ITEM: 11/012
Doc: 09

MEETING:	Trust Board – Part 1 26th January 2011

TITLE:	Financial Position – Month 9 (December 2010)

Executive Summary

1. Month 9 Income and Expenditure

1.1. The I&E position including the impact of IFRS is an actual in-month deficit of £444k, which is £118k better than plan. The year-to-date surplus is £549k, £1,403k better than planned. Once the impact of IFRS is excluded the surplus achieved to date rises to £896k compared to a target deficit of £507k.

1.2. Year to date clinical activity is £334k above the Trust's internal income plan. Activity in December is estimated to be £9k higher than the internal plan.

1.3. Pay expenditure was £40k over spent in December. Agency spend has reduced in month to £483k compared with £706k in November.

1.4. Non-pay expenditure is under spent by £2k in December.

2. Month 9 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 December was £5,608k 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. As reported last Month, the Trust has agreed to a risk sharing arrangement with the North Central London (NCL) sector. This arrangement places a non recurrent cap on the Trusts outturn position for NCL clinical income in 2010/11 of £2.3m in return for the avoidance of existing and future 2010/11 challenges/claims/income abatements. The level of over performance based on Month 8 data is £2.2m. The estimated position for month 9 is broadly in line with plan, so does not materially impact on this position.

3.3. To be consistent with previous months an adjustment has been made to reflect the cumulative impact of additional activity (£300k), this is a contra entry increasing both the income plan and expenditure budget, so has no impact on the bottom line position.

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 £0.4m, an improvement on the position reported for November of £0.7m. In order to deliver a break even position at year end it will be necessary for the Trust to ensure a) Robust monitoring of budgets, cost pressures and CIPs b) Non-recurrent opportunities c) 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 9 of a £896k surplus after excluding IFRS
- **Note** the unidentified savings target that still needs to be achieved of £0.4m 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 9 Finance Report

5. Month 9 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 £10.5m is reported, which is £1.2m 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 £0.4m 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:

