NHSGGC – Month 9 Finance Report

Board Meeting

February 2020(Paper 20/14)

Purpose and Format

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Greater Glasgow and Clyde

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Purpose and Format of Report

The purpose of this report is to provide the Board with the Month 9 financial position, including the progress and position of the Financial Improvement Programme (FIP) and the projection to the 31st March 2020.

The format of the report covers;

i) The Month 9 revenue position and projection (pages 7 to 17)

ii) The Month 9 FIP position (pages 18 to 21)

iii) The Month 9 capital position (pages 22 to 24)

The FP&P are asked to ;

i) Note the revenue position and projection at Month 9.

ii) Note the Month 9 position with the FIP.

iii) Note the capital position at Month 9.

Executive Summary

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2019/20 Current Position and Projection

At 31 December 2019 the Board is reporting expenditure levels £25.3m over budget (Month 8 £22.7m over).

The Financial Improvement Programme (FIP) tracker currently records projects totalling circa £24.9m (Month 7 -£19.7m) on a FYE and £30.6m (Month 7 - £24.9m) 0n a CYE.

The 2019/20 Financial Plan presented to the Board outlined a potential "gap" of £20m at 31 March 2020. The FIP process has continued into 2019/20 without external advisers and run internally through the PMO. A greater number of schemes have been identified and delivered compared to previous years, albeit for a smaller total value, with a consistent projected achievement rate of 41%.

However, a greater number of significant, unforeseen, cost pressures have emerged in-year, all outlined later in this report. Coupled with a greater focus on improving performance and dealing with wider issues affecting the Board, the projected deficit for the Board at March 2020 was revised to £29.8m in Month 5.

Following extensive work by the Finance Team, including a line by line assessment of all assumptions, budgets and savings opportunities, the projected deficit at March 2020 was reduced to £22m at Month 7 (and as reported to the Board).

Executive Summary

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2019/20 Current Position and Projection (Cont'd)

In December 2018 the Scottish Government announced that Boards are now required to break-even over a three-year period. However, the Board have always strived to achieve in-year break even. As such, in response to this projected deficit, the Finance Team embarked on a series of actions to address the financial position;

- Continued the close working with the Scottish Government Health Finance senior team to jointly analyse our financial position and explore any opportunities for support.
- Re-instate the "turnaround" approach adopted in 2018/19, including the consideration of short-term, specific external support.
- Increase financial grip in areas of overspends to minimise the impact in the last quarter and minimise projected overspends.
- Identify additional financial improvement schemes (both locally and nationally);
- Focus on delivering existing schemes and reduce the risk rating and increase the potential yield;
- Identify additional sources of income and balance sheet management opportunities; and
- Manage the capital allocation to ensure an optimal outturn for the Board.

The year end deficit projection reported throughout the year has been in-keeping with the prudent approach consistently adopted over a number of years. This prudent approach ensures an appropriate level of flexibility, essential across such a complex and diverse devolved budget and finance system, where unforeseen cost pressures and variances can often emerge, particularly late in the financial year.

However, on the 24th January 2020, the Board was escalated to Stage 4 of the NHS Board Performance Framework "*with principal areas of support concentrating on scheduled care, unscheduled care, primary care out of hours, finance and culture and leadership.*"

Executive Summary

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2019/20 Current Position and Projection (Cont'd)

Following further clarification in a letter from the Director-General Health and Social Care/Chief Executive and agreement of the objectives of the appointed Turnaround Director, finance will not form part of the Recovery Plan, "*providing break-even can be achieved in 2019/20*" and there is approval of the Board's Annual Operational Plan for 2020/21.

In response, the Finance team have accelerated their year end process, and worked extensively through the list of actions outlined above in an attempt to provide the required assurance to the February 2020 Finance and Planning Committee, and in-turn, the internal Oversight Board, on the year end position.

One of the key outcomes of this action is agreement from the Scottish Government Health Finance team to provide additional support for infrastructure related costs (refer to page 17). This also includes a re-allocation of £10m from the capital to the revenue budget for which permission was obtained from the February FP&P Committee for this re-allocation of budget.

Coupled with other internal opportunities and adjustments, the projected year-end deficit is now £5m. This is well within the Boards 1% year-end flexibility.

The Finance Team have a plan to achieve year-end break even, although there are several red rated actions that require further work and discussion with the Board's External Auditors. This will continue through February and March 2020.

