

DATE: 15 FEBRUARY 2011

QUARTER 3 FINANCIAL MONITORING POSITION FOR 2010/11

Ward(s) All

Portfolio:

Health, Social Care and Inclusion - Councillor McCracken

Summary of report

This report summarises the predicted revenue and capital outturn position for 2010/11, based on the financial performance for quarter 3 (April 2010 to December 2010), for services within the remit of the Social Care & Inclusion Scrutiny and Performance Panel.

Recommendation

To note the 2010/11 forecast year end financial position for services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel is a net revenue breakeven position, after the use of approved reserves, carry forwards and action planning. Mainstream capital resources are currently forecast to be fully utilised, however there is a forecast slippage of £381k on non mainstream projects. This will be requested to be carried forward to 2011/12 to complete current schemes.

Background papers

Various financial working papers.
2009/10 Outturn report to Scrutiny Panel
2010/11 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecast financial position for 2010/11 for services within their remit.

Signed:



Chief Finance Officer: James T Walsh

Date: 24 January 2011



Executive Director: Paul Davies

Date: 26 January 2011

Resource and legal considerations

Services 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 2010/11 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 are in place to mitigate overspends within service. 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

Senior managers within the services have been consulted and have signed off the forecast as accurate.

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1 Forecast Revenue Outturn 2010/11 – Social Care & Inclusion Directorate

- 1.1 The forecast revenue outturn for 2010/11 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 2010) is a **breakeven** position following action planning which was put in place to support the portfolio and the Council's overall financial position (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 an overspend is forecast or a new pressure identified the Social Care & Inclusion Directorate Management Team, through the fortnightly budget meetings, identify an in year action plan to mitigate this position and ensure that the budget breaks even at the end of the year. At this point in the year the action plan for this service totals **£896k**, of which £826k has been delivered to date. The action plan is summarised in **Table 1** below and detailed in **Appendix 2**. The breakeven position is predicated on the achievement of this action plan.
- 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 **£919k**.
- 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 2010/11 are new investments and savings, as approved by Council on 22 February 2010, totalling **£758k** and **£4.994m** respectively. The full year effect of previous years' investments and savings included in the budget are **£312k** for investments and **£1.325m** for savings. A full breakdown of investment and savings can be found in the 2010/11 Social Care and inclusion 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 2010/11

Service Area	Annual Budget £'000	Profiled Budget £'000	Year To Date £'000	Variance to date (Under)/ Overspend £'000	Year End Forecast £'000	Year End Variance (Under)/ Overspend £'000	Use of Reserves / Approved Carry Forward £'000	Non Essential Spend Savings Still to be Achieved £'000	Action Plan Savings Still to be Achieved £'000	Variance Net of Reserves / Non Essential Spend and Action Plans (Under)/ Overspend £'000
Access, Assessment & Care Management Provision	8,729	4,372	4,394	22	8,655	(75)	(60)	0	0	(135)
Social Care Management	10,472	5,122	5,179	57	10,204	(268)	0	0	0	(268)
Safeguarding	2,220	985	910	(75)	1,928	(291)	0	0	0	(291)
Joint Commissioning	356	178	251	73	403	47	0	0	0	47
	48,990	23,630	24,085	455	50,605	1,615	(898)	0	(70)	647
Total Social Care & Inclusion	70,767	34,287	34,819	532	71,795	1,028	(958)	0	(70)	0

2 Forecast Capital Outturn 2010/11 – Social Care & Inclusion Directorate

2.1 The forecast capital outturn for 2010/11 for the schemes under the remit of this panel (as at the end of December 2010) is a predicted slippage against budget of £381k. **Table 2** shows a summary per service with more detailed analysis by scheme at **Appendix 4**.

Table 2 – Social Care & Inclusion Forecast Capital Outturn 2010/11				
Service Area	Annual Budget £'000	Year To Date £'000	Year End Forecast £'000	Year End Variance £'000
Mainstream				
Provision	700	1	700	0
Total Mainstream	700	1	700	0
Non Mainstream				
Provision	147	18	147	0
Access, Assessment & Care Management	576	16	195	(381)
Total Non Mainstream	723	34	342	(381)
Total Social Care & Inclusion	1,423	35	1,042	(381)

2.2 Although spend to date appears low, there is currently expenditure of £210k against mainstream resources which is awaiting transfer from other service areas, and commitments of £200k against non mainstream resources where delivery of goods and services is currently underway.

