

**SOCIAL CARE AND HEALTH
OVERVIEW AND SCRUTINY PANEL**

**Agenda Item
No. 6**

DATE: 14 SEPTEMBER 2017

**CORPORATE FINANCIAL PERFORMANCE – MONTH 3 (JUNE) FINANCIAL
MONITORING POSITION FOR 2017/18**

Ward(s) All

Portfolio: Councillor D Coughlan - Social Care
Councillor Robertson - Health

Summary of report

The forecast 2017/18 year-end financial position for services under the remit of the Social Care and Health Overview and Scrutiny Committee, and based on financial performance for quarter 1 (April 2017 to June 2017) is a revenue over spend of **£1.591m**. This is net of the use of reserves of (£1.709m), and the transfer to reserves of £0.108m.

Without the use of reserves the over spend would be **£3.192m**. The demand management programme within the Transformation Plan is the key means to mitigate the overspend position. This is providing positive results in reducing the overall pressure, and work is ongoing to mitigate any remaining balance currently forecast.

The total capital programme for the directorate is **£2.581m** and there is an expectation that capital resources of **£2.581m** will be fully spent.

Reason for scrutiny

To inform the panel of the forecast financial position for 2017/18 for services within their remit.

Recommendation

1. To note the revenue and capital forecast for the 2017/18 year end financial position for services under the remit of the Social Care and Health Overview & Scrutiny Committee.
2. To note that officers are awaiting response from the Social Care and Health Overview & Scrutiny Committee with regard to the feedback which was requested at the meeting on 20th July in respect of the content and style of financial performance reporting and incorporated that into a shortened format. Once responses are received further changes will be discussed with the Chair of the Panel.

Background papers

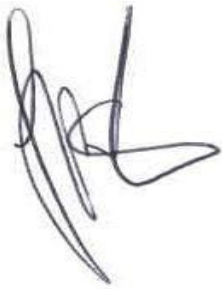
Various financial working papers.



Signed:

Executive Director:
Date:

Paula Furnival
1 September 2017



Executive Director:
Date:

Simon Nielson
1 September 2017

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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 2017/18

Adult Social Care

- 1.1 The current forecast revenue over spend is **£3.192m** prior to use of reserves and any mitigating action. After the net use of reserves of £1.601m the remaining forecast over spend is **£1.591m**, as summarised in **Table 1** below:

Table 1: Summary of Over spend	£m	£m
Forecast overspend		3.192
Earmarked reserves (net)	(1.601)	
Corporate reserves (agreed by Cabinet)	0	
Action Plan	0	
Total use of reserves and actions in place		(1.601)
Forecast Over spend		1.591

- 1.2 The main reasons for this forecast overspend are summarised in **Table 2** below:-

Table 2: Main Reasons for ASC over spend	£m
Client placement/ package costs (net)	1.280
Shortfall on various income streams across ASC based on data available at quarter one of the financial year. Further interrogation underway of both base data and budget setting assumptions to determine the level of achievable income for 2017/18 and to support the income assumptions included within the 2018/19 budget setting process	0.815
Replenishment of general bad debt provision	0.047
Staffing costs (net vacant posts and agency)	(0.331)
Reduced doctors best interest assessments due to staffing issues	(0.097)
Additional net rapid response costs	0.126
Service level agreements including Community Hub (£30k) and Bereavement contract (£44k)	(0.162)
Housing 21 contract efficiencies	(0.087)
Total	1.591

Public Health

- 1.3 The forecast revenue position for 2017/18 for Public Health is on budget after net use of reserves of **(£1.013m)** comprising use of reserves of **(£1.121m)** and transfer to reserves of **£0.108m**. The reserves comprise public health grant carry forward from previous years. This includes spend on sexual health services, drug and alcohol prevention and rehabilitation services, health visiting, school nursing, control of infectious diseases, oral health promotion, healthy weight and smoking cessation services. 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

- 1.4 **Table 3** summarises the forecast outturn for each service (see page 6).

- 1.5 Included within the approved budget for 2017/18 are **£6.230m** of approved savings relating to services within the remit of this panel. An update on the achievement of 2017/18 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. **Table 4** below, shows the current position for these savings.

BRAG	Table 4: Achievement of approved 2017/18 savings	£m
Blue	Delivered in full	1.921
Green	To be delivered by 31/3/18	1.054
Amber	Low risk of non-delivery	2.031
Red	High risk of non-delivery	1.224
	Total approved savings for 2017/18	6.230

Saving Ref	Table 5: Breakdown of red savings	£m
77	Cessation of universal services	0.073
78	Review of respite and day services	0.109
81	Removal of jointly funded vacant posts	0.567
82	Improved charging and collection arrangements for community based services	0.475
	Total	1.224

- 1.6 Within the services associated with the panel there are a number of risks totalling **£11.841m** 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 1.

