

Finance Performance Report 2017/18

January 2018

Director of Finance and Performance Management
Philip Cave



Contents and Appendices

Month 10 (January) 2017/18

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Executive Summary

Month 10 (January) 2017/18

Executive Summary

The Trust has generated a consolidated deficit year to date of £13.5m which is £6.4m behind plan. The variance is driven by the underachievement of STF funding of £4.2m due to non delivery of the A&E 4 hour target and non-delivery of Q4 control totals as well as high levels of temporary clinical staffing driven more recently by A&E/winter pressures along with higher than planned clinical supplies. As the Trust is in FSM it is measured against its performance excluding STF funding. After this is removed the Trust's I&E deficit in January (month 10) was £2.6m (consolidated position excluding Sustainability and Transformation Funds, including Spencer Wing, and after technical adjustments) against a planned deficit of £2.3m .

The year to date I&E deficit is £19.8m which is £2.3m behind plan. A reconciliation of the various adjustments is presented below. The Trust has maintained its internal Forecast in Month 10 at £11m to recognised the expected impact of additional A&E pressures and winter costs. This does not include CCG Income challenges due to the uncertainty of their size.

| £'000 | This Month | | | Year to Date | | | Annual | | |
|--|--------------|----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|
| | Plan | Actual | Variance | Plan | Actual | Variance | Plan | Forecast | Variance |
| EKHUFT Income (inc STF) | 50,562 | 49,038 | (1,524) | 484,163 | 483,997 | (166) | 584,133 | 579,432 | (4,701) |
| EKHUFT Pay | (28,994) | (30,189) | (1,195) | (287,015) | (290,302) | (3,288) | (344,206) | (350,891) | (6,685) |
| EKHUFT Non-Pay | (20,312) | (21,557) | (1,245) | (204,433) | (207,404) | (2,971) | (245,484) | (252,764) | (7,280) |
| EKHUFT Financial Position (inc STF) | 1,256 | (2,708) | (3,964) | (7,284) | (13,710) | (6,425) | (5,557) | (24,223) | (18,666) |
| Spencer Unit Financial Position | 19 | 5 | (14) | 161 | 171 | 9 | 187 | 105 | (82) |
| Consolidated I&E Position (inc STF) | 1,275 | (2,703) | (3,978) | (7,123) | (13,539) | (6,416) | (5,370) | (24,118) | (18,748) |
| Impairments Adjustment | 77 | 74 | (3) | 786 | 718 | (67) | 925 | 925 | 0 |
| STF Funding | (1,696) | 0 | 1,696 | (11,146) | (6,942) | 4,204 | (14,537) | (6,942) | 7,595 |
| Consolidated I&E Position (exc STF) | (344) | (2,630) | (2,286) | (17,483) | (19,763) | (2,280) | (18,982) | (30,135) | (11,153) |

Trust unconsolidated pay costs in the month of £30.2m were £0.9m more than December largely due to A&E/Winter pressures and were £1.2m worse than plan. Permanent staff costs (including Overtime) were £0.6m higher than December. Bank usage increased by £0.1m and agency/locum staff increased £0.4m. All temporary staff (agency, bank, locum, overtime) increased by £0.4m to £4.4m in month. Waiting list payments remained at £0.2m in month but were still higher than plan by £0.1m. Pay is now £3.2m worse than plan year to date. The main driver for the pay overspend against plan in month is the inability to close beds due to patient flow pressures which had been expected as part of a CIP and were built into the budget. A&E/Winter activities have also resulted in increased pay spend in January compared to December.

Clinical income was broadly on plan in month. This is driven by strong non-elective activity, non planned Health and Social Village bed income. This is offset by low elective activity due to an NHSI request to stop non-urgent elective work. Clinical income is £1.9m better than plan year to date. Other income is £1.5m worse than plan in month driven by lost STF funding. Year to date other income is £2m behind plan as lost STF income is offset by over recovery of R&D and education income.

Against the £32m CIPS target, including income, £25.6m is reported year to date against a target of £25.5m, £0.1m behind plan. Of the reported position 17% is non recurrent.

The cash balance as at the end of December was £5m, £2.8m above plan. The trusts total cash borrowing is now £28.8m.

As the expenditure risks are now recognised as crystallising in the revised Trust forecast the risks remaining have been estimated at £5.3m driven mainly by commissioner challenges the result of which is still to be agreed.

Income and Expenditure

R

In January the Trust reported a consolidated I&E deficit of £2.7m (before any adjustments) compared to a planned £1.3m surplus. Lower than planned other income is driven by loss of STF due to the Trust missing its control total. This was compounded with high pay, driven by A&E/Winter pressures and high non pay, driven mainly by unbudgeted Health and Social Care Village costs - offset by income, one off maintenance contracts and unexpected urgent maintenance costs. After adjustments the Trust is £2.3m behind plan YTD. The Forecast remains as last month which is behind plan due to the impact of A&E/winter pressures and the crystallisation of other previously flagged risks, at deficit of £30m. Risks still remain from commissioner income challenge, the East Kent CCGs have taken the Trust to expert determination on £30-40m of the contracted value for 2017/18, the main areas of concern being up coding and mis-recording of activity. Of all the divisions the U<C division is under the most significant pressure resulting in its contribution year to date being £4m worse than plan, driven mainly by temporary staff costs.

Cash

A

The Trust's cash balance at the 31st January was £5m which was £2.8m above plan. The main drivers are:

- NHS income is £3.1m above plan driven by activity and other income is £1.5m over plan due to education and R&D
- STF income is £1.2m behind plan due to A&E performance
- Payroll expenditure is £4.9m below plan due to vacancies , offset with agency below
- PDC payments are below plan £0.4m as cash is more favourable than expected
- Loans drawn are £1.6m over plan
- All other payments (including Agency) are £7.5m over plan

£0.8m was repaid in month based on NHSI rules and overall the Trust has borrowings of £28.8m. The Trust has requested £6m of exceptional working capital funding in February in order to address creditor payment issues.

Capital Programme

G

The Trust has spent £0.2m more than the NHSI plan on capital year to date. This is driven by additional PAS replacement costs and spend on the Arundel Unit.

Some late phased capital schemes have been delayed (e.g. CT/CT SPEC and QE Cardiac lab) due to operational re- evaluation.

The Trust has re-prioritised the spend for the year and is expecting to spend all its capital funds by year end due to the additional need to create a compliant CCU at WHH.

Cost Improvement Programme

G

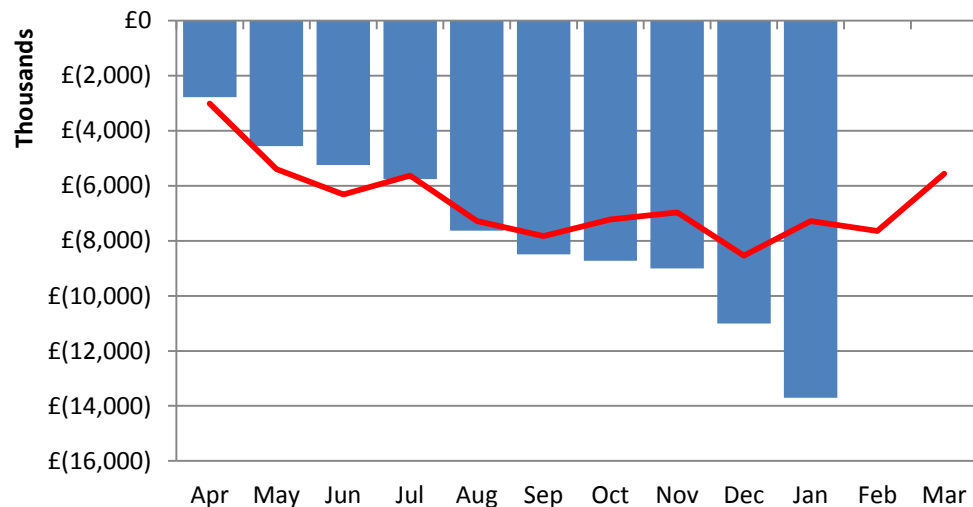
Net CIPs in month were £0.3m ahead of plan due largely due to the release of expected CIP costs from the balance sheet which brings the YTD position back to on plan. Month 10 CIP delivery increased by £0.9m when compared to Month 9 as patient flow 2 and workforce scheme delivery increased. Non recurrent savings now stand at £3.7m and will be offset in 18/19 using the full year effect of 17/18 schemes.

Risks still remain driven by delays in bite 4 schemes e.g. Income schemes such as the use of One Ashford Theatre space but mitigations are being made.

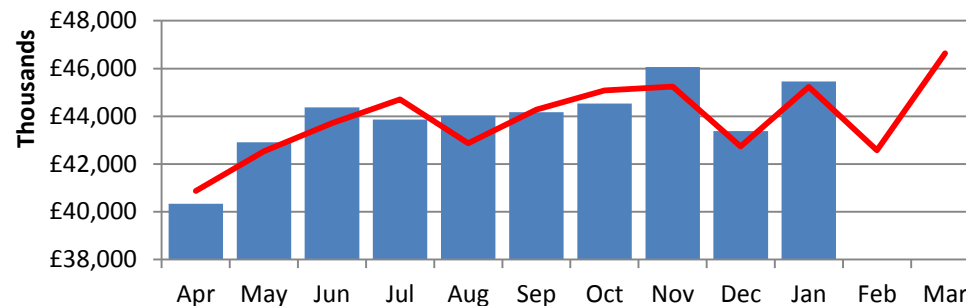
Financial Dashboard

Month 10 (January) 2017/18

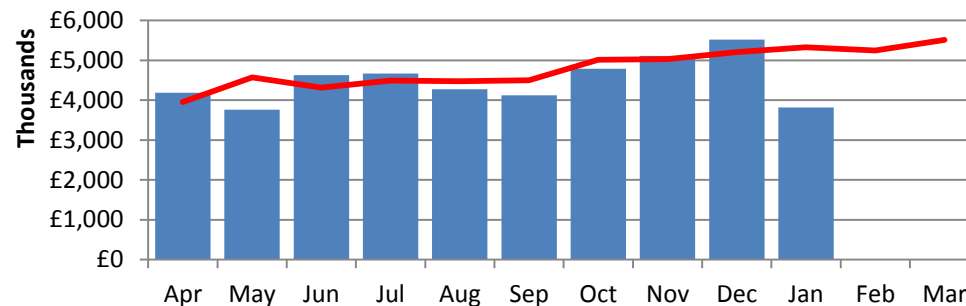
YTD NET RETAINED SURPLUS/(DEFICIT): Plan v. Actual



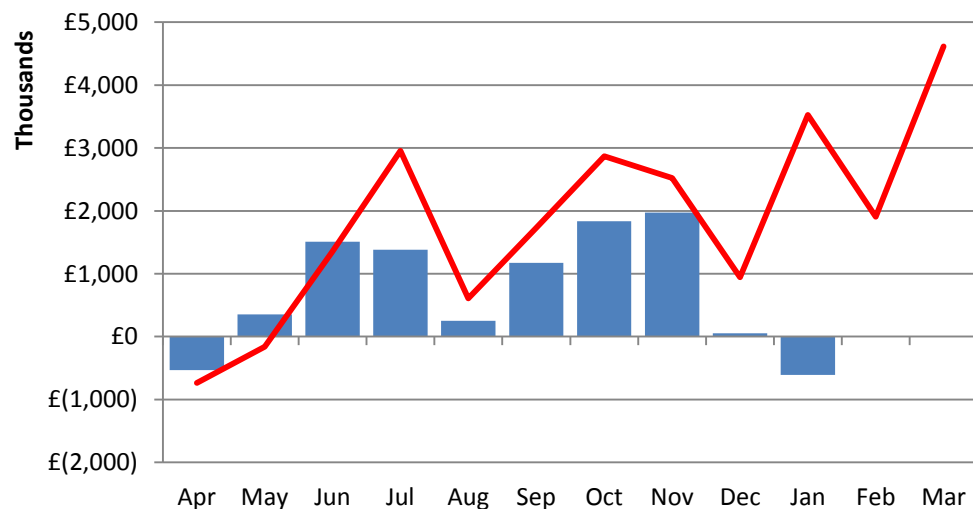
TOTAL CORPORATE AND SLA INCOME: Plan v. Actual



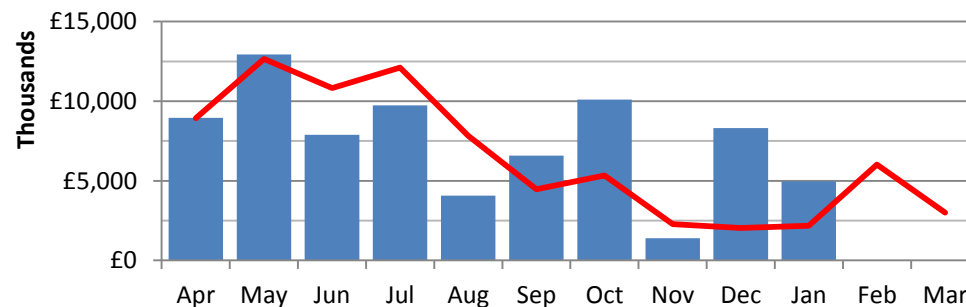
ALL OTHER INCOME: Plan v. Actual



YTD EBITDA: Plan v. Actual



Cash: Plan v Actual

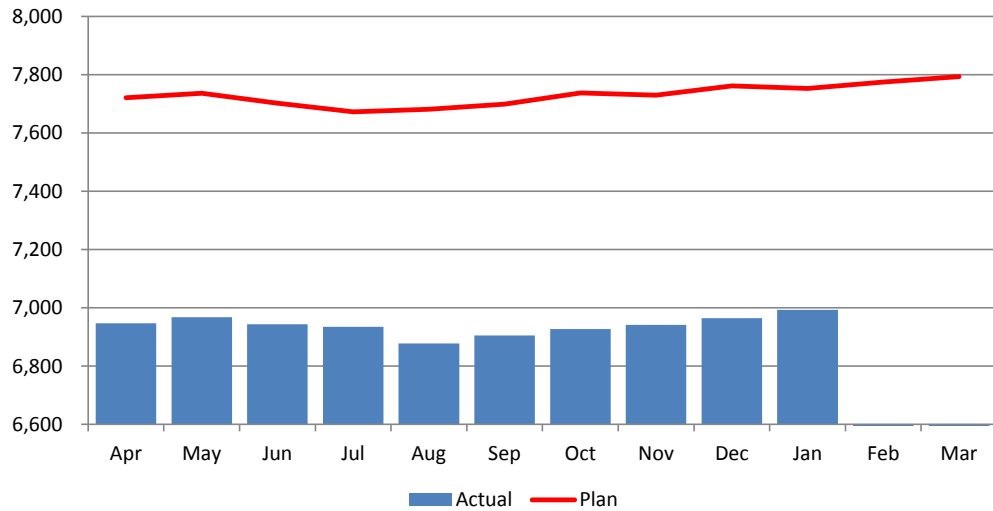


Actual Plan

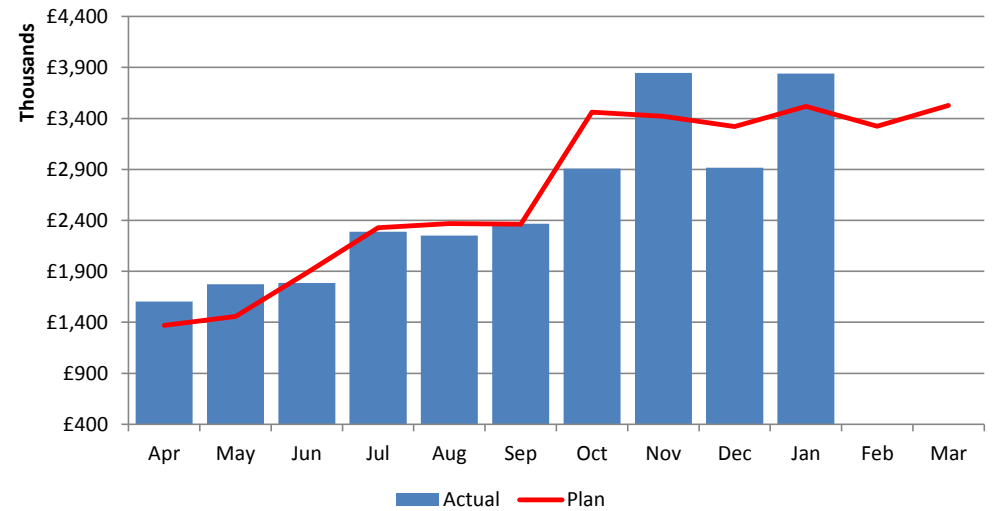
Financial Dashboard

Month 10 (January) 2017/18

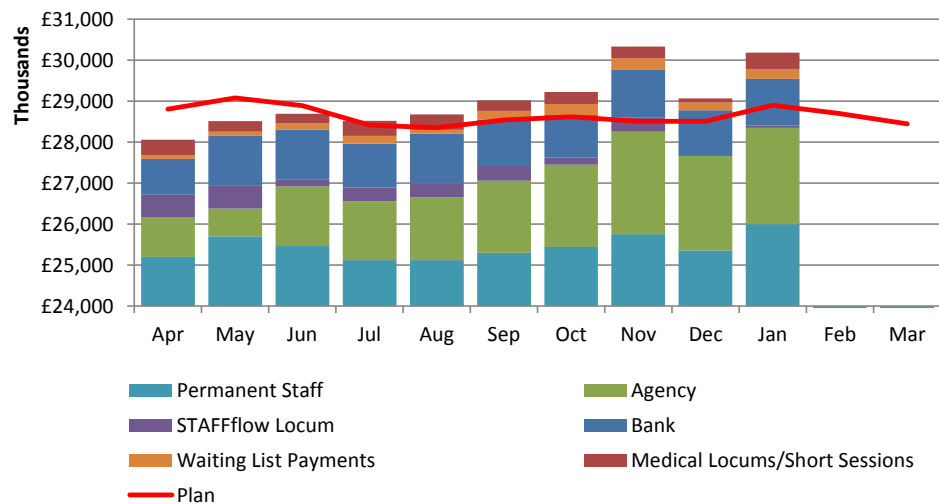
WTE: Plan v Actual



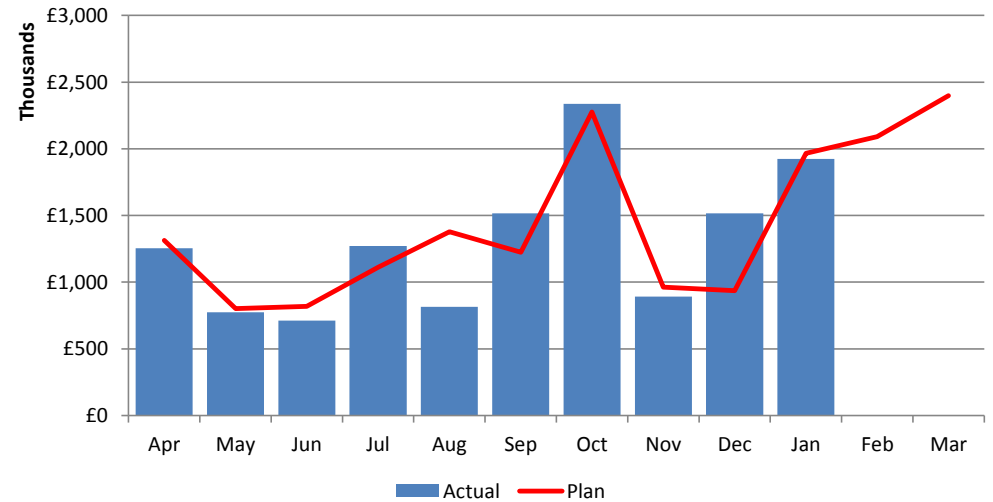
CIPs: Plan v Actual



Pay: Plan v Actual

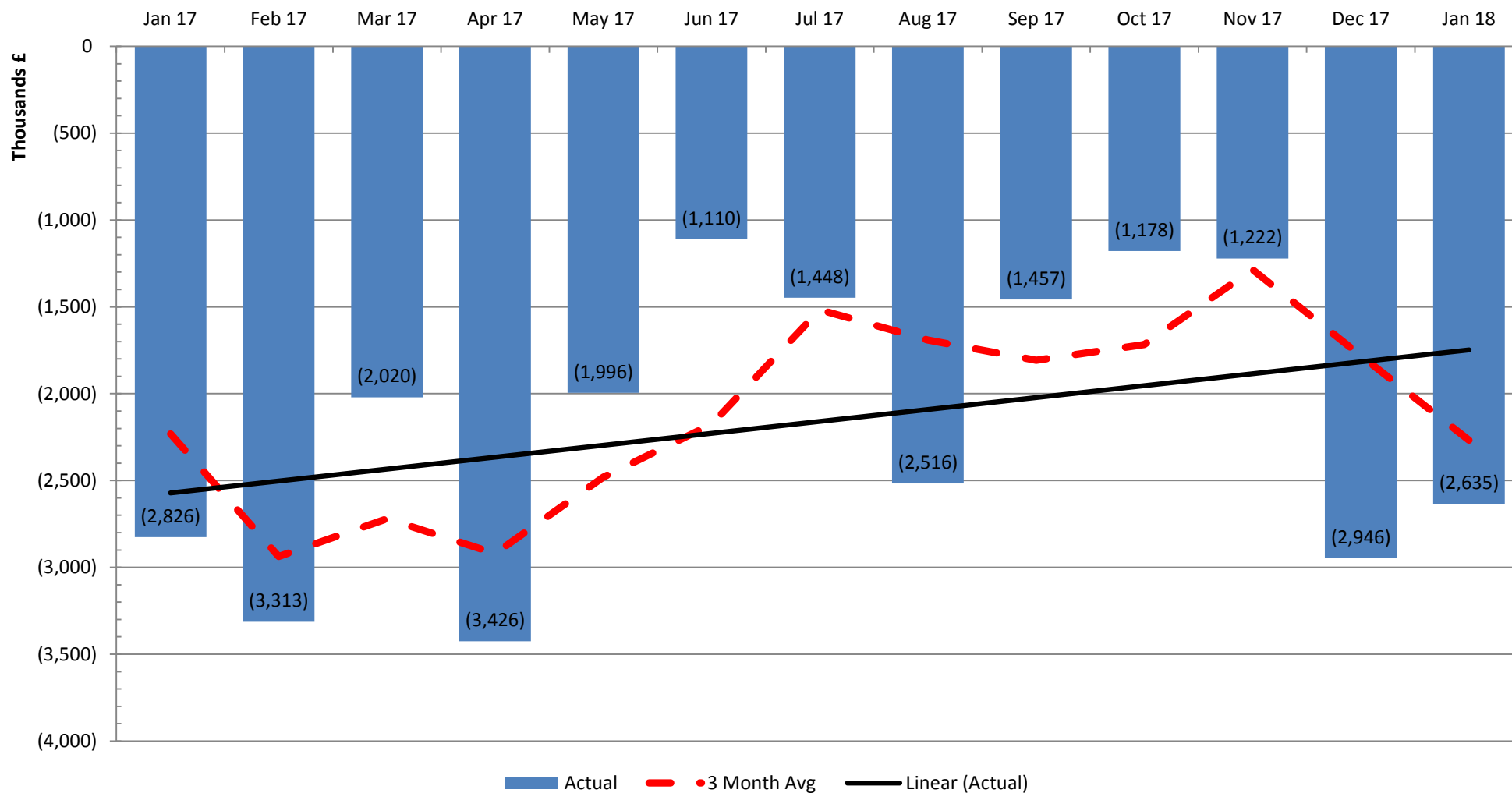


CAPITAL: Plan v. Actual



| | | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 | M11 | M12 |
|---|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Clinical Income Consolidated | Plan | 41,650 | 43,310 | 44,496 | 45,487 | 43,652 | 45,064 | 45,859 | 46,026 | 43,515 | 46,013 | 43,360 | 47,417 |
| | Actual | 41,713 | 42,784 | 45,222 | 44,668 | 44,628 | 44,943 | 45,236 | 46,875 | 44,337 | 46,570 | | |
| | Variance | 63 | -526 | 726 | -819 | 976 | -121 | -623 | 849 | 822 | 557 | | |
| | Quarterly rolling average spend | 42,814 | 43,464 | 43,240 | 44,225 | 45,024 | 44,746 | 44,936 | 45,685 | 45,483 | 45,927 | | |
| Other Income Consolidated | Plan | 4,139 | 4,079 | 4,165 | 4,336 | 4,321 | 4,345 | 4,861 | 4,880 | 5,056 | 5,178 | 5,093 | 5,354 |
| | Actual | 3,832 | 4,386 | 4,476 | 4,720 | 4,043 | 4,041 | 4,683 | 5,088 | 5,476 | 3,411 | | |
| | Variance | -307 | 307 | 311 | 384 | -278 | -304 | -178 | 208 | 420 | -1,767 | | |
| | Quarterly rolling average spend | 2,748 | 3,133 | 4,231 | 4,527 | 4,413 | 4,268 | 4,256 | 4,604 | 5,082 | 4,658 | | |
| Pay Consolidated | Plan | -29,139 | -29,415 | -29,232 | -28,757 | -28,689 | -28,879 | -29,055 | -28,947 | -28,944 | -29,333 | -29,135 | -28,889 |
| | Actual | -28,405 | -28,847 | -29,028 | -28,854 | -29,014 | -29,387 | -29,580 | -30,698 | -29,392 | -30,542 | | |
| | Variance | 734 | 568 | 204 | -97 | -325 | -508 | -525 | -1,751 | -448 | -1,209 | | |
| | Quarterly rolling average spend | -28,778 | -28,840 | -28,760 | -28,910 | -28,965 | -29,085 | -29,327 | -29,888 | -29,890 | -30,211 | | |
| Non Pay Operating Expenses Consolidated | Plan | -17,374 | -18,081 | -18,041 | -18,079 | -18,643 | -18,770 | -18,762 | -19,400 | -18,651 | -18,298 | -17,377 | -19,244 |
| | Actual | -17,243 | -18,035 | -19,141 | -18,906 | -19,387 | -18,404 | -18,461 | -19,295 | -20,359 | -20,031 | | |
| | Variance | 131 | 46 | -1,100 | -827 | -744 | 366 | 301 | 105 | -1,708 | -1,733 | | |
| | Quarterly rolling average spend | -17,111 | -17,707 | -18,140 | -18,694 | -19,145 | -18,899 | -18,751 | -18,720 | -19,372 | -19,895 | | |
| Non Operating Consolidated | Plan | -2,267 | -2,273 | -2,285 | -2,284 | -2,284 | -2,284 | -2,284 | -2,285 | -2,535 | -2,285 | -2,285 | -2,541 |
| | Actual | -2,198 | -2,096 | -2,207 | -1,908 | -2,146 | -2,045 | -2,082 | -2,259 | -2,074 | -2,111 | | |
| | Variance | 69 | 177 | 78 | 376 | 138 | 239 | 202 | 26 | 461 | 174 | | |
| | Quarterly rolling average spend | -4,435 | -4,319 | -2,167 | -2,070 | -2,087 | -2,033 | -2,091 | -2,129 | -2,138 | -2,148 | | |
| Agency Unconsolidated | Plan | -1,849 | -1,702 | -1,617 | -1,552 | -1,460 | -1,450 | -1,432 | -1,292 | -1,289 | -1,278 | -1,279 | -1,258 |
| | Actual | -1,889 | -1,513 | -1,855 | -2,142 | -2,245 | -2,369 | -2,477 | -3,137 | -2,433 | -2,807 | | |
| | Variance | -40 | 189 | -238 | -590 | -785 | -919 | -1,045 | -1,845 | -1,144 | -1,529 | | |
| | Quarterly rolling average spend | -2,131 | -1,902 | -1,752 | -1,837 | -2,081 | -2,252 | -2,363 | -2,661 | -2,682 | -2,792 | | |
| CIPS Unconsolidated | Plan | 1,369 | 1,458 | 1,885 | 2,327 | 2,367 | 2,361 | 3,460 | 3,420 | 3,319 | 3,519 | 3,324 | 3,527 |
| | Actual | 1,605 | 1,773 | 1,786 | 2,287 | 2,250 | 2,368 | 2,906 | 3,845 | 2,915 | 3,840 | | |
| | Variance | 236 | 315 | -99 | -40 | -117 | 7 | -554 | 425 | -404 | 321 | | |
| Cash Unconsolidated | Plan | 8,936 | 12,660 | 10,827 | 12,105 | 7,837 | 4,480 | 5,335 | 2,270 | 2,042 | 2,187 | 6,014 | 3,005 |
| | Actual | 8,936 | 12,945 | 7,875 | 9,746 | 4,060 | 6,583 | 10,100 | 1,386 | 8,304 | 4,967 | | |
| | Variance | | 285 | 546 | -2,359 | -3,777 | 2,103 | 4,765 | -884 | 6,262 | 2,780 | | |

