

Adults Wellbeing and Health Overview and Scrutiny Committee

1 October 2021



Adult and Health Services - Revenue and Capital Outturn 2020/21

Report of Corporate Directors

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Electoral division(s) affected:
Countywide

Purpose of the Report

- 1 To provide the Committee with details of the 2020/21 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 2020/21 revenue and capital outturn position. It provides an analysis of the budget outturn for the service areas falling under the remit of the 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 £3.473 million at the year-end against a revised budget of £116.233 million, which represents a 3.0% underspend. This compares with the previously forecast cash limit underspend, based on the position at 31 December 2020, of a £3.457 million cash limit underspend.
- 4 In arriving at the cash limit position, Covid-19 related expenditure of £17.138 million, offset by Covid-19 related savings of £10.252 million within AHS have been excluded. Covid-19 related costs are being treated corporately and offset by Government funding so far as is possible.
- 5 Based on the outturn position the Cash Limit balance for AHS as at 31 March 2021 is £10.450 million.

- 6 Details of the reasons for under and overspending against relevant budget heads is disclosed in the report.
- 7 There was a small amount of capital expenditure, £2,000 incurred in 2020/21 as part of the 2021/22 Drug and Alcohol Recovery service capital scheme at Horden Resource Centre.

Recommendation

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

Background

9 County Council approved the Revenue and Capital budgets for 2020/21 at its meeting on 26 February 2020. 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 - £116.233 million (original £129.627 million)*
- *AHS Capital Programme – £Nil*

10 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	129,627
Transfer to Contingencies – NI adjustment	(20)
Transfer from Contingencies – Transforming Care	366
Transfer from Contingencies – Pay Inflation	786
Use of Corporate MTFP reserve	463
Contribution to COMF Reserve	(8,481)
Use of (+)/contribution to cash limit reserve (-)	(2,490)
Use of (+)/contribution to AHS reserves (-)	(4,018)
Revised Budget	116,233

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

Reserve	£'000
Contribution to AHS - Social Care Reserve	(2,440)
Contribution to Public Health Reserve	(1,578)
Total use / (contribution) to AHS Reserves	(4,018)

12 The summary financial statements contained in the report cover the financial year 2020/21 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 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

- 13 The AHS service has a cash limit underspend of £3.473 million against a revised budget of *£116.233 million* which represents a 3.0% underspend. This compares with the previous forecast cash limit underspend of £3.457 million at Quarter 3.
- 14 The tables below show the revised annual budget, actual expenditure in 2020/21 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 2020/21	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	36,683	35,914	(769)	(387)	332	(824)	(554)
Premises	1,201	2,003	802	(299)	(21)	482	55
Transport	2,293	1,587	(706)	555	(7)	(158)	(11)
Supplies & Services	4,364	4,647	283	38	166	487	109
Third Party Payments	289,416	301,856	12,440	(11,852)	788	1,376	2,632
Transfer Payments	11,278	10,278	(1,000)	0	0	(1,000)	(1,147)
Central Support / Capital	30,612	32,069	1,457	186	788	2,431	1,321
Income	(259,614)	(265,835)	(6,221)	4,373	(4,419)	(6,267)	(5,862)
Total	116,233	122,519	6,286	(7,386)	(2,373)	(3,473)	(3,457)

Analysis by Head of Service Area

	Revised Annual Budget	Actual 2020/21	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	9,068	8,388	(680)	751	1,307	1,378	1,059
Commissioning	4,574	3,505	(1,069)	12	651	(406)	(369)
Head of Adults	111,124	114,315	3,191	(7,820)	184	(4,445)	(4,147)
Public Health	(8,533)	(3,689)	4,844	(329)	(4,515)	0	0
Total	116,233	122,519	6,286	(7,386)	(2,373)	(3,473)	(3,457)

- 15 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	£302,000 under budget on employees due to effective management of vacancies. £57,000 over budget in respect of premises/transport/supplies and services. £764,000 net under budget on direct care related activity.	(1,009)
Safeguarding Adults and Pract.Dev.	£16,000 under budget on employees due to effective management of vacancies. £109,000 under budget on supplies and services. £32,000 over recovery of income.	(157)
Ops Manager OP/PDSI Services	£146,000 under budget on employees due to effective management of vacancies. £121,000 under budget in respect of premises/transport/supplies and services. £2.267 million net under budget on direct care-related activity.	(2,534)
Ops Manager Provider Services	£125,000 under budget on employees due to the effective management of staff. £16,000 under budget in respect of transport and supplies and services. £495,000 over recovery of income.	(636)
Operational Support	£109,000 under budget mainly in respect of supplies and services.	(109)
		(4,445)
Central/Other		
Central/ Other	The net effect of £2.000 million contribution to corporate reserves, and increase in the bad debt provision of £0.560 million and £1.182 million under budget, mainly to support future operational activity.	1,378
		1,378
Commissioning		
Commissioning	£406,000 under budget, mainly in respect of effective management of vacancies and contract management.	(406)
		(406)
Public Health		
General Prevention Activities	Under-budget on activity-based spend relating to Health Protection Emergency Response (-£19,000).	(19)

