

NHSCBA/20/09/2012/6

**NHS COMMISSIONING BOARD AUTHORITY**

**Title:** Finance report – summary (2012/13 up to July 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 four months of the financial year 2012/13

**Key Issues and Recommendations**

After four months the NHS CBA has spent £8m 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 four months of the financial year and the forecast projected spending position for 2012/13.

## Budgetary control report for 2012/13 up to July 2012

### Introduction

1. The NHS Commissioning Board Authority (NHSCBA) and the NHS Commissioning Board (NHSCB) 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 July 2012 and the likely year-end position.

### Budgetary control position to July 2012

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

REVENUE	Original Annual Budget	Revised Annual Budget	YTD Budget	YTD Actual	YTD Variance
	£000	£000	£000	£000	£000
PAY	£31,700	£34,025	£5,750	£4,534	£1,216
NON PAY	£39,767	£41,267	£3,360	£3,506	-£145
INCOME	£0	-£350	£0	-£4	£4
CONTINGENCY	£4,933	£4,933	£0	£0	£0
<b>TOTAL</b>	<b>£76,400</b>	<b>£79,875</b>	<b>£9,110</b>	<b>£8,036</b>	<b>£1,075</b>

4. £8.036m has been spent after 4 months of the year. The biggest area of spending (£3.8m) has been on a number of transitional staff who are supporting the NHS CBA across the full range of its duties.
5. The number of permanent staff has increased to 48.8 whole time equivalents in July 2012 (including 39.4 who transferred from the National Patient Safety Agency on 1<sup>st</sup> June 2012).

### Forecast year end position

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

7. The year-end position will be determined by
  - the speed at which permanent staff are recruited and are able to commence working for the NHSCB the extent to which the current employers charge for the staff recruited, as they commence their work with the NHSCB 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.
8. Following discussions with National Directors and a discussion at the Future Design Group (FDG) meeting on 6 September 2012, a year-end projected spending position of break-even has been confirmed based on a number of assumptions regarding the points above.
9. Month by month changes in spending will be reviewed and the projection updated.

### **Recommendation**

10. The Board is asked to note the budgetary control position of the NHS CBA after 4 months of the financial year and the forecast spending position for 2012/13.