2.3 Building works at Hollybank and Goscote, and the first phase of the upgrade of the PARIS IT system and centralisation of social work staff at the Allens centre are on schedule to be completed by the end of March 2011. Stage 2 of the PARIS upgrade and continued transfer of teams is now scheduled to be completed in 2011/12, therefore the slippage on non mainstream resources will be requested to be carried forward.

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<u>Access, Assessment & Care Management</u>		
Salaries	Underspend on vacant posts	(1,095)
Agency Staff	Cost of agency staff to cover vacant posts to meet statutory requirements. Use of agency staff has been reviewed and reduced where possible, and where able to do so agency staff have been moved to fixed term contracts	795
Payment to other organisations	Delays in Health taking up work on new assessment and care management model, social care still currently involved in all assessments resulting in additional costs to the council.	212
Other smaller variances		(47)
Sub-total		(135)
<u>Provision</u>		
Salaries	Underspend on vacant posts	(1,094)
Agency Staff	Cost of agency staff to cover vacant posts to meet statutory requirements. Use of agency staff has been reviewed and reduced where possible, and where able to do so agency staff have been moved to fixed term contracts	541
Other employee costs	Mainly relating to redundancy costs	167
Equipment & Materials	Additional expenditure on telecare equipment	121
Other smaller variances		(3)
Sub-total		(268)
<u>Social Care Management</u>		
Salaries	Underspend on vacant posts	(414)
Agency Staff	Cost of agency staff to cover vacant posts. Use of agency staff has been reviewed and reduced where possible, and where able to do so agency staff have been moved to fixed term contracts	245

Service	Reason / Explanation of Variance	Variance £'000
Consultancy costs	Cessation of consultancy costs as part of directorate action plan	(101)
Other smaller variances		(21)
Sub-total		(291)
<u>Safeguarding</u>		
Salaries	Overspend relating to new Adult Safeguarding Practitioner posts	11
Payment to other organisations	Additional charge from PCT relating to increase in use of nursing services	30
Other smaller variances		6
Sub-total		47
<u>Joint Commissioning</u>		
Salaries	Underspend on vacant posts	(578)
Agency Staff	Cost of agency staff to cover vacant posts to meet statutory requirements. Use of agency staff has been reviewed and reduced where possible, and where able to do so agency staff have been moved to fixed term contracts	193
Premises maintenance	Restraint on non-essential spend	(220)
Equipment & Materials	Costs of placements for new and existing extra care clients	186
Private contractor fees	Forecast underspend mainly relating to Housing 21 decreased charge due to new homes opening earlier than expected and lower client numbers requiring community meals.	(408)
Payment to other organisations	Forecast overspends on placement costs mainly relating to mental health clients (£335k) and clients with disabilities (£1.369m). These overspends are offset by underspends across the directorate, and the directorate action plan.	1,884
Fees & Charges	Increased contribution from PCT toward forecast overspend on Learning Disability pooled budget	(483)
Other smaller variances		73
Sub-total		647
Total Social Care & Inclusion		0

Appendix 2 - 2010/11 Social Care & Inclusion Budget Action Plan

Service	Action identified	Action Plan to be delivered £	Action Plan Delivered and Included in Outturn £	RAG
Joint Commissioning	Review of S117 provision based on reduced numbers of clients expected to be funded	70,000	0	A
Joint Commissioning	BME and Prevention projects budget – reduction in spend	0	170,000	B
Joint Commissioning	Housing 21 construction events contingency – reduction in risks relating to remaining phase of construction	0	444,000	B
Social Care Management	Consultancy Costs reduced now permanent post holders appointed	0	111,000	B
Social Care Management	Deprivation of Liberty safeguards - reduced costs	0	101,000	B
Total Social Care & Inclusion		70,000	826,000	

Appendix 3 - Forecast Capital Outturn 2010/11

Service Area / Scheme	Annual Budget	Year To Date	Year End Forecast	Year End Variance
	£	£	£	£
Mainstream				
Disability reprovision programme	500,000	720	500,000	0
Hollybank rehabilitation centre	200,000	0	200,000	0
Total Mainstream	700,000	720	700,000	0
Non Mainstream				
SCI property	129,000	0	97,312	(31,688)
Streets corner access centre	226,003	16,498	20,500	(205,503)
ICT Infrastructure	349,655	0	205,548	(144,106)
Mental Health	17,923	17,896	17,896	(27)
Total Non Mainstream	722,581	34,394	341,257	(381,324)
Total Social Care & Inclusion	1,422,581	35,114	1,041,257	(381,324)