

## **WIRRAL COUNCIL**

### **FAMILIES AND WELLBEING POLICY & PERFORMANCE COMMITTEE**

**2 FEBRUARY 2015**

<b>SUBJECT</b>	<b>Financial Monitoring 2014/15 Month 8 (November 2014)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>ACTING SECTION 151 OFFICER</b>

#### **1 EXECUTIVE SUMMARY**

- 1.1 This report sets out the financial monitoring information for this Committee in a format consistent across the Policy and Performance Committees. The report aims to give Members sufficient detail to scrutinise budget performance for the Directorate. Financial information for Month 8 (November 2014) which was reported to Cabinet on 15 January is included.

#### **2 BACKGROUND AND KEY ISSUES**

- 2.1 Members of the Policy and Performance Committees have previously requested that financial monitoring information is provided as a standard item at each Committee.
- 2.2 Since September 2012 monthly revenue and capital monitoring reports have been submitted to Cabinet as a means of providing regular, detailed updates on budget performance.
- 2.3 The Coordinating Committee has agreed that in order to fulfil its corporate and strategic scrutiny role, it will continue to review the full versions of the most up to date monitor reports at its future scheduled meetings.

#### **3 REPORTING TO POLICY & PERFORMANCE COMMITTEES**

- 3.1 The relevant sections from the most recent revenue and capital monitoring reports reported to Cabinet are summarised into a bespoke report for each Policy and Performance Committee. This will include the following:
- Performance against revenue budget
  - Performance against in year efficiency targets
  - Performance against capital budget
- 3.2 The following sections have been extracted from the Financial Monitoring reports presented to Cabinet on 15 January 2015.

## PERFORMANCE AGAINST REVENUE BUDGETS MONTH 8 (NOVEMBER 2014)

### 3.3 CHANGES TO THE AGREED BUDGET

#### 3.3.1 2014/15 Original & Revised Net Budget £000's

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 8	Revised Net Budget
FWB - Adult Social Services	74,667	-55	-	74,612
FWB – Children & YP, Schools & Safeguarding	82,877	-87	-	82,790
FWB - Sport & Recreation	8,502	-	-	8,502
<b>Net Cost of Services</b>	<b>166,046</b>	<b>-142</b>	<b>0</b>	<b>165,904</b>

There were no budget changes in month 8 which impact upon the directorate.

### 3.4 VARIATIONS

3.4.1 The report will use RAGBY ratings that will highlight under and overspends and place them into 'risk bands'. The 'risk band' classification is:

- Extreme: Overspends - **Red** (over +£301k), Underspend **Yellow** (over - £301k)
- Acceptable: Amber (+£141k to +£300k), Green (range from +£140k to - £140k); Blue (-£141k to -£300k)

#### 3.4.2 2014/15 Projected Budget variations £000's

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Month 8	RAGBY Classification	Change from prev mnth
FWB - Adult Social Services	74,612	77,329	2,717	R	-
FWB – Children & YP, Schools & Safeguarding	82,790	83,120	330	R	-222
FWB - Sport & Recreation	8,502	8,639	137	G	48
<b>TOTAL</b>	<b>165,904</b>	<b>169,088</b>	<b>3,184</b>		<b>-174</b>

#### 3.4.3 Directorate Updates

##### Families and Wellbeing: Adults

3.4.4 A potential overspend of £2.7 million is forecast at Month 8. This is made up of £2.4 million slippage against current year savings and £0.3 million demand pressures. The level of management actions required to contain budget issues have reduced by £0.6 million to £3.0 million. Following implementation of the new care management system, financial data has been transferred and an in year reconciliation between old and new systems undertaken which will provide information to monitor future progress.

3.4.5 Day Services are likely to only achieve in year £370,000 of the £750,000 2014/15 saving, due to part year impact of implementation, with the balance slipping into 2015/16. The full saving will be made from 1 April 2015 when the

new service commences.

