



Health and Social Care information Centre (ENDPB)

Board Meeting

Public Session

Title of Paper:	Finance Report as at July 2013
Board meeting date:	18 September 2013
Agenda Item No:	HSCIC 13 08 04 (c) ii
Paper presented by:	Carl Vincent
Paper prepared by:	Carl Vincent
Paper approved by (Sponsor Director)	Carl Vincent
Purpose of the paper:	To provide information on the 2013/14 financial position for the HSCIC as at July 2013
Patient/Public Interest:	To support financial review and assurance
Actions required by the Board:	To note content and for comments



Health & Social Care
Information Centre

HSCIC Board Finance Report as at July 2013

Carl Vincent
6th September 2013

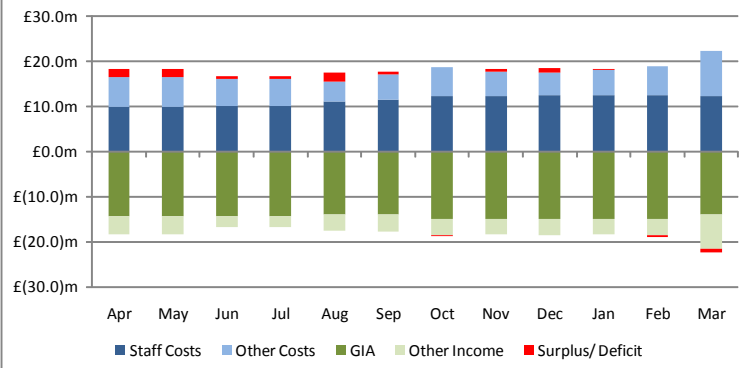


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HSCIC Financial Summary July 2013

1: 2013/14 financial profile - as at July 2013



The year-to-date outturn for the first four months of the year has resulted in £5.4m surplus. This is primarily due to budgeted vacancies not being filled as planned. The latest forecast position indicates a surplus for the year of £7.7m, but this is based on very ambitious recruitment assumptions.

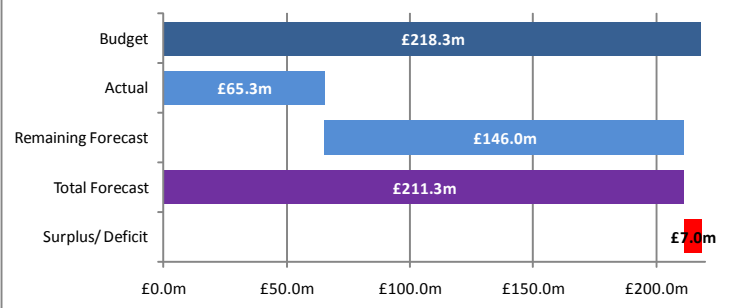
The key drivers for the current financial position are:

Staff costs are £6.0m under budget for the year-to-date, due to vacancies not being filled as budgeted. It is likely that there will a significant underspend on staff costs for the full year - further detail is shown on the next slide.

Other costs are £0.7m under budget for the year-to-date; however, this includes additional costs of £3.4m for DH (previously CfH) programme expenditure which is offset by additional income as these are recharged to DH. Professional fees and IT costs are £1.2m and £1.5m under budget year-to-date respectively - this is primarily due to budget expenditure being phased evenly across the year whereas some actual costs have not yet been incurred. The full year forecast is £2.9m under budget, primarily due to the removal from the forecast this month of £2.1m of contingency that was included in the original CfH budget.

Non-GiA Income is £1.1m below budget year-to-date, but forecast to be £0.6m above budget for the full year. This reflects additional income from DH for Choices being offset by lower than budgeted income for capitalised headcount recharged to DH, and also lower than budgeted income in SSD and for GPES. Further detail is shown on the slide after next.