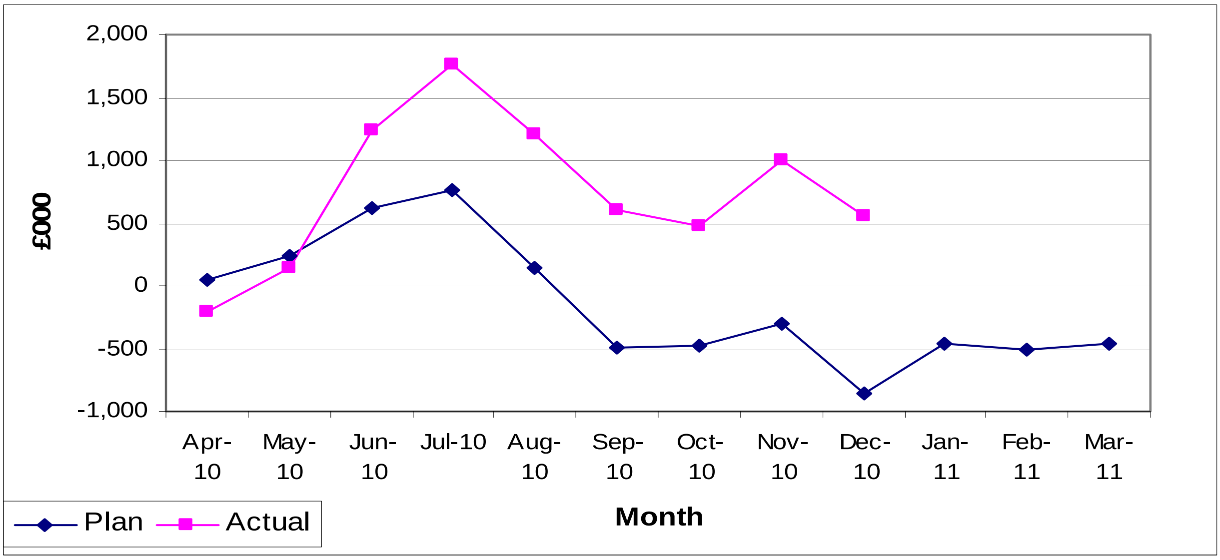
FIGURE 1: Income & Expenditure Summary

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	12,592	12,571	21	118,392	118,058	334	157,336	158,934
Non NHS Clinical Income	106	54	53	917	482	435	642	1,032
All Other Non Clinical Income	1,981	2,037	(56)	18,361	17,246	1,116	23,288	23,968
Total Income	**14,679**	**14,661**	**18**	**137,670**	**135,786**	**1,885**	**181,267**	**183,934**
Pay	10,514	10,474	(40)	94,368	94,968	600	126,823	126,737
Non Pay	3,494	3,491	(2)	32,802	32,707	(94)	43,070	44,603
Centrally Held Savings	0	129	129	0	(1,191)	(1,191)	(1,704)	(371)
Total Expenditure	**14,008**	**14,095**	**87**	**127,170**	**126,484**	**(686)**	**168,188**	**170,968**
EBITDA	**671**	**566**	**105**	**10,501**	**9,302**	**1,199**	**13,079**	**12,966**
Loss on Disposal of Assets	9	-	9	84	-	84	-	84
Plus Interest Receivable	2	2	0	15	15	(0)	20	20
Less Interest Payable	219	224	4	1,913	2,013	100	2,683	2,564
Less Depreciation	648	654	6	5,803	5,886	83	7,849	7,911
Less PDC Dividend	241	252	12	2,168	2,272	105	3,030	2,890
Net Surplus / (Deficit)	**(444)**	**(562)**	**118**	**549**	**(854)**	**1,403**	**(463)**	**(463)**
Net Surplus / (Deficit) excluding PFI IFRS (relevant for break-even duty)	**(406)**	**(523)**	**118**	**896**	**(507)**	**1,403**	**0**	**0**

5.5. The year to date income and expenditure position shows a net surplus position which is £1,403k better than the planned position. This includes the in month deficit of £444k, which is £118k 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	15,059	14,908	(151)
Central CIP Target (Operations)	655	161	(494)
Director Of Primary Care	357	353	(4)
Medicine & Therapies	32,740	31,295	(1,445)
Surgery & Cancer	28,235	28,450	215
Women & Children Servs	25,703	25,904	201
Pharmacy	3,897	4,110	213
Facilities	10,463	10,740	277
Finance	2,785	2,925	140
Human Resource Directorate	1,378	1,345	(34)
Information Mgmt & Tech	2,223	2,223	1
Medical Education	248	243	(5)
Nursing & Clinical Develop	1,574	1,569	(5)
Planning & Performance	668	790	122
Clinical Trials	106	99	(7)
Business Cases/Reserves/Trust Finance	646	1,709	1,063
Total Pay	**126,737**	**126,823**	**86**

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. As reported last Month, the Trust has agreed to a risk sharing arrangement with the North Central London (NCL) sector. This arrangement places a non recurrent cap on the Trusts outturn position for NCL clinical income in 2010/11 of £2.3m in return for the avoidance of existing and future 2010/11 challenges/claims/income abatements. The level of over performance based on Month 8 data is £2.2m. The estimated position for month 9 is broadly in line with plan, so does not materially impact on this position.

6.2. This agreement relates only to NCL providers, and is agreed on a non recurrent basis. The purpose of this arrangement reduces the risk to the NCL of an outturn position which cannot be afforded, and while transfering 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 (November 2010), together with an initial estimate for the December position. On this basis the in month position shows an over performance against plan of £21k.

