

DATE: 5 OCTOBER 2010

LEARNING DISABILITIES AND INTEGRATED COMMUNITY EQUIPMENT STORE (ICES) POOLED BUDGETS QUARTER 1 FINANCIAL MONITORING POSITION FOR 2010/11

Ward(s) All

Portfolio:

Councillor McCracken – Health, Social Care and Inclusion

Summary of report

This report summarises the predicted revenue outturn position for 2010/11, based on the financial performance for quarter 1 (April 2010 to June 2010), for services within the remit of the Health Scrutiny and Performance Panel.

The Learning Disabilities pooled budget is a forecast to overspend against budget by **£789k**, and the ICES pooled budget is forecast to underspend by **£25k**, after the use of approved reserves, carry forwards and action planning.

A number of actions are taking place within the Social Care directorate to offset the pressure highlighted above within the Learning Disability pooled budget, for example the continued roll out of reviews of packages of care linked to the council's entitlements policy, a review of service provider contracts to consolidate where possible and draw out efficiencies, a reduction in the use of agency staff and review of structures and vacant posts. Following these actions the forecast for the overall directorate is a breakeven position.

Further details are provided within the 2010/11 Quarter 1 Financial Monitoring Position statement which will be reported to the Social Care and Inclusion Scrutiny and Performance Panel on 7 October 2010.

Recommendation

To note the 2010/11 forecast year end financial position for services under the remit of the Health Scrutiny and Performance Panel.

Background papers

Various financial working papers.
2009/10 Outturn report to Scrutiny Panel
2010/11 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecast financial position for 2010/11 for Learning Disabilities and ICES pooled budgets.

Signed:



Chief Finance Officer: James T Walsh

Date: 15 September 2010



Executive Director: Paul Davies

Date: 15 September 2010

Resource and legal considerations

Services 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 the directorate as a whole. Any corporate overspend will require replenishment in the 2010/11 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 are in place to mitigate overspends within the directorate as a whole. 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

Senior managers within the services have been consulted and have signed off the forecast as accurate.

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1 Forecast Revenue Outturn 2010/11 – Learning Disabilities Pooled Budget

- 1.1 The forecast revenue outturn for 2010/11 for the Learning Disabilities Pooled Budget (based on the position as at the end of June 2010) is an overspend against budget of **£789k**. 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 **Table 1** shows a breakdown of the forecast outturn for the Learning Disabilities pooled budget and **Appendix 1** provides an analysis of the reasons for material forecast variances.
- 1.3 Included within the Learning Disabilities pooled budget for 2010/11 are new investments and savings, as approved by Council on 22 February 2010, totalling **£45k** and **£1.353m** respectively. The full year effect of previous years' investments and savings included in the budget are **£240k** for investments and **£857k** for savings. A full breakdown of investment and savings can be found in the 2010/11 Social Care and inclusion budget book. Where savings are not able to be achieved in full in year, directorate management teams are required to identify and manage alternative savings in liaison with the relevant portfolio holder.
- 1.4 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where overspends are predicted, managers are tasked to identify remedial action that can be made within the service, and to report as part of the directorates action plan. All options will continue to be explored throughout the financial year so as to minimise any forecast overspends, and to manage additional risks as they arise.
- 1.5 At present number of actions are taking place within the Social Care directorate to offset the pressure highlighted above. Following these actions the forecast for the overall directorate is a breakeven position. Further details are provided within the 2010/11 Quarter 1 Financial Monitoring Position statement which will be reported to the Social Care and Inclusion Scrutiny and Performance Panel on 7 October 2010.

Table 1 – Learning Disabilities Pooled Budget Forecast Revenue Outturn 2010/11

Service Area	Annual Budget £'000	Profiled Budget £'000	Year To Date £'000	Variance to date - (Under)/ Overspend £'000	Year End Forecast £'000	Year End Variance - (Under)/ Overspend £'000	Use of Reserves / Approved Carry Forward £'000	Non Essential Spend Savings £'000	Action Plan £'000	Variance Net of Reserves / Non Essential Spend and Action Plans - (Under)/ Overspend £'000
Provider Services	10,147	2,537	2,533	(4)	10,162	15	0	(15)	0	0
Placements	17,382	4,346	4,534	188	18,177	795	0	0	0	795
Care Management	1,030	257	288	30	1,028	(2)	0	(8)	0	(10)
Management and Admin	644	161	152	(9)	667	23	0	(19)	0	4
Other	2,407	602	527	(75)	2,407	0	0	0	0	0
Total Learning Disabilities Pool Budget	31,610	7,903	8,034	130	32,399	831	0	(42)	0	789

2 Forecast Revenue Outturn 2010/11 – ICES Pooled Budget

- 2.1 The forecast revenue outturn for 2010/11 for the ICES Pooled Budget (based on the position as at the end of June 2010) is an underspend of **£25k**. 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 overspends are predicted, managers are tasked to identify remedial action that can be made within the service, and to report as part of the directorate action plan. All options will continue to be explored throughout the financial year so as to minimise any forecast overspends, and to manage additional risks as they arise.
- 2.3 **Table 2** shows the forecast outturn for ICES pooled budget and **Appendix 1** provides an analysis of the reasons for material forecast variances.
- 2.5 The forecast underspend within the ICES pooled budget contributes toward the wider directorate action plan, which brings the forecast for the overall directorate to a breakeven position.

Table 2 – ICES Pool Budget Forecast Revenue Outturn 2010/11

Service Area	Annual Budget £'000	Profiled Budget £'000	Year To Date £'000	Variance to date - (Under)/ Overspend £'000	Year End Forecast £'000	Year End Variance - (Under)/ Overspend £'000	Use of Reserves / Approved Carry Forward £'000	Non Essential Spend Savings £'000	Action Plan £'000	Variance Net of Reserves / Non Essential Spend and Action Plans - (Under)/ Overspend £'000
Equipment	865	216	198	(18)	847	(18)	0	0	0	(18)
Non Pay	129	32	25	(7)	122	(7)	0	0	0	(7)
Pay	365	91	86	(5)	365	0	0	0	0	0
Audit Fees	4	1	0	(1)	4	0	0	0	0	0
Total ICES Pool Budget	1,363	340	309	(31)	1,338	(25)	0	0	0	(25)

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<u>Learning Disabilities Pooled Budget</u>		
Provider Services		0
Placements	Ongoing pressure on placement budgets from previous years and cost of new placements agreed in 2010/11	792
	Other smaller variances	3
		795
Care Management	Small variances	(10)
Management and Admin		
Salaries	Underspend on vacant posts, partially offset by costs of agency staff	(13)
Premises	Forecast rental costs higher than budget	18
	Other smaller variances	(1)
		4
Total Learning Disabilities Pooled Budget		789
<u>Total ICES Pool Budget</u>	Equipment costs lower than anticipated	(25)