

DATE: 26 NOVEMBER 2020

**CORPORATE FINANCIAL PERFORMANCE – QUARTER 2 (PERIOD 5- AUGUST 2020)  
FINANCIAL MONITORING POSITION FOR 2020/21**

Ward(s) All

Portfolio: Councillor Martin – Adult Social Care  
Councillor Craddock – Public Health

**1. Aim**

To provide the budget monitoring position for Period 5 2020/21. The Chair requested that this item be considered by the Committee.

**2. Recommendations**

2.1 To note the revenue and capital forecast for the financial year end 2020/21 for the services under the remit of the committee

**3. Report detail – know**

3.1 The current net revenue forecast position as at Period 5 (August 2020), after the net use of reserves is an under spend of **(£0.407m)**.

This forecast revenue position of (£0.407m) is made as follows:

- Adult Social Care – (£0.407m)
- Public Health – On budget

3.2 Reasons for the current position are shown in **Table 1** below:

<b>Table 1- Explanations of under spend</b>	<b>£m</b>
Care package underspend as a result of one off income to support Covid related hospital discharges and a net decrease in total projected costs for client package expenditure	(1.935)
Additional income due to revised Section 117 recharges	(0.168)
Release of rapid response mainstream budget as a result of decreased demand within the service	(0.098)
Net staffing costs due to vacant posts across the service	(0.063)
Miscellaneous under spends across the directorate	(0.061)
Procure to Pay saving carried forward from 2019/20 of £1.294m identified as undeliverable. Work to identify mitigating actions is underway and is being managed via ASC Finance and Performance Committee	1.294
Delays in delivery of the Walsall Proud Programme saving relating to benefits maximisation (Income generation) from a total of £0.999m - the remaining £0.374m is offset through COVID funding.	0.624
<b>Total</b>	<b>(0.407)</b>

3.3 The forecast revenue position by service is shown in **Table 2** below:

<b>Table 2 – Forecast Revenue Outturn 2020/21</b>					
<b>Service</b>	<b>Annual Budget</b>	<b>Forecast Outturn</b>	<b>Planned use of reserves</b>	<b>Action Plan</b>	<b>Variance after action plan and reserves</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Management Support and Better Care Fund	(9.234)	(8.091)	(1.160)	0.000	(0.017)
Health and Social Care	0.659	1.072	(0.447)	0.000	(0.034)
Mental Health	1.346	1.354	0.000	0.000	0.008
Demand Management	51.679	52.793	(1.358)	0.000	(0.245)
Safeguarding	0.641	0.836	(0.212)	0.000	(0.016)
Resources	2.168	2.103	(0.018)	0.000	(0.083)
ASC Partnerships	0.944	1.862	(0.877)	0.000	0.041
Assessment and Care management	6.606	6.511	0.000	0.000	(0.094)
Complex Needs	0.381	0.515	(0.123)	0.000	0.011
Older People	8.839	8.831	0.000	0.000	(0.008)
Strategy and Commissioning	1.239	4.257	(2.989)	0.000	0.029
Intelligence and Delivery	1.528	1.530	0.000	0.000	0.002
<b>Total Adult Social Care</b>	<b>66.796</b>	<b>73.573</b>	<b>(7.183)</b>	<b>0.000</b>	<b>(0.407)</b>
Public Health	0.192	2.794	(2.602)	0.000	0.000
<b>Total Public Health</b>	<b>0.192</b>	<b>2.794</b>	<b>(2.602)</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Health and Social Care</b>	<b>66.988</b>	<b>76.367</b>	<b>(9.785)</b>	<b>0.000</b>	<b>(0.407)</b>

3.4 Reserves

The total allocated reserves in 2020/21 are £11.829m, of which £9.787m (82.7%) has been used or committed to date.

