

# Kingston Hospital NHS Foundation Trust

## Finance Report February 2020 (Month 11)

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## Financial Strategy

### 2019/20

- Focus on closing gap to the control total in 2019/20 and maintaining capital expenditure in line with CDEL.

- Capture and record all expenditure relating to Coronavirus to be ready to report back on when required; Expenditure to be matched with income.

### 2020/21

- Draft operating plan was submitted on 5/3/20. In addition to this, summary numbers and an alignment piece was submitted to the SWL sector on 12/3/20. Due to unprecedented circumstances, planning has been suspended for 2020/21. Interim arrangements in place for first quarter to ensure cash flowing through system.

- Focus for 2020/21 to be on meeting the financial challenge, ensuring BAU savings are reflected fully in devolved budgets and contribute to work on finding sector transformational schemes.

- The Trust is continuing to reviewing the capital long list to ensure the final plan is both deliverable and affordable, and also to consider sources of funding as PSF/FFS

## Financial Governance

- Financial Governance for Covid 19 related expenditure is being implemented. Costs are monitored, both for revenue and capital, by the Finance team.

- Budget setting process is continuing and governance arrangements are in place

- External auditors have completed the interim audit on month 9 reporting and the focus is now on preparing for year end

- Finance and Investment Committee approved the Procurement Hub Business Case

## Financial Performance

	Annual Plan	Mth 11 YTD Plan	Mth 11 YTD Actual	Mth 11 YTD Variance
Income	286,806	262,153	265,712	3,559
Pay	(182,816)	(167,536)	(168,382)	(846)
Non-Pay	(96,188)	(88,461)	(91,797)	(3,336)
EBITDA	7,802	6,156	5,533	(623)
<b>EBITDA %</b>	<b>2.7%</b>	<b>2.3%</b>	<b>2.1%</b>	
Below the Line	(15,564)	(14,278)	(13,647)	631
<b>NHSI Control Total Surplus</b>	<b>(7,762)</b>	<b>(8,122)</b>	<b>(8,114)</b>	<b>7</b>
<b>Excluded from Control Total</b>				
Impairments	0	0	0	0
Net Donated Assets	61	66	483	417
PSF & MRET	8,859	7,929	8,299	370
<b>Overall Surplus</b>	<b>1,159</b>	<b>(127)</b>	<b>668</b>	<b>795</b>

1. The year to date position is showing a £7 k favourable position. The income variance year to date is favourable due to £1.9m of system funding recognised in M10, in recognition of overperformance and non-recurrent income include support for winter pressures.
2. Pay overspend has increased in the last 3 months due to an increase in the run rate on nursing.
3. Non-pay overspends due in part to continued activity pressure In month.
4. Capital spend is in line with budget year to date, however, it is expected that capital will meet the revised CDEL target of £32.7m

## Financial Risk










- £0.6m of internal mitigations have been found and factored in to the month 11 position, including the additional sector support agreed to fund over performance levels. We continue to assess the risk for month 12 and work both internally and with system partners to manage this position.

- Achieving the system control total for 20/21 will require large scale transformation yielding in year results for 20/21 - pace of change will need to remain a focus.

- Working with system partners to ensure the contractual values align to the long term plan.

- There will be a need for additional capital loans to support 20/21 plans.

