

**SOCIAL CARE AND HEALTH
OVERVIEW AND SCRUTINY COMMITTEE**

**Agenda Item
No.**

DATE: 27 JUNE 2019

**CORPORATE FINANCIAL PERFORMANCE – PRE-AUDIT OUTTURN POSITION
FOR 2018/19**

Ward(s) All

Portfolio: Councillor Martin – Adult Social Care
Councillor Wilson – Public Health (Pre April 2019)
Councillor Longhi – Public Health (Post April 2019)

Executive Summary

The combined Adult Social Care and Public Health pre-audit revenue outturn position prior to net of use of/ transfer to planned reserves and mitigating actions is an over spend of £2.928m. After the net use of/ transfer to planned reserves of £0.739m and mitigating actions of (£3.407m), the pre-audit revenue outturn position is an over spend of **£0.260m** as summarised **Appendix 1**.

The pre-audit revenue outturn position of £0.260m is made up of:

- Adult Social Care - £0.256m
- Public Health – £0.004m

The final position for the iBCF2 was an under spend of £0.930m which will be carried forward and re-profiled into 2019/2020. To note this balance does not impact on the revenue outturn position.

The pre-audit capital outturn position for the capital programme for the directorate is £1.974m against the budget of £2.146m with £0.172m to be carried forward into 2019/2020.

Reason for scrutiny

To inform the committee of the pre-audit financial position for 2018/19 for services within their remit.

Recommendation

1. To note the 2018/19 pre-audit revenue and capital outturn position for the services under the remit of the Social Care and Health Overview & Scrutiny Committee.


Background papers

Various financial working papers.



Signed:

Executive Director: Paula Furnival
Date: 14 June 2019



Signed:

Executive Director: Simon Nielson
Date: 14 June 2019

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.

Council Corporate Plan Priorities

Adult Social Care and Public Health services directly contribute to the delivery of the Council Corporate Plan Priorities. Which includes enhancing quality of life for people with care and support needs and those with long term conditions, delaying and reducing the need for care and support, help people recover from episodes of health or injury and ensure the most vulnerable are protected from avoidable harm, including treating and caring for people in a safe environment. Resources are aligned to these corporate plan priorities through the budget setting process. Sound financial management within the services ensures stable finances, which directly contribute to our objectives of being a resilient council.

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.

Reducing inequalities

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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Adult Social Care Services

Pre-Audit Revenue Outturn 2018/19

- 1.1 The pre-audit revenue outturn position prior to any mitigating action, and net of use of/ transfer to planned reserves and carry forward is an over spend of **£3.069m**. After mitigating actions and net use of reserves of (**£2.813m**), the pre-audit revenue outturn position is an over spend of **£0.256m**, as summarised in **Table 1** below:

Table 1: Summary of Over Spend	£m	£m
Pre-audit revenue outturn over spend		3.069
Mitigating Actions (including Winter pressures grant)	(3.407)	
Planned Earmarked reserves (net) – See App 2	(0.335)	
iBCF2 carry forward – See App 2	0.930	
Total net earmarked reserves/ mitigating actions		(2.813)
Pre-audit revenue position 2018/2019		0.256

- 1.2 The main reasons for the pre-audit revenue outturn position are summarised in **Table 2** below:-

Table 2: Main Reasons for ASC over spend	£m
Demand management - The forecast over spend is mainly associated with non-achievement of savings of £2.019m from a total of £4.715m mainly associated with reduction in client costs and full year impact of Continuing Health care income reductions of £2.717m. This is partially offset by (£0.507m) of one-off forecasted deferred payments income, identified mitigating actions of (£3.221m)	0.396
Community Alarms Service – One-off pressure within 2018/2019. This service ceased in January 2019	0.790
Discharge to Assess beds/ reablement hours over spend due to demand, partially offset by (£0.186m) of mitigating actions	0.084
Under spend on service level agreements and contracts, this includes £180k release of bad debt provision for rapid response and £0.024 non - achievement of savings	(0.215)
Net under spend associated with delays in recruitment/ backfill with agency officers – this includes non-achievement of savings of £0.053m	(0.799)
Total	0.256

- 1.3 Of the **£6.148m** of approved savings relating to Adult social care £3.839m have been delivered in full with the remaining **£2.309m** being unachieved and form part of the year end position (See **Table 3** for a summary of the unachieved savings).

Table 3 – ASC Unachieved Savings 2018/19	£m
Demand Management - Improving demand management for ASC	1.710
Demand Management - Income contributions from new clients	0.309
Demand Management Subtotal	2.019
Full year effect of saving 77 – Community alarms and telecare	0.213
Sensory and deaf team – Delays in staff consultations	0.053
Complex Needs SLA - Walsall Society for the Blind - lease agreement	0.024
Other Subtotal	0.290
Total Red Savings	2.309

Pre-Audit Capital Outturn 2018/19

- 1.4 The pre-audit capital outturn position for the capital programme for the directorate is £1.974m against the budget of £2.146m. The detailed breakdown is in the **Table 4** below, and a carry forward request for £0.173m has been submitted and to be approved by cabinet 19 June 2019.