I&E Deficit January 2017 to January 2018
(Excl STF after technical adjustments)



Income and Expenditure Summary

Month 10 (January) 2017/18

| Unconsolidated £000 | Year to Date | | | This Month | | |
|---|------------------|------------------|----------------|-----------------|-----------------|----------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| Income | | | | | | |
| Electives | 82,044 | 74,016 | (8,028) | 8,953 | 6,629 | (2,324) |
| Non-Electives | 127,710 | 134,278 | 6,568 | 13,074 | 15,369 | 2,295 |
| Accident and Emergency | 21,951 | 21,870 | (81) | 2,268 | 2,234 | (34) |
| Outpatients | 66,544 | 64,524 | (2,020) | 6,901 | 6,766 | (135) |
| High Cost Drugs | 48,070 | 46,327 | (1,743) | 4,807 | 5,088 | 281 |
| Private Patients | 362 | 214 | (147) | 36 | 30 | (5) |
| Other NHS Clinical Income | 88,898 | 96,347 | 7,449 | 9,023 | 8,933 | (89) |
| Other Clinical Income | 1,685 | 1,536 | (149) | 168 | 169 | |
| Total Corporate and SLA Income | 437,263 | 439,113 | 1,850 | 45,230 | 45,219 | (11) |
| All Other Income | 46,900 | 44,884 | (2,016) | 5,332 | 3,819 | (1,513) |
| Total Income | 484,163 | 483,997 | (166) | 50,562 | 49,038 | (1,524) |
| Expenditure | | | | | | |
| Permanent Staff | (262,467) | (250,298) | 12,169 | (26,716) | (25,598) | 1,118 |
| Overtime | | (4,207) | (4,207) | | (403) | (403) |
| Waiting List Payments | (952) | (1,825) | (873) | (97) | (240) | (143) |
| Medical Locums/Short Sessions | (1,623) | (2,960) | (1,337) | (165) | (404) | (239) |
| Bank | (7,051) | (11,104) | (4,053) | (738) | (1,142) | (404) |
| Agency | (11,666) | (16,966) | (5,300) | (999) | (2,349) | (1,350) |
| Direct Engagement | (3,255) | (2,942) | 312 | (279) | (54) | 225 |
| Total Pay | (287,015) | (290,302) | (3,288) | (28,994) | (30,189) | (1,195) |
| Non Pay | (181,534) | (186,300) | (4,766) | (18,043) | (19,457) | (1,414) |
| Total Expenditure | (468,548) | (476,603) | (8,054) | (47,037) | (49,646) | (2,609) |
| Non-Operating Expenses | (22,899) | (21,104) | 1,795 | (2,269) | (2,100) | 169 |
| Income and Expenditure Surplus/(Deficit) | (7,284) | (13,710) | (6,425) | 1,256 | (2,708) | (3,964) |

| Consolidated £000 | Year to Date | | | This Month | | |
|---|------------------|------------------|----------------|-----------------|-----------------|----------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| Income | | | | | | |
| Clinical Income | 445,072 | 446,607 | 1,535 | 46,013 | 46,570 | 557 |
| Non Clinical Income | 45,360 | 43,989 | (1,371) | 5,178 | 3,411 | (1,767) |
| Total Income | 490,432 | 490,596 | 164 | 51,191 | 49,981 | (1,210) |
| Expenditure | | | | | | |
| Pay | (290,390) | (293,747) | (3,357) | (29,333) | (30,542) | (1,209) |
| Non Pay | (184,099) | (189,148) | (5,049) | (18,298) | (20,031) | (1,733) |
| Total Expenditure | (474,489) | (482,895) | (8,406) | (47,631) | (50,573) | (2,942) |
| Non-Operating Expenses | (23,066) | (21,240) | 1,826 | (2,285) | (2,111) | 174 |
| Income and Expenditure Surplus/(Deficit) | (7,123) | (13,539) | (6,416) | 1,275 | (2,703) | (3,978) |

Corporate and SLA Income

East Kent CCGs income over performed against plan by £1.3m in month, with over performance against all of the 4 contracts. The majority of this is contained within non-elective care due to a richer than planned case mix and in part due to funding for the HSCV beds which is not in our current contract, but is agreed to be paid at a day rate of £170 per utilised bed day. The current year position includes £2.9m of income for HSCV beds. The East Kent CCGs have taken the Trust to expert determination on £30-40m of the contracted value for 2017/18, the main areas of concern being up coding and mis-recording of activity

EK CCGs contract has been signed with an expectation that further adjustments to the baseline will be made via contract variations to reflect new commissioner QIPP schemes and further transfers of funding between CCGs and NHSE should they arise.

NHSE Contracts are above plan in month by £352k. Rechargeable expenditure such as high cost drugs, devices and haemophilia blood products over performed by £278k in month across all contracts.

The Trust contract with NHSE includes almost £4m of QIPP expectation with the Trust agreeing to work with NHSE to implement cost savings where possible, however, the risk against non achievement sits with the commissioner. A Memorandum of Understanding is agreed with the EK CCGs.

Other Income and Expenditure

Non clinical income is adverse to plan ytd by £2m (4.3%), a deterioration in month of £1.5m, which relates to unachieved sustainability and transformation funding for January. STF is now adverse to plan by £4.2m ytd, partially offset by income for Winter pressures and A&E improvement plan of £1.7m. Income relating to Education and Training and R&I continues to perform above plan and is £2.0m favourable ytd, offset by adverse performances on accommodation revenue, charitable funds income, parking revenue and miscellaneous income totalling £1.4m. Expenditure on the SaCP project has slipped by £2.2m ytd.

Total expenditure is £8.1m adverse to plan ytd (1.7%) including £3.8m for A&E Improvement Plan. Pay expenditure is adverse to plan by £3.3m ytd and main drivers for the adverse position continue to be temporary staffing costs and unachieved CIP schemes which are being mitigated in other areas. Non pay expenditure is adverse to plan by £4.8m ytd, mainly relating to previously reported expenditure on the purchase of additional capacity in the independent sector, offset by underspends on drugs and clinical supplies.

The expenditure run rate has increased by £0.6m in January, with increased pay expenditure of £1.1m being partially offset by reduced non pay expenditure of £0.6m. Total expenditure on pay in January was £30.2m, an increase in spend of £1.1m when compared to December, mainly driven by £0.4m in Substantive Nursing and A&C including Bank holiday enhancements, £0.3m one off benefit in December and £0.3m growth in Internal Locum costs. The reduction in non pay expenditure when compared to December relates predominantly to central adjustments for provisions relating to bad debts, RPST cases and injury benefits totalling £0.8m, offset by increased expenditure on clinical supplies.

Income and Expenditure Forecast

Month 10 (January) 2017/18

| Unconsolidated | Annual | | | Forecast | Normalised ^{D.12} | |
|---|------------------|------------------|-----------------|----------------|----------------------------|--------------|
| £000 | Plan | Forecast | Var. | Adjustment | Forecast | Var. |
| Income | | | | | | |
| Electives | 100,038 | 89,502 | (10,536) | - | 89,502 | - |
| Non-Electives | 153,125 | 159,933 | 6,808 | - | 159,933 | - |
| Accident and Emergency | 26,602 | 26,080 | (522) | - | 26,080 | - |
| Outpatients | 80,322 | 76,713 | (3,609) | - | 76,713 | - |
| High Cost Drugs | 57,684 | 54,773 | (2,911) | - | 54,773 | - |
| Private Patients | 433 | 118,417 | 117,984 | - | 118,417 | - |
| Other | 108,271 | 223 | (108,048) | - | 223 | - |
| Total Corporate and SLA Income | 526,475 | 525,640 | (835) | - | 525,640 | - |
| All Other Income | 57,658 | 53,792 | (3,866) | (6,942) | 46,850 | 6,942 |
| Total Income | 584,133 | 579,432 | (4,701) | (6,942) | 572,490 | 6,942 |
| Expenditure | | | | | | |
| Permanent Staff | (315,146) | (300,567) | 14,579 | - | (300,567) | - |
| Overtime | - | (5,184) | (5,184) | - | (5,184) | - |
| Waiting List Payments | (1,144) | (2,367) | (1,223) | - | (2,367) | - |
| Medical Locums/Short Sessions | (1,950) | (3,398) | (1,448) | - | (3,398) | - |
| Bank | (8,509) | (13,341) | (4,832) | - | (13,341) | - |
| Agency | (13,650) | (23,147) | (9,497) | - | (23,147) | - |
| Direct Engagement | (3,807) | (2,887) | 920 | - | (2,887) | - |
| Total Pay | (344,206) | (350,891) | (6,685) | - | (350,891) | - |
| Non Pay | (217,791) | (226,517) | (8,726) | - | (226,517) | - |
| Total Expenditure | (561,997) | (577,408) | (15,411) | - | (577,408) | - |
| Non-Operating Expenses | (27,693) | (26,247) | 1,446 | 1,035 | (25,212) | (1,035) |
| Income and Expenditure Surplus/(Deficit) | (5,557) | (24,223) | (18,666) | (5,907) | (30,130) | 5,907 |

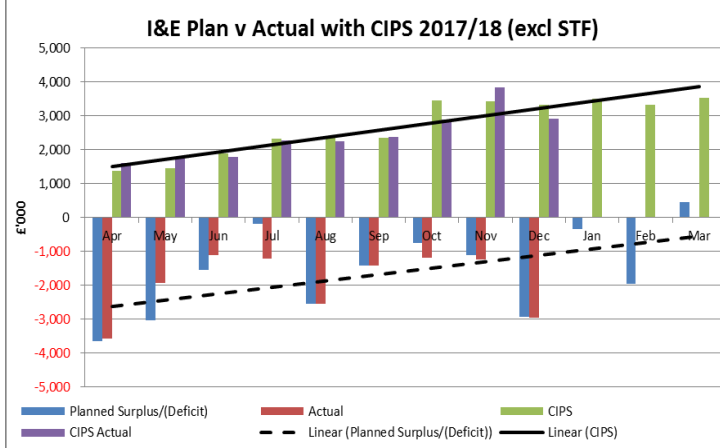
| Consolidated | Annual | | | Forecast | Normalised ^{D.12} | |
|---|------------------|------------------|-----------------|----------------|----------------------------|-----------------|
| £000 | Plan | Forecast | Var. | Adjustment | Forecast | Var. |
| Income | | | | | | |
| Clinical Income | 535,849 | 534,749 | (1,100) | - | 534,749 | (1,100) |
| Non Clinical Income | 55,807 | 51,941 | (3,866) | (6,942) | 44,999 | (10,808) |
| Total Income | 591,656 | 586,690 | (4,966) | (6,942) | 579,748 | (11,908) |
| Expenditure | | | | | | |
| Pay | (348,414) | (354,948) | (6,534) | - | (354,948) | (6,534) |
| Non Pay | (220,720) | (229,297) | (8,577) | - | (229,297) | (8,577) |
| Total Expenditure | (569,134) | (584,245) | (15,111) | - | (584,245) | (15,111) |
| Non-Operating Expenses | (27,892) | (26,563) | 1,329 | 1,035 | (25,528) | 2,364 |
| Income and Expenditure Surplus/(Deficit) | (5,370) | (24,118) | (18,748) | (5,907) | (30,025) | (24,655) |

The Trust is forecast to be £11m off of the agreed £18.9m deficit control total, the main factors are; additional A&E/ Winter costs £8.4m (net of NHSI central funding), £0.5m additional consultant PA costs, £0.6m additional injury liability claims, £0.5m rates increases and £1m expected CQUIN failure. The annual plan and annual forecast in the table opposite do not include the technical adjustments where as the normalised forecast includes these.

This outturn reflects the inclusion of the latest forecast estimates for the A&E Improvement Plan of £9.9m against confirmed funding from NHSI of £1.5m

Discussions are continuing with NHSI on the formal process to be followed in order to secure their agreement to recognise this deterioration from plan as part of the reporting via the monthly monitoring return. The current forecast assumes that there is no loss of income from the current CCG challenges.

CIPS of £32m net are still required to support the delivery of this amended forecast .



Risks and Opportunities

Month 10 (January) 2017/18

| Risk/Opp | Area | Description | Narrative | Full Year (Risk)/Opp £000 | Probability | Impact £,000 |
|----------|-----------------|------------------------------|--|------------------------------|-------------|--------------|
| RISK | Clinical Income | Commissioner Audits | Emergency short stay audit to take place in November. Risk around charging full admissions for new assessment and ambulatory areas. | (12,000) | 15% | (1,750) |
| RISK | Clinical Income | Commissioner Data Challenges | EK CCGs recently raised disputes on several elements of 17/18 outturn. The Trust is satisfied that these challenges are not realisable. | (19,000) | 5% | (1,000) |
| RISK | Clinical Income | CQUIN performance 17-18 | CQUIN - Challenging CQUIN programme in 17-18 with some targets such as flu vaccination rates and anti-biotic prescribing rates difficult to achieve in year. | (1,500) | 83% | (1,250) |
| RISK | CIP Delivery | Bite 4 scheme delivery | | (10,300) | 10% | (1,300) |
| | | | Total Risk | | | (5,300) |
| | | | Total Opportunity | | | |
| | | | NET (RISK)/OPPORTUNITY | | | (5,300) |

Some risks have been realised and are now included in the Forecast, only remaining risks are shown in the table.

Subjective Expenditure

Month 10 (January) 2017/18

| Trustwide Subjective Expenditure £000 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Total |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----|-----|-----------|
| Income | | | | | | | | | | | | | |
| Electives | 6,424 | 7,271 | 8,017 | 7,414 | 7,453 | 7,737 | 7,923 | 8,351 | 6,796 | 6,629 | | | 74,016 |
| Non-Electives | 12,862 | 13,522 | 13,494 | 12,782 | 12,913 | 13,320 | 13,071 | 13,489 | 13,457 | 15,369 | | | 134,278 |
| Accident and Emergency | 2,094 | 2,234 | 2,163 | 2,237 | 2,221 | 2,134 | 2,222 | 2,140 | 2,191 | 2,234 | | | 21,870 |
| Outpatients | 5,474 | 6,519 | 6,709 | 6,518 | 6,651 | 6,074 | 7,030 | 7,431 | 5,350 | 6,766 | | | 64,524 |
| High Cost Drugs | 4,255 | 4,320 | 4,678 | 4,695 | 4,950 | 4,605 | 4,153 | 4,404 | 5,180 | 5,088 | | | 46,327 |
| Private Patients | 41 | 6 | 74 | (41) | 16 | 22 | 28 | 23 | 15 | 30 | | | 214 |
| Other NHS Clinical Income | 9,068 | 8,850 | 9,107 | 10,137 | 9,666 | 10,086 | 9,935 | 10,052 | 10,514 | 8,933 | | | 96,347 |
| Other Clinical Income | 124 | 187 | 137 | 117 | 154 | 187 | 176 | 166 | 119 | 169 | | | 1,536 |
| Total Corporate and SLA Income | 40,341 | 42,909 | 44,378 | 43,858 | 44,024 | 44,165 | 44,539 | 46,057 | 43,623 | 45,219 | | | 439,113 |
| All Other Income | 4,184 | 3,760 | 4,627 | 4,667 | 4,277 | 4,126 | 4,792 | 5,113 | 5,520 | 3,819 | | | 44,884 |
| Total Income | 44,525 | 46,668 | 49,005 | 48,525 | 48,301 | 48,291 | 49,332 | 51,170 | 49,143 | 49,038 | | | 483,997 |
| Expenditure | | | | | | | | | | | | | |
| Permanent Staff | (24,695) | (25,381) | (25,087) | (24,738) | (24,728) | (24,884) | (25,012) | (25,301) | (24,875) | (25,598) | | | (250,298) |
| Overtime | (507) | (322) | (381) | (390) | (401) | (423) | (434) | (462) | (484) | (403) | | | (4,207) |
| Waiting List Payments | (100) | (101) | (159) | (186) | (96) | (211) | (262) | (281) | (188) | (240) | | | (1,825) |
| Medical Locums/Short Sessions | (368) | (260) | (236) | (372) | (372) | (254) | (301) | (290) | (104) | (404) | | | (2,960) |
| Bank | (866) | (1,199) | (1,213) | (1,069) | (1,208) | (1,132) | (1,041) | (1,150) | (1,086) | (1,142) | | | (11,104) |
| Agency | (966) | (685) | (1,454) | (1,433) | (1,527) | (1,751) | (2,003) | (2,495) | (2,303) | (2,349) | | | (16,966) |
| Direct Engagement | (555) | (568) | (165) | (337) | (346) | (363) | (173) | (353) | (28) | (54) | | | (2,942) |
| Total Pay | (28,057) | (28,516) | (28,696) | (28,525) | (28,677) | (29,018) | (29,226) | (30,331) | (29,068) | (30,189) | | | (290,302) |
| Non-Pay | | | | | | | | | | | | | |
| Drugs | (5,493) | (5,627) | (5,479) | (5,750) | (6,110) | (5,307) | (5,157) | (5,355) | (5,960) | (6,044) | | | (56,282) |
| Clinical Supplies | (5,481) | (5,113) | (6,050) | (5,681) | (6,160) | (5,502) | (5,713) | (6,054) | (5,863) | (6,064) | | | (57,681) |
| Non-Clinical Supplies | (444) | (928) | (1,126) | (1,097) | (881) | (953) | (1,038) | (1,129) | (1,061) | (786) | | | (9,443) |
| Facilities Management | (1,437) | (1,261) | (1,313) | (1,292) | (1,253) | (1,435) | (1,342) | (1,439) | (1,365) | (1,339) | | | (13,475) |
| NHS Supplies and Services | (187) | (290) | (385) | (285) | (177) | (356) | (251) | (105) | (270) | (328) | | | (2,633) |
| Cost of Secondary Commissioning of mandatory Services | (504) | (568) | (744) | (674) | (607) | (654) | (752) | (603) | (808) | (822) | | | (6,735) |
| Education & Training | (95) | (278) | (201) | (79) | (349) | (222) | (159) | (303) | (195) | (275) | | | (2,157) |
| Consultancy | (38) | (34) | (76) | (123) | (40) | (7) | (127) | () | (48) | (119) | | | (612) |
| Premises | (855) | (928) | (827) | (893) | (895) | (875) | (938) | (959) | (927) | (1,040) | | | (9,139) |
| Clinical Negligence | (1,803) | (1,803) | (1,803) | (1,803) | (1,803) | (1,803) | (1,803) | (1,676) | (1,787) | (1,892) | | | (17,975) |
| Printing and Stationary | (66) | (104) | (101) | (78) | (134) | (54) | (86) | (86) | (75) | (71) | | | (856) |
| Postage | (66) | (226) | 20 | (72) | (116) | (85) | (91) | (91) | (107) | (84) | | | (917) |
| Telephones | (62) | (55) | (65) | (76) | (61) | (107) | (45) | (38) | (38) | (37) | | | (584) |
| Staff Travel | (158) | (112) | (136) | (192) | (99) | (139) | (167) | (144) | (190) | (148) | | | (1,484) |
| Transport Hire/Lease | (36) | (45) | (39) | (46) | (75) | (42) | (59) | (55) | (47) | (42) | | | (485) |
| Cleaning Materials | (22) | (26) | (12) | (19) | (23) | (24) | (108) | (31) | (27) | 18 | | | (274) |
| Office Equipment and Consumables | (7) | (1) | (15) | 56 | (58) | (22) | (1) | (41) | 7 | (15) | | | (99) |
| Misc Other Operating Expenses | (245) | (401) | (445) | (517) | (530) | (510) | (435) | (754) | (1,261) | (371) | | | (5,469) |
| Total Non Pay | (17,002) | (17,798) | (18,798) | (18,619) | (19,370) | (18,099) | (18,270) | (18,864) | (20,022) | (19,457) | | | (186,300) |
| Total Expenditure | (45,059) | (46,314) | (47,494) | (47,144) | (48,047) | (47,117) | (47,496) | (49,195) | (49,090) | (49,646) | | | (476,603) |
| EBITDA | (534) | 354 | 1,511 | 1,381 | 254 | 1,174 | 1,835 | 1,974 | 53 | (609) | | | 7,394 |
| Financing | (2,243) | (2,137) | (2,191) | (1,898) | (2,129) | (2,029) | (2,070) | (2,253) | (2,055) | (2,100) | | | (21,104) |
| Income and Expenditure Surplus/(Deficit) | (2,777) | (1,783) | (680) | (517) | (1,875) | (855) | (235) | (279) | (2,002) | (2,708) | | | (13,710) |

Clinical Income

Month 10 (January) 2017/18

| £000 | Annual | Year to Date | | | | This Month | | | |
|------------------------|----------------|----------------|----------------|--------------|-------------|---------------|---------------|------------|-------------|
| | Plan | Plan | Actual | Variance | | Plan | Actual | Variance | |
| Electives | 99,575 | 81,692 | 74,016 | (7,676) | (9.4%) | 8,899 | 6,655 | (2,244) | (25.2%) |
| Non-Electives | 152,199 | 126,934 | 134,278 | 7,344 | 5.8% | 12,999 | 14,784 | 1,785 | 13.7% |
| Accident and Emergency | 26,611 | 21,958 | 21,870 | (88) | (0.4%) | 2,269 | 2,214 | (54) | (2.4%) |
| First Outpatients | 39,624 | 32,851 | 31,347 | (1,505) | (4.6%) | 3,394 | 3,173 | (222) | (6.5%) |
| Follow Up Outpatients | 40,553 | 33,584 | 33,178 | (407) | (1.2%) | 3,489 | 3,467 | (23) | (0.7%) |
| High Cost Drugs | 57,684 | 48,070 | 46,327 | (1,743) | (3.6%) | 4,807 | 5,068 | 261 | 5.4% |
| Private Patients | 433 | 402 | 214 | (188) | (46.7%) | 23 | 30 | 7 | 30.8% |
| Other NHS Clinical | 108,030 | 90,326 | 96,288 | 5,962 | 6.6% | 9,189 | 9,742 | 553 | 6.0% |
| Other Clinical | 1,766 | 1,446 | 1,596 | 150 | 10.3% | 160 | 180 | 20 | 12.8% |
| Prior Month Adjustment | | | () | () | 0.0% | | 145 | 145 | 0.0% |
| Total | 526,475 | 437,263 | 439,113 | 1,850 | 0.4% | 45,230 | 45,459 | 229 | 0.5% |

Favourable

Favourable

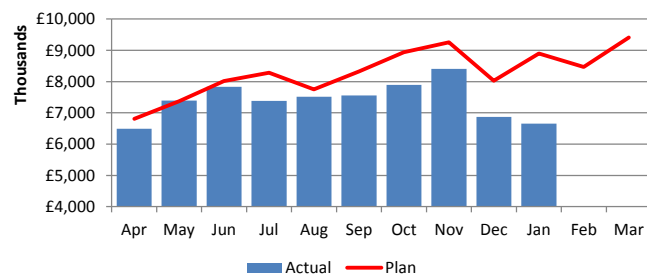
Income has performed broadly on plan. Due to expected winter pressures there have been widespread Elective cancellations to allow capacity for significant overperformance in Non-Electives. T&O was particularly badly affected by the cancellations. The high levels of Non-Elective work, a high casemix and unplanned income from the Health and Social Care beds have largely offset this. The main overperforming areas are T&O, Healthcare of the Elderly, Obstetrics, General Medicine and Respiratory Medicine. Outpatient activity has seen a relatively small decrease in month. The largest under-performing areas are Ophthalmology, Rheumatology, Healthcare of the Elderly and Physiotherapy. H&SCV beds unplanned income has been accrued in month as the Trust continues to utilise these beds.

The Trust is reducing its reliance on the Independent Sector. In sourcing for Endoscopy day cases will continue and JAG accreditation for the WHH site was achieved in November, with Best Practice being paid at the full rate from this month onwards and some benefits being backdated to the date of the visit being booked. Future In-sourcing may be required in Ophthalmology to cope with a growing follow up backlog.

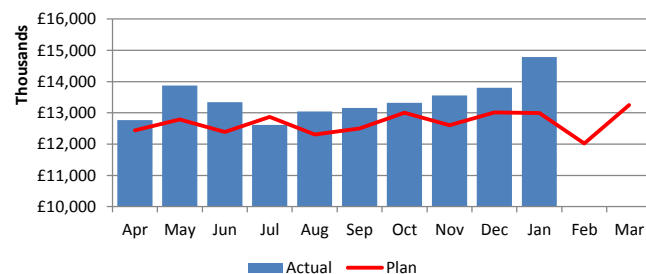
Rechargeable expenditure is over plan in month with Drugs and Devices £278k ahead of plan. This does not impact the bottom line as there is a corresponding decrease in expenditure.

