

Adults Wellbeing and Health Overview and Scrutiny Committee

25 February 2010



Adults, Wellbeing and Health Forecast of Outturn 2009/10 – Quarter 3

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 third quarter of the financial year, i.e. November 2009.
- 2 Committee should note that this report covers the whole Adult, Wellbeing and Health service grouping. The report is to be presented to both the Safer and Stronger Overview and Scrutiny Committee on 1 February 2010 and the Adults, Wellbeing and Health Overview and Scrutiny Committee on 25 February 2010. 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 November 2009, projected a net spend after use of reserves of £162,418,000 against a net budget of £162,529,000. The projected underspend of £111,000 equates to a variation of under 0.07% against net budget.
- 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 Additional spending on projects at Killhope and learning activities in Libraries, Learning and Culture is covered by additional grant income from the Heritage Lottery Fund and the Learning and Skills Council.
- 7 A number of additional Social Inclusion initiatives including Communities for Health and Workstep have also been undertaken as a result of increased grant and contract funding.
- 8 The Adults, Wellbeing and Health capital programme for 2009/10 totals £13,153m. As at 30 November 2009, £2.39m had been spent. Based on the November 2009 information an outturn spend of £5.31m was projected and slippage of £8.14m into 2010/11 anticipated. Further details of the Capital programme are shown in paragraphs 33 to 35 below.

Summary Position for Adults, Wellbeing and Health

- 9 The table below summarises the budget and projected outturn position based on November 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	42,966	66,705	(347)
Premises	4,102	3,346	4,388	286
Transport	4,594	2,001	4,555	(39)
Supplies and Services	11,610	6,530	11,870	260
Agency & Contracted and Transfer payments	148,185	90,705	151,163	2,978
Capital Charges	1,006	0	1,006	0
Gross Expenditure	236,549	145,548	239,687	3,138
Income	(74,020)	(42,022)	(77,199)	(3,179)
Net Expenditure	162,529	103,526	162,488	(41)
Use of Reserves	0	0	(70)	(70)
Adjusted Net Expenditure	162,529	103,526	162,418	(111)

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 November 2009 information by subjective analysis area.

Employees – Forecast to underspend by £347,000

- 11 The final 2009/10 pay settlement has created an underspend of £100,000.
- 12 Social Inclusion expenditure has increased by £192,000 to cover initiatives such as Workstep and Communities for Health funded by additional grants and contracts.
- 13 There is an underspend of £520,000 in the Life Opportunities Programme due to slower progress in implementation as a result of the consultation process as explained.
- 14 There is an increased spend of £220,000 for in-house Residential Care due to the needs for additional staffing levels whilst essential health and safety fire compartmentation work is completed.
- 15 General vacancies, including the impact of LGR has created an underspend of £139,000.

Premises – Forecast to overspend by £286,000

- 16 The completion of the 2008/09 minor works programme for residential care homes will incur costs of £70,000. These costs are fully covered by an earmarked reserve created for that purpose.
- 17 A £115,000 underspend relating to the Life Opportunities Programme as explained earlier.
- 18 Improvement works of £92,000 for accommodation for LD Integrated Teams and £90,000 of costs for Travellers sites are covered by specific contributions.
- 19 General premises cost increases have created an overspend of £141,000.

Transport – Forecast to underspend by £39,000

- 20 A £33,000 underspend relating to the Life Opportunities Programme as explained earlier.

Supplies & Services – Forecast to overspend by £260,000

- 21 A £136,000 underspend relating to the Life Opportunities Programme.

- 22 There is an underspend of £230,000 on funds committed for completion of the Older People / PDSI Integrated Teams. The development of the teams is now almost completed and budgets will be fully utilised in future years.
- 23 An additional £243,000 spend on Libraries, Learning and Culture projects funded by grant income.
- 24 An overspend of £232,000 is projected due to increased demand and a change in partner funding commitments in relation to the Home Equipment Loan service. A joint review of the services being undertaken with the PCT to resolve this issue.
- 25 An additional £103,000 spend in Social Inclusion for Communities for Health initiatives which is covered through specific grant funding.

Agency & Contracted Services/Transfer Payments – Forecast to overspend by £2,978,000

- 26 As a result of the continuing demographic issues explained earlier, care packages for adults with learning disabilities and mental health problems are projected at £1,369,000 above budget and residential and home care services £1,575,000 above budget.
- 27 The increased cost of these care packages is largely covered by additional contributions from clients and partners as outlined below.

Income – Forecast overachievement of £3,179,000

- 28 The overachievement of income recovery is the direct result of the proactive approach to income maximisation explained earlier. Without this approach the increasing demographic pressures faced by the service would have created an overspend position.
- 29 Contributions from clients based on November information are projected at £1.83m above budget due to a number of factors, including increases in service provision and changes in methods of collection.
- 30 Increased income from Health partners towards Adult Care initiatives and care packages is projected at £566,000 above budget.
- 31 Additional grant income of £339,000 has been received from the Learning and Skills Council and the Heritage Lottery Fund in Learning, Libraries and Culture contributing to initiatives outlined earlier
- 32 Additional grant and contract income of £403,000 has been received in respect of Social Inclusion initiatives including Communities for Health, Traveller sites, Workstep and Welfare Rights.

Capital Programme

- 33 Adults, Wellbeing and Health capital programme for 2009/10 totals £13.153m. As at 30 November 2009, £2.39m had been spent. Based on the November 2009 information an outturn spend of £5.313m was projected and slippage of £8.14m into 2010/11 anticipated.
- 34 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.
- 35 The remaining slippage 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 earlier.
 - Killhope £0.28m
 - Beamish capital contributions £0.15m

Recommendation

- 36 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.