

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

**Agenda Item
No. 8**

DATE: 4 SEPTEMBER 2012

QUARTER 1 FINANCIAL MONITORING POSITION FOR 2012/13

Ward(s) All

Portfolio:

Councillor McCracken – Social Care & Health

Summary of report

This report summarises the predicted revenue and capital outturn position for 2012/13, based on the financial performance for quarter 1 (April 2012 to June 2012), for services within the remit of the Social Care & Inclusion Scrutiny and Performance Panel.

Recommendation

To note the 2012/13 forecast year end financial position for services under the remit of the Social Care & Inclusion Scrutiny and Performance Panel is a net revenue overspend of £49k, after the use of approved reserves, proposed transfers to reserves, and use of carry forwards. The directorate management team are currently identifying and implementing actions to ensure that the revenue outturn is in line with the budget available. In addition, there is currently a forecast breakeven position against Capital resources of £2.775m.

Background papers

Various financial working papers.
2011/12 Outturn report to Scrutiny Panel
2012/13 Budget Book on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the forecast financial position for 2012/13 for services within their remit.

Signed:



Chief Finance Officer: Vicky Buckley



Executive Director: Paul Davies

Date: 23 August 2012

Date: 23 August 2012

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 2012/13 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.

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1 Forecast Revenue Outturn 2012/13 – Social Care & Inclusion Directorate

- 1.1 The forecast revenue outturn for 2012/13 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 2012) is an overspend of **£49k** (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 three weekly 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 **£4.981m**. The predicted outturn includes a proposed transfer to earmarked reserves of £1.435m relating to a planned underspend 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 2012/13 are new savings, as approved by Council on 23 February 2012, totalling **£7.000m**. The full year effect of previous years' investments and savings included in the budget are **£874k** and **£155k** respectively. A full breakdown of investment and savings can be found in the 2012/13 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.

Table 1 - Social Care & Inclusion Forecast Revenue Outturn 2012/13

Service	Annual Budget £	Profiled Budget £	Actual to Date £	Variance to profiled budget £	Year End Forecast £	Year End Variance before reserves £	Use of Reserves £	Transfer to Reserves £	Year End Variance after reserves £
Access, Assessment & Care Management	6,355,862	1,588,971	1,575,725	(13,246)	5,971,328	(384,534)	(7,345)	0	(391,879)
Commissioning	41,018,460	10,254,624	10,617,110	362,486	44,016,843	2,998,383	(606,907)	100,000	2,491,476
Management Support & Other	(584,096)	(146,028)	(159,299)	(13,271)	(873,152)	(289,056)	(30,339)	0	(319,395)
Mental Health	7,199,988	1,800,015	1,764,246	(35,769)	7,098,753	(101,235)	(10,448)	0	(111,683)
Provider	7,631,415	1,907,847	2,183,178	275,331	7,314,510	(316,905)	(13,914)	0	(330,819)
Safeguarding	437,718	109,431	81,757	(27,674)	399,225	(38,493)	0	0	(38,493)
Strategic Development	(91,411)	(22,851)	1,521,244	1,544,095	1,636,027	1,727,438	(4,312,297)	1,334,600	(1,250,259)
Total SC&I Budget for Monitoring Purposes	61,967,936	15,492,009	17,583,961	2,091,952	65,563,534	3,595,598	(4,981,250)	1,434,600	48,948

2 Forecast Capital Outturn 2012/13 – Social Care & Inclusion Directorate

2.1 The forecast capital outturn for 2012/13 for the schemes under the remit of this panel (as at the end of June 2012) predicts that resources of **£2.775m** 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 2012/13					
Service	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Proposed slippage to 2013/14 £
Mainstream Funded					
Strategic Development	439,067	16,075	439,067	0	0
Commissioning	1,583,645	169,574	1,583,645	0	0
Total Mainstream	2,022,712	185,649	2,022,712	0	0
Non Mainstream Funded					
Strategic Development	752,255	57	752,255	0	0
Total Non Mainstream	752,255	57	752,255	0	0
Total Social Care Capital	2,774,967	185,706	2,774,967	0	0

2.2 Although spend against budget currently appears low, this is in line with the expenditure profile for the capital programme, with the majority of the expenditure taking place in the remainder of the financial year.

Appendix 1 – Explanation of Significant Revenue Variations

Service	Reason / Explanation of Variance	Variance £'000
<u>Access, Assessment & Care Management</u>		
Salary Costs	Holding of vacant posts to offset pressures elsewhere within the directorate	(460)
Other smaller variances		68
Sub-total		(392)
<u>Commissioning</u>		
Private contractor fees	Forecast overspends on placement costs mainly relating to clients with disabilities and older people. These overspends are partially offset by planned underspends across the directorate detailed within this table	2,251
Income	Forecast shortfall of income against budget relating to community based care charges	166
Other smaller variances		74
Sub-total		2,491
<u>Management Support & Other</u>		
Salary Costs	Mainly due to recruitment costs for Quality Assurance Team	108
Private contractor fees	Planned delay in utilising community development funding to offset pressures elsewhere within the directorate	(509)
Other smaller variances		82
Sub-total		(319)
<u>Mental Health</u>		
Salary Costs	Mainly due to delay in implementation of staffing restructure within Mental Health, offset by holding posts vacant elsewhere within the directorate	792
Private contractor fees	Mainly due to a transition of clients from residential placements to community based packages of care alongside transfer of clients to Older Peoples services	(980)
Other smaller variances		76
Sub-total		(112)

Service	Reason / Explanation of Variance	Variance £'000
<u>Provider</u>		
Salary Costs	Holding of vacant posts to offset pressures elsewhere within the directorate	(719)
Supplies & Services	Mainly relating to forecast overspend on provisions within day centres	180
Income	Mainly due to reduction in respite income following transition of Hollybank and Fallings Heath homes to provision of reablement services	117
Other smaller variances		91
Sub-total		(331)
<u>Safeguarding</u>		
Salary Costs	Holding of vacant posts to offset pressures elsewhere within the directorate	(24)
Other smaller variances		(14)
Sub-total		(38)
<u>Strategic Development</u>		
Salary Costs	Holding of vacant posts to offset pressures elsewhere within the directorate	(256)
Premises Costs	Reduced rental costs for the Independent Living Centre compared to those originally forecast	(178)
Supplies & Services	Mainly due to planned underspends on furniture / materials / telephones / office supplies budgets across the directorate	(689)
Other smaller variances		(127)
Sub-total		(1,250)
Total Social Care & Inclusion		(49)

Appendix 2 – Social Care & Inclusion Forecast Capital Outturn 2012/13

Scheme	Annual Budget £	Actual to Date £	Year End Forecast £	Year End Variance £	Proposed slippage to 2013/14 £
Mainstream Funded					
PARIS development	439,067	16,075	439,067	0	0
Preventative Adaptations	1,583,645	169,574	1,583,645	0	0
Total Mainstream	2,022,712	185,649	2,022,712	0	0
Non Mainstream Funded					
DoH Capital allocation	752,255	57	752,255	0	0
Total Non Mainstream	752,255	57	752,255	0	0
Total Social Care Capital	2,774,967	185,706	2,774,967	0	0