- 3.4.6 Targeting support through NHS contracts and targeting Council resources are large 2014/15 savings options. The review of current cases remains challenging, however revised processes and tightened procedures are now in place for all new packages and current packages are being picked up through the review process.
- 3.4.7 Demand for Adult Social Care continues to increase and the mix of services provided to individuals continues to vary as a consequence. These changes together with the outcome of case reviews impact on the forecasted spend across care areas. At this stage there remains a £300,000 projected overspend.
- 3.4.8 The review of Continuing Health Care Appeals has required liaison. Whilst a number of hurdles have now been cleared the NHS project includes a lengthy 10 stage process. This is taking longer than initially envisaged delaying the achievement of the £500,000 saving.
- 3.4.9 A number of the savings are linked to increased income, the main item being the income from the domiciliary care block contracts. The £250,000 target is viewed as achievable but the full target is unlikely to be reached until 2015/16.
- 3.4.10 Management actions include:-
- The assessment and review of cases is key and a Business Case is being prepared about the potential recruitment of additional temporary support in order to progress the reviews.
  - For the high cost placements an additional review is being undertaken by the Head of Service and Director.
  - A Transformation Group supported by colleagues from other Directorates is monitoring progress has given greater focus to ensure that scarce resources are targeted towards achieving the savings.
  - Review of other departmental budgets to ascertain if any efficiencies can be identified to mitigate against the projected overspend being forecast. This includes the use of the monies set-aside as a result of the early delivery of savings achieved in 2013/14.

#### **Families and Wellbeing: Children's**

- 3.4.11 There has been an improvement to the position with the projected overspend reducing from £552,000 to £330,000. This reduction is primarily due to the reduction in placements for Looked After Children. Pressures continue within this area along with the costs of agency staff and within the transport budget all of which are being closely managed.
- 3.4.12 As previously reported the savings attributed to changes in the Day Nursery provision have slipped. This will be compensated for from savings within the

service and use of the early learning reserve.

3.4.13 A number of management actions are being taken with regards to controlling the overspend these are -

- Restructures across the department are being implemented and are closely managed to minimise the impact on services and staff, whilst keeping slippage on savings targets as low as possible.
- There is a rolling programme of recruitment to Social Work positions. Agency costs and placements are reviewed on a monthly basis.
- Residential Care placements are by a multi-agency panel and no decision is made below head of service. Progress and packages of care are closely monitored by the Head of Service in monthly traffic light meetings to ensure that decisions are implemented and overall costs for children entering and leaving care are clearly understood.
- Budget progress is reported and reviewed monthly at DMT with opportunities to maximise grant and external funding are constantly reviewed.

3.4.14 Sport & Recreation: An adverse variance of £137,000 is currently forecast which is attributable to elements of the transformation programme taking longer to deliver than was originally anticipated

#### 3.4.15 RAGBY full details

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Adult Social Services	2	1	0	1	0	0
Children & Young People, & Schools	5	2	0	1	0	2
Safeguarding	1	0	0	1	0	0
Sports & Rec	1	0	0	1	0	0
<b>Total</b>	<b>9</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>

3.4.16 Three business areas are currently flagged as red rated. They relate to:

- Delivery within Families and Wellbeing (Adult Social Services). This relates mainly to the delivery of some 2014/15 savings for which management actions are as outlined earlier in the report.
- Integrated Transport Unit within Families and Wellbeing (Childrens). Overall against the £556,000 target for both the Childrens (£306,000) and Adults (£250,000) provision there is £90,000 shown as being achieved. There is £104,000 of travel grant monies brought forward that will help to offset the savings target leaving a potential shortfall of £362,000. The overspend is also attributable to the Depot savings target of £100,000 which has only been partially met by the relocation of the Reeds Lane Depot and the lease of the Salt Barn.

- Specialist Services within Families and Wellbeing (Childrens). The main reasons for the projected overspend remains to be in relation to the cost of agency staff (currently 37 in Fieldwork) exceeding the established employee budget however there are contributions from reserves helping to reduce the impact. The forecast for Residential placements exceeds the available budget by £0.6 million with 44 in residential and 22 in semi-independent placements compared to 45 and 34 at the start of the financial year respectively. Fostering is £0.6 million over budget with 37 in non-local authority placements compared to 34 at the start of the year.

3.4.17 Two business areas are currently flagged as yellow rated. They relate to:

- Targeted Services within Families and Wellbeing (Childrens). There are reduced budgetary pressures within Youth & Play and, although New Brighton Day Nursery has transferred, the remaining 5 nurseries are subject to ongoing discussions. The additional costs to the end of March have been offset by a reserve and vacancies.
- Universal Services within Families and Wellbeing (Childrens) - Vacant posts within Admin contribute largely towards the under spend together with a projected £150,000 under spend against the redundancy/severance budget relating to teachers.