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 £9k, 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 M8	YTD Actual To M8	YTD Marginal Tariff Adjust-ment	YTD Variance To M8	In Month Variance M8	M7 Late Data Added
Block Contract/Adjustments	4,267	4,361	0	94	17	0
Elective Inpatients	5,579	5,830	0	251	(27)	(13)
Non-Elective Inpatients	30,976	32,404	(757)	671	62	6
Excess Bed days	2,045	2,648	(189)	413	4	(1)
Planned Same Day (Day Case)	10,120	10,112	0	(8)	75	11
Outpatient Procedures	1,764	1,912	0	148	35	(1)
Outpatient 1st Attends	8,937	8,756	0	(181)	(8)	(12)
Outpatient Follow Ups	11,572	11,158	0	(415)	(20)	11
Adult High Dependency Bed days	1,833	2,630	0	797	222	0
Adult Intensive Care Bed days	3,687	3,903	0	216	(140)	0
Paediatrics High Dependency	529	446	0	(82)	11	0
NICU High Dependency Bed days	988	915	0	(73)	(39)	1
NICU Intensive Care Bed days	435	550	0	115	26	8
NICU Special Care Bed days	2,596	3,038	0	443	66	(3)
ED Attendances	5,682	5,966	0	284	36	(0)
Direct Access	5,745	6,302	0	557	134	0
Unbundled Imaging	520	873	0	353	43	0
Other Activity	2,936	2,717	0	(219)	(76)	7
Grand Total	**100,211**	**104,523**	**(946)**	**3,366**	**421**	**13**

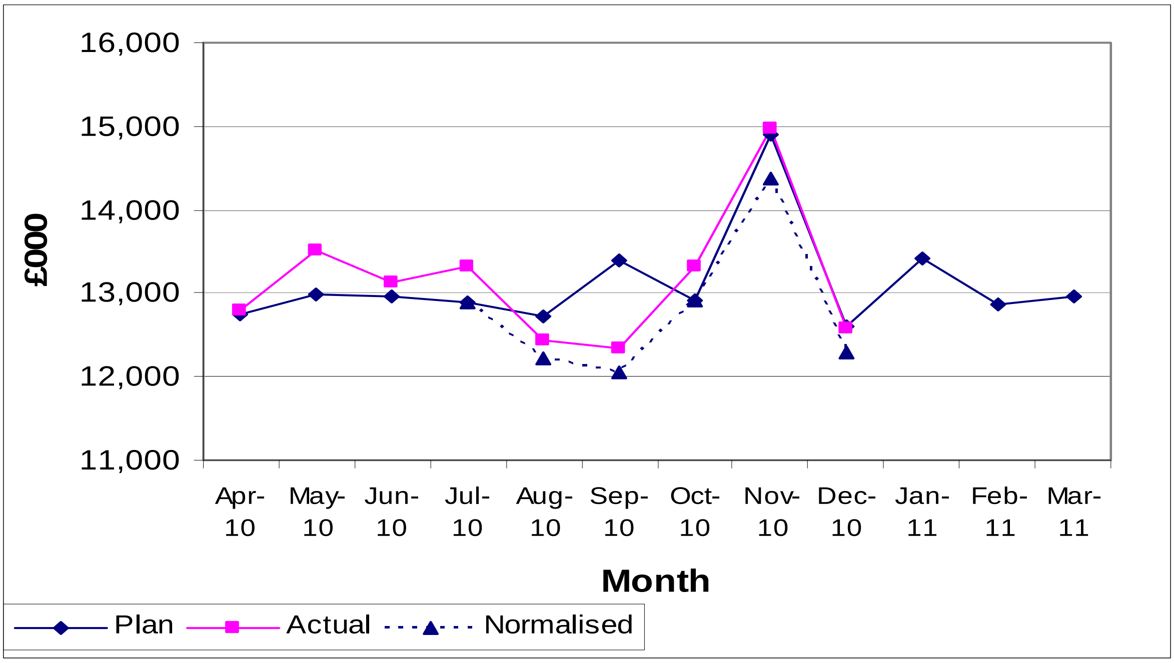
7.4. The year to date variance to Month 8 is shown net of the marginal tariff adjustment for non elective activity. In terms of the total over performance shown to date(£3.4m) £2.2m relates to NCL activity.

