

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

**Agenda Item
No.**

DATE: 29 JANUARY 2015

QUARTER 3 FINANCIAL MONITORING POSITION FOR 2014/15

Ward(s) All

Portfolio: Councillor Diane Coughlan – Social Care
Councillor Ian Robertson – Public Health

Summary of report

This report summarises the forecast revenue and capital outturn position for 2014/15, based on the financial performance for quarter 3 (April 2014 to December 2014), for services within the remit of the Social Care & Health Scrutiny and Performance Panel.

To note the 2014/15 forecast year-end financial position for services under the remit of the Social Care & Health Scrutiny and Performance Panel is an over spend of **£5.361m**, before the action plan and transfers to or from approved reserves. After the implementation of the action plan (£0.300m), use of reserves of (£3.152m) and the transfer to reserves of £0.989m, the forecasted financial position for 2014/15 is an over spend of **£2.898m**.

In addition, there is an expectation that the capital resources will show an under spend of **(£0.523m)** against the budget of **£6.098m**, of which **£0.350m** will be requested to be carried forward into 2015/16.

Recommendation

To note the forecast year-end financial position for services under the remit of the Social Care & Health Scrutiny and Performance Panel.

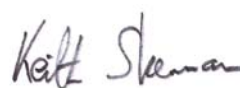
Background papers

Various financial working papers.
2014/15 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecast financial position for 2014/15 for services within their remit.

Signed:



Chief Financial Officer: James Walsh
Date: January 2015

Executive Director: Keith Skerman
Date: January 2015



Executive Director: Jamie Morris **Executive Director:** Rory Borealis
Date: January 2015 **Date:** January 2015

Resource and legal considerations

Directorates are required to manage their services within budget. Over spends may arise for a number of reasons, including national economic and local factors. Further detail is provided within this report. A corrective action plan has been developed to address in part the ongoing pressure in 2014/15.

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. A corrective action plan has been developed to in part mitigate the forecast over spend in 2014/15. 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 Forecast Revenue Outturn 2014/15

Social Care & Inclusion

- 1.1 The forecast revenue outturn for 2014/15 for Social Care and Inclusion directorate (based on the position as at the end of December 2014) is an over spend of £2.287m (net of the use of earmarked reserves and action plan). Prior to the use of reserves and implementation of the action plan the over spend is £3.396m. 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. The Social Care & Inclusion directorate is monitoring the residual over spend closely and further action will be taken to outturn on budget.
- 1.2 The forecast outturn includes use of reserves, where approval has been given by Cabinet, for additional funds for specific services of £0.809m. The predicted outturn does not include any transfers relating to windfall income.
- 1.3 The action plan is detailed further in Appendix 2.
- 1.4 Included within the directorate budget for 2014/15 are savings, as approved by Council on 27 February 2014, totalling £6.820m, which include £0.130m of full year effect savings from 2013/14. The 2014/15 budget includes investment of £1.170m for inflationary pressures and £0.150m for service pressures. A full breakdown of investment and savings can be found in the 2014/15 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.

Public Health

- 1.5 The forecast revenue position for 2014/15 for Public Health (based on the positions as at the end of December 2014) is to be on budget after the net use of reserves of (£0.812m). The reserves comprise of the public health grant and one off funding received last year that will be spent this year as per the terms of the grant. This includes spend on nutrition and obesity and smoking cessation. 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.

Money Home Job

- 1.6 The forecast revenue outturn for 2014/15 for Money Home Job (based on the position as at the end of December 2014) is an over spend of £0.611m (net of the use of earmarked reserves), which is a marginal improvement on the position reported to panel at the end of quarter 2. Prior to the use of and transfers to reserves the forecast outturn is an over spend of £1.154m.
- 1.7 The predicted outturn includes use of reserves of (£1.051m) (where approval has been given by Cabinet for additional funds for specific services) and requests for transfer to reserves of £0.509m.
- 1.8 As detailed above Money Home Job has a projected overspend for 2014/15 of £0.611m. To mitigate this, there is a Resources wide directorate action plan of

(£1.029m) which means that a final underspend of (£0.418m) is projected for the Resources directorate as a whole. The details of this action plan would be outside of the remit of this panel, however for completeness the actions being undertaken are as follows: there will be an underspend of (£0.803m) due to keeping posts vacant across the directorate, an underspend of (£0.018m) is expected due to restraint of supplies and services expenditure, there is an underspend of (£0.074m) due to sharing the costs of our local elections with the European election and there is an over provision in the corporate bad debt provision of (£0.134m) which has been returned to services in the resources directorate.

