

**SOCIAL CARE AND HEALTH
OVERVIEW AND SCRUTINY COMMITTEE**

**Agenda Item
No. 7**

DATE: 24 OCTOBER 2019

**CORPORATE FINANCIAL PERFORMANCE – MONTH 5 (AUGUST) FINANCIAL
MONITORING POSITION FOR 2019/20**

Ward(s) All

Portfolios: Councillor Martin – Adult Social Care
Councillor Longhi- Public Health

Executive Summary

The combined Adult Social Care and Public Health revenue outturn forecast for period 5 (April 2019 to August 2019) after net use of/ transfer to planned reserves but prior mitigating actions is an over spend of £0.758m. After mitigating actions of (£0.323m), the forecast revenue outturn position for period 5 is **£0.434m** as summarised in **Appendix 1**.

The forecast revenue outturn position of £0.434m is made up of:

- Adult Social Care - £0.434m
- Public Health – on budget

The total capital programme for the directorate is **£0.923m** with a forecasted spend of £0.923m.

Reason for scrutiny

To inform the committee of the forecast financial position for 2019/20 for services within their remit.

Recommendation

1. To note the revenue and capital forecast for the 2019/20 year-end financial position for services under the remit of the Social Care and Health Overview & Scrutiny Committee.

Background papers

Various financial working papers.



Signed:

Executive Director:

Paula Furnival

Date:

11 October 2019



Signed:

Executive Director:

Simon Neilson

Date:

11 October 2019

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.

Council Corporate Plan Priorities

Adult Social Care and Public Health services directly contribute to the delivery of the Council Corporate Plan Priorities. Which includes enhancing quality of life for people with care and support needs and those with long term conditions, delaying and reducing the need for care and support, help people recover from episodes of health or injury and ensure the most vulnerable are protected from avoidable harm, including treating and caring for people in a safe environment. Resources are aligned to these corporate plan priorities through the budget setting process. Sound financial management within the services ensures stable finances, which directly contribute to our objectives of being a resilient council.

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.

Reducing inequalities

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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Adult Social Care Services

1 Forecast Revenue Outturn 2019/20

- 1.1 The current forecast revenue position after the net of use of/ transfer to planned reserves but prior to any mitigating action plan is an over spend of **£0.758m**. After mitigating actions (**£0.323m**), the forecast revenue outturn position is an over spend of **£0.434m**, as summarised in **Table 1** below:

Table 1: Summary of Over Spend	£m	£m
Forecast over spend after planned earmarked reserves		0.758
Mitigating Actions	(0.323)	
Forecast Over spend as at Period 5		0.434

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

Table 2: Main Reasons for ASC over spend	£m
Demand management - This is mainly due to one-off delays in the Procure to Pay saving proposal of £0.323m (from a total of £1.294m), together with additional client package and placement costs, and reduced continuing health care income totalling £0.499m. The current pressure is being offset by identified mitigating actions of (£0.323m).	0.499
Net under spend associated with vacant posts awaiting appointments partially offset against backfill with agency officers	(0.252)
DTA beds/ reablement hours over spend due to demand due to extended length of stays	0.122
Service level agreements and contracts	0.075
Total over spend as Period 5	0.434

- 1.3 Included within the approved budget for 2019/20 are **£4.664m** of approved savings relating to services within the remit of this committee. An update on the achievement of 2019/20 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 3** below shows the current position for these savings and **Table 4** giving the detail of the red and amber savings.

Table 3: BRAG – Achievement of approved 2019/2020 savings		£m
Blue	Delivered in Full	1.503
Green	To be Delivered by 31/03/2020	0.222
Amber	Low Risk of non-delivery	2.615
Red	High Risk of non-delivery – currently mitigated	0.323
	Total Saving for 2019/20	4.664

Table 4 – ASC Red and Amber savings 2019/20		£m
Demand Management – Procure to Pay		0.323
Total Red savings		0.323
Demand Management – Improving demand management on Adult social care		0.652
Demand Management – Income contributions		0.293
Demand Management – Procure to pay		0.970
Demand Management – Joint funding arrangements with partners		0.700
Total Amber savings		2.615

- 1.4 Within the services associated with the committee there are a number of risks totalling **£4.410m**, 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 **Table 5**.

