ITEM: 10/122
Doc: 07

MEETING:	Trust board 27 October 2010

TITLE:	Trust Board – Part 1Financial Position – Month 6 (September 2010)

Executive Summary

1. Month 6 Income and Expenditure

1.1. The I&E position including the impact of IFRS is an actual in-month deficit of £598k, which is £31k better than plan. The year-to-date surplus is £606k, £1,101k better than planned. Once the impact of IFRS is excluded the surplus achieved to date rises to £837k compared to a target deficit of £264k.

1.2. Year to date clinical activity is £167k below the Trust's internal income plan. This position includes adjustments to reflect the impact of additional activity, which has increased the internal income plan by £1,823k (this doesn't effect the overall bottom line position, as a corresponding adjustment has been made to increase the expenditure budget). The position excluding these adjustments shows performance exceeding the plan by £1,656k. Activity in September is estimated to be £221k lower than the internal plan.

1.3. Pay expenditure was £1,195k below budget in September, this includes additional budget relating to increased levels of activity referred to above. In month Agency spend was £551k, which is the same as the expenditure level in August.

1.4. Non-pay expenditure was £15k under plan in September, although as with pay expenditure this includes the effect of additional activity budget being added.

2. Month 6 Balance Sheet and Cash

2.1. The impact of IFRS on the Trust relating to PFI is £463k, which is excluded from break-even duty performance.

2.2. The Trust's cash balance at the end of September was £6,717k. It is not assumed at this stage that the year end cash balance will be materially different to the opening balance of £1.1m. Achievement of the External Financing Limit (EFL) would require a year end cash balance that is not less than the opening value.

3. Recovery Plans and Forecast

3.1. A weekly budget review process has been established whereby the financial performance of key Directorates is reviewed on a cyclical basis. Review meetings involve the lead budget holder together with the Chief Executive and Director of Finance.

3.2. The year-end forecast is to break even and this assumes that the unidentified savings target is achieved by the year end. The value of this target is £0.7m which is an shows an improvement from the August position of £0.9m. Further work is required to ensure unidentified savings are identified during the remainder of the year.

3.3. In order for the Trust to deliver a break even position at year end it will be necessary for the Trust to ensure a) Robust monitoring of budgets and cost pressures b) Management of the CIP c) Non-recurrent opportunities and d) Minimisation of any performance metric penalties e) Review of budgets. The NHS London control target is to break even after excluding IFRS.

4. Recommendations

4.1. The Trust Board is asked to:

- **Note** the reported financial position in Month 6 of a £837k surplus after excluding IFRS
- **Note** the unidentified savings target that still needs to be achieved of £0.7m and support the approach to managing the achievement of a break even position on a recurrent basis.

ACTION:	For information / discussion

REPORT FROM:	Jim Davies, Deputy Director of Finance

SPONSORED BY:	Richard Martin, Finance Director

Financial Validation Lead: Director of Finance	Jim Davies
Compliance with statute, directions, policy, guidance Lead: All directors	**Reference:** Best Practice – financial assurance standards; ALE; Accounting Standards; Monitor financial regime
Compliance with Healthcare Commission Core/Developmental Standards Lead: Director of Nursing & Clinical Development	**Reference:**
Compliance with Auditors' Local Evaluation standards (ALE) Lead: Director of Finance	**Reference:** ALE – Financial Management and Financial Reporting Domains
Compliance with requirements of FT application and monitoring regime Lead: Director of Strategy & Performance	**Reference:**

Month 6 Finance Report

5. Month 6 Income and Expenditure Summary

5.1. The Income and Expenditure position is summarised in Figure 1 overleaf. 2010/11 accounts are prepared on an International Financial Reporting Standards (IFRS) basis, although the £463k impact of IFRS on Private Finance Initiatives (PFIs) is excluded from the Trust's break-even duty.

5.2. Year-to-date EBITDA of £7.2m is reported, which is £905k better than the planned position for the period. Performance above plan on EBITDA relates largely to the first four months of the year (£867k), resulting from higher levels of clinical and non clinical activity, revised accounting treatment of two specific items, release of provisions and relatively constrained levels of expenditure. The position for August and September shows a more modest level of over performance (£38k), together with an increased level of expenditure, particularly in August.