General

- 1.9 Table 1 shows the forecast outturn for each service, and Appendix 1 provides an analysis of the reasons for material forecast variances.
- 1.10 The forecast outturn only includes areas where there is a high degree of certainty about predicted under/ over spends. Where a significant over spend is forecast or a new pressure identified the Directorates Management Teams, through their budget meetings, are responsible for identifying in year actions to mitigate this position and ensure, as far as is possible, that the budget is balanced at the end of the year.
- 1.11 Within the services associated with the panel there are a number of risks totalling £0.162m 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 over spend. If the risks become certainties then alternative action will need to be identified or included in the position as over spends. A summary of the risk assessment is attached as Appendix 3.

Table 1 –Social Care & Health Forecast Revenue Outturn 2014/15

Service	Annual Budget £	Profiled Budget £	Actual to Date £	Variance to date £	Year End Forecast £	Variance before reserves £	Action Plan £	Use of Reserves £	Transfer to Reserves £	Variance after reserves £
Access, Assessment & Care Management	28,724,428	21,542,715	25,046,154	3,503,439	31,398,502	2,674,074	0	0	0	2,674,074
Commissioning	14,988,714	11,332,038	11,218,454	(113,584)	15,365,514	376,800	0	(416,125)	0	(39,325)
Management Support & Other	1,411,145	1,058,328	1,224,394	166,066	1,446,772	35,627	(300,000)	(187,637)	0	(452,010)
Mental Health	5,948,056	4,461,057	4,287,807	(173,250)	5,677,246	(270,810)	0	0	0	(270,810)
Provider	4,413,060	3,310,610	3,827,461	516,851	4,823,144	410,084	0	(163,445)	0	246,639
Safeguarding	444,126	333,090	283,124	(49,966)	633,521	189,395	0	0	0	189,395
Strategic Development	3,676,197	2,757,505	2,564,569	(192,936)	3,657,166	(19,031)	0	(42,231)	0	(61,262)
Total Social Care	59,605,726	44,795,343	48,451,962	3,656,619	63,001,865	3,396,139	(300,000)	(809,438)	0	2,286,701
Money Home Job	6,407,153	5,112,726	4,957,627	(155,099)	7,560,749	1,153,596		(1,051,356)	508,955	611,195
Public Health	(44,550)	(33,496)	(18,888)	14,608	767,053	811,603	0	(1,291,524)	479,921	0
Overall Scrutiny Position	65,968,329	49,874,573	53,390,701	3,516,128	71,329,667	5,361,338	(300,000)	(3,152,318)	988,876	2,897,896

2 Forecast Capital Outturn 2014/15

- 2.1 The forecast capital outturn for 2014/15 for the schemes under the remit of this panel (as at the end of December 2014) against resources of £6.098m is an under spend of (£0.523m) as shown in Table 2 and 2a, of which (£0.350m) has been requested to be carried forward to 2015/16.

Table 2 – Social Care & Inclusion Forecast Capital Outturn 2014/15					
Service	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Requested Carry Forward to 2015/16 £
<u>Council Funded</u>					
Preventative Adaptations	647,161	266,180	647,161	0	0
Total Council Funded	647,161	266,180	647,161	0	0
<u>Externally Funded</u>					
Community Capacity Grant	1,664,997	76,443	1,314,955	(350,042)	(350,042)
Total Externally Funded	1,664,997	76,443	1,314,955	(350,042)	(350,042)
Total Capital	2,312,158	342,623	1,962,116	(350,042)	(350,042)

