

**Adults, Wellbeing and Health
Overview and Scrutiny Committee**



21st October 2010

**Adults, Wellbeing and Health
Forecast of Outturn 2010/11 –
Quarter 1**

**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 2010/11 based on information at the end of the first quarter of the financial year, i.e. June 2010.
- 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 and the Adults, Wellbeing and Health Overview and Scrutiny Committee. Each committee is asked to note the report and comment on budget issues relevant to their portfolio.

Executive Summary

- 3 The 2010/11 forecast outturn for Adults, Wellbeing and Health, based on information at June 2010 projects a net spend of £190,166,000 against a net budget of £191,116,000. The projected underspend of £950,000 equates to a variation of under 0.5% against net budget.
- 4 There are three major variations against budget evident in the first quarter monitoring. These related to an underspend of £250,000 resulting from the close monitoring and management of vacancies across the service grouping, the return to revenue of a £500,000 provision following a successful legal actions and a £200,000 reduction in bad debt provision due to an improved target for income recovery.
- 5 The recent reduction in 2010/11 Area Based Grant (ABG) allocations resulted in the withdrawal of the Supporting People Administration Grant of £315,000 and a reduction in Home Office Grant of £61,000. These reductions have been managed within the service through a review of contracts and close management of vacancies in relation to the Supported People Administration Grant loss and through reprioritising spend through the Safe Durham Partnership in relation to the Home Office Grant. The in year budget has been revised to reflect these changes.

- 6 It should also be noted that the service continues to manage significant demographic demands in relation to an aging population and increasing care needs in Learning Disability and Mental health services as well as inflationary pressures from the independent sectors providers and a restriction in Independent Living Fund (ILF) allocations.

Budget Revisions

- 7 A reasonable level of budget revisions will be allowed during 2010/11. During the year revisions will be made at the end of each quarter. This will assist in the interpretation of the budgetary information and management of the budget.
- 8 As detailed in the Executive Summary, budget revisions have been actioned in the Quarter 1 accounts to reflect the savings required to offset the loss of ABG in relation to the Supporting People Administration and Home Office Grants

Summary Position for Adults, Wellbeing and Health

- 9 The table below summarises the budget and projected outturn position based on June 2010 information for Adults, Wellbeing and Health by subjective analysis.

Year to Date Budget	Year to Date Actual	Variance	Subjective Head	Original Budget	Projected Outturn Position	Variance
£'000	£'000	£'000		£'000	£'000	£'000
16,005	15,474	-531	Employees	69,183	68,933	-250
1,220	734	-486	Premises	4,575	4,575	0
726	576	-150	Transport	4,557	4,557	0
2,565	2,108	-457	Supplies & Services Agency & Contracted/Transfer Payments	12,209	12,209	0
32,473	32,297	-176	Central Costs & Other Costs	153,055	153,055	0
160	193	33	Capital Charges	10,739	10,539	-200
0	0	0		1315	1315	0
53,149	51,382	-1,767	GROSS EXPENDITURE	255,633	255,183	-450
			Income			
3,734	4,237	-503	- Specific Grants	4,917	4,917	0
10,081	11,725	-1,644	- Other Grants & conts	17,071	17,071	0
265	206	59	- Sales	1,066	1,066	0
8,017	6,253	1,764	- Fees & charges	37,998	38,498	-500
185	543	-358	- Recharges	2,524	2,524	0
153	862	-709	- Other	941	941	0
22,435	23,826	-1,391	Total Income	64,517	65,017	-500
30,714	27,556	-3,158	NET EXPENDITURE	191,116	190,166	-950

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 June 2010 information by subjective analysis area.

Employees – Forecast to underspend by £250,000

- 11 Through the careful management and control of vacancies a savings of £250,000 is anticipated for the year at this stage.

Central and Other Costs – Forecast to underspend by £200,000

- 12 A high level of disputed debt at 31st March 2010 has now been successfully resolved, significantly reducing the outstanding debt and leading to a reduction in the bad debt provision required for the service.

Income – Forecast overachievement of £500,000

- 13 Successful legal action has resulted in the return to revenue of a £500k provision. Provision had been made for a dispute in relation to a specific Adult Social Care charging policy issue. The action has now been withdrawn before progressing to court allowing the provision to be released.

Capital Programme

- 14 The original Adults, Wellbeing and Health capital budget for 2010/11 was approved at £0.436m. Following slippage of £8.536m of capital budgets from 2009/10 the revised capital budget for 2010/11 has increased to £8.972m.

Service	Original budget 2010-11	Slippage from 2009-10	Total revised budget 2010-11	Projected outturn	Variance 2010-11
	£000's	£000's	£000's	£000's	£000's
Adults, Wellbeing and Health	436	8,536	8,972	8,972	0

- 15 The original 2010/11 capital budget relates to two specific schemes, Adult Social Care ICT Infrastructure and Mental Health Grants, both of which are fully funded by specific Government grants.

- 16 The capital budget slippage from 2009/10 relates to a range of schemes including ICT Infrastructure, Killhope Museum, Library Modernisation, Mental Health Grants and Residential Care Homes.

Recommendation

- 17 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

None.

Equality and Diversity

None.

Crime and disorder

None.

Sustainability

None.

Human rights

None.

Localities and Rurality

None.

Young people

None.

Consultation

None.

Health

None.