2: 2013/14 expenditure summary - July 2013



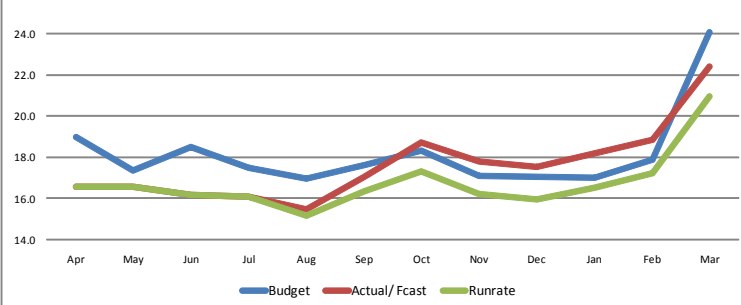
Graph information

Graph 1 shows staff and non-staff costs above the axis (blue) against the Grant-in-Aid and other income streams below the axis (green), with the monthly surplus or deficit in red.

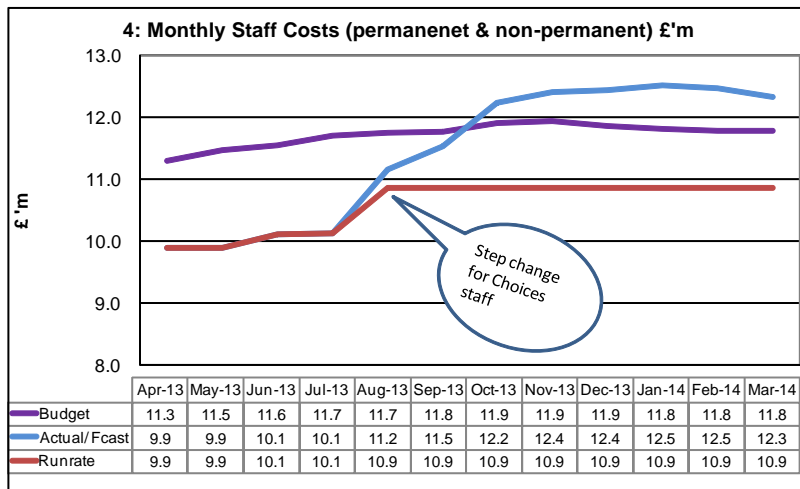
Graph 2 shows the full year financial position against budget for gross expenditure, with the full year forecast split between 4 months of actual costs and 8 months of anticipated costs.

Graph 3 shows monthly trend of gross expenditure for the organisation for the original budget (blue), the latest forecast (red) (4 months of actual costs and 8 months of expected costs) and an extrapolation (runrate) of the position if the current staff position remained at July levels for the remainder of the year (green). The run-rate calculations for this month have been adjusted to account for the Choices staff joining from Capita on 1st August.

3: Expenditure by month £'m



HSCIC Financial Summary July 2013 – Staff Expenditure



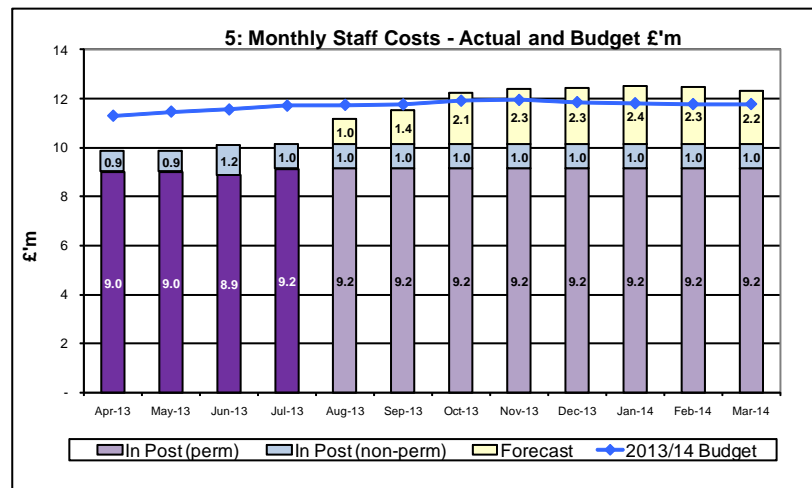
Staff costs are £6.0m under budget for the year-to-date (averaging £1.5m per month), due to vacancies not being filled as budgeted.

It is unlikely that the recruitment needed to realise the full year forecast will happen in its entirety and that there will be a material underspend against the original budget.

