

Adult Wellbeing and Health Overview and Scrutiny Committee

3 October 2019



Adult & Health Services - Revenue and Capital Outturn 2018/19

**Report of Corporate Directors
John Hewitt, Corporate Director of Resources**

Jane Robinson, Corporate Director Adult and Health Services

Electoral division(s) affected:
Countywide

Purpose of the Report

- 1 To provide the Committee with details of the 2018/19 revenue and capital budget outturn position for the Adult and Health Services (AHS) service grouping, highlighting major variances in comparison with the budget for the year.

Executive Summary

- 2 This report provides an overview of the 2018/19 revenue and capital outturn position. It provides an analysis of the budgets and outturn for the service area falling under the remit of this Overview and Scrutiny Committee and complements the reports considered by Cabinet on a quarterly basis,
- 3 The outturn shows that AHS has a cash limit underspend of £3.994 million at the year-end against a revised budget of £120.622 million, which represents a 3.3% underspend. This compares with the previously forecast cash limit underspend, based on the position at December 2018, of a £4.316 million cash limit underspend.
- 4 Based on the outturn position the Cash Limit balance for AHS as at 31 March 2019 is £7.918 million.
- 5 Details of the reasons for under and overspending against relevant budget heads is disclosed in the report.
- 6 The revised AHS capital budget in 2018/19 is £0.032 million. There has been no capital expenditure incurred against this in 2018/19.

Recommendation

- 7 It is recommended that the Adults Wellbeing and Health Committee note the financial forecasts included in this report.

Background

- 8 County Council approved the Revenue and Capital budgets for 2018/19 at its meeting on 21 February 2018. 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:

- *AHS Revenue Budget - £120.622 million (original £130.822 million)*
- *AHS Capital Programme – £0.032 million (original £0.232 million)*

- 9 The original AHS revenue budget has been revised to incorporate a number of budget adjustments as summarised in the table below:

Reason For Adjustment	£'000
Original Budget	130,822
Transfer to REAL of EHCP	(4,761)
Transfer to REAL – Integrated Transport	(170)
Transfer to TAP	(1)
Transfer from Contingencies – Transforming Care	459
Transfer from Contingencies – HPO Review	13
Use of (+)/contribution to AHS reserves (-)	(7,602)
Use of (+)/contribution to Corporate reserves (ERVR) (-)	1,862
Revised Budget	120,622

- 10 The use of / (contribution) to AHS reserves consists of:

Reserve	£'000
Contribution to AHS - Cash Limit Reserve	(644)
Contribution to AHS - Social Care Reserve	(7,652)
Use of Public Health Reserve	694
Total	(7,602)

- 11 The summary financial statements contained in the report cover the financial year 2018/19 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 AHS 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

- 12 The AHS service has a cash limit underspend of £3.994 million against a revised budget of £120.622 million which represents a 3.3% underspend. This compares with the forecast cash limit underspend at December of £4.316 million.
- 13 The tables below show the revised annual budget, actual expenditure in 2018/19 and the year end variance. The first table is analysed by Subjective Analysis (i.e. type of expense) and shows the combined position for AHS; and the second is by Head of Service.

Subjective Analysis (Type of Expenditure)

	Revised Annual Budget	Actual 2018/19	Variance	Items Outside Cash Limit	Cont. To / (From) Reserves	Cash Limit Variance	Memo: QTR3 Cash Limit Variance
	£000	£000	£000	£000	£000	£000	£000
Employees	39,124	37,835	(1,289)	4	52	(1,233)	(1,255)
Premises	1,918	1,827	(91)	(130)	(3)	(224)	52
Transport	2,309	1,996	(313)	0	0	(313)	(237)
Supplies & Services	3,748	3,910	162	0	(184)	(22)	270
Third Party Payments	260,351	256,894	(3,457)	19	48	(3,390)	(4,231)
Transfer Payments	10,619	10,438	(181)	0	0	(181)	(373)
Central Support & Capital	28,407	28,901	494	(706)	1,929	1,717	1,239
Income	(225,854)	(227,078)	(1,224)	0	876	(348)	219
Total	120,622	114,723	(5,899)	(813)	2,718	(3,994)	(4,316)

Analysis by Head of Service Area

	Revised Annual Budget	Actual 2019/19	Variance	Items Outside Cash Limit	Cont. To / (From) Reserves	Cash Limit Variance	Memo: QTR3 Cash Limit Variance
	£000	£000	£000	£000	£000	£000	£000
Central/Other	8,038	6,620	(1,418)	2,268	79	929	747
Commissioning	4,568	3,401	(1,167)	(340)	590	(917)	(368)
Head of Adults	106,072	104,934	(1,138)	(2,711)	(157)	(4,006)	(4,695)
Public Health	1,944	(232)	(2,176)	(30)	2,206	0	0
Total	120,622	114,723	(5,899)	(813)	2,718	(3,994)	(4,316)