## EXECUTIVE SUMMARY - M11 19/20

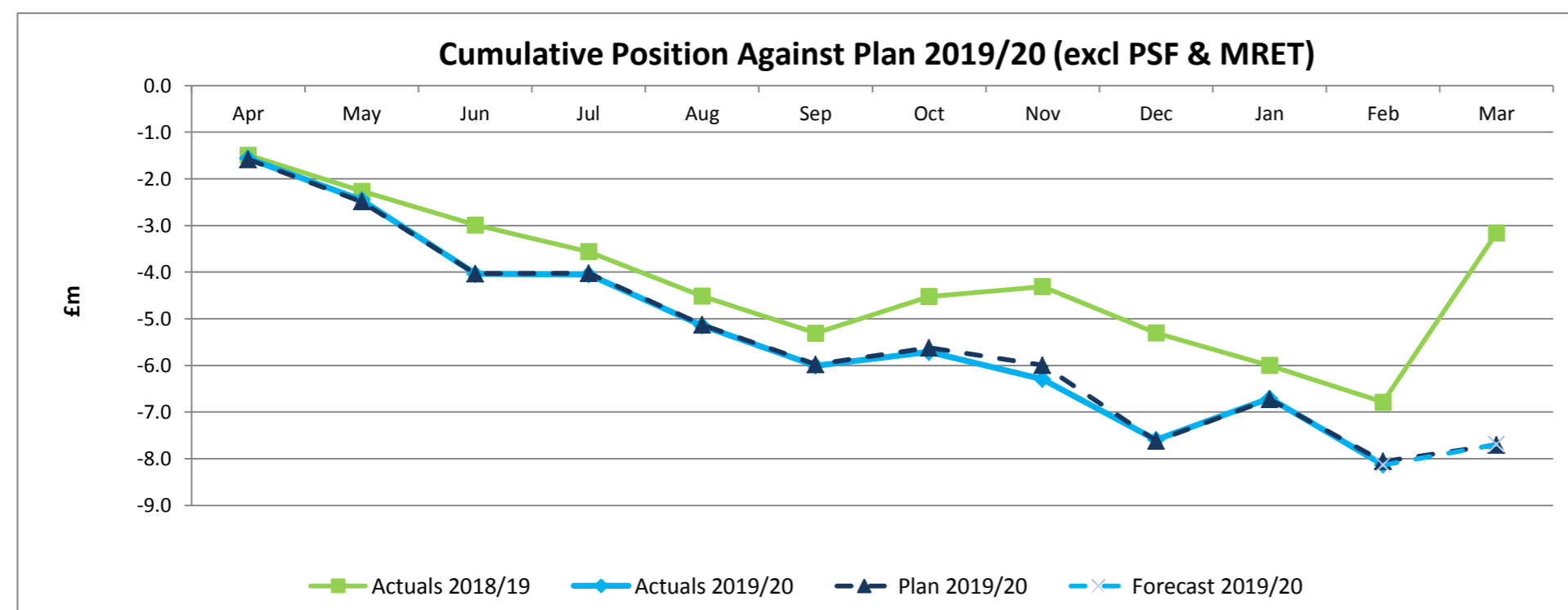
<i>Headline</i>	<i>In Month Performance Against Budget</i>	<i>Narrative</i>
	<b>(Feb)</b>	
<b>I&amp;E Position (control total basis - excluding PSF and donated asset adjustments) - The Trust reported a £1.4m deficit in the month £0.1m adverse to plan.</b>		The position is on plan year to date, reflecting a control total deficit of £8.1m YTD.
<b>Provider Sustainability Funding (PSF) reported in month is £0.7m.</b>		The PSF to M11 has been accrued to plan at £5.1m for 2019/20. YTD with the additional £0.4m received relating to 2018/19.
<b>NHS Patient Care Income (excluding PSF) is in line with plan in month including High Cost Drugs across the remaining variable income contracts.</b>  <b>Non-NHS Patient Care Income is £0.1m favourable to plan in month.</b>  <b>Other Income is £0.4m favourable to plan in month.</b>		The YTD position is above plan by £1.8m YTD, but High Cost Drug Income is £0.5m below plan YTD. Year to date the SWL block agreement is 2.0% above and Surrey is 1.6% above. NHSE income is significantly below the block income plan.  Non-NHS patient care income £0.1m favourable to plan in month and £0.9m below plan year to date mainly related to the private patient unit. PPU income at £0.4m in month is £0.2m above YTD in month average.  Other income is £0.4m favourable to plan in month due to additional training and education funding for nursing and £3.2m above plan year to date.
<b>Pay expenditure is £0.5m adverse to plan in month.</b>		Pay expenditure is £0.5m overspent in the month and overspent £0.8m YTD. Nursing costs increased in the month with a £0.4m overspend in month due to increased bank and agency use compared to last month, substantive staff costs stay £0.3m ahead of the YTD average.
<b>Non-pay expenditure (excl High Cost Drugs) is £0.1m adverse to plan in month.</b>		Non-pay expenditure (excluding high cost drugs) was £0.1m overspent in month which includes £0.5m of unidentified CIP target in month.
<b>FIP Delivery in month is £0.8m (incl. additional schemes), the current projected forecast is to deliver a FY FIP of £9.2m, which is in line with plan.</b>		YTD FIP is broadly in line with Plan of £8.1m, once additional non-recurrent schemes have been taken into account. The FIP report currently shows the unidentified FIP as £3.1m, of which £2.2m is within the YTD plan.
<b>Capital expenditure spend for M11 is £4.1m (excluding grants and donations) which is in line with plan.</b>		The capital programme approved by the Board for 19/20 financial year totals £25.1m. YTD Actual spend is £25.3m which is in line with plan YTD. The forecast outturn of £32.7m against the CDEL anticipates further expenditure of £8.4m in March.
<b>The cash balance reported at the end of M11 was £10.5m.</b>		The closing cash position at 29th February was £10.5m, a decrease of £1.6m from the previous month but £3.0m favourable to plan.
<b>Total deficit in month is £0.4m which is in line with plan.</b>		YTD surplus of £0.7m is £0.8m favourable to plan including additional donated asset income of £0.3m and PSF of £0.4m which do not contribute to achievement of the control total.