- An extrapolation to the end of the year assuming no further change to net headcount for the remainder of the year (but incorporating the Choices staff joining on 1st August) gives a projected underspend of £13.7m.

- A plausible but ambitious estimate of 20 net vacancies being filled each month (at an estimated cost of £50k per role) gives a projected underspend of £10.7m.

As part of the Zero Based Review process, there will be challenges to all recruitment assumptions that underpin the forecast, to result in a more robust and realistic forecast position that will better inform decision making for the remainder of the year.



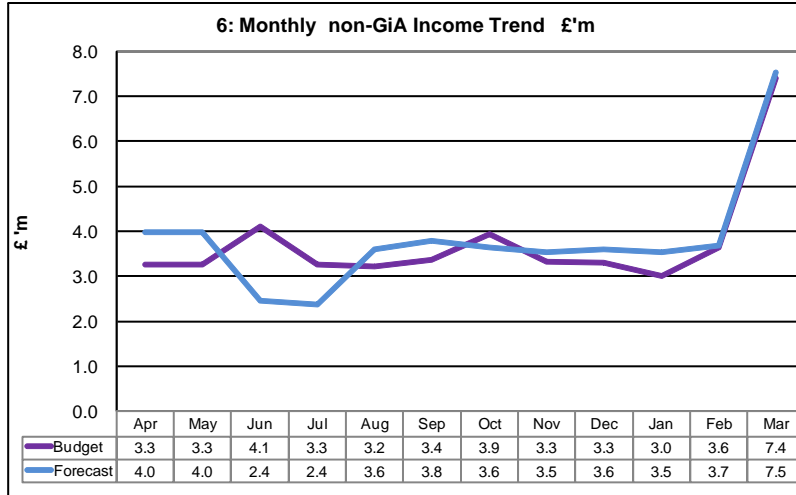
Graph information

Graph 4 shows the monthly trend of staff costs for the organisation for the original budget (purple), the latest forecast (blue) (4 months of actual costs and 8 months of expected costs) and an extrapolation (runrate) of the position if the current staff position remained at July levels for the remainder of the year (red). The run-rate calculations for this month have been adjusted to account for the Choices staff joining from Capita on 1st August.

Graph 5 shows the forecast position in more detail, distinguishing between the current permanent (purple) and non-permanent (blue) staff costs plus the forecast increases for the remainder of the year (yellow). The blue line shows the original budget.

HSCIC Financial Summary

July 2013 - Income



The overall forecast for non-GiA Income remains close to budget. However, there is still uncertainty over some of the income streams, notably from NHS England.

The latest full year forecast includes some material movements in both directions. Increases primarily relate to unbudgeted income streams from DH for Programme expenditure, particularly £6.4m for Choices to cover the cost of the staff insourcing from Capita on 1st August. Decreases include £1.7m for the removal of budgeted income for GPES and £1.2m for the reclassification of an internal recharge from the external income figure.

Work is on-going to address the continuing uncertainty over the Income. Until there is greater clarity and certainty for the Income streams, there will remain uncertainty around the overall forecast net surplus/ deficit position for the organisation for the year.

Income will be reforecast as part of the Zero Base Review process to ensure that there is a complete and robust picture of expectations for the remainder of the year and this will be used to take forward any discussions required with other organisations.

Graph information

Graph 6 shows the monthly trend of non-GiA income for the organisation for the original budget and the latest forecast (4 months of actual income and 8 months of expected income).



