



EXECUTIVE MEMBER BRIEFING PAPER

TO: Executive Member – Health & Adult Social Care
FROM: Director of Adult Services
DATE: 3rd September 2012

PORTFOLIOS AFFECTED: Health and Adult Social Care

WARDS AFFECTED: All

KEY DECISION: No

BUDGET MONITORING REPORT – 2012/13 Based on Monitoring Information as at end of July 2012

1. PURPOSE

- 1.1 To report the latest position with regard to the delivery of the Portfolio's Revenue and Capital Programme for the current year and highlight any issues of concern.
- 1.2 To report the latest revenue position including:
 - (a) The latest projections of expenditure and income for 2012/13 against the Portfolio's approved cash limit. Monitoring of outside the cash limit will be undertaken by the appropriate Lead Director and reported corporately by the Director of Finance.
 - (b) To comment on the financial pressures and opportunities and how it is proposed to manage them.
 - (c) To provide details of windfall income received during the year and where applicable, any approved in-year budget increases.

2. RECOMMENDATIONS

- 2.1 To note the capital and revenue financial position of the portfolio.
- 2.2 To note the content of the information prepared for presentation to the portfolio scrutiny and opposition Members at Appendix 4.

3. BACKGROUND

- 3.1 All portfolios are required to examine their revenue and capital budget position on a monthly basis.

4. RATIONALE

- 4.1 To provide the latest available capital monitoring information together with an assessment of how projects are delivering the right outcomes and to report the latest revenue budget monitoring information.

5. KEY ISSUES

- 5.1 The portfolio is currently **on target** to deliver the capital programme for 2012/13 within its approved budget for 2012/13. See 7.1
- 5.2 The portfolio is currently predicting to spend **at the approved cash limit** for 2012/13. See 7.2

6. POLICY IMPLICATIONS

- 6.1 None.

7. FINANCIAL IMPLICATIONS

7.1 CAPITAL PROGRAMME

- 7.1.1 The current approved programme for the portfolio for 2012/13 is £3,406,000.
- 7.1.2 Additional monies have been approved totaling £500,000 and made available over 2 years to support Disabled Facilities Grant capital expenditure. A detailed exercise now needs to be completed to establish the capacity to spend this additional money, and the timing of the work required, prior to bringing into the capital programme.
- 7.1.3 Based on the latest information at end of July 2012, the capital budget for approved schemes is **£3,406,000** with expenditure to date of **£182,000 (or 5.3%)**. The latest information available on major projects is highlighted in the tables below, and detailed monitoring for each individual scheme is attached at Appendix 1.

(a) Update on Major Projects

Project / Scheme	Commentary in respect of current year progress	Commentary in respect of overall progress
Property Upgrades <i>Capital budget £53,000</i>	Fully committed but nil spend to date.	It is expected that spend in this year will be to budget
DFG Capital budget <i>£1,540,000</i>	Fully committed. £182,000 spent to date	It is expected that spend in this year will be to budget. Profile of payments and forecast spend for the year to be confirmed.
Telecare Project <i>Capital budget £295,000</i>	Fully committed but nil spend to date	It is expected that spend in this year will be to budget
Day Care Services Upgrades <i>Capital budget £735,000</i>	Nil spend to date	Funded from contingent capital monies. It is expected that the project will be completed this year but this is dependent on tender

		timetable, and payment profile
Extra Care Scheme <i>Capital budget</i> <i>£783,000</i>	Nil spend to date	£387,000 slipped from 2011/12 for use in Extra Care scheme. Additional grant in 2012/13 of £396,000. <i>Actual commitment for spend in year to be confirmed.</i>
Total budget £3,406,000	Spend £182,000	5.3% spent to date

7.2 CASH LIMITS AND REVENUE EXPENDITURE

7.2.1 The Portfolio's latest approved cash limit is £42,186,200.

7.2.2 There is one cash limit adjustments which if approved by Executive Board will bring the cash limit to £42,796,200. See Appendix 2. The Portfolio is currently predicted to spend **at this anticipated cash limit**.

7.2.3 An analysis of the major changes since the last report follows:

	Budget/Latest Prediction	Cash Limit	Budget Gap
	£	£	£
Previous Report – spending at cash limit	42,796,200	* 42,796,200	0
<u>Movements since previous report</u>			
None.			0
			0
			0
Current Position against cash limit	42,796,200	42,796,200	0

* Cash limit adjustments subject to approval of Executive Board

There is an anticipated cash limit increase from contingency reserves of £610,000 brought forward from previous report (June 2012) in relation to slippage of TUPE related transformation efficiencies from 2011/12 as agreed at Finance Council in March.

7.2.4 ACTION PLAN (Management within the 2012/13 cash limit)

In general, the commissioning budget is a demand led budget, and as such is exposed to fluctuations in the year. Careful monitoring of the commissioning budget is carried out on a monthly basis and variations and pressures arising will be reported as they arise.

7.2.5 Transformation Monitoring

Progress in relation to the transformation programme is monitored and reported on separately by the Transformation Board. A summary of progress against amounts included in the approved budget this year is included in Appendix 4.

The Portfolio is required to deliver £2,172,000 of efficiency savings within the cash limit in 2012/13. Progress to date is as follows: £984,000 of efficiencies is currently being met at the end of July.

7.2.6 Summary of Windfall Gains and Approved In-Year Budget Increases (Year to Date)

None

7.2.7 Future Pressures and Opportunities

The portfolio closely monitors expenditure against its cash limited budgets. It is still early in the year, however any pressures within the cash limited budget are currently being offset by savings.

The winter months often lead to increased pressures on the commissioning budget as there are increased admissions to residential and nursing homes and increases in community packages of care. The change in admission levels is linked to the weather and therefore difficult to predict. The weekly cost of external residential and nursing care is a high proportion of the budget and thus can rapidly create additional pressure.

7.2.8 Debtors

The current debt collection rate for Adults Services is 75.73% as at end of July 2012. This compares to 79.3% for same period last year, and is a decrease of 2.90% on March 2012 equating to a decreased balance of £38,000.

Collection Performance	Arrears at 31.07.12	Arrears at 31.03.12	Arrears at 31.07.11	Collection rate
	£000's	£000's	£000's	%
Adult Services arrears	401	439	319	
2012/13 collection rate (July)				75.73%
2011/12 collection rate (QTR 4)				78.63%
2011/12 collection rate (July)				79.30%

The collection rate for July has improved from the June 2012 position by 3.07%. The timing of the Standing Order payments had temporarily suppressed the collection rate for June. Further investigation is continuing to understand why the collection rate has reduced overall from the equivalent figure in July 2011. There are a number of possible reasons for this including the general economic environment and the future introduction of the Government's White Paper on Social Care delaying payments by clients.

8. LEGAL IMPLICATIONS

8.1 None

9. RESOURCE IMPLICATIONS

9.1 None

10. EQUALITY IMPLICATIONS

10.1 The decisions to be taken do not change policy and do not require any further consideration in respect of equality issues [unless there are any to specify].

11. CONSULTATIONS

11.1 Regular and frequent consultations with budget holders via the Departmental Management teams are an essential feature of the budget monitoring process.

ON BEHALF OF THE DIRECTOR OF ADULT SERVICES

CONTACT OFFICER: Andrew Hanson (58) 5238

DATE: 29th August 2012

BACKGROUND PAPERS: Capital Programme 2011/2015
Revenue Estimates 2012/13
Budget Report to Council 5th March 2012