

WIRRAL COUNCIL

FAMILIES AND WELLBEING POLICY & PERFORMANCE COMMITTEE

23 MARCH 2015

SUBJECT	FINANCIAL MONITORING 2014/15 MONTH 10 (JANUARY 2015)
WARD/S AFFECTED	ALL
REPORT OF	ACTING SECTION 151 OFFICER

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 10 (January 2015) which was reported to Cabinet on 12 March 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 12 March 2015.

PERFORMANCE AGAINST REVENUE BUDGETS MONTH 10 (MARCH 2015)

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 10	Revised Net Budget
FWB - Adult Social Services	74,667	-337	-	74,330
FWB – Children & YP, Schools & Safeguarding	82,877	-3102	11	79,786
FWB - Sport & Recreation	8,502	-66	-	8,436
Net Cost of Services	166,046	-3,505	11	162,552

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 10	RAGBY Classification	Change from prev
FWB - Adult Social Services	74,330	77,075	2,745	R	-24
FWB – Children & YP, Schools & Safeguarding	79,786	79,982	196	A	-1
FWB - Sport & Recreation	8,436	8,695	259	A	44
TOTAL	162,552	165,752	3,200		19

Directorate Updates

Families and Wellbeing: Adults

3.4.3 A potential overspend of £2.74 million is forecast at Month 10. This is made up of £2.4 million slippage against current year savings and £0.34 million demand pressures. The level of management actions required to contain budget issues has reduced significantly from £3.0 million in Month 9 to £2.3 million due to substantial progress made in relation to Health-funded packages of care. 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.

3.4.4 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.

- 3.4.5 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.
- 3.4.6 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 £400,000 projected overspend.
- 3.4.7 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.
- 3.4.8 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.
- 3.4.9 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 monitors progress and has given greater focus to ensure that scarce resources are targeted towards achieving the savings.
 - Review of other Directorate 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

- 3.4.10 There has been a stabilising of the position within this area with the overspend remaining at the same level as at month 9. Pressures continue within the areas of Social Care, in particular the costs of agency staff and within the transport budget all of which are being closely managed.
- 3.4.11 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.

3.4.12 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 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.

3.4.13 **Sport & Recreation:** An adverse variance of £259,000 is currently forecast which is attributable to elements of the transformation programme taking longer to deliver than was originally anticipated.

3.4.14 RAGBY full details

	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	1	0	0	0
Total	9	3	1	3	0	2

3.4.15 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 (Children's). Overall against the £556,000 target for both the Children's (£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 (Children's). The main reasons for the projected overspend remains to be in relation to the cost of agency staff (currently 39 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 43 in residential and 16 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.

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

- Targeted Services within Families and Wellbeing (Children's). 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 (Children's) - 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 January	Still to be Delivered
B - delivered	33	6,727	6,727	0
G – on track	14	3,228	730	2,448
A - concerns	16	7,326	874	5,791
R - high risk/ not achieved	3	1,106	295	550
P – mitigation achieved	0	0	972	0
Total at M10 Jan	66	18,387	9,598	8,789

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 10 (JAN 2015)

3.6.1 Table 1: Capital Budget

	Capital Strategy	Changes approved by Cabinet	Changes not yet approved/ noted	Revised Capital Programme	Actual Spend Jan 2015
Families & Wellbeing – Children	10,998	-688	-2,150	8,160	6,822
Families & Wellbeing – Adults	3,611	-38	-950	2,623	1,140
Families & Wellbeing – Sport & Recreation	1,000	1,157	0	2,157	833
Total expenditure	15,609	431	-3,100	12,940	8,795

Children and Young People

- 3.6.2 Large school projects (over £500,000) are progressing well. The last phase of the Somerville Primary School project to remove poor quality mobile accommodation will be handed over in February with final demolition and ground works scheduled for Easter. Hoylake Holy Trinity School final phase will be completed in March.
- 3.6.3 Projects at Elleray Park (£1.2 million) and Woodsee Primary (£550,000) will start on site mid-February. Other new start projects anticipated in the next couple of months are: Fender Primary to create 2 additional classrooms and remodelling (£600,000), Thingwall Primary remodelling and removal of mobile accommodation (£300,000), isolation of retained Stanley School staffroom/offices and creation of sports pitch (£275,000).
- 3.6.4 Advanced design work at a number of schools identified in last year's Capital programme are reaching their final stages; detailed drawings, costing, delivery mechanisms and procurement will then follow.
- 3.6.5 The new Foxfield Special School built under the Governments Priority School Building Programme (1) will open to pupils on March 2.
- 3.6.6 Regarding the other two schools in the Priority School Building Programme (1) - Bedford Drive will commence on site during summer 2015 with completion anticipated August 2016; Ridgeway High School will commence on site summer 2016 with completion in August 2017. The Council's recent bid for 3 projects in the Priority School Building Programme (2) round was unfortunately unsuccessful; these schemes will be considered for alternative capital funding.
- 3.6.7 Regarding the Youth Zone, legal documentation has been drafted between OnSide Youth Zones and Hill Dickenson and competitive tendering undertaken for the building works. A formal planning application is expected in

