

**SOCIAL CARE & INCLUSION
SCRUTINY AND PERFORMANCE PANEL**

**Agenda Item
No. 9**

DATE: 4 MARCH 2013

QUARTER 3 FINANCIAL MONITORING POSITION FOR 2012/13

Ward(s) All

Portfolio:

Councillor McCracken – Social Care & Health

Summary of report

This report summarises the predicted revenue and capital outturn position for 2012/13, based on the financial performance for quarter 3 (April 2012 to December 2012), for services within the remit of the Social Care & Inclusion Scrutiny and Performance Panel.

Recommendation

To note the 2012/13 forecast year end financial position for services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel is a net revenue overspend of £401k, after the use of approved reserves, proposed transfers to reserves, and use of carry forwards.

The directorate management team are currently identifying and implementing actions to ensure that the revenue outturn is more closely in line with the budget available, and the position shown above is expected to significantly improve by the year end.

In addition, there is currently a forecast breakeven position against Capital resources of £2.773m.

Background papers

Various financial working papers.
2011/12 Outturn report to Scrutiny Panel
2012/13 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecast financial position for 2012/13 for services within their remit.

Signed:



Chief Finance Officer: James Walsh

Date: 19 February 2013



Interim Executive Director: John Bolton

Date: 19 February 2013

Resource and legal considerations

Directorates are required to manage their services within budget. Overspends may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report. Corrective action plans are in place to mitigate any overspends within service. Any corporate overspend will require replenishment in the 2012/13 budget.

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 Forecast Revenue Outturn 2012/13 – Social Care & Inclusion Directorate

- 1.1 The forecast revenue outturn for 2012/13 for the services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel (based on the position as at the end of December 2012) is an overspend of **£401k** (net of the use of earmarked reserves). 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.
- 1.2 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/overspends. Where a significant overspend is forecast or a new pressure identified the Social Care & Inclusion Directorate Management Team, through their management team meetings, are responsible for identifying an in year action plan to mitigate this position and ensure that the budget is balanced at the end of the year.
- 1.3 The predicted outturn includes use of reserves (where approval has been given by Cabinet for additional funds for specific services) and approved carry forwards from previous years of £6.350m. The predicted outturn includes a proposed transfer to earmarked reserves of £2.534m relating to a planned underspend against funding transferred from NHS Walsall to develop social care services within Walsall that benefit health.
- 1.4 **Table 1** shows the forecast outturn for each service, and **Appendix 1** provides an analysis of the reasons for material forecast variances.
- 1.5 Included within the directorate budget for 2012/13 are savings, as approved by Council on 23 February 2012, totalling **£7.000m**. The full year effect of previous years' investments and savings included in the budget are **£874k** and **£155k** respectively. A full breakdown of investment and savings can be found in the 2012/13 budget book. Where savings are not able to be achieved in full in year, directorate management teams are required to identify and manage alternative savings in liaison with the relevant portfolio holder.

Table 1 - Social Care & Inclusion Forecast Revenue Outturn 2012/13

Service	Annual Budget £	Profiled Budget £	Actual to Date £	Variance to profiled budget £	Year End Forecast £	Year End Variance before reserves £	Use of Reserves £	Transfer to Reserves £	Year End Variance after reserves £
Access, Assessment & Care Management	6,367,052	4,775,292	4,822,313	47,021	5,988,821	(378,231)	(75,378)	0	(453,609)
Commissioning	41,482,199	31,111,668	32,304,238	1,192,570	44,037,270	2,555,071	(778,439)	100,000	1,876,632
Management Support & Other	(681,317)	(510,993)	(493,359)	17,634	(598,033)	83,284	(17,603)	0	65,681
Mental Health	6,737,287	5,053,005	5,654,063	601,058	7,271,192	533,905	(121,721)	0	412,184
Provider	7,666,995	5,750,208	6,648,065	897,857	9,136,509	1,469,514	(66,982)	0	1,402,532
Safeguarding	538,577	403,938	365,445	(38,493)	525,395	(13,182)	0	0	(13,182)
Strategic Development	94,484	70,866	(452,947)	(523,813)	60,949	(33,535)	(5,289,987)	2,434,498	(2,889,024)
Total SC&I Budget for Monitoring Purposes	62,205,277	46,653,984	48,847,818	2,193,834	66,422,103	4,216,826	(6,350,110)	2,534,498	401,214

2 Forecast Capital Outturn 2012/13 – Social Care & Inclusion Directorate

2.1 The forecast capital outturn for 2012/13 for the schemes under the remit of this panel (as at the end of June 2012) predicts that resources of **£2.773m** will be fully utilised. **Table 2** shows a summary per service with more detailed analysis by scheme at **Appendix 2**.