5.3. Within the Month 6 position a further adjustment has been made to reflect the cumulative impact of additional activity on expenditure, which means that expenditure budgets more accurately reflect the level of activity undertaken. This is additional to the adjustment which was made in Month 5, and reflects the most up to date and accurate position. The effect of the adjustment has been to increase the income plan and expenditure budgets by corresponding amounts. Because the changes to the income plan and expenditure budget effectively offset each other, there is no overall impact on the bottom line income and expenditure position. It should be noted however that because the adjustment has been undertaken based on the cumulative basis, that there is a distorting effect on the in month position, which reflects positively within the expenditure budget variance (+£1,326k) and negatively against the income plan variance (-£1,326k). Income and expenditure plans will continue to be reviewed, and further adjustments will be undertaken where continued trends of over performance are evident. The addition to expenditure budgets described above, have been allocated primarily against CIP lines. This reflects the fact that despite higher than planned levels of activity, expenditure to date has been relatively constrained once the cost undertaking the additional activity is reflected, and also recognises improved productivity in delivering higher levels of activity.

5.4. The income and expenditure forecast for the full year reflects the year to date position, together with known changes and estimates for the remainder of the year. As part of this process consideration is also given to the risk of a) the potential for future cost pressures b) risks associated with the recovery of income due to the Trust. On this basis the Trust's plan continues to show a £463k deficit at the year-end on an IFRS basis. The forecast year-end position assumes at this stage that the "forecast" value of the unallocated and unidentified savings target of £0.7m remains achievable and therefore a balanced forecast outturn has been assumed excluding the effect of IFRS. A forecast of break even is prudent given the achievement to date, and the limited assumption around forecast clinical income levels.

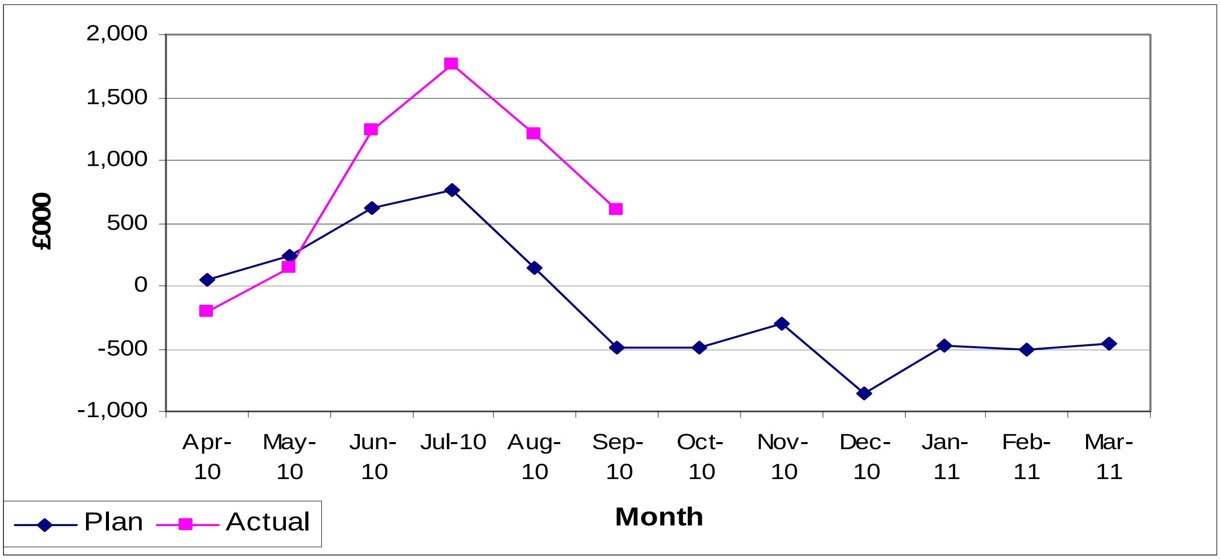
5.5. The income and expenditure is illustrated as follows:

FIGURE 1: Income & Expenditure Summary

Description	Current Month			Year To Date			Annual	Year-end
	Actual £'000	Budget £'000	Variance £'000	Actual £'000	Budget £'000	Variance £'000	Budget £'000	Forecast £'000
NHS Clinical Income	12,345	13,385	(1,039)	77,509	77,676	(167)	154,906	155,869
Non NHS Clinical Income	91	54	38	675	321	354	642	1,064
All Other Non Clinical Income	1,813	1,844	(31)	12,261	11,327	934	22,607	23,573
Total Income	**14,250**	**15,282**	**(1,032)**	**90,445**	**89,324**	**1,121**	**178,156**	**180,506**
Pay	10,267	11,462	1,195	62,405	63,184	778	125,685	125,346
Non Pay	3,478	3,493	15	20,859	20,929	70	41,487	42,958
Centrally Held Savings	0	(172)	(172)	0	(1,064)	(1,064)	(2,095)	(682)
Total Expenditure	**13,746**	**14,783**	**1,038**	**83,265**	**83,049**	**(216)**	**165,077**	**167,622**
EBITDA	**505**	**499**	**5**	**7,180**	**6,276**	**905**	**13,079**	**12,884**
Plus Interest Receivable	2	2	1	9	10	(1)	20	18
Less Interest Payable	214	224	10	1,274	1,342	68	2,683	2,564
Less Depreciation	651	654	3	3,864	3,924	60	7,849	7,911
Less PDC Dividend	241	252	12	1,445	1,515	70	3,030	2,890
Net Surplus / (Deficit)	**(598)**	**(629)**	**31**	**606**	**(495)**	**1,101**	**(463)**	**(463)**
Net Surplus / (Deficit) excluding PFI IFRS (relevant for break-even duty)	(559)	(591)	31	837	(264)	1,101	0	**0**

