









Key performance Indicators

Area of review	Key Highlights	YTD Rating	Year end Rating
Income & Expenditure position	<ul style="list-style-type: none"> At Month 11, the plan was to achieve £7.0m surplus including £8.1m of Sustainability & Transformation Funding (STF). The Trust reported a deficit of £2.5m at the end of Month 11 which is £9.5m adverse to plan. This includes an impairment of £8.3m. The control total plan was to break even at Month 11. The Trust was £1.5m off the control total plan and therefore £1.5m STF funding relating to Q4 has not been achieved. 		
QIPP programme	<ul style="list-style-type: none"> £12.4m achieved against plan of £13.6m, 92% delivery to date. A significant proportion of this (£2.5m) relates to the benefit of reduced depreciation. 		
Liquidity	<ul style="list-style-type: none"> Cash balance at month end is £15.1m. NHS Improvement have moved to reporting under the Single Oversight Framework from October 2016. Under this, the Trust is reporting a 1 for liquidity (1 being maximum autonomy, 4 resulting in special measures) 		
Use of Resources	<ul style="list-style-type: none"> At the end of Month 11 the Trust is reporting a rating of 1. 		

Income and Expenditure Summary

Statement of Comprehensive Income Period to February 2017	Year to date profile		
	Budget £'000	Actual £'000	Variance £'000
Income from Commissioners	(259,246)	(248,732)	10,514
Sustainability & Transformation funding	(8,067)	(6,050)	2,017
Other Income	(30,116)	(31,109)	(993)
Income Total	(297,429)	(285,891)	11,538
Pay	178,047	174,536	(3,511)
Non Pay	95,653	94,425	(1,228)
Expenditure Total	273,700	268,961	(4,739)
EBITDA	(23,729)	(16,930)	6,799
Finance Charges	15,472	11,144	(4,328)
(Surplus)/Deficit before Impairments	(8,257)	(5,786)	2,471
Impairments	1,218	8,272	7,054
(Surplus)/Deficit	(7,039)	2,486	9,525
Margin	8%	6%	

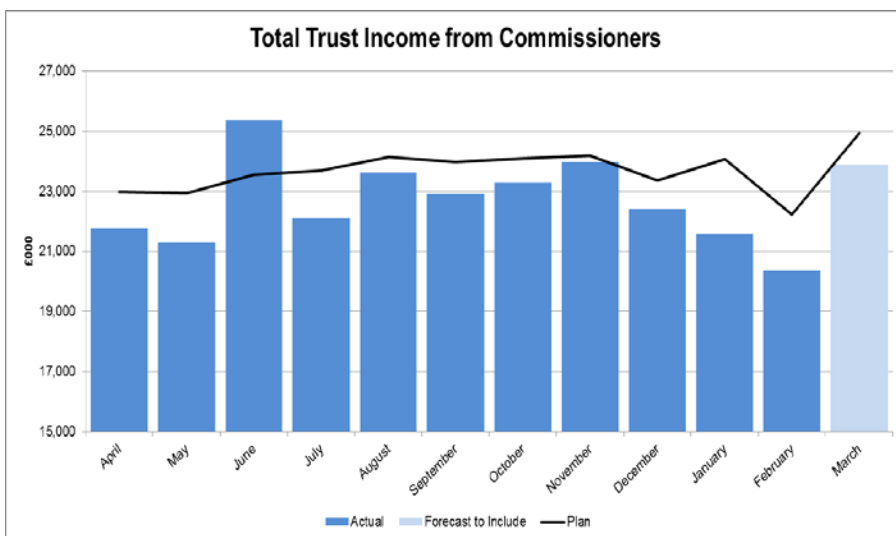
I&E position used to calculate position against STF control total			
	Plan	Actual £'000	Variance £'000
(Surplus)/Deficit	(7,039)	2,486	9,525
Less anticipated STF funding	8,067	6,050	(2,017)
Less impairments	(1,218)	(8,272)	(7,054)
Less (Gains)/Losses on asset disposal		386	386
Less Donated income	1,200	1,551	351
Less Donated depreciation	(989)	(682)	307
Position against control total	21	1,519	1,498

The Month 11 position was £1.5m below plan on a control total basis. This is a deterioration of £0.4m from the Month 10 position.