In month figures exclude a Credit Note in Specialist Services for Maidstone and Tunbridge Wells Trust of £240k

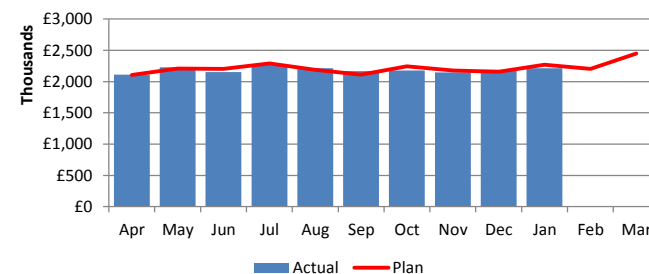
Electives Plan v Actual



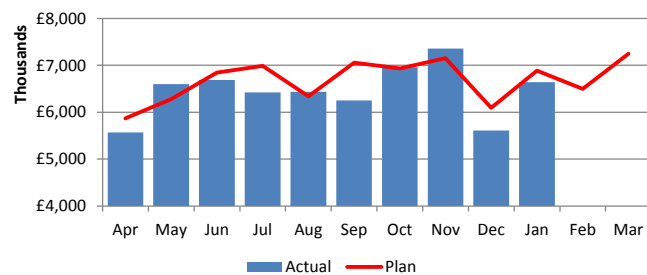
Non-Electives: Plan v Actual



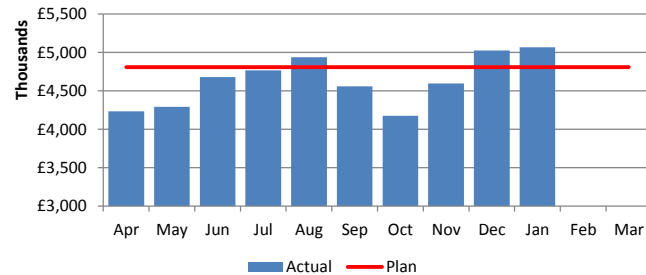
Accident & Emergency: Plan v Actual



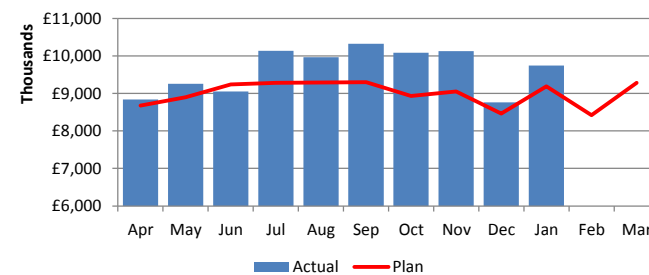
Outpatients: Plan v Actual



High Cost Drugs: Plan v Actual



Other NHS Clinical: Plan v Actual



Clinical Activity

Month 10 (January) 2017/18

| | Annual | Year to Date | | | This Month | | | | |
|-----------------------|-----------|--------------|-----------|----------|------------|---------|---------|----------|---------|
| Activity Units | Plan | Plan | Actual | Variance | | Plan | Actual | Variance | |
| Electives | 90,641 | 75,081 | 74,585 | (496) | (0.7%) | 7,780 | 7,657 | (123) | (1.6%) |
| Non-Electives | 86,516 | 72,159 | 67,070 | (5,089) | (7.1%) | 7,318 | 6,863 | (455) | (6.2%) |
| Accident & Emergency | 215,706 | 178,964 | 173,814 | (5,150) | (2.9%) | 17,923 | 16,526 | (1,397) | (7.8%) |
| First Outpatients | 246,433 | 204,642 | 199,230 | (5,412) | (2.6%) | 20,930 | 20,289 | (641) | (3.1%) |
| Follow Up Outpatients | 548,298 | 454,587 | 441,787 | (12,800) | (2.8%) | 47,142 | 45,970 | (1,172) | (2.5%) |
| Other NHS Clinical | 5,471,543 | 4,563,946 | 4,508,414 | (55,532) | (1.2%) | 464,842 | 466,246 | 1,404 | 0.3% |
| Total | 1,187,594 | 985,433 | 956,486 | (28,947) | (2.9%) | 101,093 | 97,305 | (3,788) | (3.7%) |
| | | | | | Adverse | | | | Adverse |

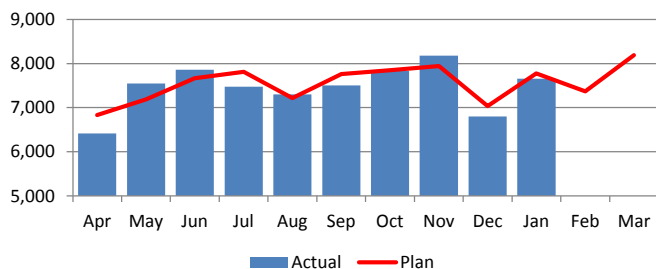
Adverse

Adverse

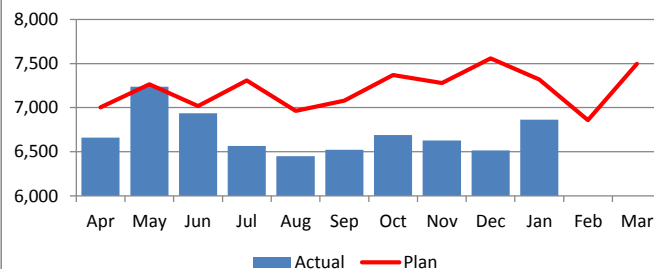
Activity under performed in month in most of our key delivery areas.

Elective activity was 24% under plan largely due to T&O (by 236). Elective income also under performed in month significantly due to an £858k income CIP against which there is currently no activity allocated. Day case activity was 3% over plan. Clinical Oncology was over plan by 219 cases, Healthcare of the Elderly by 98 and Gynaecology by 75, while General Medicine was under plan by 149 cases and Dermatology by 80. Outpatient activity struggled in month with an overall underperformance of 4% across new and follow up attendances. All divisions have signed off on their demand and capacity plans and have been funded to resource each speciality to a level that will allow income and activity to meet plans. The main risk to these plans will be the ability of the services to recruit to key positions in hard to recruit to areas, along with the winter pressures and A&E improvement plans which may impact on elective and outpatient work.

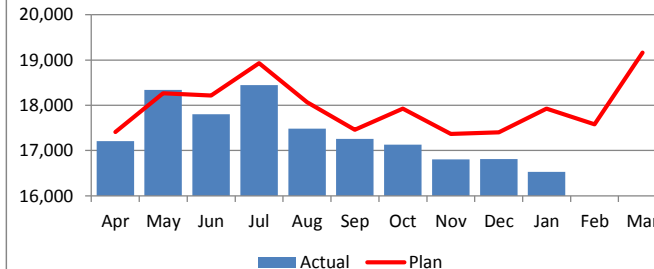
Electives: Plan v Actual



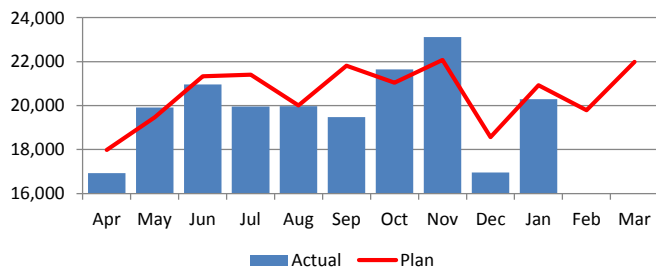
Non-Electives: Plan v Actual



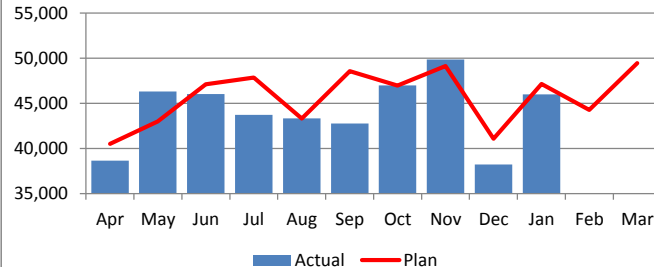
Accident & Emergency: Plan v Actual



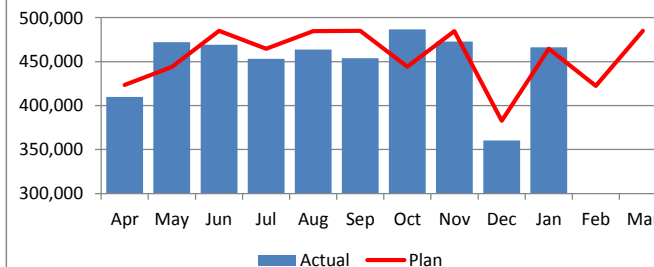
First Outpatients: Plan v Actual



Follow Up Outpatients: Plan v Actual



Other NHS Clinical: Plan v Actual



Clinical Income - by Commissioner

Month 10 (January) 2017/18

| Commissioner | Annual £000 | Year to Date £000 | | | This Month £000 | | |
|---------------------------------------|-------------|-------------------|---------|----------|-----------------|--------|----------|
| | Plan | Plan | Actual | Variance | Plan | Actual | Variance |
| NHS Ashford CCG | 66,915 | 55,676 | 58,075 | 2,399 | 5,674 | 6,046 | 372 |
| NHS Canterbury & Coastal CCG | 112,807 | 93,847 | 96,056 | 2,209 | 9,599 | 9,959 | 360 |
| NHS South Kent Coast CCG | 126,788 | 105,455 | 108,332 | 2,877 | 10,775 | 11,056 | 281 |
| NHS Thanet CCG | 93,394 | 77,700 | 77,932 | 232 | 7,934 | 8,202 | 268 |
| East Kent CCGs | 399,905 | 332,678 | 340,395 | 7,717 | 33,982 | 35,263 | 1,281 |
| NCA - England | 4,803 | 4,038 | 4,230 | 192 | 389 | 358 | (31) |
| NHS England - Armed Forces | 156 | 130 | 141 | 11 | 13 | 19 | 5 |
| NHS England - Specialised Services | 77,358 | 64,639 | 67,001 | 2,362 | 6,544 | 6,826 | 282 |
| NHS England - Health In Justice | 26 | 22 | 112 | 91 | 2 | 9 | 6 |
| NHS England - Secondary Dentistry | 5,428 | 4,488 | 4,860 | 372 | 469 | 510 | 41 |
| NHS England - Public Health | 6,442 | 5,369 | 5,515 | 146 | 537 | 554 | 17 |
| Kings | 264 | 220 | 217 | (3) | 22 | 19 | (3) |
| NCA - Wales | 1 | 1 | 128 | 127 | | 18 | 18 |
| NCA - Northern Ireland | | | 5 | 5 | | 1 | 1 |
| NCA - Scotland | | | 22 | 21 | | | |
| Other Trusts | 2,410 | 2,009 | 1,924 | (85) | 201 | 226 | 25 |
| East Kent Overseas | | | 535 | 534 | () | 35 | 35 |
| NHS Dartford, Gravesham & Swanley CCG | 365 | 305 | 405 | 100 | 31 | 43 | 12 |
| NHS Medway CCG | 2,153 | 1,790 | 1,669 | (121) | 176 | 148 | (28) |
| NHS Swale CCG | 4,303 | 3,574 | 2,881 | (694) | 362 | 265 | (97) |
| NHS West Kent CCG | 5,221 | 4,343 | 4,452 | 109 | 438 | 496 | 58 |
| Other Organisations | 12,169 | 9,098 | 2,202 | (6,897) | 1,609 | 248 | (1,361) |
| Cancer Drugs Fund | 5,469 | 4,558 | 2,373 | (2,185) | 456 | 286 | (170) |
| Adjust Prior Month Reported Position | | | () | | | 145 | 145 |
| Prior year Income | | | 48 | 48 | | (9) | (9) |
| Total | 526,475 | 437,263 | 439,113 | 1,850 | 45,230 | 45,459 | 227 |

Clinical income is £1.850m above plan. All Commissioner contracts are over performing YTD with the exception of Medway and Swale. The East Kent CCGs are taking the Trust to expert determination for approximately £30-40m of income relating to upcoding and mis-recording of activity, the outcome is due on 6th April 2018. The Trust is awaiting further detail to fully understand CCG position, however, EKHUFT is confident that the actual level of challenge is much less than the CCGs' estimate. CCGs audited short stay admissions in December but a final report is yet to be agreed. EK CCGs have now made another request to audit this data further. The Trust is considering its position as these are purely financial audits which are putting pressure on front line services at a time of severe winter pressures.

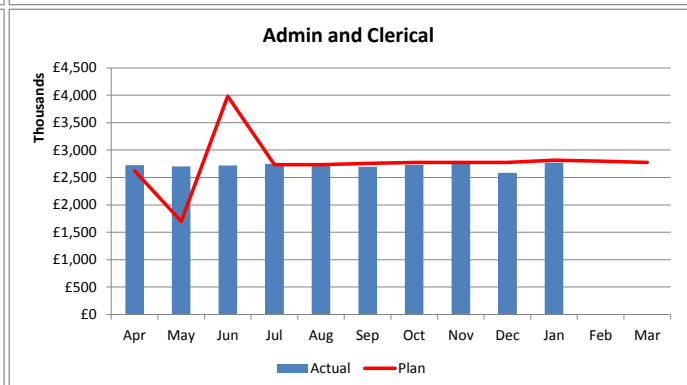
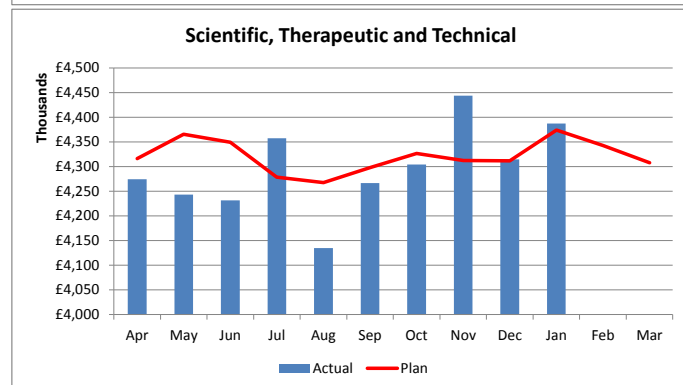
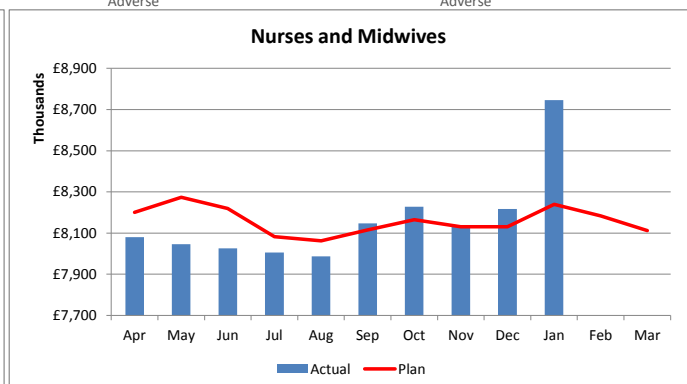
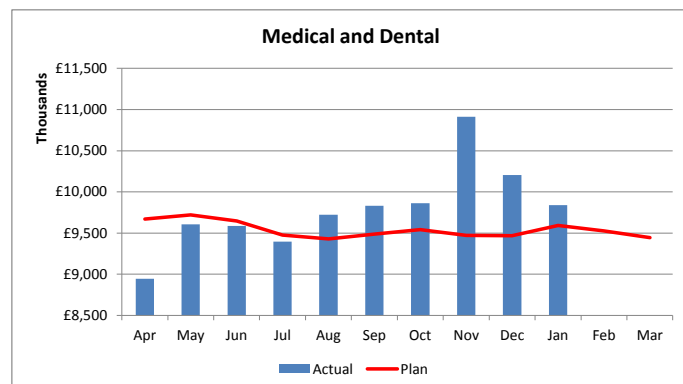
Pay

Month 10 (January) 2017/18

Pay Expenditure

| £000 | Annual | Year to Date | | | This Month | | | Agency % of Total | |
|---------------------------------------|------------------|------------------|------------------|----------------|-----------------|-----------------|----------------|-------------------|--------------|
| | Plan | Plan | Actual | Variance | Plan | Actual | Variance | YTD | % |
| Medical and Dental | (114,479) | (95,507) | (97,907) | (2,400) | (9,592) | (9,838) | (247) | (9,889) | 10.10% |
| Nurses and Midwives | (97,913) | (81,617) | (81,617) | 1 | (8,239) | (8,746) | (506) | (5,202) | 6.37% |
| Scientific, Therapeutic and Technical | (51,849) | (43,199) | (42,957) | 242 | (4,374) | (4,387) | (13) | (1,427) | 3.32% |
| Admin and Clerical | (33,233) | (27,664) | (27,189) | 475 | (2,816) | (2,774) | 42 | (117) | 0.43% |
| Other | (46,880) | (39,028) | (40,633) | (1,606) | (3,973) | (4,444) | (470) | (330) | 0.81% |
| Total | (344,354) | (287,015) | (290,302) | (3,288) | (28,994) | (30,189) | (1,195) | (16,966) | 5.84% |

-1.15% Adverse
-4.12% Adverse



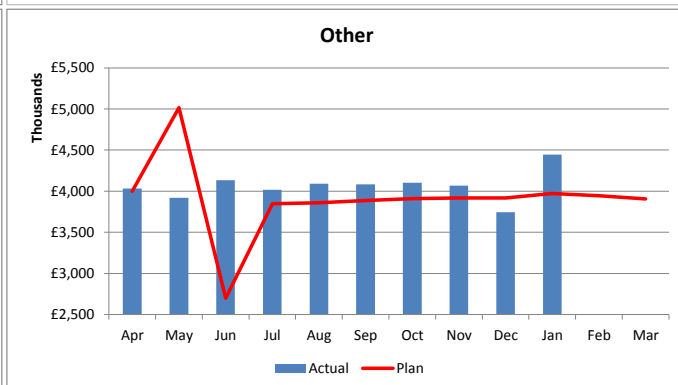
Pay performance including Winter pressures and A&E Improvement Plan costs is adverse to plan ytd by £3.3m (1.2%). Pay CIPs are adverse to plan ytd by £1.6m, an improvement of £0.2m in month relating to non recurrent pay savings in Strategic Development and Capital Planning allocated to CIPs in January.

The position on medical staffing expenditure continues to show an adverse trend and is adverse to plan in month by £0.2m and ytd by £2.4m. Reliance on temporary medical staff continues to drive the position and is £0.8m adverse to plan in January (including bank staff and unachieved CIPs).

Expenditure on nursing staff is breakeven against plan ytd following an adverse performance in January of £0.5m. TFS Healthcare have been engaged to provide a managed service of agency nurses at enhanced rates, predominantly in Quex Medical ward, EDs, Kings C2 ward and to medical patients on Cheerful Sparrows ward with a total spend in January of £0.4m.

Above plan expenditure on HCAs in UC<C of £1.4m accounts for the majority of the overspend on Other staff (including £0.1m of TFS agency).

Total expenditure on pay in January was £30.2m, an increase in spend of £1.1m when compared to December, mainly driven by £0.4m in Substantive Nursing and A&C including Bank holiday enhancements, £0.3m one off benefit in December and £0.3m growth in Internal Locum. Contracted wte grew by 28.



Non-Pay

Month 10 (January) 2017/18

| £000 | Annual | Year to Date | This Month | | | | |
|---|------------------|------------------|------------------|----------------|-----------------|-----------------|----------------|
| | Plan | Plan | Actual | Var. | Plan | Actual | Var. |
| Drugs | (70,014) | (58,832) | (56,282) | 2,551 | (5,959) | (6,044) | (85) |
| Clinical Supplies | (69,612) | (58,116) | (57,681) | 435 | (5,434) | (6,064) | (629) |
| Non-Clinical Supplies | (10,576) | (8,505) | (9,443) | (938) | (1,337) | (786) | 551 |
| Facilities Management | (15,826) | (13,327) | (13,475) | (149) | (1,338) | (1,339) | (1) |
| NHS Supplies and Services | (2,384) | (1,975) | (2,633) | (657) | (215) | (328) | (112) |
| Cost of Secondary Commissioning of mandatory Services | (4,123) | (3,094) | (6,735) | (3,641) | (376) | (822) | (446) |
| Education & Training | (1,594) | (1,330) | (2,157) | (827) | (133) | (275) | (142) |
| Consultancy | (829) | (689) | (612) | 77 | (76) | (119) | (43) |
| Premises | (12,487) | (10,512) | (9,139) | 1,373 | (661) | (1,040) | (379) |
| Clinical Negligence | (21,637) | (18,030) | (17,975) | 54 | (1,803) | (1,892) | (89) |
| Printing and Stationary | (1,552) | (1,290) | (856) | 434 | (131) | (71) | 60 |
| Postage | (1,012) | (843) | (917) | (74) | (84) | (84) | |
| Telephones | (722) | (601) | (584) | 17 | (59) | (37) | 23 |
| Staff Travel | (2,167) | (1,805) | (1,484) | 321 | (184) | (148) | 36 |
| Transport Hire/Lease | (707) | (592) | (485) | 107 | (62) | (42) | 21 |
| Cleaning Materials | (339) | (282) | (274) | 8 | (28) | 18 | 46 |
| Office Equipment and Consumables | (184) | (132) | (99) | 33 | (12) | (15) | (4) |
| Misc Other Operating Expenses | (1,879) | (1,579) | (5,469) | (3,890) | (150) | (371) | (220) |
| Total Non-Pay Expenditure | (217,643) | (181,534) | (186,300) | (4,766) | (18,043) | (19,457) | (1,414) |
| Depreciation & Amortisation-Owned Assets | (18,394) | (15,326) | (14,971) | 355 | (1,533) | (1,473) | 60 |
| Impairment Losses | (500) | (250) | | 250 | | | |
| Profit/Loss on Asset Disposals | (100) | (80) | 90 | 170 | (8) | | 8 |
| PDC Dividend | (7,700) | (6,416) | (5,539) | 877 | (642) | (554) | 88 |
| Interest Receivable | 36 | 30 | 76 | 46 | 3 | 13 | 10 |
| Interest Payable | (1,035) | (857) | (753) | 104 | (89) | (86) | 3 |
| Other Non-Operating Expenses | | | (7) | (7) | | | |
| Total Non-Operating Expenditure | (27,693) | (22,899) | (21,104) | 1,795 | (2,269) | (2,100) | 169 |
| Total Expenditure | (245,336) | (204,433) | (207,404) | (2,971) | (20,312) | (21,557) | (1,245) |

Non Pay expenditure is adverse to plan ytd by £4.8m (2.6%).

Drug expenditure is favourable to plan by £2.6m ytd. Pass-through drugs are favourable to plan YTD by £0.6m, offset by an adverse position on clinical income. All other drugs are favourable to plan by £1.9m.

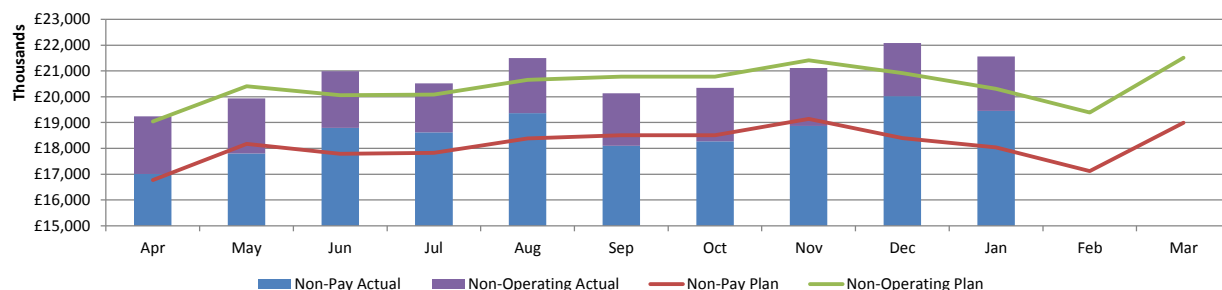
Expenditure on clinical supplies and services is favourable to plan by £0.4m ytd, a deterioration in month of £0.6m, £0.8m of which relates to medical equipment and disposables offset by overperformance against CIP targets of £0.2m. Ytd, overspends on external scanning services and medical equipment and disposables totalling £1.0m are offset by favourable performances against plan on CIP schemes, rechargeable devices and externally referred diagnostic tests totalling £1.4m.

Referrals to the independent sector are adverse to plan ytd by £3.6m. Health and Social Care Village beds and external support for Gastroenterology 18 week referrals cost a total of £4.7m ytd, offset by an underperformance against plan on Surgical referrals to Spencer Wing and a favourable performance on CIP schemes totalling £1.0m.

Expenditure on non clinical supplies, general services and miscellaneous items is adverse to plan in total by £4.7m ytd. This adverse variance is offset by a favourable position on premises expenditure of £1.4m, with slippage on the SaCP project currently standing at £2.2m.

Expenditure on Education and Training is adverse to plan by £0.8m, offset by a favourable performance on income.

Non-Pay: Plan v Actual



Non Operating Expenditure YTD is £1.8m below plan. The Trust incurred £753k interest charges in respect of the £22,736 facility utilised in 2016/17 and the £6.1m drawn up to January 2017/18.