The Board are also currently predicting achievement of the other 2 key financial targets; the Capital Resource Limit and the Cash Requirement.

The Month 9 Revenue Position

Month 9 Position

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Financial Performance – Month 9

This section of the report provides analysis of the financial position at 31 December 2019.

Area	Gross Position £m	Non Recurring Relief £m	Final Reported Position £m
Acute	(38.9)	0.0	(38.9)
Partnerships	0.0	0.0	0.0
Corporate Departments	(12.7)	0.0	(12.7)
Corporate Adjustments (non recurring)	0.0	26.3	26.3
Gross/Net Financial Position at 31 December 2019	**(51.6)**	**26.3**	**(25.3)**

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At 31 December 2019 the Board is reporting expenditure levels £25.3m over budget.

The Board has factored in £26.3m of non recurring to support the financial position. This is proportionate to the amount currently estimated to be available for the year.

Details of the financial performance of individual areas are shown below. This includes analysis of the key pressure areas.

Month 9 Position – Acute Services

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Financial Performance – Month 9 (Cont'd)

The Acute Division is reporting an expenditure overspend at Month 9 of £38.9m (Month 8 - £34.5m). Of this deficit £34.0m is related to unachieved savings and £4.9m is associated with non-pay. On a positive, pay budgets are showing an overall break-even position.

Directorate	Pay £000's	Non Pay £000's	FIP £000's	Month 9 Total £000's	Variance on Budget	Month 8 Total £000's	Prior Yr Mth 12 Total £000's
South Sector	771	(1,512)	(8,777)	**(9,518)**	(3.10%)	**(8,830)**	(6,637)
North Sector	(1,642)	(281)	(5,162)	**(7,085)**	(4.45%)	**(6,372)**	(5,422)
Clyde Sector	(948)	(537)	(4,592)	**(6,077)**	(4.12%)	**(5,370)**	(5,337)
Diagnostics Directorate	1,656	(812)	(4,076)	**(3,232)**	(2.19%)	**(2,913)**	61
Regional Services	1,467	(1,329)	(5,707)	**(5,569)**	(2.40%)	**(4,209)**	42
Women & Childrens Services	(1,314)	(420)	(5,659)	**(7,393)**	(4.69%)	**(6,814)**	(4,658)
Directorate Totals	**(11)**	**(4,890)**	**(33,974)**	**(38,875)**		**(34,507)**	**(21,951)**
Acute Corporate	8	27	0	**35**		**26**	(20,199)
Acute Expenditure Totals	**(3)**	**(4,863)**	**(33,974)**	**(38,841)**		**(34,482)**	**(42,150)**
Income (Under)/Over Recovery				**(25)**		**(25)**	(457)
Acute Total				**(38,866)**		**(34,507)**	**(42,607)**

Month 9 Position – Acute Services

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Financial Performance – Month 9 (Cont'd)

The non pay pressures are a concern, increasing from the 2018/19 position and increasing £0.87m in month. This follows a significant decrease in 2018/19. The main overspends are drugs of £1.5m, surgical sundries of £1.3m, Central Sterile Services Department and Diagnostics £0.6m and hotel services overspend of £0.49m. The run rate for non-pay has increased in comparison to last month and work is underway to bring this area back into balance.

Although in overall breakeven, the main pressures in pay are associated with medical £1.7m and nursing £2.0m overspent due to the inherent cost of providing certain services in particular geographical locations, service demands (particularly in A&E attendances) and the requirement to cover sickness / absence and vacancy via bank and agency spend. The Medical overspend is wholly attributable to Junior Doctor pressures. Indeed, through extensive focus and action, Senior Medical pay is now underspent by £1m.

Junior medical and premium rate nursing agency are the two key areas of action. Both are being addressed through a combination of internal and external expert advice and working groups.

Medical and nursing pay budgets are a key focus for cost containment initiatives and it should be highlighted that both medical (Month 9 2018/19 - £3.1m overspent) and nursing (Month 9 2018/19 - £2.3m) overspent) are an improvement on the previous financial year.

Month 9 Position - Partnerships

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Financial Performance – Month 9 (Cont'd)

Partnerships reported an expenditure underspends on the Health element of their budgets at Month 9 of £5.7m. However, this is largely irrelevant to the financial results of the Board as any underspends are used to offset overspends or transferred to IJB reserves.