7.5. Key points to note from the analysis of income (year to date variance to Month 8) are summarised as follows:

- The main areas of over performance relate to non elective inpatients (£671k), together with high dependency (£797k), direct access (£557k) and NICU special care (£443k).
- The main areas where income is below the planned level include outpatients (first appointments £181k and follow up appointments £415k).

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.

7.8. The total value of all other non clinical income highlighted in Figure 1 is £1,981k in month 9 and £18,361k cumulatively. This if further illustrated in the following figure:

FIGURE 6: All Other Non Clinical Income

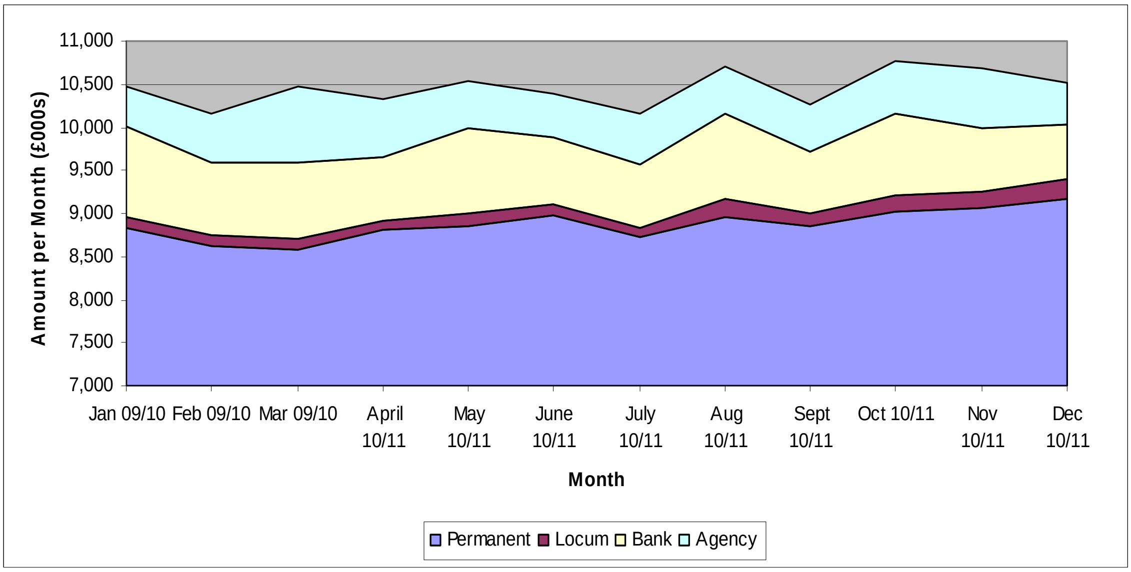
Description	Current Month			Year To Date			Annual
	Actual £'000	Budget £'000	Variance £'000	Actual £'000	Budget £'000	Variance £'000	Budget £'000
Service Increment for Teaching & Research SIFT)	721	721	-	6,487	6,487	-	8,649
Medical & Dental Education Levy MADEL)	422	422	-	3,802	3,802	-	5,070
Non Medical Education & Training NMET)	69	95	27	617	632	15	918
Income from Service Level Agreements	235	216	19	2,108	1,945	162	2,594
Excellence Award Income	63	56	7	477	505	28	673
Shared Services	133	215	82	871	872	2	1,518
Income Generation e.g. car park, accommodation, canteen	92	100	7	791	899	108	1,198
Non Commercial Research & Development	58	18	40	250	184	66	239
Research Income	14	15	1	133	155	22	200
Other	174	178	4	2,826	1,765	1,061	2,230
Total	**1,981**	**2,037**	**56**	**18,361**	**17,246**	**1,116**	**23,288**

8. Expenditure Performance

8.1. The in month position shows an under spend of £87k against a cumulative over spend position of £686k for the year to date.