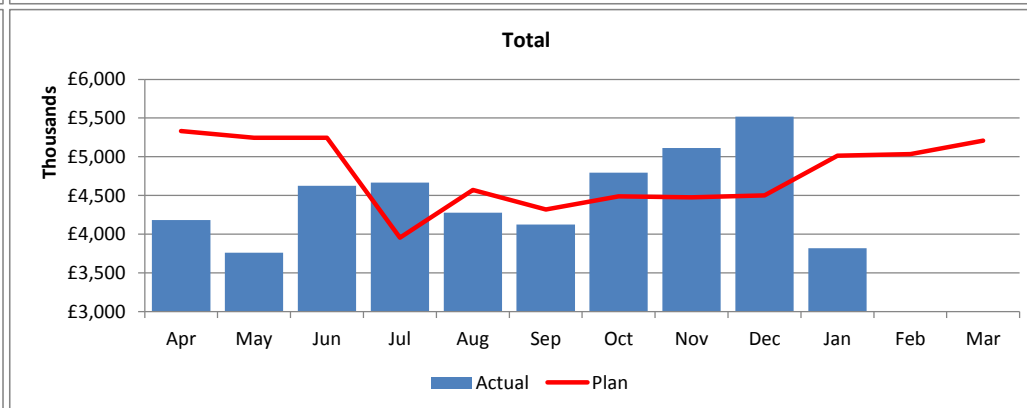
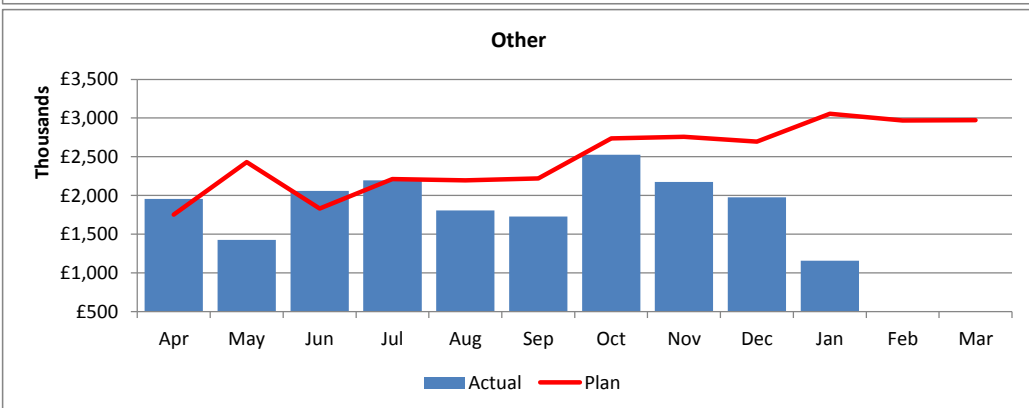
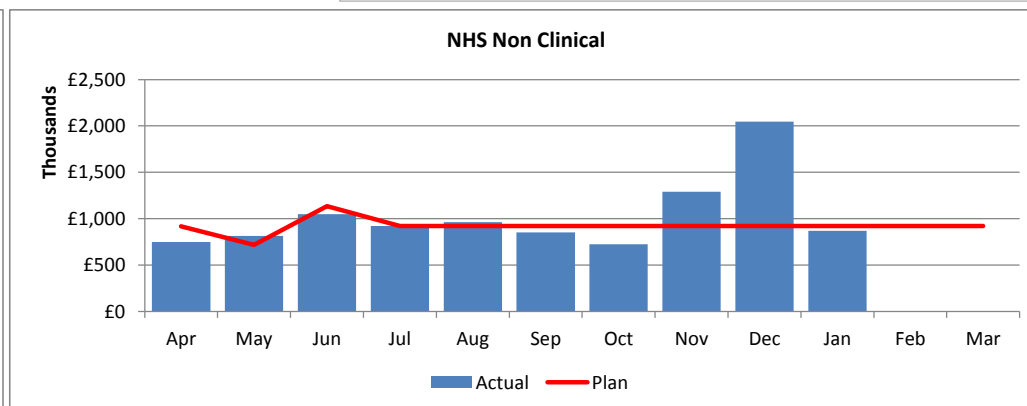
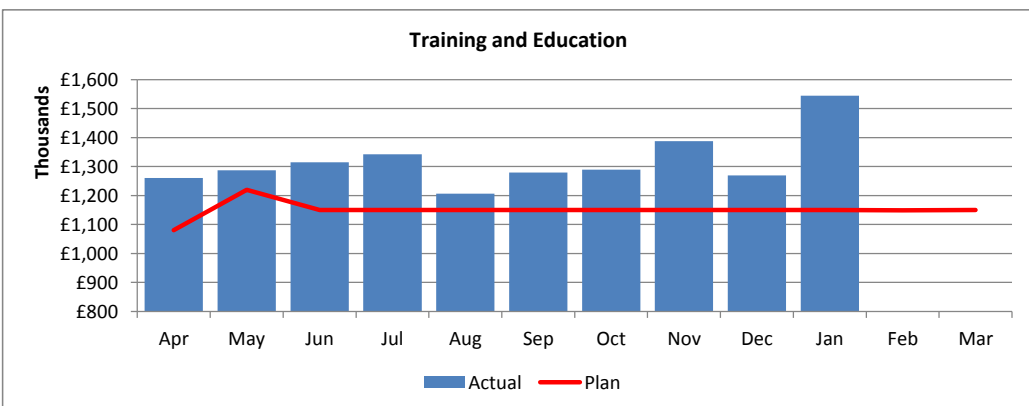
Income Other

Month 10 (January) 2017/18

Income - Other

| | Annual | Year to Date | | | This Month | | |
|--------------------------|---------------|---------------|---------------|----------------|--------------|--------------|----------------|
| £000 | Plan | Plan | Actual | Variance | Plan | Actual | Variance |
| Training and Education | 13,799 | 11,500 | 13,180 | 1,680 | 1,150 | 1,544 | 394 |
| Research and Development | 2,468 | 2,060 | 2,380 | 320 | 206 | 248 | 42 |
| NHS Non Clinical | 11,065 | 9,223 | 10,281 | 1,058 | 922 | 870 | (53) |
| Other | 29,826 | 23,882 | 19,004 | (4,879) | 3,054 | 1,156 | (1,898) |
| Donated Asset | 500 | 235 | 39 | (196) | | | |
| Total | 57,658 | 46,900 | 44,884 | (2,016) | 5,332 | 3,819 | (1,513) |
| | | | | -4.30% | | | -28.38% |
| | | | | Adverse | | | Adverse |

Non clinical income is adverse to plan ytd by £2m (4.3%), a deterioration in month of £1.5m, which relates to unachieved sustainability and transformation funding for January. The Trust's adverse position ytd on STF now stands at £4.2m which is partially offset by income for Winter pressures and A&E improvement plan of £1.7m. Income relating to Education and Training and R&I continues to perform above plan and is £2.0m favourable ytd, offset by adverse performances on accommodation revenue, charitable funds income, parking revenue and miscellaneous income totalling £1.4m. Expenditure on the SaCP project has slipped by £2.2m ytd.



Cost Improvement Summary

Month 10 (January) 2017/18

Delivery Summary

| | Year to Date | | | This Month | | | Forecast | |
|-----------------------------|---------------|---------------|--------------|--------------|--------------|------------|---------------|--------------|
| | Plan | Actual | Variance | Plan | Actual | Variance | Outturn | Variance |
| Programme Themes £000 | | | | | | | | |
| Theatres | - | - | - | - | - | - | - | - |
| Outpatients | - | - | - | - | - | - | - | - |
| Patient Flow/LOS | 3,613 | 2,589 | (1,024) | 526 | 802 | 276 | 3,616 | (1,049) |
| Diagnostic Demand Reduction | - | - | - | - | - | - | - | - |
| Agency | 4,686 | 3,242 | (1,444) | 627 | 376 | (251) | 4,548 | (1,335) |
| Workforce * | 4,191 | 5,498 | 1,307 | 456 | 937 | 481 | 7,191 | 2,077 |
| Procurement | 1,843 | 2,260 | 417 | 143 | 317 | 174 | 2,280 | 193 |
| Medicine Optimisation | 355 | 778 | 423 | 32 | 134 | 101 | 1,041 | 151 |
| Division Schemes ** | 7,384 | 10,045 | 2,661 | 975 | 1,106 | 131 | 11,418 | 2,160 |
| Sub-total | 22,072 | 24,411 | 2,340 | 2,759 | 3,672 | 913 | 30,094 | 2,197 |
| Central | 3,413 | 1,164 | (2,249) | 760 | 167 | (592) | 1,912 | (2,527) |
| Grand Total | 25,485 | 25,575 | 90 | 3,519 | 3,840 | 321 | 32,006 | (330) |

* Includes all workforce related schemes in divisions

** Smaller divisional schemes not allocated to a work stream

Delivered £000

| Month | Target | Actual |
|----------------------------------|---------------|---------------|
| April | 1,369 | 1,605 |
| May | 1,458 | 1,773 |
| June | 1,885 | 1,786 |
| July | 2,327 | 2,287 |
| August | 2,367 | 2,250 |
| September | 2,361 | 2,368 |
| October | 3,460 | 2,906 |
| November | 3,420 | 3,845 |
| December | 3,319 | 2,915 |
| January | 3,519 | 3,840 |
| February | 3,324 | |
| March | 3,527 | |
| *excl Income Completeness | 32,336 | 25,575 |

79.1%

CIPs

The CIPs Plan is net of the cost of delivery. CIPs achieved in M10 were £3.8m against a plan of £3.5m. Achievement for the Year to Date £25.6m against plan of £25.5m. The net target for the year is £32m. The major areas of CIP achievement in M10 were Divisional schemes £1.1m, Patient Flow £0.8m, Medicines Optimisation £0.1m and Workforce £0.9m offset by shortfalls in agency £(0.3m). CIPs in December amounted to £3.5m recurrent and £0.3m on a non-recurrent basis. Year to date £21.9m recurrent and £3.7m non-recurrently.

Cost Improvement Summary

Month 10 (January) 2017/18

Planned Summary

| Programme Divisions £000 | 2017 - 2018 | | | Target Variance | |
|--------------------------|---------------|---------------|---------------|-----------------|--------------|
| | Draft Target | Gross | RAG Adj | vs Gross | vs RAG |
| Clinical Support | 2,092 | 2,046 | 3,502 | (46) | 1,410 |
| Specialist | 3,149 | 3,249 | 3,345 | 100 | 196 |
| Surgery | 6,433 | 6,433 | 7,218 | - | 785 |
| UC<C | 6,769 | 6,771 | 7,888 | 2 | 1,118 |
| Corporate - Other | 808 | 808 | 926 | - | 118 |
| SD&CP | 1,212 | 1,218 | 1,743 | 6 | 531 |
| Procurement | 2,087 | 2,087 | 2,572 | - | 485 |
| Medicine Optimisation | 776 | 776 | 877 | (0) | 102 |
| Outpatients | - | - | - | - | - |
| Workforce | - | - | - | - | - |
| Sub-total | 23,326 | 23,388 | 28,072 | 62 | 4,746 |
| Central | 9,010 | 8,948 | 3,932 | (62) | (5,078) |
| Grand Total | 32,336 | 32,336 | 32,004 | (0) | (332) |

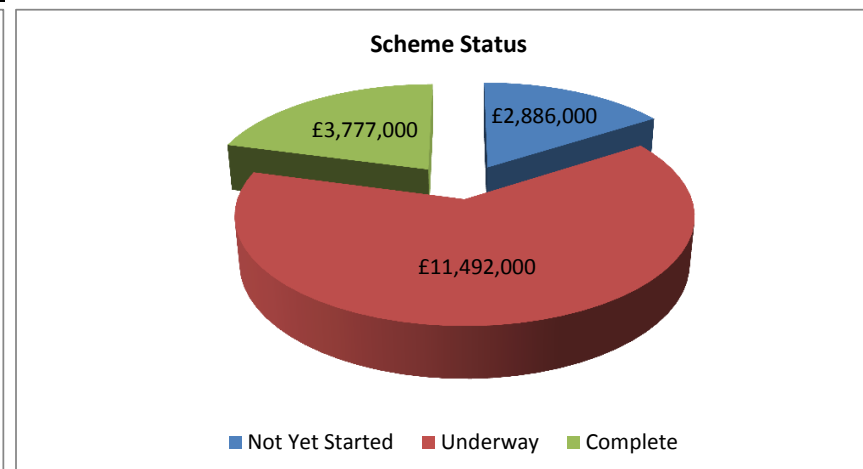
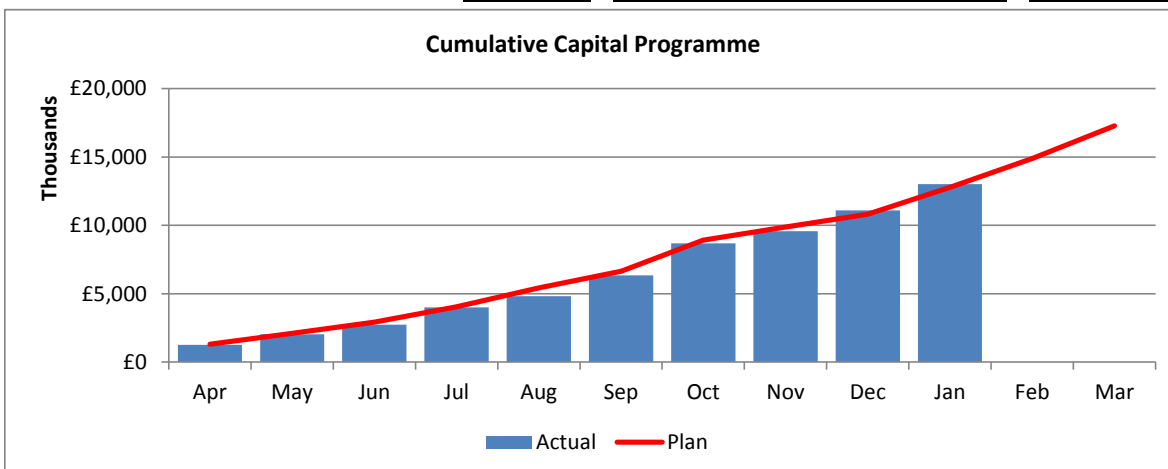
Planned Summary

| Programme Themes £000 | 2017 - 2018 | | | Target Variance | |
|-----------------------------|---------------|---------------|---------------|-----------------|--------------|
| | Draft Target | Gross | RAG Adj | vs Gross | vs RAG |
| Theatres | - | - | - | - | - |
| Outpatients | - | - | - | - | - |
| Patient Flow/LOS | 4,666 | 4,666 | 3,616 | - | (1,049) |
| Diagnostic Demand Reduction | - | - | - | - | - |
| Agency | 5,882 | 5,882 | 4,548 | 0 | (1,335) |
| Workforce * | 4,631 | 5,114 | 7,191 | 483 | 2,560 |
| Procurement | 2,087 | 2,087 | 2,280 | - | 193 |
| Medicine Optimisation | 891 | 891 | 1,041 | (0) | 151 |
| Division Schemes ** | 9,679 | 9,258 | 11,416 | (421) | 1,736 |
| Sub-total | 27,836 | 27,898 | 30,092 | 62 | 2,256 |
| Central | 4,500 | 4,438 | 1,912 | (62) | (2,589) |
| Grand Total | 32,336 | 32,336 | 32,004 | - | (332) |

Capital Expenditure Month 10 (January) 2017/18

| Capital Programme | Annual | To Date | | | Annual |
|--|---------------|---------------|---------------|--------------|---------------|
| £000 | Plan | Plan | Actual | Variance | Forecast |
| WHH Orthopaedic Outpatients | 1,446 | 1,046 | 1,211 | (165) | 1,446 |
| Clinical Strategy Plans | 200 | 128 | 162 | (34) | 200 |
| Electronic Health Records | 1,240 | 1,200 | 1,088 | 112 | 1,240 |
| CT/CT SPECT Replacement | 80 | 80 | 6 | 74 | 80 |
| KCH MRI Replacement | 3,671 | 3,671 | 3,563 | 108 | 3,671 |
| QEQM Cardiac Catheter Lab | | | | | |
| CCU Move to Arundel Unit | 2,886 | | 1,332 | (1,332) | 2,886 |
| Invest To Save Schemes | 106 | 26 | 144 | (118) | 106 |
| Replacement Medical Equipment | 2,875 | 1,884 | 1,302 | 582 | 2,875 |
| PEIC/H & S/CQC | 2,208 | 1,673 | 1,651 | 22 | 2,208 |
| IDG | 1,660 | 1,610 | 1,622 | (12) | 1,660 |
| Other Building Schemes | 978 | | 1,001 | (1,001) | 978 |
| Other Equipment Schemes | 550 | | 43 | (43) | 550 |
| Other IT Schemes | | | | | |
| All Other | 255 | 250 | (114) | 364 | 255 |
| Adjustment to balance to NHSI Plan Profi | | 1,219 | | 1,219 | |
| Total | 18,155 | 12,787 | 13,010 | (223) | 18,155 |

- YTD expenditure for Mth 10 2017/18 was 2% over the NHSI plan.
- This is due mainly to some IT costs relating to the PAS programme that have been moved from Revenue to Capital, this was not planned for.
- It has been agreed that the £100k for Ambulatory care at QEQM be transferred to the A&E GP streaming schemes.



Working Capital

Month 10 (January) 2017/18

Invoiced creditors have increased by £6.29m from the opening position to £37.4m. 49% relates to current invoices (M9 50.4%) with 11.5% or £4.3m (M9 £3.6m) over 90 days.

Over 90 days NHS creditors increased by £408k in the month

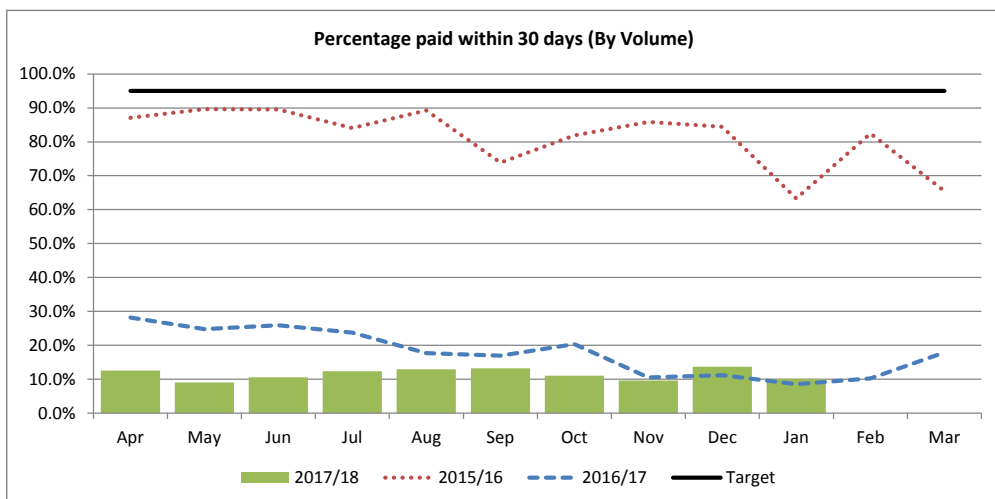
- Maidstone & Tunbridge Wells NHS Trust - £318k
- Medway NHS Foundation Trust - £73k
- University Hosp Birmingham NHS Found Trust - £17k

Total invoiced debtors have decreased from the opening position of £19.2m by £2.5m to £16.7m.

At 31st January there were 4 debtors owing over £1m. South Kent Coast CCG £2.3m, Canterbury & Coastal CCG £1.6m, Ashford CCG £2.1m, all with current outstanding invoices for M1-6 overperformance. Maidstone & Tunbridge Wells owes £1.2m

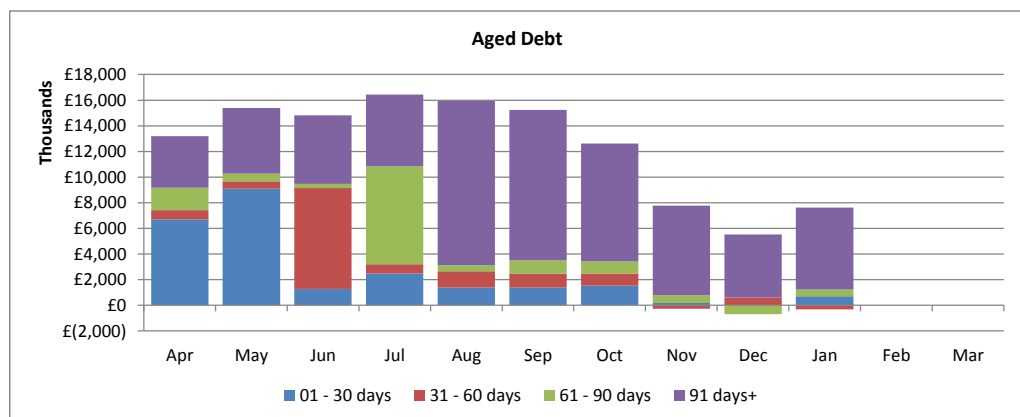
The debtors team are focussing on collection of all other debt to support the Trust cash position.

| Better Payment Practice Code | Year to Date | | This Month | |
|------------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| | Non NHS Creditor Invoices | NHS Creditor Invoices | Non NHS Creditor Invoices | NHS Creditor Invoices |
| By Value £000 | | | | |
| 0 - 30 days | (123,778) | (23,463) | (10,934) | (2,219) |
| 30+ days | (153,794) | (9,084) | (17,701) | (519) |
| By Volume | | | | |
| 0 - 30 days | 9,997 | 144 | 999 | 8 |
| 30+ days | 76,836 | 2,215 | 8,784 | 183 |
| % by Value £ | 44.6% | 72.1% | 38.2% | 81.0% |
| % by Volume | 11.5% | 6.1% | 10.2% | 4.2% |
| Target | 95.0% | 95.0% | 95.0% | 95.0% |



Aged Debt

| £000 | Current | 01 - 30 days | 31 - 60 days | 61 - 90 days | 91 days+ | Total |
|------|---------|--------------|--------------|--------------|----------|--------|
| Apr | 12,258 | 6,703 | 728 | 1,751 | 4,006 | 13,190 |
| May | 2,028 | 9,091 | 589 | 588 | 5,130 | 15,398 |
| Jun | 7,508 | 1,282 | 7,861 | 321 | 5,357 | 14,822 |
| Jul | 2,104 | 2,488 | 722 | 7,642 | 5,581 | 16,433 |
| Aug | 2,430 | 1,386 | 1,271 | 473 | 12,817 | 15,948 |
| Sep | 3,021 | 1,371 | 1,074 | 1,065 | 11,737 | 15,246 |
| Oct | (2,772) | 1,532 | 947 | 959 | 9,184 | 12,622 |
| Nov | 1,567 | 181 | (277) | 598 | 6,984 | 7,487 |
| Dec | 1,645 | (30) | 618 | (664) | 4,919 | 4,845 |
| Jan | 9,370 | 705 | (319) | 514 | 6,408 | 7,308 |
| Feb | | | | | | |
| Mar | | | | | | |
| | | 10% | -4% | 7% | 88% | |



Debtor Balances

Month 10 (January) 2017/18

| Debtor | Debtor balances over £200k outstanding as at 31/01/2018 | | | | | | Creditor balance as at 31/01/2018 | Notes |
|---|---|------------|----------------|------------|--------------|---------------|-----------------------------------|---|
| | Current | 1-30 Days | 31-60 Days | 61-90 Days | Over 90 | Total | | |
| 62003-NHS SOUTH KENT COAST CCG | 2,316,683.17 | 5,660.00 | 6,657.68 | 3,721.29 | 12,757.70 | 2,345,479.84 | 99,968.00 | £2.3m overperformance invoiced for M1-6 1718 overperformance |
| 61818-NHS ASHFORD CCG | 1,980,574.75 | 0.00 | 3,468.39 | 0.00 | 68,730.87 | 2,052,774.01 | 57,352.00 | £1.9m overperformance invoiced for M1-6 1718 overperformance |
| 61865-NHS CANTERBURY AND COASTAL CCG | 1,601,421.14 | 0.00 | (1,087,364.52) | 0.00 | 1,131,032.50 | 1,645,089.12 | 80,426.00 | £1.6m overperformance invoiced for M1-6 1718 overperformance |
| 50010-MAIDSTONE AND TUNBRIDGE WELLS NHS TRUST | 258,581.71 | 71,933.77 | 90,716.89 | 91,995.21 | 733,457.18 | 1,246,684.76 | 2,179,648.31 | Reciprocal payment arrangement with MTW. Undisputed Debtor and Creditor balances brought in line in December with a net payment to MTW of £0.7m |
| 51136-EAST KENT MEDICAL SERVICES | 107,537.74 | 164,459.73 | 155,080.69 | 137,517.00 | 413,021.38 | 977,616.54 | 1,024,748.46 | Reciprocal payment arrangement in place with EKMS |
| 51708-MEDWAY NHS FOUNDATION TRUST | 124,559.79 | 3,868.61 | 17,828.31 | 28,396.39 | 545,810.84 | 720,463.94 | 1,161,652.14 | Reciprocal payment arrangement with Medway. |
| 62033-NHS THANET CCG | 401,978.36 | 99.00 | 16,373.86 | 154.18 | 265,568.82 | 684,174.22 | 80,522.00 | £0.4m overperformance invoiced for M1-6 1718 overperformance |
| 59742-HEALTHX | 12,186.78 | 12,186.78 | 0.00 | 12,186.78 | 389,976.33 | 426,536.67 | 1,024,748.46 | Healthx loan interest |
| 61914-NHS HASTINGS AND ROTHER CCG | 39,812.33 | 45,675.17 | 85,163.88 | 0.00 | 131,991.30 | 302,642.68 | | NCA invoices |
| 62048-NHS WEST KENT CCG | 25,420.88 | 0.00 | 1,845.00 | 0.00 | 218,912.00 | 246,177.88 | | Dispute on the value of the 1617 overperformance |
| Other NHS | 1,638,378.24 | 210,525.05 | 190,587.21 | 182,695.54 | 1,597,909.76 | 3,820,095.80 | | |
| Other Non NHS | 863,259.92 | 190,118.61 | 200,732.51 | 57,430.99 | 898,489.37 | 2,210,031.40 | | |
| | 9,370,394.81 | 704,526.72 | (318,910.10) | 514,097.38 | 6,407,658.05 | 16,677,766.86 | 5,709,065.37 | |

Statement of Financial Position

Month 10 (January) 2017/18

| £000 | Opening | To Date | Movement |
|-------------------------------------|-----------------|-----------------|-------------------|
| Non-Current Assets | 271,469 | 269,260 | (2,209) ▼ |
| Current Assets | | | |
| Inventories | 9,744 | 9,513 | (230) ▼ |
| Trade and Other Receivables | 31,436 | 42,157 | 10,721 ▲ |
| Assets Held For Sale | | | - |
| Cash and Cash Equivalents | 5,083 | 4,963 | (120) ▼ |
| Total Current Assets | 46,263 | 56,634 | 10,371 ▲ |
| Current Liabilities | | | |
| Payables | (35,732) | (46,246) | (10,514) ▲ |
| Accruals and Deferred Income | (27,706) | (32,093) | (4,388) ▲ |
| Provisions | (341) | (413) | (72) ▲ |
| Net Current Assets | (17,516) | (22,119) | (4,603) ▼ |
| Non Current Liabilities | | | |
| Provisions | (2,967) | (2,940) | 27 ▼ |
| Long Term Debt | (22,736) | (28,782) | (6,046) ▲ |
| Total Assets Employed | 228,250 | 215,419 | (12,832) ▼ |
| Financed by Taxpayers Equity | | | |
| Public Dividend Capital | 190,259 | 191,137 | 878 ▲ |
| Retained Earnings | (21,592) | (35,243) | (13,651) ▼ |
| Revaluation Reserve | 59,583 | 59,525 | (59) ▼ |
| Total Taxpayers' Equity | 228,250 | 215,419 | (12,832) ▼ |

Non Current asset values reflect in year additions of £13m (including donated assets) less depreciation charges of £15m. The balance of movements relates to fluctuations in the level of RTA income recognised for new claims

Trust closing cash balances for January was £5m, £2.8m above the revised plan. See cash report for further details.