As a result of not achieving the control total in Month 10, £1.5m STF funding has not been achieved. The remaining variance of STF (£0.5m) relates to A&E performance not meeting the required target in Q2 and Q3.

There was a further reduction in Daycase and Elective activity in Month 11 as a result of operational pressures.

Income



- During the month the outstanding issues with BANES CCG were resolved for both the 2015/16 and 2016/17 financial years
- The income position as at February is £10.5m under plan. This is a £1.9m deterioration during month 11. High cost drugs equate to £4.8m under plan which is offset by an expenditure reduction. As a result the normalised Trust position is an underperformance of £5.7m year to date.
- February saw a further reduction in activity for Day Cases and Elective due to operational pressures, resulting in an underperformance against plan of £0.7m. Of this £0.4m of this reduction was within Trauma and Orthopaedics. The remainder was mainly within Surgical specialities including General Surgery, Breast Surgery and Pain Management.
- As at M11, Outpatients is underperforming by £3.4m against the annual plan. This is a deterioration of £0.1m in month.
- Income in non elective has deteriorated £0.6m. This is due to the impact of the Marginal Rate Threshold and is partially offset by the impact of negotiated year end agreements.

Income Performance 28 February 2017	Annual Plan £000	YTD Plan £000	YTD Actual £000	YTD Variance £000
A&E Attendance	(9,732)	(8,905)	(9,060)	(155)
Daycase	(23,033)	(20,955)	(18,937)	2,018
Elective Inpatient	(19,981)	(18,179)	(16,971)	1,208
High Cost Drugs	(38,511)	(35,176)	(30,348)	4,828
Non Elective Inpatient	(98,379)	(90,027)	(90,203)	(176)
Outpatient	(79,552)	(72,419)	(68,941)	3,478
Other	(14,984)	(13,586)	(14,273)	(686)
	(284,171)	(259,246)	(248,732)	10,515

SLA Performance - Commissioner 28 February 2017	Annual Plan £000	YTD Plan £000	YTD Actual £000	YTD Variance £000
Banes CCG	(81,410)	(74,300)	(71,993)	2,307
Wiltshire CCG	(91,112)	(83,078)	(83,995)	(917)
Somerset CCG	(30,401)	(27,747)	(26,605)	1,141
SW Specialised Commissioning	(47,823)	(43,641)	(43,199)	442
Other South West CCGs	(12,256)	(11,183)	(10,948)	235
South West Area Teams & LA s	(5,971)	(5,443)	(5,490)	(47)
Wessex Area Team (Cancer Drugs)	(5,320)	(4,857)	(3,162)	1,695
Non Contract Activity	(9,879)	(8,998)	(3,338)	5,660
	(284,171)	(259,246)	(248,732)	10,515

Activity Performance 28 February 2017	Annual Plan Activity	YTD Plan Activity	YTD Actual Activity	YTD Variance Activity
A&E Attendance	72,025	65,908	66,180	272
Daycase	31,474	28,635	26,057	(2,578)
Elective Inpatient	6,447	5,865	5,606	(259)
Non Elective Inpatient	38,950	35,642	40,932	5,290
Outpatient	516,180	469,463	450,859	(18,604)
	665,076	605,513	589,634	(15,879)

Income analysis and Subcontracting

As part of the Month 11 review of Outpatient activity, Trustwide activity is 18,604 below plan. The areas of significant concern sit within Medicine (15,920 below plan) and Surgery (6,201 below plan). This is a reduction in activity compared to M10 (16,428 below plan). The following specialities are the main areas of under delivery :

