

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

**Agenda Item  
No.**

**DATE: 10 MARCH 2016**

**CORPORATE FINANCIAL PERFORMANCE - QUARTER 3 FINANCIAL  
MONITORING POSITION FOR 2015/16**

**Ward(s)** All

**Portfolio:** Councillor Martin - Public Health and Well being  
Councillor Hughes - Care and Safeguarding

**Summary of report**

This report summarises the forecast revenue and capital outturn position for 2015/16, based on the financial performance for the first 9 months of the financial year (April 2015 to December 2015), for services within the remit of the Social Care & Health Scrutiny and Performance Panel.

**Reason for scrutiny**

To inform the panel of the forecast financial position for 2015/16 for services within their remit.

**Recommendation**

1. To note that the forecast 2015/16 year end financial position for services under the remit of the Social Care and Health Overview and Scrutiny Committee, as at December 2015, is a revenue over spend of **£1.805m**, (net of the use of earmarked reserves and assuming the full implementation of currently undelivered action plan items).
2. To note that the forecast 2015/16 capital position is carry forward of £ 0.297m against the £1.945m total capital budget.

**Background papers**

Various financial working papers.  
2015/16 Budget Book on Council's Internet and Intranet

**Signed:**

*Keith Skenn*

**Executive Director:** Keith Skerman

**Date:**

A handwritten signature in black ink, appearing to be 'Simon Neilson', written in a cursive style.

Simon Neilson

**Executive Director:**

**Date:** 2/1/2016

## **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 2015/16

### **Adult Social Care**

- 1.1 The forecast revenue outturn for 2015/16 for Adult Social Care directorate (based on the position as at the end of December 2015) is an over spend of £1.805m (net of the use of earmarked reserves and assuming the full implementation of currently undelivered action plan items). Prior to the use of reserves and implementation of the action plan the over spend would have been £8.073m. Ongoing pressures have been addressed in the 2016/17 budget. 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. The Directorate is monitoring the residual overspend closely and seeking to identify further actions that can be taken to further mitigate this position.
- 1.2 The forecast outturn includes use of reserves, where approval has been given by Cabinet for additional funds to be utilised for specific services, totalling £6.709m, of this £3.563m relates to the use of a corporate reserve to mitigate the pressures arising from care package costs. The predicted outturn does not include any transfers relating to windfall income.
- 1.3 The forecast outturn includes delivered action plan of £4.117m. This comprises utilisation of one off funding to offset in year pressures, and holding staff vacancies. The full action plan is detailed further in Appendix 2, which also sets out actions totalling £0.123m that remain to be delivered.

### **Public Health**

- 1.4 The forecast revenue position for 2015/16 for Public Health (based on the positions as at the end of December 2015) is to be on budget after net use of reserves of (£1.401m). The reserves comprise the public health grant and one off funding received last year that will be spent as per the terms of the grant. This includes spend on nutrition and obesity and smoking cessation. 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**

- 1.5 Table 1 shows the forecast outturn for each service and Appendix 1 provides an analysis of the reasons for material forecast variances.
- 1.6 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 Directorates Management Teams, 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.
- 1.7 Included within the approved budget for 2015/16 were £5.473m of approved savings relating to services within the remit of this panel (details are available in the corporate budget book). An update on the achievement of 2015/16 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.

- 1.8 Of the £5.47m savings, £2.89m have been delivered in full (RAG blue) with £0.16m expected to be delivered by 31 March 2016 (RAG Green). The remainder were not possible to deliver and budget shortfalls have been made good in these areas in year from the use of approved reserves. Ongoing pressures have been addressed within the 2016/17 budget approved by Council on 25 February 2016.
- 1.9 Within the services associated with the panel there are a number of risks totalling £0.360m which are not included within the above forecast as they are not certainties. 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 3.

**Table 1 – Adult Social Care & Health Forecast Revenue Outturn 2015/16**

<b>Service</b>	<b>Annual Budget</b>	<b>Profiled Budget</b>	<b>Actual to Date</b>	<b>Variance to Date</b>	<b>Year End Forecast</b>	<b>Variance before Reserves</b>	<b>Undelivered Action Plan</b>	<b>Use of Reserves</b>	<b>Transfer to Reserves</b>	<b>Variance after reserves and action plan</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Access, Assessment & Care Management	27.559	20.669	28.466	7.796	35.711	8.152	(0.053)	(2.639)	0.000	5.460
Commissioning	12.478	9.359	8.657	(0.702)	12.267	(0.212)	0.000	(0.548)	0.000	(0.760)
Management Support & Other	1.531	1.148	(0.661)	(1.809)	(0.613)	(2.144)	(0.070)	(0.262)	0.000	(2.476)
Mental Health	5.435	4.076	5.435	1.358	6.254	0.819	0.000	(0.959)	0.000	(0.140)
Provider	4.154	3.115	2.607	(0.508)	4.466	0.312	0.000	(0.220)	0.000	0.092
Safeguarding	0.512	0.384	0.176	(0.208)	0.371	(0.141)	0.000	(0.005)	0.000	(0.146)
Strategic Development	2.866	2.150	2.153	0.004	2.751	(0.115)	0.000	(0.111)	0.000	(0.226)
<b>Total Social Care</b>	<b>54.535</b>	<b>40.902</b>	<b>46.833</b>	<b>5.931</b>	<b>61.208</b>	<b>6.672</b>	<b>(0.123)</b>	<b>(4.745)</b>	<b>0.000</b>	<b>1.805</b>
Public Health	(0.095)	(0.071)	(1.615)	(1.543)	1.306	1.401	0.000	(1.964)	0.563	0.000
<b>Overall Scrutiny Position</b>	<b>54.440</b>	<b>40.831</b>	<b>45.218</b>	<b>4.388</b>	<b>62.514</b>	<b>8.073</b>	<b>(0.123)</b>	<b>(6.709)</b>	<b>0.563</b>	<b>1.805</b>

2 Forecast Capital Outturn 2015/16

2.1 The forecast capital outturn for 2015/16 for the schemes under the remit of this panel (as at the end of December 2015) is an under spend of £0.297m which will be requested to be carried forward into 2016/17.