5.6. While the year to date surplus shows reduction from the month 6 position, this largely reflects the planned income and expenditure profile, which is illustrated as follows:

FIGURE 2: Overall Income & Expenditure Position – Cumulative Performance



5.7. The income and expenditure plan and actual position has been reduced in month 6 by approximately £460k, this reflects a rephrasing of the reporting of CQUIN payments rather than an overall reduction. This does not therefore affect the forecast income and expenditure position.

5.8. As highlighted in the sections above the expenditure forecast for the full year is now highlighting potential future pressures. This is further illustrated in the following figure:

Figure 3: Comparison of Forecast Expenditure Position Against Budget

Division	Forecast Outturn Pay £000	2010/11 Budget £000	Outturn (above)/below budget £000
Access/Diagnostics/Plannedcare	15,032	14,887	(145)
Director Of Operations	640	85	(555)
Director Of Primary Care	364	336	(27)
Facilities	10,162	10,156	(7)
Finance	2,758	2,925	167
Human Resource Directorate	1,323	1,345	22
Information Mgmt & Tech	2,095	2,210	115
Medical Education	243	239	(5)
Medicine & Therapies	32,470	31,155	(1,315)
Nursing & Clinical Develop	1,585	1,603	17
Pharmacy	3,939	4,089	150
Planning & Performance	695	790	95
Surgery & Cancer	28,266	28,285	19
Women & Children Servs	25,286	25,860	574
Clinical Trials	117	97	(20)
Business Cases/Reserves/Trust Finance	371	1,624	1,253
Total Pay	**125,346**	**125,685**	**339**

5.9. The ongoing review of the areas which show forecasts above the budgeted position concentrates on pressures that are absolutely unavoidable, as cost containment and productivity improvement is a key theme in securing and maintaining a viable organisation. Consideration has been given to 'locking' in under spending positions in order to contain overall expenditure.

6. Health Economy Context

6.1. While the forecast out turn position for the Trust shows a break even position, which can be considered to be prudent considering strong performance against plan to date, the financial position for the North London Sector is showing the potential for a significant deficit. Initial contact with the trust has been made by the sector, and it is likely that the Trust will be asked by the sector to come to a risk sharing arrangement. The details of any such risk sharing proposal are not at this stage clear, however If such an arrangement were to be agreed, there would inevitably be an impact on the income position of the Trust and potentially the forecast out turn position. A further up date will be made to the next Trust Board of further progress in this respect.

7. Income Performance

7.1. NHS Clinical Income is reported based upon the latest coded activity data (August 2010), together with an initial estimate for the September position. On this basis the in month position shows an underperformance against plan of £1,039k. It should be noted that as highlighted in earlier sections the internal income plan has been increased as part of an activity adjustment, the total of which is £1,326k. Excluding this amount would result in an over performance of £287k.

7.2. The assessment of the September NHS clinical income position is based primarily on activity data which has yet to be fully coded, this early assessment indicates a negative variance against plan of £221k, which is included in the in month position.