Trade and other receivables have increased from the 2017/18 opening position by £10.7m. Invoiced debtors have decreased from the opening position of £19.2m by £2.5m to £16.7m at the end of January (Dec £6.4m), primarily due overperformance for Q1 & Q2 being invoiced to EK CCGS

Accruals and Deferred Income have increased by £4.4m since the opening position. Of the £32.1m balance, £20.6m relates to Accruals and £11.5m is Deferred Income.

The long term debt entry reflects drawings against working capital facilities. The Trust drew £22.7m in 16/17 and £6.1m up to January following repayment of £829k reflecting receipt of Q2 STF.

Retained earnings reflects the year to date deficit.

A. Key Highlights

Month 10 (January) 2017/18

CLINICAL INCOME

Clinical income is broadly on in January. A large number of planned Elective cancellations which occurred due to high levels of Non-Elective work over the flu season. There have also been high vacancy levels and changes in our ability to meet planned levels over the winter period. Non-Elective activity remains high and increased casemix in the current and prior period Uncoded activity has led to overperformance here. The main Specialties ahead of plan are T&O, Healthcare of the Elderly, Cardiology, Respiratory, General Medicine, Gastroenterology. and Obstetrics.

ACTIVITY

A&E demand has fallen when compared with previous months and has been below plan every month apart from May. The under performance continues to be driven by the temporary transfer of some ED specialties from KCH to WHH and QEQM. Non-elective activity continued to perform below plan in month and after the KCH site moves, activity has been up to 10% below plan. However, richer casemix has meant that with the exception of July, income has been consistently over plan. The commissioners have increased the provision of care packages with a view to returning patients home more quickly and as part of their QIPP schemes are investing in preventing patients with Pneumonia from coming to the hospital where they can be treated at home. Outpatient income in month remains under plan as non-urgent appointments have continued to be cancelled in order to free up capacity to deal with the demands of winter, although this has improved from last month.

COMMISSIONER ANALYSIS

Activity plans reflected CCG QIPP schemes to the value of £1.7m YTD. Any new commissioner QIPP schemes will be added to the contracts via a contract variation once the Trust is satisfied that the schemes are achievable in the timeframes set out. GP referrals were 3.1% over plan in January. However, cumulative under performance in outpatient attendances mean that many of our outpatient services are now listing at 13 weeks and beyond. A&E demand has fallen, with activity 7.8% below plan in month and A&E attendances have been below plan since June.

CLINICAL DIVISIONS

Clinical Divisions are showing an adverse position ytd of £3.1m, a deterioration in month of £1.7m. Clinical Income streams are favourable to plan ytd by £8.1m, and favourable in month by £1.9m. Non clinical income within the Clinical Divisions is marginally favourable to plan in month and £1.4m favourable ytd, including £1.5m of Winter pressure funding allocated to Urgent Care and Surgical Services Divisions. The favourable income position offsets an overspend against plan ytd on expenditure of £12.5m, a further deterioration in month of £3.7m. The main driver for the overspend in month again relates to temporary staffing and overtime costs in excess of underspends on substantive staff totalling £2.6m inclusive of A&E improvement plan spend and additional staffing for Winter pressures, in particular agency nurses and HCAs to staff additional medical beds on Quex and Cheerful Sparrows and support to EDs. Overspends on non pay relate to the purchase of drugs, Healthcare Village beds and clinical supplies totalling £0.9m.

CIPS

The target for the year is £32m. To date £32m (net) of schemes are forecast for the year. The governance arrangements to deliver the programme are in place and the Financial Improvement Director is maintaining fortnightly 'confirm and challenge' sessions. As at the end of the month c.99% of schemes were 'green' rated. There is also a major focus on developing 18/19 schemes further to the NHSI FSM meetings, and at the month end we had approximately 53% (£16m) schemes worked up for 18/19, with a further £5m in the pipeline.

CAPITAL

Expenditure for Month 10 2017/18 was 2% over the NHSI plan.

OTHER INCOME

Non clinical income is adverse to plan ytd by £2.0m (4.3%), a deterioration in month of £1.5m relating to unachieved sustainability and transformation funding for January. In total, STF is adverse to plan by £4.2m ytd offset by winter pressure and A&E recovery income of £1.7m. Expenditure on the SaCP project has slipped by £2.2m ytd.

PAY

Pay performance is adverse to plan ytd by £3.3m (1.2%). Pay CIPs are adverse to plan ytd by £1.6m, a favourable performance in month of £0.2m.

Overall pay in January is adverse to plan by £1.2m driven by an adverse performance on agency staffing costs of £1.3m. Overspends can be seen in all clinical staffing groups but the adverse position relates predominantly to medical and nursing staff.

Actual pay in January totalled £30.2m, an increase of £1.1m when compared to last month. Expenditure on all pay categories has increased in January, in particular substantive staffing which increased by £0.4m and internal medical locum costs which increased by £0.3m.

NON-PAY

Non Pay expenditure is adverse to plan ytd by £4.8m (2.6%).

The main driver for the adverse performance on non pay continues to be the use of external healthcare providers, in particular Health and Social Care Village beds and Gastroenterology 18 week referrals which have cost a total of £4.7m ytd. These overspends are offset by a favourable variance on referrals to the Spencer Wing and overperformance against CIP targets totalling £1.0m. Overspends on education and training, non clinical supplies and general services totalling £5.5m are offset by favourable performances on drugs, clinical supplies and premises expenditure of £4.4m. Slippage on SaCP project income and expenditure stands at £2.2m.

CORPORATE/ESTATES AND FACILITIES

The Corporate and SD&CP Divisions are £1.9m favourable to plan ytd (3.2%) and £0.5m favourable in month. The favourable position is mainly driven by an underspend on pay of £1.5m where vacant posts are not being fully covered by temporary staff and slippage on Legionella and asbestos removal works of £0.3m. All other headings continue to net off to a break-even position ytd.

EBITDA

The Trust is reporting a year to date surplus EBITDA of £7.4m

CASH

The closing cash balance for the Trust as at 31st January was £5m.

DEBT

Trade and other receivables have increased from the 2017/18 opening position by £10.7m to £42.2m. Four debtors owed over £1m at 31st January : South Kent Coast CCG ££2.3m, Ashford CCG £2.1m, Canterbury & Coastal CCG £1.6m, Maidstone and Tunbridge Wells NHS Trust £1.2m. The EK CCG outstanding debt is primarily in respect of overperformance against contract for Q1 & Q2.

FINANCING

£753k of interest was incurred in respect of the drawings against working capital facilities in 2016/17 (£22.7m) and 2017/18 (a further £6.1m).

B. Cash Flow

Month 10 (January) 2017/18

| Year to Date | | This Month | | | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|----------------|---------------------------------------|---------------|----------------|----------------|---------------|---------------|----------------|---------------|----------------|---------------|---------------|----------------|---------------|----------------|---------------|----------------|
| Actual | | Plan | Actual | Variance | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Forecast | Forecast |
| 5,084 | Opening Bank Balance | 2,042 | 8,304 | 6,262 | 5,084 | 8,947 | 12,945 | 7,886 | 9,746 | 4,060 | 6,586 | 10,104 | 1,390 | 8,304 | 4,967 | 5,508 |
| 54,546 | Ashford CCG | 5,431 | 5,431 | | 5,431 | 5,431 | 5,431 | 5,432 | 5,442 | 6,231 | 5,431 | 5,440 | 4,846 | 5,431 | 5,135 | 5,404 |
| 95,258 | C4G | 9,257 | 9,274 | 17 | 9,258 | 9,257 | 9,257 | 9,257 | 9,332 | 10,374 | 9,257 | 10,207 | 9,782 | 9,274 | 8,753 | 9,212 |
| 106,327 | South Kent Coast CCG | 10,424 | 10,426 | 1 | 10,318 | 10,425 | 10,481 | 10,475 | 10,434 | 10,924 | 10,424 | 10,424 | 11,995 | 10,426 | 9,863 | 10,373 |
| 75,155 | Thanet CCG | 7,717 | 5,376 | (2,342) | 7,717 | 7,718 | 7,728 | 7,720 | 7,718 | 8,516 | 7,718 | 7,727 | 7,217 | 5,376 | 7,301 | 7,680 |
| | Additional Income | | | | | | | | | | | | | | | |
| 481 | Dartford, Gravesham & Swanley CCG | 32 | 32 | | 32 | 32 | 32 | 91 | 37 | 32 | 32 | 129 | 32 | 32 | 32 | 32 |
| 1,512 | Medway CCG | 164 | | (164) | 164 | 177 | 164 | 165 | 170 | 167 | 172 | 165 | 167 | | 164 | 164 |
| 3,585 | Swale CCG | 328 | 324 | (4) | 366 | 320 | 328 | 328 | 348 | 315 | 337 | 335 | 584 | 324 | 328 | 328 |
| 4,105 | West Kent CCG | 401 | 418 | 17 | 401 | 401 | 417 | 408 | 816 | 427 | 401 | 416 | | 418 | 401 | 401 |
| 88,345 | NHS England | 7,859 | 7,730 | (130) | 11,528 | 11,048 | 8,516 | 8,248 | 7,883 | 8,148 | 8,119 | 7,725 | 9,402 | 7,730 | 8,574 | 9,826 |
| 30,284 | All Other NHS Organisations | 5,453 | 6,025 | 571 | 1,474 | 5,966 | 985 | 5,408 | 1,134 | 906 | 6,112 | 1,026 | 1,249 | 6,025 | 978 | 1,003 |
| 268 | Capital Receipts | | | | 134 | 7 | 90 | | 37 | | | | | | | |
| 23,999 | All Other Receipts | 2,172 | 2,809 | 637 | 2,571 | 2,015 | 1,909 | 1,109 | 3,273 | 1,442 | 3,628 | 1,685 | 3,558 | 2,809 | 1,798 | 1,877 |
| 3,889 | S&T Fund | | | | | | | | | 1,853 | | | 2,036 | | | |
| 6,875 | Loan | | | | | | | | | 3,310 | 1,000 | | 2,565 | | 3,052 | 5,994 |
| (829) | Loan Repayment | | (829) | (829) | | | | | | | | | | (829) | | |
| 493,800 | Total Receipts | 49,239 | 47,014 | (2,225) | 49,394 | 52,798 | 45,338 | 48,642 | 46,625 | 52,645 | 52,631 | 45,279 | 53,433 | 47,014 | 46,380 | 52,293 |
| | Payments | | | | | | | | | | | | | | | |
| 258,374 | Monthly Payroll inc NI & Super | 26,966 | 26,285 | (681) | 25,383 | 25,988 | 26,075 | 25,647 | 25,558 | 25,385 | 25,797 | 26,043 | 26,213 | 26,285 | 26,250 | 26,350 |
| 220,126 | Creditor Payment Run | 20,164 | 23,382 | 3,219 | 18,795 | 21,553 | 23,592 | 20,664 | 25,321 | 20,450 | 22,361 | 24,626 | 19,382 | 23,382 | 17,354 | 21,904 |
| 11,834 | Capital Payments | 1,965 | 684 | (1,281) | 1,353 | 1,259 | 730 | 471 | 1,432 | 702 | 956 | 3,323 | 924 | 684 | 2,236 | 2,673 |
| 3,183 | PDC Dividend Payment | | | | | | | | | 3,183 | | | | | | 3,411 |
| 399 | Interest Payments | | | | | | | | | 399 | | | | | | 458 |
| 493,916 | Total Payments | 49,095 | 50,351 | 1,257 | 45,531 | 48,799 | 50,397 | 46,782 | 52,311 | 50,119 | 49,114 | 53,993 | 46,519 | 50,351 | 45,840 | 54,797 |
| (116) | Total Movement In Bank Balance | 145 | (3,337) | (3,481) | 3,863 | 3,998 | (5,059) | 1,860 | (5,686) | 2,527 | 3,517 | (8,714) | 6,914 | (3,337) | 540 | (2,503) |
| 4,967 | Closing Bank Balance | 2,187 | 4,967 | 2,781 | 8,947 | 12,945 | 7,886 | 9,746 | 4,060 | 6,586 | 10,104 | 1,390 | 8,304 | 4,967 | 5,508 | 3,004 |
| | Plan | | | | 8,936 | 12,660 | 10,827 | 12,105 | 7,837 | 4,480 | 5,335 | 2,270 | 2,042 | 2,187 | 6,014 | 3,005 |
| | Variance | | | | 11 | 285 | (2,941) | (2,359) | (3,777) | 2,107 | 4,769 | (880) | 6,262 | 2,780 | (506) | () |

B. Cash Flow

Month 10 (January) 2017/18

Unconsolidated Cash balance was £5.0m at the end of January 2018, £2.8m above the plan revised 19 May 2017.

Total receipts in January 2018 were £2.2m below the revised plan

- East Kent CCGs £2.3m below plan
- Other NHS Receipts £0.3m above plan
- All Other income £0.6m above plan
- Loan £0.8m below plan (repayment of loan)

Total Payments in January 2018 were £1.3m above the revised plan

- Creditor payments incl capital were £2.0m above plan
- Payroll (inc Tax/NIC/Pensions) was £0.7m below plan

YTD position is £2.8m above the revised plan

- EK CCG income (inc 2016/17 overperformance) is £3.1m above plan
- STF income is £1.2m below plan (15% of Q1 not achieved and 30% of Q2 not achieved)
- Working capital facility drawn is £1.6m above plan
- All other income is £1.5m above plan
- Payroll expenditure is £4.9m below plan
- PDC Payment was £0.4m below plan
- All other payments are £7.5m over plan

Changes to 2017/18 Forecast for January

- EK CCGs notified that c.£2m re disputed CQUIN would be paid in February but reclaimed at a point in the future.
- The exceptional working capital for redress of creditors is not included in the cashflow in M10 as the requested was made in February. When we have confirmation that NHSi and DH authorise our request then this will be reflected in the cashflow.

Sustainability and Transformation Funding

Sustainability and transformation funding planned was £14.5m for 17-18 as recognised in the I & E revised plan May 17. The Trust received Q1 STF £1.8m on 29th September (85% of £2.1m) and Q2 STF £2.0m (70% of £2.9m) on 27th December. A payment date for receipt of Q3 STF £3m (70% of £4.4m) has not yet been advised. On this basis, additional Working Capital Support has been agreed, receipted on the 12th February, which will be repayable when the STF is received. There is no expectation of Q4 STF and in cash terms this is recognised as additional deficit funding.

Working Capital Facility

| Loan Schedule | Loan Value '£000 | Facility type | Repayment date | Interest rate | Total Interest if full term £000 |
|-----------------------|---------------------|------------------|-------------------|------------------|--|
| 2016/17 (received) | 22,736 | ISRWF | 17/05/2021 | 3.50% | 3,688 |
| Sept' 2017 (received) | 3,310 | ISUCL | 18/09/2020 | 3.50% | 350 |
| Oct' 2017 (received) | 1,000 | ISUCL | 19/10/2020 | 3.50% | 105 |
| Dec' 2017 (received) | 2,565 | ISUCL | 18/12/2020 | 3.50% | 271 |
| Jan' 2018 (repaid) | -829 | ISUCL | N/A | N/A | N/A |
| Feb' 2018 (forecast) | 3,052 | ISUCL | TBA* | TBA | TBA |
| Mar' 2018 (forecast) | 5,994 | ISUCL | TBA* | TBA | TBA |
| Mar' 2018 (forecast) | 8,400 | ISUCL | TBA* | TBA | TBA |

- 17/18 Loan per revised plan was £4.4m in line with the plan pre technical deficit.
- Forecast Pre Technical Deficit as at M10 is £8.0m. The Trust is in discussions with NHSi in respect of a revised Pre Technical Deficit control and is assuming that deficit funding will be made available to that level
- £6.0m has been drawn to the end of January with a further £3m received in advance of Q3 STF
- The trust has requested £5,994k deficit funding for receipt in March plus an additional £8.4m in respect of exceptional working capital support in order to redress creditors.
- The cashflow will be reforecast to reflect the revised I&E deficit as agreed with NHSi

Creditor Management

Creditor management continued to be applied throughout January 18 and is expected to continue throughout the remainder of the year. The Trust is close to the limit in restricting creditor payments and still being able to receive essential goods and services. At the end of January 2018 the Trust was recording 60 creditor days (Calculated as invoiced creditors at 31st January/ Forecast non pay expenditure, x 365) Exceptional working capital support has been requested.

Facility Type Key

- ISRWF Single Currency Interim Revolving Working Capital Support Facility
- ISUCL Uncommitted Single Currency Interim Revenue Support - this facility replaces the ISRWF as the Trust is in Financial special measures and has a variable interest rate

C. Subjective Analysis

Month 10 (January) 2017/18

Statement of Comprehensive Income £000

| Prior Year to Date | | Annual | | Year to Date | | This Month | | |
|--------------------|---|------------------|------------------|------------------|----------------|-----------------|----------------|-----------------|
| Actual | | Plan | Plan | Actual | Variance | Variance % | Variance | Year on Year |
| | Income | | | | | | | |
| 77,239 | Electives | 100,038 | 82,044 | 74,016 | (8,028) | (9.79%) | (2,324) | (3,224) |
| 121,834 | Non-Electives | 153,125 | 127,710 | 134,278 | 6,568 | 5.14% | 2,295 | 12,445 |
| 19,634 | Accident and Emergency | 26,602 | 21,951 | 21,870 | (81) | (0.37%) | (34) | 2,236 |
| 64,815 | Outpatients | 80,322 | 66,544 | 64,524 | (2,020) | (3.04%) | (135) | (290) |
| 27,949 | High Cost Drugs | 57,684 | 48,070 | 46,327 | (1,743) | (3.63%) | 281 | 18,378 |
| 380 | Private Patients | 433 | 362 | 214 | (147) | (40.68%) | (5) | (165) |
| 113,499 | Other NHS Clinical Income | 106,249 | 88,898 | 96,347 | 7,449 | 8.38% | (89) | (17,152) |
| 1,688 | Other Clinical Income | 2,022 | 1,685 | 1,536 | (149) | (8.84%) | | (152) |
| 427,038 | Total Corporate and SLA Income | 526,475 | 437,263 | 439,113 | 1,850 | 0.42% | (11) | 12,075 |
| 41,843 | Other Income | 57,658 | 46,900 | 44,884 | (2,016) | (4.30%) | (1,513) | 3,041 |
| 468,881 | Total Income | 584,133 | 484,163 | 483,997 | (166) | (0.03%) | (11) | 15,116 |
| | Expenditure | | | | | | | |
| (247,299) | Permanent Staff | (315,293) | (262,467) | (250,298) | 12,169 | 4.64% | 1,118 | (3,000) |
| (3,765) | Overtime | 0 | 0 | (4,207) | (4,207) | - | (403) | (442) |
| (3,345) | Waiting List Payments | (1,144) | (952) | (1,825) | (873) | (91.69%) | (143) | 1,520 |
| (3,075) | Medical Locums/Short Sessions | (1,950) | (1,623) | (2,960) | (1,337) | (82.35%) | (239) | 114 |
| (4,881) | Bank | (8,509) | (7,051) | (11,104) | (4,053) | (57.48%) | (404) | (6,223) |
| (11,477) | Agency | (13,650) | (11,666) | (16,966) | (5,300) | (45.43%) | (1,350) | (5,489) |
| (7,812) | Direct Engagement | (3,808) | (3,255) | (2,942) | 312 | 9.60% | 225 | 4,870 |
| (281,654) | Total Pay | (344,354) | (287,015) | (290,302) | (3,288) | (1.15%) | (1,195) | (8,649) |
| | Non-Pay | | | | | | | |
| (53,479) | Drugs | (70,014) | (58,832) | (56,282) | 2,551 | 4.34% | (85) | (2,803) |
| (60,133) | Clinical Supplies | (69,612) | (58,116) | (57,681) | 435 | 0.75% | (629) | 2,452 |
| (8,972) | Non-Clinical Supplies | (10,576) | (8,505) | (9,443) | (938) | (11.03%) | 551 | (471) |
| (13,020) | Facilities Management | (15,826) | (13,327) | (13,475) | (149) | (1.11%) | (1) | (455) |
| (2,143) | NHS Supplies and Services | (2,384) | (1,975) | (2,633) | (657) | (33.27%) | (112) | (489) |
| (7,375) | Cost of Secondary Commissioning of mandatory Services | (4,123) | (3,094) | (6,735) | (3,641) | (117.67%) | (446) | 640 |
| (1,681) | Education & Training | (1,594) | (1,330) | (2,157) | (827) | (62.17%) | (142) | (477) |
| (1,284) | Consultancy | (829) | (689) | (612) | 77 | 11.17% | (43) | 672 |
| (8,312) | Premises | (12,487) | (10,512) | (9,139) | 1,373 | 13.06% | (379) | (826) |
| (15,247) | Clinical Negligence | (21,637) | (18,030) | (17,975) | 54 | 0.30% | (89) | (2,728) |
| (994) | Printing and Stationary | (1,552) | (1,290) | (856) | 434 | 33.63% | 60 | 137 |
| (760) | Postage | (1,012) | (843) | (917) | (74) | (8.78%) | | (157) |
| (823) | Telephones | (722) | (601) | (584) | 17 | 2.76% | 23 | 239 |
| (1,394) | Staff Travel | (2,167) | (1,805) | (1,484) | 321 | 17.79% | 36 | (90) |
| (513) | Transport Hire/Lease | (707) | (592) | (485) | 107 | 18.05% | 21 | 27 |
| (368) | Cleaning Materials | (339) | (282) | (274) | 8 | 2.95% | 46 | 94 |
| (241) | Office Equipment and Consumables | (184) | (132) | (99) | 33 | 25.07% | (4) | 143 |
| (7,314) | Misc Other Operating Expenses | (1,879) | (1,579) | (5,469) | (3,890) | (246.45%) | (220) | 1,845 |
| (184,053) | Total Non-Pay | (217,643) | (181,534) | (186,300) | (4,766) | (2.63%) | (1,414) | (2,247) |
| (465,707) | Total Expenditure | (561,996) | (468,548) | (476,603) | (8,054) | (1.72%) | (2,609) | (10,895) |
| 3,174 | EBITDA | 22,136 | 15,615 | 7,394 | (8,220) | (52.64%) | (2,620) | 4,221 |
| (22,548) | Non-Operating Expenses | (27,693) | (22,899) | (21,104) | 1,795 | 7.84% | 169 | 1,444 |
| (19,375) | Income and Expenditure Surplus/(Deficit) | (5,557) | (7,284) | (13,710) | (6,425) | (88.20%) | (2,451) | 5,665 |

D. Pay Analysis: Permanent, Overtime, WLI, Bank Month 10 (January) 2017/18

| This Month | | | | Annual £000 | Year to Date £000 | | | | |
|-----------------|-----------------|-----------------|---------------------------------------|------------------|-------------------|------------------|--------------|--------------|--|
| Planned WTE | Contracted WTE | Worked WTE | Category | Plan | Plan | Actual | Variance | Variance % | |
| 2,308.66 | 2,056.74 | 2,044.94 | Nurses and Midwives | (92,556) | (77,039) | (76,414) | 625 | 0.81% | |
| 1,398.63 | 1,332.73 | 1,300.00 | Scientific, Therapeutic and Technical | (50,138) | (41,737) | (41,530) | 208 | 0.50% | |
| 1,513.10 | 1,305.07 | 1,278.26 | Admin and Clerical | (33,077) | (27,531) | (27,071) | 459 | 1.67% | |
| 1,516.69 | 1,412.81 | 1,404.41 | Other Pay | (46,461) | (38,669) | (40,303) | (1,634) | (4.23%) | |
| 1,090.54 | 964.98 | 981.55 | Medical and Dental | (102,713) | (85,494) | (82,116) | 3,378 | 3.95% | |
| 7,827.61 | 7,072.33 | 7,009.16 | Total | (324,946) | (270,470) | (267,434) | 3,036 | 1.12% | |

| This Month | | | | Annual £000 | Year to Date £000 | | | | |
|-----------------|-----------------|-----------------|--|------------------|-------------------|------------------|--------------|--------------|--|
| Planned WTE | Contracted WTE | Worked WTE | Directorate | Plan | Plan | Actual | Variance | Variance % | |
| 421.18 | 357.34 | 353.73 | Specialty Medicine | (20,014) | (16,605) | (16,028) | 577 | 3.47% | |
| 273.66 | 243.21 | 232.29 | HCOOP | (11,115) | (9,250) | (9,324) | (74) | (0.80%) | |
| 704.34 | 617.91 | 621.32 | Acute Medicine | (25,739) | (21,480) | (21,797) | (317) | (1.48%) | |
| 481.89 | 390.28 | 396.02 | Emergency Medicine | (17,691) | (14,749) | (17,889) | (3,140) | (21.29%) | |
| 163.46 | 148.05 | 142.24 | Vascular, Inter Radiology & Urology | (8,164) | (6,800) | (6,251) | 549 | 8.08% | |
| 79.13 | 67.12 | 66.29 | UC<C Divisional Support | (3,696) | (3,075) | (2,994) | 81 | 2.65% | |
| 133.85 | 100.67 | 96.34 | Surgical Division Management | 20 | (277) | (3,414) | (3,138) | (1134.20%) | |
| 286.16 | 259.61 | 263.48 | General Surgery | (13,729) | (11,384) | (10,355) | 1,029 | 9.04% | |
| 233.38 | 209.10 | 210.46 | Head & Neck | (12,701) | (10,538) | (10,068) | 470 | 4.46% | |
| 317.92 | 297.88 | 297.14 | Trauma & Orthopaedics | (16,176) | (13,356) | (11,651) | 1,705 | 12.77% | |
| 755.32 | 728.09 | 734.46 | Anaesthetics | (36,921) | (30,740) | (30,167) | 573 | 1.87% | |
| 23.40 | 18.80 | 18.93 | Specialist Services Divisional Management | (296) | (262) | (913) | (651) | (248.38%) | |
| 451.93 | 429.08 | 418.91 | Child Health | (20,598) | (17,170) | (17,116) | 54 | 0.32% | |
| 495.96 | 450.68 | 451.41 | Womens Health | (21,885) | (18,241) | (18,605) | (364) | (2.00%) | |
| 325.54 | 304.39 | 300.42 | Pathology | (13,162) | (10,950) | (10,767) | 183 | 1.67% | |
| 492.64 | 431.56 | 425.48 | Radiological Sciences | (21,399) | (17,783) | (17,191) | 592 | 3.33% | |
| 274.29 | 253.99 | 239.22 | Therapies | (8,658) | (7,216) | (7,232) | (16) | (0.23%) | |
| 180.01 | 165.30 | 160.47 | Pharmacy | (5,342) | (4,442) | (4,475) | (33) | (0.73%) | |
| 194.26 | 185.61 | 182.00 | Cancer, Clinical Haematology and Haemophilia | (7,381) | (6,137) | (6,063) | 74 | 1.21% | |
| 3.18 | 14.64 | 14.77 | Clinical Support Divisional Management and Infection Control | (1,917) | (1,461) | (582) | 879 | 60.15% | |
| 306.62 | 279.23 | 272.95 | Outpatient Services | (6,387) | (5,291) | (5,234) | 56 | 1.06% | |
| 46.91 | 40.02 | 37.89 | Dermatology | (1,817) | (1,514) | (1,693) | (179) | (11.80%) | |
| 244.27 | 229.24 | 233.62 | Renal | (9,655) | (8,049) | (8,081) | (32) | (0.40%) | |
| 117.33 | 106.85 | 104.93 | Directorate of Clinical Quality, Patient Safety and Operations | (5,163) | (4,229) | (4,000) | 229 | 5.42% | |
| 109.98 | 99.16 | 93.70 | Human Resources Directorate | (5,067) | (4,205) | (3,794) | 411 | 9.77% | |
| 111.00 | 100.83 | 104.22 | Facilities | (2,970) | (2,508) | (2,392) | 116 | 4.61% | |
| 127.59 | 118.96 | 119.41 | Finance and Performance Management | (5,167) | (4,265) | (4,129) | 135 | 3.17% | |
| 36.80 | 30.48 | 29.04 | Trust Board | (1,423) | (1,161) | (1,157) | 4 | 0.35% | |
| 18.65 | 14.92 | 14.96 | Strategic Development | (1,241) | (1,041) | (934) | 107 | 10.28% | |
| 107.51 | 96.11 | 95.42 | Information Technology | (3,973) | (3,308) | (3,044) | 263 | 7.96% | |
| 3.00 | 3.00 | 3.00 | Strategic Estates | (98) | (82) | (105) | (23) | (27.65%) | |
| 28.50 | 25.50 | 26.11 | Hospital Management - WHH | (984) | (820) | (788) | 32 | 3.92% | |
| 30.00 | 25.00 | 25.64 | Hospital Management - QMH | (1,017) | (847) | (821) | 26 | 3.09% | |
| 32.50 | 26.00 | 24.33 | Hospital Management - KCH | (1,038) | (865) | (759) | 106 | 12.25% | |
| 56.28 | 48.44 | 46.09 | Procurement | (1,720) | (1,432) | (1,258) | 174 | 12.17% | |
| 0.00 | 0.00 | 0.00 | Central Budgets | (2,633) | (2,297) | 260 | 2,558 | 111.33% | |
| 43.64 | 44.22 | 43.09 | PGME/Library | (2,164) | (1,799) | (1,784) | 14 | 0.80% | |
| 46.98 | 44.13 | 42.60 | Research & Development | (1,858) | (1,502) | (1,501) | 1 | 0.08% | |
| 68.50 | 66.93 | 66.78 | Recharges | (4,009) | (3,338) | (3,336) | 2 | 0.07% | |
| 7,827.55 | 7,072.33 | 7,009.16 | Total | (324,946) | (270,470) | (267,434) | 3,036 | 1.12% | |

The annual budgets within Surgical Divisional Management reflect the outcome of the budget setting exercise for pay across the Division . The Division will use vacancies to manage back to their overall pay budget.

