

DATE: 17 JULY 2010

2009/10 FINAL BUDGETARY POSITION PRE-AUDIT

Ward(s) All

Portfolio:

Councillor McCracken

Summary of report

This report summarises the outturn revenue and capital position for the year ended 2009/10, subject to external audit, for services within the remit of the Social Care & Inclusion Scrutiny and Performance Panel.

Recommendation

To note that the 2009/10 year end financial position for services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel, is a revenue overspend against budget of **£0.056m** (net of use of earmarked reserves/ carry forwards), and a capital underspend of **£0.010m** (net of approved slippage into 2010/11).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2009/10 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the pre-audit financial position for 2009/10.

Signed:



Chief Finance Officer: James T Walsh

Date: 29 June 2010



Executive Director: Paul Davies

Date: 29 June 2010

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 2009/10 – Social Care & Inclusion Directorate

- 1.1 The revenue outturn for 2009/10 for the services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel is an overspend against budget of **£0.056m** (net of the use of earmarked reserves / carry forwards). This position is subject to external audit which will take place during July. 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 2009/10					
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
Older People	38,237	34,884	(3,353)	583	(2,770)
Learning Disabilities	14,881	15,677	796	0	796
Mental Health	6,848	7,349	501	0	501
Other	128	195	67	0	67
Physical Disabilities	7,563	8,940	1,377	0	1,377
Supporting People	1,660	637	(1,023)	986	(37)
Adult Wide	3,479	3,668	189	(67)	122
TOTAL SOCIAL CARE & INCLUSION	72,796	71,351	(1,445)	1,502	56

- 1.2 The budget for 2009/10 included approved savings of £3.676m. £2.055m (56%) of these were achieved. The reasons for non-achievement were delays in introduction of Assertive reviews of Learning Disability and Continuing Health Care clients, however the assertive review project has now been successfully implemented and, linked to Cabinet agreement of the Entitlements policy in April 2010, these savings will be fully achieved in 2010/11.
- 1.3 The outturn includes net use of and transfers to reserves of £1.502m where approval was given by Cabinet for additional funds for specific services, and include approved carry forwards from 2008/09, and to 2009/10 where applicable. **Table 2** provides a summary of these.

Table 2 - Analysis of 2009/10 Use of Earmarked Reserves		
Service	Amount £'000	Explanation
Carry Forwards from 2008/09		
Development of Access & Response Centre	(67)	Carry forward of underspend from 2008/09 to fund continuing development of the ARC in 2009/10
Other Specific Reserves		
Housing 21	583	Transfer to reserve of in year underspend on Housing 21 contract to offset pressures in future years identified in affordability model
Supporting People	986	Transfer to reserve of underspend on 2009/10 Supporting People main grant to fund contractual commitments in future years
Total Use of Reserves	1,502	

- 1.3 The main reasons for the overspend position for services within the remit of the Panel are as follows:
- Pressures linked to cost of placements for Mental Health clients of £0.489m
 - Pressures linked to cost of placements for clients with Physical Disabilities of £1.358m
 - Pressures linked to cost of placements for clients with Learning Disabilities of £0.662m
 - Additional staffing costs at links to work (Incl. redundancy costs) of £0.572m
 - An action plan and freeze on non essential expenditure to offset the above of (£2.740m)
 - Full analysis of the variances is shown in **Appendix 1**.
- 1.4 The impact of the recession caused pressures on demand for social care services in 2009/10, with total number of clients supported increasing by 17.6% between 31st March 2009 and 31st March 2010.
- 1.5 Although expenditure for 2009/10 actually decreased by £5.988m compared to 2008/09, the increase in demand led to significant additional costs which caused the overspends, and implementation of the offsetting action plans, listed in 1.3 above.
- 1.6 This pressure is anticipated to continue to affect demand levels in 2010/11. This has been recognised as part of the budget setting process for 2010/11, with £1.070m investment approved to adjust budgets in year.

2 Capital Outturn 2009/10 – Social Care & Inclusion Directorate

2.1 The capital outturn for 2009/10 for the schemes under the remit of this panel is an underspend against budget of **£0.128m**, of which £0.118m has been approved to be slipped into 2010/11, resulting in a net underspend of **£0.010m**. **Table 3** provides a summary by funding area, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 3 - Final Capital Outturn 2009/10					
Service	Annual Budget £'000	Final Outturn £'000	Year End Variance £'000	Slippage to 2010/11 £'000	Variance Net of Slippage £'000
<u>Mainstream Resources</u>					
Learning Disabilities	150	150	0	0	0
Adult Wide	96	96	0	0	0
Total Mainstream Resources	246	246	0	0	0
<u>Non Mainstream Resources</u>					
Learning Disabilities	96	96	0	0	0
Older People	10	0	(10)	0	(10)
Mental Health	247	229	(18)	18	0
Adult Wide	470	370	(100)	100	0
Total Non Mainstream	823	695	(128)	118	(10)
TOTAL SOCIAL CARE & INCLUSION	1,069	941	(128)	118	(10)