Income / Expenditure by Partnership	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
	£m	£m	£m	£m
Glasgow City	742.6	588.3	584.8	3.5
East Dunbartonshire	91.7	68.8	68.8	0.0
East Renfrewshire	75.8	56.2	55.9	0.3
Inverclyde	94.3	68.1	68.1	0.0
Renfrewshire	179.2	133.5	131.6	1.9
West Dunbartonshire	99.0	72.7	72.7	0.0
Total HSCPs	**1,282.6**	**987.6**	**981.9**	**5.7**
Other Partnerships Budgets	43.7	34.6	40.3	(5.7)
Total Partnerships Expenditure	**1,326.3**	**1,022.2**	**1,022.2**	**0.0**
Total Partnerships Income	(81.6)	(64.9)	(64.9)	0.0
Net Expenditure	**1,244.7**	**957.3**	**957.3**	**0.0**

Month 9 Position - Partnerships

NHS Greater Glasgow and Clyde

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Financial Performance – Month 9 (Cont'd)

In response to previous debate at the FP&P, the following table outlines the projected year end position within the HSCPs, including both the Health and Social Care elements.

HSCP	Forecast outturn - Health	Forecast outturn – Social Care	Overall Forecast	Comments
Glasgow	Underspend £4.1m	Underspend £5.3m	Underspend £9.4m	At mid year there are underspends in both health and social care mainly due to high levels of vacancies. Year end underspends will transfer to general reserves.
East Dunbartonshire	Underspend £0.9m	Overspend - £4.3m	Overspend £3.0m	The overall forecast position is currently an overspend of £3.0m. The overspend is entirely on the social care side and can be attributed to funding issues and demographic pressures. There will be health resources of circa £1.0m offsetting the social care position and contribution of £0.4m from earmarked reserves.
East Renfrewshire	Underspend £0.1m	Overspend - £0.4m	Breakeven	Currently forecasting an overspend of £400k on the social care side and an underspend on the health side of £100k. Position may improve and in the event of an overspend will be covered from reserves.
Inverclyde	Breakeven	Breakeven	Breakeven	Minor overspend forecast on social care side of budget (£15k) but will be covered from reserves.
Renfrewshire	Underspend £2.0m	Underspend £0.5m	Underspend £2.5m	Currently forecasting underspend on both social care and health budgets – current forecast is underspend of £2.5m. The Health underspend will transfer to reserves at 31 March 2020.
West Dunbartonshire	Breakeven	Overspend £1.0m	Breakeven	There is a forecast overspend on the social work side of £1.0m but this is covered by reserves. Health budget is in balance and will breakeven or have a small underspend.

Month 9 Position - Partnerships

Financial Performance – Month 9 (Cont'd)

The above table highlights that every HSCP is projecting to finish the year in an underspend position (and transfer the surplus to reserves), or in the event of an overspend, cover it from reserves.

The exception is East Dunbartonshire where the HSCP is predicting an £1m underspend on the Health budget, but an £4.3m overspend on the Social Care side. This projected out-turn is after the general reserve has been used as cover.

The Council and Board Chief Executives and Directors of Finance have met several times through the year with the Chief Officer and Chief Finance Officer to analyse the financial position and identify options to address the deficit. Whilst this has helped to some extent to manage the in-year position, it has not addressed the issue of the overspend position at the year end.

More discussions are planned in the last quarter, which will also include the sustainability of the HSCP into 2020/21 and beyond.

Following discussion at the February 2020 F&P Committee , the following schedule has been included to highlight the projected year end reserves position for the Board's IJBs. Unlike the Revenue budgets above, it is not possible to split reserves between Health and Social Care.

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Month 9 Position - Partnerships

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Financial Performance – Month 9 (Cont'd)

HSCP	Total Budget £m	Earmarked £m	General £m	Total £m
East Renfrewshire	155.2	5.0	0.3	5.3
Percentage of total budget		3.2%	0.2%	3.4%
East Dunbartonshire	161.8	1.9	-	1.9
Percentage of total budget		1.2%	0.0%	1.2%
Glasgow	1,207.3	32.6	14.2	46.8
Percentage of total budget		2.7%	1.2%	3.9%
Inverclyde	163.4	7.3	-	7.3
Percentage of total budget		4.5%	0.0%	4.5%
Renfrewshire	271.2	4.5	0.9	5.4
Percentage of total budget		1.7%	0.3%	2.0%
West Dunbartonshire	174.1	4.7	2.5	7.2
Percentage of total budget		2.7%	1.4%	4.1%
Total	**2,133.0**	**56.2**	**17.9**	**74.1**
Average %		**2.6%**	**0.8%**	**3.5%**

Month 9 Position – Corporate Directorates

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Financial Performance – Month 9 (Cont'd)

Corporate Directorates are reporting an expenditure overspend at Month 9 of £12.7m. Expenditure is running close to budget for pay and non pay across all Directorates.

