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The Whittington Hospital NHS Trust

ITEM: 10/152
Doc: 05

MEETING:	Trust Board – Part 1 15th December 2010

TITLE:	**Financial Position – Month 8 (November 2010)**

Executive Summary

1. Month 8 Income and Expenditure

1.1. The I&E position including the impact of IFRS is an actual in-month surplus of £513k, which is £321k better than plan. The year-to-date surplus is £993k, £1,285k better than planned. Once the impact of IFRS is excluded the surplus achieved to date rises to £1,301k compared to a target surplus of £17k.

1.2. Year to date clinical activity is £313k above the Trust's internal income plan. Activity in November is estimated to be £396k higher than the internal plan.

1.3. Pay expenditure was £234k under spent in November. Agency spend has increased in month to £706k compared with £602k in October.

1.4. Non-pay expenditure is under spent by £118k in November.

2. Month 8 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 November was £5,142k and this reflects the reduced dependency on SLA over-performance this year, movements in working capital balances and the receipt of cash relating to SLA over performance for both 2009/10 and in the year to date. 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 involving the lead budget holder together with the Chief Executive and Director of Finance, whereby the financial performance of key Directorates is reviewed on a cyclical basis.

3.2. It was noted in the last finance report that as a result of the potential for a significant deficit position within the North Central London (NCL) sector, the Trust had been approached to discuss risk sharing arrangements. An agreement has been reached which places a cap on the Trusts outturn position for NCL clinical income in 2010/11 of £2.3m on a non recurrent basis, the level of over performance at Month 7 is £1.7m. Based on historic over performance it is likely that allowing for the Month 8 position will increase this value to an estimated £1.9m against the cap of £2.3m. As part of the agreement it was also agreed that all existing and future 2010/11 challenges/claims/income abatements are avoided. This arrangement reduces the risk to the NCL of an outturn position which cannot be afforded, while also reducing the risk to the Trust of ongoing challenges against reported income.

3.3. To be consistent with previous months an adjustment has been made to reflect the cumulative impact of additional activity (£527k), this is a contra entry increasing both the income plan and expenditure budget, so has no impact on the bottom line position, but does mean that expenditure budgets more accurately reflect the level of activity undertaken.

3.4. 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 line with the position reported for October. 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 d) ongoing 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 8 of a £1,301k 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 8 Finance Report

5. Month 8 Income and Expenditure Summary

5.1. The Income and Expenditure position is summarised in Figure 1 below. 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 £9.8m is reported, which is £1.1m better than planned due to higher levels of clinical and non clinical activity, revised accounting treatment of two specific items, release of provisions and relatively contained levels of expenditure.

5.3. 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.

