

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

**Agenda Item
No. 10**

DATE: 23 JULY 2013

QUARTER 1 FINANCIAL MONITORING POSITION FOR 2013/14

Ward(s) All

Portfolio:

Councillor McCracken – Social Care & Health

Summary of report

This report summarises the predicted revenue and capital outturn position for 2013/14, based on the financial performance for quarter 1 (April 2013 to June 2013), for services within the remit of the Social Care & Inclusion Scrutiny and Performance Panel.

Recommendation

To note the 2013/14 forecast year-end financial position for services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel is a net nil position, after the use of approved reserves, proposed transfers to reserves, the use of carry forwards and implementation of the action plan. The directorate management team are currently monitoring this position and will implement any actions required to ensure that the revenue outturn remains in line with the budget available. In addition, there is currently a forecasted nil variance of against Capital resources.

Background papers

Various financial working papers.
2012/13 Outturn report to Scrutiny Panel
2013/14 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecast financial position for 2013/14 for services within their remit.

Signed:



Head of Finance: Vicky Buckley

Executive Director: John Bolton

Date: 9 July 2013

Date: 10 July 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 2013/14 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.

Contact Officer:

Dan Mortiboys
Senior Finance Manager (Head of Schools Finance)

☎ 01922 652328

✉ mortiboysd@walsall.gov.uk

Tracey Evans
Lead Accountant

☎ 01922 652329

✉ evanst@walsall.gov.uk

Suzanne Letts
Senior Accountancy Officer

☎ 01922 650462

✉ lettss@walsall.gov.uk

- 1.1 The forecast revenue outturn for 2013/14 for the services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel (based on the position as at the end of June 2013) is a net nil 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 a significant overspend is forecast or a new pressure identified the Social Care & Inclusion Directorate Management Team, through their budget 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 **£4.708m**. The predicted outturn includes a proposed transfer to earmarked reserves of **£119k** relating to a planned under spend against funding transferred from Walsall PCT to develop reablement services within Walsall.
- 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 2013/14 are new savings, as approved by Council on 21 February 2013, totalling **£1.838m**. The full year effect of previous years' investments and savings included in the budget are (**£73k**) and **£1.500m** respectively. A full breakdown of investment and savings can be found in the 2013/14 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.
- 1.6 Within the services associated with the panel there are a number of risks, over spends totalling **£647k** which have been included within the above forecast. At this stage the risks are not certainties and as such are not included in the monitoring as under or overspend. If the risks become certainties then alternative action will need to be identified or included in the position as overspends. A summary of the risk assessment is attached as **Appendix 3**.

Table 1 - Social Care & Inclusion Forecast Revenue Outturn 2013/14

Service	Annual Budget £	Profiled Budget £	Actual to Date £	Variance to profiled budget £	Year End Forecast £	Year End Variance before reserves £	Action Plan £	Use of Reserves £	Transfer to Reserve £	Year End Variance after reserves £
Access, Assessment & Care Management	5,242,590	1,310,655	1,435,446	124,791	5,345,889	103,299	0	(1,072,977)	0	(969,678)
Commissioning	44,515,370	11,128,845	11,606,235	477,390	48,189,368	3,673,998	(646,787)	(314,422)	0	2,712,739
Management Support & Other	755,738	188,937	350,994	162,057	1,293,429	537,691	0	(432,743)	0	104,948
Mental Health	5,414,864	1,353,708	1,574,133	220,425	6,141,538	726,674	0	(28,706)	0	697,968
Provider	6,235,082	1,558,761	1,738,985	180,224	6,281,455	46,373	0	(1,720,939)	0	(1,674,566)
Safeguarding	477,154	119,286	91,328	-27,958	388,983	-88,171	0	0	0	(88,171)
Strategic Development	3,894,343	973,608	923,543	-50,065	4,130,371	236,028	0	(1,138,119)	118,802	(783,305)
Total SC&I Budget for Monitoring Purposes	66,535,141	16,633,800	17,720,664	1,086,864	71,771,033	5,235,892	(646,787)	(4,707,906)	118,802	

