

24 November 2008

Revenue Monitoring – 2008/09 Second Quarter Forecast

Ward(s) All

Portfolios: Councillor McCracken

Summary of report:

This report gives a breakdown of the Directorate's revenue outturn forecast for 2008/09 including explanations of overspends and risks to the achievement of the forecast, based on the first 6 months of the financial calendar, April to September 2008.

Background papers:

Various financial working papers.

Reason for scrutiny:

To provide an update on the 2008/09 financial performance of the Directorate's Services.

Resource and legal considerations:

The budgets were set as part of the council's budget setting process in line with the Medium Term Financial Strategy.

Citizen impact:

None directly associated with this report.

Environmental impact:

None directly associated with this report.

Performance management:

Financial performance is considered alongside service targets.

Equality Implications:

None directly associated with this report.

Consultation:

Consultation was undertaken as part of the budget setting process.



Signed:

Chief Finance Officer: James T Walsh

Date: 14 November 2008

Contact Officer:

Stephanie Simcox
Head of Social Care and Inclusion Finance
01922 652703
Simcoxs@walsall.gov.uk

1 Forecast Revenue Outturn 2008-09 – Social Care and Inclusion

- 1.1 The forecast revenue outturn for the Social Care & Inclusion directorate (as at the end of September 08) is an underspend of **£156K**. The outturn shown is based upon actual information from the Oracle system and discussions with managers regarding year end forecast and achievement of savings. **Table 1** shows the Forecast Outturn for each service area within the directorate. **Appendix 1** provides an analysis of the reasons for the forecast material variances.

Table 1 – Projected Year-end Position for SC&I as at end of September 2008

SERVICE AREA	ANNUAL SPEND BUDGET	ANNUAL INCOME BUDGET	TOTAL ANNUAL BUDGET	ESTIMATED SPEND FOR YEAR	ESTIMATED INCOME FOR YEAR	ESTIMATED NET SPEND FOR YEAR	FINAL YEAR END OVER/(UNDER) SPEND	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
OLDER PERSONS	48,791	-14,529	34,262	46,870	-13,700	33,170	-1,092	-3.19%
YADS	9,997	-3,156	6,841	10,477	-2,855	7,622	781	11.42%
LEARNING DISABILITIES	31,846	-18,173	13,673	32,066	-18,263	13,803	130	0.95%
MENTAL HEALTH	7,991	-2,229	5,762	8,389	-2,282	6,107	345	5.99%
OTHER	332	-203	129	318	-189	129	0	0.00%
SUPPORT SERVICES	2,562	-1,081	1,481	2,662	-1,315	1,347	-134	-9.05%
HOUSING STANDARDS & IMPROVEMENT	893	-352	540	879	-352	527	-13	-2.44%
HOUSING STRATEGY & PARTNERSHIP	541	0	541	533	0	533	-8	-1.52%
SUPPORTED HOUSING	2,989	-2,646	343	2,978	-2,681	297	-46	-13.45%
SUPPORTING PEOPLE	7,425	-7,225	199	7,490	-7,225	265	66	33.00%
TOTAL	113,366	-49,595	63,771	112,662	-48,862	63,800	29	
Additional non-essential spend identified							-118	
supporting people carry forward							-67	
Final projected position post action plan and carry forward request							-156	

1.2 Risks to the Forecast

Budget action planning meetings are taking place every two weeks between Heads of Service, the Executive Director and Finance. These are focused on managing key areas of savings and bought forward spending pressures from 07/08 and also with managing corrective actions, process improvements, and implementation of new initiatives' to enable successful management of the budget in 08/09. **Table 2** shows the risk assessment template which is reviewed and updated at these meetings. High risk areas are included within the monitoring report as overspends, some of which are mitigated by underspends elsewhere, medium risks are not included but have an action plan to manage them, and low risk areas are reviewed to ensure that the risks do not materialise.

Table 2 -RISK ASSESSMENT - SC&I

DESCRIPTION	SERVICE AREA	AMOUNT £'000			RESPONSIBLE MANAGER	CURRENT POSITION SEPTEMBER 2008
		2008/09 HIGH RISK AND INCLUDED IN POSITION £'000	2008/2009 MEDIUM RISK AND DETAILED ACTION PLAN £'000	2008/2009 LOW RISK £'000		
DISABILITY SERVICES						
Links to Work overspend	LD	296			John Greensill	Report completed regarding future of project - overspend continuing for 08/9 only
ICES overspend	YADS	94		326	John Greensill	Action plan to be completed by Pooled Fund Manager and PCT as pooled budget
Independent sector R&N care	YADS	164	0	0	John Greensill	Working on high cost packages but risk still high
Independent sector home care	YADS	230	0	0	John Greensill	Working on high cost packages but risk still high
In house residential staffing (Hollybank)	YADS	95	0	0	John Greensill	As part of Holly Bank reprovision programme
Shortfall in CHC income	YADS	151			John Greensill	Work ongoing with PCT for quarter 4 & 09/10
Shortfall in fairer charging income	YADS	89			John Greensill	Due to people falling below threshold for charging
Overspend on SLA's	YADS	22			John Greensill	
In house social work and OT teams	YADS			123	John Greensill	Being reviewed monthly
YADS / LD merger	YADS/LD		155		John Greensill	review of salaries undertaken, will be implemented in full Feb 09
Total disability services		1,141	155	449		