Table 3 – Social Care & Health Forecast Revenue Outturn 2017/18

Service	Annual Budget £m	Year End Forecast £m	Variance before Reserves £m	Action Plan £m	Use of Reserves £m	Transfer to Reserves £m	Variance after reserves and action plan £m
Access, Assessment & Care Management	42.816	44.509	1.694	-	-	-	1.694
Commissioning	9.337	8.923	(0.414)	-	-	-	(0.414)
Management Support & Other	(0.326)	(0.258)	0.068	-	-	-	0.068
Mental Health	6.660	6.938	0.278	-	-	-	0.278
Provider	1.261	2.006	0.745	-	(0.560)	-	0.185
Safeguarding	0.528	0.291	(0.236)	-	(0.028)	-	(0.264)
Strategic Development	2.016	2.059	0.043	-	-	-	0.043
Total Social Care	62.290	64.469	2.179	-	(0.588)	-	1.591
Public Health	(0.268)	0.745	1.013	-	(1.121)	0.108	-
Overall Scrutiny Position	62.022	65.214	3.192	-	(1.709)	0.108	1.591

2 Forecast Capital Outturn 2017/18

- 2.1 The total capital programme under the remit of this panel is £2.581m, with forecasted costs of £2.581m as at the end of June 2017, as summarised in Table 6.

Table 6 – Adult Social Care Forecast Capital Outturn 2017/18					
Service	Annual Budget £m	Actual to Date £m	Year End Forecast £m	Year End Variance £m	Requested Carry Forward to 2018/19 £m
<u>Council Funded</u>					
Mosaic Implementation (Phase 3)	0.747	0.000	0.747	0.000	0.000
Mosaic Mobile Working	0.635	0.000	0.635	0.000	0.000
Total Council Funded	1.382	0.135	1.382	0.000	0.000
<u>Externally Funded</u>					
Integrated Community Equipment Store (Better Care Fund)	0.750	0.000	0.750	0.000	0.000
Community Capacity Grant	0.449	0.184	0.449	0.000	0.000
Total Externally Funded	1.199	0.184	1.199	0.000	0.000
Total Capital	2.581	0.663	2.581	0.000	0.000

Appendix 1 – Risks associated with 2017/18 position at June 2017

Service	Reason / explanation of risk	Risk £m	RAG
Provider - Tunstall equipment maintenance prepayment	This was a prepayment for ongoing maintenance (5 years) the prepayment expired at 31 March 2016 and additional costs will be incurred, with no funding identified to continue the maintenance. This issue was passed by EDMT to the assistive technology working group but no feedback has been received on what action is being taken and the potential financial implication.	110	Medium
Provider – Telecare equipment	Changes in practice now mean that clients should be remaining at home longer. An impact of this is that there is an increase in the need for telecare equipment. A previous prepayment for equipment has now been fully utilised and the current budget potentially is not enough to cover increased demand.	450	Medium
Mosaic	Implementation of the financial module (project phase 3) was expected to be implemented by 1 April 2016. There has been a significant delay to the implementation date which gives a significant impact on ability to forecast costs with confidence, as well as creating a funding issue.	Unknown at this time	Medium
AACM	Non delivery of demand management saving, to be updated when initial forecasts for 2017-18 are completed Community Care (best case = 50% of worst case total, which represents current FYE effect of 16/17 client costs)	1,498	Medium
AACM	Increases in client costs due to demographic growth in placement and package costs above that modelled in MTFO Community Care (best case = 75% of worst case total, which is based on growth in base client costs from 15-16 to 16-17)	1,650	High
ASC	Bad debt provision – significant levels of bad debt within service. Issue is no one accepts any responsibility for debt – no allocated caseloads etc so likely much of this will need to be written off and bad debt provision isn't at 100%. Level of debt at June 2017 was £7.899m with £4.397m being over 30 days old June bad debt provision is £1.331m)	6,568	Medium
Provider	CIC additional use of external providers if new intermediate care model is not effective in early months of implementation	100	Medium
ASC	Potential delay in achievement of 2017/18 approved universal services saving (no 77)	342	High
Provider	Potential delay in achievement of 2017/18 respite and day services saving (no 78)	291	High

ASC	Fall out of local reform and community voices grant – no confirmation has yet been received	196	High
AACM - DTOC	Notifications of intent to charge for delayed patient discharge	120	Medium
AACM	Impact of Care Act on carers assessments	200	Low
AACM - MH	Mental Health AMPH cover	75	Medium
AACM	Change in rate for sleep in nights after HMRC ruling. This means that individuals support will increase due to an increase in hourly rate. Additional work needs to be completed on this to confirm impact on costs, current best case represents 50% of x50 workers over 365 days worst case value.	Unknown at this time	High
ASC	Mosaic introduction of mobile devices over capital programme funding	105	Medium
ASC	Learning Disabilities 2016/17 Q4 CHC	138	Low
Total Adult Social Care		11.841	
Public Health		0.000	
Total Risks		11.841	