D. Pay Analysis Year to Date £000

Month 10 (January) 2017/18

Pay Analysis Year to Date £000

| Directorate | Contracted | % | Overtime | % | Bank | % | Temporary | % | Temporary Plan | Temporary Var. |
|--|------------------|--------------|----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|----------------|
| Specialty Medicine | (15,275) | 80.3% | (139) | 0.7% | (614) | 3.2% | (3,004) | 15.8% | (1,961) | (1,043) |
| HCOOP | (8,331) | 78.9% | (150) | 1.4% | (843) | 8.0% | (1,232) | 11.7% | (1,050) | (182) |
| Acute Medicine | (19,913) | 75.5% | (320) | 1.2% | (1,564) | 5.9% | (4,586) | 17.4% | (2,160) | (2,427) |
| Emergency Medicine | (13,652) | 58.8% | (541) | 2.3% | (3,696) | 15.9% | (5,349) | 23.0% | (5,031) | (317) |
| Vascular, Inter Radiology & Urology | (6,004) | 78.9% | (66) | 0.9% | (181) | 2.4% | (1,362) | 17.9% | (39) | (1,323) |
| UC<C Divisional Support | (2,910) | 96.9% | (45) | 1.5% | (38) | 1.3% | (8) | 0.3% | 1,310 | (1,318) |
| Surgical Division Management | (3,287) | 96.3% | (29) | 0.9% | (98) | 2.9% | 0 | 0.0% | (2,498) | 2,498 |
| General Surgery | (9,828) | 82.2% | (189) | 1.6% | (338) | 2.8% | (1,600) | 13.4% | (71) | (1,528) |
| Head & Neck | (9,781) | 94.6% | (109) | 1.1% | (178) | 1.7% | (270) | 2.6% | (22) | (248) |
| Trauma & Orthopaedics | (11,016) | 89.0% | (112) | 0.9% | (523) | 4.2% | (733) | 5.9% | (120) | (613) |
| Anaesthetics | (28,347) | 89.7% | (925) | 2.9% | (894) | 2.8% | (1,435) | 4.5% | (85) | (1,350) |
| Specialist Services Divisional Management | (907) | 99.3% | (2) | 0.2% | (4) | 0.5% | 0 | 0.0% | 494 | (494) |
| Child Health | (16,689) | 91.3% | (152) | 0.8% | (275) | 1.5% | (1,155) | 6.3% | (733) | (422) |
| Womens Health | (17,757) | 92.4% | (271) | 1.4% | (577) | 3.0% | (606) | 3.2% | (499) | (107) |
| Pathology | (10,612) | 95.7% | (99) | 0.9% | (56) | 0.5% | (327) | 2.9% | (181) | (146) |
| Radiological Sciences | (16,785) | 89.6% | (328) | 1.8% | (77) | 0.4% | (1,539) | 8.2% | (914) | (624) |
| Therapies | (7,121) | 97.1% | (96) | 1.3% | (15) | 0.2% | (105) | 1.4% | (73) | (32) |
| Pharmacy | (4,399) | 93.9% | (22) | 0.5% | (54) | 1.1% | (212) | 4.5% | (154) | (58) |
| Cancer, Clinical Haematology and Haemophilia | (5,898) | 97.3% | (43) | 0.7% | (122) | 2.0% | 2 | 0.0% | (228) | 230 |
| Clinical Support Divisional Management and Infection Control | (581) | 99.8% | (1) | 0.2% | 0 | 0.0% | 0 | 0.0% | 281 | (281) |
| Outpatient Services | (5,160) | 98.6% | (75) | 1.4% | 1 | 0.0% | 0 | 0.0% | 0 | 0 |
| Dermatology | (1,321) | 77.0% | (12) | 0.7% | (359) | 20.9% | (24) | 1.4% | (288) | 264 |
| Renal | (7,794) | 95.4% | (190) | 2.3% | (97) | 1.2% | (85) | 1.0% | (150) | 65 |
| Directorate of Clinical Quality, Patient Safety and Operations | (3,910) | 97.7% | (41) | 1.0% | (49) | 1.2% | () | 0.0% | 0 | () |
| Human Resources Directorate | (3,760) | 96.9% | (16) | 0.4% | (17) | 0.4% | (85) | 2.2% | 0 | (85) |
| Facilities | (2,084) | 84.0% | (63) | 2.5% | (245) | 9.9% | (88) | 3.6% | (79) | (9) |
| Finance and Performance Management | (3,957) | 94.8% | (70) | 1.7% | (102) | 2.5% | (43) | 1.0% | (105) | 62 |
| Trust Board | (1,157) | 100.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0 |
| Strategic Development | (850) | 91.0% | (2) | 0.2% | (82) | 8.8% | () | 0.0% | 0 | () |
| Information Technology | (3,038) | 99.8% | (5) | 0.2% | (1) | 0.0% | 0 | 0.0% | 0 | 0 |
| Strategic Estates | (105) | 100.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | (42) | 42 |
| Hospital Management - WHH | (760) | 96.5% | (25) | 3.2% | (2) | 0.3% | () | 0.0% | 0 | () |
| Hospital Management - QMH | (797) | 97.0% | (22) | 2.7% | (2) | 0.2% | 0 | 0.0% | 0 | 0 |
| Hospital Management - KCH | (747) | 98.5% | (13) | 1.7% | 1 | -0.2% | 0 | 0.0% | (20) | 20 |
| Procurement | (1,247) | 92.9% | (3) | 0.2% | (8) | 0.6% | (84) | 6.2% | 0 | (84) |
| Central Budgets | 236 | 17.7% | () | 0.0% | 25 | 1.9% | 1,073 | 80.5% | (2,126) | 3,199 |
| PGME/Library | (1,773) | 98.7% | () | 0.0% | (11) | 0.6% | (13) | 0.7% | 0 | (13) |
| Research & Development | (1,491) | 99.4% | (5) | 0.3% | (5) | 0.3% | 0 | 0.0% | 0 | 0 |
| Recharges | (3,314) | 99.3% | (22) | 0.7% | 0 | 0.0% | 0 | 0.0% | 0 | 0 |
| Total | (252,124) | 86.8% | (4,207) | 1.4% | (11,104) | 3.8% | (22,869) | 7.9% | (16,544) | (6,324) |

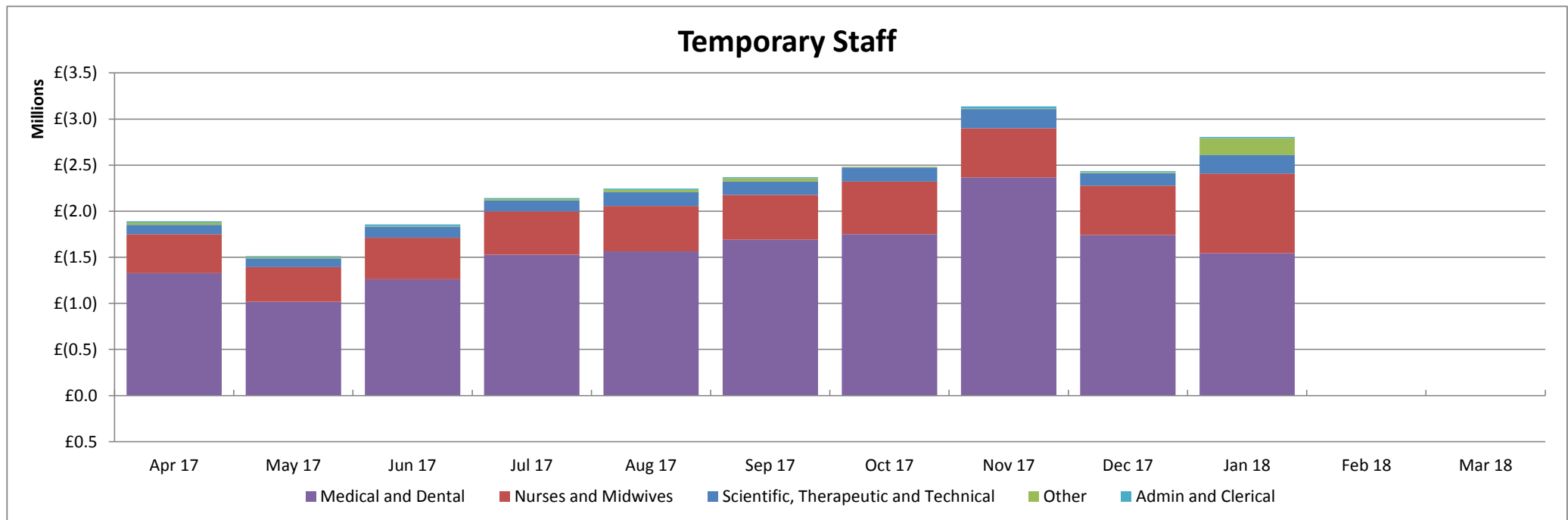
The temporary staffing spend (agency, STAFFflow, medical locums) in emergency, acute and speciality medicine has increased slightly to 56.6% of the total spend. Pressures remain in EDs and in covering additional winter pressure beds.

The percentage of the total temporary staffing cost spent on Medical and Nursing YTD is 69% and 23% of the total respectively. The slight increase in the nursing percentage reflects additional TFS nurse agency usage, particularly in Quex Ward, A&E and Kings C2 Ward.

E. Pay Analysis - Temporary Staff

Month 10 (January) 2017/18

| In Month £000 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----|-----|
| Medical and Dental | (1,329) | (1,017) | (1,261) | (1,526) | (1,564) | (1,692) | (1,752) | (2,366) | (1,741) | (1,543) | | |
| Agency | (405) | (189) | (860) | (818) | (847) | (1,075) | (1,278) | (1,723) | (1,609) | (1,085) | | |
| Medical Locum and Short Session | (368) | (260) | (236) | (372) | (372) | (254) | (301) | (290) | (104) | (404) | | |
| STAFFflow | (555) | (568) | (165) | (337) | (346) | (363) | (173) | (353) | (28) | (54) | | |
| Scientific, Therapeutic and Technical | (101) | (96) | (119) | (117) | (151) | (145) | (152) | (208) | (137) | (199) | | |
| Agency | (101) | (96) | (119) | (117) | (151) | (145) | (152) | (208) | (137) | (199) | | |
| Nurses and Midwives | (421) | (376) | (451) | (473) | (491) | (485) | (571) | (533) | (535) | (865) | | |
| Agency | (421) | (376) | (451) | (473) | (491) | (485) | (571) | (533) | (535) | (865) | | |
| Admin and Clerical | (12) | (10) | (19) | (10) | (13) | (10) | 5 | (25) | (10) | (13) | | |
| Agency | (12) | (10) | (19) | (10) | (13) | (10) | 5 | (25) | (10) | (13) | | |
| Other | (26) | (14) | (5) | (15) | (25) | (37) | (7) | (5) | (11) | (186) | | |
| Agency | (26) | (14) | (5) | (15) | (25) | (37) | (7) | (5) | (11) | (186) | | |
| Total | (1,889) | (1,503) | (1,837) | (2,132) | (2,231) | (2,359) | (2,482) | (3,112) | (2,424) | (2,794) | | |



E. Pay Analysis - Temporary Staff

Month 10 (January) 2017/18

| Temporary Staff Actual £m | M & D | N & M | PAMS | A&C Other | Total | Variance v 2016/17 | Variance v 2015/16 |
|--|-------------|-------------|-------------|-------------|-------------|-----------------------|-----------------------|
| Urgent Care & LongTerm Conditions | 1.13 | 0.64 | 0.05 | 0.15 | 1.96 | 0.54 | 0.58 |
| Surgical Services | 0.50 | 0.19 | 0.02 | 0.03 | 0.75 | 0.21 | 0.25 |
| Clinical Support Services | 0.13 | | 0.13 | | 0.26 | 0.05 | 0.10 |
| Specialist Services | 0.12 | 0.03 | | | 0.15 | (0.04) | (0.06) |
| Strategic Development and Capital Planning | | | | 0.02 | 0.02 | | (0.01) |
| Corporate | 0.02 | | | 0.01 | 0.02 | 0.01 | (0.02) |
| Central | (0.35) | | | | (0.35) | (0.24) | (0.27) |
| Total | 1.55 | 0.86 | 0.20 | 0.21 | 2.82 | 0.53 | 0.57 |
| Variance v 2017/18 average | (0.04) | 0.35 | 0.06 | 0.15 | 0.52 | | |
| Variance v 2016/17 average | 0.04 | 0.34 | 0.06 | 0.13 | 0.57 | | |

| Temporary Staff Year to Date £m | M & D | N & M | PAMS | A&C Other | Total | Average per Month |
|--|--------------|-------------|-------------|-------------|--------------|----------------------|
| Urgent Care & LongTerm Conditions | 9.93 | 3.64 | 0.46 | 0.15 | 14.18 | 1.42 |
| Surgical Services | 4.01 | 1.18 | 0.17 | 0.04 | 5.40 | 0.54 |
| Clinical Support Services | 1.38 | | 0.80 | | 2.18 | 0.22 |
| Specialist Services | 1.39 | 0.47 | | | 1.87 | 0.19 |
| Strategic Development and Capital Planning | | | | 0.17 | 0.17 | 0.02 |
| Corporate | 0.05 | | | 0.09 | 0.14 | 0.01 |
| Central | (0.97) | (0.09) | (0.01) | | (1.07) | (0.11) |
| Total | 15.79 | 5.20 | 1.42 | 0.45 | 22.86 | 2.29 |
| Average per month | 1.58 | 0.52 | 0.14 | 0.05 | 2.29 | |

F. Trust Statement of Comprehensive Income by Division

Month 10 (January) 2017/18

| | Electives | Non-Electives | Accident & Emergency | Outpatients | High Cost Drugs | Private Patients | Other Clinical | All Other Income | Pay | Non Pay | Net Position |
|---|---------------|----------------|----------------------|---------------|-----------------|------------------|----------------|------------------|------------------|------------------|-----------------|
| Year to Date Actual £000 | | | | | | | | | | | |
| Urgent Care and Long Term Conditions | 17,432 | 74,807 | 21,870 | 17,211 | 4,558 | 75 | 12,102 | 1,814 | (82,211) | (26,092) | 41,565 |
| Surgical Services | 45,892 | 31,526 | 0 | 26,601 | 6,487 | 24 | 14,783 | 1,897 | (77,307) | (35,355) | 14,547 |
| Clinical Support Services | 297 | 13 | 0 | 3,652 | 12,872 | 79 | 28,322 | 5,064 | (47,664) | (37,658) | (35,022) |
| Specialist Services | 10,394 | 27,833 | 0 | 17,060 | 22,141 | 37 | 40,323 | 1,833 | (54,338) | (32,225) | 33,058 |
| Clinical Divisions Total | 74,016 | 134,178 | 21,870 | 64,524 | 46,058 | 215 | 95,530 | 10,608 | (261,520) | (131,330) | 54,149 |
| Strategic Development and Capital Planning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,535 | (10,274) | (28,866) | (31,604) |
| Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,598 | (16,505) | (25,682) | (26,589) |
| Divisional Total | 74,016 | 134,178 | 21,870 | 64,524 | 46,058 | 215 | 95,530 | 33,741 | (288,299) | (185,878) | (4,044) |
| Central | () | 100 | 0 | 0 | 269 | () | 2,353 | 11,143 | (2,003) | (422) | 11,439 |
| EBITDA | | | | | | | | | | | 7,395 |
| Capital Charges and Interest | | | | | | | | | | (21,104) | (21,104) |
| Income and Expenditure Surplus/(Deficit) | | | | | | | | | | | (13,709) |

| | Electives | Non-Electives | Accident & Emergency | Outpatients | High Cost Drugs | Private Patients | Other Clinical | All Other Income | Pay | Non Pay | Net Position |
|---|----------------|---------------|----------------------|----------------|-----------------|------------------|----------------|------------------|-----------------|----------------|----------------|
| Year to Date Variance to Plan £000 | | | | | | | | | | | |
| Urgent Care and Long Term Conditions | 969 | 3,695 | 208 | (628) | (334) | (61) | 2,111 | 1,413 | (8,160) | (3,244) | (4,031) |
| Surgical Services | (3,807) | 2,592 | 0 | (563) | 398 | () | 864 | 283 | (1,377) | 1,346 | (264) |
| Clinical Support Services | (92) | (107) | 0 | (214) | (11) | (103) | 1,288 | (335) | 520 | (116) | 830 |
| Specialist Services | (214) | 1,541 | 0 | 198 | (534) | (24) | 940 | (8) | (1,560) | 81 | 419 |
| Clinical Divisions Total | (3,145) | 7,721 | 208 | (1,207) | | | | 1,353 | (10,577) | (1,934) | (3,046) |
| Strategic Development and Capital Planning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,786) | 770 | 2,232 | 1,216 |
| Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 207 | 760 | (256) | 712 |
| Divisional Total | (3,145) | 7,721 | 208 | (1,207) | | | | (226) | (9,047) | 43 | (1,118) |
| Central | (4,531) | (377) | (296) | (704) | (1,261) | () | 908 | (1,789) | 5,759 | (4,809) | (7,102) |
| EBITDA | | | | | | | | | | | (8,220) |
| Capital Charges and Interest | | | | | | | | | | 1,795 | 1,795 |
| Income and Expenditure Surplus/(Deficit) | | | | | | | | | | | (6,425) |

G. Cost Improvement Phasing

Month 10 (January) 2017/18

| Work stream Gross £'000 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Total |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Theatres | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outpatients | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Patient Flow/LOS | - | 151 | 151 | 151 | 526 | 526 | 526 | 526 | 526 | 526 | 526 | 526 | 4,666 |
| Diagnostic Demand Reduction | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agency | 175 | 190 | 335 | 462 | 522 | 526 | 592 | 636 | 623 | 627 | 606 | 590 | 5,882 |
| Workforce | 396 | 376 | 390 | 406 | 408 | 419 | 432 | 446 | 461 | 456 | 454 | 469 | 5,114 |
| Procurement | 192 | 171 | 177 | 231 | 206 | 200 | 181 | 171 | 171 | 143 | 125 | 118 | 2,087 |
| Medicine Optimisation | 36 | 36 | 37 | 40 | 40 | 33 | 33 | 32 | 32 | 32 | 32 | 503 | 891 |
| Clinical Support | (6) | 205 | 5 | 61 | 65 | 81 | 82 | 82 | 94 | 94 | 67 | 68 | 897 |
| Specialist | 15 | 20 | 100 | 93 | 132 | 202 | 205 | 206 | 206 | 206 | 207 | 212 | 1,804 |
| Surgery | 162 | 162 | 162 | 335 | 335 | 335 | 369 | 364 | 369 | 373 | 373 | 342 | 3,679 |
| UC<C | 51 | 66 | 92 | 125 | 125 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 1,754 |
| Corporate - Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SD&CP | 27 | 117 | 72 | 79 | 79 | 79 | 82 | 119 | 117 | 117 | 117 | 119 | 1,123 |
| Sub-total | 1,048 | 1,494 | 1,520 | 1,984 | 2,439 | 2,588 | 2,687 | 2,767 | 2,785 | 2,759 | 2,693 | 3,133 | 27,898 |
| Central | 321 | (36) | 365 | 343 | (72) | (227) | 773 | 653 | 534 | 760 | 631 | 394 | 4,438 |
| Grand Total | 1,369 | 1,458 | 1,885 | 2,327 | 2,367 | 2,361 | 3,460 | 3,420 | 3,319 | 3,519 | 3,324 | 3,527 | 32,336 |

| Workstream RAG adj £'000 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Total |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Theatres | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outpatients | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Patient Flow/LOS | - | 19 | 171 | 204 | 216 | 265 | 264 | 229 | 448 | 802 | 500 | 500 | 3,616 |
| Diagnostic Demand Reduction | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agency | 365 | 413 | 200 | 269 | 328 | 276 | 534 | 331 | 377 | 376 | 525 | 555 | 4,548 |
| Workforce | 551 | 690 | 583 | 642 | 680 | 572 | 537 | 508 | 588 | 937 | 451 | 452 | 7,191 |
| Procurement | 126 | 197 | 178 | 181 | 185 | 219 | 212 | 231 | 187 | 317 | 130 | 117 | 2,280 |
| Medicine Optimisation | 29 | 56 | 55 | 51 | 73 | 61 | 84 | 121 | 120 | 134 | 123 | 135 | 1,041 |
| Clinical Support | 38 | 260 | 53 | 62 | 82 | 174 | 124 | 183 | 144 | 153 | 186 | 202 | 1,661 |
| Specialist | 16 | 35 | 159 | 114 | 189 | 253 | 238 | 347 | 303 | 246 | 215 | 210 | 2,326 |
| Surgery | 212 | 212 | 215 | 353 | 271 | 305 | 287 | 260 | 284 | 254 | 347 | 316 | 3,316 |
| UC<C | - | 43 | 90 | 114 | 103 | 121 | 196 | 785 | 150 | 319 | 251 | 206 | 2,378 |
| Corporate - Other | - | - | - | 230 | 58 | 58 | 58 | 200 | 58 | 58 | 58 | 64 | 842 |
| SD&CP | 34 | 44 | 60 | 46 | 46 | 46 | 241 | 75 | 75 | 75 | 75 | 75 | 893 |
| Sub-total | 1,371 | 1,969 | 1,764 | 2,265 | 2,231 | 2,350 | 2,774 | 3,269 | 2,733 | 3,672 | 2,861 | 2,833 | 30,092 |
| Central | 238 | (194) | 22 | 22 | 22 | 22 | 106 | 577 | 182 | 167 | 300 | 447 | 1,912 |
| Grand Total | 1,609 | 1,774 | 1,786 | 2,287 | 2,253 | 2,372 | 2,880 | 3,845 | 2,915 | 3,840 | 3,161 | 3,280 | 32,004 |

H. Urgent Care and Long Term Conditions

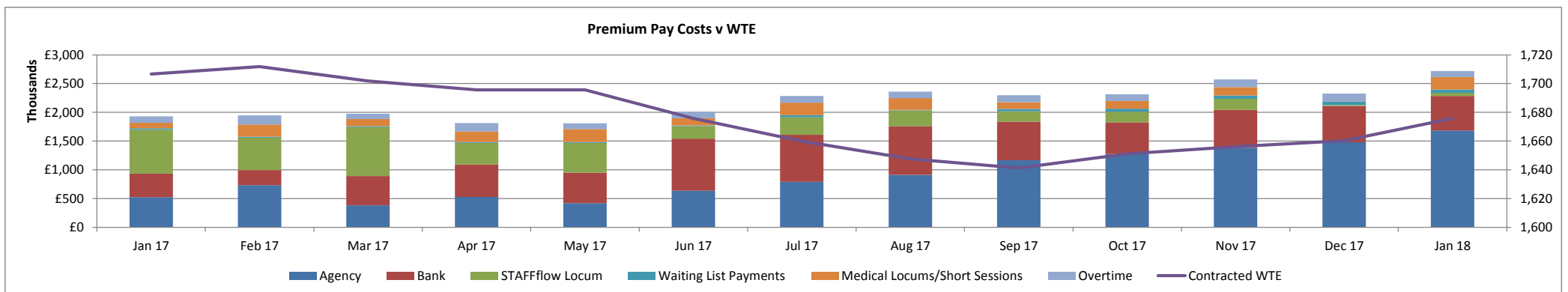
Month 10 (January) 2017/18

| Statement of Comprehensive Income £000 | Year to Date | | | This Month | | |
|---|-----------------|------------------|-----------------|----------------|-----------------|----------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| Income | | | | | | |
| Electives | 16,463 | 17,432 | 969 | 1,706 | 1,752 | 46 |
| Non-Electives | 71,112 | 74,807 | 3,695 | 7,531 | 8,835 | 1,304 |
| Accident & Emergency | 21,662 | 21,870 | 208 | 2,170 | 2,214 | 45 |
| First Outpatients | 10,220 | 9,707 | (513) | 1,063 | 960 | (103) |
| Follow Up Outpatients | 7,619 | 7,504 | (115) | 802 | 773 | (29) |
| High Cost Drugs | 4,892 | 4,558 | (334) | 489 | 395 | (94) |
| Private Patients | 135 | 75 | (61) | 8 | 13 | 5 |
| Other NHS Clinical | 8,516 | 10,845 | 2,330 | 850 | 1,137 | 287 |
| Other Clinical | 1,475 | 1,257 | (218) | 148 | 137 | (10) |
| Prior Month Adjustment | 0 | 0 | 0 | 0 | 76 | 76 |
| Total Corporate and SLA Income | 142,094 | 148,055 | 5,961 | 14,766 | 16,293 | 1,527 |
| All Other Income | 401 | 1,814 | 1,413 | 30 | 88 | 57 |
| Total Income | 142,495 | 149,868 | 7,374 | 14,796 | 16,381 | 1,584 |
| Expenditure | | | | | | |
| Permanent Staff | (62,427) | (59,712) | 2,715 | (6,121) | (6,128) | (7) |
| Overtime | 0 | (1,195) | (1,195) | 0 | (104) | (104) |
| Waiting List Payments | (92) | (369) | (277) | (7) | (57) | (50) |
| Medical Locums/Short Sessions | (1,664) | (1,581) | 83 | (168) | (220) | (52) |
| Bank | (2,640) | (6,756) | (4,116) | (258) | (601) | (342) |
| Agency | (3,241) | (10,285) | (7,044) | (132) | (1,686) | (1,554) |
| Direct Engagement | (3,988) | (2,313) | 1,675 | (408) | (53) | 355 |
| Total Pay | (74,051) | (82,211) | (8,160) | (7,094) | (8,847) | (1,753) |
| Non Pay | (22,847) | (26,092) | (3,244) | (2,359) | (2,865) | (507) |
| Total Expenditure | (96,898) | (108,303) | (11,404) | (9,452) | (11,713) | (2,260) |
| Contribution | 45,596 | 41,565 | (4,031) | 5,344 | 4,668 | (676) |

NEL income over-performed by £1.5m following the rebasing of beds between Divisions (which has caused adverse income performance in Surgical Division) and opening of additional temporary beds. OPD clinics totalling £0.2m were cancelled due to winter pressures but the Division has been trying to minimise the impact of activity cancellations. H&SCV beds are favourable by £2.8m ytd which are offset as a non-pay overspend of £2.7m as this is outside the formal Contract. Other Income is reflective of £1.3m relating to Winter/ED Recovery Plan funding received for Q3 and is offset by pay costs of which the majority is Agency.