Table 5 – Risk assessment summary			
Service	Reason/ Explanation of Risk	Risk £m	RAG status
Demand Mgmt	Additional impact of reduction Continuing Health Care funding due to non-eligibility (in addition to the shortfall already included in the forecast)	0.123	High
Demand Mgmt	Amber Saving relating to Improving demand management for Adult Social Care through reduction in Mental Health and Learning Disability care package costs through panel decisions	0.652	High
Demand Mgmt	Amber Saving relating to additional income contributions derived from an increase in client numbers due to demographic changes	0.293	High
Demand Mgmt	Amber Savings relating to Procure To Pay changes by implementation of the electronic call management system and changes to contractual arrangements with providers	0.970	High
Demand Mgmt	Amber saving relating to non-achievement of the saving relating to joint funding arrangements with partners due to ongoing negotiations with CCG	0.700	High
Demand Mgmt	Additional net costs associated with increasing numbers of complex care packages or cost increases as a result of the pressures within the external care sector. It should be noted that included within this pressure are a number of assumptions regarding both expenditure and client contribution projections	1.000	High
Total High Risks		3.738	

Table 5 – Risk assessment summary (continued)			
Demand Mgmt	Impact of transitions from children services	0.200	Medium
Demand Mgmt	Home Closures - Provider into administration - average costs based on 4 providers	0.212	Medium
Demand Mgmt	Impact of Black Country Transforming Care Programme - clients moving into ASC	0.234	Medium
Complex Needs	Housing voids - 2019/20	0.027	Medium
Total Medium Risks		0.672	
Total Risks		4.410	

Summary of the Forecast Capital Position for 2019/20 as at 31st August 2019

- 1.5 The total capital programme for the directorate is £0.923m with forecasted costs of £0.923m. The detailed breakdown is in the **Table 6** below.

Table 6: Adult Social Care Forecast Capital Outturn 2019/20					
Service	Annual Budget £m	Actual Year to Date £m	Forecast £m	Year End Variance £m	C/fwd to 20/21 £m
Council Funded					
Mosaic (Phase 3)	0.101	0.036	0.101	0.000	0.000
Mosaic Mobile Working	0.072	0.060	0.072	0.000	0.000
Sub-Total	0.173	0.096	0.173	0.000	0.000
Externally Funded					
ICES (BCF)	0.750	0.290	0.750	0.000	0.000
Sub-Total	0.750	0.290	0.750	0.000	0.000
OVERALL	0.923	0.386	0.923	0.000	0.000

Public Health

2. The forecast revenue position for 2019/20 after net use of/transfer to reserves but prior to mitigating actions for Public Health is on budget. 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.
- 2.1 Included within the approved budget for 2019/20 are **£2.033m** of approved saving relating to services within the remit of this committee. An update on the achievement of 2019/20 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 7** below shows the current position for these savings.

Table 7: BRAG - Achievement of approved 2019/20 savings (Public Health)		
		£m
Blue	Delivered in Full	0.000
Green	To be Delivered by 31/03/2019	2.033
Amber	Low Risk of non-delivery	0.000
Red	High Risk of non-delivery	0.000
	Total Saving for 2019/20	2.033

General

3. **Appendix 1** summarises the forecast outturn for each service.

Appendix 1 - Forecast position by service area							
Service	Annual Budget £m	Year End Forecast £m	Variance before Reserves £m	Net use of Planned Reserves £m	Variance after Reserves £m	Action Plan £m	Variance after reserves and action plan £m
Demand Management Costs	50.253	52.713	2.460	(1.637)	0.823	(0.323)	0.499
Management Support & Other	(8.168)	(8.059)	0.110	(0.084)	0.026	-	0.026
Mental Health	1.279	1.236	(0.043)	-	(0.043)	-	(0.043)
ASC Partnerships	0.558	0.870	0.313	(0.293)	0.020	-	0.020
Safeguarding	0.384	0.822	0.438	(0.425)	0.013	-	0.013
Resources	2.384	2.455	0.071	(0.025)	0.046	-	0.046
Access, Assessment & Care Management	6.503	6.482	(0.021)	(0.041)	(0.062)	-	(0.062)
Strategy, Commissioning & Delivery	0.931	1.679	0.748	(0.669)	0.078	-	0.078
Intelligence & Delivery	1.588	1.698	0.110	(0.252)	(0.142)	-	(0.142)
Complex Needs	0.385	0.393	0.008	-	0.008	-	0.008
Older People	8.654	8.395	(0.259)	0.244	(0.015)	-	(0.015)
Health & Social Care	0.694	0.740	0.046	(0.041)	0.005	-	0.005
Total Social Care	65.446	69.426	3.979	(3.222)	0.758	(0.323)	0.434
Public Health	(1.318)	0.104	1.422	(1.422)	-	-	0.000
Overall Scrutiny Position	64.128	69.530	5.401	(4.644)	0.758	(0.323)	0.434