

Adult Care and Health Overview and Scrutiny Committee
Tuesday, 20 March 2018

REPORT TITLE:	Financial Monitoring Report Quarter 3 2017/18
REPORT OF:	Director of Finance and Investment

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 3 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 3 revenue forecast of on budget 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's area.

2.0 OTHER OPTIONS CONSIDERED

2.1 Not applicable

3.0 BACKGROUND INFORMATION

3.1 PERFORMANCE AGAINST REVENUE BUDGETS QUARTER 3 (OCTOBER 2017- DECEMBER 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	Budget Change Quarter 1 Use of Contingency	Budget Change Quarter 1 Use of Balances	Approved Budget Changes Qtr 3	Revised Net Budget
	£000	£000	£000	£000	£000
People - Adult Social Care and Health	75,509	2,000	-	469	77,978
Net Cost of Services	75,509	2,000	-	469	77,978

3.2.0 PROJECTIONS AND KEY ISSUES

3.2.1 The projected outturn position as at the end of December 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 3	RAGBY Class	Change from prev
People - Adult Social Care and Health	77,978	79,478	1,500	R	1,499
TOTAL	77,978	79,478	1,500		1,499

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), **Amber** (+£141k to +£300k), **Green** (range from +£140k to -£140k)
- Underspends **Blue** (-£141k to -£300k), **Yellow** (over -£301k).

3.2.2 People - Adult Social Care and Health

- There is a predicted overspend of £1.5 million at this point of the year, this is after the use of £2 million contingency budget.
- This has been caused by demand for adult social care services exceeding expectations. Demand management practices have delivered some savings in 2017/18, but it has not been possible to mitigate this additional demand completely.
- Ideas are being explored - including one-off savings options - to find ways of managing the forecast overspend.

3.3 IMPLEMENTATION OF SAVINGS

3.3.1 A summary of the position of 2017/18 savings at 31 December 2017 is below.

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

Theme	Number of Options	Approved Budget Reduction	Amount Delivered at Q3	Amount covered by contingency budget	To be Delivered
People - Adult Social Care and Health	10	3,200	3,000		200
Total at Quarter 3 2017-18	10	3,200	3,000	0	200

At quarter 3 the forecasted achievement of the savings options is 93.8%. There is a combination of options including funding to cover increased demand. The savings option for Liverpool City region integration of adult safeguarding has slipped with only £80,000 of the £200,000 figure thought to be achievable in 2017/18.

3.4.0 INCOME AND DEBT

3.4.1 The table shows the outstanding debt for the whole of the council, value of debtors raised in year and the value that has been paid in 2017/18. This is different from previous quarter in an effort to show the amount of debt that is recovered each year. This year has seen £67 million of invoices raised but has seen £68 million of payments. This will be across 2017/18 but also invoices raised in previous years.

Table 4: Accounts Receivable Debtor Cycle Analysis

	2017/18 £000
Arrears Brought Forward	£26,465
Invoices Value Raised in Year	£62,498
Invoices Value Paid in Year	-£68,219
Total Remaining Debt	£20,744

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 3 (October-December 2017)

	<i>Revised Programme</i>	<i>Spend to Date Dec 2017</i>	<i>Funded by: Council Resources</i>	<i>Funded by: Grants</i>
	£000	£000	£000	£000
Adult Social Care and Health	1,850	854	1,135	715
Total expenditure	1,850	854	1,135	715

Further detail of the Capital Programme and spend is contained within Appendix 1 of this report.

3.5.1 Two of the schemes have been slipped into the 2018/19 program as at quarter 3. They are Community intermediate care (£500k) and Extra Care Housing (£500k).

3.5.2 Citizen and Provider Portal

Work has already begun on Phase 2 of the Liquidlogic project which will see the integration of complex services with Cheshire and Wirral Partnership. Going forward the focus will be on providing I.T. infrastructure for residential and nursing care providers; the development of Single View that allows the sharing of information between the Council and its partner organisations and possible development of an enhanced data warehouse.

3.5.3 Assistive Technology

The project to pilot tele-triage to 30 care homes is ongoing throughout the year. The focus will also be on other challenging areas such as reducing attendance at A&E, preventing unplanned hospital admissions and reducing dependency on social and health care interventions.

3.5.4 Pensby Wood

This project is to deliver an extension and improvements to current facilities to enhance the number of placements from 25 to 60/70 adults. Contractor is on site and the scheme is progressing well and is on target for completion by the end of March.

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 EQUALITY IMPLICATIONS

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

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APPENDICES

Appendix 1 – Capital Programme and Funding 2017/18

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

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
Cabinet – Revenue Monitoring 2017/18 Quarter 2	6 November 2017
Cabinet – Capital Monitoring 2017/18 Quarter 2	6 November 2017
Cabinet – Revenue Monitoring 2017/18 Quarter 2	19 February 2018
Cabinet – Capital Monitoring 2017/18 Quarter 2	19 February 2018

Capital Programme and Funding 2017/18**APPENDIX 1**

People Theme : Adult Care and Health	Revised Programme £000	Spend to Date £000	Funding				Total Funding £000
			Council Resources £000	Reserves £000	Business Rates £000	Grants £000	
Pensby Wood day service re-modelling	1,300	545	1,135	-	-	165	1,300
Citizen and Provider Portal/integrated I.T for social care	150	19	-	-	-	150	150
Public Health	200	193	-	-	-	200	200
Assistive technology	200	97	-	-	-	200	200
	1,850	854	1,135	-	-	715	1,850