7.3. Figure 4 below shows income performance by patient type:

FIGURE 4: Income Performance by Patient Type

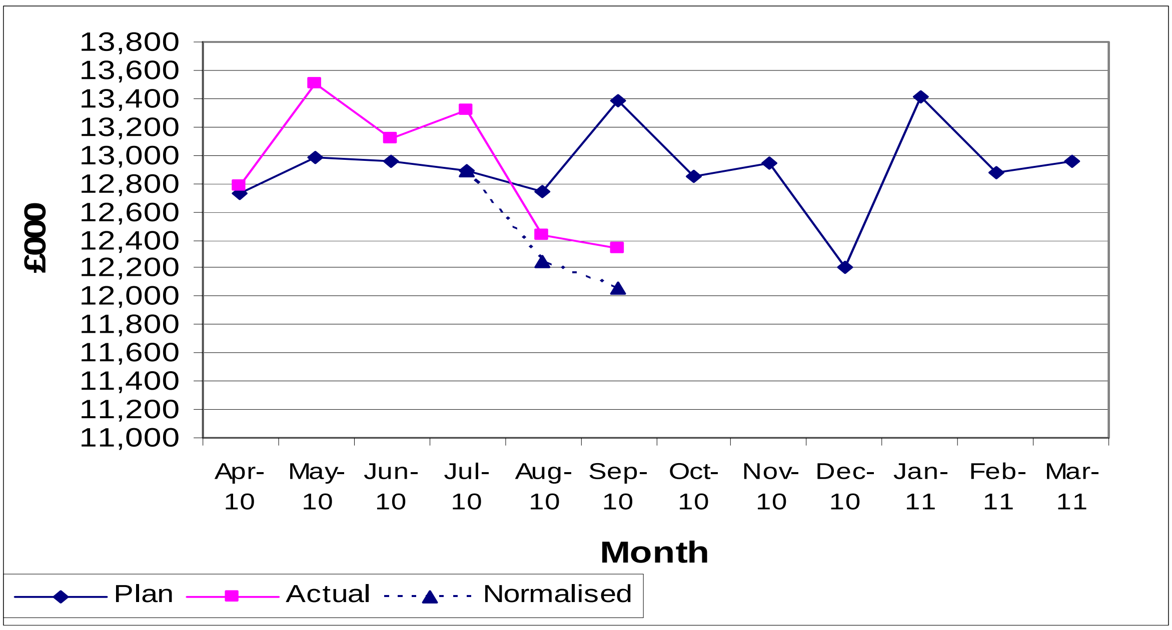
Point of Delivery	YTD SLA To M5	YTD Actual To M5	YTD Variance To M5	In Month Variance M5	M4 Late Data Added
Block Contract/Adjustments	2,667	2,374	83	17	2
Elective Inpatients	3,428	3,625	198	(55)	(1)
Non-Elective Inpatients	19,166	20,443	537	7	(655)
Excess Bed days	1,313	1,701	320	39	(74)
Planned Same Day (Day Case)	6,217	6,116	(101)	(7)	(2)
Outpatient Procedures	1,083	1,140	57	23	(0)
Outpatient 1st Attends	5,490	5,410	(80)	(27)	(7)
Outpatient Follow Ups	7,109	6,797	(313)	(92)	1
Adult High Dependency Bed days	1,128	1,708	580	74	(4)
Adult Intensive Care Bed days	2,269	2,893	624	(110)	(6)
Paediatrics High Dependency	330	256	(74)	(48)	0
NICU High Dependency Bed days	616	593	(22)	8	0
NICU Intensive Care Bed days	268	364	97	(6)	0
NICU Special Care Bed days	1,593	1,816	223	87	(1)
ED Attendances	3,592	3,731	140	22	(0)
Direct Access	3,591	3,802	212	(6)	7
Unbundled Imaging	320	534	215	41	(0)
Other Activity	1,809	1,702	(107)	(38)	9
Grand Total	**61,988**	**65,007**	**2,587**	**(73)**	**(731)**

7.4. Key points to note from the analysis of income (year to date variance to Month 5) are summarised as follows:

- The main areas of over performance relate to non elective inpatients, which allowing for an emergency threshold of 30% on the tariff for performance over plan totals £537k, together with high dependency (£580k) and intensive care bed days (£624k).
- The main areas where income is below the planned level include outpatients (first appointments £80k and follow up appointments £313k), and day cases (£101k).

