

Item: 5.2

Policy and Resources Committee: 20 September 2022.

Revenue Expenditure Monitoring.

Joint Report by Chief Officer, Orkney Health and Social Care Partnership and Head of Finance.

1. Purpose of Report

To advise of the revenue position as at 30 June 2022 across each of the service areas within the Orkney Health and Social Care Partnership, for which the Council is responsible.

2. Recommendations

The Committee is invited to note:

2.1.

The revenue financial summary statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council is responsible, for the period 1 April to 30 June 2022, attached as Annex 1 to this report, indicating a budget overspend position of £252,500.

2.2.

The revenue financial detail by service area statement in respect of service areas within the Orkney Health and Social Care Partnership, for which the Council is responsible, for the period 1 April to 30 June 2022, attached as Annex 2 to this report.

The Committee is invited to scrutinise:

2.3.

The explanations given and actions proposed, in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to this report, in order to obtain assurance that action is being taken with regard to significant budget variances.

3. Background

3.1.

On 10 March 2022, the Council set its overall revenue budget for financial year 2022/23. On 21 June 2022, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2022/23, which form the basis of the individual revenue expenditure monitoring reports.

3.2.

Individual revenue expenditure reports are circulated every month to inform Elected Members of the up-to-date financial position. Quarterly revenue expenditure monitoring reports are presented to individual service committees.

3.3.

In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.

3.4.

Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:

- Variance of £10,000 and more than 110% or less than 90% of anticipated position (1B).
- Not more than 110% or less than 90% of anticipated position but variance greater than £50,000 (1C).

3.5.

Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.

3.6.

The details have been provided following consultation with the relevant Corporate Directors and their staff.

3.7.

The figures quoted within the Budget Action Plan by way of the underspend and overspend position will always relate to the position within the current month.

4. Financial Summary

4.1.

The financial summary for the period 1 April to 30 June 2022 is attached as Annex 1 to this report.

4.2.

The details by Service Area statement is attached as Annex 2 to this report.

4.3.

The Budget Action Plan, attached as Annex 3 to this report, provides an explanation and proposed corrective action for each of the Priority Actions identified.

5. Corporate Governance

This report relates to the Council complying with its governance and financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

The Financial Regulations state that service directors are able to incur expenditure within an approved revenue budget. Such expenditure must be in accordance with the Council's policies or objectives subject to compliance with these Financial Regulations and approved schemes of delegation.

6.2.

Additional expenditure requirements identified during the financial year can only be approved by means of a spending recommendation to the Policy and Resources Committee, subject to the use of emergency powers.

7. Legal Aspects

Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

8. Contact Officers

Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership, Email Stephen.brown3@nhs.scot.

Erik Knight, Head of Finance, Email erik.knight@orkney.gov.uk.

9. Annexes

Annex 1: Financial summary.

Annex 2: Financial details by service area.

Annex 3: Budget Action Plan.

Annex 1: Financial Summary

June 2022

The table below provides a summary of the position across all Service Areas.

Service Area	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Social Care	5,994.7	5,742.2	252.5	104.4	24,171.7
Service Totals	5,994.7	5,742.2	252.5	104.4	24,171.7

Compared to last month, the total number of PAs has changed as follows:

Service Area	No. of PAs		Service Functions	PAs/ Function
	P02	P03		
Social Care	7	8	12	67%
Totals	7	8	12	67%

