

MEETING: FINANCE AND PERFORMANCE COMMITTEE

AGENDA ITEM: 3.2A

DATE: 26 SEPTEMBER 2012

TITLE: FINANCE REPORT – NHS CAMBRIDGESHIRE

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FOR: INFORMATION

1 ISSUE

The purpose of this report is to present to the Finance and Performance Committee the financial position of NHS Cambridgeshire for the five months to August 2012, including the financial performance of the main budget areas, an update of the savings programmes, and the risks in achieving the forecast position.

2 CORPORATE OBJECTIVE AND BOARD ASSURANCE FRAMEWORK LINK

This report links to a number of risks in the Board Assurance Framework (BAF) including:-

BAF05 – Risk to specialist commissioning financial position and governance arrangements,
BAF07 – Financial position for 2012/13 and beyond,

3 KEY POINTS

The overall PCT revenue position to date is a £29k underspend and with a combination of non-recurrent resources and identifying further savings, the forecast is now to deliver a breakeven position at year end.

Table 1 below summarises the PCT's main budget performance:

Gross Budgets	Annual Budget £'000	Year to Date			Forecast Month 12	
		Budget £'000	Actual £'000	Variance £'000	Outturn £'000	Variance £'000
Acute Commissioning	356,246	154,107	158,557	(4,450)	368,049	(11,803)
Other Commissioning	189,593	78,998	79,028	(30)	190,236	(643)
NCB Specialist Commissioning	68,561	27,156	27,157	(1)	68,562	(1)
NCB Primary Care Other	132,395	55,164	56,737	(1,573)	135,147	(2,752)
NCB Primary Care Prescribing	83,291	34,954	34,075	879	82,666	625
Management Costs	20,832	8,722	8,908	(186)	20,661	171
Transitional Fund	17,483	3,885	1,553	2,332	17,483	-
Other Budget Areas	36,169	10,524	7,466	3,058	21,766	14,403
Total Resources/spend	904,570	373,510	373,481	29	904,570	0

Table 1

4 RECOMMENDATION

The Committee is asked to note the financial position of the PCT for the five months to August 2012 and the forecast position for the year ended March 2013.

5 REASON FOR RECOMMENDATION

It is acknowledged that this forecast position is being achieved with a combination of savings delivery and by utilising a portion of the contingency and identifying additional non-recurrent savings. The PCT must ensure recurrent delivery of its savings plans to achieve financial balance in the future.

6 BACKGROUND INFORMATION

6.1 ACUTE COMMISSIONING

- **Cambridge University Hospital FT**

The month 5 fast track data received from CUHFT is forecasting an overspend of £7,198m. This assumes that only £550k QIPP was achieved against the forecast plan for the first 5mths of the year and only £4.0m further will be achieved to the year end.

- **Hinchingbrooke**

The forecast outturn for this contract shows an overspend of £1,843k, which includes the assumption that only 75% of QIPP will be achieved by the year end. Current overspend of £1.555m The main forecast outturn variances from the contract include:

A & E - £421k overspend

Non-Electives - £2.2m overspend

Critical Care – now reduced to a £110k overspend.

Outpatients - £293k overspend

- **Queen Elizabeth Hospital**

The forecast outturn for the QEH contract has been matched to the contract value. The M4 monitoring file shows a £510k overspend, expenditure is expected to continue to overspend to the year end. The main forecast variances from the contract include:

Electives - £335k overspend

Non–Electives - £164k overspend

Outpatients - £329k overspend

Direct Access Diagnostic Imaging - £164k overspend

6.2 SPECIALIST COMMISSIONING

- **Specialist Commissioning Consortia**

Figures have been received from the Specialist Commissioning Consortia to month 4 showing a break even position with a similar break even position at year end. Some of the contract and activity figures are currently under review and areas of overspend are being checked.

6.3 COMMUNITY

This budget area includes the PCT's contract with its main community provider, Cambridgeshire Community Services NHS Trust (CCS) which totals £68.3m. This is a block contract.

7 SAVINGS PLAN

A detailed summary of the revised QIPP Programmes for 2012/13 is included in Appendix 3 attached. The total savings delivery forecast is £23.0m.

8 CONCLUSION

The committee are asked to note the financial position as at month 5 which utilises the phased contingency in full. The reported shortfall will require additional savings plans to be completed.

Author

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17 September 2012