**Table 3** below details the current net use of reserves included within the forecast.

<b>Table 3 - Summary of use of reserves and transfer to reserves</b>				
<b>Reserve Details</b>	<b>Allocated reserve</b>	<b>Use of reserve</b>	<b>Transfer to reserve</b>	<b>Balance of reserve</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Deprivation of Liberty (DoLs) assessments	0.212	(0.212)	0.000	0.000
Transformation Staffing	0.017	(0.017)	0.000	0.000
COVID related costs	7.481	(7.481)	0.000	0.000
Improved Better Care Fund (iBCF2) carry forward	1.144	(1.144)	0.019	0.019
Housing 21 – Affordability model	1.069	0.000	0.000	1.069
Public Health – grant carry forward	1.906	(1.128)	0.176	0.955
<b>Total Reserves</b>	<b>11.829</b>	<b>(9.982)</b>	<b>0.195</b>	<b>2.043</b>

### 3.5 Risks

For the services under the remit of the committee there are a number of risks totalling **£19.588m**, which have not been included within the above forecast. At this stage the risks are not certainties and as such are not included in the monitoring as an under or overspend. High risks of **£2.102m** are included in the corporate monitoring report to CMT. If the risks become certainties, they will need to be included in the forecast position as overspends unless alternative action can be identified to mitigate these costs. A summary of the risk assessment is shown in **Table 4** below.

<b>Risk</b>	<b>Value (£m)</b>	<b>Ongoing (£m)</b>	<b>One Off (£m)</b>	<b>Actions to manage risk</b>
High	2.102	0.000	2.102	Ongoing discussions with partners to resolve and implementation of automated billing across the directorate
Medium	7.157	0.000	7.157	
Low	10.329	0.000	10.329	
<b>Total</b>	<b>19.588</b>	<b>0.000</b>	<b>19.588</b>	

The main high risks (Red risks) that could negatively impact the current forecast position if they occur are shown in **Table 5** below.

<b>Service</b>	<b>Reason / explanation of risk</b>	<b>£m</b>
Demand Management	Validation of Section 117 recharges to Walsall CCG for 2019/20	2.102
<b>Total High Risks</b>		<b>2.102</b>

### 3.6 Capital Summary

The total capital programme related to this portfolio is £0.847m. The current forecast position is projected to £0.847m. A summary is detailed in **Table 6** below:

<b>Service</b>	<b>Annual Budget</b>	<b>Actual Year to Date</b>	<b>Forecast</b>	<b>Year End Variance</b>	<b>Proposed carry forward to 2021/22</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Council Funded</b>					
All Age Disability Hub	0.037	0.000	0.037	0.000	0.000
<b>SUB-TOTAL</b>	<b>0.037</b>	<b>0.000</b>	<b>0.037</b>	<b>0.000</b>	<b>0.000</b>
<b>Externally Funded</b>					
ICES (Integrated Equipment Store)	0.810	0.308	0.810	0.000	0.000
<b>SUB-TOTAL</b>	<b>0.810</b>	<b>0.308</b>	<b>0.810</b>	<b>0.000</b>	<b>0.000</b>
<b>GRAND TOTAL</b>	<b>0.847</b>	<b>0.308</b>	<b>0.847</b>	<b>0.000</b>	<b>0.000</b>

#### **4. Public Health**

The forecast revenue position for 2020/21 before net use of/transfer to reserves is an over spend of **£0.951m**. After net use of reserves totalling (**£0.951m**) Public Health is **on budget**. 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.

#### **5. Financial information**

- 5.1 The financial implications are as set out in the main body of this report. The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council will take a medium term policy led approach to all decisions on resource allocation.

#### **6. Reducing Inequalities**

- 6.1 Services consider and respond to equality issues in setting budgets and delivering services. Irrespective of budgetary pressures, the Council must fulfil equal opportunities obligations

#### **7. Decide**

- 7.1 To approve the recommendations as set out in this report.

#### **8. Respond**

- 8.1 The Executive Director for Adult Social Care, with finance in support will be working with Directors and Heads of service to review the forecast, to continue to implement mitigating actions for any forecast overspends and to consider these financial implications in line with the council's budget setting process.

#### **9. Review**

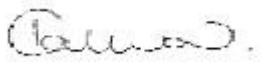
- 9.1 Regular monitoring reports are presented to Cabinet to inform them of the impact of Covid-19 and the financial forecast for 2020/21, including an update on risks and impact on the budget for 2021/22 and beyond.

**Background papers:** Various financial working papers

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