

# Adults Wellbeing and Health Overview and Scrutiny Committee

3 October 2016

CAS –Revenue and Capital Outturn  
2015/16



---

## Report of Jeff Garfoot, Head of Finance (Financial Services)

---

### Purpose of the Report

1. To provide the committee with details of the actual outturn budget position for the CAS service grouping, highlighting major variances in comparison with the (revised) budget for the year, based on the final position at the year end (31<sup>st</sup> March 2016) as reported to Cabinet in July 2016. The report focuses on the Adults Wellbeing and Health services included in CAS.

### Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. These budgets have subsequently been revised to take account of transfers to and from reserves, grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for:
  - CAS Revenue Budget - £251.770 million (original £251.450 million)
  - CAS Capital Programme – £40.682 million (original £45.453 million)
3. The original CAS revenue budget has been revised to incorporate a number of budget adjustments as summarised in the table below:

Reason For Adjustment	£ million
<b>Original Budget</b>	<b>251.45</b>
Transfers to other services (Financial Services / Assessments to Resources)	(1.456)
Energy Efficiency Reduction	(0.147)
Transfer From Contingency - Soulbury Pay award	0.157
Transfer From Contingency - Cost Associated with Closed School Buildings	0.138
Transfer From Contingency - Reversal Of Car Mileage Deduction	0.076
Transfer to Capital (Aycliffe Secure Services/ DACT Estate)	(0.668)
Use of (+) / (contribution) to CAS reserves	(0.994)
Use of (+) / (contribution) to Corporate Reserves (ERVR Costs)	3.214
<b>Revised Budget</b>	<b>251.77</b>

4. The in-year (use of) / contribution to CAS reserves utilised in determining the year end revenue budget of £251.770 million consisted of:

<b>Reserve</b>	<b>£'000</b>
Social Care Reserve	(916)
Cash Limit	1,971
Innovations and YEI Redundancy Reserve	(1,000)
Secure Services Capital Reserve	868
Tackling Troubled Families Reserve	188
Transformation Reserve	(1,264)
Accumulated fund CPD Reserve	134
Durham Learning Resources Reserve	(8)
EBP Reserve	81
Emotional Wellbeing Reserve	(33)
Mental Health Counselling Reserve	7
Movement Difficulties Service Reserve	(13)
Re-Profiling Activity Reserve	(175)
SEND reform Grant Reserve	15
School Condition Survey Reserve	(450)
Swimming Reserve	(67)
Public Health Reserves	(330)
<b>Total In service use by CAS</b>	<b>(994)</b>

5. The summary financial statements contained in this report cover the financial year 2015/16 and show: -
- The approved annual budget;
  - The actual income and expenditure as recorded in the Council's financial management system;
  - The variance between the annual budget and the actual outturn;
  - For the CAS revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

### **Revenue Outturn – 2015/16**

6. The CAS service outturn was a cash limit under budget of £10.690 million against a revised budget of £251.770 million, which represents a 4.2% under budget. This compares with a previously reported underspend position of £10.364 million at quarter 3.
7. The tables below show the revised annual budget, actual expenditure and variance to 31 March 2016. The first table is analysed by Subjective Analysis (i.e. type of expense) and shows the combined position for CAS, and the second is by Head of Service.

### Subjective Analysis (Type of Expenditure)

	Revised Annual Budget	YTD Actual	Variance	Items Outside Cash Limit	Contribution To From Reserves	Cash Limit Variance		MEMO – Variance at QTR3
	£000	£000	£000	£000	£000	£000		£000
Employees	116,577	109,978	(6,599)	493	856	(5,250)		(5,098)
Premises	7,146	7,262	116	(448)	48	(284)		(219)
Transport	17,399	17,885	486	-	19	505		559
Supplies & Services	18,950	15,115	(3,835)	753	1,035	(2,047)		(1,732)
Third Party Payments	238,806	229,358	(9,448)	-	163	(9,285)		(10,001)
Transfer Payments	13,069	12,574	(495)	-	-	(495)		158
Central Support & Capital	63,235	88,690	25,455	(23,419)	(420)	1,616		2,260
Income	(223,412)	(230,412)	(7,000)	11,286	264	4,550		3,709
<b>Total</b>	<b>251,770</b>	<b>250,450</b>	<b>(1,320)</b>	<b>(11,335)</b>	<b>1,965</b>	<b>(10,690)</b>		<b>(10,364)</b>