- **Dermatology** – 6,177 below plan at Month 9, 6,432 below plan at Month 10, 6,769 below plan at Month 11
2016/17 plan based on 2015/16 outturn, Business case for Consultant and Nurse Specialist and QIPP schemes
Activity has slightly dropped compared to M10, however higher than average for 1617. Agency Locum started in January for a short period. Clinical Nurse Specialist started at the end of January and activity is expected to improve once the postholder has completed training.
- **General Medicine** – 3,629 below plan at Month 9, 3,940 below plan at Month 10, 4,294 below plan at Month 11
Underperformance continues to be related to non delivery of QIPP to date, this is being captured but not yet realised at planned levels
- **General Surgery** –2,036 below plan at Month 9, 2,209 below plan at Month 10, 2,450 below plan at Month 11
2016/17 plan based on 2015/16 outturn and QIPP schemes
There is now a full Junior doctors rota as of October. Activity has deteriorated this month and the speciality is currently under review.
- **Ophthalmology** –2,555 below plan at Month 9, 2,798 below plan at Month 10, 3,388 below plan at Month 11
Ophthalmology activity has seen a significant reduction in M11, this is mainly due to changes in medical staffing which are being reviewed in order to improve activity in M12.

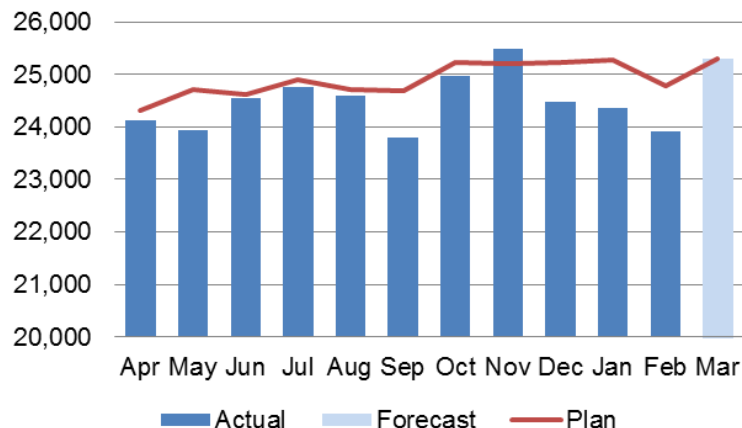
Subcontracting

The Trust has formally subcontracted clinical activity to private providers in varying quantities since early 2014. The Trust currently has a number of clinical sub-contracts in place, and work is progressing on two additional arrangements which are expected to come online during 2016/17. As at January 17, the Trust has ceased sending elective surgery activity to private providers. To date in 2016/17 the Trust has subcontracted 4,163 cases across its existing arrangements (see table below). The overall value of sub-contracted activity at Month 11 is c£1.2m and is projected to be c£1.3m at the end of the financial year.

	Subcontract Activity 2016-17															
	Bath Clinic	Bath Clinic Inter-provider transfers	Circle	IHG	Devizes NHS Treatment Centre (cataracts)	NHS Treatment Centres	Devizes Treatment Centre (X-Ray only)	Shepton Mallet (Ultrasound)	Shepton Mallet (MRI)	Nuffield Health (Radiology)	Spire Southampton (Cardiology)	Dental Implant Clinic (NHSE)	Grey Giddens Hand and Elbow	MSI Group Ltd	Spire Bristol (Radiology)	Spire Bristol (Cardiology)
Apr-16	0	0	23	10	8	14	155	14	0	0	0	47	0	0	Sub-contract In Progress	Sub-contract In Progress
May-16	0	0	21	4	5	19	136	7	0	0	0		0	569		
Jun-16	0	0	36	2	0	26	127	0	0	0	0		0	0		
Jul-16	0	0	29	0	0	21	138	0	0	2	24		0	586		
Aug-16	0	16	22	0	0	13	125	0	0	46	27		6	567		
Sep-16	0	28	17	0	0	14	166	0	0	52	28	0	7	0		
Oct-16	0	19	15	0	0	23	137	0	0	73	13	11	6	0	16	TBC
Nov-16	0	8	14	0	0	20	127	0	0	12	16	4	10	0		
Dec-16	0	3	15	0	0	12	90	0	0	24	17	2	1	0		
Jan-17	0	13	6	0	0	26	173	0	0	38	TBC	TBC	12	0		
Total	0	87	198	16	13	188	1374	21	0	247	125	64	92	1722	16	0

