

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

**Agenda Item
No. 6**

DATE: 7 NOVEMBER 2013

QUARTER 2 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 2 (July 2013 to September 2013), for services within the remit of the Social Care and 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 an over spend of **£1.090m**, after the use of approved reserves, transfer of windfall income and the implementation of the action plan. The directorate management team are currently monitoring this position and are working towards identifying an action plan to bring the forecasted revenue outturn back in line with the budget available. In addition, there is currently a forecasted under spend of **(£1.769m)** against capital resources. Requests to carry this funding forward into 2014/15 will be submitted.

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: 24 October 2013

Date: 25 October 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 need to be developed to mitigate any overspends within service. Any corporate overspend will require replenishment in the 2014/15 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 should be 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 Officers:

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 Forecast Revenue Outturn 2013/14 – Social Care & Inclusion Directorate

- 1.1 The forecast revenue outturn for 2013/14 for the services under the remit of the Social Care and Inclusion Scrutiny and Performance Panel (based on the position as at the end of September 2013) is an over spend of £1.090m (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/ over spends. Where a significant overspend is forecast or a new pressure identified the Social Care and Inclusion Directorate Management Team, 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.
- 1.3 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 £4.930m. The predicted outturn includes a transfer of £12k relating to windfall income from New Burdens Grant 2012/13.
- 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) (reduced investment) and £1.500m savings. 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 totalling £3.057m 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 2.

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 £	Windfall Income £	Year End Variance after reserves £
Access, Assessment & Care Management	5,602,840	2,570,040	2,495,825	(74,215)	5,302,417	(300,423)		5,078		(295,345)
Commissioning	44,685,849	22,024,794	23,608,903	1,584,109	48,052,498	3,366,649	(94,411)	(139,720)		3,132,518
Management Support & Other	1,073,974	533,406	680,188	146,782	1,607,849	533,875		(309,420)		224,455
Mental Health	5,921,717	2,946,486	3,588,887	642,401	6,848,727	927,010	(50,000)	(6,274)		870,736
Provider	4,044,636	2,023,966	2,512,673	488,707	4,696,446	651,810		(20,305)		631,505
Safeguarding	477,154	238,572	221,789	(16,783)	477,507	353				353
Strategic Development	4,857,947	2,996,442	3,532,180	535,738	5,831,824	973,877		(1,138,821)	12,500	(152,444)
Total SC&I Budget for Monitoring Purposes	66,664,117	33,333,706	36,640,445	3,306,739	72,817,269	6,153,152	(144,411)	(1,609,462)	12,500	4,411,779
Use of one-off Reserves										(3,321,522)
Overall SC&I Position										1,090,257

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 September 2013) predicts that against resources of £2.443m there will be an under spend of £1.769m. Table 2 shows a summary per service and carry forward requests will be submitted for each scheme.

Table 2 – Social Care & Inclusion Forecast Capital Outturn 2013/14					
Service	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Proposed carry forward to 2014/15 £
Mainstream Funded					
Strategic Development – PARIS development	405,085	58,164	58,164	(346,921)	346,921
Commissioning – Preventative Adaptations	890,229	195,045	295,045	(595,184)	595,184
Total Mainstream	1,295,314	253,209	353,209	(942,105)	942,105
Non Mainstream Funded					
Strategic Development	1,147,510	60,329	320,840	(826,670)	826,670
Total Non Mainstream	1,147,510	60,329	320,840	(826,670)	826,670
Total Capital	2,442,824	313,538	674,049	(1,768,775)	1,768,775

