



MANAGEMENT ACCOUNTS TO 28th FEBRUARY 2018

Report by the Business Partner (Finance)

LIMITED LIABILITY PARTNERSHIP MAJOR CONTRACTS GOVERNANCE GROUP

12 April 2018

1 PURPOSE AND SUMMARY

1.1 To update the Major Contracts Governance Group on the financial position as at 28th February 2018.

1.2

This report compares financial performance against the reforecast surplus reported at the Board's previous meeting on 31st January 2018.

1.3

Although the expected outturn of £441k remains unchanged, the report highlights a continuing shortfall in Spot Contract Income

2 RECOMMENDATIONS

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

(a) Note the financial position reported and the management actions in hand.

3 Background

3.1 The paper attached at Appendix 1 compares income and expenditure to date against the reforecast position reported in detail to the Board on 31st January 2018.

Detailed explanations of variances against the original budget were given in that paper.

3.3 REVISED REVENUE FORECAST 2017/18 – OVERALL POSITION FOR SB CARES

The following table provides a summary of the overall financial position for SB Cares. (further detail is included within Appendix 1):

3.4

	YTD – February 2018			Full Year to 31/3/18		
	Actual	Current Forecast	Variance	Original Budget	Current Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Income	16,890	16,905	(15)	18,397	18,464	(67)
Staff Costs	(14,390)	(14,398)	8	(15,853)	(15,707)	146
Transport Costs	(399)	(385)	(14)	(338)	(338)	-
Property/ Energy Costs	(434)	(450)	16	(491)	(491)	-
Other Non-staff costs	(1,222)	(1,287)	65	(1,217)	(1,404)	(187)
Total Expenditure	(16,445)	(16,520)	75	(17,891)	(18,022)	41
Surplus / (Loss)	445	385	60	416	442	26

3.5 Points of Note affecting overall position:

3.6 Income

The income from the spot contract continues to reduce. The reforecast considered at the board's meeting in January, revised projected income from this source downwards by £275k to £585k based on extrapolating income trends at that point.

In January and February there has been a further shortfall of £51k against this revised target.

Although a further shortfall of spot contract income is anticipated in March, it is expected that this will not affect the overall target surplus.

3.7 Staff costs

The Homecare service has experienced severe challenges in maintaining staffing levels to fulfil agreed rotas during the winter period. Although it has been necessary to pay high levels of overtime at premium rates, the introduction of additional members of staff into the workforce has dampened the overall impact and the service's staff costs for the full year are expected to be within the agreed forecast.

3.8

REVISED REVENUE FORECAST 2017/18 – SERVICE AREA ANALYSIS

The following table summarises the financial information by service area.

3.9

	YTD - February 2018			Full Year to 31/3/18		
	Actual	Current Forecast	Variance	Original Budget	Current Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Care Homes	(29)	(111)	82	(47)	(122)	(75)
Older People Day Centres	80	111	(31)	122	122	-
LD Day Services, HCSS & BDDS	176	81	95	(43)	56	99
Home Care	148	247	(99)	324	291	(33)
CES and Bordercare	382	389	(7)	389	424	35
HQ	(312)	(332)	20	(329)	(329)	-
Surplus / (Loss)	445	385	60	416	442	26

Detailed comments on performance within services are contained in Appendix 1 "Outturn by service area"

3.10

MANAGEMENT ACTION

Managers are continuing to review recruitment and retention processes, and to manage staff absence, in order to continue to reduce any adverse pressure on staff costs.

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)

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