

**Adult Care and Health Overview and Scrutiny Committee
Wednesday, 13 September 2017**

REPORT TITLE:	Financial Monitoring Report Quarter 1 2017/18
REPORT OF:	Assistant Director: Finance

REPORT SUMMARY

This report sets out the financial monitoring information for Adult Care and Health in a format consistent across the Overview & Scrutiny Committees. The report provides Members with detail to scrutinise budget performance for this area of activity which forms part of the People Theme. The financial information is at close of quarter 1 2017/18.

Information has been drawn from the relevant sections of the most recent Cabinet revenue and capital monitoring reports and combined with additional relevant service information to produce a bespoke report for this Overview & Scrutiny Committee. The report includes the following:

- Performance against the revenue budget (including savings, income and debt)
- Performance against the capital budget

RECOMMENDATION/S

- 1 The quarter 1 revenue forecast underspend of £0.2 million be noted.
- 2 The performance of the capital projects within this area be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

1.1 To provide members with details of the financial performance of the Overview and Scrutiny Committee area.

2.0 OTHER OPTIONS CONSIDERED

2.1 Not applicable

3.0 BACKGROUND INFORMATION

3.1 PERFORMANCE AGAINST REVENUE BUDGETS QUARTER 1 (APRIL 2017- JUNE 2017)

3.1.0 CHANGES TO THE AGREED BUDGET

3.1.1 The 2017/18 Budget was agreed by Council on 6 March 2017. Any increase to the overall Council Budget (but not use of the existing budget contingency) requires agreement by full Council. Changes to the Budget since it was set are summarised in Table 1.

Table 1: 2017/18 Original & Revised Net Budget by Wirral Plan Themes

	Original Net Budget	Proposed Budget Change Quarter 1 Use of Contingency	Proposed Budget Change Quarter 1 Use of Balances	Approved Budget Changes Qtr 1	Revised Net Budget
	£000	£000	£000	£000	£000
People - Adult Social Care and Health	75,509	2,000	-	-	77,509
Net Cost of Services	75,509	2,000	-	-	77,509

3.2.0 PROJECTIONS AND KEY ISSUES

3.2.1 The projected outturn position as at the end of June 2017 and Wirral Plan: 2020 Vision Themes updates are detailed in the following sections.

Table 2: 2017/18 Projected Budget variations by Wirral Plan Themes

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Quarter 1	RAGBY Class	Change from prev
	£000	£000	£000		
People - Adult Social Care and Health	77,509	77,309	-200	B	n/a
TOTAL	77,509	77,309	-200		0

The report classifies the forecast under/overspends for the above areas using a colour RAGBY rating. The ratings are defined as follows:

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

3.2.2 People - Adult Social Care and Health

- At this early point in the year the application of £2 million of the originally identified sum of £5.4 million from the Revenue Budget Contingency is anticipated to be sufficient to meet the projected level of spending.
- There are a number of in-year cost pressures forecast for 2017/18. They will be contained through a combination of effective demand management, income generation and improved processes as a result of the new Integrated Service with the Wirral Community Foundation Trust which commenced on 1 June 2017.
- Within Public Health the regular review of commissioning intentions and management of agreed contracts forecast to be underspent by £0.2 million.

3.3.0 IMPLEMENTATION OF SAVINGS

3.3.1 A summary of the position of 2017/18 Adult Care and Health savings at 30 June 2017 is below.

Table 3: Savings Implementation 2017/18 (£000's)

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at Q1	To be Delivered
B - delivered	8	0	0	0
G – on track	2	3,200	0	3,200
Total at Quarter 1 2017-18	10	3,200	0	3,200

3.3.2 The savings tracker contains an assessment of the 2017/18 savings by the ratings below.

- **Blue:** Represents savings which have already been realised.
- **Green:** Savings on track to deliver.
- **Amber:** Some concerns regarding delivery and will require closer scrutiny and monitoring.
- **Red:** High risk of not being achieved.