5.4. The income and expenditure is illustrated as follows:

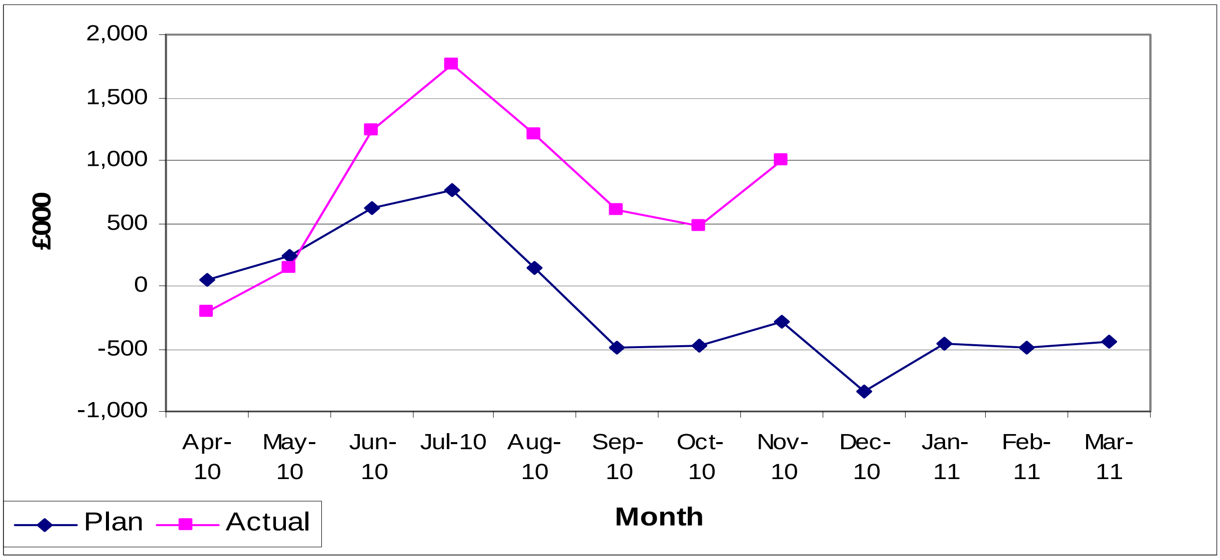
FIGURE 1: Income & Expenditure Summary

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	14,978	14,901	77	105,801	105,488	313	156,976	158,499
Non NHS Clinical Income	79	54	26	810	428	382	642	1,001
All Other Non Clinical Income	2,050	1,977	72	16,380	15,209	1,171	22,718	23,799
Total Income	**17,107**	**16,932**	**175**	**122,991**	**121,124**	**1,867**	**180,337**	**183,300**
Pay	10,691	10,924	234	83,854	84,494	640	126,316	126,535
Non Pay	4,741	4,859	118	29,308	29,216	(92)	42,947	44,544
Centrally Held Savings	0	(171)	(171)	0	(1,321)	(1,321)	(2,004)	(662)
Total Expenditure	**15,431**	**15,612**	**181**	**113,162**	**112,389**	**(773)**	**167,258**	**170,417**
EBITDA	**1,676**	**1,320**	**356**	**9,829**	**8,736**	**1,094**	**13,079**	**12,883**
Loss on Disposal of Assets	74	-	74	74	-	74	-	
Plus Interest Receivable	2	2	0	13	13	(1)	20	19
Less Interest Payable	206	224	18	1,694	1,789	95	2,683	2,564
Less Depreciation	644	654	10	5,155	5,232	78	7,849	7,911
Less PDC Dividend	241	252	12	1,927	2,020	93	3,030	2,890
Net Surplus / (Deficit)	**513**	**192**	**321**	**993**	**(292)**	**1,285**	**(463)**	**(463)**
Net Surplus / (Deficit) excluding PFI IFRS (relevant for break-even duty)	551	230	321	1,301	17	1,285	0	0

5.5. The year to date income and expenditure position shows a net surplus position which is £1,285k better than the planned position. This includes the in month surplus of £513k, which is £321k better than the planned position for the month.

This is further reflected in the following figure which illustrates the cumulative income and expenditure performance for the year to date.

FIGURE 2: Overall Income & Expenditure Position – Cumulative Performance



5.6. A more detailed overview of the financial position 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/Planned Care	15,084	14,908	(176)
Central CIP Target (Operations)	646	161	(486)
Director Of Primary Care	350	346	(4)
Facilities	32,571	31,227	(1,344)
Finance	28,312	28,428	116
Human Resource Directorate	25,697	25,932	235
Information Mgmt & Tech	3,937	4,089	152
Medical Education	10,165	10,212	48
Medicine & Therapies	2,764	2,925	161
Nursing & Clinical Develop	1,376	1,345	(31)
Pharmacy	2,245	2,223	(22)
Planning & Performance	249	243	(6)
Surgery & Cancer	1,647	1,603	(45)
Women & Children Servs	691	790	98
Clinical Trials	117	99	(18)
Business Cases/Reserves	688	1,786	1,098
Total Pay	**126,540**	**126,316**	**(224)**

5.7. 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. It was noted in the last finance report that as a result of the potential for a significant deficit position within the North Central London (NCL) sector, the Trust had been approached to discuss risk sharing arrangements. An agreement has been reached which places a cap on the Trusts outturn position for NCL clinical income in 2010/11 on a non recurrent basis, which including CQUIN totals £140.3m compared to the opening baseline position plus residual CQUIN of £138m. This agreement relates only to NCL providers, and is agreed on a non recurrent basis. As part of the agreement it was also agreed that all existing and future 2010/11 challenges/claims/income abatements are avoided. The purpose of this arrangement reduces the risk to the NCL of an outturn position which cannot be afforded, while transfers an element of risk to the Trust it also reduces the risk to the Trust of ongoing challenges against reported income. The potential year end over performance could reach £6m compared to a cap of £2.3m, meaning that an income concession of £3.7m has been made available. In addition there is an estimated underachievement of £0.3m of CQUIN, making a total potential income concession to NCL of £4.0m in 2010/11. This has been recognised in both the forecast and the actual position to date.

