

South Tees Hospitals

NHS Foundation Trust

Meeting / Committee	Board of Directors	Meeting Date	25 November 2014
----------------------------	--------------------	---------------------	------------------

This paper is for	Action/Decision X	Assurance X	Information X
--------------------------	----------------------	----------------	------------------

Title	Financial position for the period ending 31 October 2014
--------------	----------------------------------------------------------

Purpose	The purpose of this report is to advise the Board of the financial position at 31 October 2014.
----------------	-------------------------------------------------------------------------------------------------

Summary	<p>The trust's financial performance is in deficit, but ahead of plan at the end of October, driven predominantly by non-pay expenditure. This variance relates to contingency not yet incurred however this is utilised in the Trust forecast.</p> <p>CIP has delivered in line with the trust's plan.</p>
----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Prepared by	Finance	Presented by	Chris Newton
--------------------	---------	---------------------	--------------

Recommendation	The Board of Directors is asked to note and comment on the financial position.
-----------------------	--------------------------------------------------------------------------------

Implications	Legal	Financial X	Safety & Quality	Strategic X	Risk & Assurance X
---------------------	-------	----------------	------------------	----------------	-----------------------

1.0 Executive Summary

Key Issue	Executive Summary	Year to date vs budget	Forecast Outturn	Action Plan
EBITDA	EBITDA was £11.8m against a plan of £9.3m for the year to date. Risk remains around the recovery of income relating to CCG contracts.	G	G	Discussions with Hambleton, Richmondshire and Whitby CCG are on going with regard to signing the contract. A further update to be provided to the next Board meeting. Agreement was been reached and funding has now been received from our Specialised commissioners and South Tees CCG that funded overperformance in the first quarter of 2014/15.
Underlying Surplus/(Deficit)	The Trust is reporting a £7.2m deficit which is an improvement of £2.7m on the YTD plan; the full year is forecast to be £18.5m.	G	G	The Trust will continue to refine its forecast as it moves through the financial year.
CIP Programme	The Trust is forecasting to achieve £21.8m. The Trust has recognised £10.3m CIP YTD which is in line with plan.	G	G	The Trust is forecasting full achievement of CIP and has implemented regular internal reporting and a performance management structure.
Cash and Liquidity	The Trust has not received confirmation from the Department of Health providing assurance that external funding will be provided to the Trust in the form of additional Public Dividend Capital payments for the remainder of the 2014/15 financial year. The level of cash held by the Trust stands at £11.1 million which is £0.7m ahead of plan.	G	G	The Trust is forecasting a £17.5m cash requirement in 2014/15. The Trust is performing both weekly and monthly cash flow forecasting to clearly identify when funding will be required.
Capital Expenditure	Capex YTD is £10.7m which is £0.9m behind plan. The capital forecast is consistent with the plan submitted to Monitor. The current forecast is that the Trust will achieve plan.	G	G	Capital expenditure will continue to be monitored closely with on-going capital forecasts being performed.
Continuity of Service Risk Ratings (CoSRR)	The CoSRR assesses the Capital Service Cover and Liquidity Ratio to determine a final rating. The Trust's overall CoSRR rating is 1.	G	G	The Trust has a rating of 1 for both the capital service cover and the liquidity rating.

EBITDA/ Surplus

G	On or better than target
A	Between 0% and 5% below target
R	Greater than 5% below target

CIP Programme

G	On or better than target
A	Between 0% and 10% below target
R	Greater than 10% below target

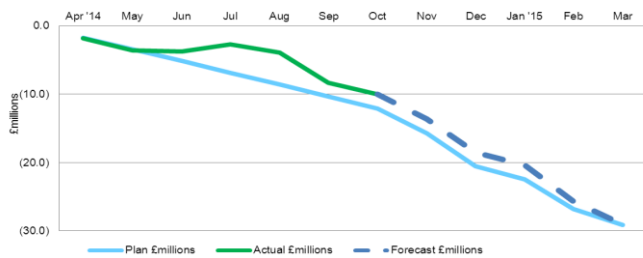
Capital Expenditure

G	Within 5% of target
A	Between 6% and 15% of target
R	Greater than 15% of target

Cash and Liquidity

G	Higher cash balance or within 10% lower than plan
A	Cash balance lower than plan by 10% up to 20%
R	Cash balance lower than plan by greater than 20%

Deficit actual / forecast v plan



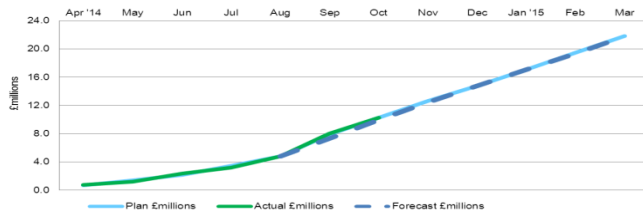
Income: The Trust has underperformed on income YTD by £1.9m. The Trust is forecasting to outturn £3.4m behind plan.

Pay: Pay expenditure YTD is £0.2m overspent. The Trust forecast is £2.5m overspent. This mainly relates to Nursing and Support.

Non pay: The Trust is underspent on non-pay by £4.6m YTD. The trust forecast is £7.0m underspent. This is due to Non Clinical Supplies.

Other: Other non-operating expense is currently £0.3m ahead of plan but forecast but is forecast to be on plan.

CIP programme savings

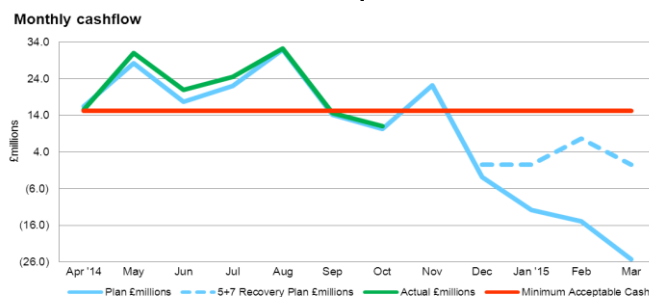


Actual YTD performance is on plan and is delivering £10.3m.

Workforce is ahead of plan by £0.6m due to vacancy management, offset by procurement and business improvement saving plans.

CIP savings are expected to deliver £21.8m in 2014/15. Dedicated teams are in place to deliver the 2014/15 and 2015/16 work streams identified in the recovery plan.

12 month forecast cash flow requirement



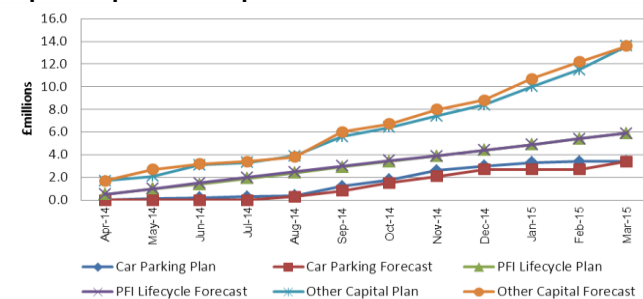
Cash and liquidity

The Trust is forecasting a £17.5m cash requirement in 2014/15.

