

Item: 4

Orkney Health and Care Committee: 12 September 2019.

Revenue Expenditure Monitoring.

Joint report by Chief Officer/Executive Director, Orkney Health and Care and Head of Finance.

1. Purpose of Report

To advise of the revenue position as at 30 June 2019 across each of the service areas for which the Committee is responsible.

2. Recommendations

The Committee is invited to note:

2.1.

The revenue financial summary statement in respect of Orkney Health and Care for the period 1 April to 30 June 2019, attached as Annex 1 to this report, indicating an underspend position of £386,900.

2.2.

The revenue financial detail by Service Area statement in respect of Orkney Health and Care for the period 1 April to 30 June 2019, attached as Annex 2 to this report.

2.3.

The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to this report.

3. Background

3.1.

On 5 March 2019, the Council set its overall revenue budget for financial year 2019 to 2020. On 23 April 2019, the Policy and Resources Committee received the detailed revenue budgets which form the basis of the individual revenue expenditure monitoring reports.

3.2.

Individual revenue expenditure monitoring reports are circulated as briefing reports every month in order to inform Elected Members of the up to date financial position. Quarterly revenue expenditure monitoring reports are presented to individual service committees, replacing the need for a monthly budget briefing this reporting period.

3.3.

In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.

3.4.

Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:

- £10,000 and 10% more or less than Anticipated position (1b).
- £50,000 more or less than Anticipated position (1c).

3.5.

Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.

3.6.

The details have been provided following consultation with the relevant Executive Directors and their staff. In addition to the variances generated in the current month, the variances reported in previous reporting periods will remain within the Budget Action Plan until these actions have been completed.

3.7.

The figures quoted within the Budget Action Plan by way of the underspend and overspend position will always relate to the position within the current month.

4. Financial Summary

4.1.

The financial summary for the period 1 April to 30 June 2019 is attached as Annex 1 to this report.

4.2.

The details by Service Area statement is attached as Annex 2 to this report.

4.3.

The Budget Action Plan, attached as Annex 3 to this report, provides an explanation and proposed corrective action for each of the Priority Actions identified.

5. Corporate Governance

This report relates to the Council complying with its governance and financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

The Financial Regulations state that service directors are able to incur expenditure within an approved revenue budget. Such expenditure must be in accordance with the Council's policies or objectives subject to compliance with these Financial Regulations and approved schemes of delegation.

6.2.

Additional expenditure requirements identified during the financial year can only be approved by means of a spending recommendation to the Policy and Resources Committee, subject to the use of emergency powers.

7. Legal Aspects

Financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

8. Contact Officers

Sally Shaw, Chief Officer/Executive Director, Orkney Health and Care, extension 2616, Email sally.shaw@orkney.gov.uk

Gareth Waterson, Head of Finance, extension 2103, Email gareth.waterson@orkney.gov.uk.

9. Annexes

Annex 1: Financial summary.

Annex 2: Financial details by service area.

Annex 3: Budget Action Plan.

Annex 1: Financial Summary

The table below provides a summary of the position across all Service Areas.

Service Area	Spend £000	Budget £000	Over/Under Spend		Annual Budget £000
			£000	%	
Social Care	4,812.6	5,199.5	-386.9	92.6	19,755.9
Service Totals	4,812.6	5,199.5	-386.9	92.6	19,755.9

Compared to last month, the total number of PAs has changed as follows:

Service Area	No. of PAs		Service Functions	PAs/ Function
	P02	P03		
Social Care	5	6	12	50%
Totals	5	6	12	50%

Annex 2: Financial Detail by Service Area

The following tables show the spending position by service function

Social Care	PA	Spend £000	Budget £000	Over/Under £000	Spend %	Annual Budget £000
Administration - SW		381.9	375.3	6.6	101.8	2,030.8
Childcare		695.6	733.2	-37.6	94.9	3,704.5
Elderly - Residential		1,415.4	1,440.9	-25.5	98.2	5,576.0
Elderly - Independent Sector	1B	47.3	6.6	40.7	716.3	337.8
Elderly - Day Centres		147.4	138.8	8.6	106.2	515.7
Disability		1,194.7	1,219.3	-24.6	98.0	5,557.7
Mental Health	1B	43.1	60.9	-17.8	70.7	283.9
Other Community Care	1B	224.1	114.4	109.7	195.9	960.7
Occupational Therapy	1B	97.5	85.3	12.2	114.3	392.9
Home Care		993.5	976.3	17.2	101.8	3,709.9
Criminal Justice	1B	27.1	0.7	26.4	4,011.7	52.8
Integrated Joint Board	1B	-455.0	47.8	-502.8	N/A	-3,366.8
Service Total		4,812.6	5,199.5	-386.9	92.6	19,755.9

Changes in original budget position:

Original Net Budget	19,552.1
Contingency budget to Braeburn	203.8
	19,755.9

Annex 3: Budget Action Plan

Social Care

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R19E	<p>Elderly - Independent Sector</p> <p>More than anticipated expenditure by £40.7K</p> <p>The budget profile does not currently match the invoices being received and therefore gives an inaccurate overspend.</p>	<p>Monitor the situation</p> <p>A projection has been done and the budget profile will be amended to reflect the spend more accurately.</p>	Lynda Bradford	31/07/2019	New
R19H	<p>Mental Health</p> <p>Less than anticipated expenditure by £17.8K</p> <p>Underspend due to vacant support worker posts.</p>	<p>Management input required</p> <p>The job content of one post is being reviewed and reprofiled. The second post is now advertised as a third sector opportunity. Funds will be transferred when contract awarded.</p>	Lynda Bradford	30/09/2019	Ongoing
R19I	<p>Other Community Care</p> <p>More than anticipated expenditure by £109.7K</p> <p>There is income due in relation to services funded by NHS Orkney which has not yet been recharged.</p>	<p>Management input required</p> <p>The costings for the services are being finalised and a transfer of funding will be requested. A virement will be processed to reprofile the budget.</p>	Lynda Bradford	30/09/2019	New

Annex 3: Budget Action Plan

Social Care

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R19J	<p>Occupational Therapy</p> <p>More than anticipated expenditure by £12.2K</p> <p>The rates bill has been processed in full however the budget is profiled for monthly payments in addition to a single lump sum.</p>	<p>Management input required</p> <p>Action required to reprofile budget accordingly.</p>	Lynda Bradford	31/08/2019	New
R19L	<p>Criminal Justice</p> <p>More than anticipated expenditure by £26.4K</p> <p>Awaiting funds from the Scottish Government.</p>	<p>Monitor the situation</p> <p>There has been a slight delay in receiving funds from Scottish Government in relation to this ring fenced funding.</p>	Scott Hunter	31/10/2019	Ongoing
R19N	<p>Integrated Joint Board</p> <p>Less than anticipated expenditure by £502.8K</p> <p>Payment received from NHS ahead of budget profile.</p>	<p>Monitor the situation</p> <p>Budget reprofiled in July.</p>	Sally Shaw	31/07/2019	Ongoing