APPENDIX 1 - REASONS FOR REVENUE VARIATIONS - SOCIAL CARE & INCLUSION DIRECTORATE

SERVICE	REASON / EXPLANATION FOR VARIANCE	VARIANCE £
Older People		
Commissioning	Includes action plan items	(575,018)
Community alarms	Includes action plan items	(262,162)
Hospital services	Hospital delayed discharges grant not utilised	(273,331)
Head office	Action plan item relating to charging Walsall NHS for administration of free nursing care clients	(97,128)
In house home care	Includes non-bed based care income - PCT, Stroke care income - PCT & employee costs	(290,576)
Housing21	Action plan savings - construction events and contingency funding not required, times intermediate care beds income & freeze on non-essential spend	(751,126)
Ind sector non residential	Overspend on placement costs	645,365
Ind sector residential & nursing	Overspend on placement costs	(21,127)
In-house part 3 income	Shortfall on part 3 income - residential	69,133
Localities	Vacant posts held for restructure as part of people first	(508,007)
Management	Action plan item - defer management & consultancy costs	(90,472)
Meals on Wheels	Underspend on Sudexo contract	(52,865)
NCO's	Employee underspend caused by vacant posts and long term sick absence	(76,882)
Response	Employee underspend	(104,397)
Service agreements - external	Action plan item - reduction in SLA placements	(387,437)
Other	Other smaller variances	5,995
		(2,770,033)
Learning Disabilities		
Service Agreement - Voluntary Bodies	Revised carers allocations in year	(46,651)
Narrow Lane Home	Residential Home closure, no further staffing costs	(97,588)
Fallings Heath House	Increased staffing costs due transfer of staff from Narrow Lane home	44,102
Links To Work	Salary overspends, fallout of grant and redundancy payments	572,546
Home Care & Direct Payments	Increase in cost of placements	23,158
Development Fund	Project underspends	(29,043)
Reprovision & Development	Posts funded via grant rather than mainstream funding	(205,168)
Residential & Nursing Placements	The overspend relates to existing, newly approved packages and new demand for this financial year	661,812
Learning Disabilities PCT Contract	NHS Walsall underspend	(95,329)
Transport - Learning Disabilities	Overspend due to a delay in introducing transport charging	38,460
LD Integrated Day Centres	Vacancy management	(47,959)
Campus Closures	Underspend on Supplies and Services	(59,468)
Other	Other smaller variances	36,663
		795,535
Mental Health		
CMHT'S	Holding of vacant social work posts, to be recruited to in 2010/11	(223,571)
Ind sector non residential	New or increased cost of placements	313,089
Commissioning support	Two part funded commissioning posts recruited in Qtr 3, vacancy savings prior to this	(29,590)
Ind sector residential & nursing	New or increased cost of placements	429,233
Other	Other smaller variances	11,863
		501,024
Other		
Ind sector residential & nursing	The overspend relates to existing, newly approved packages and new demand for this financial year	67,423
		67,423
Physical Disabilities		
Hollybank house	Overspend due to staff costs and running costs of the establishment	49,005
Pinfold day centre	Underspend due to staff costs and non essential spend. This also includes a shortfall of transport income of £0.037m	(38,058)
Occupational therapy	Overspend due to staff costs, cost of the two external Occupational Therapists at Rushall Mews and agency costs	187,390
Sensory support team	Underspend due to staff costs	(47,908)
YADS head office	Underspend due to staff costs	(48,163)
YADS social work team	Overspend due to staff costs and agency costs	60,717
Independent living centre	Underspend due to vacant posts	(30,855)
Service level agreements	Underspend due to revised carers allocation for 2009/10	(40,370)
Carers	General overspend of service	35,145
Ind sector residential & nursing	Overspend on placements	515,000
Ind sector non residential	Overspend on placements	716,000
Other	Other smaller variances	19,550
		1,377,453
Supporting People		
Supporting People Admin Grant	Reduced expenditure on computer equipment and supplies and vacancy mgmt	(37,167)
		(37,167)
Adult Wide		
Paris	Saving on salaries	(27,374)
Safeguarding	Additional costs agreed for Nurse	33,206
Strategic partnership	Compensation Event	47,521
People First	Backfill agency staff	42,109
Other	Other smaller variances	26,615
		122,077
TOTAL VARIANCE		56,312

Appendix 2 - Social Care & Inclusion Capital Outturn 2009/10

MAINSTREAM SCHEMES	Annual Budget	2009-10 Total spend	Variance	Slippage to 2010/11	Over/ (underspend)
Learning Disabilities					
Goscote essential health and safety work	65,000	62,620	(2,380)	0	(2,380)
New build Fallings Heath	84,894	87,274	2,380	0	2,380
Total Learning Disabilities	149,894	149,894	0	0	0
Adult Wide					
Re-design of Streets Corner	96,000	96,000	0	0	0
Total Adult Wide	96,000	96,000	0	0	0
Mainstream schemes	245,894	245,894	0	0	0

NON MAINSTREAM SCHEMES	Annual Budget	2009-10 Total spend	Variance	Slippage to 2010/11	Over/ (underspend)
Learning Disabilities					
NHS campus closure programme	96,000	96,000	0	0	0
Total Learning Disabilities	96,000	96,000	0	0	0
Older People					
Refurbishment of Rushall Mews	10,274	0	(10,274)	0	(10,274)
Total Older People	10,274	0	(10,274)	0	(10,274)
Mental Health					
Mental Health Awards for all	246,982	229,059	(17,923)	17,923	0
Total Mental Health	246,982	229,059	(17,923)	17,923	0
Adult Wide					
ICT infrastructure	95,944	3,415	(92,529)	92,529	0
PARIS implementation	140,883	133,608	(7,275)	7,275	0
Redesign of Street Corner	233,486	233,486	0	0	0
Total Adult Wide	470,314	370,509	(99,805)	99,805	0
Non Mainstream schemes	823,570	695,568	(128,002)	117,728	(10,274)