The Trust has not received confirmation from the Department of Health providing assurance that external funding will be provided to the Trust in the form of additional Public Dividend Capital payments during the 2014/15 financial year.

Representatives of Monitor are visiting the Trust in November as part of the due diligence process leading to any recommendation to the department of Health to provide PDC,

Capital expenditure / plan v forecast



Capital expenditure

Projects	Capex Plan £000s	Spend in Month £000s	Spend to date £000s	Forecast for 2014/15 £000s	Forecast Variance to Plan £000s
PFI Lifecycle	5,845	488	3,410	5,845	0
Car Parking	3,350	329	1,473	2,990	(360)
Other	13,710	872	5,777	14,070	360
Total	22,905	1,689	10,660	22,905	0

Total spend is £0.9m behind the Trust's capital expenditure plan. The Trust is forecasting achievement of the plan in the financial year 2014/15.

Continuity of service shadow risk ratings

Risk Rating	As at 30 September 2014	As at 31 October 2014
Capital Service Cover Rating	1	1
Liquidity Rating	1	1
Continuity of Service Risk Rating (CoSRR)	1	1

Capital Service Cover			
4	3	2	1
2.5	1.75	1.25	<1.25

Liquidity			
4	3	2	1
0	-7	-14	<-14

The continuity of service risk rating comprises two financial metrics:

- Liquidity:** this ratio indicates whether the provider can meet its operational cash obligations. It is measured as days of operating costs held in cash or cash equivalent form; and
- Capital servicing capacity:** this ratio indicates whether the provider can meet its financial obligations i.e. the degree to which the organisations generated income covers its financial obligations (including PDC dividends, interest and debt repayment and Private Finance Initiative Capital and interest payments).

Overall the CoSRR is at 1 at 31 October 2014.

1.0 Overall Financial Performance

Income & Expenditure	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	297.5	299.3	1.8	510.1	511.1	(1.0)	511.3	(1.2)
Other Income	24.2	20.5	(3.7)	38.5	38.6	(0.1)	42.5	(4.0)
Total Income	321.7	319.8	(1.9)	548.6	549.7	(1.1)	553.8	(5.2)
Pay	(193.0)	(193.2)	(0.2)	(333.3)	(334.2)	0.9	(330.8)	(2.5)
Non-Pay	(104.5)	(99.9)	4.6	(176.2)	(176.7)	0.5	(183.6)	7.4
PFI Unitary Charge	(14.9)	(14.9)	-	(26.1)	(25.8)	(0.3)	(26.3)	0.2
Total Expenses	(312.4)	(308.0)	4.4	(535.6)	(536.7)	1.1	(540.7)	5.1
EBITDA	9.3	11.8	2.5	13.0	13.0	0.0	13.1	(0.1)
Depreciation and Interest	(14.4)	(14.5)	(0.1)	(25.0)	(25.0)	-	(25.1)	0.1
Other non-operating expenses	(4.8)	(4.5)	0.3	(6.5)	(6.5)	-	(6.5)	-
Underlying (Deficit)/Surplus	(9.9)	(7.2)	2.7	(18.5)	(18.5)	0.0	(18.5)	-
Restructuring Costs	(1.9)	(2.2)	(0.3)	(5.0)	(5.0)	-	(5.0)	-
Impairment	(0.2)	(0.6)	(0.4)	(5.7)	(5.7)	-	(5.7)	-
Retained (Deficit)/Surplus	(12.0)	(10.0)	2.0	(29.2)	(29.2)	0.0	(29.2)	-
Memorandum Items								
Penalties	(2.1)	(3.2)	(1.0)	(5.1)	(4.8)	(0.3)	(3.7)	(1.4)
CQUIN	3.8	4.1	0.3	9.6	9.6	(0.0)	10.8	(1.2)
CIP Programme	10.3	10.3	-	21.8	21.8	-	21.8	-

The Trust is reporting an underlying deficit of (£7.2m) at the end of month 7, which is ahead of a plan of by £2.7m. The Trust is forecasting to be on plan at the end of the year, recognising a (£18.5m) deficit. The forecast is predominately driven by achieving £21.8m CIP, increased expenditure and reduced income over the winter period.

After restructuring costs and impairments the Trust is reporting a retained deficit of (£10.0m) at the end of month 7, which is ahead of a plan of by £2.0m. The Trust is forecasting to be on plan at the end of the year and report a retained deficit of (£29.2m). To deliver the additional CIP the Trust has forecast significant restructuring costs. The restructuring and impairment cost are overspent against the YTD plan by £0.3m and £0.4m respectively, but they are both forecast to match the plan at the end of the financial year. These restructuring costs include redundancy and voluntary resignation payments alongside payments to professional advisers.

Clinical income is ahead of plan by £1.8m, but is forecasting to be (£1.2m) behind plan at the end of the year. Elective and critical care income are the main reasons for the forecast underperformance. The forecast is worse than last month due to lower clinical income than planned in the last 2 months, which mainly relates to critical care.

Pay is overspent YTD by (£0.2m), but has improved in month by £0.4m. The improvement is due to a reduced level of medical agency in the month. The underlying variance is due to an overspend on nursing and offset by an underspend on medical pay. The Trust has reduced the forecast to (£2.5m) at the end of the year following the improved YTD position.

Non-pay is underspent YTD by £4.6m, this is due to underspends in non-clinical supplies. This relates to contingency not yet incurred. The non-pay underspend is forecast to improve to £7.4m by the year end and includes the utilisation of some of contingency not incurred YTD. However this is a £0.5m improvement on the previous forecast and is due to CIP savings and further delayed business developments.

Other non-operating is £0.3m underspent YTD and is forecast to be on plan at the year end.

The Trust has spent £2.2m on restructuring costs YTD. The Trust is forecasting to spend £5m during FY14/15 to deliver the Trust's challenging transformation plan.

The Trust CIP plan is on plan and is forecasting to achieve £21.8m in 2014/15.

3.0 Income

3.1 Summary Clinical Income by POD

The table below shows the plan resubmission to Monitor. This plan includes the previously reported over performance.