### Analysis by Head of Service Area

	Revised Annual Budget	YTD Actual	Variance	Items Outside Cash Limit	Contribution To From Reserves	Cash Limit Variance		MEMO – Variance at QTR3
	£000	£000	£000	£000	£000	£000		£000
Head of Adults	124,841	118,762	(6,079)	(453)	1,483	(5,049)		(6,024)
Central/Other	8,935	10,327	1,392	(1,780)	203	(185)		(258)
Commissioning	7,858	4,641	(3,217)	-	(918)	(4,135)		(4,004)
Planning & Service Strategy	11,622	10,952	(670)	(14)	(375)	(1,059)		(906)
Central Charges (CYPS)	4,074	(2,494)	(6,568)	5,879	714	25		-
Childrens Services	53,767	56,758	2,991	(2,653)	(138)	200		870
Education	40,002	50,988	10,986	(11,991)	518	(487)		(42)
Public Health	671	516	(155)	(323)	478	-		-
<b>Total</b>	<b>251,770</b>	<b>250,450</b>	<b>(1,320)</b>	<b>(11,335)</b>	<b>1,965</b>	<b>(10,690)</b>		<b>(10,364)</b>

8. The table below provides a brief commentary of the cash limit variances against the revised budget, analysed by Head of Service for those areas which relate to the Adults area of the service, which is of specific interest to the Adults Wellbeing and Health Overview and Scrutiny Committee. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

<b>Service Area</b>	<b>Description</b>	<b>Cash limit Variance £000</b>
<b>Head of Adults</b>		
Ops Manager LD /MH / Substance Misuse	£199,000 under budget on employees through effective vacancy management. £237,000 under budget on transport, mainly in respect of day care. £678,000 net over budget on care provision. £24,000 over budget in respect of premises/transport/supplies and services	266
Safeguarding Adults and Pract.Dev.	£208,000 under budget on employee costs due to vacant posts. £14,000 over budget on supplies and services, mainly in respect of professional fees linked to Deprivation of Liberty cases. £4,000 net under budget on transport/other costs.	(198)
Ops Manager OP/PDSI Services	£600,000 under budget due to early achievement of employee-related MTFP savings. £2,656 million net under budget on direct care-related activity. This is after £600,000 has been allocated for future care fee pressures. £226,000 under budget in respect of premises/transport/supplies and services/other costs.	(3,482)
Ops Manager Provider Services	£1.395 million under budget on employees in respect of early achievement of future MTFP savings. £135,000 under budget on supplies and services in respect of early achievement of future MTFP savings. £105,000 net under budget on premises/transport/other costs.	(1,635)
		(5,049)
<b>Service Area</b>	<b>Description</b>	<b>Cash limit Variance £000</b>
<b>Central/Other</b>		
Central Charges/Other	£151,000 under budget on employee-related costs in respect of future MTFP savings. £46,000 over budget on premises/transport/other costs. £80,000 additional income mainly in respect of salary recharges.	(185)
		(185)
<b>Service Area</b>	<b>Description</b>	<b>Cash limit Variance £000</b>
<b>Commissioning</b>		
Commissioning Management / Other	Under budget mainly in respect of future MTFP savings, particularly agency and contracted services budgets held. A review of short term monies added to an increased under spend during the year. £1.1 million of short term funds have been carried forward to support future preventative projects.	(4,135)
		(4,135)

<b>Service Area</b>	<b>Description</b>	<b>Cash limit Variance £000</b>
<b>Public Health</b>		
Cancer Awareness/ Physical Activity /GRT	The variance relates to non- recurrent activity in relation to the Macmillan Cancer Awareness contract.	84
Capacity Building/Health Trainers	The variance relates to non -recurrent activity in relation to the patient transport schemes and health trainer for mental health services.	178
Health Checks/Smoking Cessation	Activity based smoking cessation and NRT services spent (£531K) less than the £1.08million budget available. Similarly health checks commissioned from pharmacies and GP's were under budget by (£113K). However, this was offset by the non -achievement of CCG income £158K towards Diabetes prevention, and some increased equipment costs amounting to £33K.	(453)
Oral Health and Services to Children	Expenditure on a resilience programme for children spent (£104K) less than the budget available, due to length of time taken to recruit and induct staff to the new service. (£250K) of the variance relates to the reduction in contract value of 0-5 services part year effect .	(365)
Public Health Grant and Reserves	The variance relates to the in-year reduction in Public Health grant.	3,137
Public Health Specialist Training Prog (HENE)	Income of £8K received from Health Education North East in relation to the Public Health Specialist Training Programme will be held in earmarked reserve to fund future requirements for backfill training placements.	-
Public Health Team	Following the announcement of the £3.137 million in year reduction in Public Health grant; commissioning decisions relating to the £2.45 million budget were put on hold. An underspend in employees costs due to vacancies and secondment arrangements contributed to the overall underspend.	(2,613)
Sex/Health/Alcohol/Sub stance Misuse/Domestic Violence/Mental Health	Commissioned services for sexual health spent £183K more than the £4.5million budget available. DACT premises expenditure was (£196K) less than the £560k budget available mainly as a result of charitable status of the provider in relation to business rates and lower than anticipated running costs. Prescription costs associated with drug and alcohol treatment spent (£56K) less than the £836K budget available. Within Domestic Violence services a non -recurrent commission contributed to the overall overspend of £115K in this service. Lower than anticipated grants to voluntary organisations in respect of the CREES scheme contributed to a small underspend in mental health.	34
		0
<b>Service Area</b>	<b>Description</b>	<b>Cash limit Variance £000</b>
<b>Planning &amp; Service Strategy</b>		
Performance & Information Mgmt	£124,000 under budget on employees re future MTFP savings. £52,000 under budget on supplies and services budgets re future MTFP savings. £5,000 under achievement of income.	(171)
Policy Planning & Partnerships / Mgt	£118,000 under budget on employees re future MTFP savings. £89,000 under budget on transport/supplies and services/other budgets. £89,000 under achievement of income.	(118)
Service Quality & Development	Future MTFP savings linked in the main to employees (£145,000) and supplies and services (£184,000). £113,000 under budget on other areas.	(442)
Service Support	£200,000 under budget on employees re future MTFP savings. £128,000 under budget on transport/supplies and services/other budgets.	(328)
		(1,059)