# EXECUTIVE SUMMARY

Summary as at the end of Feb-20

Income & Expenditure	Annual Budget £000's	IN MONTH				YTD			Y-O-Y YTD		
		Budget v Actuals				Budget v Actuals			Actuals		
		Budget £000's	Actual £000's	Var £000's		Budget £000's	Actual £000's	Var £000's	1819 £000's	1920 £000's	Var £000's
Income (excl PSF & Don Assets)											
NHS Patient Care	241,327	19,276	19,174	(102)	220,532	222,300	1,767	187,622	222,300	34,678	
High Cost Drug Income	15,629	1,245	1,312	66	14,259	13,791	(468)	12,848	13,791	944	
Patient Care Income	6,777	565	684	119	6,215	5,279	(936)	4,207	5,279	1,072	
Other Income	23,074	1,925	2,282	357	21,147	24,342	3,195	21,574	24,342	2,768	
<b>Income</b>	<b>286,806</b>	<b>23,011</b>	<b>23,451</b>	<b>440</b>	<b>262,153</b>	<b>265,712</b>	<b>3,559</b>	<b>226,250</b>	<b>265,712</b>	<b>39,462</b>	
Expenditure											
Pay	(182,816)	(15,284)	(15,743)	(459)	(167,536)	(168,382)	(846)	(142,208)	(168,382)	(26,174)	
Non Pay	(80,627)	(6,528)	(6,652)	(125)	(74,263)	(78,011)	(3,748)	(66,810)	(78,011)	(11,202)	
High Cost Drugs	(15,561)	(1,239)	(1,305)	(66)	(14,198)	(13,785)	412	(12,814)	(13,785)	(972)	
<b>Expenditure</b>	<b>(279,004)</b>	<b>(23,051)</b>	<b>(23,701)</b>	<b>(650)</b>	<b>(255,997)</b>	<b>(260,179)</b>	<b>(4,182)</b>	<b>(221,832)</b>	<b>(260,179)</b>	<b>(38,347)</b>	
<b>EBITDA</b>	<b>7,802</b>	<b>(40)</b>	<b>(250)</b>	<b>(210)</b>	<b>6,156</b>	<b>5,533</b>	<b>(623)</b>	<b>4,419</b>	<b>5,533</b>	<b>1,114</b>	
Depreciation and Amortisation	(8,654)	(721)	(713)	9	(7,933)	(7,485)	448	(6,362)	(7,485)	(1,123)	
Investment Revenue	29	2	(10)	(12)	26	94	68	38	94	56	
Finance Costs	(4,107)	(342)	(343)	(1)	(3,765)	(3,786)	(21)	(3,237)	(3,786)	(548)	
Public Dividend Capital	(2,832)	(237)	(107)	130	(2,607)	(2,471)	136	(1,941)	(2,471)	(530)	
<b>Control Total - I&amp;E excl. PSF, Impairments &amp; donated asset</b>	<b>(7,762)</b>	<b>(1,338)</b>	<b>(1,422)</b>	<b>(84)</b>	<b>(8,122)</b>	<b>(8,114)</b>	<b>7</b>	<b>(7,084)</b>	<b>(8,114)</b>	<b>(1,030)</b>	
Provider Sustainability Funding (PSF)	5,764	672	672	0	5,091	5,461	370	13,857	5,461	(8,396)	
Central MRET Funding	3,095	258	258	0	2,838	2,838	0	0	2,838	2,838	
<b>Total Control Total Surplus/(Deficit) (excl Donated Assets)</b>	<b>1,098</b>	<b>(408)</b>	<b>(492)</b>	<b>(84)</b>	<b>(193)</b>	<b>184</b>	<b>377</b>	<b>6,773</b>	<b>184</b>	<b>(6,589)</b>	
Depreciation on donated assets	(209)	(17)	(21)	(4)	(187)	(200)	(13)	(147)	(200)	(53)	
Donated Asset Income	270	23	111	88	253	684	431	1,232	684	(549)	
<b>Total Surplus/(Deficit) (Incl Donated Assets)</b>	<b>1,159</b>	<b>(402)</b>	<b>(403)</b>	<b>(1)</b>	<b>(127)</b>	<b>668</b>	<b>795</b>	<b>7,858</b>	<b>668</b>	<b>(7,191)</b>	

	Annual Plan	Plan	Actual		Plan	Actual YTD	Actual YTD
EBITDA Margin	2.7%	-0.2%	-1.1%		2.3%	2.1%	2.0%
EBITDA Achieved	100.0%	100.0%	624.6%		100.0%	89.9%	128.2%
I&E Surplus Margin	-2.7%	-5.8%	-6.1%		-3.1%	-3.1%	-3.1%



