

## Appendix A

### Provider Services Summary Month 6 (By Service Area)

#### East & North Herts PCT

	FY Budget £000	YTD Budget £000	YTD Spend £000	Variance £000	Forecast £000
Management	£1,514	£757	£697	£60	£47
District Nursing	£7,398	£3,659	£3,539	£120	£104
School Nurses & Health Visitors	£6,176	£3,138	£2,893	£244	£344
Community Hospitals	£3,890	£1,920	£1,990	-£70	-£17
Intermediate Care	£1,403	£676	£700	-£24	-£33
Therapies	£6,152	£3,076	£2,823	£253	£100
Clinical Governance & Education and Training	£444	£185	£173	£12	£99
Sexual Health	£1,792	£896	£997	-£101	-£208
Estates	£5,091	£2,545	£2,601	-£56	-£114
Other Services	£3,024	£1,512	£1,406	£107	£99
Contingency	£516			£258	£516
	<b>£37,400</b>	<b>£18,365</b>	<b>£17,819</b>	<b>£804</b>	<b>£937</b>

#### West Herts PCT

	FY Budget £000	YTD Budget £000	YTD Spend £000	Variance £000	Forecast £000
Management	£1,659	£812	£848	-£36	-£40
District Nursing	£6,831	£3,423	£3,339	£83	£66
School Nurses & Health Visitors	£5,660	£2,830	£2,751	£79	£52
Community Hospitals	£4,741	£2,370	£2,275	£95	£2
Intermediate Care	£5,645	£2,399	£2,287	£112	£54
Therapies	£4,583	£2,309	£2,080	£229	£290
Clinical Governance & Education and Training	£578	£289	£260	£29	£57
Paediatrics	£5,351	£2,675	£2,384	£292	£367
Estates	£4,857	£2,326	£2,221	£106	£34
Prison	£454	£227	£235	-£8	£1
Wheelchairs	£1,396	£698	£658	£40	£80
Other Services	£4,975	£2,512	£2,176	£336	£335
Contingency	£1,645			£823	£1,645
	<b>£48,375</b>	<b>£22,870</b>	<b>£21,515</b>	<b>£2,178</b>	<b>£2,943</b>

## Appendix B

### Provider Services Summary Month 6 (By Assistant Director)

#### East & North Herts PCT

	FY Budget £000	YTD Budget £000	YTD Spend £000	Variance £000	Forecast £000
Management	£397	£199	£242	-£44	-£91
Adult Services	£15,430	£7,625	£7,683	-£57	-£152
Children's Services	£8,015	£4,057	£3,691	£366	£481
Clinical Governance & Training	£444	£185	£173	£12	£99
Estates	£5,359	£2,680	£2,669	£11	-£51
Specialist Adult Services	£6,910	£3,455	£3,207	£248	£117
Business Unit	£328	£164	£155	£9	£18
Contingency	£516			£258	£516
	<b>£37,400</b>	<b>£18,365</b>	<b>£17,819</b>	<b>£804</b>	<b>£937</b>

#### West Herts PCT

	FY Budget £000	YTD Budget £000	YTD Spend £000	Variance £000	Forecast £000
Management	£391	£195	£142	£53	£104
Adult Services	£19,660	£9,413	£9,072	£341	£210
Children's Services	£11,466	£5,733	£5,347	£386	£441
Clinical Governance & Training	£578	£289	£260	£29	£57
Estates	£5,137	£2,466	£2,435	£31	-£115
Specialist Adult Services	£9,168	£4,626	£4,103	£523	£581
Business Unit	£331	£148	£155	-£7	£20
Uncommitted	£1,645	£823		£823	£1,645
	<b>£48,375</b>	<b>£23,693</b>	<b>£21,515</b>	<b>£2,178</b>	<b>£2,943</b>

## Latest Uncommitted Funding Position

### Executive Summary

For a number of reasons, the estimated uncommitted funding available to re-invest in services during 2007-08 has altered since the original budget setting work.

Re-investment and recruitment has been and is underway for new posts in services. Recruitment in the early part of the year was originally prioritised as posts where there were patient safety risks, access/waiting time or other specific issues together with externally funded posts. Further to that, Assistant Directors were then able to prioritise recruitment across their services.

Recruitment levels have now utilised all the uncommitted funding on an on-going and full year basis. Although Provider Services are projecting an under spend this year, a significant element of this is through slippage on recruitment. This under spend is not available to recruit further permanent staff over and above those already being advertised or already included in budgets.

Future recruitment for the remainder of the year will therefore be on the following basis

- (a) Replacements (posts already within budgets) will be approved (subject to the usual assessment and opportunity that a vacancy allows for reviewing service requirements)
- (b) New posts will require an identifiable funding source. For example
  - new funding is secured (SLAs with another organisation or funding from commissioners)
  - budget is transferred permanently from other areas (i.e. a budgeted post is removed from the establishment to fund the new post or non-pay budget is reduced permanently)
  - recruitment to a new or replacement post previously approved has not happened or is to stop.
- (c) Additional staffing may be approved as a short term measure with commitment to remove the posts by a specific date. Agreement needed by AD management team
- (d) Exceptionally, new posts (not replacements) may be approved by the Provider Services Management Team in the first instance and will then require the approval of the PCT Executive Team

Any recruitment forms will now need to clearly identify how the post is to be funded. Where the funding source is not obvious, finance will notify HR Recruitment and the relevant AD/Service Lead that the post is not approved for recruitment.