**Table 2 – Adult Social Care Forecast Capital Outturn 2015/16**

<b>Service</b>	<b>Annual Budget £m</b>	<b>Actual to Date £m</b>	<b>Year End Forecast £m</b>	<b>Year End Variance £m</b>	<b>Requested Carry Forward to 2015/16 £m</b>
<b><u>Council Funded</u></b>					
Preventative Adaptations	0.593	0.221	0.593	0.000	0.000
Fallings Heath House car park	0.023	0.000	0.023	0.000	0.000
Hollybank House drainage	0.002	0.000	0.002	0.000	0.000
<b>Total Council Funded</b>	<b>0.618</b>	<b>0.221</b>	<b>0.618</b>	<b>0.000</b>	<b>0.000</b>
<b><u>Externally Funded</u></b>					
Community Capacity Grant (Better Care Fund)	1.327	0.276	1.030	(0.297)	0.297
<b>Total Externally Funded</b>	<b>1.327</b>	<b>0.276</b>	<b>1.030</b>	<b>(0.297)</b>	<b>0.297</b>
<b>Total Capital</b>	<b>1.945</b>	<b>0.497</b>	<b>1.648</b>	<b>(0.297)</b>	<b>0.297</b>

**Appendix 1 – Explanation of Significant Revenue Variations after action plan and use of reserves**

<b>Service</b>	<b>Variance £m</b>	<b>Main Reason/ Explanation of Variance</b>
<b>Adult Social Care</b>		
Access, Assessment & Care Management	5.460	Placement and package costs in part offset by use of reserves and impact of holding vacant posts
Commissioning	(0.760)	Efficiencies in SLA contracts and staff savings offset by bad debt increase
Management Support	(2.475)	Reduction in project expenditure funded by one off grant.; additional costs for IT systems; reduction in staffing costs
Mental Health Provider	(0.140) 0.092	Reduction in income offset by vacant posts Building dilapidation costs and agency costs to cover vacant posts, holidays and sickness offset by vacant posts and reduction in contract costs due to use of reserves and additional income.
Safeguarding	(0.146)	Additional DOLS grant and staff savings partly offset by increase in doctors assessments
Strategic Development	(0.226)	Over spend on contract and equipment costs with reductions in staff costs and direct payment support
<b>Subtotal Social Care</b>	<b>1.805</b>	
<b>Public Health</b>		
Public Health - expenditure	0.289	Expenditure on projects re-profiled from previous years
Public Health - income	1.112	Reduction in funding due to Chancellor announcement
Net use of reserves	(1.401)	Use of ring fenced grant held to cover risk associated with in-year Department of Health cut to Public Health allocation
<b>Subtotal Public Health</b>	<b>0.000</b>	
<b>Overall Scrutiny Position</b>	<b>1.805</b>	



## Appendix 2 – Action Plan

Action	Value of Delivered Action Plan included in outturn £m	Value of action plan to be Delivered £m	RAG
<b>Adult Social Care</b>			
Provider - Goscote and Day Opportunities	0.245	0.000	BLUE
Restructure of service managers	0.133	0.000	BLUE
Implementation of transport review	0.152	0.053	GREEN
2014/15 efficiencies carried forward	0.400	0.000	BLUE
Programme Office vacancies	0.053	0.000	BLUE
Strategic Development vacancies	0.022	0.000	BLUE
Commissioning vacancies	0.020	0.000	BLUE
Commissioning cease use of agency staff	0.022	0.000	BLUE
Commissioning carers projects on hold	0.093	0.000	BLUE
Reduction in general bad debt provision	0.000	0.070	GREEN
Non-essential spending review	0.099	0.000	BLUE
Cease of one off funding projects	0.150	0.000	BLUE
Impact of prior year accruals	1.394	0.000	BLUE
Care Act deferred payments	0.471	0.000	BLUE
Care Act carers support	0.331	0.000	BLUE
DOLS grant	0.153	0.000	BLUE
Housing 21	0.205	0.000	BLUE
Management support interim appointments	0.175	0.000	BLUE
<b>Total Adult Social Care</b>	<b>4.118</b>	<b>0.123</b>	
<b>Public Health</b>	<b>0.000</b>	<b>0.000</b>	
<b>Total Action Plan</b>	<b>4.117</b>	<b>0.123</b>	

**Appendix 3 – Risks associated with 2015/16 month 9 position**

<b>Service</b>	<b>Reason / explanation of risk</b>	<b>Risk £m</b>
ASC Access, Assessment & Care Management	Costs for new packages of care in 2015/16 not offset in full by deaths and reduction in care needs (outside of reprovision)	0.150
ASC Access, Assessment & Care Management	Increase in costs of packages in 2015/16 due to change in need (domiciliary care, residential or nursing)	0.150
ASC Access, Assessment & Care Management	Adult Social Care - Impact of new charging policy - reduction in charges to clients receiving a package of care in the community (Income currently included in the forecast is based on bills raised to date, any reduction in future billing due to appeals / reassessments/ client challenge/ etc will reduce the forecast position)	0.060
<b>ADULT SOCIAL CARE TOTAL</b>		<b>0.360</b>
Public Health		0.000
<b>PUBLIC HEALTH TOTAL</b>		<b>0.000</b>
<b>TOTAL RISK</b>		<b>0.360</b>