

# **SUPPORTING PEOPLE COMMISSIONING BODY – 25 MARCH 2011**

## **Budget Report 2010-11**

### **Introduction**

1. Report attached at annex 6b shows the latest budget position broken down by client group, based on actual spend incurred following April to February payments. Report attached at annex 6c shows this information broken down by district area of spend.
2. This paper presents an update on the budget position.

### **Year end forecast**

3. Year end forecast takes into account payments made for 11/12<sup>th</sup> of the year and latest data on payments yet to be made at provider/service/client level. Data in columns E to G, which shows actual spend to date, has been shaded, as work is continuing on re-coding data following last year's system re-design. This complex system change has been made in preparation for more flexible budget monitoring reporting, considered elsewhere on the agenda. This work would be finished in April and reflected in the final report to be presented to the members in June.
4. The report suggests that most of categories of spend are expected to break even.
5. The following categories of spend are showing variances, which are explained in more detail below.

### **Older people**

6. Following the implementation of the Alert service in 2010-11, the programme has entered into direct payment arrangements with around 800 people who chose to remain with their current landlord and/or support provider. Although these numbers largely matched assumptions made when these changes were planned, overall spend on these services is expected to slightly exceed the budget allocated at the beginning of the year.
7. This budget pressure is expected to continue into 2011-12 and has been reflected in the proposed budget. This area of spend has been identified as a priority for further review as the partnership takes forward work on future spend on older people.

### **Mental health**

8. This category of spend is made up of payments under block contracts and under financial subsidy arrangements for eligible individuals, who receive chargeable long term services. Trends in subsidy applications to date indicate that the category may deliver a relatively small under spend.

**Young people**

9. Forecast for this category of spend is based on 2010-11 contract values. Recent check identified that one service has been omitted from the original budget due to an administrative oversight.

**Teenage parents**

10. This category of spend is projecting an under spend due to the fact that we were unable to procure one service, despite going to the market twice.

**Offenders**

11. There are no plans to use the remainder of the original allocation in 2010-11, therefore it is projecting an under spend. Proposals for future expenditure are being considered elsewhere on the agenda.

**Domestic violence**

12. Forecast for this category of spend is based on 2010-11 contract values, which have increased compared to last year.

**Contribution to the administration grant**

13. This category of spend is subject to ongoing review. Any opportunity to reduce this commitment that presented itself during the year has been used (e.g. due to natural turnover of staff).
14. The administering authority continues to monitor and actively manage these categories of spend in order to balance the budget by year end.