However, Estates and Facilities are significantly overspent to £13.0m and work is ongoing to limit spend in the final quarter and ensure a robust plan is on place for 2020/21.

Corporate Director Summary	Annual Budget £m	YTD Budget £m	YTD Actual £m	YTD Variance £m
Board Medical Director	47.1	34.7	34.6	0.1
Centre For Population Health	1.3	0.8	0.7	0.1
Corporate Affairs	4.1	3.1	3.3	(0.2)
Corporate Communications	0.9	0.6	0.5	0.1
Director of Finance	14.6	8.5	8.3	0.2
Director of eHealth	72.6	50.4	50.2	0.2
Director of Human Resources	17.9	13.2	13.0	0.2
Director of Nursing	6.4	4.2	4.0	0.2
Director of Public Health	16.1	10.9	10.8	0.1
Other Corporate Expenditure	77.2	46.9	47.6	(0.7)
Estates and Facilities	247.5	186.0	199.0	(13.0)
Total Corporate Expenditure	**505.7**	**359.3**	**372.0**	**(12.7)**

Month 9 Position – In-year Financial Pressures

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Financial Performance – Month 9 (Cont'd)

In-year Financial Pressures

The Organisation is experiencing a range of emerging financial pressures in-year which are impacting on the current deficit position and the forecast year end deficit. These can be summarised as follows;

i) **Outcomes Framework** – The Scottish Government wrote to every territorial Board at the end of June notifying of a 5% cut in the Outwork Framework funding. For NHSGGC, funding in 2019/20 will now be £16.06m, a reduction of £0.85m from the funding of £16.90m in 2018/19. This cut affects a number of areas including Acute, Health Prevention, General Dental Services and Sexual Health. Due to the Boards overall financial position, these reductions will be passed straight through to the relevant services. The relevant Directors are finalising plans to mitigate the impact.

ii) **Clinical Waste –** as previously reported, the NHS in Scotland was forced to adopt contingency measures to collect and dispose of clinical waste mid-way through 2018/19 following the termination of the existing contract pending a tender process and new contractor being appointed. The additional cost to the Board in 2018/19 was circa £0.4m.

Due to the delays in the new contractor being fully operational, particularly in gaining planning consent to build a new disposal facility in Scotland, the Board had provided an additional £1m in the 2019/20 Financial Plan. However, the new contractor is now experiencing delays in obtaining planning consent for a new facility, therefore the contingency arrangements will be in place for longer. This will cost the Board an additional £3m for the 2019/20 financial year.

iii) **Medical Pay Award** – the pay award for medical staff was finalised and announced in early September 2019. The 2019/20 Financial Plan has assumed the same Agenda for Change agreement for other staff, including the £1,600 cap.

However, the award was 2.5% without the cap, resulting in an additional £2.5m financial pressure for the Board in 2019/20.

Month 9 Position – In-year Financial Pressures

Financial Performance – Month 9 (Cont'd)

In-year Financial Pressures

iv) Property Maintenance - The Board has responded to concerns from various sources (internal an external) regarding the condition of our Estate. This has resulted in significant spend in the last quarter of 2018/19 and continued into 2019/20. As a result, the property maintenance budget is £13m overspent at Month 9 (Month 8 - £10.3m overspent). The current level of property maintenance spend is unsustainable, unless alternative funding can be sourced. Estates management are currently working on a trajectory, identifying the levels of known planned maintenance and anticipated reactive maintenance, and assessing that against available remaining budget.

v) Access Funding – The Board expects to receive £22.1m of access funding in 2019/20 to improve waiting times. It was also agreed with SG that income of £5.9m would be recovered from other Health Boards for treating their residents through premium rate activity, as was the process in 2018/19. However, other Boards have rejected this concept and NHSGGC's (albeit cavaeted) waiting times trajectories have been adjusted accordingly.