8.2. Pay expenditure has reduced in month from £10,691k in November to £10,514k in December. The following figure illustrate staffing expenditure trends, together with the split between agency, bank, locum and permanent staff.

Figure 7: Staffing Expenditure Trends



8.3. A comparison of expenditure against the budgeted position shows an overspend of £40k. 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 8: Comparison of Pay Expenditure Against Budget by Directorate

Directorate	Mth 9 Pay actuals (£)	Mth 9 Pay Budget (£)	Mth 9 Variance (£)	Pay CIP Mth 9 (£)
Access/Diagnostics/Planned Care	1,234	1,224	(9)	(24)
Central CIP Target (Operations)	53	(23)	(76)	(80)
Director Of Primary Care	33	32	(0)	0
Medicine & Therapies	2,847	2,572	(276)	(58)
Surgery & Cancer	2,313	2,343	30	(28)
Women & Children Servs	2,122	2,133	10	3
Pharmacy	309	341	31	0
Facilities	935	965	30	(15)
Finance	231	244	12	0
Human Resource Directorate	117	112	(5)	0
Information Mgmt & Tech	158	186	29	1
Medical Education	21	20	(1)	(0)
Nursing & Clinical Develop	77	105	27	0
Planning & Performance	42	66	24	0
Clinical Trials	6	7	1	0
Reserves	0	222	222	0
Trust Finance	16	(75)	(91)	(75)
Grand Total	**10,514**	**10,475**	**(40)**	**(276)**

8.4. Total expenditure on bank and agency reduced from £1,444k in November to £1,124k in December. Expenditure on agency during this period reduced by £223k, while bank expenditure has reduced by £96k.

8.5. Non-pay expenditure was £2k over spent in December, compared to a cumulative over spend of £94k.

9. Cost Improvement Programme (CIP)

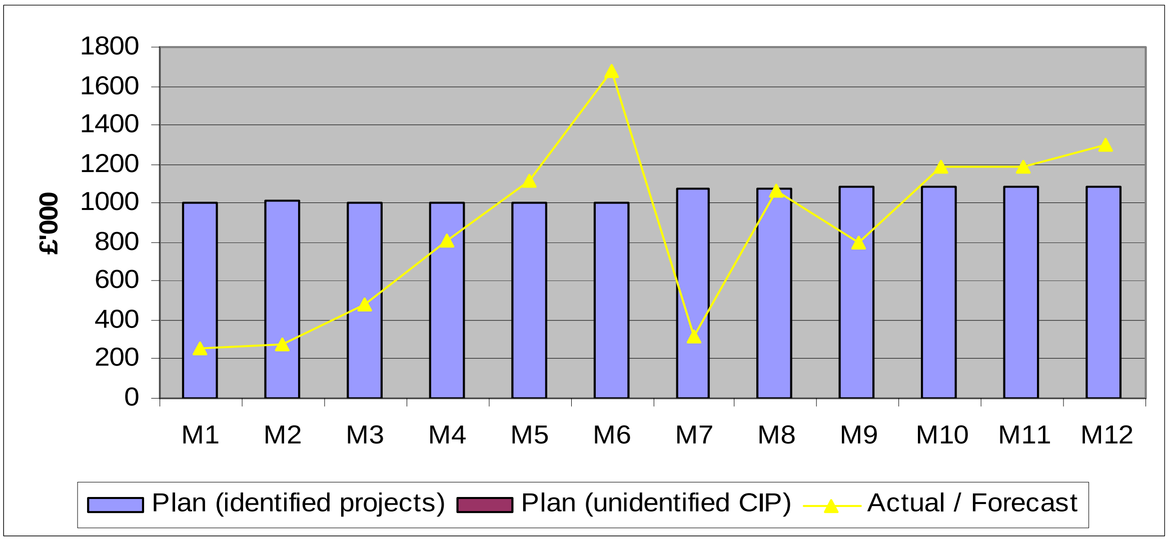
9.1. Performance against the year-to-date proportion of CIP target of £12.5 million is summarised in the table below. The previously unidentified CIP target has this month been converted into a productivity improvement target.

