

Adults, Wellbeing and Health Overview and Scrutiny Committee

21 December 2009



Adults, Wellbeing and Health Forecast of Outturn 2009/10 – Quarter 2

Report of Graham Bainbridge. Head of Finance, Adults, Wellbeing and Health

Purpose of the Report

- 1 To provide the Committee with details of the Adults, Wellbeing and Health revenue and capital outturn forecast for 2009/10 based on information at the end of the second quarter of the financial year, i.e. September 2009.
- 2 Committee should note that this report covers the whole Adult, Wellbeing and Health service grouping. The report has also been presented to the Safer and Stronger Overview and Scrutiny Committee on 8 December 2009. Each committee is asked to note and comments on budget issues relevant to their portfolio.

Executive Summary

- 3 The 2009/10 forecast outturn for Adults, Wellbeing and Health, based on information at September 2009, projected an underspend of £773,000. There is however a reserve fund of £70,000 brought forward from 2008/09 to fund certain specific expenditure relating to residential homes. After this is taken into account the underspend increases to £843,000. This underspend is less than in previous years and reflects the significant impact of demographic pressures.
- 4 As advised by the Corporate Director of Adults, Wellbeing and Health in previous years, the demographic trends in Older People and those under 65 suffering from Mental Health or Learning Disability problems is now clearly impacting on spend within the Adult Care budget. As a result of designing proactive processes and ongoing management in relation to maximising income the service has been able to contain demographic pressures and significantly reduce the risk of overspending.
- 5 The Life Opportunities Programme (improving day care services for adults with learning disabilities) is subject to consultations with service users and their carers. Such an inclusive process has led to slower progress than would have been preferred, although progress is being made there is a level of slippage on the funding set aside for the current year.

- 6 Activity in Safeguarding continues to grow at a pace. Referral received in Durham increased from 246 in 2006/07 to 726 in 2008/09. An overspend on employees is offset by an overachievement in income. It should be noted that these contributions from partner agencies are not confirmed beyond the current financial year and the issue of funding for this critical service which is facing rapidly growing demand will need to be addressed in the Medium Term Financial Plan.
- 7 Additional spending on projects at Killhope and Learning Pathways activities in Libraries, Learning and Culture is covered by additional grant income from the Heritage Lottery Fund and the Local Government Innovation Fund.
- 8 The Adults, Wellbeing and Health capital programme for 2009/10 totals £12,890,210 comprising £3,494,169 of schemes slipped from 2008/09, due to the reprogramming of a number of schemes including in house residential homes and travellers site upgrades, and new schemes totalling £9,396,041. As at 30 September 2009, £1.53m had been spent. Based on the September 2009 information an outturn spend of £5.05m was projected and slippage of £8.14m into 2010/11 anticipated. Further details of the Capital programme is shown in paragraphs 28 to 30 below

Summary Position for Adults, Wellbeing and Health

- 9 The table below summarises the budget and projected outturn position based on September 2009 information for Adults, Wellbeing and Health by subjective analysis.

Subjective Analysis	Original Base Budget	Year to date (April-September)	Probable Outturn 2009/10	Adjusted Variance Over/(Under)
	£000's	£000's	£000's	£000's
Employees	67,052	31,784	66,553	(499)
Premises	4,102	2,375	4,289	187
Transport	4,594	1,408	4,571	(23)
Supplies and Services	11,619	2,614	11,574	(45)
Agency & Contracted and Transfer payments	148,177	67,151	150,890	2,713
Capital Charges	450	0	450	0
Gross Expenditure	235,994	105,332	238,327	2,333
Income	(74,020)	(33,993)	(77,126)	(3,106)
Net Expenditure	161,974	71,339	161,201	(773)
Use of Reserves	0	0	(70)	(70)

Adjusted Net Expenditure	161,974	71,339	161,131	(843)
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Explanation of Significant Variations between Original Budget and Forecast Outturn

- 10 The following section outlines the reasons for significant variances identified in projections based on September 2009 information by subjective analysis area.