### 3.5 IMPLEMENTATION OF 2014/15 SAVINGS

#### 3.5.1 Budget Implementation Plan 2014/15 £000's

BRAG	Number of savings Options	Approved Budget Reduction	Amount Delivered at November	Still to be Delivered
B - delivered	31	6,077	6,077	0
G – on track	14	3,428	540	2,888
A - concerns	18	7,776	1,068	6,708
R - high risk/ not achieved	3	1,106	90	1,016
<b>Total at M8 Nov</b>	<b>66</b>	<b>18,387</b>	<b>7,775</b>	<b>10,612</b>

3.5.2 The Red rated options relates to the following:

- **Continuing Health Care Appeals** – This is an NHS led project involving a number of separate stages. This has taken longer than envisaged which has impacted on the timing of the delivery of the saving in 2014/15.
- **External Funding Expertise** - Post on hold subject to review. Mitigation will be required for this £50,000 saving.
- **Transport Policies** - £306,000 to be delivered through new transport CYPD policies and £250,000 for DASS. Contracts have been re-tendered and routes updated. Although there has been some reduction in numbers of children and adults receiving transport this has not met the agreed target to date. This area continues to be closely monitored.

A number of other options are rated as amber and are being closely

monitored during the year.

### 3.6 PERFORMANCE AGAINST CAPITAL BUDGETS MONTH 8 (NOV 2014)

#### 3.6.1 Table 1: Capital Budget

	Capital Strategy	Changes approved by Cabinet	Changes not yet approved/ noted	Revised Capital Programme	Actual Spend Nov 2014
Universal & Infrastructure	5,827	-2,490	0	3,337	1,379
Families & Wellbeing – Children	10,998	-688	0	10,310	5,200
Families & Wellbeing – Adults	3,611	-38	0	3,573	1,018
Families & Wellbeing – Sport & Recreation	1,000	1,157	0	2,157	564
<b>Total expenditure</b>	<b>21,436</b>	<b>-2,059</b>	<b>0</b>	<b>19,377</b>	<b>8,161</b>

#### Universal and Infrastructure Services

3.6.2 The roofing scheme at West Kirby Concourse is 100% complete, cost £344,000.

3.6.3 Phase 1 & 2 of Electrical Infrastructure and refurbishments works at Cheshire Lines are complete. Phases 3 is complete and 4 will be completed by March 2015 at an estimated cost of £0.250 million. This will enable Birkenhead Municipal Building to be demolished and staff relocated to Cheshire Lines.

3.6.4 Works to Birkenhead Town Hall are complete and Acre Lane staff have now been relocated.

3.6.5 The full refurbishment tender for Wallasey Town Hall North Annexe will be loaded onto the Procurement Portal (The CHEST) by the end of December.

3.6.6 Cleveland Street Transport Depot, works are underway refurbishing existing buildings to allow a phased move from various Parks Depots that will reduce revenue implications and/or produce a capital receipt.

3.6.7 Work in respect of a New Salt Barn facility at the Cleveland Street site is approximately 85% complete.

3.6.8 Construction of the new build for Arrowe Park changing pavilion Commenced in November.

3.6.9 The schemes to demolish Bebington Town Hall and Liscard Municipal Building are on temporary hold.

- 3.6.10 Stanley School demolition on site with an estimated contract duration of 10 weeks (tender price £171,000). Work to the playing field cannot be completed until April/May 2015.
- 3.6.11 Planning permission has been granted for the demolition of Rock Ferry High School but awaiting Secretary of State Approval before proceeding to tender. Approval is also awaited before the demolition of former Foxfield facility can commence.
- 3.6.12 The demolition of Moreton Adult Unit and Fernleigh has been completed.
- 3.6.13 Cabinet 13 March 2014 agreed that the Council enters into a Deed of Surrender of land included in the present agricultural tenancy at New Hall Farm, Hoylake, which is required for the proposed Hoylake Golf Resort. Compensation to the current lessee was agreed from the Capital Programme with a capital receipt being generated from the future disposal of this land.

