100%	42	42	0	0	375	375	0	0
MRET	1,000	1,000		100%	167	0	0	(167)	500	0	0	(500)
Partnerships	500	295	205	59%	53	22	0	(31)	342	168	0	(173)
Collaboration	500	83	417	17%	65	2	0	(62)	306	15	0	(290)
Corporate Schemes	2,000	2,000		100%	144	205	35	97	1,316	1,332	109	125
Unplanned Care Other Local	1,509	1,233	276	82%	162	132	287	256	1,042	820	555	333
Planned Care Other Local	2,367	2,116	252	89%	221	150	189	118	1,722	1,207	709	194
Rephasing					(41)	0	0	41	231	0	0	(231)
<b>Total CIP</b>	<b>12,000</b>	<b>10,851</b>	<b>1,149</b>	<b>90%</b>	<b>1,194</b>	<b>910</b>	<b>512</b>	<b>228</b>	<b>7,935</b>	<b>5,779</b>	<b>1,372</b>	<b>(784)</b>
Type	Annual Plan £000's				In Month				YTD			
					Plan £000's	Actual £000's	Mitigation £000's	Variance £000's	Plan £000's	Actual £000's	Mitigation £000's	Variance £000's
<b>Cost Reduction</b>	<b>6,420</b>				<b>615</b>	<b>559</b>	<b>297</b>	<b>241</b>	<b>4,106</b>	<b>3,561</b>	<b>581</b>	<b>37</b>
<b>% of Plan</b>	<b>53%</b>					91%	48%			87%	14%	
<b>Income Generation</b>	<b>5,580</b>				<b>579</b>	<b>351</b>	<b>215</b>	<b>(13)</b>	<b>3,829</b>	<b>2,217</b>	<b>791</b>	<b>(821)</b>
<b>% of Plan</b>	<b>47%</b>					61%	37%			58%	21%	
<b>Total FIP</b>	<b>12,000</b>				<b>1,194</b>	<b>910</b>	<b>512</b>	<b>228</b>	<b>7,935</b>	<b>5,779</b>	<b>1,372</b>	<b>(784)</b>
<b>% of Plan</b>						76%	43%			73%	17%	

**COMMENTARY**

- In month achievement of £1.4m (including £0.5m of mitigations ) is £0.2m favourable against a plan of £1.2m. The YTD variance (including mitigations) is £0.8m against plan .
- Identified schemes in month, are delivering on plan. The adverse variance to plan, in month, is due to the non-delivery of schemes : Outpatients & Patients Admin; MRET and Collaboration). As a Trust overperformance is mitigating the non-delivery of certain FIPs that are not performing / not achievable.
- YTD the local identified schemes are delivering £0.7m favourable to plan (excl. impact of the Re-phasing of the FIP plan, to align with the Operating Plan).
- The £0.8m YTD adverse position on FIP is offset by non-recurrent favourable (run-rate) variances which have ensured the Trust is delivering it's control total YTD.

## SECTION 4: STATEMENT OF FINANCIAL POSITION M9

	Nov £m	Dec £m
<b>NON CURRENT ASSETS:</b>		
Property plant and equipment	126.4	127.1
Intangible assets	10.4	10.5
Other assets	1.0	1.1
<b>TOTAL NON CURRENT ASSETS:</b>	<b>137.9</b>	<b>138.6</b>
<b>CURRENT ASSETS:</b>		
Inventories	2.0	1.9
Trade and other receivables	37.4	40.0
Cash and cash equivalents	4.3	3.0
<b>TOTAL CURRENT ASSETS</b>	<b>43.7</b>	<b>44.9</b>
<b>CURRENT LIABILITIES:</b>		
Trade and other payables	(32.0)	(32.1)
Current Borrowings	(1.7)	(2.4)
Current Provisions	(0.1)	(0.1)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(33.8)</b>	<b>(34.6)</b>
<b>NET CURRENT ASSETS LESS CURRENT LIABILITIES</b>	<b>9.9</b>	<b>10.3</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>147.8</b>	<b>149.0</b>
<b>NON CURRENT LIABILITIES:</b>		
Borrowings	(68.2)	(67.5)
Provisions	(1.0)	(0.9)
Other liabilities	0.0	0.0
<b>TOTAL ASSETS EMPLOYED</b>	<b>78.6</b>	<b>80.6</b>
<b>FINANCED BY</b>		
<b>TAXPAYERS EQUITY:</b>		
Public Dividend Capital	63.9	63.9
Revaluation reserve	17.7	17.7
Income and Expenditure Reserve - Prior years	(9.1)	(9.1)
Income and Expenditure Reserve - Current Year	6.1	8.1
<b>TOTAL TAXPAYERS EQUITY</b>	<b>78.6</b>	<b>80.6</b>