9. In summary, the service maintained spending within its cash limit. The outturn position incorporates the MTFP savings built into the 2015/16 budgets, which for CAS in total amount to £8.590 million.

## Capital Programme

10. The CAS capital programme was revised earlier in the year to take into account budget reprofiled from 2014/15 following the final accounts for that year. This increased the 2015/16 original budget.
11. Further reports to MOWG in May, July, October, November, December, January have detailed further revisions to the CAS capital programme, adjusting the base for grant additions/ reductions, budget transfers and budget reprofiling into later years with the revised capital budget currently totalling **£40.682 million**. Actual capital expenditure in 2015-16 totalled £34.867 million leading to an underspend of **£5.815 million**.
12. Following MOWG approval on 24<sup>th</sup> May 2016 the £5.815 million underspend has been reprofiled into future years to meet future commitments and investment leading to a revised capital Programme for the years 2016/17 to 2017-18 of **£35.051 million**.
13. Summary financial performance to 31<sup>st</sup> March 2016 is shown below together with a summary of the 2016/17 and 2017/18 budgets.

CAS	Actual Spend to 31/03/2016	Current 2015-16 Budget	2015-16 variance	Revised 2016-17 Budget	Revised 2017-18 Budget	Total Revised Capital Prog.
	£000	£000	£000	£000	£000	£000
Adult Care Provider Services	(1)	60	61	62	-	62
Support For Childs Homes	11	54	43	43	-	43
CAS AAP Scheme	2	4	2	-	-	-
PCT Co-Location	2	-	(2)	-	-	-
Increased Provision for Two Year Olds	279	408	129	129	-	129
Free School Meals Support	214	214	-	75	-	75
Secure Services	1,115	799	(316)	35	-	35
Planning & Service Strategy	74	132	58	159	315	474
Drug & Alcohol Premises Upgrade	317	200	(117)	459	-	459
Drugs Commissioning DACT	36	36	-	72	-	72
Public Health	-	-	-	284	-	284
School Devolved Capital	2,787	4,532	1,745	4,227	1,378	5,605
Childrens Access/Safeguarding	(2)	-	2	-	-	-
DFE School Capital Inc Basic Need	18,158	19,704	1,546	19,965	2,230	22,195
DSG Structural Maintenance	350	432	82	2	238	240
Prior Year Projects	(334)	-	334	-	-	-
PSBP - Additional Works Not Covered by EFA	-	200	200	200	-	200
School Modernisation	20	607	587	347	-	347
BSF	11,671	13,240	1,569	4,831	-	4,831
PFI	168	60	(108)	-	-	-
<b>TOTAL</b>	<b>34,867</b>	<b>40,682</b>	<b>5,815</b>	<b>30,890</b>	<b>4,161</b>	<b>35,051</b>

**Recommendations:**

14. It is recommended that Adults Wellbeing and Health Overview and Scrutiny Members note the revenue and capital outturn included in the report, which are summarised in the outturn report to Cabinet in July.

**Contact: Andrew Gilmore – Finance Manager  
Andrew Baldwin – Finance Manager**

**Tel: 03000 263 497  
Tel: 03000 263 490**

---

## **Appendix 1: Implications**

---

### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital actual outturn position.

### **Staffing**

There are no implications associated with this report. Any over or under spending against the employee budgets are disclosed within the report.

### **Risk**

The management of risk is intrinsic to good budgetary control. This report forms an important part of the governance arrangements within CAS. Through routine / regular monitoring of budgets and continual re-forecasting to year end the service grouping can ensure that it manages its finances within the cash envelope allocated to it.

### **Equality and Diversity / Public Sector Equality Duty**

There are no implications associated with this report.

### **Accommodation**

There are no implications associated with this report.

### **Crime and Disorder**

There are no implications associated with this report.

### **Human Rights**

There are no implications associated with this report.

### **Consultation**

There are no implications associated with this report.

### **Procurement**

There are no implications associated with this report.

### **Disability Issues**

There are no implications associated with this report.

### **Legal Implications**

There are no implications associated with this report.