

## HEALTH SCRUTINY AND PERFORMANCE PANEL

Agenda Item  
No. 14

24 October 2011

### 2010/11 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

#### Portfolio:

Health, Social Care and Inclusion - Councillor McCracken

#### Summary of report

This report summarises the revenue outturn for the year ended 2010/11, subject to external audit, for services within the remit of the Health Scrutiny and Performance Panel.

#### Recommendation

To note that the 2010/11 year end financial position for services under the remit of the Health Scrutiny and Performance Panel, is a revenue overspend against budget of **£2.181m** for Learning Disabilities and a revenue underspend against budget of **£1k** for Integrated Community Equipment Stores (ICES).

#### Background papers

Various financial working papers.  
Quarterly reporting to Scrutiny Panels throughout year  
2010/11 Budget Books on Council's Internet and Intranet

#### Reason for scrutiny

To inform the panel of the pre-audit financial position for 2010/11.

#### Signed:



**Executive Director:** Paul Davies

**Date:** 17 August 2011

## **Resource and legal considerations**

The accounts were monitored and reported on as part of the budget guidelines and all entries into the final accounts have been undertaken in line with the required accounting guidance and standards.

## **Citizen impact**

The budget is aligned with service activity within service plans within the directorate. Investment has been targeted at service improvement, stability and user demand.

## **Environmental impact**

Services within the remit of this panel have a direct influence and impact on the environment.

## **Performance management**

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. Corrective action plans were put in place to mitigate overspends. Variances against budget are identified in the report.

## **Equality Implications**

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil equal opportunities obligations.

## **Consultation**

Consultation was undertaken as part of the budget setting process and throughout the financial year on the financial position and reporting thereof.

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1 Revenue Outturn 2010/11 – Learning Disabilities Pooled Budget

- 1.1 The revenue outturn for 2010/11 for the Learning Disabilities Pool Budget is an overspend against budget of **£2.181m**. This position is currently subject to external audit. **Table 1** provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

<b>Table 1 - Final Revenue Outturn 2010/11</b>					
<b>Service</b>	<b>Annual Budget £'000</b>	<b>Year End Actual £'000</b>	<b>Year End Variance £'000</b>	<b>Transfer to or (from) Reserves £'000</b>	<b>Variance Net of Reserves (Under)/ Overspend £'000</b>
Provider Services	7,733	7,641	(92)	0	(92)
Placements	17,056	19,316	2,260	0	2,260
Care Management	1,005	1,074	69	0	69
Management and Admin	495	394	(101)	0	(101)
Other	3,373	3,200	(173)	218	45
<b>Total</b>	<b>29,662</b>	<b>31,625</b>	<b>1,963</b>	<b>218</b>	<b>2,181</b>
Council Contribution					1,642
Walsall PCT Contribution					539
					<b>2,181</b>

- 1.2 The Learning Disabilities Pooled budget for 2010/11 included new savings, as approved by Council on 22 February 2010, totalling **£1.353m**. The full year effect of previous years' savings, additional PCT savings and in year pressures approved by Vulnerable Adults Executive Board on 28 May 2010 total **£3.782m**. Savings relating to the emergency budget of **£200k** were approved by Cabinet on 16 July 2010. Total identified budget pressure included within the directorate for the year was **£5.335m**. A full breakdown of these savings can be found in the 2010/11 Social Care and inclusion budget book. The overspend was partly offset by a contribution of £539k from Walsall PCT, leaving a contribution of £1.642m to be made by Walsall Council.
- 1.3 The outturn includes transfer to reserves of £218k where permission has been requested to create a new reserve for a specific project. This was subject to the Department of Health's terms and conditions relating to the Campus Closures grant and therefore could not be utilised to mitigate the Learning Disabilities Pooled Budget overspend position. **Table 2** provides a summary of this.

Table 2 - Analysis of 2010/11 Use of and Transfer to Earmarked Reserves		
Service	Amount £'000	Explanation
<b>Transfer to Reserves</b> Learning Disabilities	218	Funding received from Department of Health to fund relocation of clients with Learning Disabilities from campuses into the community
<b>Total</b>	<b>218</b>	

## 2 Revenue Outturn 2010/11 – ICES Pooled Budget

- 2.1 The revenue outturn for 2010/11 for the services under the remit of the Health Scrutiny and Performance Panel is an underspend against budget of **£1k**. This position is currently subject to external audit. Table 3 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 3 - Final Revenue Outturn 2010/11					
Service	Annual Budget £'000	Year End Actual £'000	Year End Variance £'000	Transfer to or (from) Reserves £'000	Variance Net of Reserves (Under)/ Overspend £'000
Equipment	865	925	60	0	60
Non Pay	129	130	1	0	1
Pay	398	336	(62)	0	(62)
Audit Fees	4	4	0	0	0
<b>Total</b>	<b>1,396</b>	<b>1,395</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>

## Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<b><u>Learning Disabilities Pooled Budget</u></b>		
<b><u>Provider</u></b>		
Placements	Underspend mainly due to vacant posts within the PCT	(92)
<b>Sub-total</b>		<b>(92)</b>
<b><u>Placements</u></b>		
Placements	Ongoing pressure on placement budgets from previous years and cost of new placements agreed in 2010/11	2,260
<b>Sub-total</b>		<b>2,260</b>
<b><u>Care Management</u></b>		
Employee costs	Grant reduction resulting in a number of posts unfunded. Funding is to be realigned as part of the 2011/12 SC&I restructure	111
Service Level Agreements	Renegotiation of service level agreements to provide in year savings	(42)
<b>Sub-total</b>		<b>69</b>
<b><u>Management and Admin</u></b>		
Employee costs	Underspend due to vacant posts	(161)
Other smaller variances		60
<b>Sub-total</b>		<b>(101)</b>
<b><u>Other</u></b>		
Other smaller variances	The ongoing pressures relating to adult placement costs and short breaks unit	45
<b>Sub-total</b>		<b>45</b>
<b>Total Learning Disabilities Pooled Budget</b>		<b>2,181</b>
<b><u>ICES</u></b>		
<b>Total ICES Pooled Budget</b>	Equipment costs lower than anticipated	<b>(1)</b>