

NHSCB 14/12/12/5

**BOARD PAPER - NHS COMMISSIONING BOARD**

**Title:** Finance report – summary (2012/13 for the period to September 2012)

**Clearance:** Paul Baumann, Chief Financial Officer

**Purpose of Paper:**

- To give the Board details of the budgetary control position for the NHS Commissioning Board Authority (NHS CBA) and the forecast spending position for NHS Commissioning Board (NHS CB) for the 2012/13 financial year.

**Key Issues and Recommendations**

- The NHS CBA has spent £19m of the £80m budget allocated to it by the Department of Health for the 2012-13 financial year. The remaining resource (£63m) will transfer to the NHS CB from 1 Oct 2012 to be spent in the final 6 months of 2012-13.
- Forecasts of year-end spending indicate that the overall budget allocation is likely to be sufficient taking a realistic view of the pace of recruitment and commencement of permanent staff, and the speed with which non-pay projects can be implemented.

**Actions Required by Board Members:**

- To note the budgetary control position for the NHS CBA and the forecast projected spending position for NHS CB for 2012/13.

## Finance report – summary (2012/13 up to September 2012)

### Introduction

1. The NHS Commissioning Board Authority (NHS CBA) and the NHS Commissioning Board (NHS CB) have been allocated a budget of £81.7m by the Department of Health (DH) for 2012/13. This is an increase of £2m on the previously notified figure because of additional funding relating to a contract made by the National Patient Safety Agency (NPSA).
2. The NHS CBA as Special Health Authority (SpHA) ceased to exist as at the 30 September 2012. On 1 October 2012, the functions of the NHS CBA transferred to the NHS CB.
3. A set of formal accounts and annual report for the NHS CBA is required to be prepared at the closedown date of the SpHA for the part year 1<sup>st</sup> April 2012 to 30 September 2012. The figures within this report reflect the draft un-audited position within those accounts.

### Budgetary control position to September 2012

4. The following table gives details of the spending position for the NHS CBA:

REVENUE	Revised Annual Budget £ '000	YTD Budget £ '000	YTD Actual £ '000	YTD Variance £ '000
PAY	34,025	9,351	8,240	1,111
NON PAY	43,140	11,848	10,369	1,479
CONTINGENCY	4,933	-	-	-
TOTAL	82,098	21,199	18,609	2,590
INCOME	-350		10	10
<b>NET EXPENDITURE</b>	<b>81,748</b>	<b>21,199</b>	<b>18,599</b>	<b>2,600</b>

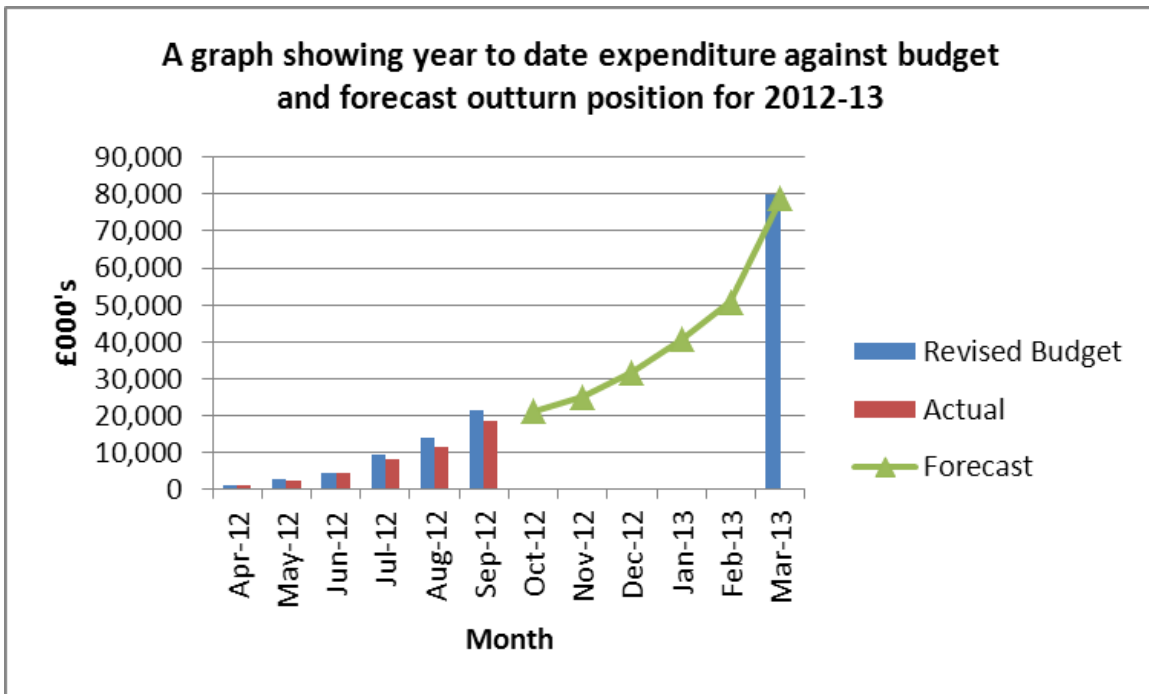
5. £19m has been spent in 2012/13. The main areas of expenditure include the costs of transitional staff, implementation of the integrated single

financial environment and clinical commissioning group (CCG) authorisation.

- The number of permanent staff is 48.8 whole time equivalents in September 2012 (including 39.4 who transferred from the National Patient Safety Agency on 1 June 2012). This is in addition to 194 transitional staff which are seconded to the NHS CB from the DH and wider NHS.

**Forecast year-end position**

- The NHS CB will inherit from the NHS CBA the residual resources from 1 October 2012. Based on the un-audited figures in this report this will be £63m.
- A profile of expenditure incurred to-date and projected annual forecast (combined for NHS CBA and NHS CB) is shown below:



- The sharp increase in spending in March 2013 reflects both an anticipated increase in recruitment towards the end of the year, and a number of non-pay projects where the timing is uncertain until procurement is further advanced.
- The year-end position will continue to be determined by

- the speed at which permanent staff are recruited and are able to commence working for the NHS CB;
  - the extent to which the current employers charge for the staff recruited, as they commence their work with the NHS CB over the final transitional period until April 2013;
  - the period over which the existing transitional staff continue to be paid for whilst permanent staff start; and
  - the speed at which major non-pay spending projects are able to be procured and implemented.
11. Month by month changes in spending will be reviewed and the projection updated.

### **Recommendation**

12. The Board is asked to note the budgetary control position for the NHS CBA, and the forecast spending position for NHS CB for the 2012/13 financial year.

**Paul Baumann**  
**Chief Financial officer**  
**December 2012**