## SECTION 2: DIVISIONAL POSITIONS

### Overview

Summary as at the end of Feb-20

Income & Expenditure	Annual Plan £000's	IN MONTH							YTD						
		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	204	(281)	(497)	(217)	14	(344)	114	(217)	(55)	(935)	(880)	449	(590)	(739)	(880)
Planned Care Division	40,676	3,159	2,639	(520)	(186)	(291)	(44)	(520)	36,619	33,174	(3,445)	(928)	(1,529)	(988)	(3,445)
<b>Clinical Divisions</b>	<b>40,880</b>	<b>2,879</b>	<b>2,142</b>	<b>(737)</b>	<b>(172)</b>	<b>(635)</b>	<b>70</b>	<b>(737)</b>	<b>36,564</b>	<b>32,239</b>	<b>(4,325)</b>	<b>(479)</b>	<b>(2,119)</b>	<b>(1,727)</b>	<b>(4,325)</b>
Strategy Directorate	(648)	(54)	(53)	1	0	3	(1)	1	(594)	(515)	79	0	79	0	79
Corporate Affairs Directorate	(3,241)	(269)	(302)	(33)	(3)	5	(35)	(33)	(2,972)	(3,151)	(179)	17	27	(222)	(179)
Finance Directorate	(3,903)	(323)	(166)	157	(0)	129	29	157	(3,581)	(3,354)	227	(4)	269	(39)	227
HR Directorate	(1,687)	(137)	(150)	(14)	70	(12)	(72)	(14)	(1,550)	(1,181)	369	503	(55)	(80)	369
Medical Directorate	(7,845)	(645)	(651)	(6)	9	15	(29)	(6)	(7,201)	(7,177)	24	96	9	(80)	24
Nursing Directorate	(2,802)	(233)	(247)	(14)	33	(8)	(40)	(14)	(2,570)	(2,469)	101	233	9	(141)	101
Operations Directorate	(678)	(57)	(88)	(31)	0	(16)	(16)	(31)	(622)	(740)	(119)	0	(90)	(28)	(119)
Estates Directorate	(16,120)	(1,361)	(1,272)	89	(2)	(23)	114	89	(14,984)	(14,879)	105	300	(85)	(110)	105
<b>Directorates</b>	<b>(36,924)</b>	<b>(3,079)</b>	<b>(2,928)</b>	<b>150</b>	<b>106</b>	<b>94</b>	<b>(50)</b>	<b>150</b>	<b>(34,074)</b>	<b>(33,466)</b>	<b>608</b>	<b>1,145</b>	<b>164</b>	<b>(701)</b>	<b>608</b>
Central Income	3,320	294	273	(20)	(63)	(4)	46	(20)	3,052	5,486	2,435	2,380	(31)	86	2,435
Other Central Budgets	527	(134)	264	398	569	85	(257)	398	615	1,274	659	512	1,141	(993)	659
<b>EBITDA</b>	<b>7,802</b>	<b>(40)</b>	<b>(250)</b>	<b>(210)</b>	<b>440</b>	<b>(459)</b>	<b>(191)</b>	<b>(210)</b>	<b>6,156</b>	<b>5,533</b>	<b>(623)</b>	<b>3,559</b>	<b>(846)</b>	<b>(3,336)</b>	<b>(623)</b>
Depreciation & Losses	(8,654)	(721)	(713)	9				9	(7,933)	(7,485)	448				448
Finance Costs & Investment Revenue	(4,078)	(340)	(353)	(13)				(13)	(3,738)	(3,692)	47				47
PDC	(2,832)	(237)	(107)	130				130	(2,607)	(2,471)	136				136
<b>Total I&amp;E</b>	<b>(7,762)</b>	<b>(1,338)</b>	<b>(1,422)</b>	<b>(84)</b>				<b>(84)</b>	<b>(8,122)</b>	<b>(8,114)</b>	<b>7</b>				<b>7</b>

#### COMMENTARY

The Divisional Position highlights :

In month Unplanned Care is £217k adverse to plan, (and £880k adverse YTD); Income is £14k ahead of plan; Pay is £344k adverse to plan ytd due to nursing costs in elderly care and frailty but in month overspend also due to nursing in A&E. Non-Pay is favourable to plan by £114k in month and adverse to plan by £739k ytd due to overspends on diagnostics testing including pathology. NHS patient care income excluding the block adjustment was £678k above plan in month which is an increase on the YTD position due to non-elective and ED and Elderly Care activity.

In month Planned Care is £520k adverse to plan, (and £3,445k adverse YTD); Income is below plan by £186k. Pay was over plan by £291k driven by Medical staffing as seen in the YTD position but maternity has also seen an overspend in month. Non-Pay is overspent by £44k in month.

In month the Corporate Divisions are £150k favourable to plan due to receipt of Q4 nursing education and training income in month. Pay is £94k favourable to plan due to capitalisation of Finance staff and vacancies. Non-Pay is £50k adverse to plan due to project costs offset by income and Overseas recruitment within Nursing in month.