The Divisional expenditure position includes £1.5m January cost (£2.8m ytd) as a consequence of the ED recovery plan / Winter. Total Agency costs increased by £0.2m to £2.0m particularly in Nursing which doubled from £0.4m to £0.8m as escalated rates are being paid in ED and selected ward / clinical areas to ensure a safe and consistent level of staffing. The Division is planning to de-escalate beds as Site pressures ease which will reduce cost. Agency cost reduced in both Consultants and ED Middle Grade due to successful recruitment to permanent posts and is expected to fall further in February. RMOs are being used on all 3 Sites (reported as non-pay) however the Division is still incurring £0.2m Agency costs to cover Deanery gaps with a particular problem at KCH where there are 5/6 posts vacant. Other pay costs include premium arrangements for ED staffing to ensure an appropriate level of staffing cover and increased internal Locum costs to provide extra Ward and Ambulatory support particularly to the additional beds.

Non pay adverse variance includes expenditure on trend for Endoscopy 18 Weeks, RMO and H&SCV beds. Consumable costs increased slightly compared to December at £0.1m adverse.



H. Surgical Services

Month 10 (January) 2017/18

| Statement of Comprehensive Income | Year to Date | | | This Month | | |
|---------------------------------------|------------------|------------------|----------------|-----------------|-----------------|----------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| £000 | | | | | | |
| Income | | | | | | |
| Electives | 49,699 | 45,892 | (3,807) | 5,238 | 3,882 | (1,356) |
| Non-Electives | 28,934 | 31,526 | 2,592 | 2,709 | 3,218 | 509 |
| Accident & Emergency | 0 | 0 | 0 | 0 | 0 | 0 |
| First Outpatients | 13,457 | 13,016 | (441) | 1,371 | 1,298 | (74) |
| Follow Up Outpatients | 13,707 | 13,586 | (121) | 1,394 | 1,414 | 19 |
| High Cost Drugs | 6,089 | 6,487 | 398 | 609 | 661 | 52 |
| Private Patients | 24 | 24 | () | 1 | 6 | 4 |
| Other NHS Clinical | 13,809 | 14,660 | 851 | 1,396 | 1,477 | 81 |
| Other Clinical | 109 | 123 | 13 | 11 | 18 | 7 |
| Prior Month Adjustment | 0 | () | () | 0 | 113 | 113 |
| Total Corporate and SLA Income | 125,829 | 125,313 | (516) | 12,729 | 12,086 | (643) |
| All Other Income | 1,613 | 1,897 | 283 | 167 | 222 | 55 |
| Total Income | 127,442 | 127,210 | (233) | 12,896 | 12,308 | (588) |
| Expenditure | | | | | | |
| Permanent Staff | (70,275) | (66,951) | 3,325 | (7,030) | (6,804) | 226 |
| Overtime | 0 | (1,432) | (1,432) | 0 | (128) | (128) |
| Waiting List Payments | (1,322) | (1,312) | 11 | (133) | (161) | (28) |
| Medical Locums/Short Sessions | (1,010) | (899) | 111 | (101) | (133) | (32) |
| Bank | (1,498) | (2,212) | (714) | (143) | (248) | (105) |
| Agency | (95) | (3,904) | (3,808) | 47 | (608) | (655) |
| Direct Engagement | (1,729) | (597) | 1,132 | (173) | (8) | 164 |
| Total Pay | (75,930) | (77,307) | (1,377) | (7,533) | (8,090) | (558) |
| Non Pay | (36,701) | (35,355) | 1,346 | (3,735) | (3,734) | 1 |
| Total Expenditure | (112,631) | (112,662) | (31) | (11,268) | (11,825) | (557) |
| Contribution | 14,811 | 14,547 | (264) | 1,628 | 483 | (1,145) |

Below plan elective income is mostly due to underperformance in Orthopaedics (£4.3m), although all specialties underperformed in January as all non urgent surgery was cancelled under a revised winter plan. This had to be implemented one week early and continues into February longer than originally planned. The Division made plans to achieve the year end plan by outsourcing and using an external provider, however the tender process was delayed and the on-going winter impact now makes this look very unlikely.

Non-Elective income is above plan with high levels of Trauma & Vascular activity.

Outpatients performance is adverse year to date due to Ophthalmology (£360k) and Pre-Op Assessments (£175k). The CCG contract for WAMD and new glaucoma were implemented in late December and are now fully operational. A tender process has been completed to commence additional outpatient activity from mid February.

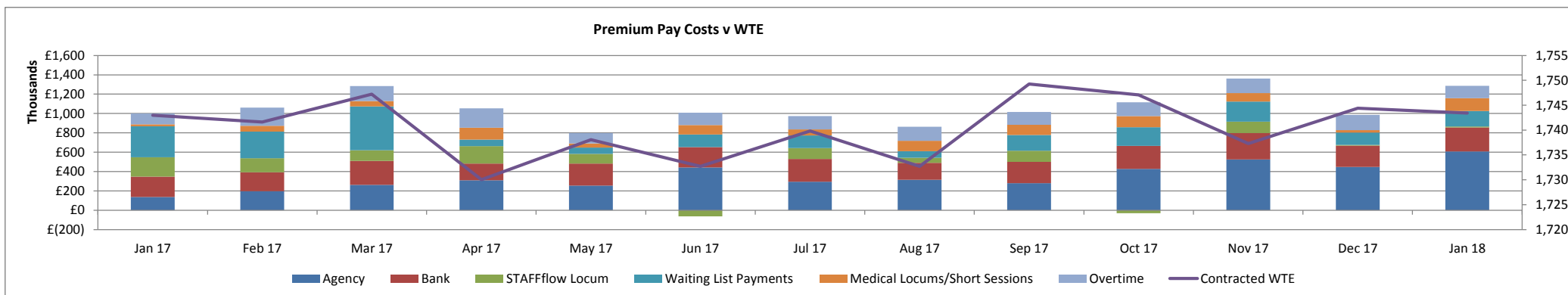
Other NHS Clinical Income is favourable mostly due to ITU (£793k).

Other Income is favourable with the receipt of additional Winter Pressures funding

Pay is adverse year to date, with new agency costs (£493k) incurred in relation to the Winter Plan as well as high agency costs for middle grade vacancies in General Surgery, Urology and Vascular. Interviews and appointments have been made. Nursing agency has not reduced as originally planned, in particular at WHH for ITU and bedding of patients overnight in the Day Surgery Unit.

Non Pay is favourable with underspends on Independent Sector (£1,209k) for Orthopaedic & Ophthalmology services, and Clinical Supplies (£272k).

Included in the above expenditure is approximately £2.2m for medical patient outliers with no additional income. This has equated to the loss on average of 42 Surgical beds per day. Also incurred £0.6m supporting the Winter/ED plan with only £0.2m funding.



H. Clinical Support

Month 10 (January) 2017/18

| Statement of Comprehensive Income | Year to Date | | | This Month | | |
|---------------------------------------|-----------------|-----------------|------------|----------------|----------------|--------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| £000 | | | | | | |
| Income | | | | | | |
| Electives | 390 | 297 | (92) | 39 | 14 | (25) |
| Non-Electives | 119 | 13 | (107) | 12 | 0 | (12) |
| Accident & Emergency | 0 | 0 | 0 | 0 | 0 | 0 |
| First Outpatients | 1,608 | 1,574 | (34) | 166 | 160 | (7) |
| Follow Up Outpatients | 2,258 | 2,078 | (180) | 241 | 216 | (25) |
| High Cost Drugs | 12,883 | 12,872 | (11) | 1,288 | 1,410 | 121 |
| Private Patients | 182 | 79 | (103) | 10 | 5 | (6) |
| Other NHS Clinical | 27,034 | 28,322 | 1,287 | 2,721 | 2,915 | 195 |
| Other Clinical | 0 | 1 | 1 | 0 | 0 | 0 |
| Prior Month Adjustment | 0 | 0 | 0 | 0 | (72) | (72) |
| Total Corporate and SLA Income | 44,473 | 45,235 | 762 | 4,479 | 4,648 | 170 |
| All Other Income | 5,400 | 5,064 | (335) | 521 | 462 | (59) |
| Total Income | 49,873 | 50,300 | 427 | 5,000 | 5,110 | 110 |
| Expenditure | | | | | | |
| Permanent Staff | (46,968) | (44,508) | 2,461 | (4,779) | (4,522) | 257 |
| Overtime | 0 | (622) | (622) | 0 | (73) | (73) |
| Waiting List Payments | (131) | (151) | (20) | (13) | (10) | 3 |
| Medical Locums/Short Sessions | (52) | (6) | 46 | (5) | 0 | 5 |
| Bank | (43) | (202) | (158) | (3) | (26) | (23) |
| Agency | (989) | (1,970) | (981) | (100) | (263) | (163) |
| Direct Engagement | 0 | (206) | (206) | 0 | (1) | (1) |
| Total Pay | (48,184) | (47,664) | 520 | (4,901) | (4,895) | 6 |
| Non Pay | (37,541) | (37,658) | (116) | (3,865) | (4,045) | (180) |
| Total Expenditure | (85,725) | (85,322) | 403 | (8,766) | (8,939) | (174) |
| Contribution | (35,852) | (35,022) | 830 | (3,766) | (3,829) | (63) |

The Clinical Support Division now has a year to date surplus of £0.8m. Income remains above plan and overall expenditure is underspent. The deficit position this month is mainly due to overspends in non pay.

Income was favourable to plan in month 10 despite continuing underperformance in Interventional Radiology and Physiotherapy. Direct Access and Unbundled MRI and also Homecare passthrough drugs income were above plan in month.

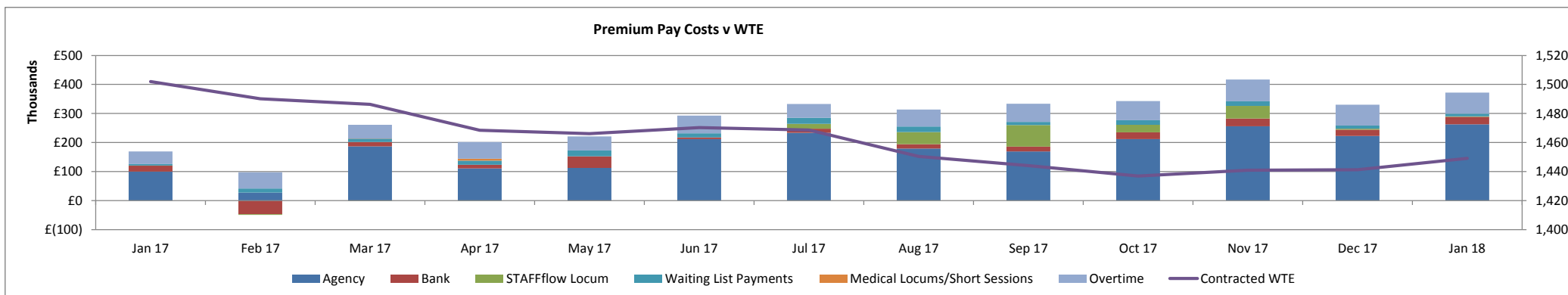
The Outpatient Physiotherapy activity recovery plan is not having as much impact as planned due to slow recruitment to vacancies. The underperformance in month increased and total cumulative deficit is now £0.3m. The Resourcing and HR business partner are working closely with the Department to resolve the workforce issues.

Pay costs remain £0.5m surplus to plan although it increased in the Division this month by £0.14m (3%), specifically Radiology Medical and Prof & Tech staff, Pathology and Therapies pay costs increased. Some of this cost increased due to costs incurred supporting the Emergency department improvement plan which caused a spike in agency costs in Therapies. WTE also increased in January by 6 WTE across the Division (Outpatients and Pathology).

The Non-pay run-rate reflected the Homecare (pass-through drugs costs) remaining above planned levels (£0.1m) and a spread of smaller overspends across the Divisions including an increase in the accrual for the RIS reimbursement of costs due to the other KMMIC members (passthrough) and maintenance contracts. Costs pressures in delivering Imaging, reporting capacity and Cardiac CT outsourcing continue in Radiology.

The Division is meeting its CIP plan and forecasting a £1m I&E surplus position at the end of the year.

NB: Premium pay cost graph below: Negative Bank spend in February '17 relate to recharges to other Divisions of Adhoc Outpatient clinics. The costs relate to both Substantive and Bank pay but credits were only charged to Bank.



H. Specialist Services

Month 10 (January) 2017/18

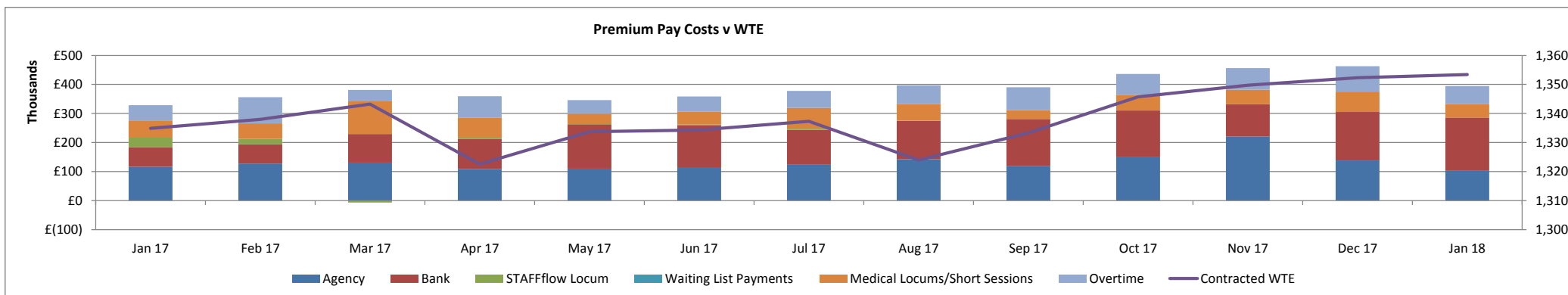
| Statement of Comprehensive Income | Year to Date | | | This Month | | |
|---------------------------------------|-----------------|-----------------|----------------|----------------|----------------|--------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| £000 | | | | | | |
| Income | | | | | | |
| Electives | 10,609 | 10,394 | (214) | 1,060 | 1,007 | (52) |
| Non-Electives | 26,292 | 27,833 | 1,541 | 2,556 | 2,631 | 75 |
| Accident & Emergency | 0 | 0 | 0 | 0 | 0 | 0 |
| First Outpatients | 6,856 | 7,051 | 195 | 691 | 756 | 64 |
| Follow Up Outpatients | 10,006 | 10,010 | 3 | 1,030 | 1,064 | 33 |
| High Cost Drugs | 22,676 | 22,141 | (534) | 2,268 | 2,567 | 300 |
| Private Patients | 61 | 37 | (24) | 4 | 6 | 3 |
| Other NHS Clinical | 39,336 | 40,157 | 821 | 4,046 | 4,044 | (1) |
| Other Clinical | 47 | 166 | 119 | 5 | 16 | 11 |
| Prior Month Adjustment | 0 | () | () | 0 | 148 | 148 |
| Total Corporate and SLA Income | 115,883 | 117,789 | 1,906 | 11,659 | 12,240 | 581 |
| All Other Income | 1,841 | 1,833 | (8) | 193 | 192 | (1) |
| Total Income | 117,724 | 119,622 | 1,898 | 11,852 | 12,431 | 579 |
| Expenditure | | | | | | |
| Permanent Staff | (50,847) | (50,365) | 482 | (5,042) | (5,142) | (100) |
| Overtime | 0 | (670) | (670) | 0 | (62) | (62) |
| Waiting List Payments | 0 | (1) | (1) | 0 | 0 | 0 |
| Medical Locums/Short Sessions | (552) | (530) | 23 | (54) | (46) | 8 |
| Bank | (527) | (1,435) | (908) | (52) | (184) | (132) |
| Agency | (635) | (1,327) | (693) | (31) | (102) | (71) |
| Direct Engagement | (217) | (10) | 207 | (22) | (22) | 23 |
| Total Pay | (52,778) | (54,338) | (1,560) | (5,201) | (5,536) | (335) |
| Non Pay | (32,307) | (32,225) | 81 | (3,330) | (3,657) | (327) |
| Total Expenditure | (85,085) | (86,563) | (1,479) | (8,530) | (9,192) | (662) |
| Contribution | 32,639 | 33,058 | 419 | 3,322 | 3,239 | (83) |

Excluding rechargeable costs, the income position was £90k above plan in January. Whilst there was continued over performance in Obstetric non-electives, the run rate was significantly lower than previous months. NICU income was £160k below plan. Up until month 9, over performance was averaging £50k so January's income represents a notable adverse swing. Cancellations of gynaecology elective activity, due to emergency winter measures, dampened income. Further despite this, the average monthly income run rate in 2017/18 is £270k higher than 2016/17, with over £3m more income earned compared to the same period last year.

Overall pay costs were overspent by £335k in January due to NICU/SCBU nursing and Gynaecology medical overspends and higher agency usage than planned. A general increase in recruitment, unachieved savings (together with a pay savings target phased more heavily in the second half of the year), outturn funding and a shift from agency to bank, as well as increased bank fill rates are also key drivers behind the increase/variance. Bank expenditure is £90k higher than the average per month in 16/17, predominantly in Dermatology, Midwifery and Child Health. Overall temporary pay costs are increasing and continue to be an area of focus. Temporary pay reviews have taken place in Paediatrics and Women's Health to gain assurance and offer support regarding controls, sickness management and recruitment. These will continue on a quarterly basis. Overall, the average monthly pay run rate in 2017/18 is £155k higher than 2016/17.

When the pass through cost variance is excluded, non pay budgets were underspent by £20k in month, but overspent by £550k year to date. Non rechargeable drugs is the main factor (£2k overspent in month but £220k overspent year to date). Consumables and medical equipment were £60k overspent in month, £420k year to date. This is partly activity driven, but also linked to rechargeable insulin pump and consumables (£180k overspent YTD). The overall non-pay run rate is £50k lower than the 2016/17 average. This is predominantly due to a fall in high cost rechargeable drug expenditure (also reflected in income), but also due to reductions in the use of the private sector.

Overall, the average monthly I&E contribution run rate so far this year is £160k higher than in 2016/17.



H. Strategic Development and Capital Planning

Month 10 (January) 2017/18

| Statement of Comprehensive Income | Year to Date | | | This Month | | |
|---------------------------------------|-----------------|-----------------|----------------|----------------|----------------|--------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| £000 | | | | | | |
| Income | | | | | | |
| Electives | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Electives | 0 | 0 | 0 | 0 | 0 | 0 |
| Accident & Emergency | 0 | 0 | 0 | 0 | 0 | 0 |
| First Outpatients | 0 | 0 | 0 | 0 | 0 | 0 |
| Follow Up Outpatients | 0 | 0 | 0 | 0 | 0 | 0 |
| High Cost Drugs | 0 | 0 | 0 | 0 | 0 | 0 |
| Private Patients | 0 | 0 | 0 | 0 | 0 | 0 |
| Other NHS Clinical | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Clinical | 0 | 0 | 0 | 0 | 0 | 0 |
| Prior Month Adjustment | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Corporate and SLA Income | | | | | | |
| All Other Income | 9,322 | 7,535 | (1,786) | 927 | 714 | (212) |
| Total Income | 9,322 | 7,535 | (1,786) | 927 | 714 | (212) |
| Expenditure | | | | | | |
| Permanent Staff | (10,689) | (9,629) | 1,060 | (1,061) | (918) | 143 |
| Overtime | 0 | (134) | (134) | 0 | (16) | (16) |
| Waiting List Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Medical Locums/Short Sessions | 0 | 0 | 0 | 0 | 0 | 0 |
| Bank | (214) | (339) | (125) | (29) | (53) | (24) |
| Agency | (141) | (172) | (31) | (14) | (17) | (3) |
| Direct Engagement | 0 | () | () | 0 | 0 | 0 |
| Total Pay | (11,044) | (10,274) | 770 | (1,104) | (1,004) | 100 |
| Non Pay | (31,098) | (28,866) | 2,232 | (3,611) | (3,016) | 595 |
| Total Expenditure | (42,142) | (39,140) | 3,002 | (4,716) | (4,021) | 695 |
| Contribution | (32,820) | (31,604) | 1,216 | (3,789) | (3,306) | 483 |

The position as at Month 10 is £1.2m favourable YTD. The income/expenditure positions are showing large variances due to the SaCP project being behind original plan, which net off. Income performance (excluding SaCP) is £363k favourable. Pay £770k favourable and Non Pay (excluding SaCP) £83k favourable.

Income is favourable YTD £363k (excl SaCP). The majority can be broken down as follows:

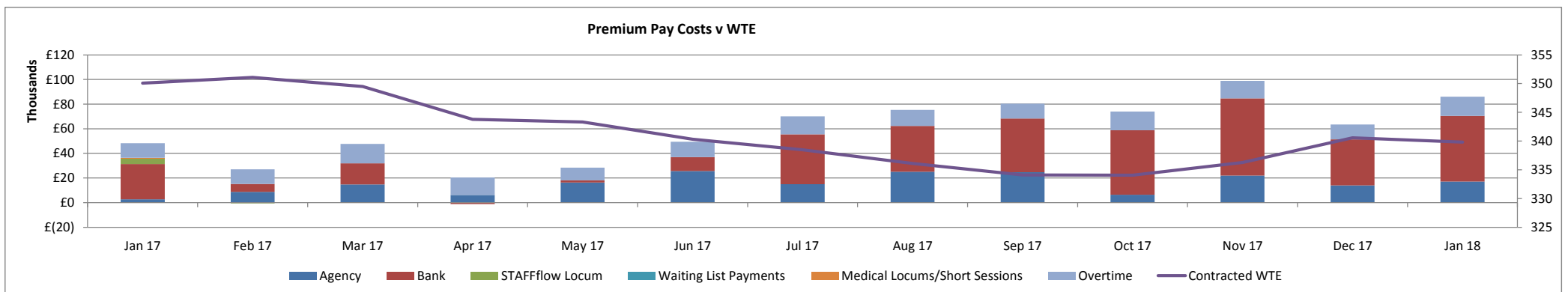
- Car parking income £76k YTD approx. 50% due to parking control notices,
- Accommodation income over-achievement £78k YTD ,
- EKLS for additional activity for Berkeley Homes £51k YTD , some pay & consumables expenditure to be offset.
- Staff recharges to Medway for work on the vascular plan £58k YTD,
- Utilities services provided to external organisations £68k YTD,
- Rental of space to external organisations £35k YTD,
- Logistics/Waste/ATM & Other Facilities income £41k YTD.

Pay is favourable £770k YTD. The Division currently has a vacancy rate (comparing contracted/budgeted WTE) of just over 12%, which is in line with previous months. Agency & Bank staff expenditure is mostly within EKLS and Procurement both of these areas of expenditure are supported by increased income/delivery of the Trusts savings plan. All vacancies being reviewed and looked at recurrently for potential savings for 18/19.

Non Pay is favourable YTD (excluding SaCP) £83k .The favourable swing of £334k in month is due to a revenue to capital expenditure transfer of £250k and some budget adjustments between the Central Hub and the Site Man agreement reports. The ring fenced variance following the se adjustments is now £(16)k adverse in Month 10.