7.5. Performance against the internally set income plan is further illustrated in the following figure:

FIGURE 5: Performance Against Internal NHS Clinical Income Plan – In Month



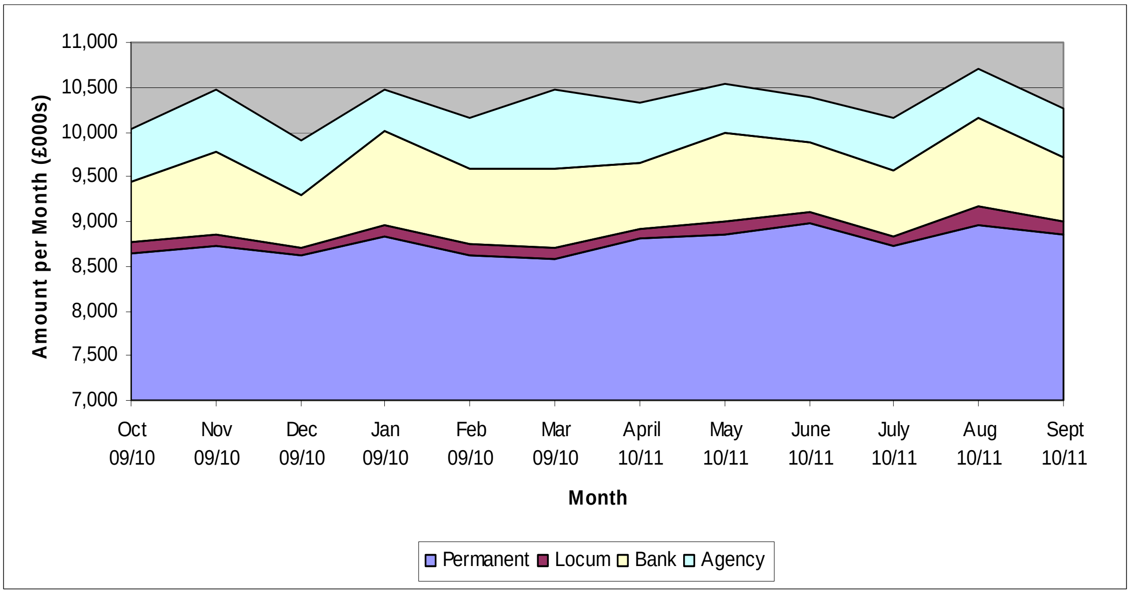
7.6. As well as the planned and actual position a further line is included to show the income plan excluding the activity related budget adjustment.

8. Expenditure Performance

8.1. The in month position shows an under spend of £1,038k, this position includes a budget adjustment which has been allocated against CIP lines reflecting improved productivity in delivering higher levels of activity. The residual over spend is £288k, of which £172k relates to centrally held savings with the remaining over spend relating to a combination of staff and non staff over spends.

8.2. Pay expenditure has reduced in month. The following figure illustrate staffing expenditure trends, together with the split between agency, bank, locum and permanent staff.

Figure 6: Staffing Expenditure Trends



8.3. A comparison of pay expenditure against the budgeted position shows an under spend of £1,195k, although this includes additional funding primarily against pay CIP lines referred to above. The exclusion of this adjustment would result in an under spending position of £137k in month, which shows a significant improvement on the year to date position. The following figure further illustrates the in month pay variance for each Directorate and how much of that variance is attributable to CIP savings.

8.4. ED is £20k overspent in month on medical staff, £2k on nursing staff, with the total position showing an under spend of £42k, this shows an improvement on the year to date over spend position of £247k.

FIGURE 7: Comparison of Pay Expenditure Against Budget by Directorate

Directorate	Mth 6 Pay actuals (£)	Mth 6 Pay Budget (£)	Mth 6 Variance (£)	Pay CIP Mth 6 (£)
Access/Diagnostics/Planned Care	1,244	1,306	62	42
Director Of Operations	49	315	266	253
Director Of Primary Care	49	39	(10)	0
Medicine & Therapies	2,658	2,886	228	212
Surgery & Cancer	2,253	2,693	439	154
Women & Children Servs	2,154	2,222	68	5
Pharmacy	326	341	15	
Facilities	819	873	55	65
Finance	222	244	22	0
Human Resource Directorate	114	112	(2)	0
Information Mgmt & Tech	189	186	(3)	(9)
Medical Education	23	20	(3)	(0)
Nursing & Clinical Develop	133	136	2	0
Planning & Performance	56	66	9	0
Clinical Trials	8	7	(1)	0
Reserves		51	51	0
Trust Finance	(31)	(33)	(2)	(33)
Grand Total	**10,267**	**11,462**	**1,195**	**690**

8.5. Total expenditure on bank and agency reduced from £1,521k in August to £1,274k in September. Expenditure on agency during this period remained the same in September as August at £551k, with expenditure on bank staff reducing by £248k being on bank staff. A significant element of the increase in month relates to previous months expenditure as highlighted in the above section.

8.6. Non-pay expenditure was £15k below budget in September.

8.7. Excluding the impact of the budget adjustment relating to additional activity, the in month expenditure position would have shown an over spend of £288k.

9. Cost Improvement Programme (CIP)

9.1. Of the £12.5 million initial CIP target, savings schemes have been identified to the value of £8.6 million, leaving £3.9 million yet to be identified.

