

DATE: 14 NOVEMBER 2013

QUARTER 2 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 2 (July 2013 to September 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 £2.141m.

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 £1.168m, which if the forecast overspend were to remain at the current level, would be shared and agreed between Walsall council and Walsall CCG as per their contribution to the pooled budget, with £326k (27.9%) being funded by Walsall CCG and the remainder, £842k (72.1%), being funded by the council.

This pressure is currently forecast to be funded in part from reserves and an action plan is being developed by the Social Care and Inclusion directorate, further details of which are provided within the 2013/14 quarter 2 Financial Monitoring Position statement which was reported to the Social Care and Inclusion Scrutiny and Performance Panel on 7 November 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:



Head of Finance: Vicky Buckley

Executive Director: John Bolton

Date: 31st October 2013

Date: 1st November 2013



Executive Director Jamie Morris

Date: 1st November 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 currently being developed to mitigate any overspends within service. Any corporate overspend will require replenishment in the 2014/15 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 being 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 September 2013) is an over spend of **£2.141m**. 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 within the Social Care directorate, which leaves a further £1.168m 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 £326k (27.9%) being funded by Walsall CCG and the remainder, £842k (72.1%), being funded by the council.
- 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 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	8,008	4,004	4,004	0	8,008	0
Placements	20,179	10,090	10,733	644	22,284	2,105
Care Management	1,037	502	519	17	1,103	66
Management and Admin	2,208	1,256	1,283	28	2,170	(37)
Other	320	160	167	7	328	8
Total	31,753	16,011	16,706	695	33,894	2,141
less Walsall Council agreed contribution						(973)
Net pooled budget position						1,168

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 September 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, will be required to 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 element.

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	873	375	493	116	873	0
Non pay	129	147	90	(57)	129	0
Pay	390	197	177	(20)	390	0
Audit Fees	4	1	0	1	4	0
Total	1,396	720	760	40	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 September 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.
- 3.2 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 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.
- 3.3 **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	1,722	1,427	(295)
Premises			
Transport	10	10	0
Commissioned			
Services	12,844	13,535	691
Supplies & Services	184	189	5
Internal Recharges	484	487	3
Total Expenditure	15,244	15,648	404
Grant Income	(14,984)	(14,984)	0
Other Contributions	(210)	(614)	(404)
Internal Income	(50)	(50)	0
Total Income	(15,244)	(15,648)	(404)
Net	(0)	(0)	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 domiciliary care, residential and nursing budgets from previous years and cost of new placements agreed in 2013/14	2,105
Sub-total		2,105
<u>Care Management</u>		
Salaries	Holding of vacant posts to offset pressures elsewhere within the directorate	(27)
Service Level Agreements	Service Level Agreements for support schemes expenditure above budget available	93
Sub-total		66
<u>Management and Admin</u>		
Salaries	Holding of vacant posts to offset pressures elsewhere within the directorate	(37)
Sub-total		(37)
<u>Other</u>		
Other smaller variances		8
Sub-total		8
Total Learning Disabilities Pooled Budget		2,141

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 which is forecast to be spent by year end. There has been additional funding from the PCT (from last financial year) and this will be used to commission additional services.	0