Estates day to day budgets are adverse £(96)k YTD , most of which is attributable to the WHH site.

Savings are £404.5k favourable YTD mainly due to non-recurrent pay savings in Month 10. All of the schemes are continually being monitored working alongside the PMO and the forecast total or 17/18 is £1.7m against a plan of £1.3m.



H. Corporate

Month 10 (January) 2017/18

| Statement of Comprehensive Income £000 | Year to Date | | | This Month | | |
|---|-----------------|-----------------|------------|----------------|----------------|------------|
| | Plan | Actual | Var. | Plan | Actual | Var. |
| Income | | | | | | |
| Electives | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Electives | 0 | 0 | 0 | 0 | 0 | 0 |
| Accident & Emergency | 0 | 0 | 0 | 0 | 0 | 0 |
| First Outpatients | 0 | 0 | 0 | 0 | 0 | 0 |
| Follow Up Outpatients | 0 | 0 | 0 | 0 | 0 | 0 |
| High Cost Drugs | 0 | 0 | 0 | 0 | 0 | 0 |
| Private Patients | 0 | 0 | 0 | 0 | 0 | 0 |
| Other NHS Clinical | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Clinical | 0 | 0 | 0 | 0 | 0 | 0 |
| Prior Month Adjustment | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Corporate and SLA Income | | | | | | |
| All Other Income | 15,391 | 15,598 | 207 | 1,725 | 1,736 | 11 |
| Total Income | 15,391 | 15,598 | 207 | 1,725 | 1,736 | 11 |
| Expenditure | | | | | | |
| Permanent Staff | (17,102) | (16,049) | 1,052 | (1,797) | (1,711) | 86 |
| Overtime | 0 | (132) | (132) | 0 | (18) | (18) |
| Waiting List Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Medical Locums/Short Sessions | 0 | (33) | (33) | 0 | (5) | (5) |
| Bank | (59) | (185) | (126) | (6) | (21) | (15) |
| Agency | (105) | (107) | (2) | (5) | (17) | (12) |
| Direct Engagement | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Pay | (17,266) | (16,505) | 760 | (1,808) | (1,772) | 35 |
| Non Pay | (25,426) | (25,682) | (256) | (2,633) | (2,675) | (43) |
| Total Expenditure | (42,692) | (42,187) | 505 | (4,440) | (4,448) | (7) |
| Contribution | (27,301) | (26,589) | 712 | (2,715) | (2,711) | 4 |

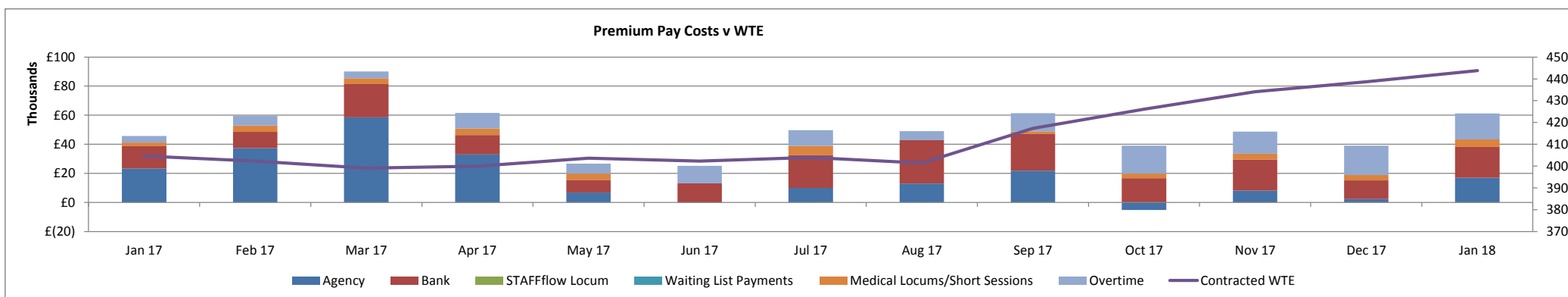
The position is £712k favourable YTD, this is a minor swing of £4k compared to Month 9.

Income is favourable £207k YTD, a favourable swing of £11k in the month. The position YTD is due to the £200k of income for the 20/20 consultancy work, which nets off against expenditure. Favourable variances include Chaplaincy Income £21k YTD and Resourcing Income in Month 10 re 17/18 SEAT Mgt Fee £13k.

Pay is £760k favourable position YTD due to vacancies approx. 38 WTE. The percentage vacancy rates, budgeted against contracted, are on average 8.50% in each CQ&PS, HR and Finance. The premium pay costs shown below are attributable to the high level of vacancies and this is being kept to a minimum and below the contracted establishment in each area being incurred. Recruitment plans are being reviewed as part of expenditure control plans in conjunction with ensuring operational delivery of the finance and workforce plan.

Non pay is £(256)k adverse YTD, this is a deterioration of £(43)k compared to Month 9. This is mainly due to the 20/20 consultancy work and, as mentioned before, partly offset by the income over performance. In total for 20/20 there is spend £294k spend against £200k income YTD.

Excluding 20/20 expenditure the position is £43k favourable due to various underspends in Finance £71k YTD and HR £34k YTD, CQ&PS £34k. These offset overspend on Trust Board, mainly recruitment costs.



I. Income Metrics

Month 10 (January) 2017/18

| £ Thousands | 2016/17 | Rolling Average | | Actuals | | | | | | | | | | | |
|--|-----------------|-----------------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Monthly Average | Plan | Actual | Feb 17 | Mar 17 | Apr 17 | May 17 | Jun 17 | Jul 17 | Aug 17 | Sep 17 | Oct 17 | Nov 17 | Dec 17 | Jan 18 |
| Average Income per spell/attendance | | | | | | | | | | | | | | | |
| Day Cases | 0.63 | 0.64 | 0.66 | 0.66 | 0.67 | 0.64 | 0.63 | 0.65 | 0.64 | 0.66 | 0.68 | 0.67 | 0.68 | 0.64 | 0.68 |
| Elective Inpatients | 2.73 | 3.07 | 2.64 | 2.59 | 2.68 | 2.85 | 2.81 | 2.73 | 2.64 | 2.79 | 2.63 | 2.58 | 2.74 | 2.65 | 2.04 |
| Non-Elective | 1.76 | 1.73 | 1.97 | 1.85 | 1.71 | 1.92 | 1.92 | 1.92 | 1.92 | 2.02 | 2.02 | 1.99 | 2.05 | 2.12 | 2.15 |
| Outpatients | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| Critical Care | 0.85 | 0.84 | 0.86 | 0.89 | 0.85 | 0.83 | 0.87 | 0.82 | 0.91 | 0.86 | 0.84 | 0.88 | 0.86 | 0.86 | 0.90 |
| A&E | 0.11 | 0.12 | 0.12 | 0.11 | 0.10 | 0.12 | 0.12 | 0.12 | 0.12 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 |
| Specialist Care | 0.14 | 0.15 | 0.15 | 0.14 | 0.14 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.14 | 0.15 |
| Other Income | 0.03 | 0.02 | 0.02 | 0.03 | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.02 | 0.02 | 0.03 | 0.03 |
| Average Income per Working/Calendar Day | | | | | | | | | | | | | | | |
| Day Cases (w) | 193.35 | 188.54 | 191.50 | 213.36 | 208.41 | 170.34 | 174.77 | 195.16 | 186.40 | 175.02 | 200.81 | 197.43 | 209.46 | 170.54 | 196.29 |
| Elective Inpatients (w) | 163.55 | 186.93 | 152.87 | 147.60 | 164.54 | 154.24 | 146.87 | 160.95 | 165.40 | 151.63 | 158.99 | 161.60 | 172.75 | 156.77 | 93.05 |
| Non-Elective (c) | 402.38 | 409.26 | 436.07 | 429.74 | 414.70 | 425.62 | 447.63 | 444.75 | 406.90 | 420.88 | 438.75 | 429.61 | 452.04 | 445.27 | 476.92 |
| Outpatients (w) | 301.57 | 303.73 | 299.42 | 324.58 | 309.58 | 278.45 | 286.88 | 304.10 | 305.64 | 279.63 | 297.67 | 316.49 | 334.42 | 266.98 | 288.67 |
| Critical Care (c) | 50.29 | 48.95 | 51.28 | 50.92 | 49.49 | 50.74 | 50.09 | 48.27 | 58.49 | 51.71 | 52.87 | 49.78 | 53.10 | 52.06 | 47.86 |
| A&E (c) | 63.78 | 70.06 | 69.69 | 61.77 | 59.83 | 70.40 | 71.84 | 71.80 | 73.10 | 71.41 | 72.27 | 70.30 | 71.64 | 70.53 | 71.43 |
| Specialist Care (c) | 39.90 | 39.41 | 39.81 | 41.38 | 40.48 | 38.32 | 39.47 | 40.55 | 38.43 | 40.55 | 39.12 | 39.44 | 41.43 | 39.48 | 39.05 |
| Other Income (c) | 387.01 | 378.72 | 380.79 | 409.21 | 359.84 | 351.21 | 353.39 | 373.51 | 387.93 | 393.32 | 410.27 | 376.61 | 401.43 | 356.69 | 396.13 |
| Working Days | | | | 20 | 23 | 20 | 23 | 22 | 21 | 23 | 21 | 22 | 22 | 21 | 23 |
| Calendar Days | | | | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 | 31 |
| Favourable | | | | | | | | | | | | | | | |
| On Target | | | | | | | | | | | | | | | |
| Adverse | | | | | | | | | | | | | | | |

J. Expenditure Metrics

Month 10 (January) 2017/18

| £ Millions | 2014/15 | Rolling Average | | Actuals | | | | | | | | | | | |
|------------------------------------|-----------------|-----------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Monthly Average | Plan | Actual | Feb 17 | Mar 17 | Apr 17 | May 17 | Jun 17 | Jul 17 | Aug 17 | Sep 17 | Oct 17 | Nov 17 | Dec 17 | Jan 18 |
| Income & Expenditure | | | | | | | | | | | | | | | |
| Clinical Income | 42.68 | 43.28 | 43.69 Green | 40.06 | 45.11 | 40.34 | 42.91 | 44.38 | 43.86 | 44.02 | 44.17 | 44.54 | 46.06 | 43.62 | 45.22 |
| Other Income | 3.90 | 4.77 | 4.15 Red | 3.48 | 1.43 | 4.18 | 3.76 | 4.63 | 4.67 | 4.28 | 4.13 | 4.79 | 5.11 | 5.52 | 3.82 |
| Total Income | 46.58 | 48.05 | 47.84 Red | 43.54 | 46.54 | 44.52 | 46.67 | 49.00 | 48.53 | 48.30 | 48.29 | 49.33 | 51.17 | 49.14 | 49.04 |
| Pay | (28.24) | (28.29) | (28.96) Red | (28.31) | (28.91) | (28.06) | (28.52) | (28.70) | (28.52) | (28.68) | (29.02) | (29.23) | (30.33) | (29.07) | (30.19) |
| Non-Pay | (18.17) | (17.93) | (18.35) Red | (16.12) | (17.81) | (17.00) | (17.80) | (18.80) | (18.62) | (19.37) | (18.10) | (18.27) | (18.86) | (20.02) | (19.46) |
| Total Operating Expenditure | (46.40) | (46.22) | (47.31) Red | (44.43) ↓ | (46.72) ↑ | (45.06) ↓ | (46.31) ↑ | (47.49) ↑ | (47.14) ↓ | (48.05) ↑ | (47.12) ↓ | (47.50) ↑ | (49.20) ↑ | (49.09) ↓ | (49.65) ↑ |
| Non Operating Expenditure | (2.79) | (2.37) | (2.67) Red | (2.41) | (8.57) | (2.24) | (2.14) | (2.19) | (1.90) | (2.13) | (2.03) | (2.07) | (2.25) | (2.06) | (2.10) |
| Total Expenditure | (49.20) | (48.58) | (49.99) Red | (46.84) ↓ | (55.29) ↑ | (47.30) ↓ | (48.45) ↑ | (49.68) ↑ | (49.04) ↓ | (50.18) ↑ | (49.15) ↓ | (49.57) ↑ | (51.45) ↑ | (51.15) ↓ | (51.75) ↑ |
| Surplus/(Deficit) | (2.62) | (0.54) | (2.15) Red | (3.30) | (8.75) | (2.78) | (1.78) | (0.68) | (0.52) | (1.88) | (0.85) | (0.23) | (0.28) | (2.00) | (2.71) |
| Pay as % of Income | 60.63% | 58.88% | 60.54% Red | 65.02% | 62.13% | 63.01% | 61.10% | 58.56% | 58.78% | 59.37% | 60.09% | 59.24% | 59.28% | 59.15% | 61.56% |
| Non-Pay as % of Income | 39.00% | 37.31% | 38.36% Red | 37.03% | 38.26% | 38.19% | 38.14% | 38.36% | 38.37% | 40.10% | 37.48% | 37.04% | 36.87% | 40.74% | 39.68% |
| Financing as % of Income | 6.00% | 4.93% | 5.59% Red | 5.54% | 18.42% | 5.04% | 4.58% | 4.47% | 3.91% | 4.41% | 4.20% | 4.20% | 4.40% | 4.18% | 4.28% |
| Total % of Income | 105.62% | 101.12% | 104.49% Red | 107.59% | 118.80% | 106.24% | 103.82% | 101.39% | 101.07% | 103.88% | 101.77% | 100.48% | 100.54% | 104.07% | 105.52% |

↑ Run Rate Increase Green Favourable to Budget
 ↔ Run Rate Steady Red Adverse to Budget
 ↓ Run Rate Decrease Amber On Plan

K. Workforce Metrics

Month 10 (January) 2017/18

| £ Thousands | 2014/15 | Rolling Average | | Actuals | | | | | | | | | | | |
|--|-----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Monthly Average | Plan | Actual | Feb 17 | Mar 17 | Apr 17 | May 17 | Jun 17 | Jul 17 | Aug 17 | Sep 17 | Oct 17 | Nov 17 | Dec 17 | Jan 18 |
| Contracted Pay per WTE | | | | | | | | | | | | | | | |
| Medical and Dental | (7.88) | (7.59) | (7.99) ✖ | (7.94) | (8.09) | (7.67) | (8.15) | (7.97) | (7.72) | (8.13) | (8.03) | (7.99) | (8.13) | (8.13) | (7.96) |
| Nurses and Midwives | (3.50) | (3.20) | (3.56) ✖ | (3.56) | (3.47) | (3.57) | (3.56) | (3.55) | (3.52) | (3.54) | (3.56) | (3.57) | (3.57) | (3.59) | (3.67) |
| Scientific, Therapeutic and Technical | (3.05) | (2.94) | (3.10) ✖ | (3.04) | (3.05) | (3.11) | (3.12) | (3.09) | (3.17) | (2.99) | (3.11) | (3.13) | (3.18) | (3.14) | (3.13) |
| Admin and Clerical | (1.97) | (1.76) | (2.02) ✖ | (1.98) | (1.98) | (2.03) | (2.03) | (2.02) | (2.03) | (2.04) | (2.02) | (2.05) | (2.04) | (1.92) | (2.03) |
| Other Pay | (2.62) | (2.39) | (2.70) ✖ | (2.62) | (2.56) | (2.73) | (2.77) | (2.78) | (2.71) | (2.73) | (2.73) | (2.71) | (2.74) | (2.50) | (2.80) |
| Average Contracted Pay per WTE | (3.80) | (3.58) | (3.87) ✖ | (3.83) | (3.83) | (3.82) | (3.92) | (3.88) | (3.83) | (3.89) | (3.89) | (3.89) | (3.93) | (3.86) | (3.92) |
| Contracted Pay as % of Total | | | | | | | | | | | | | | | |
| Medical and Dental | 26% | 29% | 26% | 26% | 27% | 26% | 27% | 26% | 26% | 26% | 26% | 26% | 25% | 27% | 25% |
| Nurses and Midwives | 27% | 26% | 26% | 27% | 25% | 26% | 26% | 26% | 25% | 25% | 26% | 25% | 24% | 26% | 25% |
| Scientific, Therapeutic and Technical | 14% | 15% | 14% | 14% | 14% | 15% | 15% | 14% | 15% | 14% | 14% | 14% | 14% | 14% | 14% |
| Admin and Clerical | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 9% |
| Other Pay | 12% | 12% | 13% | 13% | 12% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 12% | 13% |
| Non Contracted Pay | 11% | 8% | 12% | 11% | 13% | 10% | 10% | 11% | 12% | 12% | 13% | 13% | 15% | 13% | 14% |
| Contracted & Bank Pay per WTE | | | | | | | | | | | | | | | |
| Medical and Dental | (7.89) | (7.73) | (8.43) ✖ | (7.94) | (8.20) | (7.93) | (9.00) | (8.62) | (8.15) | (8.71) | (8.56) | (8.33) | (8.71) | (8.65) | (8.35) |
| Nurses and Midwives | (3.59) | (3.29) | (3.68) ✖ | (3.65) | (3.56) | (3.68) | (3.66) | (3.66) | (3.66) | (3.66) | (3.68) | (3.68) | (3.67) | (3.72) | (3.83) |
| Scientific, Therapeutic and Technical | (3.05) | (2.94) | (3.11) ✖ | (3.04) | (3.05) | (3.13) | (3.11) | (3.10) | (3.17) | (3.00) | (3.11) | (3.14) | (3.20) | (3.14) | (3.14) |
| Admin and Clerical | (2.02) | (1.81) | (2.08) ✖ | (2.01) | (2.06) | (2.08) | (2.06) | (2.07) | (2.11) | (2.12) | (2.09) | (2.14) | (2.14) | (1.99) | (2.12) |
| Other Pay | (2.81) | (2.55) | (2.92) ✖ | (2.82) | (2.92) | (2.96) | (2.86) | (3.02) | (2.91) | (2.97) | (2.95) | (2.97) | (2.92) | (2.67) | (3.01) |
| Average Contracted & Bank Pay per WTE | (7.89) | (7.73) | (8.43) ✖ | (7.94) | (8.20) | (7.93) | (9.00) | (8.62) | (8.15) | (8.71) | (8.56) | (8.33) | (8.71) | (8.65) | (8.35) |
| Agency Pay per Vacant WTE | | | | | | | | | | | | | | | |
| Medical and Dental | (4.14) | | (6.69) | (3.73) | (4.13) | (3.37) | (1.36) | (6.42) | (5.79) | (5.33) | (6.71) | (8.87) | (12.32) | (11.97) | (8.64) |
| Nurses and Midwives | (1.69) | | (1.98) | (1.83) | (1.22) | (1.66) | (1.53) | (1.68) | (1.96) | (1.92) | (2.08) | (2.37) | (2.27) | (2.24) | (3.43) |
| Scientific, Therapeutic and Technical | (5.65) | | (1.76) | 188.11 | 17.14 | (0.64) | (0.60) | (0.87) | (1.73) | (2.05) | (2.08) | (1.52) | (3.00) | (1.99) | (3.03) |
| Admin and Clerical | (0.15) | | (0.08) | (0.18) | (0.23) | (0.06) | (0.06) | (0.11) | (0.06) | (0.07) | (0.05) | 0.03 | (0.11) | (0.05) | (0.06) |
| Other Pay | (0.73) | | (0.38) | (0.53) | (0.80) | (0.50) | (0.31) | (0.10) | (0.14) | (0.22) | (0.30) | (0.06) | (0.04) | (0.09) | (1.79) |
| Average Agency Pay per Vacant WTE | (2.47) | | (2.18) | 36.37 | 2.15 | (1.25) | (0.77) | (1.84) | (1.93) | (1.92) | (2.24) | (2.56) | (3.55) | (3.27) | (3.39) |
| Vacancy = Budgeted WTE - Contracted WTE | | | | | | | | | | | | | | | |
| Agency Spend as % of Pay | | | | | | | | | | | | | | | |
| Medical and Dental | 1% | 3% | 3% | 1% | 1% | 1% | 1% | 3% | 3% | 3% | 4% | 4% | 6% | 6% | 4% |
| Nurses and Midwives | 2% | 2% | 2% | 2% | 1% | 2% | 1% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 3% |
| Scientific, Therapeutic and Technical | 1% | 0% | 0% | 0% | 1% | 0% | 0% | 0% | 0% | 1% | 1% | 1% | 1% | 0% | 1% |
| Admin and Clerical | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Other Pay | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 1% |
| Contract and Bank | 96% | 94% | 94% | 96% | 96% | 97% | 98% | 95% | 95% | 95% | 94% | 93% | 92% | 92% | 92% |

L. Efficiency Metrics

Month 10 (January) 2017/18

| Thousands | 2015/16 | Rolling Average | | Actuals | | | | | | | | | | | | |
|---------------------------|-----------------|-----------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| | Monthly Average | Plan | Actual | Feb 17 | Mar 17 | Apr 17 | May 17 | Jun 17 | Jul 17 | Aug 17 | Sep 17 | Oct 17 | Nov 17 | Dec 17 | Jan 18 | |
| Efficiency Calculation | | | | | | | | | | | | | | | | |
| Inpatient Admissions | 14.89 | 14.90 | 14.32 ❌ | 14.08 | 16.10 | 13.08 | 14.79 | 14.80 | 14.04 | 13.75 | 14.03 | 14.52 | 14.81 | 13.32 | 14.52 | |
| Inpatient Income | 19,986.52 | 20,614.27 | 20,748.28 ✅ | 19,251.91 | 21,433.36 | 19,260.01 | 21,274.06 | 21,177.15 | 20,001.88 | 20,560.41 | 20,718.13 | 21,216.43 | 21,969.88 | 20,676.95 | 21,439.24 | |
| Outpatient Income | 6,348.75 | 6,372.57 | 6,295.85 ❌ | 6,291.00 | 6,915.67 | 5,382.45 | 6,382.70 | 6,470.66 | 6,208.00 | 6,216.93 | 6,048.86 | 6,726.19 | 7,118.17 | 5,407.78 | 6,381.81 | |
| Adjusted Admissions D.1 | 19.62 | 19.50 | 18.66 ❌ | 18.68 | 21.29 | 16.73 | 19.22 | 19.32 | 18.40 | 17.91 | 18.12 | 19.13 | 19.60 | 16.80 | 18.84 | |
| Operational Expenditure | (46,404.92) | (46,216.58) | (47,312.86) ❌ | (44,430.76) | (46,721.02) | (45,058.68) | (46,314.02) | (47,493.63) | (47,144.41) | (48,047.07) | (47,116.82) | (47,496.42) | (49,195.23) | (49,090.17) | (49,646.04) | |
| Income Per Admission | 1.34 | 1.38 | 1.45 ✅ | 1.37 | 1.33 | 1.47 | 1.44 | 1.43 | 1.42 | 1.49 | 1.48 | 1.46 | 1.48 | 1.55 | 1.48 | |
| Expenditure per Admission | (2.37) | (2.37) | (2.53) ❌ | (2.38) | (2.19) | (2.69) | (2.41) | (2.46) | (2.56) | (2.68) | (2.60) | (2.48) | (2.51) | (2.92) | (2.63) | |
| Efficiency Metric | (1.02) | (0.99) | (1.09) ❌ | (1.01) | (0.86) | (1.22) | (0.97) | (1.03) | (1.14) | (1.19) | (1.12) | (1.02) | (1.03) | (1.37) | (1.16) | |

M. Definitions

Month 10 (January) 2017/18

Table 1

| | | Financial criteria | Weight (%) | Metric | Rating categories | | | |
|--------------|-----------------------|------------------------------|------------|--|---|--|--|--|
| | | | | | 1 ² | 2 | 3 | 4 |
| No change | Continuity of Service | Balance sheet sustainability | 25 | Capital Service Capacity (times) | Less than 1.25x | 1.25x - 1.75x | 1.75x - 2.5x | Greater than 2.5x |
| | | Liquidity | 25 | Liquidity (days) | Worse than (14) days | (14)-(7) days | (7)-0 days | Greater than 0 days |
| New triggers | Financial efficiency | Underlying performance | 25 | I&E margin ¹ (%) | Worse than (1)% | (1)-0% | 0-1% | Greater than 1% |
| | | Variance from plan | 25 | <div> <div>15</div> <div>Variance in I&E margin as a % of income¹</div> <div>10</div> <div>Variance in capital expenditure</div> </div> | <div> <div>Worse than (2)%</div> <div>Greater than 25%</div> </div> | <div> <div>(2)-(1)%</div> <div>25-20%</div> </div> | <div> <div>(1) - 0%</div> <div>20-10%</div> </div> | <div> <div>Greater than 0%</div> <div>10%</div> </div> |

¹ calculated as I&E operating surplus(deficit) / total operating income

² scoring a '1' on any metric except variance in capital expenditure will cap the weighted rating to 2, leading to potential investigation

Table 2

| Sustainability and financial performance risk rating | Description | Regulatory activity |
|--|--|---|
| 4 | No evident concerns | None |
| 3 | Emerging or minor concern potentially requiring scrutiny | Potential improvement support |
| 2 | Material risk | Likely investigation Potential improvement support |
| 1 | Significant risk | Investigation (in all but exceptional circumstances) Potential improvement support |

1. Adjusted Admissions - Is defined as an increase of Inpatient Admissions based on Outpatient Income as a percentage of Inpatient Income.

2. CRS - Commissioner Requested Service.

3. FSRR - Financial Sustainability Risk Rating and describes the risk of a provider of CRS ceasing to be a going concern and its overall financial efficiency. This rating represents Monitor's view of the likelihood that a licence holder is, will be or could be in breach of the CoS licence Condition 3 and/or the provisions of the NHS foundation licence Condition 4 (governance) which relate to finance.

4. Liquidity - days of operating costs held in cash or cash-equivalent forms, including wholly committed lines of credit available for drawdown.

5. Capital Servicing Capacity - the degree to which the organisation's generated income covers its financing obligations.

6. Income and Expenditure (I&E) Margin - the degree to which the organisation is operating at a surplus/deficit.

7. Variance from plan in relation to I&E margin - variance between a foundation trust's planned I&E margin in its annual forward plan and its actual I&E margin within the year.

8. PDC - Public Dividend Capital.

9. Target Contribution - The contribution required for the Trust to breakeven.

10. Direct Costs - These relate directly to the delivery of patient care. These costs can be directly linked to the delivery of patient care and costs are caused/arise as a result of individual patient episodes of care.

11. Indirect Costs - These are indirectly related to the delivery of patient care, but cannot always be specifically identified to individual patients.

12. Normalised - Reflects the underlying position after the exclusion of one-offs and non-recurrent items.