

Adults Wellbeing and Health Overview and Scrutiny Committee

3 October 2016

CAS – Quarter 1: Forecast of Revenue and Capital Outturn 2016/17



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

Purpose of the Report

1. To provide the committee with details of the forecast outturn budget position for the CAS service grouping, highlighting major variances in comparison with the budget for the year, based on the position to the end of June 2016 as reported to Cabinet in September 2016.

Background

2. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. 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 - £251.980 m (original £247,864m)
 - CAS Capital Programme – £31.351m (original £31.351m)
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	£'000
Original Budget	247,864
Transfer From Contingency - Closed School Premises Cost	16
Transfer From Contingency - Pay award	771
Transfers to other services	(45)
Use of (+)/contribution to CAS reserves (-)	2,497
Use of (+)/contribution to Corporate reserves (ERVR) (-)	879
Revised Budget	251,980

4. The use of / contribution to CAS reserves consists of:

Reserve	£'000
AWH- Social Care Reserve	1,674
EDU-EBP Reserve	100
EDU-Re-Profiling Activity Reserve	3
CHS-Secure Services Capital Reserve	88
CHS-Tackling Troubled Families Reserve	39
PHE-Domestic Abuse-Harbour Support Reserve	(11)
PHE-W4L expansion Reserve	13
AWH-Cash Limit	1,146
PHE-Grant Reduction Support Reserve	(414)
EDU-School Condition Survey	200
PHE - CDDFT-Fresh Smoke Free NE	30
CHS-NQSW Academy Reserve - 16&17 Academic year	(371)
Total	2,497

5. The summary financial statements contained in the report cover the financial year 2016/17 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 forecast 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

6. The CAS service is reporting a cash limit underspend of £2.146 million against a revised budget of £251.980 million which represents a 0.85% underspend.

7. The tables below show the revised annual budget, actual expenditure to 30 June 2016 and the updated forecast of outturn to the year end, including the variance forecast at year end. 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 £000	YTD Actual £000	Forecast Outturn £000	Variance £000	Cash Limit Variance £000
Employees	114,501	32,918	111,788	(2,713)	(2,713)
Premises	6,775	580	6,632	(143)	(143)
Transport	17,774	3,035	17,615	(159)	(159)
Supplies & Services	17,838	3,080	17,400	(438)	(438)
Third Party Payments	238,365	49,151	240,020	1,655	1,655
Transfer Payments	13,161	2,102	12,773	(388)	(388)
Central Support & Capital	73,192	2,665	74,192	1,000	1,000
Income	(229,626)	(54,872)	(230,586)	(960)	(960)
Total	251,980	38,659	249,834	(2,146)	(2,146)

Analysis by Head of Service Area

	Revised Annual Budget £000	YTD Actual £000	Forecast Outturn £000	Variance £000	Cash Limit Variance £000
Head of Adults	126,108	25,601	123,499	(2,609)	(2,609)
Central/Other	9,598	3,913	9,538	(60)	(60)
Commissioning	5,788	(2,043)	5,050	(738)	(738)
Planning & Service Strategy	10,929	1,932	10,426	(503)	(503)
Central Charges (CYPS)	3,198	2,127	3,198	-	-
Childrens Services	50,807	13,297	53,027	2,220	2,220
Education	42,475	(1,558)	42,019	(456)	(456)
Public Health	3,077	(4,609)	3,077	-	-
Total	251,980	38,660	249,834	(2,146)	(2,146)

8. The table below provides a brief commentary of the forecast 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):

Service Area	Description	Cash limit Variance £000
Head of Adults		
Ops Manager LD /MH / Substance Misuse	£71,000 over budget on employees, offset by additional income. £31,000 under budget on transport, mainly in respect of day care. £376,000 net over budget on care provision. £46,000 over budget in respect of premises/transport/supplies and services.	462
Safeguarding Adults and Pract.Dev.	£81,000 under budget on employee costs due to vacant posts. £37,000 projected under budget on non-staff costs. £53,000 additional income, mainly to support SPA activity.	(171)
Ops Manager OP/PDSI Services	£347,000 under budget due to effective management of vacancies. £704,000 net under budget on direct care-related activity. £342,000 under budget in respect of premises/transport/supplies and services/other costs.	(1,393)
Ops Manager Provider Services	£1.437 million under budget on employees in respect of early achievement of future MTFP savings. £71,000 under budget on non-staff costs in respect of early achievement of future MTFP savings.	(1,508)
		(2,609)
Central/Other		
Central/ Other	£75,000 over budget on employee-related costs, partly offset by additional income. £32,000 under budget on premises/transport/other costs. £103,000 additional income mainly in respect of salary recharges.	(60)
		(60)
Commissioning		
Commissioning	£287,000 under budget on employees in respect of early achievement of future MTFP savings. £451,000 under budget on non-staff costs in respect of early achievement of future MTFP savings.	(738)
		(738)
Planning & Service Strategy		
Performance & Information Mgmt	£30,000 under budget on employees re effective vacancy management/early achievement of future savings.	(30)
Policy Planning & Partnerships	£47,000 under budget on employees, mainly re future MTFP savings. £2,000 under budget on transport/supplies and services/other budgets. £6,000 under achievement of income.	(43)
Service Quality & Development	Future MTFP savings linked in the main to employees.	(183)
Service Support	£79,000 under budget on employees, mainly re future MTFP savings. £168,000 under budget on transport/supplies and services/other budgets towards future MTFP savings.	(247)
		(503)