- 14 The table below provides a brief commentary of the outturn cash limit variances against the revised budget, analysed by Head of Service. 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. central admin recharges and capital charges):

Service Area	Description	Cash limit Variance £000
Head of Adults		
Ops Manager LD /MH / Substance Misuse	£181,000 under budget on employees due to effective vacancy management. £57,000 over budget in respect of premises/transport/supplies and services. £846,000 net under budget on care provision.	(970)
Safeguarding Adults and Pract.Dev.	£178,000 under budget mainly across staffing, and supplies and services. £10,000 over achieved income	(188)
Ops Manager OP/PDSI Services	£348,000 under budget due to effective management of vacancies. £182,000 under budget in respect of premises/transport/supplies and services. £1.423 million net under budget on direct care-related activity.	(1,953)
Ops Manager Provider Services	£895,000 under budget due to early achievement of MTFP savings.	(895)
		(4,006)
Central/Other		
Central/ Other	Net position mainly due to a revenue contribution to the SSID replacement capital project.	929
		929
Commissioning		
Commissioning	£139,000 under budget mainly in respect of employees. £778,000 under budget in respect of third-party payments to providers for care-related activity and one-off funding.	(917)
		(917)
Public Health		
Cancer Vulnerable Groups and Sexual Health and Domestic Violence	Residual payments relating to various sexual health contracts now under a single contract (+£116,000). Offset by underspends on the Domestic Violence Contract (-£51,000) and Health Protection Emergency Response (-£16,000).	49
Drugs and Alcohol Health Checks and Smoking Cessation	Underspends on Drug and Alcohol premises (-£165,000), Community Health checks (-86,000), Nicotine Replacement Therapy (-£138,000) not drawn down and (-£16,000) on residential services and supervised consumption.	(405)
Public Health CVP Services Oral Health Obesity and Physical Activity	Uncommitted budget (-£245,000), underspends on Young Adolescents mental health contract (-£18,000), Children's Wellbeing (-£13,000). Offset by increased costs for next generation broadband. (+£13,000).	(263)

Service Area	Description	Cash limit Variance £000
Public Health Grant and Reserves	Amount to balance the cash limit variance (+£1,426,000) made up principally of the uncommitted budgets, savings from vacant posts as a result of a service restructure and underspends on some contracts.	1,426
Public Health Team	Vacant posts as part of the recent restructure (-£347,000), staff training (-£14,000), staff travel (-29,000) supplies and services (-£49,000) uncommitted budget (-£487,000) savings on the Regional Maternity Survey (-£8,000).	(934)
Social Determinants/Well being and Adult Mental Health	Variations on several contracts; HIS Workplace (+£18,000), Adult Wellness Service (+£45,000), Data Collection & Recording Service (-£14,000), Mental Health and Wellbeing overspend (+£8,000). Net contribution to reserves (+£70,000).	127
		-
AHS Total		(3,994)

- 15 In summary, the service has maintained its spending within its cash limit. It should also be noted that the outturn position incorporates the MTFP savings built into the 2018/19 budgets, which for AHS in total initially amounted to £5.644 million of which £209,000 related to savings in EHCP and which has therefore transferred to REAL.
- 16 The cash limit balance for Adult and Health Services is £7.918 million after incorporating the 2018/19 outturn.

Capital Programme

- 17 The AHS capital programme 2018/19 comprised one scheme which was in Public Health, the Drug and Alcohol Premises Upgrade. However, this scheme was withdrawn during the year.
- 18 The AHS capital programme was revised in year to take into account budget reprofiling from 2017/18 following the final accounts for that year. Further reports taken to MOWG during the year included revisions to the AHS capital programme. The capital budget at 31 March 2019 is £32,000 and summary financial performance to the end of March is shown below:

AHS	Actual Expenditure 31/03/2019 £000	2018-19 Budget £000	(Under) / Over Spending £000
Public Health – Drug & Alcohol Premises	-	32	(32)
	-	32	(32)

- 19 The unspent budget has been reallocated to support other capital schemes within the County Council.

Background Papers

- 20 Cabinet Report 10 July 2019 – 2018/19 Final Outturn for the General Fund and the Collection Fund.

Contact: Andrew Gilmore – Finance Manager

Tel: 03000 263 497

Appendix 1: Implications

Legal Implications

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements. This report shows the actual spend against budgets agreed by the Council in February 2018 in relation to the 2018/19 financial year.

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position alongside details of balance sheet items such as earmarked reserves held by the service grouping to support its priorities.

Consultation

Not applicable.

Equality and Diversity / Public Sector Equality Duty

Not applicable.

Human Rights

Not applicable.

Crime and Disorder

Not applicable.

Staffing

Not applicable.

Accommodation

Not applicable.

Risk

The consideration of regular budgetary control reports is a key component of the Councils Corporate and Financial Governance arrangements.

Procurement

The outcome of procurement activity is factored into the financial projections included in the report.