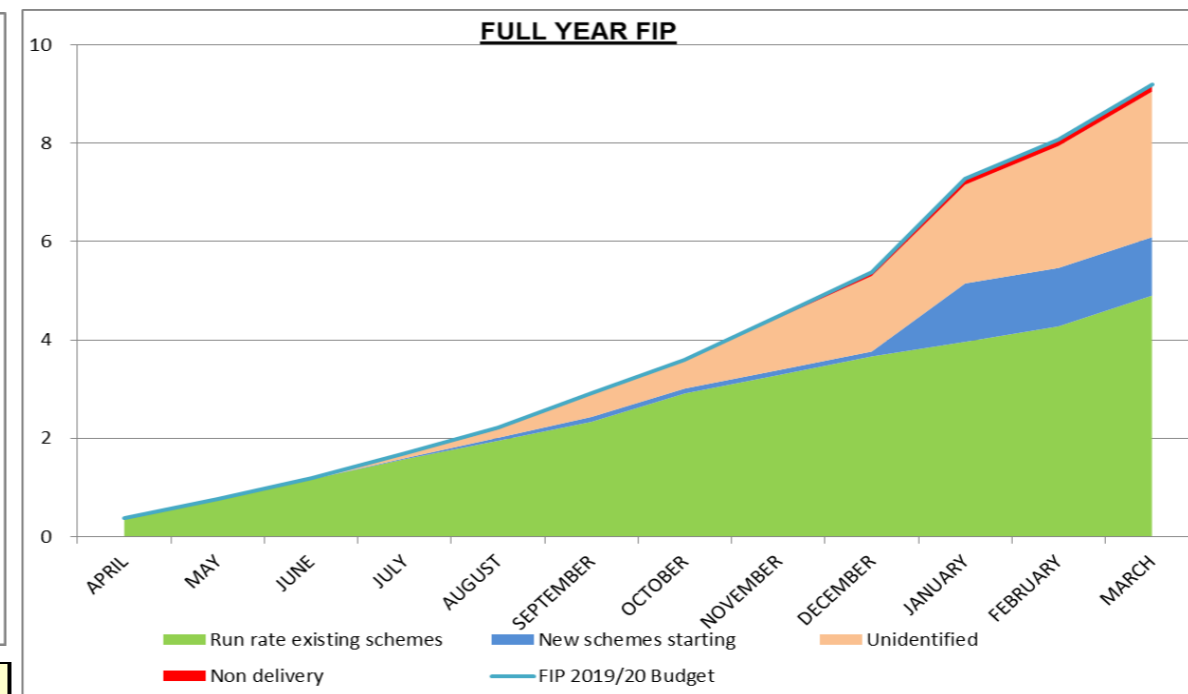
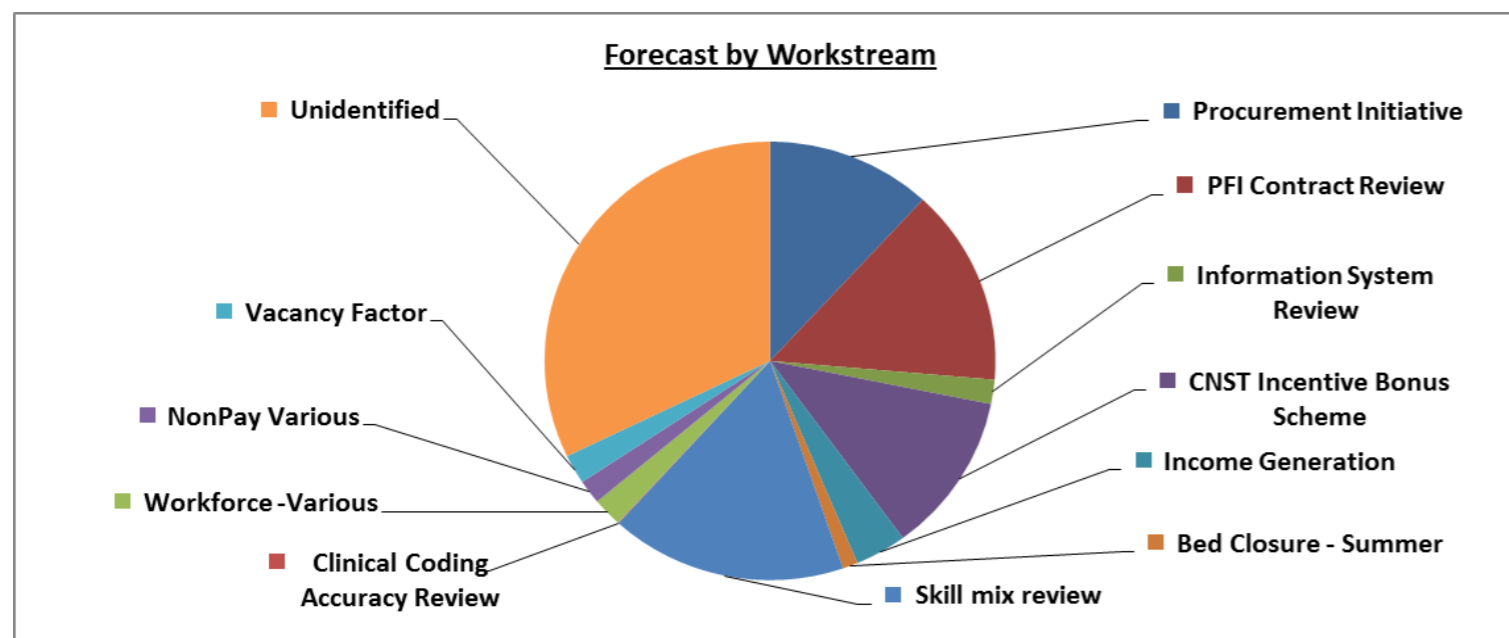
### SECTION 3: FINANCE IMPROVEMENT PLAN