Service Area	Description	Cash limit Variance £000
Public Health		
Cancer Awareness/ Physical Activity Adults /GRT	Break even position with two continuing commissioned services- "Gypsy Romany Travellers - health trainers and evaluation", and "Pharmacy support via the Local Pharmaceutical Committee" combined value of £180,000 funded from reserves.	-
Capacity Building/Health Trainers	Break even position with contract to a value of £487,000 extended and funded from reserves. Contract extension primarily related to Adult Wellbeing, Community Health Trainers and the Patient Transport schemes. All of these services are currently under review.	-
Health Checks/Smoking Cessation	Activity in relation to Nicotine Replacement Therapy is projected to underspend by £108,000 against a budget of £574,000. Activity in relation to Health checks is also forecast to underspend slightly pending a review and possible reprocurement of the service.	(117)
Oral Health Obesity and Services to Children	Break even position with two non-recurrent commissions (£178,000) funded from reserves.	-
Public Health Team & Grant	Underspend currently forecast primarily related to vacancies in the team resulting from secondments pending potential backfill.	(103)
Public Health Specialist Training Prog (HENE)	In previous years Public Health have co-ordinated funding for the backfill of Public Health Training Placements on behalf of HENE. The funding arrangements for the scheme have now changed and this activity will no longer continue.	-
Safer Stronger Communities	The budget for £1.64 million domestic violence is on target to balance.	-
Sex Health/Alc/Subs Misuse/Domestic Violence/Mental Hlth	Activity in relation to drug costs and fees for contraceptive devices is forecast to overspend by £167,000 against the £703,000 budget available. Payments in relation to Supervised Methadone Consumption are forecast to be £53,000 more than the £310,000 available. The remaining variance of £126,000 relates to commissioned services on behalf of Drugs and Alcohol.	220
		-
CAS Total		(2,146)

9. In summary, the service is on track to maintain spending within its cash limit. The outturn position incorporates the MTFP savings built into the 2016/17 budgets, which for CAS in total amount to £17.326m.

Capital Programme

10. The CAS capital programme has been revised earlier in the year to take into account budget reprofiled from 2015/16 following the final accounts for that year. This increased the 2016/17 original budget.
11. Further reports to MOWG in May and July included revisions to the CAS capital programme. The revised capital budget currently totals £31.351m.
12. Summary financial performance to the end of June is shown below.

CAS	Actual Expenditure 30/06/2016 £000	Current 2016-17 Budget £000	Remaining 2016-17 Budget £000
Adult Care Provider Services	41	62	21
Support For Childs Homes	-	43	43
Increased Provision for Two Year Olds	22	129	107
Free School Meals Support	1	75	74
Secure Services	-	210	210
Planning & Service Strategy	-	159	159
Drug & Alcohol Premises Upgrade	152	383	231
Drugs Commissioning DACT	-	72	72
Public Health	-	360	360
School Devolved Capital	445	4,348	3,903
DFE School Capital Inc Basic Need	4,842	20,188	15,346
DSG Structural Maintenance	-	2	2
PSBP - Additional Works Not Covered by EFA	-	182	182
School Modernisation	13	107	94
BSF	375	5,031	4,656
PFI	2	-	(2)
TOTAL	5,893	31,351	25,458

Recommendations:

13. It is recommended that Adults Wellbeing and Health Overview and Scrutiny Members note the financial forecasts included in the report, which are summarised in the Quarter 1 forecast of outturn report to Cabinet in September 2016.

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Appendix 1: Implications

Finance

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