### **Children and Young People**

- 3.6.14 Good progress is being made by the in-house Asset Management and Design Teams on major projects included in the Programme. There are 2 large contracts (over £500,000) on site in addition to a range of smaller value projects and 15 large projects where detailed design work is taking place; these are at various stages of the design/conception phases.
- 3.6.15 Universal Infants Free School Meals. The Government initiative will result in an expected increase of 7,000 pupil meals per day. Some kitchens required extensive building work to meet capacity increase others new heavy equipment. Continuation of capital investment was required to meet the increased meal numbers, to ensure that safety legislation is met and to replace old kitchen equipment. This being met from the grant of £624,000.
- 3.6.16 The tenders for the redevelopment works to Elleray Special School were returned in early December with the scheme then to commence and carry over in 2015/16.
- 3.6.17 Priority School Building Programme (PSBP). The first scheme to rebuild Foxfield Special School is on-site and construction is progressing quickly. The anticipated date for completion is February 2015. Ridgeway High School and Bedford Drive School are also included in PSBP (1) but will follow a Private Finance Initiative route and the projects are progressing. PSBP (2). Wirral submitted three bids as follows; Pensby High for Girls, Pensby High for Boys - refurbishment & re-design and Riverside Primary bid to re-build new school. An announcement of the successful bids is now expected in Spring 2015.
- 3.6.18 School Basic Need and Sufficiency Requirements
- Fender Primary School has been identified for use of the Basic Need allocation to meet the increase in pupils in the Woodchurch area. However, The Council Capital contributions of £750,000 in 2014/15 and the indicative

allocations for Basic Need in 2015/16 and 2016/17 which are in the region of £3 million have not been allocated. Further discussions are required with curriculum leaders, pupil admissions, schools forum etc to agree the programme for increasing pupil numbers in selected schools. Further reports to Cabinet will follow.

3.6.19 Phase 1 of the Somerville Mobile Replacement scheme has been completed (approx £0.7 million in total). Phase 2 has been completed (estimated £0.2 million) with the final phase starting in September (£0.85 million).

3.6.20 A new charitable organisation is being created to manage the construction of the Youth Zone. Once formally established the Council contribution to the £6 million scheme will be paid.

3.6.21 School remodelling – a number of schemes have now been identified. Given that these will need approval and feasibility studies it is anticipated that £1.1 million will now be required in 2015/16 as opposed to the current year.

3.6.22 Vehicle procurement – 2 gritters have been purchased and a car for transporting pupils to and from Oaklands has been ordered.

### **Adults**

3.6.23 The Integrated I.T. scheme (Liquidlogic) went live during September 2014.

3.6.24 Next phase of the Liquidlogic project will see the procurement and implementation of the additional modules relating to the citizen and provider portals. Implementation will support the delivery of some Care Act duties from April 2015.

3.6.26 Transformation of Day Services is ongoing and now moving into the implementation stage with work expected to be completed by the year end.

### **Sport and Recreation**

3.6.27 All projects are now underway at Guinea Gap with completion estimated for January 2015. Works at West Kirby are commenced late October with completion anticipated in April 2015.

3.6.28 The work on the 3G football pitches at Guinea Gap commenced on 30 July. Tender cost is £204,000 with a completion date of December.

## **4 RELEVANT RISKS**

4.1 There are none relating to this report.

## **5 OTHER OPTIONS CONSIDERED**

5.1 Any option to improve the monitoring and budget accuracy will be considered.



## **6 CONSULTATION**

6.1 No consultation has been carried out in relation to this report.

## **7.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

7.1 There is an ongoing requirement to identify during the financial year necessary actions to mitigate any forecast overspend.

## **8 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There are no implications arising directly from this report.

## **9 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS**

9.1 In respect of the Revenue Budget the Families and Wellbeing Directorate is projecting a £3.2m over spend as at the 30 November 2014.

## **10 LEGAL IMPLICATIONS**

10.1 There are no implications arising directly from this report.

## **11 EQUALITIES IMPLICATIONS**

11.1 The report is for information and there are no direct equalities implications at this stage.

## **12 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

12.1 There are no implications arising directly from this report.

## **13 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 There are no implications arising directly from this report.

## **14 RECOMMENDATIONS**

14.1 Members are requested to review the information presented to determine if they have any specific questions relating to the budget for the Families and Wellbeing Directorate.