Table 2a – Money Home Job Forecast Capital Outturn 2014/15					
Service	Annual Budget £	Actual to Date £	Year End Forecast £	Variance Before Carry forward £	Requested Carry Forward to 2015/16 £
<u>Council Funded</u>					
Aids and adaptations	1,866,528	801,530	1,866,528	0	0
Health through warmth and related Retro Fit schemes	400,164	49,948	227,164	(173,000)	0
Total Council Funded	2,266,692	851,478	2,093,692	(173,000)	0
<u>Externally Funded</u>					
Disabled facilities grant	1,390,118	1,390,118	1,390,118	0	0
Contribution to aids and adaptations	129,461	36,290	129,461	0	0
Total Externally Funded	1,519,579	1,426,408	1,519,579	0	0
Total Capital	3,786,271	2,277,886	3,613,271	(173,000)	0

Appendix 1 – Explanation of Significant Revenue Variations

Service	Variance	Main Reason/ Explanation of Variance
<u>Social Care & Inclusion</u>	£m	
Access, Assessment & Care Management	2.674	Under spend on residential / nursing costs of (£581k) offset by an income shortfall from client contributions of £577k; additional property cases income of (£77k) Over spend on domiciliary care costs of £1,784k and direct payments of £564k and additional income of (£11k) from benefit based charging £671k income shortfall from CCG relating to CHC and FNC (Older People £517k and Younger Adults of £154k) (£810k) additional CCG income contribution to Learning Disabilities over spend £312k over spend on in-patient beds for Learning Disability clients Transport has income shortfall of £150k due to charging issues Income shortfall of £67k due to ongoing pressures £537k over spend on agency staff partly offset by (£347k) under spend on staff costs due to vacant posts and VRT, and (£200k) of winter pressure funding from CCG £37k over spend on supplied and services
Commissioning	0.378	(£200k) under spend on memory clinic £209k over spend on Housing 21 due to void costs £92k, additional hours £10k and income shortfall of £107k (£209k one off reserve to fund over spend) £215k annual maintenance and communication costs (funded fully by reserve) £95k over spend on ICES (£132k) under spend on Winterbourne programme costs (£40k) under spend on contract costs £231k over spend on Sevacare costs
Management Support	(0.264)	£136k interim staffing costs (funded by £185k reserve) (£36k) benefit for 2014/15 bad debt provision £44k over spend due to procurement budget transfer £30k over spend on legal and Mosaic costs £400k unachieved budget savings (£288k) under spend against contractual inflation (£250k) under spend on prudential borrowing (£300k) action plan for collection of BBC debt

Mental Health	(0.271)	(£60k) under spend on contracts £15k over spend on rent charges Under spend on domiciliary care costs of (£198k) and over spend on direct payments of £31k Over spend of £256k for residential/ nursing costs and additional income from client contributions of (£250k) £69k income shortfall from CCG relating to CHC, FNC and enhanced rates (£133k) under spend on staff costs and car allowances
Provider	0.410	£63k over spend on Telecare equipment £598k additional costs on non bed based intermediate care due to increased demand and subsequent delays in assessments partly funded by (£300k) CCG winter pressure funding £125k over spend on Fallings Heath due to increased demand (£30k) under spend on Shared Lives (£84k) under spend on Links To Work due to one-off additional income offset by additional staff costs (£150k) under spend on Goscote due to vacant posts and VRT Over spend on staffing costs and agency costs of £209k at Hollybank to cover for annual leave, sickness and additional demand, £35k additional supplies and services offset by vacant posts (£55k).
Safeguarding	0.189	Over spend of £188k on Independent Mental Capacity Advocates and Deprivation of Liberty Safeguards in Hospitals for additional support from an increase in demand due to high court ruling
Strategic Development	(0.019)	Under spend on apprentices of (£153k) due to early leaving dates £75k over spend on Direct Payment Support Organisations fees £78k shortfall in CCG income (£118k) under spend on phones, stationery and general materials Additional staffing costs for interim arrangements and sickness cover offset by vacant posts £46k Over spend of £89k on CCTV contracts and equipment (£36k) additional income from attendance on training courses
Use of Reserves	(0.809)	Housing 21 (£209k); Interim posts (£185k); (£207k) Telehealth communications & maintenance; (£42k) PARIS team; (£163k) over 80's community alarms; (£3k) incentive schemes
Subtotal Social Care	2.287	
Public Health		
Employees	(0.212)	Vacant posts in year partly offset by agency costs
Supplies and services	1.024	Additional activity due to either activity delayed from the previous year or additional prevention activity