Income by POD	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Elective	39.2	38.7	(0.5)	65.7	66.2	(0.5)	67.1	(1.4)
Day Cases	22.7	22.3	(0.4)	37.8	37.6	0.2	38.5	(0.7)
Non-Elective	56.6	61.3	4.7	104.6	104.9	(0.3)	103.4	1.2
Outpatient	44.4	43.8	(0.6)	74.8	73.6	1.2	75.2	(0.4)
A&E	8.2	8.1	(0.1)	13.9	13.9	(0.0)	13.9	(0.0)
Maternity	10.2	10.3	0.1	17.6	17.5	0.1	17.7	(0.1)
Critical Care Services	20.3	19.5	(0.8)	33.4	33.9	(0.5)	34.8	(1.4)
Excluded Drugs & Devices	28.5	28.4	(0.1)	48.0	47.3	0.7	46.8	1.2
Community Services	29.2	29.0	(0.2)	49.8	49.9	(0.1)	50.0	(0.2)
Other NHS	36.5	37.0	0.5	60.0	61.5	(1.5)	58.1	1.9
Total Clinical Income	295.8	298.4	2.6	505.6	506.3	(0.7)	505.5	0.1
Emergency Marginal Tariff	(0.3)	(0.6)	(0.3)	(1.1)	(0.8)	(0.3)	(0.6)	(0.5)
Emergency Readmissions	(1.8)	(1.8)	-	(3.1)	(3.1)	(0.0)	(3.1)	(0.0)
Operational Penalties		(0.7)	(0.7)	(1.1)	(0.9)	(0.2)	-	(1.1)
Total Penalties	(2.1)	(3.2)	(1.0)	(5.1)	(4.8)	(0.5)	(3.7)	(1.4)
CQUIN	3.8	4.1	0.3	9.6	9.6	(0.0)	9.5	0.1
Total Clinical Income	297.5	299.3	1.8	510.1	511.1	(1.2)	511.3	(1.2)

The Trust is over-trading by £1.8m YTD and forecasting an outturn under trade of (£1.2m). The YTD actuals are based on actual activity from month April to September and an estimate for October activity. The key areas of performance against the revised plan are:

- In total September's income has returned to trend after an under performance in August.
- Elective income is under performing by (£0.5m) YTD with a forecast year-end under performance of (£1.4m). Cardiothoracic, Neurosurgery and General surgery continue to be the over performing specialties.
- Outpatient under performance of (£0.6m) is reflective of the drop in activity in August across all Centres. The Trust is forecasting an outturn under performance of (£0.4m).
- Non-Elective over performance of £4.7m YTD is driven by the revised plan reflecting an expected reduction in activity. The Trust is forecasting this over performance to reduce to £1.2m by year-end.
- Day case under performance of (£0.4m) is reflective of the drop in activity in August across all Centres. The Trust is forecasting an outturn under performance of (£0.7m).
- Critical care under performance of (£0.8m) is driven by a reduction in bed day activity in August and September. The Trust is forecasting a year-end underperformance of (£1.4m).

The Trust has estimated penalties of (£3.2m), which are greater than plan by (£1.0m) YTD. The key penalties the Trust has incurred are:

- The Trust continues to be higher than planned YTD for Emergency marginal tariff which has increased by (£0.2m) to (£0.6m) driven by an over-performance in non-elective activity. This causes a cost pressure for the Trust, as the Trust only receive 30% tariff for the non-elective work performed after local ambulatory care tariffs have been taken into account. This is forecast to increase as activity increases.
- Emergency re-admissions are currently on-plan however the audit has not yet been completed. There is therefore a risk that the audit may demonstrate a higher level of avoidable admissions than included within the plan.
- Operational penalties YTD include estimates for RTT of (£0.3m) and ambulance handover (£0.2m) plus others (£0.1m) including; diagnostics and MRSA. Outpatient new to review penalty with HR&W CCG's is currently 1:1.95 against a target of 1:1.9 which is generating a (£0.1) penalty YTD.

The Trust has achieved all the CQUIN targets for quarter 1, subject to CCG approval and estimated an 85% achievement against 100% plan for quarters 2 to 4. The biggest risk remains pressure ulcers where we are currently running with a prevalence of 6% and we need to run at a median of 5.43% from November to March.

3.2 Summary of Income by Commissioner

Income by Commissioner	Year to Date-Contract		Year to Date-Actual*		Year to Date-Variance		Full Year	
	Activity	Value £m	Activity	Value £m	Activity	Value £m	Annual Plan £m	Forecast Variance £m
NHS South Tees (ST) CCG								
Acute	304,611	99.0	332,640	103.3	28,029	4.3	170.4	7.3
Community	42,060	19.0	42,503	18.9	443	(0.1)	32.6	(0.2)
Associate of NHS ST CCG								
Acute	102,873	30.8	105,986	31.3	3,113	0.5	52.8	0.9
Community	698	0.2	417	0.2	(281)	-	0.3	-
NHS Hambleton et al **								
Acute	127,419	41.5	134,244	41.9	6,825	0.4	70.6	0.9
Community	0	5.4	1,414	5.4	1,414	-	9.2	-
Specialised								
Acute	155,017	81.8	166,618	86.0	11,601	4.2	139.7	7.2
Other								
Acute	29,757	8.9	30,964	9.2	1,207	0.3	15.1	0.7
Community	0	5.1	102	5.3	102	0.2	8.7	0.4
Other		5.8		(2.2)		(8.0)	11.9	(18.4)
Total Clinical Income	762,435	297.5	814,888	299.3	52,453	1.8	511.3	(1.2)

Work undertaken in September produced an over-performance of £0.9m against contracted income. The year to date over trade is now £1.8m and the Trust is forecasting an outturn under-trade of (£1.2m) against contracted income. The majority of the Trust's YTD over performance relates to contracts with South Tees CCG £4.2m, and specialised commissioners £4.2m and this over performance is forecast to continue to the year end.

- South Tees CCG combined position is predominantly due to an increase in both GP (3.0%) and consultant referrals (11.6%) being higher than last year.
- Specialised (CNTW) is significantly over performing by £4.2m. The main drivers are Tertiary Centre and critical care. In Tertiary this is due to elective Cardiothoracic driven by extra work for RTT targets, Cardiology (mainly electrophysiology) and Neurosurgery.
- NHS Hambleton, Richmondshire & Whitby CCG and associates are over-trading by £0.4m.
- Other income includes income which forms part of CCG contracts but relates to other FT's activity where we are the host provider.

4.0 Expenditure

4.1 Pay Expenditure

Expenditure - Pay	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Management And Admin	(25.8)	(25.4)	0.4	(43.6)	(43.7)	0.1	(44.2)	0.6
Medical And Dental	(52.8)	(51.7)	1.1	(91.0)	(90.5)	(0.5)	(90.7)	(0.3)
Nursing And Support	(81.4)	(83.1)	(1.7)	(144.1)	(144.9)	0.8	(138.9)	(5.2)
Scientific, Therapies & Tech	(27.0)	(27.1)	(0.1)	(46.9)	(47.2)	0.3	(46.8)	(0.1)
Unallocated Workforce Savings	-	-	-	-	-	-	-	-
Agency Staff External	(6.0)	(5.9)	0.1	(7.7)	(7.9)	0.2	(10.2)	2.5
Total Pay Expenditure	(193.0)	(193.2)	(0.2)	(333.3)	(334.2)	0.9	(330.8)	(2.5)

- Pay expenditure YTD is £0.2m behind plan, but the variance has improved by £0.4m in October.
- Nursing and Support are (£1.7m) overspent and is the main reason for the YTD position.
- Medical and Dental is less than plan by £1.1m and is offsetting the nursing overspend this is due to lower levels of premium payments than anticipated.
- Agency Staff External is now underspent by £0.1m and the variance has improved by £0.2m in October, this is due to less medical locums than anticipated, however this can be partially offset by an increase in Medical and Dental which has increased this month due to vacancies being filled.
- The Trust is forecasting a total pay overspend against plan at the year-end of £2.5m and has improved by £0.9m on the previous forecast. This reflects the improved YTD position.
- The nursing forecast has improved due to more vacancies than expected being filled.