Table 2 – Social Care & Inclusion Forecast Capital Outturn 2012/13					
Service	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Proposed slippage to 2013/14 £
Mainstream					
Strategic Development	439,068	110,305	439,067	0	0
Commissioning	1,583,645	1,400,138	1,583,645	0	0
Total Mainstream	2,022,713	1,510,443	2,022,712	0	0
Non Mainstream					
Strategic Development	749,829	99,810	749,829	0	0
Total Non Mainstream	749,829	99,810	749,829	0	0
Total Social Care Capital	2,772,542	1,610,253	2,772,541	0	0

2.2 Although spend against budget currently appears low for the non mainstream project, this is in line with the expenditure profile, with the majority of the expenditure taking place in the remainder of the financial year.

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<u>Access, Assessment & Care Management</u>		
Salary Costs	Vacant posts offsetting pressures elsewhere within the directorate	(396)
Supplies & Services	Mainly relating to community social work team	(73)
Other smaller variances		13
Sub-total		(454)
<u>Commissioning</u>		
Transport Costs	Forecast underspend on use of external transport budget	(117)
Private contractor fees	Forecast overspends on placement costs mainly relating to clients with disabilities and older people. These overspends are partially offset by planned underspends across the directorate detailed within this table	1,648
Income	Forecast shortfall of income, mainly relating to community based care charges	304
Other smaller variances		42
Sub-total		1,877
<u>Management Support & Other</u>		
Salary Costs	Mainly due to recruitment costs for Quality Assurance Team	57
Other smaller variances		9
Sub-total		66
<u>Mental Health</u>		
Salary Costs	Mainly due to delay in implementation of staffing restructure within Mental Health, offset by holding posts vacant elsewhere within the directorate	648
Private contractor fees	Mainly due to a transition of clients from residential placements to community based packages of care alongside transfer of clients to Older Peoples services	(284)
Other smaller variances		48
Sub-total		412

Service	Reason / Explanation of Variance	Variance £'000
<u>Provider</u>		
Salary Costs	Forecast overspend on salary costs mainly relating to restructure of provider services to incorporate transfer of staff from Rushall Mews	1,005
Property related costs	Mainly relating to increased rental costs at learning disability satellite day centres and links to work	137
Supplies & Services	Mainly relating to forecast overspend on provisions within day centres	213
Income	Mainly due to reduction in respite income following transition of Hollybank and Fallings Heath homes to provision of reablement services	56
Other smaller variances		(8)
Sub-total		1,403
<u>Safeguarding</u>		
Other smaller variances		(13)
Sub-total		(13)
<u>Strategic Development</u>		
Salary Costs	Vacant posts offsetting pressures elsewhere within the directorate and required budget realignment with safeguarding	(177)
Premises Costs	Reduced rental costs for the Independent Living Centre compared to those originally forecast	(144)
Supplies & Services	Mainly due to planned underspends on furniture / materials / telephones / office supplies budgets across the directorate and planned utilisation of reablement funding to fund expenditure across other areas of the directorate	(2,373)
Sub-total		(2,694)
Total Social Care & Inclusion		401

Appendix 2 – Social Care & Inclusion Forecast Capital Outturn 2012/13

Scheme	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Proposed slippage to 2013/14 £
Mainstream Funded					
PARIS development	439,068	110,305	439,067	0	0
Preventative Adaptations	1,583,645	1,400,138	1,583,645	0	0
Total Mainstream	2,022,713	1,510,443	2,022,712	0	0
Non Mainstream Funded					
DoH Capital allocation	749,829	99,810	749,829	0	0
Total Non Mainstream	749,829	99,810	749,829	0	0
Total Social Care Capital	2,772,542	1,610,253	2,772,541	0	0