Service Area	Description	Cash limit Variance £000
Healthy Communities Strategy and Assurance	Over budget principally as a result of unbudgeted expenditure on personal resilience training.	7
Living and Aging Well	Under-budget across a range of budget areas as follows. Drug and Alcohol commissioning detox residential services (-£11,000), supervised consumption (-£89,000) Drug and Alcohol Recovery Service under budget (£-53,000). Buprenorphine prescription charges under budget (-£76,000). Pharmacy enhanced services for alcohol under budget (-£14,000). Social Marketing underbudget (-£29,000). Tobacco and Smoking cessation, Nicotine Replacement Therapy voucher and associated costs (-£243,000) underbudget. Reducing cancer deaths (-£65,000) under budget and (-£60,000) on contribution from NHS for cancer awareness social marketing. Public Health Mental Health and Wellbeing Macmillan additional CCG income not received (+£30,000).	(610)
Public Health Grant and Reserves	Amount to balance the cash limit variance (+£838,000) made up principally of savings against contracts, savings from vacant posts & delays in contracts progressing.	838
Public Health Team	Net under-budget on staffing due to a vacant post, reduced hours, training etc. (-£81,000), staff travel (-£13,000) supplies and services (-£7,000) offset by additional expenditure (+£15,000) on Teesside University Evaluation.	(86)
Starting Well and Social Determinants	Children's Services under budget (-£16,000) rent to Greenways for 0-25 contract (to be billed 21/22), broadband saving (-£21,000), recharge to CCG for Eneuresis Service not made (-£47,000), Violence Against Women and Girls Service - Contribution from NHS (-£46,000) for Perpetrator Intervention Victim Safety Scheme.	(130)
		-
AHS Total		(3,473)

16 Items treated as outside of the cash limit (in £'000) are set out below:

• Contribution to AHS (Social Care Reserve)	2,117
• Contribution to Public Health Reserves	3,964
• Use of Corporate Reserves - MTFP Redundancy	(130)
• Use of Corporate Reserves – COMF	(8,481)
• Contribution to Corporate Insurance Reserve	157
Total	(2,373)
• Outside Cash Limit (Central Support / Depreciation etc.)	(500)
• COVID-19 Costs and Lost Income	(17,138)
• COVID-19 Underspends	10,252
Sub Total	(7,386)
Total	(9,759)

17 The council has faced significant additional costs in relation to the Covid-19 outbreak and significant loss of income. All additional costs and loss of

income, net of Covid-19 related underspending, is being treated corporately and is therefore excluded from the cash limit.

- 18 The major area of additional cost and loss of income in respect of AHS is £17.138 million for the additional financial support paid to providers. This support includes a temporary 10% uplift in fees and targeted support being given to residential care homes where occupancy levels have dropped significantly (in excess of 10%).
- 19 The major areas of forecast Covid-19 related savings in respect of AHS are as follows (£10.252 million):
- (a) £0.593 million in respect of short-term spot hire of vehicles and car allowances etc;
 - (b) Net agency and contracted services are forecast to be £9.303 million below budget as a result of a reduction in contracted placements with adult care providers.
 - (c) A CDCCG contribution towards adult social care provider support is £0.356 million.
- 20 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 2020/21 budgets, which for AHS in total amounted to £5.044 million.
- 21 The cash limit reserve for Adult and Health Services is £10.450 million after incorporating the 2020/21 outturn.

Capital Programme

- 22 There was no designated capital programme in AHS in 2020/21. However, limited expenditure was incurred in respect of the 2021/22 capital programme in Public Health for Drug and Alcohol Premises Upgrade. The table below shows the capital expenditure incurred.

AHS	Actual Expenditure 31/03/2021 £000	2020-21 Budget £000	(Under) / Over Spending £000
Public Health – Drug & Alcohol Premises	2	0	2
	2	0	2

Background Papers

- 23 Cabinet Report 7 July 2021 – 2020/21 Final Outturn for the General Fund and the Collection Fund.

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 2020 in relation to the 2020/21 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.

Climate Change

Not applicable.