### COMMENTARY

#### Non - Current Assets

There was a £0.7m increase in Non-Current Assets in December 2018 due to a £0.6m increase in Property, Plant and Equipment and an increase in Intangible Assets of £0.1m. Other Assets remained unchanged.

#### Current Assets

There was a £1.4m increase in Current Assets in December 2018 comprising of: £0.1m decrease in inventories; £2.6m increase in Trade and Other Receivables; and £1.1m decrease in Cash and Cash Equivalents, as analysed in Section 5; Cash Flow Statement.

#### Current Liabilities

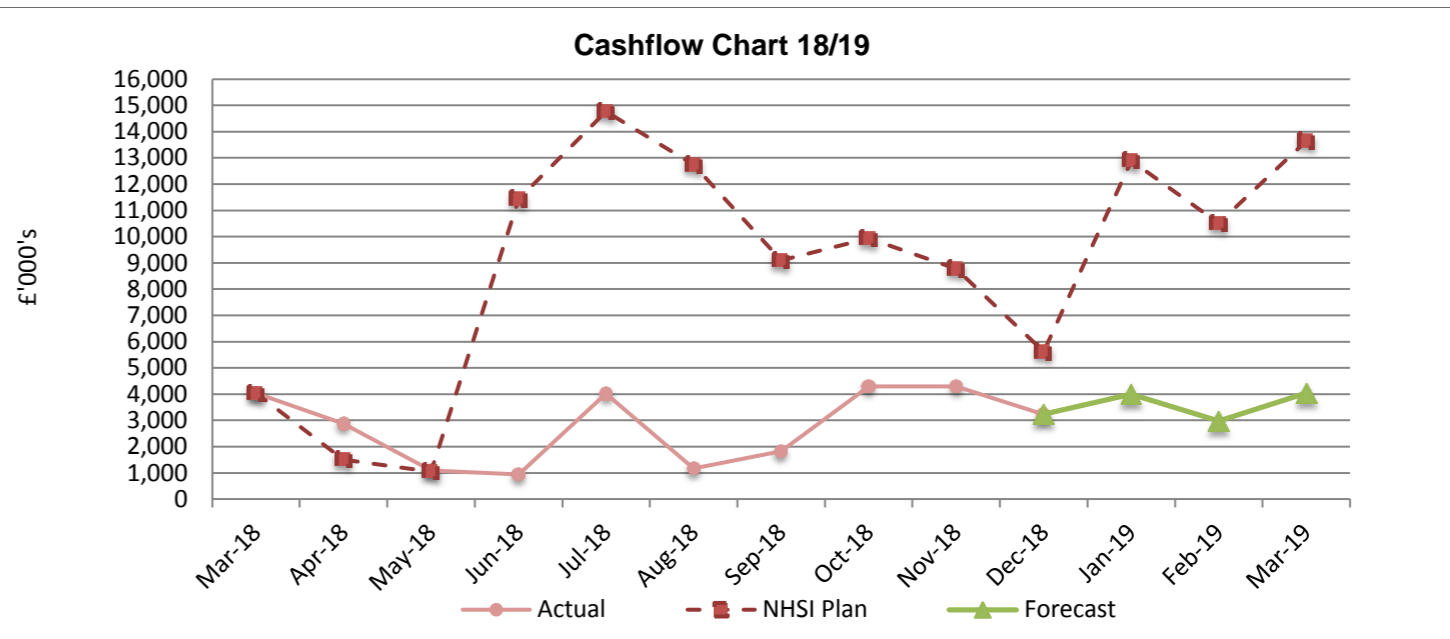
There was a increase of £0.8m in Current Liabilities during the month due to an increase in Trade and Other Payables £0.1m and an increase in Current Borrowings of £0.7m from Non Current Borrowings.

