

**HEALTH & SOCIAL CARE  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item  
No.**

**DATE: 6 NOVEMBER 2014**

**QUARTER 2 FINANCIAL MONITORING POSITION FOR 2014/15**

**Ward(s)** All

**Portfolio:** Councillor Diane Coughlan – Social Care  
Councillor Ian Robertson – Public Health

**Summary of report**

This report summarises the forecast revenue and capital outturn position for 2014/15, based on the financial performance for quarter 2 (April 2014 to September 2014), for services within the remit of the Health & Social Care Scrutiny and Performance Panel.

To note the 2014/15 forecast year-end financial position for services under the remit of the Health & Social Care Scrutiny and Performance Panel is an over spend of **£5.493m**, before the action plan and transfers to or from approved reserves. After the implementation of the action plan (£1.869m), use of reserves of (£3.008m) and the transfer to reserves of £0.535m, the forecasted financial position for 2014/15 is an over spend of **£1.151m**. There are further mitigating actions outside of the remit of this panel as described in 1.8.

In addition, there is an expectation that the capital resources will show an under spend of **(£0.173m)** against the budget of **£6.061m**.

**Recommendation**

To note the forecast year-end financial position for services under the remit of the Health & Social Care Scrutiny and Performance Panel.

**Background papers**

Various financial working papers.  
2014/15 Budget Book on Council's Internet and Intranet

**Reason for scrutiny**

To inform the panel of the forecast financial position for 2014/15 for services within their remit.

**Signed:**



**Chief Financial Officer:** James Walsh  
**Date:** October 2014

**Executive Director:** Keith Skerman  
**Date:** October 2014



**Executive Director:** Jamie Morris   **Executive Director:** Rory Borealis

**Date:** October 2014   **Date:**

## **Resource and legal considerations**

Directorates are required to manage their services within budget. Overspends may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report. A corrective action plan has been developed to address the ongoing pressure in 2014/15.

## **Citizen impact**

The budget is aligned with service activity within service plans within the directorate. Investment has been targeted at service improvement, stability and user demand.

## **Environmental impact**

Services within the remit of this panel have a direct influence and impact on the environment.

## **Performance management**

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. A corrective action plan has been developed to mitigate overspend in 2014/15. Variances against budget are identified in the report.

## **Equality Implications**

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil equal opportunities obligations.

## **Consultation**

Consultation was undertaken as part of the budget setting process and throughout the financial year on the financial position and reporting thereof.

## **Contact Officers:**

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## 1 Forecast Revenue Outturn 2014/15

### **Social Care & Inclusion**

- 1.1 The forecast revenue outturn for 2014/15 for Social Care and Inclusion directorate (based on the position as at the end of September 2014) is an over spend of £0.527m (net of the use of earmarked reserves and action plan). Prior to the use of reserves and implementation of the action plan the over spend is £3.029m. The outturn shown is based on actual information from the Oracle system, and discussions with managers regarding year-end forecasts and achievement of approved savings. The Social Care Directorate is monitoring the residual overspend closely and further action will be taken to outturn on budget.
- 1.2 The forecast outturn includes use of reserves, where approval has been given by Cabinet, for additional funds for specific services of £0.633m. The predicted outturn does not include any transfers relating to windfall income.
- 1.3 The action plan is detailed further in Appendix 2.
- 1.4 Included within the directorate budget for 2014/15 are savings, as approved by Council on 27 February 2014, totalling £6.820m, which include £0.130m of full year effect savings from 2013/14. The 2014/15 budget includes investment of £1.17m for inflationary pressures and £0.150m for service pressures. A full breakdown of investment and savings can be found in the 2014/15 budget book. Where savings are not able to be achieved in full in year, directorate management teams are required to identify and manage alternative savings in liaison with the relevant portfolio holder.

### **Public Health**

- 1.5 The forecast revenue position for 2014/15 for Public Health (based on the positions as at the end of September 2014) is to be on budget after the use of reserves of (£1.080m). The reserves comprise of the public health grant and one off funding received last year that will be spent this year as per the terms of the grant. This includes spend on nutrition and obesity and smoking cessation. The public health grant is ring fenced so any under spend will be rolled forward to next year as per the terms of the grant.

