

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



17th February 2011

**Adults, Wellbeing and Health
Forecast of Outturn 2010/11 –
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 2010/11 based on information at the end of November 2010.

Executive Summary

- 2 Based on information at November 2010, a net revenue spend of £193,055,000 is forecast for Adults, Wellbeing and Health. This represents an underspend of £1,213,000 against the net budget for the service of £194,268,000, a variation of 0.62%. As previously reported, the service has targeted a planned underspend in 2010/11 in recognition of the Medium Term Financial Plan position and to assist in the management of the significant demographic pressures facing the service over the MTFP period.
- 3 The in year 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.
- 4 It should also be noted that the service continues to manage significant demographic demands in relation to an aging population, increasing care needs in Learning Disability and Mental Health services and a restriction in Independent Living Fund (ILF) allocations.
- 5 Key variations against budget are as follows:
 - Through the careful management and control of both vacancies and general budgets across the service an underspend of £2.7m is anticipated for the year at this stage. This approach has ensured that a planned underspend for the service is achieved in 2010/11 and also

creates opportunities for any restructures and service rationalisation required whilst minimising the impact of such changes on existing employees.

- As a result of a review of outstanding debt it has been possible to increase income collection targets thereby reducing bad debt provision by £0.2m.
- A provision for the loss of income has been created in recent year in relation to a legal action against the County Council. Through a successful legal defence against the case it is now possible to return the provision of £0.5m to the revenue account.
- Additional committed spend in relation to the Supporting People programme of £1.3m has been undertaken funded through the carry forward of unspent grant from 2009/10 and additional external contributions.
- Additional initiatives and projects in relation to Social Inclusion (£0.55m), Preventative Technology (£0.2m) and Arts and Culture (£0.64m) have been possible due to the successful sourcing of additional grants and contributions. Additional grant and contributions of £0.45m has also been received in respect of the Carers service.
- Care package spend is currently projected above budget reflecting the demographic pressures identified above. Additional income received in contributions from service users partly offsets these costs.
- Ringfenced Social Care Reform Grant of £2.79m has been identified to be carried forwards into 2011/12 to meet delivery requirements and double-running costs associated with the full implementation of Adult Care personalisation.

Budget Revisions

- 6 As detailed in the Executive Summary, budget revisions were actioned in the Quarter 1 accounts to reflect the savings required to offset the loss of ABG in relation to Supporting People Administration and Home Office Grants. No further budget revisions were reported for the Quarter 2 accounts.
- 7 There are a number of further budget revisions reported this quarter. These relate to a budget transfer in respect of Bishop Auckland Town Hall of £0.167m from Resources, capital charge adjustments of £1.455m, a decrease of £0.03m due to a transfer of budget to Neighbourhood Services relating to a post within the Events Team and a number of self balancing adjustments relating to Adult Learning. The Adult Learning adjustments are to reflect increased spend resulting from additional funding received after the original budget was set.

Summary Position for Adults, Wellbeing and Health

- 8 The following table summarises the budget, spend to date and projected outturn position based on information available at November 2010 for Adults, Wellbeing and Health by subjective analysis.

Subjective Head	Revised Budget	Year to Date Actual (Apr-Nov)	Projected Outturn	Variance
	£'000	£'000	£'000	£'000
Employees	70,010	44,990	67,997	-2,013
Premises	5,821	2,760	5,949	128
Transport	5,012	2,167	5,262	250
Supplies & Services	12,442	7,426	13,111	669
Agency & Contracted/Transfer Payments	153,039	93,772	153,184	145
Central & Other Costs	14,280	352	14,135	-145
GROSS EXPENDITURE	260,604	151,467	259,638	-966
Total Income	66,336	43,634	66,583	-247
NET EXPENDITURE	194,268	107,833	193,055	-1,213

Explanation of Significant Variations between Original Budget and Forecast Outturn

9 The following section outlines the reasons for significant variances by subjective analysis area.

Employees – Forecast to underspend by £2,013,000

10 Through the careful management and control of vacancies and employee budgets a saving of £2.21m is anticipated for the year at this stage.

11 Additional employee spend of £0.10m in Social inclusion and £0.10m in respect of Culture and Arts projects has been funded through additional grants and contributions.