Service	Annual Budget £m	Pre-Audit Outturn £m	Year End Variance £m	Requested c/fwd to 2019/20 £m
Mainstream Funded				
Mosaic (Phase 3)	0.622	0.522	(0.101)	0.101
Mosaic Mobile Working	0.774	0.702	(0.072)	0.072
Sub-Total	1.396	1.224	(0.173)	0.173
Non Mainstream Funded				
ICES (BCF)	0.750	0.750	0.000	0.000
Sub-Total	0.750	0.750	0.000	0.000
OVERALL	2.146	1.974	(0.173)	0.173

Public Health

- 2.1 The forecast revenue position for 2018/19 for Public Health is an over spend of £0.004m after net use of reserves of £0.145m comprising the use of planned reserves of (£0.523m) and transfer to reserves of £0.668m (**Table 5**). The reserves comprise public health grant carried forward from previous years. This includes spend on sexual health services, drug and alcohol prevention and rehabilitation services, health visiting, school nursing, control of infectious diseases, oral health promotion, healthy weight and smoking cessation services. 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. The over spend is due to the flu immunisation of council staff as approved by CMT.

	£m
Pre-audit revenue outturn under spend	(0.141)
Planned Earmarked reserves (net)	0.145
Pre-audit revenue position 2018/2019	0.004

- 2.2 Of the **£0.470m** of approved savings relating to Public Health, £0.470m have been delivered in full (RAG Blue).

Appendix 1 – Social Care & Health Pre-Audit Revenue Outturn 2018/19

	Annual Budget	Year End Outturn	Variance before Action Plan	Action Plan	Variance after Action Plan	Use of Planned Reserves	Transfer to Reserves	Variance after Reserves and Action Plan
Service	£m	£m	£m	£m	£m	£m	£m	£m
Demand Management Costs	44.420	48.037	3.617	(3.221)	0.396	-	-	0.396
Management Support & Other	(3.069)	(3.606)	(0.537)	-	(0.537)	(0.112)	0.470	(0.179)
Mental Health Services	1.080	1.003	(0.077)	-	(0.077)	(0.005)	-	(0.082)
ASC Partnerships	0.651	0.227	(0.424)	-	(0.424)	-	0.206	(0.218)
Safeguarding	0.403	0.373	(0.030)	-	(0.030)	(0.039)	-	(0.069)
Resources	2.317	2.554	0.237	-	0.237	(0.035)	-	0.202
Access, Assessment & Care Management	6.206	6.188	(0.018)	-	(0.018)	(0.014)	0.037	0.005
Strategy, Commissioning & Delivery	0.896	0.716	(0.180)	-	(0.180)	-	0.198	0.018
Intelligence & Delivery	1.430	1.362	(0.068)	-	(0.068)	(0.055)	0.015	(0.108)
Complex Needs	0.400	0.396	(0.004)	-	(0.004)	-	-	(0.004)
Older People	8.381	8.582	0.201	-	0.201	(0.277)	0.287	0.211
Health & Social Care	0.448	0.800	0.352	(0.186)	0.166	(0.082)	-	0.084
Total Social Care	63.563	66.632	3.069	(3.407)	(0.338)	(0.618)	1.213	0.256
Public Health	0.151	0.010	(0.141)	-	(0.141)	(0.523)	0.668	0.004
Overall Scrutiny Position	63.714	66.642	2.928	(3.407)	(0.479)	(1.141)	1.881	0.260

Appendix 2 – Summary of use of reserves and transfer to reserves 2018/2019 (Adult Social Care)

Reserve details	Allocated reserve	Use of Reserve	Transfer to Reserve	Balance of reserve
	£m	£m	£m	£m
Use of reserves				
BIA training funds (IFRS)	0.005	(0.005)	-	-
Transformation - Channel Shift	0.112	(0.112)	-	-
Adult Social Care – redundancy/ pension costs	0.418	(0.418)	-	-
Deprivation of Liberty assessments	0.078	(0.033)	-	0.044
Mosaic revenue under spend carry forward	0.044	(0.044)	-	-
Subtotal – Use of reserves	0.657	(0.613)	-	0.044
Transfer to reserves				
Housing 21 Contribution towards affordability model	0.450	-	0.277	0.727
iBCF2 carry forward	1.905	(0.006)	0.936	2.835
Subtotal – Transfer to reserves	2.355	(0.006)	1.213	3.562
Total	3.012	(0.618)	1.213	3.606