

DATE: 25 JULY 2013

QUARTER 1 FINANCIAL MONITORING POSITION FOR 2013/14

Ward(s) All

Portfolio:

Councillor McCracken – Social Care & Health
Councillor Ali – Public Protection & Health

Summary of report

This report summarises the predicted revenue outturn position for 2013/14, based on the financial performance for quarter 1 (April 2013 to June 2013), for services within the remit of the Health Scrutiny and Performance Panel.

The Integrated Community Equipment Service (ICES) pooled budget is forecast to fully utilise the resources available.

The Public Health service is forecast to fully utilise the resources available.

In relation to the Learning Disabilities pooled budget, although the directorate management team are currently identifying and implementing actions to bring expenditure in line with the available budget, there is currently a forecast overspend against budget of **£1.584m**.

Ongoing pressures on placement budgets from previous years (the over spend for 2012/13 was £3.827m, and for 2011/12 was £2.985m), and the cost of new placements agreed in year, have contributed to the forecast overspend. As such the council have recognised that £973k of this over spend is a Council pressure that will be met from planned under spends within the Social Care and Inclusion directorate.

After this adjustment the pooled budget over spend will be £611k, which if the forecast overspend were to remain at the current level, would be shared and agreed between Walsall Council and Walsall PCT as per their contribution to the pooled budget, with £170k (27.9%) being funded by Walsall PCT and the remainder, £441k (72.1%), being funded by the council.

This pressure is currently forecast to be met from planned under spends elsewhere within the Social Care and Inclusion directorate, further details of which are provided within the 2013/14 quarter 1 Financial Monitoring Position statement which was reported to the Social Care and Inclusion Scrutiny and Performance Panel on 23 July 2013.

Recommendation

To note the 2013/14 forecast year-end financial position for services under the remit of

the Health Scrutiny and Performance Panel.

Background papers

Various financial working papers.

2012/13 Outturn report to Scrutiny Panel

2013/14 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecast financial position for 2013/14 for services within their remit.

Signed:

Handwritten signature of Vicky Buckley in blue ink.Handwritten signature of John Bolton in blue ink.

Head of Finance: Vicky Buckley

Executive Director: John Bolton

Date: 11th July 2013

Date: 12th July 2013

Resource and legal considerations

Directorates are required to manage their services within budget. Overspends may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report. Corrective action plans are in place to mitigate any overspends within service. Any corporate overspend will require replenishment in the 2013/14 budget.

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 Forecast Revenue Outturn 2013/14 – Learning Disabilities Pooled Budget

- 1.1 The forecast revenue outturn for 2013/14 for the Learning Disability Pooled Budget (based on the position as at the end of June 2013) is an over spend of **£1.584m**. The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year end forecasts and achievement of approved savings.
- 1.2 It has been agreed that £973k of this over spend relates to council pressures and that this will be funded from planned under spends within the Social Care directorate, leaving a further £611k to be funded as per the pooled budget agreement.
- 1.3 If the forecast overspend were to remain at the current level this would need to be funded and agreed by partners as per their contribution to the pooled budget, with £170k (27.9%) being funded by Walsall PCT and the remainder, £441k (72.1%), being funded by the council. This contribution is currently forecast to be met from planned underspends elsewhere within the Social Care and Inclusion directorate.
- 1.4 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/ overspends. Where a significant overspend is forecast or a new pressure identified the Social Care & Inclusion Directorate Management Team, through their weekly budget meetings, are responsible for identifying an in year action plan to mitigate this position and ensure that the budget is balanced at the end of the year.
- 1.5 **Table 1** shows the forecast outturn for each service, and **Appendix 1** provides an analysis of the reasons for material forecast variances.
- 1.6 Following a review of the final outturn position for 2012/13 across Social Care and Inclusion, the budget for the Learning Disability Pooled Budget has been increased by **£3.400m**, as approved by Council on 21 February 2013. It is expected that this will help address the pressures from placements being reported in previous financial years.