Summary as at the end of Feb-20

Workstreams	Annual Target £000's	IN MONTH				Year to Date			
		In Month				Year to Date			
		Plan £000's	Actual £000's	Additional Schemes £000's	Variance (inc. addnl) £000's	Plan £000's	Actual £000's	Additional Schemes £000's	Variance (inc. addnl) £000's
Procurement Initiative	1,121	100	107	0	7	1,022	973	0	(48)
PFI Contract Review	1,060	0	0	0	0	1,026	1,026	0	0
Information System Review	164	20	20	0	0	145	145	0	0
Clinical Coding Accuracy Review	1,087	0	0	0	0	5	5	0	0
Income Generation	277	24	19	0	(5)	405	259	27	(119)
Bed Closure - Summer	160	0	0	0	0	160	100	0	(60)
Skill mix review	1,612	134	117	0	(16)	1,479	1,299	187	8
CNST Incentive Bonus Scheme	5	0	0	0	0	1,087	1,135	0	48
Workforce -Various	197	14	14	0	0	182	182	0	0
NonPay Various	213	24	14	0	(10)	189	149	0	(40)
Vacancy Factor	199	20	20	0	0	179	179	0	0
Unidentified	3,109	472		472	0	2,204		2,480	276
<b>Total CIP</b>	<b>9,205</b>	<b>807</b>	<b>310</b>	<b>472</b>	<b>(24)</b>	<b>8,082</b>	<b>5,452</b>	<b>2,694</b>	<b>64</b>

#### COMMENTARY

- In month achievement of £0.8m (including additional schemes) is £24k below of plan. YTD the FIP schemes are £64k ahead of plan.
- There is £2.2m YTD of unidentified FIP included in the position.
- Monthly Divisional CIP meetings have been established to review progress on delivery and align month end reporting.
- The FY forecast is to achieve the FIP plan including mitigations.



#### 1. CIP Performance by Division

Division	WTE Plan	Total	Mth 11 YTD Plan	Mth 11 YTD Actual	Month 11 YTD Variance	Forecast	Forecast Variance
Central Budgets Division	0.00	£2,825,735	£2,353,531	£2,508,543	£155,012	£2,934,832	£109,097
Corporate	7.78	£2,871,155	£2,411,112	£2,351,112	(£60,000)	£2,791,155	(£80,000)
Unplanned Care	1.15	£1,309,376	£1,213,110	£1,181,209	(£31,901)	£1,270,369	(£39,008)
Planned Care	5.64	£2,198,868	£2,104,177	£2,105,423	£1,247	£2,208,778	£9,910
<b>TOTAL TRUST SCHEMES</b>	<b>14.57</b>	<b>£9,205,134</b>	<b>£8,081,929</b>	<b>£8,146,287</b>	<b>£64,358</b>	<b>£9,205,134</b>	<b>(£0)</b>

## SECTION 4: STATEMENT OF FINANCIAL POSITION

	Jan £m	Feb £m
<b>NON CURRENT ASSETS:</b>		
Property plant and equipment	145.9	147.5
Intangible assets	11.1	12.8
Other assets	6.9	6.9
<b>TOTAL NON CURRENT ASSETS:</b>	<b>163.9</b>	<b>167.3</b>
<b>CURRENT ASSETS:</b>		
Inventories	2.0	2.0
Trade and other receivables	30.6	27.5
Cash and cash equivalents	12.1	10.5
<b>TOTAL CURRENT ASSETS</b>	<b>44.7</b>	<b>40.1</b>
<b>CURRENT LIABILITIES:</b>		
Trade and other payables	(36.9)	(36.6)
Current Borrowings	(8.5)	(8.5)
Current Provisions	(1.1)	(1.1)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(46.5)</b>	<b>(46.2)</b>
<b>NET CURRENT ASSETS LESS CURRENT LIABILITIES</b>	<b>(1.8)</b>	<b>(6.2)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>162.0</b>	<b>161.1</b>
<b>NON CURRENT LIABILITIES:</b>		
Borrowings	(63.0)	(62.4)
Provisions	(0.8)	(0.8)
Other liabilities	0.0	0.0
<b>TOTAL ASSETS EMPLOYED</b>	<b>98.3</b>	<b>97.9</b>
<b>FINANCED BY</b>		
<b>TAXPAYERS EQUITY:</b>		
Public Dividend Capital	65.3	65.3
Revaluation reserve	18.8	18.8
Income and Expenditure Reserve - Prior years	13.1	13.1
Income and Expenditure Reserve - Current Year	1.1	0.7
<b>TOTAL TAXPAYERS EQUITY</b>	<b>98.3</b>	<b>97.9</b>

### COMMENTARY

#### Non - Current Assets

There was a £3.4m increase in Non-Current Assets in February 2020 comprising of: £1.6m increase in Property Plant and Equipment and £1.8m increase in Intangible Assets. Other Assets remained unchanged.

#### Current Assets

There was a £4.6m decrease in Current Assets in February 2020 comprised of: £3.1m decrease in Trade and Other Receivables (as analysed in Appendix 3) and £1.6m decrease in Cash and Cash Equivalents (as analysed in Section 5 Cash Flow Statement). Inventories remained unchanged.

#### Current Liabilities

There was a decrease of £0.3m in Current Liabilities in February 2020 comprising; £0.3m decrease in Trade and Other Payables (as analysed in Appendix 4). Current Provisions and Current Borrowings remained unchanged, a transfer of £0.6m from Non-Current to Current Borrowings was offset by loan repayments of the same amount.