Premises – Forecast to overspend by £128,000

12 Additional spend relates to accommodation cost of Joint Teams, funded by contributions from partners, and increased utility and maintenances costs across the service.

Transport – Forecast to overspend by £250,000

13 An overspend is projected due to general transport cost increases and increased service users demand.

Supplies & Services – Forecast to overspend by £669,000

14 Additional initiatives in Social Inclusion of £0.40m for Train to Gain and Community Safety, £0.54m for Arts Development and the DLI Museum and £0.21m for preventative technology have been possible due to the successful sourcing of additional grants and contributions.

- 15 Close control of general supplies and service budgets has created a projected saving of £0.48m across the service.

Agency & Contracted/Transfer Payments – Forecast to overspend by £145,000

- 16 Additional Supporting People programme schemes totalling £1.3m have been commissioned from funding carried forward from 2009/10 and additional external contributions. Additional externally funded initiatives in Social Inclusion of £0.05m have also been possible.
- 17 Care package spend is currently projected at £0.4m above budget reflecting the demographic pressures identified earlier in the report
- 18 Close control of agency contracts and the re-profiling of spend into 2011/12 to meet delivery requirements and double-running costs associated with the full implementation of Adult Care personalisation have created a projected underspend of £1.6m.

Central and Other Costs – Forecast to underspend by £145,000

- 19 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 of £0.2m in the bad debt provision required for the service.

Income – Forecast overachievement of £247,000

- 20 Successful legal action has resulted in the return to revenue of a £0.5m 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.
- 21 Supporting People Programme grant income carried forward from 2009/10 and additional external contributions have been used to fund additional spend of £1.3m in the current year as identified above.
- 22 Additional grants and contributions have been successfully sourced in respect of Social Inclusion (£0.55m), Arts and Culture (£0.64m) and Preventative Technology (£0.21m). Relevant spend related to this income is identified in the relevant spend categories above. Additional grant and contributions of £0.45m has also been received in respect of the carers service.
- 23 Income from service users contributions to care packages is currently projected at £0.3m above budget although contributions towards Continuing Health Care have reduced by £0.48m to reflect revised commissioning arrangement with the PCT.
- 24 Ringfenced Social Care Reform Grant of £2.79m been identified to be carried forwards into 2011/12 to meet delivery requirements and double-running costs associated with the full implementation of Adult Care personalisation.

Capital Programme

25 The Quarter 2 report identified that the AWH capital budget had been revised to £3.018m following the reprofiling of a number of schemes into 2011/12. During the third quarter the AWH capital budget for 2010/11 has subsequently been revised to £1.750m as a result of the identification of new funding, agreement of further reprofiling into 2011/12 and a small budget transfer between services.

Service	Revised Qtr 2 Budget	New funding/ budget transfers	Reprofiling to later years	Total Revised Budget	Spend at 30 Sept 2010	Forecast outturn
	£000's	£000's	£000's	£000's	£000's	£000's
Adults, Wellbeing and Health	3,018	717	-1,985	1,750	837	1,750

26 The following new funding was identified and budget transfer agreed.

- A Community Safety grant of £0.394m has been received
- A Social Care Reform Grant capital allocation of £0.353m was received
- A capital budget of £0.03m was transferred to RED

27 The following schemes were agreed to be reprofiled into 2011/12 during the review of the AWH capital programme in the third quarter.

- Adult Care schemes totalling £1.685m relating to ICT, Mental Health Grants, Social Care Reform Grant and Day Care provision
- Libraries Modernisation £0.3m

28 The remaining AWH capital programme is anticipated to spend on budget. Key scheme remaining in the 2010/11 programme include:

- Adult Care schemes of £0.68m relating to ICT, Mental Health Grants and premises capital maintenance
- Arts and Culture schemes of £0.47m covering capital maintenance of premises and a contribution to Beamish Museum
- Libraries capital maintenance of £0.03m
- PCP Redevelopment final retention payment £0.18m
- Community Safety £0.39m

Recommendation

29 Committee are asked to note the report

Contact: Graham Bainbridge Tel: (0191) 383 3388

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.