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Month 9 Position – In-year Financial Pressures

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Financial Performance – Month 9 (Cont'd)

In-year Financial Pressures

vi) Cystic Fibrosis drugs

As previously presented to this Committee, the Scottish Government introduced a new PACS Tier Two arrangement to enhance consistency amongst Boards in the ways that clinicians can consider requests for certain medicines that have not been recommended by the Scottish Medicines Consortium (SMC).

Two such drugs, which were rejected by the SMC but available through the PACS process, is the treatment for cystic fibrosis, Orkambi and Symkevi. These drugs cost circa £110k per patient per annum. The Board had made a provision of £5m recurrently in the initial 2019/20 Financial Plan for all ultra-orphan drugs.

However, in September 2019, following negotiation with the manufacturer, the Scottish Government claimed to have secured a discount on these drugs and over-ruled the SMC finding to make these drugs available to all eligible patients.

As such, the cost to the Board of this drug alone in 2019/20 will be circa £6m.

Financial Improvement Programme (FIP)

Financial Improvement Programme

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The Financial Improvement Programme (FIP) – Approach for 2019/20

The FIP Programme continues into 2019/20, with the Project Management Office now well established to support the programme and with the Programme Board continuing to meet on a weekly basis. The Associate Director of Planning had joined the Programme Board, and the Deputy Medical Director has been invited.

The overall financial challenge for 2019/20 has been estimated as £75m. This has been confirmed as the FIP Programme target and has been allocated across all service areas and equates to a savings challenge of 4.36%. Sectors and Directorates have been asked to develop plans to achieve these targets and these were due for submission by 2 May 2019.

A number of changes have been made to the approach including:

i) Rationalising and changing the numbering of workstreams;
ii) Simplifying the mandates and streamlining processes, including drafting mandates that measure performance instead of money.
iii) Allocating targets to Sectors and Directorates as opposed to workstreams with the exception of the procurement and drugs workstreams;
iv) Workstreams will continue to develop proposals to support the Sectors and Directorates to achieve their targets.

These measures are designed to reduce bureaucracy and to promote accountability.

Financial Improvement Programme

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The Financial Improvement Programme (FIP)

A detailed Programme Tracker report captures the progress with the FIP, both on a project and individual Workstream lead basis, together with a "league table" presentation. These various tables associated with the Tracker are presented in the Appendices to this report.

At the time of drafting this report (28h January 2019) the following is a summary of the position.

NHSGGC FIP Position 30/01/20 (after Month 9) - Gateway 2		
Project Totals FYE £m	Risk Rating	Project Totals CYE £m
15,771.59	Blue	20,602.36
2,050.08	Green	3,214.36
3,125.74	Amber	2,835.20
14.58	Red	14.58
20,961.98		26,666.50
NHSGGC FIP Position 30/01/20 (after Month 9)- Gateway 1		
Project Totals FYE £m	Risk Rating	Project Totals CYE £m
-	Blue	-
1,111.56	Green	601.62
2,162.47	Amber	2,899.05
570.73	Red	468.36
3,844.75		3,969.04
24,806.73		30,635.53

Financial Improvement Programme

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The Financial Improvement Programme (FIP)

The table above and Appendix 1 and 2 highlights the total projects split between those at Gateway 1 and those at Gateway 2. Also shown is the RAG scheme rating, with the in-year and full year effect financial benefit. It highlights that progress is circa £24.9m on a FYE and £30.6m 0n a CYE.

Despite this progress, the overall recurring savings identified are still significantly short of the £75m target. It is also clear that progress has been variable across all the Workstreams.

Other Workstreams such as Medical and Nursing Workforce have made significant progress in improving processes and procedures, and whilst the progress to date has manifested itself in containing costs (refer above), recurring savings need to be achieved.

In addition to the above, the Organisation needs to now build on the learning from the FIP and identify and work up further Organisational wide initiatives to form the foundation of the Programme through 2019/20 and beyond.

This work includes an assessment of how all areas of the FIP fit with the Board's Moving Forward Together Programme, and the Government's Waiting Times Improvement Programme.

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Capital Position

Capital Position

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The 2019/20 Capital Position – Month 9

The Board has developed a Capital Plan which was approved by the February 2019 Finance and Planning Committee . The planned Capital Funding for 2019/20 includes:

i) The Board's share of new national capital funding for 2019/20, which is made available on a formula basis to all Health Boards;

ii) Ring-fenced funding for specific projects;

iii) The capital (Net Book Value) element of those asset disposals where it has been agreed that the Board can retain proceeds for local use.

