

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

**DATE: 17 JULY 2014
REVENUE AND CAPITAL OUTTURN 2013/14 (PRE-AUDIT)**

Ward(s) All

Portfolio: Councillor McCracken – Social Care & Health

Summary of report

This report summarises the revenue and capital outturn position for the year ended 2013/14, subject to external audit, for services within the remit of the Health and Social Care Scrutiny and Performance Panel.

Recommendation

To note that the 2013/14 year end financial position for services under the remit of the Health and Social Care Scrutiny and Performance Panel, is a revenue overspend of **£441k** against budget of **£72.246m** (net of use of earmarked reserves/ carry forwards), and a capital underspend of **£405k** (net of approved carry forwards into 2014/15).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2013/14 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2013/14.

Signed:



Chief Finance Officer: James T Walsh

Executive Director: Keith Skerman

Date: 23 June 2014

Date: 23 June 2014

A handwritten signature in black ink, appearing to read 'Jamie Morris', with a stylized flourish at the end.

Executive Director: Jamie Morris

Date: 23 June 2014

Resource and legal considerations

The accounts were monitored and reported on as part of the budget guidelines and all entries into the final accounts have been undertaken in line with the required accounting guidance and standards.

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 were put in place to mitigate overspends. 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 Revenue Outturn 2013/14

- 1.1 The revenue outturn for 2013/14 for the services under the remit of the Health and Social Care Scrutiny and Performance Panel is an over spend against budget of **£441k** (net of the use of earmarked reserves / approved carry forwards). This position is subject to external audit which will take place during July/August. **Table 1** provides a summary by service and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 - Revenue Outturn (Pre Audit) 2013/14					
Service	Annual Budget £	Year End Actual £	Year End Variance £	Use of Reserves/ Approved carry Forward £	Variance Net of Reserves (Under)/ Overspend £
Management Support	1,572,439	1,692,728	120,289	(346,903)	(226,614)
Mental Health	6,030,205	7,148,522	1,118,317	(1,079,503)	38,813
Provider	5,114,669	6,471,267	1,356,598	(286,095)	1,070,503
Strategic development	6,068,326	6,235,329	167,003	(223,331)	(56,328)
Access, assessment and care management	6,206,914	6,128,824	(78,090)	(153,059)	(231,149)
Safe guarding	494,233	525,195	30,962	0	30,962
Commissioning	46,657,650	48,545,257	1,887,607	(2,072,489)	(184,882)
Public Health	102,055	(1,956,957)	(2,059,012)	0	(2,059,012)
	72,246,491	74,790,165	2,543,674	(4,161,380)	(1,617,707)
Approved carry forwards from 2013/14 to 2014/15 – Public Health					2,059,012
Adjusted estimated outturn - overspend					441,305

- 1.2 The outturn includes use of £5.503m of reserves and transfers to reserves of £1.342m where approval was given for additional funds for specific services or was required due to accounting practice. **Table 2** provides a summary of these.

Table 2 - Analysis of 2013/14 Use of Earmarked Reserves/Carry Forwards		
Service	Amount £	Explanation
Use of Specific Reserves 2013/14		
Carers Service	(52,922)	Funding for Welfare Rights team, carers direct payments & agency staff
Links to Works	(2,693)	Public donations for award ceremony
International Financial	(86,463)	Funding for Reablement private sectors
Reporting Standards International Financial	(1,927,357)	LD & YADS placements/ packages
Reporting Standards International Financial	(861,785)	MH placements/ packages
Reporting Standards International Financial	(2,447)	Manor costs
Reporting Standards International Financial	(60,000)	PARIS secondment
Reporting Standards International Financial	(1,134,883)	Telehealth equipment & stock
Reporting Standards International Financial	(446,609)	Over 80's community alarms
Reporting Standards SCI Interim Appointments	(265,738)	Funding interim costs
Auto enrolment	(13,870)	Auto enrolment in pension scheme
Pension/ redundancy reserve	(556,805)	Pension & redundancy costs
Housing 21	(92,210)	Housing 21 contract liability costs
	(5,503,782)	
Transfer to reserves 2014/15		
Quality Assurance incentive schemes	2,896	Reserve for remaining schemes
PARIS secondment	60,000	Reserve for PARIS implementation team
Telehealth equipment & stock	1,090,465	Reserve for equipment, maintenance & communications
Over 80's community alarms	174,140	Reserve for over 80's equipment & fitting
New Burden Funding	12,500	Windfall income in 2013/14
Local reform & community voices grant 12/13	2,402	Windfall income in 2013/14
	1,342,403	
Total Use of Reserves	(4,161,379)	

- 1.3 Carry forwards are a means of recognising sound budget management by allowing the carry forwards of planned revenue underspends and/or achieved revenue savings, excluding the use of windfalls/unplanned underspends/savings. This is dependant on achievement of planned service delivery targets/outcomes and a balanced position council wide at year end. Approval for under/overspend

carry forward rests with Cabinet, on the advice of the CFO. There is one carry forward required of £2,059k for public health as this is a ring fenced grant.

1.4 The details of the reasons for the underspend position for services within the remit of the Panel are shown in **Appendix 1**. The main areas are as follows:

- Additional client residential costs
- Additional client domiciliary costs
- Housing 21 additional hours and void costs
- Additional staffing costs within Provider services following the transfer of Rushall Mews
- Agency staffing costs within reablement due to additional support required due to level of demand

These were partly offset by:

- Vacant posts held in advance of 2014/15 budget savings
- An under spend on deferred prudential borrowing
- Reduced commissioned services within Public Health.