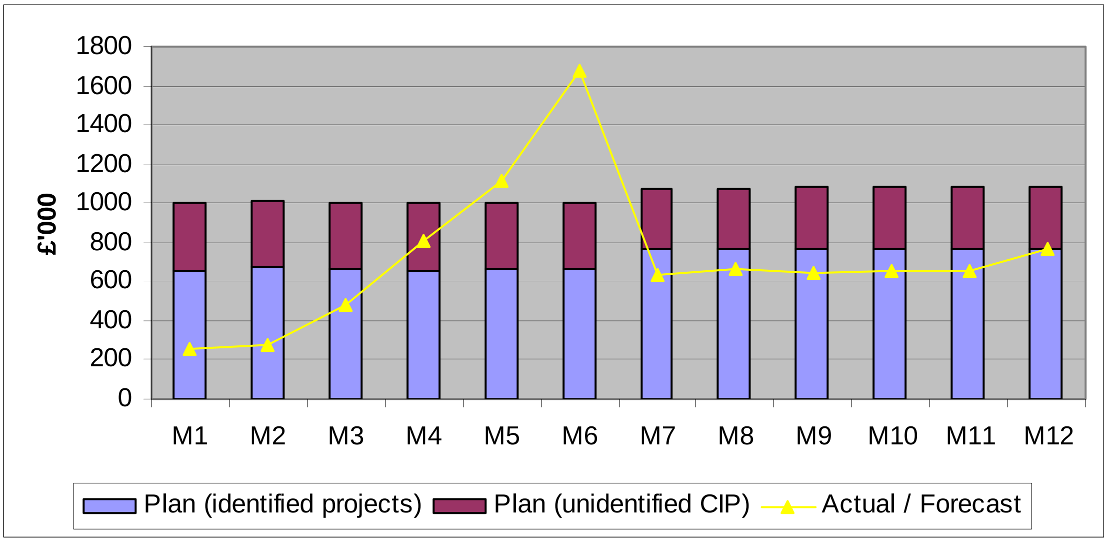
9.2. Performance against the year-to-date proportion of CIP target of £12.5 million is summarised in the following table below:

FIGURE 8: CIP Monthly Performance and Forecast Against Plan

Category	Initial full year target £'000	Target to month 6 £'000	Savings achieved at month 6 £'000	Proportion of Year-to-date target achieved £'000	Year-to-date shortfall £'000
"CIP A" workstreams	4,982	2,193	1,615	74%	(578)
"CIP B" savings identified through budget-setting	3,612	1,777	1,094	62%	(683)
Year-to-date underspends locked into budgets	0	0	216	0	216
Activity-related productivity improvements	0	0	1,687	0	1,687
Unidentified savings	3,906	2,047	0	0	(2,047)
Total	**12,500**	**6,017**	**4,612**	**77%**	**(1,405)**

9.3. Month by month savings delivered against the target, and forecast, are represented in the graph below.

FIGURE 9: CIP Monthly Performance and Forecast Against Plan



8.2 Summary of under-delivering savings schemes

8.2.1 CIP A projects

The shortfall against target is due to implementation problems and slippage on a number of projects, which are under review by the Trust Executive Team. In some cases, activity pressures have rendered the original cost reduction targets difficult to deliver.

8.2.2 CIP B savings

The shortfall against targets is due to difficulties that managers are encountering in delivering the savings that were agreed within their initial budgets. These are under review as part of the monthly financial performance management process. In some cases, activity pressures have rendered the original cost reduction targets difficult to deliver. Year-to-date under-spends in non-clinical budgets are helping to offset the under-achievement of these targets.

8.2.3 **Activity-related Productivity Improvements**

In the first five months of the year, clinical activity has been running significantly higher than the planned levels. The marginal costs associated with this activity (calculated as about £1.8m) have now been funded within budgets, to offset against those budgets which have not been able to deliver their “CIP B” savings or their activity-related “CIP A” savings. Effectively, the marginal cost of additional activity has therefore been absorbed within existing budget levels through the delivery of productivity improvements. (Note : only £1.7 million of the £1.8m appears in the CIP table, this is because part of this productivity gain has already been recognised in reporting achievement against the CIP A schemes).