The current forecast core capital resources available to the Board for investment in 2019/20 amount to just over £46.9m. This figure comprises a general allocation of £37.4m from SGHSCD in respect of core capital expenditure, ring-fenced specific funding amounting to £6.2m and an estimated amount of £2.6m in respect of Capital Receipts generated through property disposals. Since the start of the financial year a small amount of revenue funded capital expenditure, amounting to £0.7m, has also been recognised.

The "ring-fenced specific funding" represents a direct allocation from SG. For 2019/20 this amount includes £4.0m in respect of the ongoing national Radiotherapy Equipment Replacement Programme, and is consistent with the latest plans submitted to SG. Also included is an amount of £1.2m to be provided by SGHSCD to progress work on developing the Outline Business Case for the proposed North East Glasgow Hub Scheme, a £0.5m contribution for the development of Healthcare and Forensic Medical Services at William Street Clinic in Glasgow being undertaken by Glasgow City HSCP, and £0.5m from NSD for investment in specific items of medical equipment.

The Board has agreed with SGHSCD that the capital element of property disposals planned for the next couple of years can be retained locally to support essential elements of its capital programme. The disposal programme is reviewed regularly, and the Capital Plan updated accordingly, to reflect the latest forecast position.

Capital Position

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Major areas of planned spend include:

i) The programme of ward refurbishments continues at GRI with £2.2m on the upgrade of Ward 27. This scheme recorded a £0.5m underspend.

ii) At the QEUH campus, provision for £3.7m for ventilation upgrade and associated works, £1.8m on completing cladding works and £1.2m to undertake essential works to the pedestrian walkways. There is currently £1.7m slippage on on-going works at Ward 2A at the RHC.

iii) An overall allocation of £5.6m in respect of Medical Equipment replacement – split between emergency replacement and a planned general replacement programme. This amount is in addition to specific replacement programmes, totalling £5.4m, for Radiotherapy and major Diagnostic Imaging Equipment.

iv) An amount of £7m has been set aside for investment in e-Health priorities. There has been £0.7m of slippage on the phased implementation of PACs.

v) Provision of £1.9m for the Board's Hub Schemes that are either underway or under development. This includes investment in subordinated debt for the proposed new Health Centre at Clydebank, which is forecast to reach financial close during 2019/20, together with an amount of £1.2m to progress the development of the Outline Business Case for the proposed North East Glasgow Hub Scheme. The amount also includes provision for the initial equipping requirements for Woodside Health Centre which was handed over early in 2019/20.

vi) An amount of £10.8m is currently included under Corporate schemes for local minor works projects. Similar to previous years, this allocation has largely been delegated to the Director of Estates and Facilities to address the top Building Infrastructure and Backlog maintenance priorities recorded in the Board's Estate Asset Management System (EAMS), in line with SGHSCD expectations.

The Plan currently includes £1.8m of unallocated capital. As outlined above, the Board predict hitting the Capital Resource Limit, after the proposed £10m capital to revenue budget transfer.

Conclusion

Conclusion

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Conclusion

The purpose of this report is to provide the Board with an update of NHSGGC's 2019/20 Month 9 revenue position, the year-end projection, and the progress and position with the FIP at 31 December 2019.

The Month 9 financial position is £25.3m over budget, including £26.3m of non recurring support to reduce the operational deficit the majority of which is attributable to unachieved savings.

To mitigate this, the FIP programme continues to deliver a significant level of savings, with the FIP tracker currently recording projects circa £24.9m on a FYE and £30.6m 0n a CYE.

The revised projected financial deficit reported at Month 7 was £22m. Following a range of actions and work by the Finance Team, including close working with the Scottish Government Health Finance Team, and in response to the escalation process, the projected year-end deficit is now £5m. This includes a £10m re-allocation from Capital to Revenue.

The Finance team has a plan to achieve year-end break even, although there are several red rated actions that require further work and discussion with the Board's External Auditors. This will continue through February and March 2020.

The Board are also currently predicting achievement of the other 2 key financial targets; the Capital Resource Limit and the Cash Requirement.

In summary, the Board are asked to;

i) Note the revenue position and projection at Month 9.
ii) Note the progress and current position with the FIP.
iii) Note the capital position at Month 9.