

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

**Agenda Item
No. 7**

DATE: 20 FEBURARY 2014

QUARTER 3 FINANCIAL MONITORING POSITION FOR 2013/14

Ward(s) All

Portfolio: Councillor McCracken – Social Care & Health

Summary of report

This report summarises the predicted revenue and capital outturn position for 2013/14, based on the financial performance for quarter 3 (October 2013 to December 2013), for services within the remit of the Social Care and Inclusion Scrutiny and Performance Panel.

To note the 2013/14 forecast year-end financial position for services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel is an over spend of **£5.193m**, after the transfer of windfall income and the implementation of the action plan, but before the use of approved reserves. After the use of reserves, the forecasted financial position for 2013/14 is an over spend of **£0.739m**.

In addition, there is currently a forecasted under spend of (**£1.760m**) against capital resources, requests to carry this funding forward into 2014/15 will be submitted.

Recommendation

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

Background papers

Various financial working papers.
2013/14 Budget Book on Council's Internet and Intranet
2013/14 Qtr 1 & 2 Monitoring reports to Scrutiny Panel

Reason for scrutiny

To inform the panel of the forecast financial position for 2013/14 for services within their remit.

Signed:



Chief Financial Officer: James T Walsh **Executive Director:** John Bolton



Date: 6 February 2014

Date: 7 February 2014

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. Corrective action plans are currently being developed to address the ongoing pressure in 2014/15 and reduce the forecasted over spend position in 2013/14. Any corporate overspend will require replenishment in the 2014/15 budget.

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. Corrective action plans are currently being developed to address the ongoing pressure in 2014/15 and reduce the forecasted over spend position in 2013/14. 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.

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1 Forecast Revenue Outturn 2013/14 – Social Care & Inclusion Directorate

- 1.1 The forecast revenue outturn for 2013/14 for the services under the remit of the Social Care and Inclusion Scrutiny and Performance Panel (based on the position as at the end of December 2013) is an over spend of £0.739m (net of the use of earmarked reserves). Prior to the use of reserves the forecast outturn is an over spend of £4.060m. 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.
- 1.2 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 Social Care and Inclusion Directorate Management Team, 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.
- 1.3 The predicted outturn includes use of reserves, where approval has been given by Cabinet, for additional funds for specific services of £1.132m and approved carry forwards from previous years of £3.332m. The predicted outturn includes a transfer of £12k relating to windfall income from New Burdens Grant 2012/13.
- 1.4 Table 1 shows the forecast outturn for each service, and Appendix 1 provides an analysis of the reasons for material forecast variances.
- 1.5 Included within the directorate budget for 2013/14 are new savings, as approved by Council on 21 February 2013, totalling £1.838m. The full year effect of previous years' investments and savings included in the budget are (£73k) (reduced investment) and £1.500m savings. A full breakdown of investment and savings can be found in the 2013/14 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.
- 1.6 Within the services associated with the panel there are a number of risks totalling £0.300m 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 2.

2 Forecast Capital Outturn 2013/14 – Social Care & Inclusion Directorate

- 2.1 The forecast capital outturn for 2013/14 for the schemes under the remit of this panel (as at the end of December 2013) predicts that against resources of £2.443m there will be an under spend of £1.760m. Table 2 shows a summary per service and carry forward requests will be submitted for each scheme.

Table 2 – Social Care & Inclusion Forecast Capital Outturn 2013/14					
Service	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Requested carry forward to 2014/15 £
Mainstream Funded					
PARIS development/ IT mobile working	405,085	63,375	63,375	(341,710)	341,710
Preventative Adaptations	890,229	275,803	325,803	(564,426)	564,426
Total Mainstream	1,295,314	339,178	389,178	(906,136)	906,136
Non Mainstream Funded					
Community Capacity Grant	1,147,510	132,821	293,332	(854,178)	854,178
Total Non Mainstream	1,147,510	132,821	293,332	(854,178)	854,178
Total Capital	2,442,824	471,999	682,510	(1,760,314)	1,760,314

- 2.2 Spend on preventative adaptations and community capacity has been put on hold whilst a review of the five year commissioning strategy is completed. This will enable consideration to be given to the existing property portfolio and the future requirements of the service, in conjunction with the identification of future savings targets.
- 2.3 Spend on PARIS development and IT mobile working shows a forecast under spend due to delays in implementation.