Expenditure

Operating Expenditure

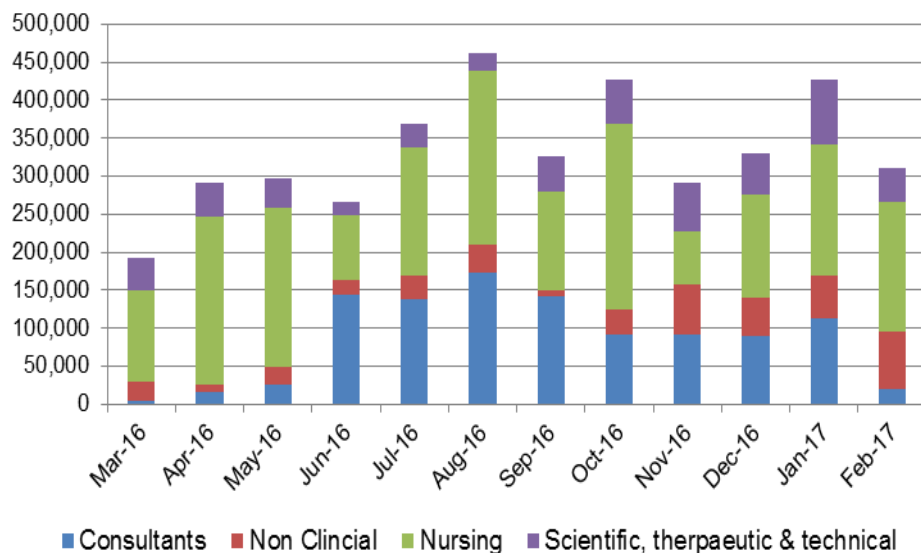


Issues:

- Month 10 Pay expenditure is in line with the previous month.
- There was a reduction in agency staffing expenditure during the month, bringing it back the prior year average.
- Non Pay expenditure across Clinical divisions is consistent with previous month due to the reduction in elective capacity resulting from escalation issues. It remains below the year to date average
- There has been a reduction in the Corporate non pay position in Month 11 as a result of changes in the planned profile of AHSN expenditure

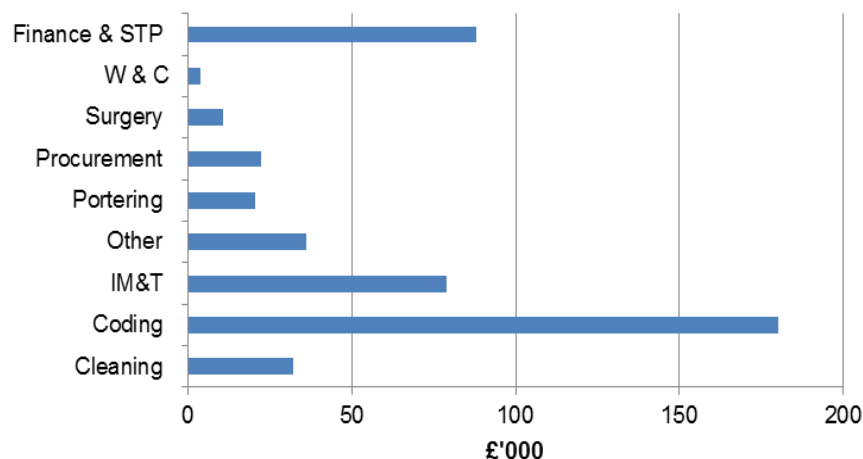
	Prior year average	M10	M11
Divisional Pay run rate	£'000	£'000	£'000
Surgical	4,671	4,949	4,950
Medical	5,760	6,333	6,262
Women's & Children	2,059	2,221	2,204
Facilities	869	923	912
Corporate	1,463	1,669	1,754
TOTAL	14,822	16,094	16,083
Included above			
Agency	281	426	292
Non Pay			
Surgical	2,020	1,726	1,697
Medical	3,956	3,728	3,918
Women's & Children	370	401	396
Facilities	899	879	931
Corporate	752	1,024	453
TOTAL	7,997	7,757	7,395