Annex 2: Financial Detail by Service Area

June 2022

The following tables show the spending position by service function

		Spend	Budget	Over/(Under)	Spend	Annual
Social Care	PA	£000	£000	£000	%	Budget
						£000
Administration - SW		601.2	609.0	(7.8)	98.7	2,213.2
Childcare	1B	1,029.2	873.7	155.5	117.8	3,958.9
Older People - Residential		1,564.2	1,567.3	(3.1)	99.8	5,329.7
Older People - Independent Sector	1B	27.7	67.4	(39.7)	41.1	240.8
Older People - Day Centres	1B	111.0	73.1	37.9	151.9	171.5
Disability		859.6	905.1	(45.5)	95.0	4,163.3
Mental Health	1B	16.7	33.1	(16.4)	50.6	302.6
Other Community Care	1B	169.4	224.8	(55.4)	75.3	1,103.9
Occupational Therapy	1B	132.5	90.9	41.6	145.8	418.2
Home Care	1B	1,452.4	1,251.4	201.0	116.1	3,771.1
Criminal Justice	1B	(0.8)	15.3	(16.1)	N/A	120.7
Integrated Joint Board		31.6	31.1	0.5	101.7	2,377.8
Service Total		5,994.7	5,742.2	252.5	104.4	24,171.7

Changes in original budget position:

Original Net Budget	23,179.5
Ph II Corp Mgt Restructure IJB/GF	98.6
Ph II Corp Mgt Restructure IJB/GF	124.3
Ph II Corp Mgt Restructure IJB	161.9
Ph II Corp Mgt Restructure IJB: Social Worker	56.7
Ph II Corp Mgt Restructure IJB	54.7
National Trauma Training Programme reins	50.0
Care Home Winter From Redetermination Fund	271.0
Interim Care Winter from Redeterminations Fund	175.0
	24,171.7

Social Care

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R19C	<p>Childcare</p> <p>More than anticipated expenditure by £155.5K</p> <p>Service pressure in looked after children</p>	<p>Management Action Required</p> <p>Need to identify funding and create budget for Braeburn Court.</p> <p>Need to quantify and identify funding for budget shortfall for Children Out with Orkney</p>	James Lyon		New
R19E	<p>Older People - Independent Sector</p> <p>Less than anticipated expenditure by £39.7K</p> <p>A high-cost package has ceased to be required.</p>	<p>Monitor the situation</p> <p>A new high cost package may arise in year so monitor meantime.</p>	Lynda Bradford	30/09/2022	Ongoing
R19F	<p>Older People - Day Centres</p> <p>More than anticipated expenditure by £37.9K</p> <p>This is in relation to a direct payment in lieu of day care. Once assessed as requiring the service it must be provided. There is no capacity to reduce in house services to release funding</p>	<p>Monitor the situation</p> <p>Monitor with view to virement later in year.</p>	Lynda Bradford	31/10/2022	Ongoing

Social Care

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R19H	<p>Mental Health</p> <p>Less than anticipated expenditure by £16.4K</p> <p>There has been additional funding received of £34,000 to backfill staffing for Mental Health Officer training. A post is out to advert in this regard.</p>	<p>Monitor the situation</p> <p>Recruitment process to follow.</p>	Lynda Bradford	31/10/2022	Ongoing
R19I	<p>Other Community Care</p> <p>Less than anticipated expenditure by £55.4K</p> <p>There are currently vacancies within the service.</p>	<p>Monitor the situation</p> <p>Recruitment campaign may improve this situation.</p>	Lynda Bradford	31/10/2022	Ongoing
R19J	<p>Occupational Therapy</p> <p>More than anticipated expenditure by £41.6K</p> <p>Equipment costs and grants have taken place earlier in the year than profiled.</p>	<p>Monitor the situation</p> <p>Monitor to ensure this comes back into line. Some elements are demand led so do not fit if equally profiled across the year.</p>	Lynda Bradford	31/10/2022	Ongoing
R19K	<p>Home Care</p> <p>More than anticipated expenditure by £201.0K</p> <p>Combination of agency costs and direct payments which require to be funded when need assessed.</p>	<p>Monitor the situation</p> <p>Current recruitment drive may reduce agency reliance.</p>	Lynda Bradford	31/10/2022	Ongoing

Social Care

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R19L	Criminal Justice Less than anticipated expenditure by £16.1K Public Protection staff budget underspend as unable to recruit to role	Management Action Required Complete recruitment process	James Lyon		New