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason/ Explanation of Variance	Variance £'000
<u>Access, Assessment & Care Management</u>		
Employees	Vacant posts partly offset by agency (shown below)	(432)
Employees	Agency staff	139
Supplies & Services	Sensory/ deaf equipment	12
Income	Shortfall in income from recharges	79
Other smaller variances	Misc	(5)
Sub-total		(207)
<u>Commissioning</u>		
Transfer Payments	One-off costs of additional hours from 12/13	204
Transfer Payments	Over spends on additional hours, voids and respite charges on Housing 21 contract	508
Premises	Housing 21 premises over spend	12
Income	Shortfall in client contribution for Housing 21	305
Employees	Vacant posts	(102)
Transport	Forecast over spends on taxi expenditure provided for clients and shortfall in income recovery	121
Transfer Payments	Domiciliary care packages for Older People and Complex Needs clients	3,302
Transfer Payments	Residential and nursing placements	(601)
Transfer Payments	Reduced expenditure on carers SLAs, advertising and publications costs	(140)
Transfer Payments	Service Level Agreements for the Community Hub and Caldmore Housing offset by contract savings	167
Transfer Payments	Supporting People and Older People Service Level Agreements	187
Income	Additional income against budget relating to community based care charges	(127)

Income	Learning Disabilities CHC contribution from CCG	(303)
Income	Pooled budget contribution from CCG	(478)
Income	Winter pressure funding from CCG	(450)
Other smaller variances	Misc	2
Sub-total		2,607
<u>Management Support & Other</u>		
Third party payment	Quality Assurance incentive scheme	114
Employees	Vacant posts	(57)
Premises	Dilapidations & premise costs	80
Supplies & services	Base Budget Review	(250)
Third party payment	Professional fees	(42)
Other smaller variances	Misc	4
Sub-total		(151)
<u>Mental Health</u>		
Employees	Vacant posts offset by agency costs (shown below)	(21)
Employees	Agency staff costs	54
Private contractor fees	Domiciliary Care, Residential and Nursing packages	1,181
Income	Forecasted shortfall from CCG offset by an increase in client contribution	(116)
Third party payments	Community contracts	(10)
Income	Income recovery for detox and salary costs	(6)
Other smaller variances	Misc	41
Sub-total		1,123
<u>Provider</u>		
Employees	Rushall Mews staff at Fallings Heath	365
Employees	Vacant posts offset by agency costs (shown below)	(836)
Employees	Agency staff costs	581
Premises	Forecast under spends on rent for satellite bases	(54)
Transport	Car allowances	45
Supplies & Services	Various over spends within Links to Work	60

Supplies & Services	Equipment & catering over spend at Goscote	16
Supplies & Services	Catering over spend at Fallings Heath	18
Supplies & Services	Computers & room hire	87
Supplies & Services	Furniture and materials at Hollybank	62
Supplies & Services	Under spend on Telehealth equipment	(31)
Income	Shortfall on Telehealth income	190
Income	General shortfall in income	12
Other smaller variances	Misc	61
Sub-total		576
<u>Safeguarding</u>		
Employees	Vacant posts offset by agency costs (shown below)	(42)
Employees	Agency costs	81
Income	Additional income	(11)
		28
<u>Strategic Development</u>		
Employees	Vacant posts offset by agency costs (shown below)	(108)
Employees	Agency costs	71
Supplies & Services	CCTV contracts charges	73
Supplies & Services	Over spends on Phone and ICT charges	116
Supplies & Services	General misc	22
Supplies & Services	Delayed PARIS implementation	(250)
Transfer Payments	Managed account support	18
Income	Shortfall in section 75 income	156
Income	Additional charges income for response services & workforce development	(75)
Other smaller variances	Misc	61
Sub-total		84
Ongoing Pressure		4,060
Commissioning	Housing 21 one-off reserve	(384)
	2012/13 carry forward	(2,937)
Total Social Care & Inclusion		739

Appendix 2 - Risks associated with the forecast 2013/14			
<u>Service – cash limit heading</u>	Action identified	Likelihood	Risk £m
Commissioning	SCI - Costs for new packages of care in 2013/14 not offset in full by deaths and reduction in care needs (outside of reprovision)	Medium	0.125
Assessment & Care Management	SCI - Increase in costs of packages in 2013/14 due to change in need (domiciliary care, residential or nursing)	Medium	0.125
Commissioning	SCI - Reduced client contributions	Low	0.025
General SC&I	SCI - Additional costs for voids or additional care hours	Low	0.005
General SC&I	SCI - section 117 clients	Low	0.020
			0.300