### **Money, Home, Job**

- 1.6 The forecast revenue outturn for 2014/15 for My Money, My Home, My Job (based on the position as at the end of September 2014) is an over spend of £0.625m (net of the use of earmarked reserves). Prior to the use of and transfers to reserves the forecast outturn is an over spend of £1.385m.
- 1.7 The predicted outturn includes use of reserves of £1.295m (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of £0.535m.
- 1.8 Money Home Job has a projected overspend of £625k. To mitigate this, there is a resources wide directorate action plan of (£721k) which means that a final underspend of (£96k) is projected for the resources directorate. The details of this action plan would be outside of the remit of this panel, however for completeness the actions being undertaken are as follows: there will be an underspend of (£496k) due to keeping posts vacant across the directorate, an

underspend of (£24k) is expected due to restraint of supplies and services expenditure, there is an underspend of (£81k) due to sharing the costs of our local elections with the European election and there is an over provision in the corporate bad debt provision of (£120k) which has been returned to services in the resources directorate.

### **General**

- 1.9 Table 1 shows the forecast outturn for each service, and Appendix 1 provides an analysis of the reasons for material forecast variances.
- 1.10 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/ over spends. Where a significant overspend is forecast or a new pressure identified the Directorates Management Teams, through their budget meetings, are responsible for identifying in year actions to mitigate this position and ensure, as far as is possible, that the budget is balanced at the end of the year.
- 1.11 Within the services associated with the panel there are a number of risks totalling £2.766m which have not been included within the above forecast. At this stage the risks are not certainties and as such are not included in the monitoring as an under or over spend. If the risks become certainties then alternative action will need to be identified or included in the position as over spends. A summary of the risk assessment is attached as Appendix 3.

**Table 1 – Health & Social Care Forecast Revenue Outturn 2014/15**

<b>Service</b>	<b>Annual Budget £</b>	<b>Profiled Budget £</b>	<b>Actual to Date £</b>	<b>Variance to date £</b>	<b>Year End Forecast £</b>	<b>Variance before reserves £</b>	<b>Action Plan £</b>	<b>Use of Reserves £</b>	<b>Transfer to Reserves £</b>	<b>Variance after reserves £</b>
Access, Assessment & Care Management	28,727,577	14,363,868	15,832,599	1,468,731	30,535,086	1,807,509	0	0	0	1,807,509
Commissioning	15,697,314	7,848,652	7,750,490	(98,162)	16,014,948	317,634	0	(493,155)	0	(175,521)
Management Support & Other	1,161,145	580,554	811,239	230,685	1,627,047	465,902	0	(115,241)	0	350,661
Mental Health	5,948,056	2,974,038	2,670,864	(303,174)	5,487,354	(460,702)	0	0	0	(460,702)
Provider	4,377,250	2,191,983	2,640,716	448,733	5,072,069	694,819	0	(16,901)	0	677,918
Safeguarding	444,126	222,066	184,117	(37,949)	588,984	144,858	0	0	0	144,858
Strategic Development	3,965,480	1,983,304	1,781,478	(201,826)	4,024,231	58,751	0	(7,942)	0	50,809
Action Plan							(1,869,000)			(1,869,000)
<b>Total Social Care</b>	<b>60,320,948</b>	<b>30,164,465</b>	<b>31,671,503</b>	<b>1,507,038</b>	<b>63,349,720</b>	<b>3,028,772</b>	<b>(1,869,000)</b>	<b>(633,239)</b>	<b>0</b>	<b>526,533</b>
Money, Home, Job	4,591,365	2,296,980	2,141,888	(155,092)	5,975,765	1,384,400	0	(1,294,752)	535,187	624,835
Public Health	(44,180)	(22,048)	(19,419)	2,665	1,035,823	1,080,003	0	(1,080,003)	0	0
<b>Overall Scrutiny Position</b>	<b>64,868,133</b>	<b>32,439,397</b>	<b>33,793,972</b>	<b>1,354,611</b>	<b>70,361,308</b>	<b>5,493,175</b>	<b>(1,869,000)</b>	<b>(3,007,994)</b>	<b>535,187</b>	<b>1,151,368</b>

## 2 Forecast Capital Outturn 2014/15

- 2.1 The forecast capital outturn for 2014/15 for the schemes under the remit of this panel (as at the end of September 2014) against resources of £6.061m is an under spend of (£0.173m) as shown in Table 2 and 2a.