Katrina Hall  
Acting Chief Operating Officer

Roger Hammond  
Assistant Director of Finance

# Latest Uncommitted Funding Position

## 1.0 Background

- 1.1 1<sup>st</sup> April saw several major pieces of work undertaken to encompass the structural changes throughout the PCT. This impacted upon budget setting, financial reporting processes, assigning budget holders, merging previous services and cost centres etc. This culminated in the entire payroll and each member of staff needing to be re-coded via ESR (electronic staff record) etc.
- 1.2 An exercise was co-ordinated via Business Unit to identify all provider service staff, the services within which they worked and to assign the relevant new coding. This database formed the foundations for calculating the draft 2007/08 budgets that were then discussed with service managers.
- 1.3 During the same period, the overall budget allocation to Provider Services was being determined. Several assumptions were included in the anticipated allocation to be received and supporting the full year draft budgets being calculated based on the staff database being collected from service heads by the Business Unit.
- 1.4 The difference between the total of the draft budgets and the total anticipated allocation became the 'uncommitted funds' available to re-invest in services.
- 1.5 The Assistant Director's then agreed a process to re-invest those funds. In the first instance this was into priority areas (patient safety, long waits etc) and external contracts (to ensure that the services continued, activity was maintained and the income secured). Having put these posts into the recruitment system, the remaining 'uncommitted funds' were allocated to each Assistant Director to re-invest in their service areas.

## 2.0 Since the Opening Position

- 2.1 There have been several aspects that have moved the original assessment of uncommitted funds. August (month 5) was when all the significant transfers of budgets between provider services and commissioning were concluded.

### **3.0 Summary**

3.1 Uncommitted Funds is now circ. £500k (East & North PCT) and £1.7m (West PCT). Recruitment, including the additional external posts totals £2m (East) and £1.8m (West).

### **4.0 Conclusion**

4.1 The level of uncommitted funds has altered since the start of the year. Recruitment is underway to utilise all the uncommitted funding on a full year effect basis for both PCTs. For the East & North PCT recruitment exceeds the uncommitted funding available.

4.2 However, slippage on recruitment and under spends being forecast will enable the East & North PCT to still show an under spend at year end.

4.3 Future recruitment for the remainder of the year will therefore be on the following basis

- (a) Replacements (posts already within budgets) will be approved (subject to the usual assessment and opportunity that a vacancy allows for reviewing service requirements)
- (b) New posts will require an identifiable funding source. For example
  - new funding is secured (SLAs with another organisation or funding from commissioners)
  - budget is transferred permanently from other areas (i.e. a budgeted post is removed from the establishment to fund the new post or non-pay budget is reduced permanently)
  - recruitment to a new or replacement post previously approved has not happened or is to stop.
- (c) Additional staffing may be approved as a short term measure with commitment to remove the posts by a specific date. Agreement needed by AD management team
- (d) Exceptionally, new posts (not replacement posts) may be approved by the Provider Services Management Team in the first instance and will then require the approval of the PCT Executive Team

4.4 Any recruitment forms will now need to clearly identify how the post is to be funded. Where the funding source is not obvious, finance will notify HR Recruitment and the relevant AD/Service Lead that the post is not approved for recruitment

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Acting Chief Operating Officer

Roger Hammond  
Asst. Director Finance (Provider Services)

2.2 The aspects that impacted upon the uncommitted funding can be summarised as

- (a) agreed budgets with service managers are higher than the initial draft budgets – changes to staff numbers, grades, changes to non-pay and income levels.
- (b) Even after agreeing budgets with service heads, staff are still being identified that are working within provider services that were not reflected in the ESR re-coding, staff database collection exercise or budget discussions. Such staff have added costs to budgets
- (c) some of the transfers of budgets to and from the Provider Services overall allocation have not been cost neutral
- (d) Recruitment to external contracts has been higher than identified within the draft budgets/staff review
- (e) Commissioning budgets have not been able to transfer the full year effect of services commenced in the previous year. Consequently the level of budget originally expected was not forthcoming but commissioners have agreed to rectify this for 2008-09
- (f) Whilst a transfer to the provider allocation for estate costs was expected, it was originally assumed that this would be split approximately equally across the two PCTs. The transfer, when received showed that the majority of the funding should be West PCT as this is where the costs would actually fall.

The impact of all of these is summarised below.

	East & North PCT £000	West PCT £000	Comments
Original Estimate	£1,389	£1,689	
Increase on draft budgets	(£236)	(£389)	Based on agreed budgets and also includes the extra staff identified etc
Estates	(£412)	£412	Effect of transfer of actual estates cost split compared to original assumption
Enhanced Services etc	(£136)	(£88)	Expected budgets not transferred by commissioners ( e.g. community matrons, heart failure, digital retinopathy etc)
East-West transfers	(£75)	£75	Budget re-alignment between PCTs Mainly shared management structures
Current Position	<u>£530</u>	<u>£1,699</u>	