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## **MANAGEMENT ACCOUNTS TO 30<sup>th</sup> SEPTEMBER 2017**

**Report by the Finance & Commercial Director**

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### **LIMITED LIABILITY PARTNERSHIP MAJOR CONTRACTS GOVERNANCE GROUP**

**7 November 2017**

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#### **1 PURPOSE AND SUMMARY**

**1.1 To update the Major Contracts Governance Group on the financial position as at 30<sup>th</sup> September 2017**

1.2 The papers attached describe the financial position as at 30<sup>th</sup> September 2017. The accounts comprise:

1.3 Details of year to date spend against budget and against prior year spend by income and expenditure heading;

1.4 Details of year to date spend by service;

1.5 Balance sheet at 30<sup>th</sup> September 2017;

1.6 Projected cash flow to 31<sup>st</sup> March 2018.

#### **2 RECOMMENDATIONS**

**2.1 It is recommended that the Major Contracts Governance Group:-**

**(a) Notes the contents of the attached management accounts.**

### **3 Summary**

3.1 A surplus of £286k against an anticipated surplus of £208k for the six month period is reported. The papers attached contain commentary explaining the key features of the financial position, which the Board are asked to note.

3.2 Key elements which the board are asked to note include:

Income from Bordercare alarms appears to be holding up well despite the significant price increase agreed by the Council in December 2016. A significant number of clients cancelled their services after they were initially notified of the price rise, but this was lower than expected. The price rise has been mitigated by publicising more widely in our correspondence with clients, the availability of VAT exemption for those suffering from certain chronic conditions.

3.3 A shortfall is reported against Spot Contract Income within Homecare. It has been identified that this is, at least partly, attributable to reporting difficulties within the CM2000 reporting system. We are working with colleagues in SBC to resolve this.

3.4 There has been a minor drop off in Alarm Income (£13k) reflecting the loss of contracts with two Residential Social Landlords.

3.5 There is evidence of savings in staff costs in all areas within the homecare service, except Teviot. This is understood to reflect the anticipated effect of the introduction of new rota arrangements. Teviot is the last area to adopt the new arrangements.

3.6 Our ability to scrutinise and comment in detail on variances in staff costs is very limited, because reports formerly used on staff occupancy and hours worked have not been received from SBC since the introduction of Business World. This is particularly significant within Homecare, where data on hours worked is critical to analysing reported variances. We are working with SBC to resolve this

#### **3.7 FORECASTING**

The forecast budget position of a £411k surplus is on target to be achieved.

3.8 We will be undertaking an exercise with managers to revise forecasts, and we expect the results of this work to be incorporated in the management accounts report to be tabled at the next meeting of the Board.

## 4 IMPLICATIONS

### 4.1 Financial Recommendations

There are no costs attached to any of the recommendations contained in this report, its content being specifically related to the latest financial positions of SB Cares for 2017/18.

### 4.2 Risk and Mitigations

There is a risk that SB Cares does not deliver the target contribution set out in the Business Plan for 2017/18.

The risks identified above are being managed and mitigated through:-

- (a) Monthly reports of actual expenditure and income against forecasts being made available to Managers from SB Cares Financial & Operational Systems.
- (b) Review of budget variances and monitoring of progress to deliver the Business Plan is reviewed monthly by SB Cares Senior Management Team.
- (C) Regular review of the programme of work to ensure that it is sufficiently resourced to deliver the efficiencies and new business.

### 4.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

### 4.4 Acting Sustainably

There are no significant effects on the economy, community or environment.

### 4.5 Carbon Management

No effect on carbon emissions are anticipated from the recommendation of this report.

## 5 CONSULTATION

- 5.1 SB Cares Senior Management Team and SB Cares Board Members have been involved in and agreed the compilation of the budgetary control statements set out in this report.

### Author(s)

Name	Designation and Contact Number
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