Use of Reserves	(1.292)	Prior year public health grant brought forward
Transfer to Reserves	0.480	Carry forward of 2014/15 public health grant
Subtotal Public Health	0	
<u>Money Home Job</u>	1.153	There are overspends due to supporting vulnerable clients where full costs are not reimbursed through housing benefit subsidy totalling £1,519k, use of temporary staff £625k, overspend on housing costs which are covered by reserves £307k, redundancy costs covered by reserves £91k, telephone expenditure £74k and postage £71k. These overspends are partially offset by an under spend on the crisis support which will be requested to be carried forward (£500k), restraint of spending on discretionary housing payments (£343k), additional income from recovery of overpaid housing benefits (£220k), under spend on salaries (£198k), use of New Burdens Grant (£116k), additional income from academies for processing free school meal applications (£71k), under spend on bailiff costs (£49k), under spend on car allowances (£20k) and additional income from subsidy incentive grant (£11k). There are other non material under spends of (£6k)
Use of Reserves	(1.051)	Preventing homelessness (£428k), Repossession grant (£30k), Handyman grant (£2k), Warm Homes (£53k), New Home Bonus (£12k), Fuel Poverty Grant (£13k), Discretionary Housing Payments (£20k), Transfer of overpaid housing benefits (£84k), Working Smarter reserve to offset temporary staff costs (£167k), Support for welfare rights (£150k) and redundancy linked to savings (£91k)
Transfer to Reserves	0.509	Unspent element of 2014/15 crisis support funding £500k and Housing Improvement Projects 9k
Subtotal	0.611	
Overall Scrutiny Position	2.898	

Appendix 2 – Action Plan

Table 2 – SC&I 2014/15 Action Plan

Area	Action plan as at Sept 2014/15 £m	Action plan as at Oct 2014/15 £m	Action plan as at Nov 2014/15 £m	Action plan as at Dec 2014/15 £m	Variance £m	Reasons for amendment to action plan November to December	Current position on delivery of action plan
One off reduction in bad debt provision	0.300	0.300	0.300	0.300	0		Work is ongoing on this area. There has been no active debt collection or recovery on Benefits Based Charging (BBC) in over 3 years. Progress is now being made, and the bad debt provision should therefore reduce
Review of respite	0.100	0	0	0	(0.100)	The options from the Cabinet report will not be implemented during this financial year	Report expected to be presented to Cabinet in December
Impact of the introduction of Electronic Call Monitoring	0.750	0.350	0.300	0	(0.350)	The savings included in the forecast is approx £128k based on £21k per month	The introduction of electronic call monitoring for the top 10 older persons providers from October 2014 and the next 10 providers from January 2015
Net reduction in number of clients		0.400	0.400	0	(0.400)	Due to the ongoing pressure from the hospital and the increase in costs, this saving will not be achieved	Introducing the 'attachment based' model of social work which will look at person centred outcomes and all available care provision
Reduction of commissioning budget due to BBC income shortfall	0.719	0	0	0	(0.719)		
Total	1.869	1.050	1.000	0.300	(1.569)		

Appendix 3 – Risks associated with the forecast 2014/15

<u>Service – cash limit heading</u>	Potential Risk	Likelihood	Potential Financial Exposure £m
Assessment & Care Management	SCI - Costs for new packages of care in 2014/15 not offset in full by deaths and reduction in care needs (outside of reprovision)	Low	0.050
Assessment & Care Management	SCI - Increase in costs of packages in 2014/15 due to change in need (domiciliary care, residential or nursing)	Low	0.050
Assessment & Care Management	SCI - Reduced client contributions	Low	0.025
TOTAL SOCIAL CARE & INCLUSION			0.125
Money Home Job	Shortfall in income from academies for processing free school meals in housing benefits	Medium	0.015
Money Home Job	Additional cleaning, maintenance and repair costs in housing services due to increased occupancy may offset the overachievement of income	Low	0.022
TOTAL MONEY HOME JOB			0.037
TOTAL SOCIAL CARE & HEALTH SCRUTINY			0.162