4.2 Non-Pay Expenditure

Expenditure - Non-Pay	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Services And Supplies	(30.2)	(30.0)	0.2	(51.4)	(49.9)	(1.5)	(51.7)	0.3
Drugs	(8.1)	(8.2)	(0.1)	(14.7)	(14.7)	-	(14.0)	(0.7)
Excluded Drugs And Devices	(27.4)	(27.6)	(0.2)	(47.6)	(46.4)	(1.2)	(46.9)	(0.7)
Independent Sector	(4.3)	(4.3)	-	(6.0)	(7.4)	1.4	(7.4)	1.4
Non Clinical Supplies	(34.5)	(29.8)	4.7	(56.5)	(58.3)	1.8	(63.6)	7.1
Unallocated Non Pay Savings	-	-	-	-	-	-	-	-
Total Non-Pay Expenditure	(104.5)	(99.9)	4.6	(176.2)	(176.7)	0.5	(183.6)	7.4

- Non pay expenditure is £4.6m underspent this is due to non-clinical supplies being £4.7m underspent.
- The non-clinical supplies variance relates to contingency not being utilised into the YTD position.
- The Clinical Services and Supplies expenditure has increased this month following a reduction in expenditure in earlier months this has resulted in the forecast deteriorating by (£1.5m). Tertiary expenditure has increased in October and bringing activity back into the Trust from the independent sector has increased the Clinical Services and Supplies expenditure.
- The Trust is forecasting a total non pay underspend against plan at the year-end of £7.4m this has improved by £0.5m from the previous forecast.

4.3 Technical Items

- The Trust has spent (£2.2m) on restructuring costs YTD, this expenditure was planned and includes professional fees, redundancy payments and voluntary resignation payments. The Trust is forecasting (£5.0m) of expenditure in FY14/15 as part of the Trust's commitment to deliver additional CIP through 'continuing the journey'.
- Other non-operating costs include contingent rent on the PFI and profit/loss on disposal of an asset. The forecast remains unchanged this month the risks associated with the profit on disposal of the asset are described in section 9.0 of the report.
- Impairments due to lifecycle expenditure are expected to be in line with plan at year end.

- The Trust is currently reviewing the asset valuation method currently used and subsequently there may be a significant impairment in FY14/15. Discussions continuing with the Trust's Auditors PwC.

4.4 Capital Expenditure

Capital Programme	Year to Date			Full Year			Full Year	
	Plan £m	Actual £m	Variance £m	Current Forecast £m	Previous Forecast £m	Forecast Change £m	Annual Plan £m	Forecast Variance £m
PFI Lifecycle Investment	(3.4)	(3.4)	-	(5.8)	(5.8)	-	(5.8)	-
Nursing Technology Fund	(1.1)	(1.1)	-	(1.2)	(1.3)	0.1	(1.3)	0.1
Site Reconfiguration	(0.8)	(1.1)	(0.3)	(2.8)	(2.4)	(0.4)	(2.0)	(0.8)
Information Technology	(0.6)	(0.1)	0.5	(1.1)	(1.1)	-	(1.7)	0.6
Rolling/Replacement programme	(0.6)	(0.5)	0.1	(3.9)	(3.3)	(0.6)	(3.3)	(0.6)
Car Parking	(1.7)	(1.5)	0.2	(3.0)	(3.3)	0.3	(3.4)	0.4
Decontamination SSD	(0.1)	-	0.1	(0.9)	(1.0)	0.1	(1.0)	0.1
Haematology Day Unit and Inpatient Ward	(0.5)	(0.5)	-	(0.5)	(0.7)	0.2	(0.7)	0.2
Additional Theatre	(0.4)	(0.5)	(0.1)	(0.5)	(0.7)	0.2	(0.7)	0.2
Block Allocations (Estates, ch.exec emergency, X-ray tubes)	(0.8)	(0.6)	0.2	(1.6)	(1.6)	-	(1.5)	(0.1)
Other Schemes	(1.6)	(1.4)	0.2	(1.6)	(1.7)	0.1	(1.5)	(0.1)
Total Capital Programme Expenditure	(11.6)	(10.7)	0.9	(22.9)	(22.9)	(0.0)	(22.9)	(0.0)

- The Trust is actively managing the capital programme and is funding overspending projects through efficiencies in other schemes. As per the annual plan the Trust is forecasting to incur £22.9m.
- Areas overspending on the current programme are site reconfiguration and pulmonary by-pass machines.

5.0 Clinical Centre Performance

5.1 Summary Centre Performance

Clinical Centre	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Integrated Medical Care	10.5	10.8	0.3	18.7	19.0	(0.3)	17.7	1.0
Clinical & Diagnostic	(16.3)	(16.1)	0.2	(28.2)	(28.2)	-	(28.3)	0.1
Trauma, Theatres & Anaes.	(0.9)	(2.1)	(1.2)	(4.2)	(3.9)	(0.3)	(1.6)	(2.6)
Tertiary	10.6	12.4	1.8	20.5	21.7	(1.2)	18.3	2.2
Surgical	20.4	22.0	1.6	37.0	37.0	-	34.4	2.6
Women & Children	10.7	10.9	0.2	18.3	18.4	(0.1)	18.5	(0.2)
Specialty Medicine	14.8	14.1	(0.7)	24.3	24.1	0.2	25.1	(0.8)
Corporate	(40.5)	(40.2)	0.3	(73.4)	(75.1)	1.7	(71.0)	(2.4)
Non Operating	(19.2)	(19.0)	0.2	(31.5)	(31.5)	-	(31.6)	0.1
Underlying (Deficit)/Surplus	(9.9)	(7.2)	2.7	(18.5)	(18.5)	(0.0)	(18.5)	(0.0)

Trauma, Theatres & Anaesthetics and Specialty Medicine continue to be behind plan and are forecasting to be behind plan.

Women and Children are currently ahead of plan but are forecasting to be behind plan.

All other clinical centres are currently ahead of plan and are forecast to be ahead of plan at the end of the year.

The Corporate centre includes all other operating expenditure not directly part of the seven clinical centres and the re-profiling of budgets to reconcile the internal plan to the resubmitted plan to Monitor. This includes additional clinical income and the additional CIP's relating to "Continuing the Journey" not yet allocated to the clinical centres. The targets will be allocated in November.