## **15 REASONS FOR THE RECOMMENDATIONS**

15.1 To ensure Members have the appropriate information to review the budget performance of the directorate.

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### **APPENDICES**

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Extracted from the Capital Monitoring report to Cabinet on 15 January 2015:-  
Annex 1 Revised Capital Programme and Funding 2014/15 and Programme  
2015/16

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Monthly financial monitoring reports for Revenue and Capital have been presented to Cabinet since September 2012.	

## Annex 1 Revised Capital Programme

	Revised Programme £000	Actual £000	Council Resources £000	Grants £000	Revenue/ Reserves £000	Total £000	Programme 2015/16	
<b>Universal and Infrastructure Services</b>								
Building refurbishment to increase occupancy	660	355	660			660	2,262	Start Up/Delivery
Wallasey Town Hall	68	0	68			68		Completion
Strategic Asset Review	96	164	96			96		Completion
Fund to assist land assembly and re-sale	200	121	200			200	736	Conception/Start
Cleveland St Transport Depot	450	175	450			450	3,050	Start
Park depot rationalisation	710	40	710			710	600	Conception
Energy efficiency Initiatives	500		500			500	500	Conception
Structural/Roofing works - West Kirby Concourse	344	313	344			344		Completion
Arrowe Park Changing pavilion	144	106	144			144		Start Up
Demolish Stanley Special & External Renovation Work	160	100	160			160	115	Start/Completion
Demolish Bebington Town Hall and Liscard Municipal	0		0			0	378	Conception
Demolish former Rock Ferry High	5	5	5			5	395	Conception
Demolish Foxfield	0		0			0	120	Conception
	<b>3,337</b>	<b>1,379</b>	<b>3,337</b>	<b>0</b>	<b>0</b>	<b>3,337</b>	<b>8,456</b>	

	Revised Programme £000	Actual £000	Council Resources £000	Grants £000	Revenue/ Reserves £000	Total £000	Programme 2015/16	
<b>Families and Wellbeing - CYP</b>								
Elleray Park Special School redevelopment	100	9	100			100	900	Conception
School remodelling/additional classrooms	236	153	0	236		236	1,850	Conception
Children's centres	106	18		106		106	100	Approval
Aiming Higher for Disabled Children	90	63		90		90		StartUp/Delivery
Youth Capital	149		98	51		149		Approval
Birkenhead High Girls Academy	472	390		403	69	472		Delivery
Vehicle Procurement	123	106			123	123	17	Delivery
Condition/Modernisation	3,590	2,220		3,590		3,590	4,500	Delivery/Completion
Basic Need	100			100		100		Conception
Family Support Scheme	155	1	155			155	100	Approval
Private Finance Initiative	0				0	0	150	Conception
Wirral Youth Zone	2,085	55	2,085			2,085		Approval
Funding for 2 year olds	130	51		130		130		Delivery
Foxfield contribution to priority school	1,000	1,000	500	500		1,000		Completion
Somerville Primary School	1,350	611	600	750		1,350		Delivery/Completion
Universal Free School Meals	624	523		624		624		Delivery/Completion
	<b>10,310</b>	<b>5,200</b>	<b>3,538</b>	<b>6,580</b>	<b>192</b>	<b>10,310</b>	<b>7,617</b>	
<b>Families and Wellbeing - DASS</b>								
Citizen and Provider Portal for Social and Health Services	450			450		450	167	Conception
Transformation of Day Service	1,250	114		1,250		1,250		Conception
Integrated IT	1,873	904	1,000	873		1,873		Delivery
Extra Care Housing	0					0	1,500	Conception
LD extra care housing	0					0	1,396	Conception
	<b>3,573</b>	<b>1,018</b>	<b>1,000</b>	<b>2,573</b>	<b>0</b>	<b>3,573</b>	<b>3,063</b>	

**Families and Wellbeing - Sports & Recreation**

West Kirby/Guinea Gap/Europa	1,800	420	1,800		1,800	1,200	Delivery
Guinea Gap 3G Football pitches	245	144	245		245		Delivery
West Kirby Concourse Fitness Suite	112		112		112		Conception
	<b>2,157</b>	<b>564</b>	<b>2,157</b>	<b>0</b>	<b>0 2,157</b>	<b>1,200</b>	