

**DATE: 11 MARCH 2014**

**QUARTER 3 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 3 (October 2013 to December 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 and overspend the budget. The division of such an overspend between Walsall Council and Walsall Clinical Commissioning Group (CCG) will be based on activity data.

The Public Health service is forecast to under spend by **£156k**, this will be rolled forward to next year in a ring fenced reserve.

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 **£1.637m**.

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 the first £973k of this over spend is a Council pressure.

After this adjustment the pooled budget over spend will be £664k, 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 £207k (27.9%) being funded by Walsall CCG and the remainder, £536k (72.1%), being funded by the council.

This pressure is part of the overall overspend forecast by Social Care and Inclusion directorate and is mainly funded by reserves.

## 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:



**Chief Finance Officer:** Vicky Buckley

**Executive Director:** Keith Skerman

**Date:** 3<sup>rd</sup> March 2014

**Date:** 3<sup>rd</sup> March 2014



**Executive Director** Jamie Morris

**Date:** 3<sup>rd</sup> March 2014

## **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 December 2013) is an over spend of **£1.637m**. 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 £664k 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 £185k (27.9%) being funded by Walsall CCG and the remainder, £478k (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 was 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 but will not address any additional placements in 2013/14.

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

<b>Service Area</b>	<b>Annual Budget £'000</b>	<b>Profiled Budget £'000</b>	<b>Actual to Date £'000</b>	<b>Variance to profiled budget £'000</b>	<b>Year End Forecast £'000</b>	<b>Year End Variance £'000</b>
Provider Services	7,938	5,954	5,954	0	7,938	0
Placements	20,165	15,124	16,683	1,559	21,814	1,649
Care Management	1,039	779	857	78	1,110	71
Management and Admin	2,174	1,631	1,591	(40)	2,118	(57)
Other	299	244	236	(8)	299	(26)
<b>Total</b>	<b>31,641</b>	<b>23,731</b>	<b>25,320</b>	<b>1,589</b>	<b>33,278</b>	<b>1,637</b>
less Walsall Council agreed contribution						(973)
Net pooled budget position						664

## **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 December 2013) is an overspend of £130k. 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. Walsall NHS Trust provide the financial information for this report.
- 2.2 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/ over spends. Where a significant over spend 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.

<b>Service Area</b>	<b>Annual Budget £'000</b>	<b>Profiled Budget £'000</b>	<b>Actual to Date £'000</b>	<b>Variance to profiled budget £'000</b>	<b>Year End Forecast £'000</b>	<b>Year End Variance £'000</b>
Equipment	788	603	888	285	1,073	285
Non pay	211	179	50	(129)	82	(129)
Pay	393	295	271	(24)	369	(24)
Audit Fees	4	2	0	(2)	2	(2)
<b>Total</b>	<b>1,396</b>	<b>1,079</b>	<b>1,209</b>	<b>130</b>	<b>1,396</b>	<b>130</b>

- 2.4 The year to date position is an over spend of £130k which is likely to be reflective of the final outturn position and information has been requested from Walsall NHS Trust. It is unlikely this position will improve before year end and Walsall Council and CCG are discussing funding of that overspend.
- 2.5 As this budget is subject to pooled fund conditions an agreement would need to be made with the CCG on the risks associated to each partner.

## **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 December 2013) is an under spend of £156k. 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.

<b>Table 3 - Forecast Year End Variance for Public Health 2013/14</b>			
	<b>Annual Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Year End Variance £'000</b>
<b>Employees</b>	1,722	1,399	(323)
<b>Premises</b>	0	0	0
<b>Transport</b>	10	7	(3)
<b>Commissioned Services</b>	12,844	13,427	583
<b>Supplies &amp; Services</b>	184	177	(7)
<b>Internal Recharges</b>	484	481	(3)
<b>Total Expenditure</b>	<b>15,244</b>	<b>15,491</b>	<b>247</b>
<b>Grant Income</b>	(14,984)	(14,984)	0
<b>Other Contributions</b>	(210)	(613)	(403)
<b>Internal Income</b>	(50)	(50)	0
<b>Total Income</b>	<b>(15,244)</b>	<b>(15,647)</b>	<b>(403)</b>
<b>Net</b>	<b>0</b>	<b>(156)</b>	<b>(156)</b>

### Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<b><u>Learning Disabilities Pooled Budget</u></b>		
<b><u>Placements</u></b>		
Placements	Ongoing pressure on domiciliary care, residential and nursing budgets from previous years and cost of new placements agreed in 2013/14	1,649
<b>Sub-total</b>		<b>1,649</b>
<b><u>Care Management</u></b>		
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	98
<b>Sub-total</b>		<b>71</b>
<b><u>Management and Admin</u></b>		
Salaries	Holding of vacant posts to offset pressures elsewhere within the directorate	(57)
<b>Sub-total</b>		<b>(57)</b>
<b><u>Other</u></b>		
Other smaller variances		(26)
<b>Sub-total</b>		<b>(26)</b>
<b>Total Learning Disabilities Pooled Budget</b>		<b>1,637</b>