7. Income Performance

7.1. NHS Clinical Income is reported based upon the latest coded activity data (October 2010), together with an initial estimate for the November position. On this basis the in month position shows an over performance against plan of £77k.

7.2. The assessment of the November NHS clinical income position is based primarily on activity data which has yet to be fully coded, this early assessment indicates a positive variance against plan of £397k, which is included in the in month position.

7.3. Figure 5 below shows income performance by patient type:

FIGURE 4: Income Performance by Patient Type

Point of Delivery	YTD SLA To M7	YTD Actual To M7	YTD Marginal Tariff Adjustment	YTD Variance To M7	In Month Variance M7	M6 Late Data Added
Block Contract/Adjustments	3,734	3,811	0	77	17	(479)
Elective Inpatients	4,839	5,129	0	291	53	1
Non-Elective Inpatients	27,044	28,379	(746)	590	(93)	8
Excess Bed days	1,804	2,396	(168)	424	126	0
Planned Same Day (Day Case)	8,777	8,683	0	(94)	(12)	2
Outpatient Procedures	1,529	1,643	0	114	20	(1)
Outpatient 1st Attends	7,750	7,590	0	(160)	(27)	34
Outpatient Follow Ups	10,036	9,630	0	(406)	(67)	(19)
Adult High Dependency Bed days	1,589	2,164	0	575	4	(1)
Adult Intensive Care Bed days	3,195	3,552	0	356	(40)	0
Paediatrics High Dependency	463	370	0	(93)	(26)	0
NICU High Dependency Bed days	870	835	0	(35)	(3)	0
NICU Intensive Care Bed days	381	462	0	82	(18)	(1)
NICU Special Care Bed days	2,244	2,623	0	379	71	1
ED Attendances	4,978	5,226	0	248	50	(0)
Direct Access	5,027	5,450	0	423	115	1
Unbundled Imaging	451	761	0	310	41	1
Other Activity	2,550	2,401	0	(149)	(27)	18
Grand Total	**87,259**	**91,104**	**(914)**	**2,932**	**183**	**(435)**

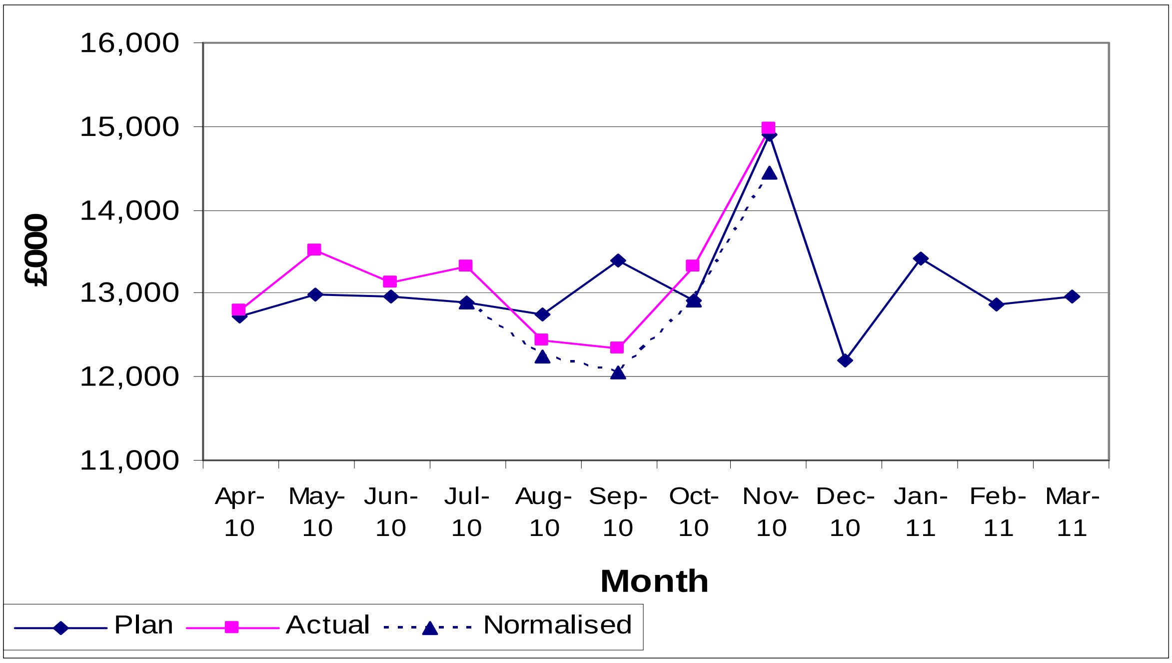
7.4. The year to date variance to Month 7 is shown net of the marginal tariff adjustment for non elective activity. In terms of the total over performance shown to date(£2.9m) £1.7m relates to NCL activity.