Employees – Forecast to underspend by £499,000

- 11 The final 2009/10 pay settlement has created an underspend of £100,000.
- 12 Increased expenditure on Safeguarding (£73,000 overspend) is not included in budget but is covered by contributions from partner agencies for the current year as explained in paragraph 6.
- 13 There is an underspend of £475,000 in the Life Opportunities Programme due to slower progress in implementation as a result of the consultation process as explained in paragraph 5.

Premises – Forecast to overspend by £187,000

- 14 The completion of the 2008/09 minor works programme for residential care homes will incur costs of £70,000. These costs will be fully met from an earmarked reserve created for that purpose.
- 15 A £140,000 underspend relating to the Life Opportunities Programme as explained in paragraph 5.
- 16 Increased requirements for health and safety and minor works total £243,000.

Transport – Forecast to underspend by £23,000

- 17 No significant issues in this area.

Supplies & Services – Forecast to underspend by £45,000

- 18 A £122,000 underspend relating to the Life Opportunities Programme as explained in paragraph 5.
- 19 There is an underspend of £230,000 on funds committed for completion of the Older People / PDSI Integrated Teams, the development of which is now almost completed.
- 20 An additional £243,000 spend on Libraries, Learning and Culture projects funded by grant income (see paragraph 5).

Agency & Contracted Services/Transfer Payments – Forecast to overspend by £2,713,000

- 21 As a result of the continuing demographic issues explained in paragraph 4 above care packages for adults with learning disabilities and mental health problems were projected at £698,000 above budget and residential and home care services £1,515,000 above budget.
- 22 The increased cost of these care packages is largely covered by additional contributions from clients and partners as outlined below.

Income – Forecast overachievement of £3,109,000
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- 23 The overachievement of income recovery is the direct result of the proactive approach to income maximisation explained in paragraph 4. Without this approach the increasing demographic pressures faced by the service would have created an overspend position.
- 24 Additional non-recurring contributions from partner agencies in respect of Safeguarding of £73,000 have been secured.
- 25 Contributions from clients based on September information were projected at £2.54m above budget due to a number of factors, including increases in service provision and changes in methods of collection.
- 26 Additional grant income of £320,000 has been received in Learning, Libraries and Culture (see paragraph 7).
- 27 Increased income from partners and grant funding totals £672,000. This includes £419k from the PCT towards care packages and initiatives, £128,000 from government grants and £207,000 from other partners and general income.

Capital Programme

- 28 Adults, Wellbeing and Health capital programme for 2009/10 totals £12,890,210 comprising £3,494,169 of schemes slipped from 2008/09 and new schemes totalling £9,396,041. As at 30 September 2009, £1.53m had been spent. Based on the September 2009 information an outturn spend of £5.05m was projected and slippage of £8.14m into 2010/11 anticipated.
- 29 The major variation (£5.66m) relates to the capital budget identified to fund the future plans for in-house Residential Homes for the Elderly. Expenditure so far relates to health and safety fire partitioning works.
- 30 The remaining slippage totalling £2.5m relates to a range of schemes including:

- IT infrastructure grant of £0.55m set aside for future developments
- Mental Health Grant of £0.5m awaiting completion of claims from mental health groups
- Library Modernisation scheme, £0.3m, awaiting identification of an appropriate site
- Traveller Site regeneration, slippage of £0.3m due to minor changes in project planning
- Life Opportunities scheme slippage of £0.28m due to the increased consultation explained in paragraph 5.

Recommendation

31 Committee are asked to note and comment on the report

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Appendix 1: Implications

Finance

Financial implications are outlined throughout the report.

Staffing

Future financial planning could impact upon staffing.

Equality and Diversity

None.

Crime and disorder

None.

Sustainability

None.

Human rights

None.

Localities and Rurality

None.

Young people

None.

Consultation

None.

Health

None.