

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

**Agenda Item
No. 10**

DATE: 3 NOVEMBER 2015

**CORPORATE FINANCIAL PERFORMANCE - QUARTER 2 FINANCIAL
MONITORING POSITION FOR 2015/16**

Ward(s) All

Portfolio: Councillor Martin - Public Health and Well being
Councillor Hughes - Care and Safeguarding

Summary of report

This report summarises the forecast revenue and capital outturn position for 2015/16, based on the financial performance for the first 5 months of the financial year (April 2015 to August 2015), for services within the remit of the Social Care & Health Scrutiny and Performance Panel.

Reason for scrutiny

To inform the panel of the forecast financial position for 2015/16 for services within their remit.

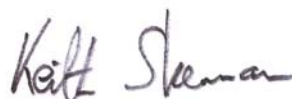
Recommendation

1. To note that the forecast 2015/16 year end financial position for services under the remit of the Social Care and Health Overview and Scrutiny Committee, is a revenue over spend of **£3.563m**, (net of the use of earmarked reserves and assuming the full implementation of currently undelivered action plan items). Prior to the use of reserves and implementation of the undelivered action plan the over spend is **£9.020m**.
2. To note that the forecast 2015/16 capital position is that the resources of £1.920m will be fully utilised in year.
3. To note the actions being taken to address the areas of over spend.

Background papers

Various financial working papers.
2015/16 Budget Book on Council's Internet and Intranet

Signed:



Chief Financial Officer: James Walsh
Date: October 2015

Executive Director: Keith Skerman
Date: 19 October 2015



Executive Director: Simon Neilson
Date: 15 October 2015

Resource and legal considerations

The council is required to set a balanced budget and requires services to operate within their approved budget allocation. Any variances are required to be managed as far as is reasonably possible. The revenue and capital financial monitoring is reported quarterly to overview and scrutiny committees along with corrective action plans when variances arise. All accounting entries are undertaken in line with the required corporate and statutory accounting guidance and standards.

Citizen impact

Resource allocation is aligned with service activity and is undertaken in accordance with the council's corporate plan priorities.

Environmental impact

Services within the remit of this overview and scrutiny committee 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. Corrective action plans were put in place to mitigate overspends where possible, with any remaining variances against budget 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.

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1 Forecast Revenue Outturn 2015/16

Social Care& Inclusion

- 1.1 The forecast revenue outturn for 2015/16 for Social Care and Inclusion directorate (based on the position as at the end of August 2015) is an over spend of £3.563m (net of the use of earmarked reserves and assuming the full implementation of currently undelivered action plan items). Prior to the use of reserves and implementation of the undelivered action plan the over spend is £6.792m. 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 seeking to identify any further actions that can be taken to further mitigate this position.
- 1.2 The forecast outturn includes use of reserves, where approval has been given by Cabinet for additional funds to be utilised for specific services, totalling £0.429m. The predicted outturn does not include any transfers relating to windfall income.
- 1.3 The forecast outturn includes delivered action plan of £1.740m. This comprises utilisation of one off funding to offset in year pressures, and holding staff vacancies. The full action plan is detailed further in Appendix 2, which also sets out the undelivered actions totalling £2.800m that are still to be implemented. A number of these actions (specifically those seeking to utilise one off funding) are subject to approval by Cabinet prior to being included within the outturn forecast.

Public Health

- 1.4 The forecast revenue position for 2015/16 for Public Health (based on the positions as at the end of August 2015) is to be on budget after use of reserves of (£2.228m). 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.

General

- 1.5 **Table 1** shows the forecast outturn for each service, and Appendix 1 provides an analysis of the reasons for material forecast variances.
- 1.6 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.
- 1.7 Included within the approved budget for 2015/16 are £5.473m of approved savings relating to services within the remit of this panel (details are available in the corporate budget book). An update on the achievement of 2015/16 approved savings is reported monthly to CMT as part of the corporate performance report. Any savings that are not forecast to be achieved in year are required to have

alternative savings identified and are managed closely through the relevant service management teams and in liaison with the relevant portfolio holder.