The remaining "Continuing the Journey" CIP's held centrally will be allocated to the centres in November.

5.2 Integrated Medical Care

Integrated Medical Care	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	57.2	57.6	0.4	98.5	99.1	(0.6)	97.5	1.0
Other Income	1.5	1.5	-	3.3	3.3	-	3.4	(0.1)
Total Income	58.7	59.1	0.4	101.8	102.4	(0.6)	100.9	0.9
Pay	(35.7)	(35.4)	0.3	(61.0)	(61.3)	0.3	(61.8)	0.8
Non-Pay	(12.5)	(12.9)	(0.4)	(22.1)	(22.1)	-	(21.4)	(0.7)
Total Expenses	(48.2)	(48.3)	(0.1)	(83.1)	(83.4)	0.3	(83.2)	0.1
Other								
Underlying (Deficit)/Surplus	10.5	10.8	0.3	18.7	19.0	(0.3)	17.7	1.0
Memorandum Items								
CIP Programme	1.6	1.9	0.3	2.5	2.5	-	2.3	0.2

The centre performance has worsened for the second month in a row but is still ahead of plan YTD. The centre has a positive variance against plan of £0.3m and is £0.3m ahead of plan on CIP delivery. The centre is forecast to be £1.0m ahead of plan at the end of the financial year.

The centre performance is being achieved through income over performance and a pay underspend. Income over performance relates to non-elective although the income has reduced due to the expected reduction in activity over the latter part of the summer. Critical care income has reduced over the last 3 months due to a change in casemix. Non elective income is forecast to increase over the winter months and the increased income is reflected in the forecast, however the critical care income forecast has reduced and is the main reason why the forecast position has deteriorated by (£0.3m).

The centre's overspend on non-pay YTD and forecast reflects the centre's activity over performance. The centre has performed well to manage pay whilst performing additional activity. Nursing vacancies continue to contribute to the pay position.

The CIP programme is ahead of plan YTD and is forecast to be ahead at the end of the year.

5.3 Clinical and Diagnostic

Clinical & Diagnostic	Year to Date			Full Year			Full Year	
	Plan £m	Actual £m	Variance £m	Current Forecast £m	Previous Forecast £m	Forecast Change £m	Annual Plan £m	Forecast Variance £m
Clinical Income	18.7	18.4	(0.3)	30.8	30.4	0.4	31.4	(0.6)
Other Income	1.5	1.4	(0.1)	3.1	3.1	-	3.4	(0.3)
Total Income	20.2	19.8	(0.4)	33.9	33.5	0.4	34.8	(0.9)
Pay	(27.8)	(26.9)	0.9	(46.6)	(46.8)	0.2	(48.2)	1.6
Non-Pay	(8.7)	(9.0)	(0.3)	(15.5)	(14.9)	(0.6)	(14.9)	(0.6)
Total Expenses	(36.5)	(35.9)	0.6	(62.1)	(61.7)	(0.4)	(63.1)	1.0
Other						-		
Underlying (Deficit)/Surplus	(16.3)	(16.1)	0.2	(28.2)	(28.2)	-	(28.3)	0.1
Memorandum Items								
CIP Programme	0.8	1.7	0.9	2.5	2.4	0.1	1.5	1.0

The centre is underspent YTD by £0.2m and is forecasting to be £0.1m underspent.

The centre has an YTD and forecast underspend driven by significant vacancies across Scientific, Therapies Technical. The centre is actively trying to recruit into these vacancies and the pay position continues to be underspent in month and YTD. Recruitment still remains a challenge and is contributed to the forecast and CIP programme.

Pay underspends are offset by an income underperformance, this relates to non elective and outpatient procedures.

The CIP programme is ahead of plan YTD and is forecast to be ahead at the end of the year.

5.4 Trauma, Theatres and Anaesthetics

Trauma, Theatres & Anaes.	Year to Date			Full Year			Full Year	
	Plan £m	Actual £m	Variance £m	Current Forecast £m	Current Forecast £m	Forecast Change £m	Annual Plan £m	Forecast Variance £m
Clinical Income	37.3	36.7	(0.6)	61.9	61.5	0.4	62.9	(1.0)
Other Income	2.1	2.0	(0.1)	4.4	4.4	-	4.6	(0.2)
Total Income	39.4	38.7	(0.7)	66.3	65.9	0.4	67.5	(1.2)
Pay	(30.3)	(30.1)	0.2	(52.3)	(52.1)	(0.2)	(52.3)	-
Non-Pay	(10.0)	(10.7)	(0.7)	(18.2)	(17.7)	(0.5)	(16.8)	(1.4)
Total Expenses	(40.3)	(40.8)	(0.5)	(70.5)	(69.8)	(0.7)	(69.1)	(1.4)
Other						-		
Underlying (Deficit)/Surplus	(0.9)	(2.1)	(1.2)	(4.2)	(3.9)	(0.3)	(1.6)	(2.6)
Memorandum Items								
CIP Programme	0.5	0.5	-	1.0	1.0	-	1.0	-

The centre is overspent YTD by £1.2m and is forecasting an overspend of £2.6m.

The underlying centre deficit continues to grow and the centre is behind plan on income YTD by (£0.6m) and overspent on non-pay YTD by (£0.7m) this mainly relates to elective income and clinical supplies respectively. Although clinical supplies have increased in October this can be partially offset by a reduction in independent sector expenditure.

The forecast has changed to reflect the increase in expenditure across the centre.

This centre continues to be very closely monitored to identify and resolve any cost pressures.

The CIP programme is delivering YTD and is forecast to be on plan at the end of the year.

5.5 Tertiary

Tertiary	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Current Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	47.1	49.2	2.1	83.4	84.0	(0.6)	80.3	3.1
Other Income	0.9	1.0	0.1	2.2	2.2	-	1.9	0.3
Total Income	48.0	50.2	2.2	85.6	86.2	(0.6)	82.2	3.4
Pay	(22.5)	(22.6)	(0.1)	(38.8)	(38.9)	0.1	(38.4)	(0.4)
Non-Pay	(14.9)	(15.2)	(0.3)	(26.3)	(25.6)	(0.7)	(25.5)	(0.8)
Total Expenses	(37.4)	(37.8)	(0.4)	(65.1)	(64.5)	(0.6)	(63.9)	(1.2)
Other						-		
Underlying (Deficit)/Surplus	10.6	12.4	1.8	20.5	21.7	(1.2)	18.3	2.2
Memorandum Items								
CIP Programme	1.1	1.7	0.6	2.2	2.2	-	1.6	0.6

The centre is performing well YTD and has a favourable variance of £1.8m. However the position has deteriorated in month by (£0.2m). The YTD position is predominantly due to income over performance, YTD income over performance is £2.2m mainly across Cardiothoracic Surgery, Neuro Surgery and Cardiology.

The pay overspend (£0.1m) is driven by agency nursing on the Neuro Surgery wards due to patient acuity and the requirement for nurse specialising.