7.5. Key points to note from the analysis of income (year to date variance to Month 7) are summarised as follows:

- The main areas of over performance relate to non elective inpatients (£590k), together with high dependency (£575k), direct access (£423k) and NICU special care (£379k).
- The main areas where income is below the planned level include outpatients (first appointments £160k and follow up appointments £406k), and day cases (£94k).

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

FIGURE 5: Performance Against Internal Income Plan – In Month



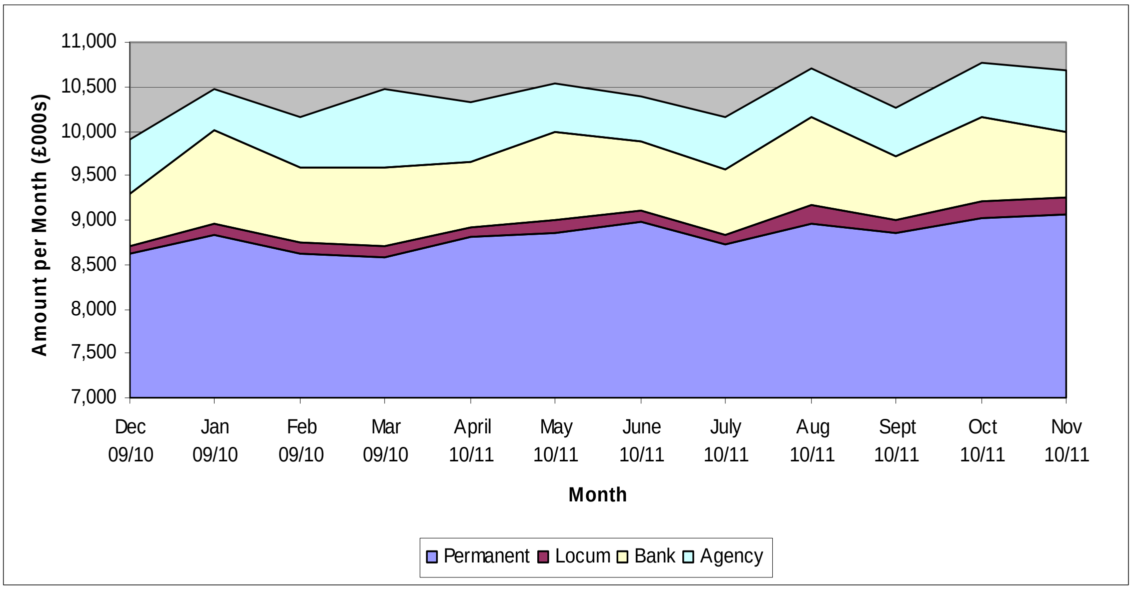
7.7. As well as the planned and actual position a further line is included to show the income plan excluding the effect of activity related budget adjustments from August onwards.

8. Expenditure Performance

8.1. The in month position shows an under spend of £181k against a cumulative over spend position of £773k for the year to date.

8.2. Pay expenditure has reduced in month from £10,758k in October to £10,691k in November. 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 expenditure against the budgeted position shows an under spend of £234k. The following figure further illustrates the in month pay variance for each Directorate and how much of that variance is attributable to CIP savings.