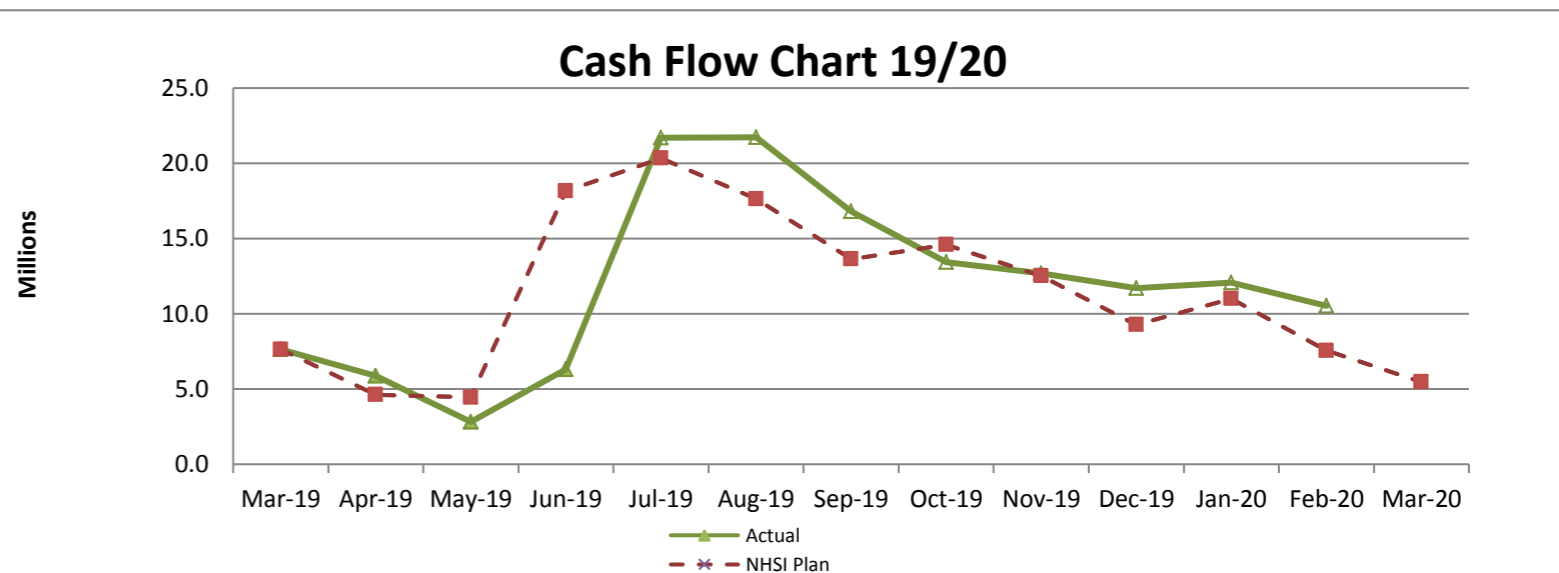
#### Non-Current Liabilities

Non-Current Borrowings decreased by £0.6m which transferred to Current Borrowings. Provisions and Other Liabilities remained unchanged.



## SECTION 5 CASH FLOW STATEMENT

February 2020 £m	
Surplus/(deficit) after tax	(0.4)
<b>Non-cash flows in operating surplus/(deficit)</b>	
Depreciation and amortisation	0.7
PDC Dividend	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>0.5</b>
<b>Increase/(Decrease) in working capital</b>	
Increase in Inventories	0.0
Decrease in Trade and other receivables	3.1
Decrease in Current Provisions	0.0
Decrease in Trade and Other payables	(0.3)
<b>Increase/(Decrease) in working capital</b>	<b>2.8</b>
<b>Net cash (outflow) from operating activities</b>	<b>3.3</b>
<b>Net cash inflow/(outflow) from investing activities</b>	
Property Plant and Equipment	(2.6)
Intangible assets	(1.7)
Other assets	(0.0)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(4.3)</b>
<b>Net cash inflow/(outflow) from financing activities</b>	
PDC Drawdowns	0.0
PDC Dividend paid	0.0
Borrowings	(0.5)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(0.5)</b>
<b>Net (decrease) in cash</b>	<b>(1.6)</b>
<b>Opening cash</b>	<b>12.1</b>
<b>Closing cash</b>	<b>10.5</b>



### COMMENTARY

The closing cash position for February was £10.5m, £1.6m lower than the previous month but £3.0m above plan. The variance from plan is for the most part due to withheld payments to Prime Solutions (£1.4m) and the quarterly receipt in January of HEE and MRET funding (£1.3m).

Significant receipts in the month included £0.7m from St Georges for Queen Marys P2P and salary recharges, £0.2m from Richmond CCG for MHAU funding, £0.2m from BMI Healthcare in final settlement of all debts and £0.2m from RB of Kingston for One Public Estate Funding. The January VAT reclaim was submitted later than usual due to the timing of EY's quarterly review and the inclusion of the resulting findings. Payment of £0.7m was received from HMRC in the first week of March.

Payments to trade suppliers were £1.7m lower than forecast for the month, however of this amount £1.4m related to the delay of the monthly PFI payment. Supplier invoices totalling £0.1m were held for payment at month end, unchanged from the end of January.

