

**HEALTH
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No.**

DATE: 20 JUNE 2013

DRAFT REVENUE AND CAPITAL OUTTURN 2012/13 (PRE-AUDIT)

Ward(s) All

Portfolio:

Councillor Barbara McCracken – Social Care & Health

Summary of report

This report summarises the draft revenue and capital outturn position for the year ended 2012/13, subject to external audit, for services within the remit of the Health Scrutiny and Performance Panel.

The Integrated Community Equipment Service (ICES) pooled budget fully utilised the resources available.

The Learning Disabilities pooled budget overspent by **£3.827m**. The service has successfully delivered £911k of savings during 2012/13, however ongoing pressures on placement budgets from previous years (the over spend for 2011/12 was £2.985m, and for 2010/11 was £2.181m), and the cost of new placements agreed in year, have contributed to the over spend.

The overspend will be funded by partners as per their contribution to the pooled budget, with £1.068m (27.9%) being funded by the PCT and the remainder, £2.759m (72.1%), being funded by the council through under spends achieved elsewhere within the Social Care and Inclusion directorate during 2012/13.

Further details are provided within the 2012/13 Outturn Financial Monitoring Position statement which will be reported to the Social Care and Inclusion Scrutiny and Performance Panel on 23 July 2013.

Recommendation

To note that the draft 2012/13 year end financial position for services under the remit of the Health Scrutiny and Performance Panel, is a breakeven position for the ICES pooled budget and an overspend against budget of **£3.827m** for the Learning Disability pooled budget.

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout the year
2012/13 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2012/13.

Signed:**Chief Finance Officer:** James T Walsh**Executive Director:** John Bolton**Date:** 7 June 2013**Date:** 13 June 2013

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 2012/13 – Learning Disabilities Pooled Budget

- 1.1 The draft revenue outturn for 2012/13 for the Learning Disability pooled budget is an over spend against budget of **£3.827m**. This position is subject to external audit which will take place during July. Table 1 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 - Draft Revenue Outturn 2012/13 – LD Pooled Budget			
Service	Annual Budget £m	Year End Actual £m	Year End Variance £m
Provider Services	7.361	7.317	(0.044)
Placements	17.416	21.399	3.983
Care Management	0.631	0.626	(0.005)
Management & Admin	1.502	1.491	(0.011)
Other	0.399	0.303	(0.097)
Total	27.310	31.137	3.827

- 1.2 The budget for 2012/13 included approved net savings of £1.458m. £911k (62.5%) of these were achieved. The reasons for non-achievement were due to ongoing pressures around placement budgets from previous years, and the cost of new placements agreed in 2012/13, contributed to the overspend position.
- 1.3 The social care commissioning budgets have been reviewed when setting the budget for 2013/14 and the over spend with learning disabilities and under spends in other commissioning areas have been realigned to reduce pressures on the pooled budget going forward, which has resulted in an increase in the learning disability placements budget for 2013/14 of £ 2.709m (the underspends were in the main achieved within the older peoples commissioning area where there has been a reduction in numbers of entering residential care due to development of services to support them in their own homes).
- 1.4 In addition costs for 2013/14 were forecast to reduce by £301k in relation to the full year effect of the reprovision work undertaken during 2012/13 and £900k in relation to notice that has been given on an existing contract.

2 Revenue Outturn 2012/13 – ICES Pooled Budget

- 2.1 The draft revenue outturn for 2012/13 for the ICES pooled budget is a breakeven position against budget. This position is subject to external audit which will take place during July. Table 2 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 2 - Draft Revenue Outturn 2012/13 – ICES Pooled Budget			
Service	Annual Budget £m	Year End Actual £m	Year End Variance £m
Equipment	0.873	0.902	0.029
Non Pay	0.129	0.118	(0.010)
Pay	0.390	0.372	(0.018)
Audit Fees	0.004	0.004	0.000
Total	1.396	1.396	0.000

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason/ Explanation of Variance	Variance £m
<u>Learning Disabilities Pooled Budget</u>		
<u>Provider</u>		
Day Services	Black Country partnership contract renegotiated for 2012/13 at reduced amount	(0.044)
Sub-total		(0.044)
<u>Placements</u>		
Placements	Ongoing pressure on placement budgets from previous years and cost of new placements agreed in 2012/13	3.983
Sub-total		3.983
<u>Care Management</u>		
Sub-total	Other small variances	(0.005)
<u>Management and Admin</u>		
Sub-total	Other small variances	(0.011)
<u>Other</u>		
Sub-total	Under spends against carers allocations due to delays in projects going ahead	(0.097)
Total Learning Disabilities Pooled Budget		3.827
<u>ICES</u>		
Total ICES Pooled Budget		0.000