Rolling 12 month agency expenditure



Non Clinical and Scientific Agency Expenditure

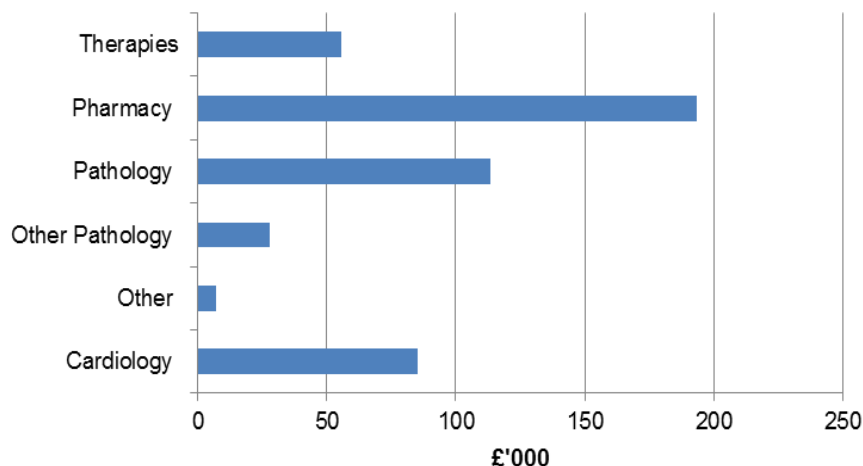
M11 YTD Non-Clinical Agency Expenditure



During the current financial year there has been an increase in the expenditure on Non Clinical Agency staff due to the following reasons;

- The national shortage of Clinical Coders that has led to backlog coding issues at the Trust
- Additional staffing within the Informatics team to support EPR implementation
- The implementation of the STP process and the need to support the data collection within Finance
- Covering an element of the work created by maternity leave and vacancies within Finance
- Additional Portering and Cleaning staff where required due to vacancies

M11 YTD S&T Agency Expenditure



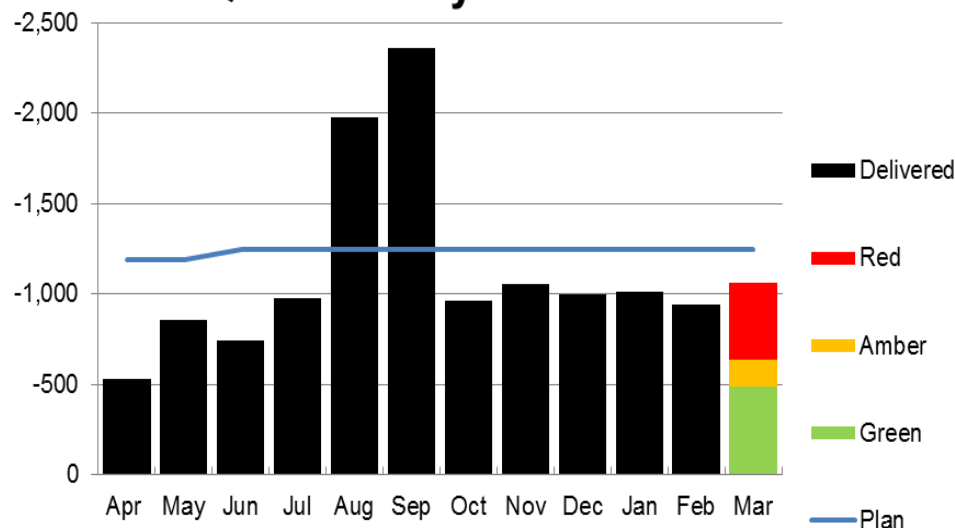
There has also been a slight rise in year related to agency expenditure on Scientific, Therapeutic and technical staff. In the main this relates to areas the Trust has struggled with recruitment and retention such as;

- Pathology disciplines
- Pharmacy
- Diagnostic Cardiology

Strategies are in place to reduce the reliance on agency staffing for these staff groups and are being discussed at the Strategic Workforce Committee.