Non-pay expenditure overspent YTD due to additional activity.

The centre forecast has reduced by (£1.2m). This includes a reduction of income and it reflects the increase in expenditure incurred in month which has had an adverse impact on the YTD position.

The CIP programme is ahead of plan YTD and is forecast to be ahead at the end of the year.

5.6 Surgical

Surgical	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Current Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	48.2	50.1	1.9	85.1	85.2	(0.1)	82.1	3.0
Other Income	1.3	1.3	-	2.6	2.6	-	2.6	-
Total Income	49.5	51.4	1.9	87.7	87.8	(0.1)	84.7	3.0
Pay	(20.3)	(20.3)	-	(35.1)	(35.4)	0.3	(35.0)	(0.1)
Non-Pay	(8.8)	(9.1)	(0.3)	(15.6)	(15.4)	(0.2)	(15.3)	(0.3)
Total Expenses	(29.1)	(29.4)	(0.3)	(50.7)	(50.8)	0.1	(50.3)	(0.4)
Other						-		
Underlying (Deficit)/Surplus	20.4	22.0	1.6	37.0	37.0	-	34.4	2.6
Memorandum Items								
CIP Programme	0.2	0.3	0.1	0.5	0.4	0.1	0.4	0.1

The centre is underspent YTD by £1.6m and is forecasting an underspend of £2.6m.

The centre continues to be ahead of plan on income and is £1.9m ahead YTD, this is as a result of additional activity to reduce RTT pressures and also as a result of increased referrals. This activity is forecast to continue with £3.1m over performance at year-end.

Non pay is (£0.3m) overspent is mainly due to cochlear activity that is included in the income over performance. Pay is on plan YTD following the funding received for the additional activity. The centre is incurring significant agency costs but is offsetting this cost via underspends on Nursing and Medical pay.

The forecast remain the same as the previous month.

The CIP programme is ahead of plan YTD and is forecast to be ahead at the end of the year.

5.7 Women and Children

Women & Children	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Current Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	35.9	35.3	(0.6)	60.1	60.3	(0.2)	61.3	(1.2)
Other Income	1.1	1.1	-	2.4	2.4	-	2.4	-
Total Income	37.0	36.4	(0.6)	62.5	62.7	(0.2)	63.7	(1.2)
Pay	(23.3)	(22.5)	0.8	(39.0)	(39.1)	0.1	(40.1)	1.1
Non-Pay	(3.0)	(3.0)	-	(5.2)	(5.2)	-	(5.1)	(0.1)
Total Expenses	(26.3)	(25.5)	0.8	(44.2)	(44.3)	0.1	(45.2)	1.0
Other						-		
Underlying (Deficit)/Surplus	10.7	10.9	0.2	18.3	18.4	(0.1)	18.5	(0.2)
Memorandum Items								
CIP Programme	0.5	0.5	-	0.9	0.9	-	0.9	-

Please note: This forecast does not model any potential activity changes as a result of the reconfiguration of services at the Friarage.

The centre is underspent YTD by £0.2m and its performance remains consistent with previous months.

Income is below plan (£0.6m) due to lower than planned births. This is forecast to continue to a (£1.2m) under performance as referrals onto the maternity pathway are below plan.

The centre is managing the centre position by maintaining a pay underspend this relates to vacancies, particularly within midwifery. Due to the lower than planned birth rate, vacancies will continue to be closely managed, but vacancies are expected to be filled and the pay underspend is forecast to be £1.0m at the year end.

The CIP programme is delivering YTD and is forecast to be on plan at the end of the year.

5.8 Speciality Medicine

Speciality Medicine	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Current Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Clinical Income	50.9	52.0	1.1	88.6	88.0	0.6	86.7	1.9
Other Income	0.5	0.4	(0.1)	0.9	0.9	-	1.3	(0.4)
Total Income	51.4	52.4	1.0	89.5	88.9	0.6	88.0	1.5
Pay	(16.3)	(16.9)	(0.6)	(28.6)	(28.5)	(0.1)	(28.1)	(0.5)
Non-Pay	(20.3)	(21.4)	(1.1)	(36.6)	(36.3)	(0.3)	(34.8)	(1.8)
Total Expenses	(36.6)	(38.3)	(1.7)	(65.2)	(64.8)	(0.4)	(62.9)	(2.3)
Other						-		
Underlying (Deficit)/Surplus	14.8	14.1	(0.7)	24.3	24.1	0.2	25.1	(0.8)
Memorandum Items								
CIP Programme	0.7	0.7	-	1.2	1.3	(0.1)	1.2	-

The centre is overspent YTD by £0.7m and is forecasting an overspend of £0.8m.

The centre continues to over performing on income and is £1.0m ahead YTD. This is forecast to continue, rising to £1.9m over performance by year end. They key areas of over performance are outpatients, elective and day cases.

The pay overspend is (£0.6m) overspent and is mainly due to GP and nursing locums across community care. The centre is incurring other agency cost across the centre but on the whole they are being offset by vacancies. The centre is forecasting to mitigate this additional expenditure by offsetting this against other underspent budgets with in the centre. And have reflected this in their forecast.

The non-pay overspend is the biggest challenge to the centre and is (£1.1m) overspent YTD. This overspend is on drugs (£0.3m), clinical supplies (£0.4m) and non clinical supplies (£0.3m). Non clinical supplies relate to prime contracts, patient transport and rent/rates at the health centres. Following meetings with the Director of Finance the centre has a number action plans to mitigate the current position. This overspend is forecast to continue (£2.2m) at year end.

The CIP programme is delivering YTD and is forecast to be on plan at the end of the year.

5.9 Corporate

Corporate	Year to Date			Full Year			Full Year	
	Plan £m	Actual £m	Variance £m	Current Forecast £m	Current Forecast £m	Forecast Change £m	Annual Plan £m	Forecast Variance £m
Clinical Income	2.2		(2.2)	1.7	2.6	(0.9)	9.1	(7.4)
Other Income	15.3	11.8	(3.5)	19.6	19.0	0.6	22.1	(2.5)
Total Income	17.5	11.8	(5.7)	21.3	21.6	(0.3)	31.2	(9.9)
Pay	(16.8)	(18.5)	(1.7)	(31.9)	(32.2)	0.3	(26.9)	(5.0)
Non-Pay	(41.2)	(33.5)	7.7	(62.8)	(64.5)	1.7	(75.3)	12.5
Total Expenses	(58.0)	(52.0)	6.0	(94.7)	(96.7)	2.0	(102.2)	7.5
Other						-		
Underlying (Deficit)/Surplus	(40.5)	(40.2)	0.3	(73.4)	(75.1)	1.7	(71.0)	(2.4)
Memorandum Items								
CIP Programme	4.9	3.0	(1.9)	11.0	11.1	(0.1)	12.9	(1.9)

The table collates all other operating expenditure in the Trust and relates to all Corporate Directorates.

The corporate centre is behind plan by £0.3m YTD.

