

Report of the Director of Resources

Report to Executive Board

Date: 7th March 2012

Subject: Financial Health Monitoring 2011/12 - Month 10

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to inform members of the financial health of the authority after ten months of the financial year 2011/12 in respect of the revenue budget.
2. The overall projection at month 10 is an underspend of £0.5m, an improvement of £1.0m from the position at month 9.
3. General fund reserves carried forward to 2012/13 are therefore estimated to be £24.5m.
4. At the end of period 10 the HRA is projecting a surplus of £1.2m.

Recommendations

4. Members are asked to note the projected financial position of the authority after ten months of the financial year 2011/12.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's projected financial health position after ten months of the financial year.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after ten months and comments on the key issues impacting on the overall achievement of the budget for the current year.

2. Background information

- 2.1 The month 9 projected overspend was £0.5m and the main areas of concern were:-
- Non achievement of assumed procurement savings for residential and nursing care packages within Adult Social Care
 - The number of externally provided residential and fostering placements in Children's Services
 - Income shortfalls mainly relating to planning and building regulation fees, car parking, advertising and children's centres

3. Main Issues Month 10

- 3.1 The overall position at month ten has improved by £1.0m from the month 9 position. As members will be aware, the 2011/12 budget assumed £90m of savings, and after ten months of the financial year an underspend of £0.5m is now projected, as detailed in Table 1 below.

Table 1

(Under) / Over Spend for the current period							Previous Month (Under) / Overspend £000	
Directorate	Director	Staffing £000	Other spend £000	Total Expenditure £000	Income £000	Total Under /Overspend £000		
Adult Social Care	Sandie Keene	(1,115)	2,431	1,316	(110)	1,206	1,262	
Children's Services	Nigel Richardson	(1,685)	3,766	2,081	1,149	3,231	3,840	
City Development	Martin Farrington	(65)	1,753	1,688	247	1,935	1,838	
Environment & Neighbourhoods	Neil Evans	1,564	(1,958)	(394)	1,923	1,529	1,510	
Resources	Alan Gay	(276)	649	373	(1,065)	(693)	(323)	
Legal Services	Catherine Witham	740	122	862	(813)	49	75	
Customer Access and Performance	James Rogers	(192)	(129)	(321)	28	(292)	(235)	
Total		(1,030)	6,634	5,605	1,360	6,965	7,968	
Corporate issues								
Debt							(3,300)	(3,300)
Section 278 shortfall							1,800	1,800
Health Service contribution to Adult and Children Social Care							(6,000)	(6,000)
Total							(535)	468

- 3.2 Directorate projections are largely in line with the month 9 position, however within Children's Services the projection for externally provided placements has increased by £0.4m to £10.65m. This has been offset by savings in the staffing budget of £1.7m, an improvement of £0.8m from the projection at month 9.

Within the Resources Directorate, the provision for doubtful debts within housing benefits has been reduced by £0.2m due to better in year collection rates and more debt being collected via ongoing recovery, and further running cost savings across the directorate account for the balance of £0.2m.

- 3.3 The Department of Health recently announced national funding for local authorities to be provided via their health authorities for investment in social care services that also benefit the health system. £2.159m has been allocated to Leeds and it has been agreed with NHS Airedale, Bradford & Leeds that this funding will be utilised to support the increased budget provision made for residential and nursing care placements, home care services and the Adult Social Care contribution towards intermediate care. The extent to which this income will require additional spend in 2011/12 or contribute towards reducing the overall projection for Adult Social Care is still being determined and the Period 10 figures assume a neutral impact.
- 3.4 As part of the budget monitoring process, action plans built into budgets have been reviewed and the above projections assume the continuing delivery of action plans both corporately and within directorates.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This is a factual report and is not subject to consultation

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The Council's revenue budget for 2011/12 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 23rd February 2011.

4.3 Council Policies and City Priorities

- 4.3.1 The 2011/12 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget.

4.4 Resources and Value for Money

- 4.4.1 This is a revenue financial report and as such all financial implications are detailed in the main body of the report.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal implications arising from this report. In accordance with part 4 (f) of the Council's Constitution (Budget and Policy Framework Procedure Rules)

Executive Board shall be entitled to vire across budget headings subject to value limits set out in the Financial Procedure Rules. There are no requests this month.

4.6 Risk Management

4.6.1 The Council has prepared and maintained a financial risk register for a number of years. The register details the risk and consequences, existing controls to mitigate against the risk, the value in monetary terms of the risk, review dates and progress towards managing the risk within existing resources. The register is prepared before the start of each financial year and is monitored on a regular basis.

4.6.2 Based on the month ten projections there are now no very high risks.

5. Recommendations

5.1 Members of the Executive Board are asked to note the projected financial position of the authority after ten months of the financial year.

6 Background documents¹

6.1 Financial risk register 2011/12

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.