FIGURE 7: Comparison of Pay Expenditure Against Budget by Directorate

Directorate	Mth 8 Pay actuals (£)	Mth 8 Pay Budget (£)	Mth 8 Variance (£)	Pay CIP Mth 8 (£)
Access/Diagnostics/Planned Care	1,260	1,234	(26)	(4)
Central CIP Target (Operations)	54	53	(1)	(5)
Director Of Primary Care	33	32	(1)	0
Medicine & Therapies	2,751	2,595	(156)	(13)
Surgery & Cancer	2,255	2,459	204	46
Women & Children Servs	2,185	2,241	57	(9)
Pharmacy	324	341	16	0
Facilities	800	823	23	3
Finance	232	244	11	0
Human Resource Directorate	118	112	(6)	0
Information Mgmt & Tech	188	186	(2)	1
Medical Education	21	20	(1)	(0)
Nursing & Clinical Develop	160	136	(24)	0
Planning & Performance	68	66	(2)	0
Clinical Trials	11	8	(3)	0
Reserves	0	248	248	0
Trust Finance	230	125	(104)	(75)
Grand Total	**10,691**	**10,924**	**234**	**(56)**

8.4. Total expenditure on bank and agency reduced from £1,552k in October to £1,444k in November. Expenditure on agency during this period increased by £104k, while bank expenditure has reduced by £213k.

8.5. Non-pay expenditure was £118k under spent in November, compared to a cumulative over spend of £92k.

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 in terms of formal schemes, although productivity improvements are contributing in a significant way.

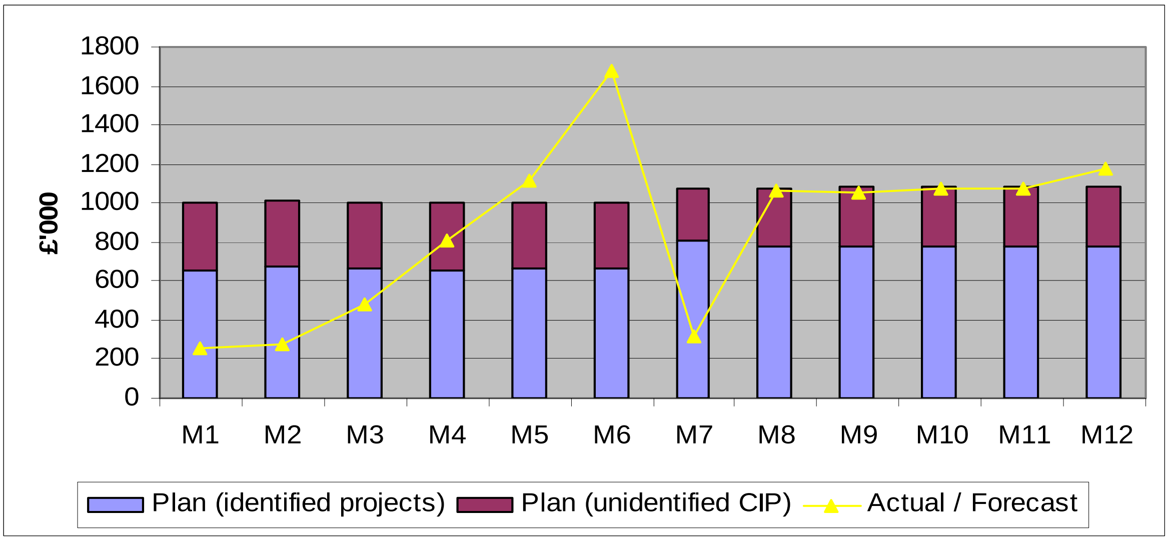
9.2. Performance against the year-to-date proportion of CIP target of £12.5 million is summarised in the table below.