FIGURE 9: CIP Monthly Performance and Forecast Against Plan

Category	Initial full year target £'000	Target to month 9 £'000	Savings achieved at month 9 £'000	Proportion of Year-to-date target achieved £'000	Year-to-date shortfall £'000 £'000
"CIP A" workstreams	4,982	3,588	1,962	55%	(1,626)
"CIP B" savings identified through budget-setting	3,676	2,737	1,963	72%	(774)
Year-to-date underspends locked into budgets	0	0	216	0%	216
Activity-related productivity improvements	3,842	2,928	2,650	0%	(278)
Total	**12,500**	**9,253**	**6,791**	**73%**	**(2,461)**

9.2. 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 8-9 the productivity improvements achieved in months 6-8 have been recognised, and in months 10-12 the estimated productivity improvements achievable in the final four months of the year have been estimated.

FIGURE 10: CIP Monthly Performance and Forecast Against Plan



9.3. Year-to-date cumulative performance has remained constant at 73% - no change from month 8.

9.4. **CIP A Projects**

55% of the year-to-date target has been delivered; this is a further significant deterioration from the month 8 performance which stood at 56%. 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. 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.

9.5. **CIP B Projects**

The rate of achievement overall is 72%, which reflects the 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.

9.6. **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. The estimated benefit for months 1 to 8 has been set against the CIP year to date, and in months 10-12 the benefit for the remaining months of the year is forecast.

9.7. **Forecast**

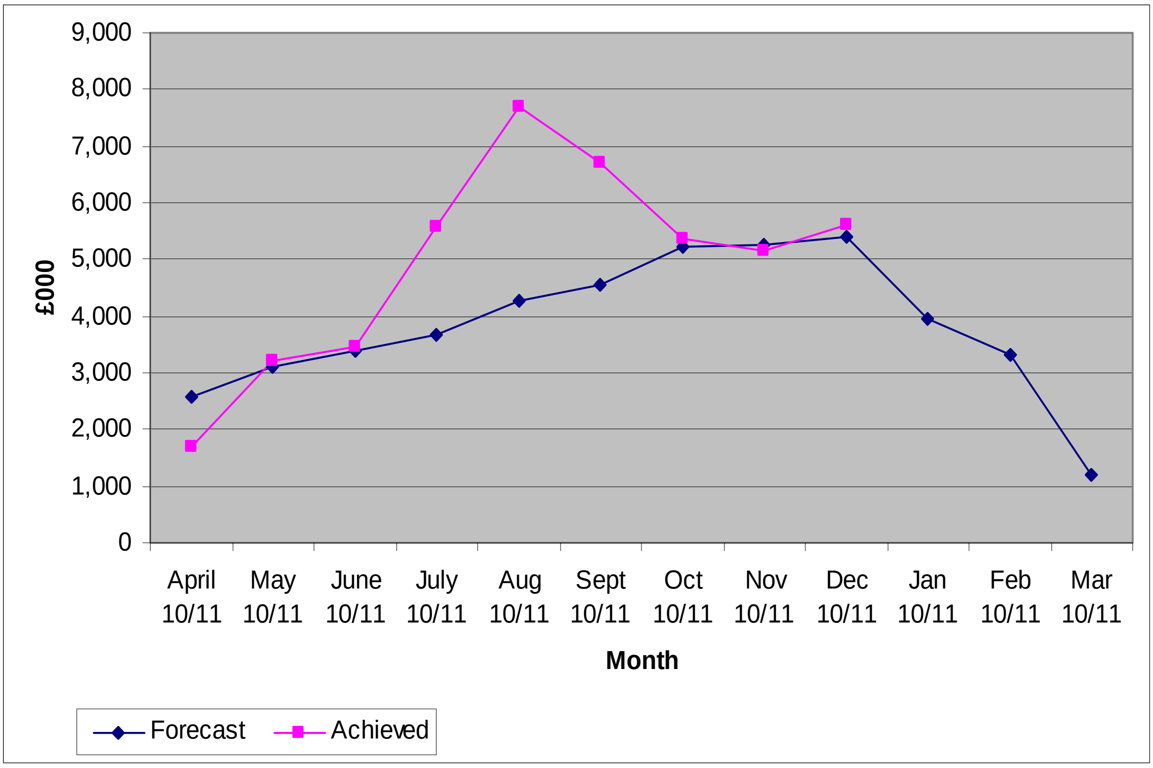
The forecast CIP achievement by year-end is £10.45 million. This forecast has not moved significantly since last month, and comprises £2.6m to be delivered by the CIP "A" workstreams, £2.8 m by the CIP "B" savings identified by budget holders (including agreed underspends), and £5 m through activity-related productivity improvements.