DESCRIPTION		AMOUNT £'000				
	SERVICE AREA	2008/09 HIGH RISK AND INCLUDED IN POSITION £'000	2008/2009 MEDIUM RISK AND DETAILED ACTION PLAN £'000	2008/2009 LOW RISK £'000	RESPONSIBLE MANAGER	CURRENT POSITION SEPTEMBER 2008
OLDER PEOPLES SERVICES						
Free Nursing Care Income Shortfall	OP	80			Gary Mack	Ensure assessments are undertaken promptly and work with PCT to ascertain whether additional funding can be claimed
Fairer Charging Income Shortfall	OP	110			Gary Mack	Ensure assessments are undertaken in a timely manner- charging from Day 1 of care now in place
Property Cases Income Shortfall	OP	200			Gary Mack	Dependant on clients wealth - high risk with worsening economy
Continuing Health Care Income Shortfall	OP	200			Gary Mack	Ensure assessments are undertaken promptly and work with PCT to ascertain whether additional funding can be claimed
Income for Community Alarms - invoice disputed by WHG	OP			94	Gary Mack	Negotiations with WHG - should generate all income required
Total OP		590	0	94		

DESCRIPTION		AMOUNT £'000				
	SERVICE AREA	2008/09 HIGH RISK AND INCLUDED IN POSITION £'000	2008/2009 MEDIUM RISK AND DETAILED ACTION PLAN £'000	2008/2009 LOW RISK £'000	RESPONSIBLE MANAGER	CURRENT POSITION SEPTEMBER 2008
MENTAL HEALTH SERVICES						
Independent sector non residential care	MH	90			Karen Williams / Anet Baker	Looking at generation of additional income and support from PCT
Projected overspend OPMH independent sector residential and nursing	MH	337			Karen Williams / Anet Baker	Included in growth bids for 09/10 and will continue for 08/9
Total MH		427	0	0		
SUPPORT SERVICES						
Shortfall of CSED/DOH Income	SS	0	80	0	Chris Williams	DM liaising with DoH to secure all funding required
Total SS		0	80	0		
ALL SERVICES						
Transport Charging	All	412			Margaret Willcox	Implement flat rate charge wef 1 Dec so part year receivable and all for 09/10
Independent sector home care and day care	All		125		Margaret Willcox	Savings from new tender should be realised but risk of high cost spot purchases
Total all		412	125	0		
Total brought forward from 2007/08 and new pressures 8/9		2,570	360	543		

2 Capital Programme

- 2.1 The forecast capital programme outturn for the Social Care and Inclusion directorate (as at the end of September 2008), is predicted to be £6,753,818 underspent – this underspend will need to be slipped into 2009/10. **Table 3** provides a detailed financial analysis of the capital position by project.