FIGURE 8: CIP Monthly Performance and Forecast Against Plan

Category	Initial full year target £'000	Target to month 8 £'000	Savings achieved at month 8 £'000	Proportion of Year-to-date target achieved £'000	Year-to-date shortfall £'000
"CIP A" workstreams	4,982	3,122	1,733	56%	(1,389)
"CIP B" savings identified through budget-setting	3,676	2,425	1,690	70%	(735)
Year-to-date underspends locked into budgets	0	0	216		216
Activity-related productivity improvements	0	0	2,350		2,350
Unidentified savings	3,842	2,623	0		(2,623)
Total	**12,500**	**8,170**	**5,990**	**73%**	**(2,181)**

9.3. Month by month savings delivered against the target, and forecast, are represented in the graph below. The uneven profile is due to the timing of recognition of activity-related productivity improvements : in months 5 and 6, the productivity improvements achieved in months 1-5 were recognised, and in months 8-12 the estimated productivity improvements achievable in months 6-12 are being recognised.

FIGURE 9: CIP Monthly Performance and Forecast Against Plan



9.4. Year-to-date cumulative performance has improved from 69% as at month 7, to 73% as at month 8.

9.5. **CIP A Projects**

56% of the year-to-date target has been delivered; this is a further significant deterioration from the month 7 performance which stood at 64%. This is due to a continuation of the trends that were reported last month. Firstly, activity-pressures and associated cost-pressures have rendered some of the planned expenditure reduction targets unachievable. In particular, expenditure on ward staffing and on agency staff has continued to increase this month. Secondly, a number of targets were profiled into the back half of the year, but are for various reasons not being achieved, and are increasingly impacting on the bottom line as each month goes by.

9.6. **CIP B Projects**

The rate of achievement overall has improved from last month (from 63% to 79%). This is due to the fact that a small number of projects are over-achieving against their targets, and this is being recognised for the first time this month. However the shortfall against targets remains significant, and 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.

9.7. **Activity-related Productivity Improvements**

As described last month, clinical activity has been running significantly higher than the planned levels. The marginal costs associated with this activity 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. In month 8, an estimated benefit for months 6 to 8 has been claimed, and in months 9-12 the benefit for the remaining months of the year is forecast.

9.8. **Forecast**

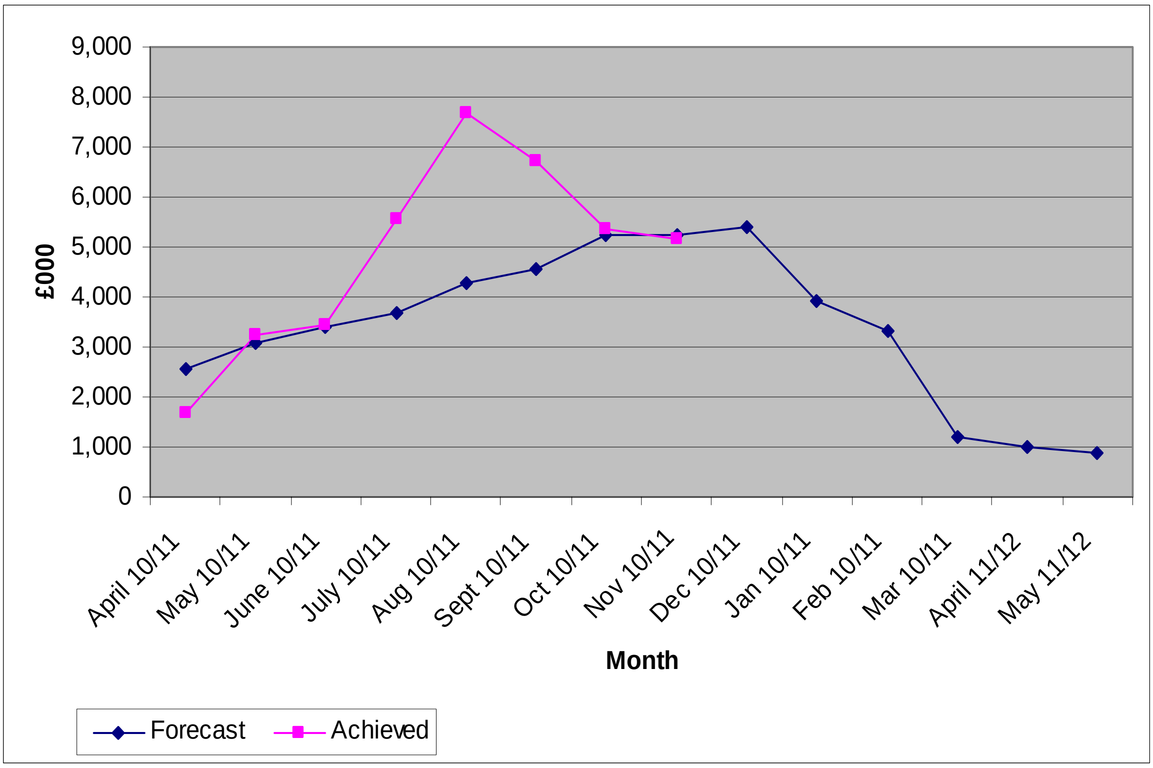
The forecast CIP achievement by year-end is £10.38 million. This forecast now comprises £2.59m to be delivered by the CIP "A" workstreams, £2.79m by the CIP "B" savings identified by budget holders, and £5m through activity-related productivity improvements. This equates to 83% of the £12.5m target.