The income and expenditure position reflects the additional income and expected expenditure in the resubmitted plan to Monitor but has not been adjusted in the centre plans.

The income under performance of (£5.7m) can be partially offset by the Centres cumulative YTD over performance of (£3.8m).

The expenditure underspend of £6.0m can be offset by the Centres cumulative YTD overspend of (£1.6m). The expenditure variance relates to delayed business developments.

The CIP programme plan includes the majority of the "Continuing the Journey" CIP's and will allocated to the centres in November.

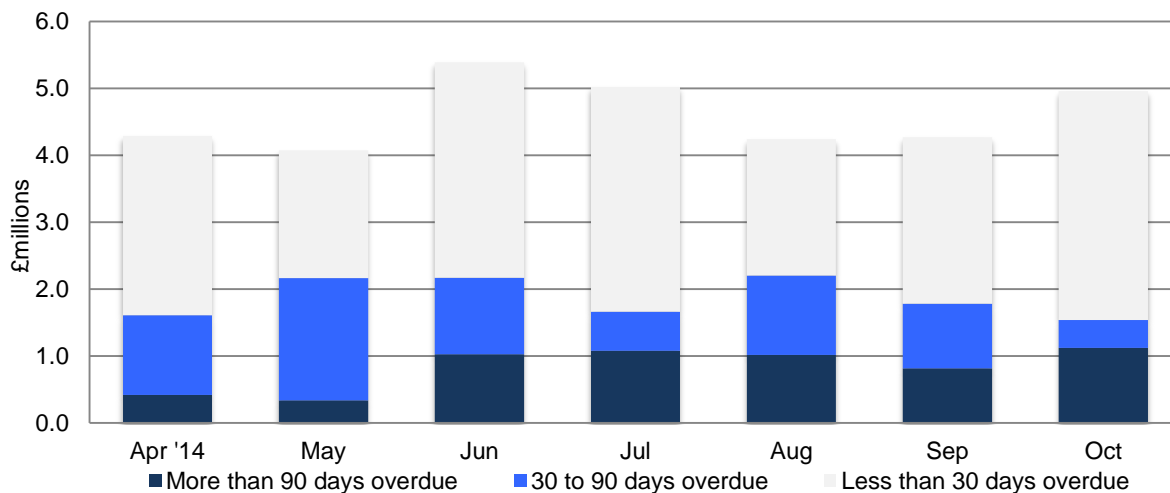
6.0 Statement of Financial Position (SoFP)

6.1 SoFP

Statement of Financial Position	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Non-Current Assets								
PFI	184.9	181.4	(3.5)	179.0	183.4	4.4	183.4	4.4
Non-PFI	71.1	69.1	(2.0)	69.5	69.5	-	69.5	-
Trade and Other Receivables	1.7	1.7	-	1.8	1.8	-	1.8	-
Total Non-Current Assets	257.7	252.2	(5.5)	250.3	254.7	4.4	254.7	4.4
Current Assets								
Inventories	8.2	8.2	-	7.8	7.8	-	7.8	-
Trade and Other Receivables	11.1	10.2	(0.9)	10.9	10.9	-	10.9	-
Prepayments & Accrued Income	30.9	32.8	1.9	25.4	21.0	(4.4)	21.0	(4.4)
Cash and Cash Equivalents	10.4	11.1	0.7	0.5	0.5	-	0.5	-
Total Current Assets	60.6	62.3	1.7	44.5	40.1	(4.4)	40.1	(4.4)
Total Assets	318.3	314.5	(3.8)	294.8	294.8	0.0	294.8	-
Current Liabilities								
Trade and Other Payables	(37.7)	(35.7)	2.0	(37.2)	(39.7)	(2.5)	(37.2)	-
Interest Bearing Borrowings & Finance Leases	(4.5)	(4.5)	-	(4.4)	(4.4)	-	(4.4)	-
PFI Finance Leases	(3.5)	(3.5)	-	(3.7)	(3.7)	-	(3.7)	-
Other Financial Liabilities	(31.5)	(27.9)	3.6	(12.2)	(9.7)	2.5	(12.2)	-
Provisions	(0.5)	(0.5)	-	(0.5)	(0.5)	-	(0.5)	-
Total Current Liabilities	(77.7)	(72.1)	5.6	(58.0)	(58.0)	-	(58.0)	-
Total Assets less Current Liabilities	240.6	242.4	1.8	236.8	236.8	-	236.8	-
Non-Current Liabilities								
Trade and Other Payables	-	-	-	-	-	-	-	-
Interest Bearing Borrowings & Finance Leases	(31.7)	(31.5)	0.2	(29.5)	(29.5)	-	(29.5)	-
PFI Finance Leases	(107.3)	(107.3)	-	(105.5)	(105.5)	-	(105.5)	-
Other Financial Liabilities	-	-	-	-	-	-	-	-
Provisions	(1.8)	(1.8)	-	(1.7)	(1.7)	-	(1.7)	-
Total Non-Current Liabilities	(140.8)	(140.6)	0.2	(136.7)	(136.7)	-	(136.7)	-
Total Assets Employed	99.8	101.8	2.0	100.1	100.1	-	100.1	-
Financed by Taxpayers' Equity:								
Public Dividend Capital	155.4	155.4	-	172.9	172.9	-	172.9	-
Income and Expenditure Reserve	(116.8)	(114.8)	2.0	(134.0)	(134.0)	-	(134.0)	-
Revaluation Reserve	34.7	34.7	-	34.7	34.7	-	34.7	-
Other Reserves	26.5	26.5	-	26.5	26.5	-	26.5	-
Total Taxpayers' Equity	99.8	101.8	2.0	100.1	100.1	-	100.1	-

