

**A meeting of the Governing Body  
2<sup>nd</sup> May 2013**

**ENCLOSURE 5  
YEAR END FINANCE AND QIPP REPORT for 2012/13**

**RESPONSIBLE LEAD:** Tony Read, Chief Financial Officer

**AUTHOR:** Nick Brown, Head of Finance

**RECOMMENDATIONS:**

The Committee is asked to: -

Note the Finance and QIPP report

**SUMMARY:**

This report covers the twelve month period to 31<sup>st</sup> March 2013 for Lewisham PCT. For the financial year 2012/13, the PCT is reporting a year-end position of £ 5.614m surplus. This is £0.094m better than the required planned 1% surplus of £5.520m. The revenue expenditure position is summarised at Annex 1.

The PCT's QIPP savings target is a full year plan of £9.1m, and a stretched to a budget of £9.81m. Against the £9.81m QIPP savings budget, the PCT has delivered savings £65k better than target. The summary QIPP report is available as Annex 2.

**KEY ISSUES:**

The PCT has delivered the planned 1% revenue surplus and achieved its statutory financial duties:

- To manage within its revenue resource limit
- To manage within its capital resource limit
- To manage within its combined revenue and cash limit
- To manage within its cash limit

**Revenue**

Acute hospital activity is the most significant area of expenditure and also variance from budget. The PCT's reserves have been required to cover the acute budget overspends.

The position includes a full year estimate of £2.77m in respect of future liabilities for retrospective continuing care claims and £0.45m for current continuing care cases.

Delivery of the CCG budgeted QIPP savings is better than target. Consequently the CCG delivered its 2012/13 operating plan QIPP savings

Further information of the PCT's financial position is included within the more detail finance report. The main issues explored at the March 2013 Delivery Committee are outlined below.

Acute and specialist services

Month 12 acute expenditure is based on Month 11 activity data projected to the full year.

Acute and specialist services budgets are £5.2m overspent at Month 12. This reflects the agreed Year End Position for Lewisham Healthcare NHS Trust (£4.2m overspend); Kings (£2.6m overspend); and Guy's and St Thomas' (£1.1m overspent). This position has been partly offset by underspends with other providers and by full use of reserves held in acute budgets.

Health Client Groups

There is an overall favourable variance of £0.6m against plan to the end of March. The movement in month reflects the increased provision in respect of liabilities for continuing care retrospective claims.

Primary care

Overall primary care (excluding prescribing) is underspent by £0.3 m.

Prescribing

The prescribing budget has underspent by £2m for the year.

Corporate and Other

Corporate budgets have underspent by £0.3m. The PCT has used all of its reserves in delivering its year end position.

**Cash**

The PCT spent its cash limit of £561.8m in full in 2012/13 and returned no cash to the Department of Health. The PCT also achieved the standards expected by the public sector Better Payment Practice Code.

**Capital**

The PCT underspent its capital resource limit by £0.7m, mainly due to the deferral of the Virtual Patient Record Business Case.

**Risk**

From the year end PCT financial position the most significant expenditure risks for the CCG in 2013/14 relate to

- the ability manage acute activity within contracted and budgeted levels
- the future liabilities for payments against valid continuing care claims. A provision of £2.77m has been made at the year end reflecting the anticipated cost of claims.

**Public Sector Equality Duty**

The general equality duty requires public sector bodies, in the exercise of their functions, to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited under the Equality Act 2010
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it
- Foster good relations between people who share a relevant protected characteristic and those who do not share it

**STAKEHOLDER INVOLVEMENT**

To be communicated to the GP Membership

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