QIPP

QIPP Delivery and Forecast



- The year to date position at Month 11 shows delivery of £12.4m against the plan of £13.6m, delivery against plan of 92%.
- The full £2.5m reduction in depreciation charge was included in the Month 6 position, therefore this has significantly helped the QIPP achievement year to date.
- The divisional delivery to date remains a significant concern. Medicine remains the main area of unidentified QIPP, and actions are in place to help the Division rectify this position through focusing on specific high value projects that will mainly deliver benefits in the new financial year.
- Of the £14.8m plan there are plans to deliver £13.5m leaving a gap of £1.3m for the year. This is a deterioration of £0.3m from the reported forecast at Month 10 and corrective actions are being reviewed to address this gap by the end of March.
- Divisions are finalising QIPP plans for 2017/18 for inclusion in budget setting, with a significant amount already identified.

	Year to date			Full year		
	Plan	Actual	Variance	Target	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Surgical	3,675	3,383	292	4,009	3,718	291
Medical	5,057	3,123	1,934	5,516	3,522	1,994
W & C	1,334	994	340	1,455	1,097	358
Facilities	1,149	1,056	93	1,264	1,191	73
Corporate	888	1,064	(176)	968	1,149	(181)
Trustwide	1,467	2,800	(1,333)	1,600	2,800	(1,200)
TOTAL	13,570	12,420	1,150	14,812	13,477	1,335

Recurrent/Non Recurrent position

	£'m
Anticipated Forecast Outturn (surplus) position	(0.9)
Impact of Non Recurrent items	
Non recurrent QIPP savings	1.3
Unwinding of provisions	0.9
Depreciation reduction due to Capital slippage	0.7
Re-profiling of revenue expenditure plans	0.7
Historic Divisional accruals release	0.7
Maternity transition funding	0.6
Profit on sale of Trim Street	0.4
Revenue to Capital transfers	0.3
PDC reduction due to Capital slippage	0.2
Recurrent outturn deficit position	4.9

NHS Single Oversight Framework - Use of Resources

	Plan YTD ending 28-Feb-17	Actual YTD ending 28-Feb-17	Variance YTD ending 28-Feb-17	Plan Year ending 31-Mar-17	Adjusted Forecast Year ending 31-Mar-17	Forecast Variance Year ending 31-Mar-17
Capital service metric	3.137	2.210	(0.928)	3.150	2.687	(0.463)
Capital service rating	1	2		1	1	
Liquidity metric	9.765	5.900	(3.865)	11.035	12.883	1.848
Liquidity rating	1	1		1	1	
I&E Margin metric	2.71%	1.73%	(0.98%)	3.12%	2.85%	(0.30%)
I&E Margin rating	1	1		1	1	
I&E Variance from plan metric		(0.98%)			(0.27%)	
I&E Variance from plan rating		2			2	
Agency metric	14.45%	(12.49%)	(26.94%)	17.90%	(20.66%)	(38.56%)
Agency rating	2	1		2	1	
Rounded score		1			1	
Use Of Resources Rating before overrides		1			1	
4 Rating Trigger for Use Of Resources Rating		NO TRIGGER			NO TRIGGER	
Use Of Resources Rating after 4 rating override		1			1	

From Oct-16 NHS Improvement is measuring provider performance using the NHS Single Oversight Framework. Within the new framework there are five themes, of which “Finance and Use of Resources” is one. The Finance theme has five equally weighted metrics as follows:

1. Capital servicing capacity - degree to which generated income covers financial obligations
2. Liquidity - days of operating costs held as cash or cash equivalents
3. I&E margin - degree of surplus/(deficit)
4. Distance from financial plan - variance between the planned and actual I&E position
5. Agency spend – distance from cap