#### Non-Current Liabilities

Borrowings decreased by £0.7m due to a £0.8m transfer to Current Borrowings as stated and a £0.1m increase in Provisions.

## SECTION 5: CASH FLOW STATEMENT

	Dec 2018 £m
<b>Surplus/(deficit) after tax</b>	<b>2.0</b>
<b>Non-cash flows in operating surplus/(deficit)</b>	
Depreciation and amortisation	0.7
PDC Dividend expense	0.2
<b>Non-cash flows in operating surplus/(deficit)</b>	<b>0.9</b>
<b>Operating Cash flows before movements in working capital</b>	<b>2.9</b>
<b>Increase/(Decrease) in working capital</b>	
Increase in Inventories	0.1
Increase in Trade and other receivables	(2.6)
Increase in Current Provisions	0.0
Decrease in Trade and Other payables	0.1
<b>Increase/(Decrease) in working capital</b>	<b>(2.5)</b>
<b>Net cash (outflow) from operating activities</b>	<b>0.4</b>
<b>Net cash inflow/(outflow) from investing activities</b>	
Property Plant and Equipment	(1.8)
Intangible assets	0.0
Other assets	0.0
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(1.8)</b>
<b>Net cash inflow/(outflow) from financing activities</b>	
PDC Drawdowns	0.0
PDC Dividend paid	0.0
Borrowings	0.1
<b>Net cash inflow/(outflow) from financing activities</b>	<b>0.1</b>
<b>Net increase in cash</b>	<b>(1.3)</b>
<b>Opening cash</b>	<b>4.3</b>
<b>Closing cash</b>	<b>3.0</b>



### COMMENTARY

The closing cash position for December was £3.0m which was £1.3m lower than the previous month and £0.2m lower than forecast.

Significant receipts in the month included £1.6m for Q2 18/19 PSF funding, £0.8m from HMRC for the November VAT reclaim, £0.4m from KH Charity (including reimbursement of capital spend for the Sir William Rous project) and £0.2m from Epsom & St Helier. An expected payment of £0.7m in the last week of December from St George's was not received (although subsequently £0.9m was paid on 7th January).

Payments to suppliers in the month were £0.8m higher than forecast as overdue NHS creditors were paid following receipt of the Q2 PSF payment. This included £1.8m paid to St George's including £0.7m for SWLP and £0.9m for overdue GP Leo invoices. Availability of cash in the month required actions to manage some supplier payments. Invoices totalling £1.8m were held for payment at month end, an increase of £0.3m from November.

After receipt of Q2 18/19 PSF funding in December the Trust will be required to repay £1.0m of interim support loan in January 2019.