8.2.4 **Forecast**

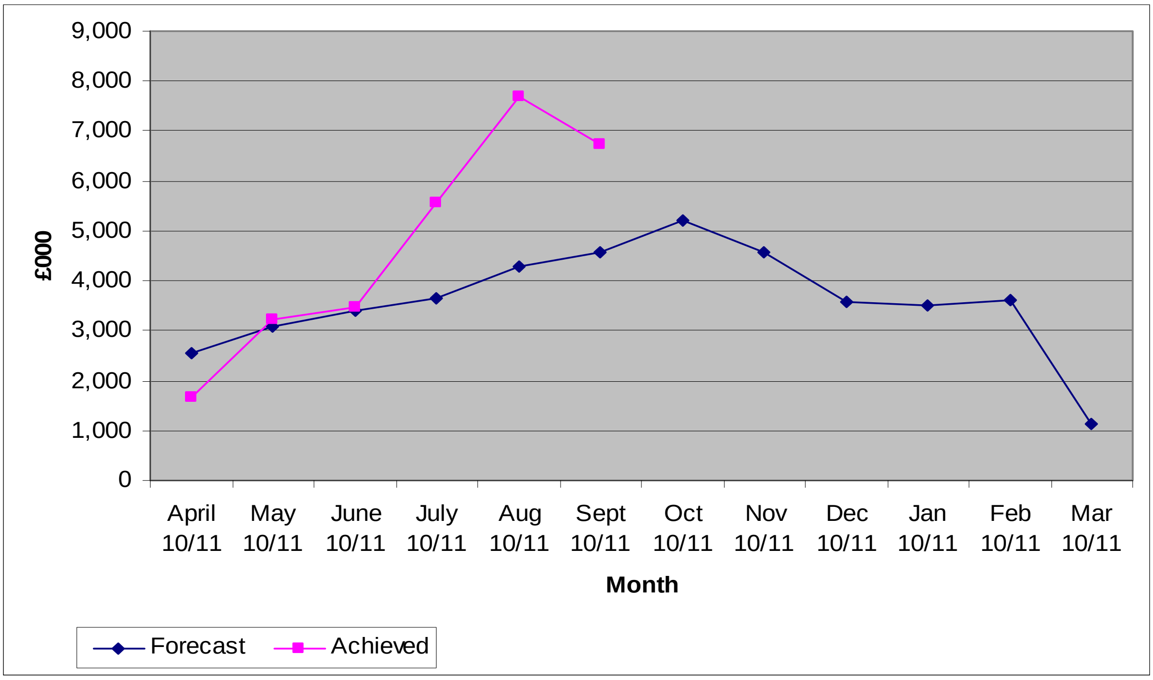
The forecast CIP achievement by year-end is £8.6m (69%), comprising £3.7m to be delivered by the CIP “A” workstreams, £2.9m by the CIP “B” savings identified by budget holders, and £2m through activity-related productivity improvements.

10. Cash

10.1. The chart below provides a summarised cash flow forecast. The Trust’s cash balance at the end of September was £6,717k, this follows payment of PDC Dividend of £1,247k in September. Higher levels of balance will be possible this year as SLAs have been set at a more realistic level and this is equivalent to approximately £1m per month in cash that was not seen in the early months last year. Some movement in working capital balances have also assisted the position. In addition to which the trust has received payment for invoices relating to SLA over performance for 2009/10 and April 2010, against which provisions had previously been made.

10.2. The year end target is £1.1m and there is no penalty to over-achieving this value although failure would result in a breach of a statutory duty (EFL). An improvement in the cash balance would require either a surplus or an improved working capital position relative to the values held at the start of the year. Neither is assumed at this stage.

FIGURE 10: Rolling Cashflow Forecast



11. Balance Sheet / Statement of Financial Position

11.1. The adverse I&E impact of IFRS accounting on the Trust's PFI scheme remains at £463k for the full year, as reported last month. As described above, this impact is excluded for the purposes of performance against statutory break-even duty.

11.2. The large increase in fixed assets, current and non-current liabilities is as a result of the IFRS requirement to bring PFI onto the balance sheet. It is now treated as the Trust's asset with a finance arrangement (and associated liability) to pay for the asset over the life of the PFI agreement. The balance sheet is summarised below:

FIGURE 11: Balance Sheet / Statement of Financial Position

Description	As at 1st April 2010	As at 30th September 2010	2010/11 Year-end Forecast
	£'000	£'000	£'000
Property, plant and equipment	132,801	130,828	133,605
Intangible assets	1,186	1,041	887
Trade and other receivables	2,346	2,585	2,762
Non-current assets	**136,334**	**134,454**	**137,254**
Inventories	1,122	1,130	1,130
Trade and other receivables	7,089	2,874	3,512
Cash and cash equivalents	1,146	6,717	1,138
Current assets	**9,357**	**10,721**	**5,780**
Trade and other payables	15,543	15,534	15,038
Borrowings	1,964	1,895	1,895
Provisions	1,424	1,375	1,375
Current liabilities	**18,930**	**18,803**	**18,307**
Borrowings	38,838	38,002	37,947
Provisions	1,946	1,853	1,816
Non-current liabilities	**40,784**	**39,855**	**39,764**
Total assets employed	**85,976**	**86,516**	**84,964**
Public dividend capital	48,134	48,134	48,206
Retained earnings	10,658	11,269	10,195
Revaluation reserve	25,904	25,898	25,428
Donated asset reserve	1,280	1,215	1,135
Total taxpayers' equity	**85,976**	**86,516**	**84,964**

12. Payment of Creditors

12.1. The Department of Health requires that Trusts pay creditors in accordance with the Better Payments Practice Code. The target is to pay creditors within 30 days of receipt of goods or a valid invoice, whichever is later, unless other terms have been agreed.