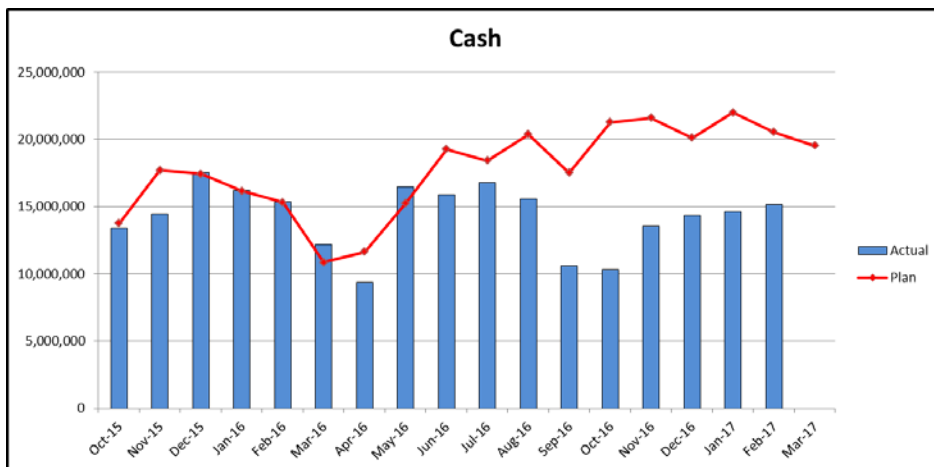
This is similar to the previous scoring framework, but the fifth metric (agency spend) is new.

As at Feb-17 the Trust is reporting an overall rating of 1.

Statement of Financial Position

Key balance sheet indicators

	2016/17 Month 10	2016/17 Month 11	Movement from prior month
Better Practice Payment Code	96.39%	96.04%	-0.4%
Aged Debt Analysis			
- <30 days	3,788,014	9,708,549	5,920,535
- 31-60 days	1,254,549	2,710,256	1,455,708
- 61-90 days	1,511,180	1,080,945	(430,235)
- 91-180 days	1,139,610	595,502	(544,109)
- >180 days	1,838,607	1,656,331	(182,276)
Movement in working capital	(5,201,186)	(2,704,186)	2,497,000
Stock days	9.9	10.2	0.3
NHS trade debtor days	13.5	24.3	10.8
Non NHS trade debtor days	19.6	22.6	3.0
Trade creditor days	17.5	19.1	1.6
Month end Cash position	14,658,105	15,156,614	498,509



Better Practice Payment Code

Performance has remained consistently above the 95% target in month as the Trust continues to manage cash carefully.

Aged Debt :

- Total level of debt has increased by £6.2m from the previous month, and now stands at £15.7m. The increase is mostly new debt falling into the <30 days bracket, with debt >61 days reducing by £1.1m.
- This value includes £7.4m relating to an agreed position with Wiltshire CCG for 16/17. Invoices have been raised to reflect the agreed value but they are not yet due for payment.
- £1.9m of debt with South West Specialised Commissioning (SWSCG). Q2 is now resolved with discussions underway regarding October onwards.
- £2.1m with BANES CCG - The mediation issues have now been resolved, with credit notes yet to be actioned for the remaining £0.6m relating to 15/16. The current year activity is being worked through between the respective teams.
- There is a further £2.5m with other NHS organisations which is being addressed through the debt collection protocols.

Cash is £5.6m below plan.