2 Forecast Capital Outturn 2013/14 – Social Care & Inclusion Directorate

2.1 The forecast capital outturn for 2013/14 for the schemes under the remit of this panel (as at the end of June 2013) predicts that resources of **£2.443m** 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 2013/14					
Service	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Proposed slippage to 2014/15 £
Mainstream Funded					
Strategic Development	405,085	421	405,085	0	0
Commissioning	890,229	27,348	890,229	0	0
Total Mainstream	1,295,314	27,769	1,295,314	0	0
Non Mainstream Funded					
Strategic Development	1,147,510	25,016	1,147,510	0	0
Total Non Mainstream	1,147,510	25,016	1,147,510	0	0
Total Social Care Capital	2,442,824	52,785	2,442,824	0	0

2.2 Spend on the non mainstream projects has been put 'on hold' until later in the year whilst a review of the five year commissioning strategy is completed. This will enable consideration to be given to the existing property portfolio and the future requirements of the service, in conjunction with the identification of future savings targets.

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<u>Access, Assessment & Care Management</u>		
Salary Costs	Realignment of DoH funding	(862)
Transport	Forecast over spends on car allowances	62
Income	Funding from Children's for joint working schemes	(169)
Other smaller variances		(1)
Sub-total		(970)
<u>Commissioning</u>		
Private contractor fees	Forecast over spends on placement costs mainly relating to clients with disabilities and older people. These overspends are partially offset by planned under spends across the directorate detailed within this table	2,604
Employees	Posts being held vacant to offset over spends elsewhere within the directorate	(44)
Premises	Forecast under spends within Housing 21	(45)
Income	Forecast shortfall of income against budget relating to community based care charges	165
Transport	Forecast over spends on taxi expenditure provided for clients	26
Other smaller variances		7
Sub-total		2,713
<u>Management Support & Other</u>		
Salary Costs	Mainly due to staffing costs for Quality Assurance Team	115
Other smaller variances		(10)
Sub-total		105
<u>Mental Health</u>		
Salary Costs	Forecasted over spend on Out Of Hours service	49
Private contractor fees	Mainly due to an increase in Residential and Nursing packages	586
Income	Forecasted shortfall from CCG offset by an increase in client contribution	45
Other smaller variances		18
Sub-total		698

Service	Reason / Explanation of Variance	Variance £'000
<u>Provider</u>		
Salary Costs	Realignment of DoH funding	(1,632)
Premises	Forecast under spends against satellite bases and Employment Links To Work	(81)
Transport	Forecast over spends on car allowances	24
Other smaller variances		15
Sub-total		(1,674)
<u>Safeguarding</u>		
Salary Costs	Holding of vacant posts to offset pressures elsewhere within the directorate	(67)
Other smaller variances		(21)
Sub-total		(88)
<u>Strategic Development</u>		
Salary Costs	Forecasted costs towards in-house brokerage team	383
Private Contractors	Realignment of DoH funding	(1,170)
Income	Forecasted increase in CCTV income	(32)
Other smaller variances		35
Sub-total		(882)
Total Social Care & Inclusion		0

Appendix 2 – Social Care & Inclusion Forecast Capital Outturn 2013/14

Scheme	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Proposed slippage to 2014/15 £
Mainstream Funded					
PARIS development	405,085	421	405,085	0	0
Preventative Adaptations	890,229	27,348	890,229	0	0
Total Mainstream	1,295,314	27,769	1,295,314	0	0
Non Mainstream Funded					
DoH Capital allocation	377,552	25,016	377,552	0	0
DoH Personal Social Services Grant	769,958	0	769,958	0	0
Total Non Mainstream	1,147,510	25,016	1,147,510	0	0
Total Social Care Capital	2,442,824	52,785	2,442,824	0	0

Appendix 3 - Risks associated with the forecast 2013/14

<u>Service – cash limit heading</u>	Action identified	RAG	Risk £
Commissioning	Reprovision programme for Learning Disabilities, Younger Adults Disability Services & Older People		(396,787)
Commissioning	Demand management of Residential and Domiciliary Care through use of intermediate care and assistive technology		(250,000)
Strategic Development	Revenue budget for payback of capital investment in mobile working & PARIS upgrade		0
			(646,787)