12.2. The Trust's performance, which is measured both in terms of volume and value, is illustrated below, a comparison to the performance in the previous year shows that there has been significant improvements in each of the areas.

FIGURE 12: Payment of Creditors

Detail	NHS Payables Number	Non NHS Payables Number	NHS Payables £000	Non NHS Payables £000
Current Year to Date Performance				
Total bills paid	3,109	24,803	7,026	21,757
Total paid within target	2,845	19,526	6,074	17,751
Percentage paid within target	**92%**	**79%**	**87%**	**82%**
2009/10 Performance				
Total bills paid	5,064	50,163	10,439	52,150
Total paid within target	4,320	33,253	6,252	35,096
Percentage paid within target	**85%**	**66%**	**60%**	**67%**

13. Top 10 Overspending Areas, 2010/11 Forecast and Risks

13.1. The forecast position for NHS Clinical income is not assumed to be materially different from plan at this stage, despite an encouraging start to the year. There are a number of risks which make it difficult to be clear about the forecast outturn performance, not least the current financial position within the North Central London sector as a whole. In overall terms the plan takes into considerations such risks can be considered at this stage to be prudent. Expenditure levels have been, and continue to be reviewed with budget holders and the forecast reflects actual levels along with expected trends for the remainder of the year. Clearly for the Trust to achieve a balanced position particularly within the context of the current economic environment it is essential that costs are controlled effectively for the remainder of the year. Cost containment and productivity improvement continues to be a key theme in securing and maintaining a viable organisation.

13.2. The assumed achievement of the forecast residual £0.7m unidentified savings target has also been incorporated within this exercise. The key difference between the month six position and the forecast position is that the expenditure is assumed to continue to overspend, largely as a consequence of the savings target, whilst the income has not been assumed to continue to over-perform.

13.3. In order to improve the likely forecast, the focus will be on the delivery of the CIP, robust budgetary control and the identification of opportunities to reduce the unidentified savings target. Income levels do fluctuate and it is not possible to be certain over the likely year end position at this point. Financial performance meetings continue to be held with all budget holders/managers, CIP and budgetary performance will be reviewed by the Chief Executive and Director of Finance, and the Executive Committee. At these meetings financial performance is scrutinised, action plans are identified, and forecasts challenged.

Figure 13: Top 10 Overspending Areas and year End Forecasts

Top 10 Overspending areas	Month 6 Variance		Year End variance	
	In-month £000	Year-to-date £000	Straight-line projection £000	Forecast £000
Emergency Department	(30)	(322)	(643)	(774)
Histopathology	(29)	(98)	(195)	(190)
Operations Managers	269	(89)	(179)	(863)
Orthopaedics	(10)	(87)	(174)	(151)
Director Facilities	110	(78)	(157)	(329)
Health Records	(34)	(67)	(133)	(147)
Generic Workers	2	(58)	(117)	(121)
Residences	(6)	(56)	(111)	(78)
Ear Nose & Throat	(7)	(54)	(108)	(10)
Medical Secretaries, Medicine	(7)	(51)	(102)	(116)
Total	**258**	**(960)**	**(1,920)**	**(2,779)**

13.4. It should be noted that CIP targets that have not been allocated to specific budget lines or service areas, and are instead held centrally, are showing a shortfall. It is the intention to agree a method to reallocate to those areas where the savings will be achieved.

13.5. A recurrent solution to balancing the budget remains a priority. There are a number of significant risks remaining and these are described below:

- Loss of income as a result of the current economic position of the North Central London sector.
- Increased non-achievement of CIP targets – the forecast implicitly assumes the current expenditure CIP achievement percentage remaining constant for the remainder of the year, but there is a risk of further non-achievement
- Activity is lower than planned from September to March
- Increased validation queries from commissioners and disputes requiring use of the resolution process
- Legal costs are higher than anticipated
- Cost pressures materialise that were not anticipated in budget-setting
- Data is not input onto PAS and other information systems in a timely way
- Penalty and performance metrics
- Recruitment problems and increased use of Agency staff
- Any decision to reduce service prices that is not covered by either additional savings or existing budgets.
- Changing the contract currency to that of a block fixed arrangement
- Further upward trends in expenditure forecasts
- Loss of income form revised charging methodology for readmission within 30 days.

Overall, the position for the first four months of the year has demonstrated a stronger than expected level of activity, while the last two months has shown activity to be broadly in line with plan and potentially slightly below in September. Non recurrent solutions and improvements in the forecast for non clinical income and expenditure areas have helped to reduce the in year risk to £0.7m from the original £3.2m. A prudent approach has been taken to the assessment of risk around the collection of income to date. Additional ideas to complete the CIP and continued efforts to deliver the existing CIP would place the Trust in a stronger position going forward.