10. Cash

10.1. The chart below provides a summarised cash flow forecast. The Trust's cash balance at the end of November was £5,142k. 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 in the year to date, 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 November 2010	2010/11 Year-end Forecast
	£'000	£'000	£'000
Property, plant and equipment	132,801	130,734	133,155
Intangible assets	1,186	1,018	889
Trade and other receivables	2,346	2,628	2,688
Non-current assets	**136,334**	**134,380**	**136,732**
Inventories	1,122	1,091	1,091
Trade and other receivables	7,089	5,557	5,128
Cash and cash equivalents	1,146	5,142	1,188
Current assets	**9,357**	**11,790**	**7,406**
Trade and other payables	15,543	15,871	15,322
Borrowings	1,964	1,895	1,895
Provisions	1,424	2,084	2,059
Current liabilities	**18,930**	**19,849**	**19,275**
Borrowings	38,838	37,604	37,597
Provisions	1,946	1,807	1,804
Non-current liabilities	**40,784**	**39,412**	**39,401**
Total assets employed	**85,976**	**86,910**	**85,462**
Public dividend capital	48,134	48,134	48,206
Retained earnings	10,658	11,659	10,664
Revaluation reserve	25,904	25,887	25,417
Donated asset reserve	1,280	1,230	1,174
Total taxpayers' equity	**85,976**	**86,910**	**85,462**

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: Better Payments Practice Code

Detail	NHS Payables Number	Non NHS Payables Number	NHS Payables £000	Non NHS Payables £000
Current Year to Date Performance				
Total bills paid	4,028	33,507	9,104	31,087
Total paid within target	3,708	27,453	8,067	26,479
Percentage paid within target	**92%**	**82%**	**89%**	**85%**
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. The effect of the NCL income cap and non recurrent gains have been reflected. 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

	Month 8 Variance		Year End variance	
Top 10 Overspending areas	**In-month £000**	**Year-to-date £000**	**Straight-line projection £000**	**Forecast £000**
Emergency Department	(106)	(569)	(976)	(839)
Central CIP Target (Operations)	(1)	(168)	(288)	(459)
Histopathology	(12)	(133)	(228)	(220)
Director Facilities	(7)	(126)	(216)	(282)
Orthopaedics	(5)	(113)	(194)	(171)
Midwives	(34)	(88)	(150)	(221)
Theatres Recovery	(18)	(76)	(131)	(119)
Gastroenterology	(11)	(71)	(122)	(93)
Ear Nose & Throat	(7)	(70)	(120)	(14)
Residences	(1)	(68)	(116)	(47)
Total	**(200)**	**(1,482)**	**(2,541)**	**(2,463)**

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. The year to date position now includes £778k of non-recurrent credits that were not planned for in the original budget and so it is stressed that a recurrent solution to balancing the budget remains a priority. There are a number of significant risks remaining and these are described below:

- Activity exceeds the agreed cap with NCL commissioners, incurring additional costs with no additional income through activity, although expected levels of cost have been reflected in the forecast.

- 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 e.g. productivity gains do not achieve the expectations.
- 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
- Recruitment problems and increased use of Agency staff
- Further upward trends in expenditure forecasts

Overall, the position for the first four months of the year has demonstrated a stronger than expected level of activity, while the level of activity over plan for the last four months has been at a more modest level. 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. Additional ideas to complete the CIP and continued efforts to deliver the existing CIP would place the Trust in a stronger position going forward.