Remaining land sale receipts for Regent Wing fall due in September 2020 (£1m) and December 2021 (£5.5m).

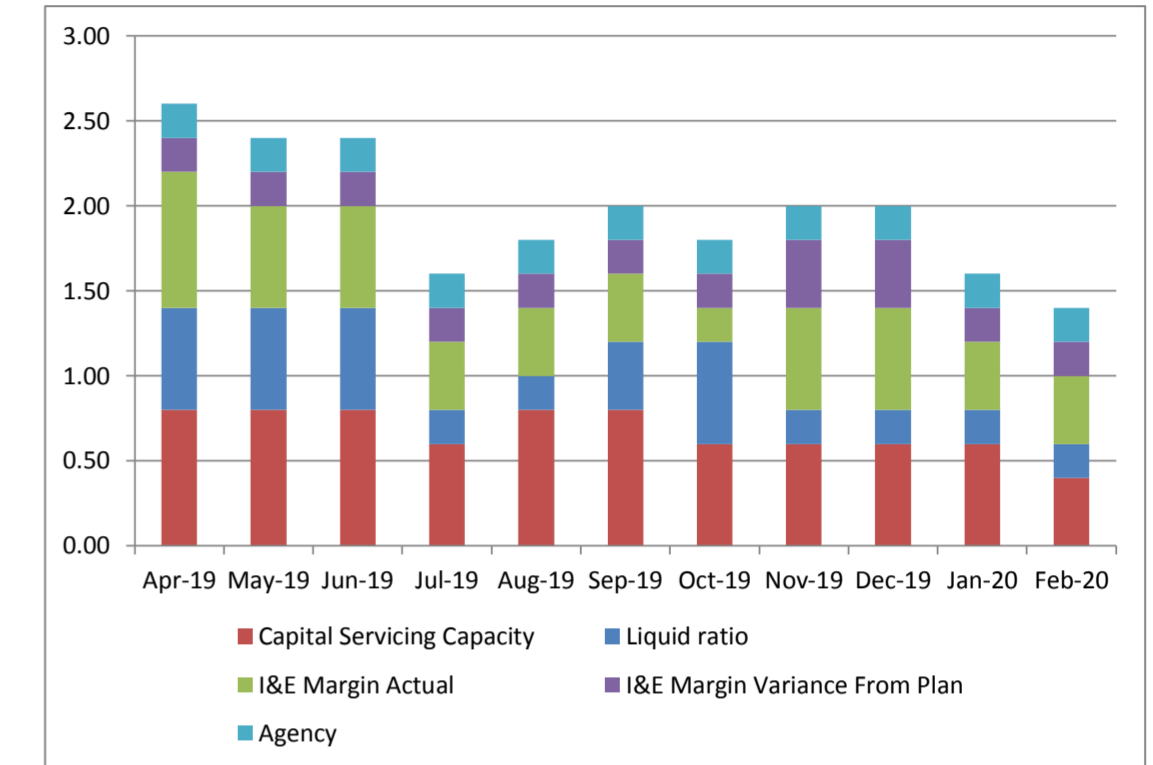
**SECTION 6: FINANCE AND USE OF RESOURCES METRICS**

	Weight	1	2	3	4
Capital Servicing Capacity	20%	2.50	1.75	1.25	<1.25
Liquidity	20%	-	7.00	14.00	<-14
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	19/20 M1	19/20 M2	19/20 M3	19/20 M4	19/20 M5	19/20 M6	19/20 M7	19/20 M8	19/20 M9	19/20 M10	19/20 M11
Capital Servicing Capacity	0.07	0.37	0.46	0.85	0.82	0.83	0.91	0.98	0.97	1.23	1.18
Liquidity	9.4	6.1	2.0	10.2	7.7	6.2	7.0	(4.3)	6.0	1.54	(4.29)
I&E Margin - Underlying performance	(4%)	(3%)	(3%)	(2%)	(2%)	(2%)	(1%)	(1%)	(1%)	0.1%	(0.1%)
I&E Margin - Variance from plan	0%	0%	0%	0%	0%	0%	(0%)	(0%)	0%	0.0%	0.0%
Agency (new metric)	(16%)	(14%)	(12%)	(6%)	(7%)	(6%)	(11%)	(19%)	(15%)	(13%)	(12.0%)

Heading	19/20 M1	19/20 M2	19/20 M3	19/20 M4	19/20 M5	19/20 M6	19/20 M7	19/20 M8	19/20 M9	19/20 M10	19/20 M11
Capital Service Cover	4	4	4	4	3	4	4	4	4	4	4
Liquidity	1	1	1	1	1	1	1	1	2	1	2
I&E Margin - Underlying performance	4	4	4	4	4	4	3	3	3	2	3
I&E Margin - Variance from plan	1	1	1	2	2	1	2	2	1	1	1
Agency (new metric)	1	1	1	1	1	1	1	1	1	1	1

<b>Risk rating after overrides</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
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**COMMENTARY**

Our current risk rating is 3.0, this is in line with the submitted Operating Plan for M01 to M11.