**Table 2 – Social Care & Inclusion Forecast Capital Outturn 2014/15**

Service	Annual Budget	Actual to Date	Year End Forecast	Year End Variance	Requested Carry Forward to 2015/16
	£	£	£	£	£
<b><u>Council Funded</u></b>					
Preventative Adaptations	740,161	155,145	740,161	0	0
<b>Total Council Funded</b>	<b>740,161</b>	<b>155,145</b>	<b>740,161</b>	<b>0</b>	<b>0</b>
<b><u>Externally Funded</u></b>					
Community Capacity Grant	1,664,997	52,294	1,661,997	0	0
<b>Total Externally Funded</b>	<b>1,664,997</b>	<b>52,294</b>	<b>1,664,997</b>	<b>0</b>	<b>0</b>
<b>Total Capital</b>	<b>2,405,158</b>	<b>207,439</b>	<b>2,405,158</b>	<b>0</b>	<b>0</b>

**Table 2a – Money, Home, Job Forecast Capital Outturn 2014/15**

Service	Annual Budget	Actual to Date	Year End Forecast	Variance Before Carry forward	Requested Carry Forward to 2015/16
	£	£	£	£	£
<b><u>Council Funded</u></b>					
Aids and adaptations	1,773,528	295,700	1,773,528	0	0
Health through warmth and related Retro Fit schemes	400,164	27,033	227,164	(173,000)	0
<b>Total Council Funded</b>	<b>2,173,692</b>	<b>322,733</b>	<b>2,000,692</b>	<b>(173,000)</b>	<b>0</b>
<b><u>Externally Funded</u></b>					
Disabled facilities grant	1,390,118	1,278,032	1,390,118	0	0
Contribution to aids and adaptations	92,207	0	92,207		
<b>Total Externally Funded</b>	<b>1,482,325</b>	<b>1,278,032</b>	<b>1,482,325</b>	<b>0</b>	<b>0</b>
<b>Total Capital</b>	<b>3,656,017</b>	<b>1,600,765</b>	<b>3,483,017</b>	<b>(173,000)</b>	<b>0</b>

## **Appendix 1 – Explanation of Significant Revenue Variations**

<b>Service</b>	<b>Variance</b>	<b>Main Reason/ Explanation of Variance</b>
<b><u>Social Care</u></b>		
Access, Assessment & Care Management	1,808	Under spend on residential/ nursing costs of (£745k) offset by an income shortfall from client contributions of £588k; additional property cases income of (£77k) Over spend on domiciliary care costs of £161k and direct payments of £1,674k and an income shortfall of £25k from benefit based charging £91k income shortfall from CCG relating to CHC and FNC (Older People £639k offset by Learning Disability & Younger Adults of (£548k) Transport has income shortfall of £150k due to charging issues slightly offset by (£76k) under spend on taxi expenditure
Commissioning	318	(£200k) under spend on memory clinic £395k over spend on Housing 21 due to void costs £80k, additional hours £22k and income shortfall of £299k (£384k one off reserve to fund over spend) £109k annual maintenance and communication costs (funded fully by reserve)
Management Support	466	£81k interim staffing costs (funded by reserve) £400k unachieved budget savings (£18k) under spend against contractual inflation included in pooled budgets costs in AACM
Mental Health	(461)	(£30k) under spend on contracts Under spend on domiciliary care costs of (£229k) and over spend on direct payments of £70k Under spend of (£193k) for residential/ nursing costs and additional income from client contributions of (£202k) £141k income shortfall from CCG relating to CHC, FNC and enhanced rates
Provider	695	(£81k) under on Telecare equipment £848k additional costs on non bed based intermediate care due to increased demand and subsequent delays in assessments partly funded by (£300k) CCG winter pressure funding £139k over spend on Fallings Heath Over spend on staffing costs and agency costs of £165k at Hollybank to cover for annual leave, sickness and additional demand offset by vacant posts (£77k)
Safeguarding	145	Over spend of £182k on Independent Mental Capacity Advocates and Deprivation of Liberty Safeguards in Hospitals for additional support from an increase in demand due to high court ruling offset by vacant posts (£37k)

Strategic Development	59	Under spend on apprentices of (£143k) due to early leaving dates Additional staffing costs of £114k for interim arrangements and sickness cover Over spend of £88k on CCTV contracts and equipment
	<b>3,029</b>	
Action Plan	(1,869)	See appendix 2
Use of Reserves	(633)	Housing 21 (£384k); Interim posts (£112k); (£109k) Telehealth communications & maintenance; (£8k) PARIS team; (£17k) over 80's community alarms; (£3k) incentive schemes
<b>Subtotal Social Care</b>	<b>527</b>	
<b><u>Public Health</u></b>	<b>1,080</b>	Vacant posts offset agency costs of (£160k); £1,240k relates to one off activities to reduce ongoing demand
Use of Reserves	(1,080)	Grant carried forward from prior year
<b>Subtotal Public Health</b>	<b>0</b>	
<b><u>Money, Home, Job</u></b>	1,384	£1.519m over spend on vulnerable clients due to under recovery of subsidy (<100%) £1.295m over spend relates to various grants that are funded wholly by reserves (see below) £371k over spend on agency staff costs offset by (£472k) from vacant posts (£535k) under spend against Crisis Support grant and Housing Improvements projects funding that will be carried forward to 15/16 in line with the grant conditions (£364k) under spend on discretionary housing payment due restriction on spending (£313k) over recovery of housing benefit overpayment and (£116k) use of New Burdens Grant
Use of Reserves	(1,295)	One off funding to cover short term pressures (£184k), discretionary housing payments (£182k), Working Smarter reserve to cover temporary staff costs (£139k), Preventing homelessness (£428k), Private housing and health & safety (£74k), Warm Homes (£53k), repossession grant (£30k), Fuel Poverty grant (£13k), New Homes Bonus (£12k), Handyman grant (£2k), support for welfare rights (£150k), redundancy costs linked to savings (£28k).
Transfer to Reserves	535	£499k Crisis Support Grant and £36k Housing Improvement projects funding
<b>Subtotal</b>	<b>625</b>	
<b>Overall Scrutiny Position</b>	<b>1,151</b>	