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>		
Employees	Vacant posts	(560)
Employees	Agency staff covering vacant posts	149
Supplies & Services	Sensory/ deaf equipment	13
Transport	Forecast over spends on car allowances	52
Income	Shortfall in income from recharges	51
Sub-total		(295)
<u>Commissioning</u>		
Transfer Payments	Over spends on additional hours, voids and respite charges on Housing 21 contract	748
Premises	Housing 21 premises under spend	(25)
Income	Shortfall in client contribution for Housing 21	302
Employees	Vacant posts	(113)
Employees	Agency staff costs	10
Transport	Forecast over spends on taxi expenditure provided for clients	48
Transfer Payments	Domiciliary care packages	2,648
Transfer Payments	Residential and nursing placements	(1,474)
Transfer Payments	Sutton's Drive Learning Disabilities residential contract	894
Transfer Payments	Service Level Agreements for the Community Hub and Caldmore Housing	178
Transfer Payments	Supporting People and Older People Service Level Agreements	151
Income	Shortfall in client contribution for transport	61
Income	Additional income from CCG for continuing health care and contribution to pooled budget for Learning Disabilities	(460)
Income	Reduced client contributions for domiciliary care packages	207
Income	Additional income for free nursing care, continuing health care and CCG contributions for Older People & Younger Adults	(58)
Other smaller variances		16
Sub-total		3,133

Service	Reason / Explanation of Variance	Variance £'000
<u>Management Support & Other</u>		
Third Party Payments	Quality Assurance provider incentive scheme	154
Premises	Dilapidations from lease at Bentley Lane and premise costs for Lichfield Street Mencap centre	70
Sub-total		224
<u>Mental Health</u>		
Employees	Vacant posts	(47)
Employees	Agency staff costs	33
Transfer Payments	Residential/ Nursing placements	580
Transfer Payments	Mental Health action plan for residential/ nursing placements	(50)
Transfer Payments	Domiciliary Care packages	172
Income	Additional client contributions for domiciliary care packages	(19)
Income	Forecasted shortfall from CCG offset by an increase in client contribution	202
Sub-total		871
<u>Provider</u>		
Employees	Outstanding staffing re-structure due to the transfer of Rushall Mews staff	350
Employees	Vacant posts	(386)
Employees	Agency staff covering vacant posts	367
Premises	Forecast under spends against satellite bases	(12)
Transport	Car allowances	35
Supplies & Services	Various over spends within Links to Work	44
Supplies & Services	Catering over spend at Goscote	12
Supplies & Services	Catering over spend at Fallings Heath	15
Supplies & Services	Computers and room hire	38
Supplies & Services	Furniture and materials at Hollybank	33
Supplies & Services	Under spend on Telecare/ community alarms equipment	(77)
Income	Shortfall on Telecare/ community alarm income	192
Income	General shortfall in income	21
Sub-total		632

Service	Reason / Explanation of Variance	Variance £'000
<u>Strategic Development</u>		
Employees	Vacant posts	(162)
Employees	Agency costs	64
Supplies & Services	CCTV contracts for maintenance and ICT charges	60
Supplies & Services	Over spends on Phone and ICT charges	43
Supplies & Services	General misc	12
Supplies & Services	Delayed PARIS implementation	(250)
Transfer Payments	Managed account support	42
Income	Shortfall in section 75 income	156
Income	Additional charges income for response services & workforce development	(130)
Other smaller variances		13
Sub-total		(152)
Forecast overspend/ Ongoing Pressure		4,411
Use of one off reserves	Housing 21 one-off reserve	(384)
	2012/13 carry forward	(2,937)
Total Social Care & Inclusion		1,090

Appendix 2 - Risks associated with the forecast 2013/14

<u>Service – cash limit heading</u>	Action identified	Likelihood	Risk £m
Commissioning	Costs for new packages of care in 2013/14 not offset in full by turnover and reduction in care needs (outside of reprovision)	Medium	1.000
Commissioning	Increase in costs of packages in 2013/14 due to change in need (domiciliary care, residential or nursing)	Medium	1.000
Assessment & Care Management	Provision of sensory equipment for Deaf, Hard of Hearing and Visual Impaired people	Low	0.040
General SC&I	Potential impact of employees returning to full time hours from VRT	Low	0.267
Commissioning	Reduced client contributions	Low	0.500
Commissioning	Additional costs for voids or additional care hours	Low	0.100
General SC&I	Shortfall in section 75 income	Low	0.100
General SC&I	Potential costs relating to changes in essential car user allowances	Low	0.050
			3.057