

BOARD PAPER - NHS COMMISSIONING BOARD

Title: Finance report – summary (2012/13 up to August 2012)

Clearance: Paul Baumann, Chief Financial Officer

Purpose of Paper:

- To give the Board details of the budgetary control position of the NHS Commissioning Board Authority (NHS CBA) after five months of the financial year 2012/13.

Key Issues and Recommendations

- After five months the NHS CBA has spent £11m of the £80m budget allocated to it by the Department of Health (and also to the Commissioning Board for the last six months of the financial year).
- Forecasts of year-end spending indicate that the budget will be sufficient taking a realistic view of the likely pace of recruitment and starting 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 of the CBA after five months of the financial year and the forecast projected spending position for 2012/13.

Finance report – summary (2012/13 up to August 2012)

Introduction

1. The NHS Commissioning Board Authority (NHS CBA) and the NHS Commissioning Board (NHS CB) have been allocated a budget of £79.875m by the Department of Health (DH) for 2012/13.
2. This report gives details of the spending position to the end of August 2012 and the likely year-end position.

Budgetary control position to August 2012

3. The following table gives details of the spending position after the first 5 months of the financial year:

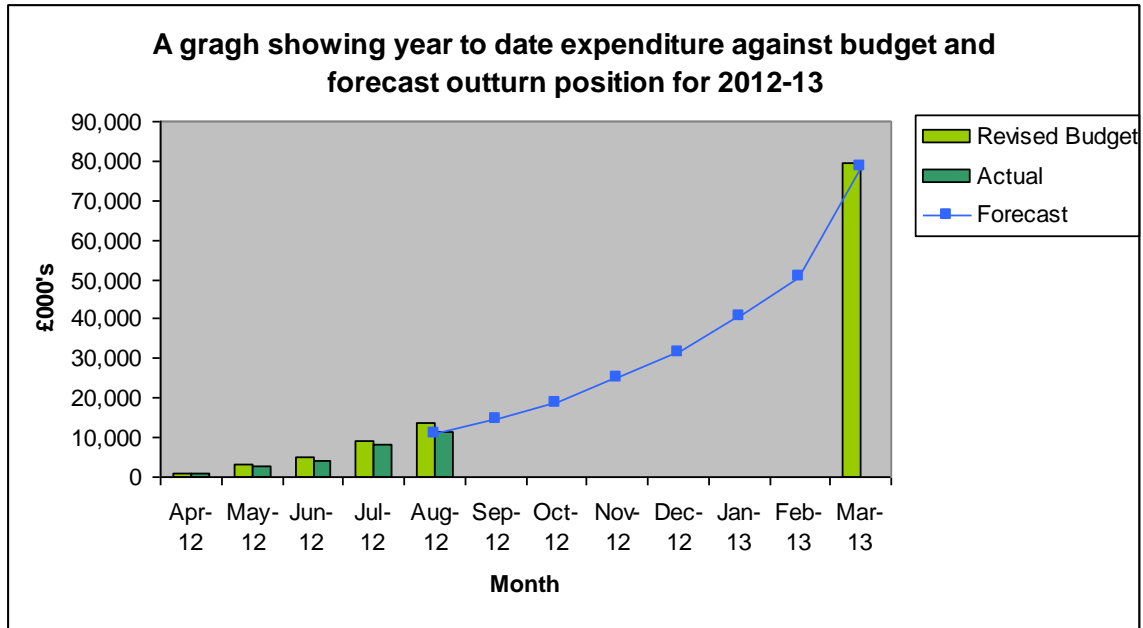
REVENUE	Revised Annual Budget	YTD Budget	YTD Actual	YTD Variance
	£000	£000	£000	£000
PAY	£34,025	£7,537	£5,433	-£2,103
NON PAY	£41,267	£6,228	£5,776	-£452
INCOME	-£350	£0	-£4	-£4
CONTINGENCY	£4,933	£0	£0	£0
TOTAL	£79,875	£13,765	£11,205	-£2,559

4. £11.21m has been spent after 5 months of the year. Main areas of expenditure incurred to date include costs relating to, transitional staff, implementation of the integrated single financial environment and clinical commissioning group (CCG) authorisation.
5. The number of permanent staff is 48.8 whole time equivalents in August 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

6. The NHS CB will inherit from the NHS CBA the residual resources from 1 October 2012, and so for reporting purposes the positions of the NHS CBA and NHS CB have been combined.

7. A profile of expenditure incurred to-date and projected annual forecast (combined for NHS CBA and NHS CB) is shown below:



8. 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 developments where the timing is uncertain until procurement is further advanced.

9. 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.

10. Month by month changes in spending will be reviewed and the projection updated.

Recommendation

11. The Board is asked to note the budgetary control position of the NHS CB after 5 months of the financial year and the forecast spending position for 2012/13.

Paul Baumann
Chief Financial officer
October 2012