

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

**Agenda Item
No. 6**

DATE: 1 SEPTEMBER 2011

2010/11 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

Portfolio: Health, Social Care and Inclusion - Councillor McCracken

Summary of report

This report summarises the outturn revenue and capital position for the year ended 2010/11, subject to external audit, for services within the remit of the Social Care & Inclusion Scrutiny and Performance Panel.

Recommendation

To note that the 2010/11 year end financial position for services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel, is a revenue underspend against budget of **£93k** (net of use of earmarked reserves / carry forwards), and a capital breakeven position (net of approved slippage into 2011/12).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2010/11 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2010/11.

Signed:



Executive Director: Paul Davies

Date: 15 August 2011

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 2010/11 – Social Care & Inclusion Directorate

- 1.1 The revenue outturn for 2010/11 for the services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel is an underspend against budget of **£93k** (net of the use of earmarked reserves / carry forwards). This position is currently subject to external audit. Table 1 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 - Final Revenue Outturn 2010/11					
Service	Annual Budget £'000	Year End Actual £'000	Year End Variance £'000	Use of Reserves / Approved carry Forward £'000	Variance Net of Reserves (Under)/ Overspend £'000
Assessment & Care Management Provision	8,738	7,288	(1,450)	691	(759)
Management	11,193	9,979	(1,214)	1,179	(35)
Safeguarding	2,451	2,495	44	0	44
Commissioning	356	426	70	0	70
	49,052	49,320	268	319	587
Total Social Care & Inclusion	71,790	69,508	(2,282)	2,189	(93)

- 1.2 The directorate budget for 2010/11 included new savings, as approved by Council on 22 February 2010, totalling **£4.994m**. The full year effect of previous years' savings included in the budget was **£1.325m**. Total savings included within the directorate budget for the year was **£6.319m**. A full breakdown of these savings can be found in the 2010/11 Social Care and inclusion budget book. Actual savings achieved in year were £6.257m, a shortfall of £62k. This shortfall was offset by the directorate action plan which identified and managed alternative in year savings in liaison with the relevant portfolio holder.
- 1.3 The outturn includes net use of and transfers to reserves of £2.189m where approval was given by Cabinet for additional funds for specific services in year, and permission has been requested to create new reserves for specific areas where expenditure will be incurred in future years. **Table 2** provides a summary of these.

Table 2 - Analysis of 2010/11 Use of and Transfer to Earmarked Reserves		
Service	Amount £'000	Explanation
Use of Reserves		
Assessment & Care Management	(578)	Redundancy costs relating to the restructure of the social care directorate staffing structure during 2010/11
Transfer to Reserves		
Telecare / Telehealth	1,000	Funding received from PCT for to fund costs associated with creation of a combined Telecare / Telehealth service within Walsall
Strategic Development	1,148	Funding received from PCT for development of reablement services within Walsall
Assessment and Care Management	51	Funding received from PCT for delivery of HIV/Aids and Men's Health services
Learning Disabilities	218	Funding received from Department of Health to fund relocation of clients with Learning Disabilities from campuses into the community
Learning Disabilities	50	Funding received from Mencap for development of learning disability employment schemes within Walsall
Social Care Reform	300	Funding received from the Department of Health to fund costs associated with the transformation and reform of social care linked to the personalisation agenda
Total Use of Reserves	2,189	

1.4 The main reasons for the underspend position for services within the remit of the Panel are as follows (as stated above, a full analysis of material variances is shown at **Appendix 1**):

- Underspend within the Assessment and Care Management service of £759k mainly relating to holding of vacant posts whilst the service was restructured
- Underspend within Provider service of £35k mainly relating to holding of vacant posts whilst the service was restructured

- Overspend within Management service of £44k mainly relating to recruitment costs of the directorate management team
- Overspend within Safeguarding service of £70k mainly relating to costs of additional staff following restructure of the service (offset by staffing underspend within Assessment and Care Management)
- Overspend within the Commissioning service of £587k mainly relating to pressures linked to cost of placements for clients with mental health and disability requirements

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

2.1 The capital outturn for 2010/11 for the schemes under the remit of this panel is a breakeven position, net of **£406k** which has been requested to be slipped into 2011/12. **Table 3** provides a summary by funding area.

Table 3 - Final Capital Outturn 2010/11					
Service	Annual Budget £'000	Final Outturn £'000	Year End Variance £'000	Slippage to 2011/12 £'000	Variance Net of Slippage £'000
<u>Mainstream Resources</u>					
Disability reprovision programme	400	267	(133)	133	0
Hollybank rehabilitation centre	300	292	(8)	8	0
Total Mainstream Resources	700	559	(141)	141	0
<u>Non Mainstream Resources</u>					
SCI Property	129	31	(98)	98	0
Access Centre	226	82	(144)	144	0
IT Infrastructure	370	347	(23)	23	0
Mental Health	18	18	0	0	0
Total Non Mainstream	743	478	(265)	265	0
Total Social Care & Inclusion	1,443	1,037	(406)	406	0

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	(1,620)
Agency Staff	Cost of agency staff to cover vacant posts to meet statutory requirements. Use of agency staff was reviewed and reduced where possible, and where able to do so agency staff were moved to fixed term contracts	736
Payment to other organisations	Delays in PCT 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.	238
Equipment & Materials	Restraint on non-essential spend	(176)
Other smaller variances		63
Sub-total		(759)
<u>Provision</u>		
Salaries	Underspend on vacant posts	(558)
Agency Staff	Cost of agency staff to cover vacant posts to meet statutory requirements. Use of agency staff was reviewed and reduced where possible, and where able to do so agency staff were moved to fixed term contracts	560
Other employee costs	Overspend mainly relating to redundancy costs	167
Fees & Charges	Overachievement of transport charging income following rollout of electronic monitoring system to Day Centres	(184)
Other smaller variances		(20)
Sub-total		(35)
<u>Management</u>		
Salaries	Underspend on vacant posts	(195)
Agency Staff	Cost of agency staff to cover vacant posts to meet statutory requirements. Use of agency staff was reviewed and reduced where possible, and where able to do so agency staff were moved to fixed term contracts	244

Service	Reason / Explanation of Variance	Variance £'000
Recruitment Costs	Costs relating to the recruitment of directorate management team	93
Consultancy costs	Restraint on use of consultants as part of directorate action plan	(110)
Other smaller variances		12
Sub-total		44
<u>Safeguarding</u>		
Salaries	Overspend relating to new Adult Safeguarding Practitioner posts	39
Payment to other organisations	Additional charge from PCT relating to increase in use of nursing services	20
Other smaller variances		11
Sub-total		70
<u>Commissioning</u>		
Salaries	Underspend on vacant posts	(582)
Agency Staff	Cost of agency staff to cover vacant posts to meet statutory requirements. Use of agency staff was reviewed and reduced where possible, and where able to do so agency staff were moved to fixed term contracts	197
Premises maintenance	Restraint on non-essential spend	(216)
Private contractor fees	Underspend mainly relating to decreased charges from Housing 21 due to new homes opening earlier than expected	(458)
Payment to other organisations	Overspend on placement costs mainly relating to mental health clients (£82k) and clients with disabilities (£2.259m). These were offset by underspends on placements within the Older Peoples client group, underspends across the directorate detailed above, and the directorate action plan.	1,791
Fees & Charges	Increased contribution from PCT toward overspend on Learning Disability pooled budget	(190)
Other smaller variances		45
Sub-total		587
Total Social Care & Inclusion		(93)