- 1.8** Of the £5.47m savings, £2.88m have been delivered in full (RAG blue) with £0.180m expected to be delivered by 31 March 2016 (RAG Green), £0.13m not expected to be delivered with low risk (RAG amber), and a further £2.28m which now form part of the in-year action plan and are currently shown as high risk (RAG red).
- 1.9** Within the services associated with the panel there are a number of risks totalling £1.946m 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 – Social Care & Health Forecast Revenue Outturn 2015/16 | | | | | | | | | | |
|-----------------------------------------------------------------|---------------|-----------------|----------------|------------------|-------------------|--------------------------|-------------------------|-----------------|----------------------|-----------------------------------------|
| | Annual Budget | Profiled Budget | Actual to Date | Variance to Date | Year End Forecast | Variance before Reserves | Undelivered Action Plan | Use of Reserves | Transfer to Reserves | Variance after reserves and action plan |
| Service | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Access, Assessment & Care Management | 27.118 | 11.929 | 14.545 | 2.616 | 34.328 | 7.211 | (0.926) | (0.030) | 0.000 | 6.255 |
| Commissioning | 14.092 | 5.872 | 5.948 | 0.076 | 14.126 | 0.034 | (0.209) | (0.259) | 0.000 | (0.434) |
| Management Support & Other | 1.265 | 0.527 | (1.229) | (1.756) | 0.209 | (1.057) | (1.258) | (0.096) | 0.000 | (2.410) |
| Mental Health | 5.489 | 2.287 | 2.522 | 0.235 | 6.053 | 0.563 | (0.013) | 0.000 | 0.000 | 0.551 |
| Provider | 4.014 | 1.672 | 1.663 | (0.009) | 4.023 | 0.009 | (0.155) | (0.004) | 0.000 | (0.150) |
| Safeguarding | 0.406 | 0.169 | 0.223 | 0.054 | 0.534 | 0.128 | (0.158) | 0.000 | 0.000 | (0.030) |
| Strategic Development | 3.016 | 1.257 | 1.224 | (0.033) | 2.919 | (0.097) | (0.080) | (0.040) | 0.000 | (0.218) |
| Total Social Care | 55.401 | 23.714 | 24.897 | 1.183 | 62.193 | 6.792 | (2.800) | (0.429) | 0.000 | 3.563 |
| Public Health | (0.103) | (1.378) | (1.590) | (0.212) | 2.125 | 2.228 | 0.000 | (2.228) | 0.000 | 0.000 |
| Overall Scrutiny Position | 55.298 | 22.336 | 23.307 | 0.971 | 64.318 | 9.020 | (2.800) | (2.657) | 0.000 | 3.563 |

2 Forecast Capital Outturn 2015/16

- 2.1 The forecast capital outturn for 2015/16 for the schemes under the remit of this panel (as at the end of August 2015) is full utilisation of the resources of £1.920m shown in Table 2.

Table 2 – Social Care & Inclusion Forecast Capital Outturn 2015/16

| Service | Annual Budget £m | Actual to Date £m | Year End Forecast £m | Year End Variance £m | Requested Carry Forward to 2015/16 £m |
|---------------------------------------------|-----------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------------------------------|
| <u>Council Funded</u> | | | | | |
| Preventative Adaptations | 0.593 | 0.114 | 0.593 | 0.000 | 0.000 |
| Total Council Funded | 0.593 | 0.114 | 0.593 | 0.000 | 0.000 |
| <u>Externally Funded</u> | | | | | |
| Community Capacity Grant (Better Care Fund) | 1.327 | 0.047 | 1.327 | 0.000 | 0.000 |
| Total Externally Funded | 1.327 | 0.047 | 1.327 | 0.000 | 0.000 |
| Total Capital | 1.920 | 0.161 | 1.920 | 0.000 | 0.000 |

Appendix 1 – Explanation of Significant Revenue Variations after action plan and use of reserves