10. Cash

10.1. The chart below provides a summarised cash flow forecast. The Trust's cash balance at the end of December was £5,608k. 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 11: 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 12: Balance Sheet / Statement of Financial Position

Description	As at 1st April 2010 £'000	As at 31st December 2010 £'000	2010/11 Year-end Forecast £'000
Property, plant and equipment	132,801	131,413	133,335
Intangible assets	1,186	994	916
Trade and other receivables	2,346	2,632	2,695
Non-current assets	**136,334**	**135,039**	**136,946**
Inventories	1,122	1,050	1,050
Trade and other receivables	7,089	4,714	5,654
Cash and cash equivalents	1,146	5,608	1,191
Current assets	**9,357**	**11,372**	**7,895**
Trade and other payables	15,543	15,854	15,156
Borrowings	1,964	1,962	1,962
Provisions	1,424	2,381	2,342
Current liabilities	**18,930**	**20,197**	**19,460**
Borrowings	38,838	37,946	38,102
Provisions	1,946	1,807	1,832
Non-current liabilities	**40,784**	**39,754**	**39,934**
Total assets employed	**85,976**	**86,461**	**85,447**
Public dividend capital	48,134	48,134	48,206
Retained earnings	10,658	11,225	10,664
Revaluation reserve	25,904	25,886	25,416
Donated asset reserve	1,280	1,216	1,160
Total taxpayers' equity	**85,976**	**86,461**	**85,447**

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 13: Comparison of Pay Expenditure Against Budget by Directorate

Detail	NHS Payables Number	Non NHS Payables Number	NHS Payables £000	Non NHS Payables £000
Current Year to Date Performance				
Total bills paid	4,443	37,383	10,213	35,072
Total paid within target	4,097	31,140	9,116	30,194
Percentage paid within target	**92%**	**83%**	**89%**	**86%**
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. 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 £0.4m unidentified savings target has also been incorporated within this exercise.

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. While the income cap referred to earlier does provide more certainty in terms of NCL income, overall 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 14: Top 10 Overspending Areas and year End Forecasts

	Month 9 Variance		Year End variance	
Top 10 Overspending areas	**In-month £000**	**Year-to-date £000**	**Straight-line projection £000**	**Forecast £000**
Emergency Department	(96)	(665)	(887)	(1,027)
Central CIP Target (Operations)	(73)	(241)	(322)	(462)
Director Facilities	(22)	(147)	(196)	(263)
Histopathology	(12)	(146)	(194)	(182)
Orthopaedics	(5)	(118)	(157)	(132)
Med Junior Doctor Training	(75)	(108)	(145)	(144)
Urology	(44)	(106)	(141)	(106)
Medical Wards	(77)	(104)	(138)	(602)
Midwives	(4)	(91)	(122)	(254)
Acute Medicine Admin	(53)	(91)	(121)	(251)
Total	**(459)**	**(1,817)**	**(2,423)**	**(3,422)**

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 £997k 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 five 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 £0.4m 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.