## **Appendix 2 – Action Plan**

<b>Action</b>	<b>Value £</b>	<b>Detail</b>
Improved debt collection	300,000	Extra work has been taking place to collect debt. This will reduce the need for bad debt provision and provide SCI with a one off financial benefit in 2014/15. Collection rates have increased and clients are now using more modern methods of payment. A benefit will be realised in 2014/15
Review of respite services	100,000	A review and consultation of respite services has commenced and it is hoped savings will be made in 2014/15 with clients not seeing a reduction in service.
Re-inventing Social Work	750,000	A programme has been launched to 're-invent social work'. The aim of this programme is to improve client outcomes and also reduce costs of care packages
Reduction in commissioned costs	719,000	Other than re-inventing social work there are other ways that commissioned costs can be reduced. Electronic call monitoring is now being used for homecare, the reablement service will reduce costs and there is a continuing reduction in residential placements.
Management action		To support the above the following action has been taken, a freeze on management vacancies, increased number reviews of care, extra scrutiny of care decisions

### **Appendix 3 – Risks associated with the forecast 2014/15**

<b><u>Service – cash limit heading</u></b>	<b>Potential Risk</b>	<b>Likelihood</b>	<b>Potential Financial Exposure £m</b>
Assessment & Care Management	SCI - Costs for new packages of care in 2014/15 not offset in full by deaths and reduction in care needs (outside of reprovion)	<b>Medium</b>	0.250
Assessment & Care Management	SCI - Increase in costs of packages in 2014/15 due to change in need (domiciliary care, residential or nursing)	<b>Medium</b>	0.250
Assessment & Care Management	SCI – Increase in costs of domiciliary care of 1% based on current levels of spend	<b>Medium</b>	0.071
Assessment & Care Management	SCI – Increased costs of nursing care of 1% based on current levels of spend	<b>Medium</b>	0.067
Assessment & Care Management	Unachieved savings from Complex Needs due to reviews, reprovion and ordinary residence	<b>Medium</b>	0.020
Strategic Development	SCI – Need to increase support in community alarms	<b>Medium</b>	0.019
General SC & I	Department of Health funding not signed off by NHS Commissioning Board	<b>Medium</b>	1.641
General SC&I	SCI – Housing 21 properties additional costs for voids or additional care hours	<b>Medium</b>	0.150
General SC&I	Shortfall in section 75 income	<b>Low</b>	0.015
Assessment & Care Management	Personal budgets and reprovion of social care clients back to Walsall	<b>Low</b>	0.046
Assessment & Care Management	SCI - Reduced client contributions	<b>Low</b>	0.050
Provider	SCI – potential costs relating to changes in essential car user allowances	<b>Low</b>	0.005
Provider	SCI – Hollybank – increase in SCP points	<b>Low</b>	0.013

Mental Health	SCI – Out of hours service and cross charges	<b>Low</b>	0.002
Mental Health	SCI – Increase in client demand	<b>Low</b>	0.044
<b>TOTAL SOCIAL CARE &amp; INCLUSION</b>			<b>2.643</b>
Money, Home, Job	Reduced incentive payment received in case of errors in the housing benefit subsidy process	<b>Low</b>	0.048
Money, Home, Job	One-off increase in housing benefit subsidy reserve if the 2013/14 claim is qualified and existing reserve of £425k is not enough	<b>Low</b>	0.040
Money, Home, Job	Shortfall in income from academies for processing free school meals in housing benefits	<b>Medium</b>	0.012
<b>TOTAL MONEY, HOME, JOB</b>			<b>0.100</b>
<b>TOTAL HEALTH &amp; SOCIAL CARE SCRUTINY</b>			<b>2.743</b>