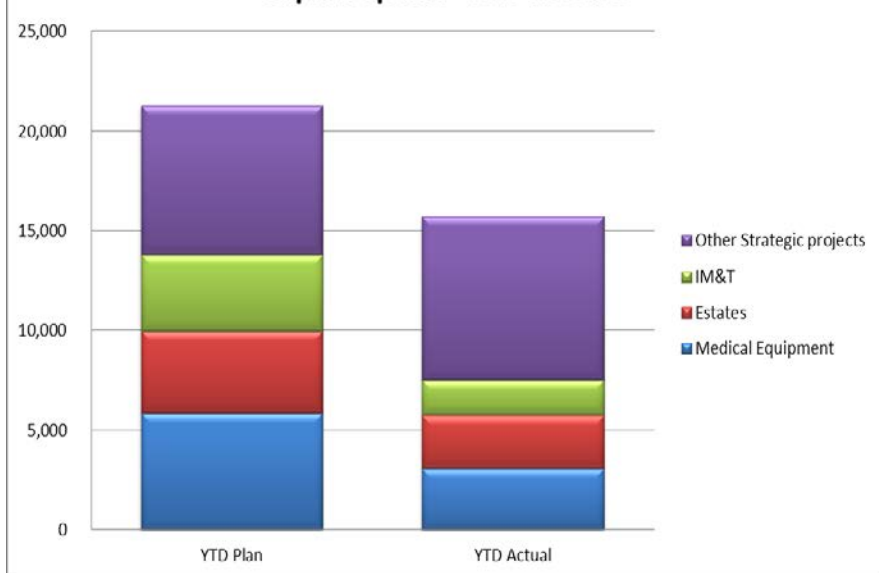
The Trust has generated £6.9m less cash from the operating position than expected but Capital expenditure is also £6.9m lower than plan in year, which offsets the operating cash position. This will, however, need to be spent in future years.

Due to delays in the redevelopment programme we have drawn down £3.6m less finance than planned. The balance of £2.2m is due to higher than expected decreases in working capital.

For the Trust to be able to maintain a strong cash position it is vital that operational performance improves and that disputes with regards over performance are resolved to enable the payment of the debt due to the Trust.

Capital Expenditure

Capital Spend - Year to Date



Capital Report as at 28th February 2017	Annual Plan £000s	YTD Plan £000s	YTD Actual £000s	YTD Variance £000s	Forecast Outturn £000s
Medical Equipment	1,402	1,394	1,451	57	1,486
Strategic Capital (RUH Redevelopment)	400	0	100	100	100
Donated Funded Total	1,802	1,394	1,551	157	1,586
Estates					
Estates - Theatre, Ward & SSD Upgrades	2,525	2,525	1,146	(1,379)	1,400
Other Estates Projects	1,755	1,577	1,499	(78)	1,630
Estates Total	4,280	4,102	2,645	(1,457)	3,030
IM&T					
Electronic Patient Records	2,058	1,985	780	(1,205)	872
IM&T Other	1,972	1,836	1,014	(822)	1,592
IM&T Total	4,030	3,820	1,794	(2,027)	2,464
Medical Equipment	5,087	4,380	1,659	(2,721)	2,984
Strategic Capital schemes					
Pharmacy	3,877	3,827	4,898	1,070	4,962
Radiology Upgrade	1,281	920	93	(827)	100
RUH Redevelopment	1,792	1,540	1,517	(23)	1,607
Other Strategic projects	1,258	1,230	1,568	339	1,584
Strategic Total	8,209	7,516	8,076	559	8,252
Trust Funded Total	21,605	19,819	14,174	(5,645)	16,731
Medical Equipment					
Radiology Equipment Upgrade	2,552	102	0	(102)	0
Lease Purchase Total	2,552	102	0	(102)	0
TOTAL	25,959	21,315	15,725	(5,590)	18,317

Capital Expenditure and Performance

Capital expenditure is underspent by £5.6m to date. The forecast outturn has been lowered due to further slippages identified.

Medical Equipment is £2.7m behind plan. The laparoscopic equipment, stacking systems, cardiology equipment and PACS purchases will be deferred to 2017-18 and orders have been placed for equipment in the plan totalling £1.2m.

Estates expenditure is £1.5m behind plan. Works are progressing on the upgrades of RUH South Electrical installations, Theatre 9c and boiler house chiller and are expected to be completed in year.

IM&T expenditure is £2.0m underspent, this is a combination of projects due to the new financial year and savings achieved on the projected costs of existing projects.

Strategic Capital is overspent by £0.6m. This is mainly due to the Car Park project and the PET-CT building works. The Pharmacy project is overspent by £1.1m year to date, this will be the final completion position. The Radiology project is underspent by £0.8m with the majority of the works to be deferred to next year.