HSCIC Financial results and forecast July 2013

Statement of Comprehensive Net Expenditure

	4 Months ending 31 July 2013			12 Months ending 30 June 2014		
	REVENUE			REVENUE		
	Budget YTD	Actual YTD	Var Fav-(Adv)	Budget 13/14	F'cast 13/14	Var Fav-(Adv)
	£'m	£'m	£'m	£'m	£'m	£'m
Grant in Aid	(57.8)	(57.3)	0.5	(173.4)	(173.4)	(0.0)
Income	(13.9)	(12.8)	1.1	(45.1)	(45.7)	(0.6)
Income	(71.7)	(70.1)	1.6	(218.5)	(219.1)	(0.6)
Permanent Staff	42.5	36.1	(6.4)	129.3	124.7	(4.6)
Non Permanent Staff	3.5	3.9	0.4	11.3	12.4	1.1
Staff Costs	46.0	40.0	(6.0)	140.6	137.1	(3.5)
Professional Fees	11.7	10.5	(1.2)	29.8	27.6	(2.3)
Information Technology	3.9	2.5	(1.5)	10.8	10.3	(0.5)
Travel & Subsistence	1.8	1.2	(0.7)	5.4	4.8	(0.6)
Accommodation	3.9	3.5	(0.4)	11.2	11.7	0.5
Marketing, Training & Events	0.5	0.3	(0.2)	1.5	1.3	(0.2)
Office Services	1.0	1.0	(0.0)	3.1	3.1	0.0
Other	0.6	3.7	3.1	7.7	8.1	0.4
Depreciation / Amortisation	2.7	2.9	0.1	8.2	8.0	(0.2)
Non Staff Costs	26.1	25.4	(0.7)	77.8	75.0	(2.9)
Internal Recharge - Estates	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)
Internal Recharge - IT	0.1	0.0	(0.1)	0.2	0.1	(0.1)
Internal Recharge - Staff	0.1	(0.1)	(0.2)	(0.2)	(0.8)	(0.5)
Internal Recharges	0.2	(0.1)	(0.3)	(0.1)	(0.8)	(0.7)
Total Cost	72.4	65.3	(7.0)	218.3	211.3	(7.0)
(Surplus)/ Deficit	0.7	(4.8)	(5.4)	(0.1)	(7.8)	(7.7)

Financial Results to 31 July and 2013/14 Forecast

12 Months Ending 31 March 2014											
REVENUE											
Actual Apr	Actual May	Actual Jun	Actual Jul	F'cast Aug	F'cast Sep	F'cast Oct	F'cast Nov	F'cast Dec	F'cast Jan	F'cast Feb	F'cast Mar
£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
(14.4)	(14.4)	(14.2)	(14.4)	(13.9)	(13.9)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.0)
(4.0)	(4.0)	(2.4)	(2.4)	(3.6)	(3.8)	(3.6)	(3.5)	(3.6)	(3.5)	(3.7)	(7.5)
(18.3)	(18.3)	(16.7)	(16.7)	(17.6)	(17.7)	(18.5)	(18.4)	(18.4)	(18.4)	(18.5)	(21.5)
9.0	9.0	8.9	9.2	10.0	10.6	11.1	11.3	11.3	11.4	11.4	11.5
0.9	0.9	1.2	1.0	1.2	0.9	1.1	1.1	1.1	1.1	1.0	0.9
9.9	9.9	10.1	10.1	11.2	11.5	12.2	12.4	12.4	12.5	12.5	12.3
2.4	2.4	2.4	3.2	1.7	1.7	2.6	1.8	1.9	1.8	2.9	2.6
0.5	0.5	0.8	0.6	0.9	1.2	0.9	0.9	0.7	1.3	0.7	1.1
0.2	0.2	0.3	0.3	0.4	0.5	0.4	0.4	0.5	0.5	0.5	0.5
0.9	0.9	0.9	0.9	1.0	1.0	1.1	1.0	1.0	1.2	1.0	1.0
0.0	0.0	0.1	0.1	(0.0)	0.2	0.1	0.2	0.1	0.1	0.2	0.2
0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
1.5	1.5	0.6	(0.0)	(0.3)	(0.0)	0.3	0.2	0.0	0.1	0.3	3.8
0.8	0.8	0.5	0.7	0.4	0.7	0.7	0.7	0.7	0.7	0.7	0.7
6.7	6.7	6.0	6.1	4.4	5.6	6.5	5.5	5.2	5.8	6.5	10.2
(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
(0.0)	(0.0)	0.1	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
(0.0)	(0.0)	0.1	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
16.5	16.5	16.2	16.1	15.5	17.0	18.7	17.8	17.5	18.2	18.8	22.4
(1.8)	(1.8)	(0.5)	(0.7)	(2.1)	(0.7)	0.2	(0.6)	(0.9)	(0.2)	0.3	0.9