Table 3 – Capital Programme 2008/09

Project description	Budget (including slippage)	Cumulative Total to end of Sept	Estimated Outturn	Variance (+/-)	Progress of project
	£	£	£	£	
Aids & adaptations	4,670,000	251,840	4,375,591	-294,409	R
Ruhsall Mews Refurbishment	220,000	0	220,000	0	G
Demolition costs - extra care housing	0	14,900	14,900	14,900	G
Disabled facilities grant	375,000	375,000	375,000	0	G
Internal alterations to Darlaston health care centre	66,000		20,000	-46,000	A
Mental health - minor works at Bloxwich	6,773	0	6,773	0	G
Mental health - Dorothy Pattison gym	308,796	0	308,796	0	G
New build Beacon View	0	0	0	0	G
New build Fallings Heath	346,000	0	282,000	-64,000	G
New build Short Break Unit	184,000	0	0	-184,000	R
Social work locality team east	9,015	3,350	9,015	0	G
Willenhall Lane travellers site phase 3	228,624	101,052	228,624	0	G
SC&I Infrastructure (PARIS)	30,000	30,000	30,000	0	G
Private sector renovation grant	365,000	223,134	365,000	0	G
Total Mainstream	6,809,208	844,868	6,235,699	-573,509	
SC&I Infrastructure (PARIS)	215,000	49,562	215,000	0	G
Total Prudential Borrowing	215,000	49,562	215,000	0	
Disabled facilities grant	1,530,000	395,292	1,530,000	0	G
Gypsy council grant - phase 2	312,075	0	312,075	0	G
Evolve - housing market renewal	940,551	360,553	940,551	0	G
Improving care homes	21,515	13,336	21,515	0	G
Mental health	138,000	0	138,000	0	G
SC&I Infrastructure (PARIS) - single capital pot	129,000	8,046	129,000	0	G
Private sector renovation grants	164,789	164,789	164,789	0	G
Regional housing pot - Kickstart	971,690	0	217,716	-753,974	R
Regional housing pot - Regeneration	1,261,000	0	1,261,000	0	G
Regional housing pot - Health Through Warmth	500,000	165,293	500,000	0	G
Regional housing pot - Repair assistance programme	1,500,000	-5,000	1,500,000	0	G
Willenhall Lane travellers site - regional housing pot	67,000	0	67,000	0	G
Total Grant Funding	7,535,620	1,102,310	6,781,646	-753,974	
Total Capital Programme	14,559,828	1,996,740	13,232,345	-1,327,483	

Explanation of Variances - SC&I Quarter 2**Older People**

Detail of variations	£m
<i>Over spends:</i>	
Potential shortfall of free nursing care income	0.080
Potential shortfall of fairer charging income	0.110
Potential shortfall of Property Cases income	0.200
Potential shortfall of Transport income	0.158
Potential shortfall in Community Alarms PCT income	0.115
Potential shortfall of in-house client income	0.173
Potential shortfall of continuing health care income (CHC)	0.200
Other	0.025
<i>Under spends:</i>	
Independent sector residential and nursing care	-0.028
Independent sector home care and direct payments	-0.292
Home Care	-0.296
Extra Care Housing / Service Level Agreements	-0.112
Social Work Teams (including Head Office & Commissioning)	-0.900
Community Meals	-0.053
Use of capital to fund Rushall Mews refurbishment	-0.220
Use of Housing 21 surplus	-0.252
Total	-1.092

YADS

Detail of variations	£m
<i>Overspends</i>	
Independent sector residential placements	0.164
Shortfall in CHC income	0.151
Shortfall in fairer charging income	0.089
Service agreements voluntary bodies	0.022
In house residential	0.095
Shortfall in transport charging income	0.032
Independent sector home care and direct payments (DP)	0.230
ICES	0.094
<i>Under spends:</i>	
In house teams	-0.078
Other	-0.016
Total	0.783

Learning Disabilities

Detail of variations	£m
Relating to Pool	
Integrated Team	-0.003
Community Support Service	-0.145
Management & Admin	-0.061
Total Relating to the Pool	-0.209
Relating to Provider	
Residential and Nursing	-0.035
Day Care	-0.109
Transport	0.221
Links to Work	0.296
Total Relating to the Provider	0.373
Client Contribution (Not in Pool)	-0.034
Total	0.130

Mental Health

Detail of variations	£m
<i>Over spends:</i>	
Independent sector residential placements	0.337
Independent non residential placements	0.089
<i>Under spends:</i>	
Vacancy Management	-0.076
Other	-0.005
Total	0.345

Support Services

Detail of variations	£m
<i>Under spends:</i>	
Various supplies and services	-0.145
<i>Over spends:</i>	
Additional project management costs	0.011
Total	-0.134

Note: Awaiting income of £0.224m from CSED / DOH for costs relating to financial year 2007/08.

Housing Standards & Improvements

Detail of variations	£m
<i>Under spends:</i>	
Forecasted under spend due to savings on staffing budget	-0.018
Forecasted over spend on Supplies and Services	0.005
Total	-0.013

Housing Strategy & Partnerships

Detail of variations	£m
Forecasted under spend due to savings on staffing budget	-0.020
Forecasted over spend on car allowances	0.001
Forecasted over spend on supplies and services	-0.001
Forecasted over spend on Print and Design	0.012
Total	-0.008

Supported Housing

Detail of variations	£m
<i>Overspends:</i>	
Employee costs on accommodation services	0.062
<i>Underspends:</i>	
Employee costs within the neighbourhood community officer (NCO) service	-0.071
Increased Supporting People Recharge	-0.018
Other Items	-0.019
Total	-0.046

Supporting People

Detail of variations	£m
Under spend on administration grant (Carried Forward from 07/08 for I.T. replacement)	-0.067
<i>IT Replacement</i>	0.067
Other items	-0.001
Total	-0.001