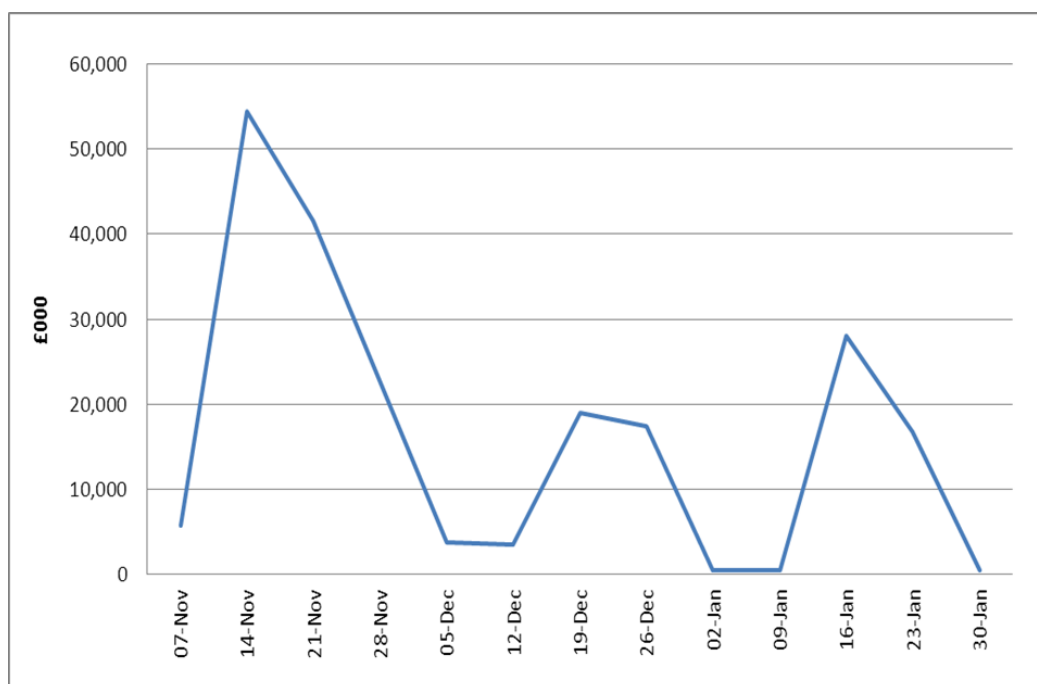
- Cash balance reduces to £0.5m as the Trust draws down PDC from the DoH to fund on-going operations.
- Public Dividend Capital reserve increases by £17.5m which reflects the cash requirement for the Trust from the DoH.
- The Trust's I&E reserve increases as continued deficit making months flow through into the SOFP.

6.2 Aged Debt



- Aged debt represents a low risk to the Trust and positive progress has been made on reducing debt. Of the £1.1m over 90 days outstanding, the only significant age debt relates to £0.2m from County Durham and Darlington FT for Neonatal hearing screening services and £0.1m from North Tees and Hartlepool for Community dental session recharges.

6.3 Cashflow



- The Trust will require PDC funding from the DoH from late January as the Trust continues to run down cash reserves to fund the on-going deficit.
- Cash balances are building up in November to account for the quarterly PFI payment of £13.5m during week ending 5th December.
- In the first week of January we are anticipating a significant creditor payment run as there will be no payment run in the last week of December. Funds will be replenished during the third week of January as part of the monthly round of block payments from commissioners.
- The lowest point on cash balances is the first and second week of each month. The position improves following receipt of block contract income from our commissioners around the 15th, then worsening due to salary payments on the last working day of each month.
- S Tees CCG have agreed to provide a cash advance in January.

7.0 CIP and Transformation

Cost Improvement	Year to Date			Full Year			Full Year	
	Plan	Actual	Variance	Current Forecast	Previous Forecast	Forecast Change	Annual Plan	Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Workforce	4.7	5.3	0.6	8.3	7.8	0.5	9.1	(0.8)
Business Improvement	4.4	4.0	(0.4)	11.5	12.0	(0.5)	10.4	1.1
Medicines Management	0.2	0.3	0.1	0.5	0.5	-	0.3	0.2
Procurement	1.0	0.7	(0.3)	1.5	1.5	-	2.0	(0.5)
Total Cost improvement	10.3	10.3	-	21.8	21.8	-	21.8	-

- Workforce is ahead of plan by £0.6m YTD. This is being driven by managing vacancies across management and admin posts and non-recurrent savings from on-going vacancies across nursing and support. As part of the transformation agenda all corporate functions are being reviewed and is anticipating a significant conversion from non-recurrent savings to recurrent savings are identified.
- Procurement is behind plan by (£0.3m) YTD and is forecast to achieve £1.5m. Further work is being undertaken as part of the 'Continuing the Journey' work streams to reduce the (£0.5m) forecast variance.
- Dedicated teams are in place to deliver the 2014/15 and 2015/16 work streams identified in the recovery plan.
- Further work streams have been developed to off-set any delays in CIP deliver.

8.0 Key Financial Risks

In the table below a summary of key financial risks that the Trust is currently actively managing are noted.

These financial risks are currently not included within the Trusts financial position however the Trust does hold a small amount of contingency reserve to minimise the impact of unexpected cost. The level of contingency is insufficient to mitigate against the Trusts current risk profile if all risks where to crystallise.

Risk Number	Description	Mitigating Actions	Responsible Officer	Value Range £'m
1	Potential liability arising as a result of current and historic VAT treatment on utilities expenditure and car parking income.	The Trust has appointed external advisors and discussions have been held with HMRC. A HMRC ruling has been issued which does not allow VAT recovery on utilities and, in response, the HMRC have advised that the Trust submit evidence to support our case. This evidence has now been submitted and we are now awaiting HMRC to undertake their review.	Chris Newton (DoF) Maxime Hewitt-Smith (DDoF)	(£0.0m) - (£1.4m)
2	Below plan delivery of CQUIN. The Trust has planned to deliver 85% of the total CQUIN target of £10.6m. A particular risk is on-going on the delivery of a sustained reduction in pressure ulcers.	The trust has achieved all the CQUIN targets in quarter 1. On-going quality improvements.	Ruth Holt (DoN)	(£0.0m) - (£1.2m)
3	Non-elective overperformance paid for by Commissioners at marginal rate, whilst the Trust is spending premium cost delivering unplanned activity.	Working closely with the Trust Commissioners on a winter resilience plan. Developing and implementing an internal winter resilience plan to try and minimise some premium costs.	Chris Newton (DoF) Managing Directors	(£0.0m) - (£3.5m)
4	Potential loss of profit from the disposal of Trust asset, due to deferral into 2015/16	Close working between the buyer and Trust estates team. to ensure a timely sale.	Chris Newton (DoF) Maxime Hewitt-Smith (DDoF)	(£0.0m) - (£1.4m)
5	Unplanned operational penalties. Particular A&E related penalties (i.e. 95% target and ambulance handover penalties) along with RTT penalties.	Ensuring operational performance by delivery of the winter resilience plan. Working closely with Commissioners on any remedial action plans.	Chris Newton (DoF) Managing Directors Sarah Danielli (HoP)	(£0.0m) - (£3.0m)
Total Trust Risk Profile				(£0.0m) - (£10.5m)

9.0 Key Financial Benefits

In the table below a summary of potential benefits that the Trust is currently actively managing are noted.

These financial risks are currently not included within the Trusts financial position however the Trust does hold a small amount of contingency reserve to minimise the impact of unexpected cost. The level of contingency is insufficient to mitigate against the Trusts current risk profile if all risks where to crystallise.

Risk Number	Description	Mitigating Actions	Responsible Officer	Value Range £'m
1	VAT element from Asset Valuations on Trust owned buildings (both Friarage and James Cook sites)	The Trust is reviewing the appropriateness of excluding VAT from build related valuations. This would benefit revenue through reduced charges for depreciation and Public Dividend Capital. The trust will present a paper to the Audit Committee at the end of November detailing how this will be implemented.	Chris Newton (DoF) Maxime Hewitt-Smith (DDoF)	TBC
Total Trust Risk Profile				TBC