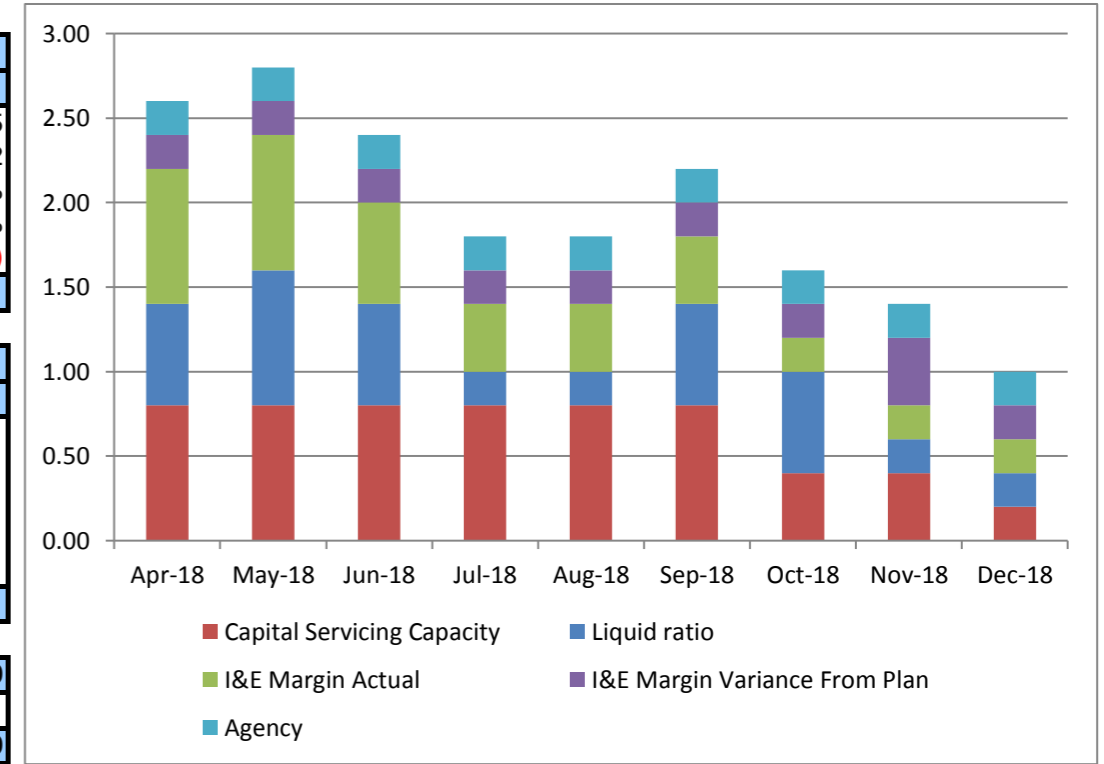
**SECTION 6: FINANCE AND USE OF RESOURCES METRICS**

	Weight	1	2	3	4
Capital Servicing Capacity	20%	2.50	1.75	1.25	<1.25
Liquidity	20%	-	-	7.00	14.00
I&E Margin - Underlying performance	20%	1%	0%	-1%	<=-1
I&E Margin - Variance from plan	20%	0%	-1%	-2%	<=-2
Agency	20%	0%	25%	50%	>50%
	100%				

Heading	18/19 M1	18/19 M2	18/19 M3	18/19 M4	18/19 M5	18/19 M6	18/19 M7	18/19 M8	18/19 M9
Capital Servicing Capacity	0.08	0.73	0.93	1.17	1.03	1.04	1.87	2.35	2.55
Liquidity	(12.8)	(14.9)	(11.8)	(7.9)	(12.4)	(7.7)	(3.3)	8.1	9.2
I&E Margin - Underlying performance	(3%)	(1%)	(0%)	0%	0%	0%	0%	2.1%	2.4%
I&E Margin - Variance from plan	(1%)	(1%)	2%	3%	2%	2%	0%	(0.0%)	0.1%
Agency (new metric)	1.4%	(0.5%)	(7.4%)	(0.1%)	(3.8%)	(2.6%)	(4.7%)	(6.0%)	(8.5%)

Heading	18/19 M1	18/19 M2	18/19 M3	18/19 M4	18/19 M5	18/19 M6	18/19 M7	18/19 M8	18/19 M9
Capital Service Cover	4	4	4	4	4	4	2	2	1
Liquidity	3	4	3	1	1	3	2	1	1
I&E Margin - Underlying performance	4	4	4	2	2	2	2	1	1
I&E Margin - Variance from plan	2	2	1	1	1	1	2	2	1
Agency (new metric)	2	1	1	1	1	1	1	1	1

<b>Average</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>1.80</b>	<b>1.80</b>	<b>2.60</b>	<b>1.80</b>	<b>1.40</b>	<b>1.00</b>
<b>Rounded Score</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>	<b>3.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>



**COMMENTARY**

Our current risk rating is 1.0, which is an improvement from the rounded 1.0 risk rating position recorded in November. This is due to improvements in our I&E variance to plan and Capital Service ratings.