| Service | Variance £m | Main Reason/ Explanation of Variance |
|--------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Social Care</u> | | |
| Access, Assessment & Care Management | 6.255 | Placement and package costs in part offset by the impact of holding vacant posts |
| Commissioning | (0.434) | Efficiencies in SLA contracts and staff savings |
| Management Support | (2.410) | Reduction in project expenditure funded by one off grant.; additional costs for IT systems; reduction in staffing costs |
| Mental Health | 0.551 | Package costs in part offset by additional income and vacant posts |
| Provider | (0.150) | Agency costs to cover vacant posts, holidays and sickness; offset by vacant posts reduction in contract costs due to use of reserves and additional income. |
| Safeguarding | (0.030) | Additional costs for doctors assessments, offset in part by staff savings |
| Strategic Development | (0.218) | Contract and equipment costs and the under achievement of income offset by staff savings. |
| | | |
| Subtotal Social Care | 3.563 | |
| | | |
| <u>Public Health</u> | | |
| Public Health - expenditure | 1.128 | Expenditure on projects re-profiled from previous years |
| Public Health - income | 1.100 | Potential reduction in funding due to Chancellor announcement – June 2015 |
| Use of Reserves | (2.228) | Use of ring fenced grant held to cover delayed projects and work |
| Subtotal Public Health | 0 | |
| | | |
| | | |
| Overall Scrutiny Position | 3.563 | |

Appendix 2 – Action Plan

| Action | Value of Delivered Action Plan included in outturn £m | Value of action plan to be Delivered £m | RAG |
|----------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------|-------|
| Social Care | | | |
| Provider - Goscome and Day Opportunities | 0.245 | 0.080 | AMBER |
| Restructure of service managers | 0.133 | 0.016 | AMBER |
| Implementation of transport review | 0.056 | 0.078 | GREEN |
| 2014/15 efficiencies carried forward | 0.400 | 0.000 | BLUE |
| Programme Office vacancies | 0.029 | 0.024 | GREEN |
| Strategic Development vacancies | 0.022 | 0.000 | BLUE |
| Commissioning vacancies | 0.020 | 0.000 | BLUE |
| Commissioning cease use of agency staff | 0.022 | 0.000 | BLUE |
| Commissioning carers projects on hold | 0.093 | 0.000 | GREEN |
| Reduction in general bad debt provision | 0.000 | 0.070 | GREEN |
| Reduction in custom card bad debt provision | 0.000 | 0.200 | GREEN |
| Non-essential spending review | 0.109 | 0.131 | GREEN |
| Management support operational savings | 0.000 | 0.016 | GREEN |
| Assertive review of section 117 patients | 0.000 | 0.012 | GREEN |
| Cease of one off funding projects | 0.150 | 0.000 | BLUE |
| Impact of prior year accruals | 0.461 | 0.847 | GREEN |
| Use of one off funding – awaiting cabinet approval | 0.000 | 1.325 | GREEN |
| | | | |
| Total Social Care | 1.740 | 2.799 | |
| | | | |
| Public Health | 0.000 | 0.000 | |
| | | | |
| Total Action Plan | 1.740 | 2.799 | |
| | | | |

Appendix 3 – Risks associated with 2015/16 month 5 position

| Service | Reason / explanation of risk | Risk £m |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| SCI Access, Assessment & Care Management | Costs for new packages of care in 2015/16 not offset in full by deaths and reduction in care needs (outside of reprovision) | 0.350 |
| SCI Access, Assessment & Care Management | Increase in costs of packages in 2015/16 due to change in need (domiciliary care, residential or nursing) | 0.350 |
| SCI Access, Assessment & Care Management | Impact of new tender for domiciliary care (in addition to the minimum of £12 per hour which there is already funding for) | 0.175 |
| SCI Access, Assessment & Care Management | Impact of new tender for residential/ nursing tender (in addition to the contractual increase required on the current contract of 2.25% for which there is already funding) | 0.175 |
| SCI Access, Assessment & Care Management | Impact of uplifts for direct payment rates | 0.175 |
| SCI Commissioning | Ensure no additional care packages in Housing 21 properties, respite costs are fully recovered and no void charges | 0.012 |
| SCI Access, Assessment & Care Management | Impact of new charging policy - reduction in charges to clients receiving a package of care in the community | 0.140 |
| SCI | Non additional contribution from CCG towards the pooled budget overspend | 0.429 |
| SCI Provider Services | Impact of additional agency or external provider costs to cover non bed based reablement team for sickness, leave or increased demand | 0.070 |
| SCI Provider Services | Impact of additional agency or external provider costs to cover bed based reablement team for sickness, leave or increased demand | 0.070 |
| SOCIAL CARE & INCLUSION TOTAL | | 1.946 |
| | | |
| Public Health | | 0.000 |
| PUBLIC HEALTH TOTAL | | 0.000 |
| | | |
| TOTAL RISK | | 1.946 |