

**DATE: 18 SEPTEMBER 2012**

**QUARTER 1 FINANCIAL MONITORING POSITION FOR 2012/13**

**Ward(s)** All

**Portfolio:**

Councillor McCracken – Social Care & Health

**Summary of report**

This report summarises the predicted revenue outturn position for 2012/13, based on the financial performance for quarter 1 (April 2012 to June 2012), 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.

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 **£1.525m**.

The service is currently forecasting to successfully deliver £2.641m of savings during 2012/13, however ongoing pressures on placement budgets from previous years (the overspend 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 forecast overspend.

If the forecast overspend were to remain at the current level this would be shared between Walsall Council and Walsall PCT as per their contribution to the pooled budget, with £425k (27.9%) being funded by Walsall PCT and the remainder, £1.100m (72.1%), being funded by the council.

This pressure is currently forecast to be met from planned underspends elsewhere within the Social Care and Inclusion directorate, further details of which are provided within the 2012/13 quarter 1 Financial Monitoring Position statement which was reported to the Social Care and Inclusion Scrutiny and Performance Panel on 4 September 2012.

**Recommendation**

To note the 2012/13 forecast year end financial position for services under the remit of the Health Scrutiny and Performance Panel.



**Background papers**

Various financial working papers.  
2011/12 Outturn report to Scrutiny Panel  
2012/13 Budget Book on Council's Internet and Intranet

**Reason for scrutiny**

To inform the panel of the forecast financial position for 2012/13 for services within their remit.

**Signed:**

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**Chief Finance Officer:** Vicky Buckley

**Executive Director:** Paul Davies

**Date:** 29 August 2012

**Date:** 29 August 2012

## **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 2012/13 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.

## **Contact Officer:**

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## 1 Forecast Revenue Outturn 2012/13 – Learning Disabilities Pooled Budget

- 1.1 The forecast revenue outturn for 2012/13 for the Learning Disability Pooled Budget (based on the position as at the end of June 2012) is an overspend of **£1.525m**. 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 If the forecast overspend were to remain at the current level this would need to be funded by partners as per their contribution to the pooled budget, with £425k (27.9%) being funded by Walsall PCT and the remainder, £1.100m (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.
- 1.3 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 Social Care & Inclusion Directorate Management Team, through their three 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.
- 1.4 **Table 1** shows the forecast outturn for each service, and **Appendix 1** provides an analysis of the reasons for material forecast variances.
- 1.5 Included within the Learning Disability Pooled Budget for 2012/13 are new savings, as approved by Council on 23 February 2012, totalling **£3.597m**. A full breakdown of savings can be found in the 2012/13 budget book. As at the end of June 2012 the service is forecasting to successfully deliver £2.641m of these savings during 2012/13. 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.

**Table 1 - Learning Disabilities Pooled Budget Forecast Revenue Outturn 2012/13**

| <b>Service Area</b>          | <b>Annual Budget<br/>£'000</b> | <b>Profiled Budget<br/>£'000</b> | <b>Actual to Date<br/>£'000</b> | <b>Variance to profiled budget<br/>£'000</b> | <b>Year End Forecast<br/>£'000</b> | <b>Year End Variance<br/>£'000</b> |
|------------------------------|--------------------------------|----------------------------------|---------------------------------|--|------------------------------------|------------------------------------|
| Provider Services            | 7,712                          | 1,928                            | 2,215                           | 287  | 7,641                              | (71)                               |
| Placements                   | 17,451                         | 4,363                            | 5,139                           | 776  | 19,096                             | 1,645                              |
| Care Management              | 676                            | 169                              | 164                             | (5)  | 633                                | (43)                               |
| Management and Admin         | 1,903                          | 476                              | 109                             | (367)  | 1,920                              | 17                                 |
| Other                        | 389                            | 97                               | 93                              | (4)  | 366                                | (23)                               |
| <b>Total</b>                 | <b>28,131</b>                  | <b>7,033</b>                     | <b>7,720</b>                    | <b>687</b>                                   | <b>29,656</b>                      | <b>1,525</b>                       |
| Walsall PCT Contribution     |                                |                                  |                                 |  |                                    | 425                                |
| Walsall Council Contribution |                                |                                  |                                 |  |                                    | 1,100                              |

## 2 Forecast Revenue Outturn 2012/13 – ICES Pooled Budget

- 2.1 The forecast revenue outturn for 2012/13 for the ICES Pooled Budget (based on the position as at the end of June 2012) 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.

| <b>Table 2 – Forecast Year End Variance for the ICES Pooled Budget 2012/13</b> |                                |                                  |                                 |  |                                    |                                    |
|--|--------------------------------|----------------------------------|---------------------------------|--|------------------------------------|------------------------------------|
| <b>Service Area</b>  | <b>Annual Budget<br/>£'000</b> | <b>Profiled Budget<br/>£'000</b> | <b>Actual to Date<br/>£'000</b> | <b>Variance to profiled budget<br/>£'000</b> | <b>Year End Forecast<br/>£'000</b> | <b>Year End Variance<br/>£'000</b> |
| 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                                  |
| <b>Total</b>   | <b>1,396</b>                   | <b>312</b>                       | <b>310</b>                      | <b>(2)</b>                                   | <b>1,396</b>                       | <b>0</b>                           |

### Appendix 1 – Explanation of Significant Revenue Variations

| Service   | Reason / Explanation of Variance   | Variance<br>£'000 |
|---|--|-------------------|
| <b><u>Learning Disabilities Pooled Budget</u></b> |  |                   |
|   |  |                   |
| <b><u>Provider Services</u></b>                   |  |                   |
| Private Contractor Fees                           | Efficiencies relating to Black Country Partnership contract  | (71)              |
| <b>Sub-total</b>                                  |  | <b>(71)</b>       |
|   |  |                   |
| <b><u>Placements</u></b>                          |  |                   |
| Placements  | Ongoing pressure on placement budgets from previous years and cost of new placements agreed in 2012/13 | 1,645             |
| <b>Sub-total</b>                                  |  | <b>1,645</b>      |
|   |  |                   |
| <b><u>Care Management</u></b>                     |  |                   |
| Salaries  | Holding of vacant posts to offset pressures elsewhere within the directorate                           | (43)              |
| <b>Sub-total</b>                                  |  | <b>(43)</b>       |
|   |  |                   |
| <b><u>Management and Admin</u></b>                |  |                   |
| Other smaller variances                           |  | 17                |
| <b>Sub-total</b>                                  |  | <b>17</b>         |
|   |  |                   |
| <b><u>Other</u></b>                               |  |                   |
| Other smaller variances                           |  | (23)              |
| <b>Sub-total</b>                                  |  | <b>(23)</b>       |
|   |  |                   |
| <b>Total Learning Disabilities Pooled Budget</b>  |  | <b>1,525</b>      |
|   |  |                   |
| <b><u>ICES</u></b>                                |  |                   |
| <b>Total ICES Pooled Budget</b>                   |  | <b>0</b>          |