



Leicester  
City Council

**WARDS AFFECTED**  
**All**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Cabinet**

**27 September 2004**

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**REFERRAL FROM HEALTH AND SOCIAL CARE SCRUTINY COMMITTEE  
REGARDING THE REVENUE BUDGET OUTTURN 2003/04**

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**Report of the Corporate Director of Social Care and Health and Chief Finance Officer**

**1. PURPOSE OF REPORT**

- 1.1 At its meeting on 1<sup>st</sup> September 2004, the Health and Social Care Scrutiny Committee, during its discussion on the Revenue Budget Outturn 2003/04, agreed the following resolutions:
- Asks that its concern that the Council's overall budget for 2003/04 was underspent be brought to the attention of the Cabinet, given the financial pressures on the Social Care and Health Department.
  - Asks that the Committee's concerns over the transport budget are brought to the Cabinet's attention, given that the Department's costs are not fully funded.

**2. SUMMARY**

- 2.1 The report of the Chief Finance Officer to Cabinet on 21<sup>st</sup> June 2004 identified that overall the Council had underspent by £2.4m, excluding schools. Of this underspend:
- a) £0.8m was achieved by service departments, representing 0.4% of their budgets. The Council has tight financial procedure rules, prohibiting overspending by any service, and an underspend of this magnitude is a good outcome for the year;
  - b) £1.6m was achieved by corporate budgets, although £0.5m of this was required to deal with an overspending on housing benefits. The underspending was substantially predicted at the time the budget was set, and has increased the Council's previously low level of reserves.

- 2.2 The report of the Service Director (Resources) to the Scrutiny Committee referred to the financial and operational pressures that had faced the Social Care and Health Department during the year, together with the main spending reductions to ensure that overall spending remained in line with the budget.
- 2.3 The report also identified that the Adults and Older People's and Children's service user transport budgets had respectively overspent by £300,000 and £500,000. It was reported that the Children's transport budget has been increased by £370,000 in 2004/05, and that an efficiency review of transport commissioning and provision had been completed, which is expected to save £1.5m per year in total across the Council.
- 2.4 Decisions will need to be taken about the savings arising from the efficiency review, but Cabinet members will be aware that a savings expectation of £3.5m from three efficiency reviews is anticipated by 2006/07. If the full savings from the transport review are deducted from departmental budgets, then the Social Care and Health Department would still have a £400,000 pressure on its transport budget, which would need to be addressed as part of its preparation for the 2005/06 budget.

### **3. RECOMMENDATIONS TO CABINET**

- 3.1 The Cabinet is recommended to note the concerns raised by the Scrutiny Committee.

### **4. FINANCIAL AND LEGAL IMPLICATIONS**

The report is solely concerned with financial issues. There are no direct legal implications in this report.

#### **Report Author**

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