1.5 There are a number of key pressures from 2013/14 that continue into 2014/15 and these will need careful management:

- Reliability of NURRCIS and FISCOM data, impacting on the accuracy of financial forecasting.
- Income expectations from Benefits Based Charging
- Housing 21 additional hours and void charges
- Demand management of new clients and changes in need
- Additional support for reablement due to demand

2 Capital Outturn 2012/13

2.1 The capital outturn for 2013/14 for the schemes under the remit of this panel is an underspend of £1.627m against budget of **£2.443m**, of which £1.222m has been approved to be carried forward into 2014/15, resulting in a net underspend of **£0.405k**. **Table 3** overleaf provides a summary by scheme.

Table 3 – Social Care & Inclusion Forecast Capital Outturn 2013/14

Service	Annual Budget £	Actual to Date £	Year End Position £	Year End Variance £	Approved carry forward to 2014/15 £	Net Underspend £
Mainstream Funded						
PARIS development/ IT mobile working	405,085	0	0	(405,085)	0	(405,085)
Preventative Adaptations	890,229	550,068	550,068	(340,161)	340,161	0
Total Mainstream	1,295,314	550,068	550,068	(745,246)	340,161	(405,085)
Non Mainstream Funded						
Community Capacity Grant	1,147,510	266,057	266,057	(881,453)	881,453	0
Total Non Mainstream	1,147,510	266,057	266,057	(881,453)	881,453	0
Total Social Care Capital	2,442,824	816,125	816,125	(1,626,699)	1,221,614	(405,085)

Appendix 1 - Reasons for revenue variations

Service	Reason/explanation for variance (+/-£25k)	Variance £
Management Support	Under spend on running expenses identified as 201415 saving (£250k) and professional fees (£34k) offset by dilapidation and rental costs £60k	(226,614)
Mental Health	Underspend on placement costs of (£131k), offset by increase in domiciliary costs of £136k and unachieved client contributions of £36k. A net underspend of staff costs net of agency and AMPH payments of (£42k) offset by overspend in running expenses of £15k and out of hours service of £17k	38,813
Provider	<p>Community Intermediate Care £462k – overspend on agency costs £606k offset in part by underspend on staffing (£530k) and increased clients contribution (£35k). Additional costs of agency due to pressures within the service £284k, car allowances £58k, ICT equipment £49k and general running expenses £30k</p> <p>Day opportunities (£82k) - net underspend on staffing costs (£139k) offset by an overspend on premises £37k and general running expenses £20k</p> <p>Links to work (£133k) – Overspend on recruit ability costs £106k; supplies and services £75k offset by additional income (£256k); attendance allowance (£34k) and premises costs (£24k)</p> <p>Fallings Heath £398k – due to staffing costs £327k; supplies and services overspend £24k and income shortfall £33k</p> <p>Goscote £72k – due to overspend on staffing and supplies and services £29k offset by additional income (£46k)</p> <p>Provider £142k – agency costs</p> <p>Hollybank £142k – Supplies and services costs of £85k; agency costs of £54k</p> <p>Satellite bases (£104k) – due to underspend on premises and rental budgets – the costs have been paid from elsewhere in provider.</p> <p>Telehealth care £160k – under recovery of income.</p>	1,070,503

Strategic Development	Due to additional costs for managed accounts £32k; agency cost £111k; telephones £152k; running expenses £72k and CCTV contracts £86k offset by underspend on staffing (£94k); memory clinic (£103k); delay in capital repayments (£250k); additional income (£26k) and underspend on apprentice budgets (£31k)	(56,328)
Access, assessment and care management	Due to underspend on staffing costs net of agency costs (£207k); additional income (£103k); and unrequired provision (£103k) offset by additional travel costs £57k; occupational therapy costs from Manor hospital £72k and running expenses £53k	(231,149)
Safe guarding	Under spend on staffing (£42k) and professional fees (£11k) with additional income of (£11k) offset by agency costs £80k and redundancy costs £16k	30,962
Commissioning	<p>Carers (£178k) – reduced spend within the development fund (£80k); reduction in spend on SLA's (£38k) and emergency response services (£60k)</p> <p>Commissioning £59k - £79k taxi costs; £91k shortfall in income; £30k premises costs; Offset by net underspend on staff costs (£76k) and supplies and services (£65k)</p> <p>External Supporting people (£37k)– renegotiation of contracts</p> <p>Housing 21 £912k – Additional costs due to care hours £535k; void accommodation £41k; respite costs £114k; income shortfall £258k; pension costs £15k offset by underspend on rent costs (£41k)</p> <p>Learning Disability Commissioning (£873k) – additional placement costs £229k; support accommodation costs £652k and SLA costs £13k, offset by reduced domiciliary care costs (£1,116k); reduction in payment to BCPFT (£56k); additional income (£86k) and increased contribution to pooled budget from CCG (£509k).</p> <p>Older People Commissioning £278k – Reduction in domiciliary care costs (£680k); Direct payments refunds (£300k); reduced costs of placements (£62k); reduction in supported accommodation costs (£33k); additional income (£246k) offset with reduction in client contributions £1,064k; increase in bad debt provision £493k; grants to voluntary bodies £42k.</p>	(184,882)

Commissioning - continued	Older People SLA (£90k) – reduction in spend on SLA's Recruit ability plus (£25k) – employee costs Younger \Adults Commissioning (£429k) – reduced domiciliary care costs (£595k); reduced supported living costs (£9k); (£95k) addition CHC income offset by £258k shortfall in income. Younger Adults SLA £204k – spend on SLA's higher than budget	
Public Health	Reduction in expected levels of commissioned services (£1,100k); Underspend on employees (£394k) and other contributions (£485k)	(2,059,012)
TOTAL VARIANCE - Overspend		(1,617,695)
Approved carry forward		2,059,012
TOTAL VARIANCE - Overspend		441,305