April. To date 66% of the overall funding (£6 million) has been secured with OnSide hoping to secure the rest by July. The facility should be open by early 2017 so the Council's contribution is now likely to be phased over 2015/16 and 2016/17.

3.6.8 Three year Capital allocations for schools have recently been announced to address school condition requirements and basic need (pupil places). The three year allocation will improve planning and delivery of schemes over the period. A Programme will be drawn up for Member approval based upon condition survey outcomes in schools, pupil place forecasts and suitability needs of schools. The allocations will be reflected in the 2015/6 and 2016/17 Programme following Ciouncil

Allocation	2015/16 £000	2016/17 £000	2017/18 £000
Basic Need	1,347	1,414	831
School Condition			
Maintained	2,794	2,794	2,794
Aided	1,097	1,097	1,097
Devolved Formula Capital			
Maintained	646		
Aided	229		

Adults

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

3.6.10 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.

3.6.11 Transformation of Day Services is ongoing. Plans for the local authority implementation have been delayed slightly resulting in some of the capital works also being delayed until next year.

Sport and Recreation

3.6.12 All projects are now underway at Guinea Gap with completion now set for 20 February. The first phase of work at West Kirby is complete with the next phase to be completed by December 2015.

3.6.13 The work on the 3G football pitches at Guinea Gap commenced on 30 July and was completed in early January and the pitches are being well used by local groups.

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 31 January 2015.

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.

REPORT AUTHOR Peter Molyneux
Telephone (0151) 666 3389
E-mail petemolyneux@wirral.gov.uk

APPENDICES

Extracted from the Capital Monitoring report to Cabinet on 12 March 2015:-
Annex 1 Revised Capital Programme and Funding 2014/15 and Programme
2015/16

SUBJECT HISTORY

Council Meeting	Date
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	
Families and Wellbeing - CYP								
Elleray Park Special School redevelopment	50	13	50			50	950	Start Up
School remodelling/additional classrooms	236	185	0	236		236	1,850	Start Up/Delivery
Children's centres	106	23		106		106	100	Approval
Aiming Higher for Disabled Children	90	64		90		90		StartUp/Delivery
Youth Capital	149		98	51		149		Approval
Birkenhead High Girls Academy	472	392		403	69	472		Delivery
Vehicle Procurement	123	106			123	123	17	Delivery
Condition/Modernisation	3,590	3,211		3,590		3,590	4,500	Delivery/Completion
Basic Need	100			100		100		Conception
Family Support Scheme	55	1	55			55	200	Approval
Private Finance Initiative	0				0	0	150	Conception
Wirral Youth Zone	85	57	85			85	2,000	Approval
Funding for 2 year olds	130	111		130		130		Start Up
Foxfield contribution to priority school	1,000	1,072	500	500		1,000		Completion
Somerville Primary School	1,350	898	600	750		1,350		Delivery/Completion
Universal Free School Meals	624	689		624		624		Delivery/Completion
	8,160	6,822	1,388	6,580	192	8,160	9,767	
Families and Wellbeing - DASS								
Citizen and Provider Portal for Social and Health Services	0			0		0	617	Start Up
Transformation of Day Service	750	129		750		750	500	Start Up
Integrated IT	1,873	1,011	1,000	873		1,873	627	Start Up/Delivery
Extra Care Housing	0					0	1,500	Conception
LD extra care housing	0					0	1,396	Conception
	2,623	1,140	1,000	1,623	0	2,623	4,640	
Families and Wellbeing - Sports & Recreation								
West Kirby/Guinea Gap/Europa	1,800	687	1,800			1,800	1,200	Delivery
Guinea Gap 3G Football pitches	245	146	245			245		Delivery
West Kirby Concourse Fitness Suite	112		112			112		Conception
	2,157	833	2,157	0	0	2,157	1,200	