Table 1 - Learning Disabilities Pooled Budget Forecast Revenue Outturn 2013/14

Service Area	Annual Budget £'000	Profiled Budget £'000	Actual to Date £'000	Variance to profiled budget £'000	Year End Forecast £'000	Year End Variance £'000
Provider Services	8,003	2,001	2,031	30	8,003	0
Placements	20,179	5,045	5,433	388	22,021	1,842
Care Management	1,008	252	272	20	959	(49)
Management and Admin	1,700	425	394	(31)	1,496	(204)
Other	319	80	91	11	314	(5)
Total	31,209	7,802	8,221	419	32,793	1,584
						(973)
less Walsall Council agreed contribution						
						611
Net pooled budget position						

2 Forecast Revenue Outturn 2013/14 – ICES Pooled Budget

- 2.1 The forecast revenue outturn for 2013/14 for the ICES Pooled Budget (based on the position as at the end of June 2013) is a breakeven position. The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year end forecasts and achievement of approved savings.
- 2.2 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where a significant overspend is forecast or a new pressure identified the Disabilities Management Team, through the monthly budget meetings, identify an in year action plan to mitigate this position and ensure that the budget is balanced at the end of the year.
- 2.3 **Table 2** shows the forecast outturn for each service, and **Appendix 1** provides an analysis of the reasons for material forecast variances.

Table 2 – Forecast Year End Variance for the ICES Pooled Budget 2013/14						
Service Area	Annual Budget £'000	Profiled Budget £'000	Actual to Date £'000	Variance to profiled budget £'000	Year End Forecast £'000	Year End Variance £'000
Equipment	865	181	193	12	865	0
Non pay	129	32	26	(6)	129	0
Pay	398	98	90	(8)	398	0
Audit Fees	4	1	1	0	4	0
Total	1,396	312	310	(2)	1,396	0

3 Forecast Revenue Outturn 2013/14 – Public Health

- 3.1 The forecast revenue outturn for 2013/14 for Public Health (based on the position as at the end of June 2013) is a breakeven position. The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year end forecasts and achievement of approved savings.
- 3.3 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where a significant overspend is forecast or a new pressure identified the budget managers, through the monthly budget meetings, identify an in year action plan to mitigate this position and ensure that the budget is balanced at the end of the year.
- 2.3 **Table 3** shows the forecast outturn, and **Appendix 2** provides an analysis of the reasons for material forecast variances.

Table 3 - Forecast Year End Variance for Public Health 2013/14			
	Annual Budget £'000	Forecast Outturn £'000	Year End Variance £'000
Employees	1,697	1,516	(181)
Premises			
Transport	10	10	0
Commissioned			
Services	12,874	13,044	170
Supplies & Services	182	192	10
Internal Recharges	401	401	
Total Expenditure	15,163	15,163	0
Grant Income	(14,984)	(14,984)	0
Other Contributions	(210)	(210)	0
Internal Income	(50)	(50)	0
Total Income	(15,243)	(15,243)	0
Net	(80)	(80)	0

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<u>Learning Disabilities Pooled Budget</u>		
<u>Placements</u>		
Placements	Ongoing pressure on placement budgets from previous years and cost of new placements agreed in 2013/14	1,842
Sub-total		1,842
<u>Care Management</u>		
Salaries	Holding of vacant posts to offset pressures elsewhere within the directorate	(82)
Service Level Agreements	Pilot schemes allocated above budget available	33
Sub-total		(49)
<u>Management and Admin</u>		
Reablement	Reablement monies utilised in management and admin but being spent elsewhere within the directorate	(204)
Sub-total		(204)
<u>Other</u>		
Other smaller variances		(5)
Sub-total		(5)
Total Learning Disabilities Pooled Budget		1,584
<u>ICES</u>		
Total ICES Pooled Budget		0

Appendix 2 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<u>Public Health</u>		
Total Public Health Budget	No significant variances forecast, however this includes £395k unallocated budget forecast to be spent by year end. Allocation of budget has been considered by CMT and is to be decided by Cabinet.	0