3.3.3 There are eight blue options which net to a zero budget reduction. These equate to £5.8m of growth which was identified as part of the 2017/18 budget setting process. This growth is being contained from savings from existing financial resource and the application of additional funding from the Better Care Fund and Social Care Precept. These saving are included to highlight the activity being taken in the service area to contain these cost pressures.

3.4.0 INCOME AND DEBT

3.4.1 The table below shows the outstanding debt by Wirral Plan Theme category and then by invoice raised date. This is a different way of showing the debtor information for 2017/18 to make the monitoring report more accessible and informative. At the end of June 2017 total Council arrears stood at £24.7 million with £15.2 million of this relating to Adult Social Care and Health.

Table 4: Accounts Receivable Outstanding Arrears Analysis

Theme	Less than	More than	2016/2017	Pre	Total at
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	30 days	30 days		2015/16	2015/16	30.06.17
	£	£	£	£	£	£
People - Adult Social Care and Health	1,887,936	1,810,748	5,976,560	2,490,979	3,046,469	15,212,692

3.4.2 The above debt reflects the Council's significant responsibilities in respect of social care activity. Elements of the debt will only be recoverable once clients are no longer in need of care.

3.4.3 In accordance with proper accounting practice, income is credited to the relevant financial year's accounts of the service area at the point invoices are raised. A provision for bad debt is maintained and is assessed each year. Should non-payment occur after proceeding through all necessary recovery procedures, any properly authorised write off will be charged against the bad debt provision.

3.5.0 PERFORMANCE AGAINST CAPITAL BUDGETS QUARTER 1 (April-June 2017)

3.5.1 Capital Programme 2017/18 at end of Quarter 1 (30 June)

	Revised Programme	Spend to Date June 2017	Funded by: Council Resources	Funded by: Grants
	£000	£000	£000	£000
Community Intermediate Care	500	-	500	-
Citizen and Provider Portal/integrated IT for Social care.	944	15	461	483
Assistive Technology	615	-	230	385
Extra Care Housing	2,000	-	1000	1000
Total expenditure	4,059	15	2,191	1,868

3.5.2 At the end of quarter 1 a minimal amount of expenditure had been incurred against the Adult Care and Health Capital Programme Budget. Details of the planned schemes are provided below.

3.5.3 Community Intermediate Care - To ensure admission avoidance and timely discharge from an acute hospital setting. A plan is being devised to spend the capital allocation to support providers of residential care to meet the needs of service users who require specialised facilities.

3.5.4 Citizen and Provider Portal - This relates to Phase 3 of Social Care Systems Implementation Programme (SCSIP) to support the transformation of Social Care and consists of a number of strands at various stages of development.

3.5.5 Assistive Technology - Will help to reduce commissioned support costs

through the roll out of alternative technologies which provide tangible alternatives to traditional support models (e.g. Domiciliary Care, Residential Care).

- 3.5.6 Extra Care Housing - To develop extra care housing units in Wirral with Strategic Housing Delivery partners to support people to live more independently. Currently there are 7 schemes at various stages of development.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The financial implications of this report are discussed throughout the report. This is essentially a financial monitoring performance update report.

5.0 LEGAL IMPLICATIONS

- 5.1 The entire report concerns the duty of the Council to avoid a budget shortfall. The Chief Finance Officer has a personal duty under the Local Government Finance Act 1988 Section 114A to make a report to the executive if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS; ICT, STAFFING AND ASSETS

- 6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
- Senior Leadership Team / Management Teams reviewing the financial position.
 - Tracking system of savings options to monitor progress.
 - Use of temporary additional support to assist with revenues collection.
 - Use of earmarked reserves and General Fund Balance savings risk contingency.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITIES IMPLICATIONS

- 9.1 This report is essentially a monitoring report which reports on financial performance.

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SUBJECT HISTORY

Council Meeting	Date
Budget Council	6 March 2017
Cabinet – Revenue Monitoring 2017/18 Quarter 1	17 July 2017
Cabinet – Capital Monitoring 2017/18 Quarter 1	17 July 2017