

# **Adult Wellbeing and Health Overview and Scrutiny Committee**

**3 October 2019**



## **Adult and Health Services - Quarter 1: Forecast of Revenue and Capital Outturn 2019/20**

**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 updated forecast outturn budget position for the Adult and Health Services (AHS) service grouping, highlighting major variances in comparison with the budget for the year, based on the position to the end of June 2019.

### **Executive Summary**

- 2 This report provides an overview of the updated forecast of outturn, based on the position to 30 June 2019. It provides an analysis of the budgets and forecast outturn for the service areas falling under the remit of this Overview and Scrutiny Committee and complements the reports considered and agreed by Cabinet on a quarterly basis,
- 3 The AHS service grouping is reporting a cash limit underspend of £2.650 million at the year-end against a revised budget of £116.873 million, which represents a 2.3% underspend.
- 4 Based on the updated forecasts, the forecast Cash Limit balance for AHS as at 31 March 2020 is £10.367 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 for 2019/20 is nil.

## 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 2019/20 at its meeting on 20 February 2019. 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 - £116.873 million (original £123.776 million)*
- *AHS Capital Programme – £Nil*

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

| <b>Reason for Adjustment</b>                         | <b>£'000</b>   |
|--|----------------|
| Original Budget                                      | 123,776        |
| Transfer to TAP of Business Support                  | (1,920)        |
| Transfer from Contingencies – Pension Auto Enrolment | 105            |
| Transfer to Contingencies – Pension Deficit          | (737)          |
| Use of (+)/contribution to AHS reserves (-)          | (4,351)        |
| <b>Revised Budget</b>                                | <b>116,873</b> |

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

| <b>Reserve</b>                            | <b>£'000</b>   |
|---|----------------|
| Contribution to AHS - Social Care Reserve | (5,006)        |
| Use of Public Health Reserve              | 655            |
| <b>Total</b>                              | <b>(4,351)</b> |

- 11 The summary financial statements contained in the report cover the financial year 2019/20 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 updated forecasts show that the AHS service is now reporting a cash limit underspend of £2.650 million against a revised budget of £116.873 million which represents a 2.3% underspend.
- 13 The tables below show the revised annual budget, actual expenditure to 30 June 2019 and the updated forecast of outturn to the year end, including the variance forecast at year end. The first table is analysed by Subjective Analysis (i.e. type of expense) and the second is by Head of Service.

### Subjective Analysis (Type of Expenditure)

|                           | Revised Annual Budget<br>£000 | YTD Actual<br>£000 | Forecast Outturn<br>£000 | Cash Limit Variance<br>£000 |
|---------------------------|-------------------------------|--------------------|--------------------------|-----------------------------|
| Employees                 | 34,740                        | 8,271              | 33,851                   | (889)                       |
| Premises                  | 1,293                         | 188                | 1,334                    | 41                          |
| Transport                 | 2,321                         | 293                | 2,252                    | (69)                        |
| Supplies & Services       | 3,302                         | 707                | 3,799                    | 497                         |
| Third Party Payments      | 271,536                       | 39,340             | 270,175                  | (1,361)                     |
| Transfer Payments         | 10,297                        | 1,870              | 10,447                   | 150                         |
| Central Support & Capital | 26,609                        | 154                | 27,024                   | 415                         |
| Income                    | (233,225)                     | (35,626)           | (234,659)                | (1,434)                     |
| <b>Total</b>              | <b>116,873</b>                | <b>15,197</b>      | <b>114,223</b>           | <b>(2,650)</b>              |

### Analysis by Head of Service Area

|                | Revised Annual Budget<br>£000 | YTD Actual<br>£000 | Forecast Outturn<br>£000 | Cash Limit Variance<br>£000 |
|----------------|-------------------------------|--------------------|--------------------------|-----------------------------|
| Central/Other  | 10,226                        | (14,251)           | 9,106                    | (1,120)                     |
| Commissioning  | 5,401                         | 3,637              | 5,122                    | (279)                       |
| Head of Adults | 100,366                       | 30,105             | 99,115                   | (1,251)                     |
| Public Health  | 880                           | (4,294)            | 880                      | 0                           |
| <b>Total</b>   | <b>116,873</b>                | <b>15,197</b>      | <b>114,223</b>           | <b>(2,650)</b>              |

- 14 The table below provides a brief commentary of the forecast 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 |
|--|--|--------------------------|
| <b>Head of Adults</b>                      |  |                          |
| Ops Manager LD /MH / Substance Misuse      | £21,000 under budget on employees due to effective vacancy management.<br>£47,000 under budget in respect of premises/transport/supplies and services.<br>£51,000 net over budget on care provision.               | (17)                     |
| Safeguarding Adults and Pract.Dev.         | £59,000 under budget mainly across staffing together with supplies and services.   | (59)                     |
| Ops Manager OP/PDSI Services               | £56,000 under budget due to effective management of vacancies.<br>£70,000 under budget in respect of premises/transport/supplies and services.<br>£0.784 million net under budget on direct care-related activity. | (910)                    |
| Ops Manager Provider Services              | £265,000 net under budget mainly due to early achievement of MTFP savings.   | (265)                    |
|  |  | <b>(1,251)</b>           |
| <b>Central/Other</b>                       |  |                          |
| Central/ Other                             | £1.120 million under budget mainly due to the early achievement of MTFP savings.   | (1,120)                  |
|  |  | <b>(1,120)</b>           |
| <b>Commissioning</b>                       |  |                          |
| Commissioning                              | £279,000 under budget mainly in respect of employees and third party payments.   | (279)                    |
|  |  | <b>(279)</b>             |
| <b>Public Health</b>                       |  |                          |
| General Prevention Activities              | No material variance.  | 0                        |
| Healthy Communities Strategy and Assurance | Over budget on Data Collection & Recording (+14,000) and additional minor underspends (-£2,000).   | 12                       |
| Living and Aging Well                      | Over budget (+£21,000) largely relating to premises costs at Temple Cross Drug and Alcohol Centre.   | 21                       |

| Service Area                          | Description  | Cash limit Variance £000 |
|---------------------------------------|--|--------------------------|
| Public Health Grant and Reserves      | Amount to balance the cash limit variance (+£303,000) made up principally of the uncommitted budgets, savings from vacant posts and underspends on contracts.        | 303                      |
| Public Health Team                    | Vacant post and reduced hours (-£175,000), training and staff travel (-£7,000), uncommitted budget (-£110,000) already identified for future MTFP savings.           | (292)                    |
| Starting Well and Social Determinants | Under budget on MARAC (domestic violence) contract that has now expired (-£52,000), partially offset by an over budget on next generation broadband costs (+£8,000). | (44)                     |
|                                       |  | -                        |
| <b>AHS Total</b>                      |  | <b>(2,650)</b>           |

- 15 In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the forecast outturn position incorporates the MTFP savings built into the 2019/20 budgets, which for AHS in total amounted to £3.636 million.
- 16 Based on updated forecasts, the forecast Cash Limit balance at 31 March 2020 is £10.367 million.

### Capital Programme

- 17 There is no capital programme in 2019/20 for AHS at present.

### Background Papers

- 18 Cabinet Report 11 September 2019 – Forecast of Revenue and Capital Outturn Period to 30 June 2019.

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## **Appendix 1: Implications**

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### **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 forecast spend against budgets agreed by the Council in February 2019 in relation to the 2019/20 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.