

# Adults Wellbeing and Health Overview and Scrutiny Committee

1 October 2021



## Quarter 1: Forecast of Revenue and Capital Outturn 2021/22

### Report of Corporate Directors

**Paul Darby, Corporate Director of Resources (Interim)**

**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 initial 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 2021.

### Executive Summary

- 2 This report provides an overview of the initial forecast of outturn, based on the position to 30 June 2021. It provides an analysis of the budget outturn for the services falling under the remit of the Overview and Scrutiny Committee and complements the reports considered by Cabinet on a quarterly basis.
- 3 The initial forecasts indicate that AHS will have a cash limit underspend of £3.886 million at the year-end against a revised revenue budget of £132.748 million, which represents a 2.9% underspend.
- 4 In arriving at the cash limit position, Covid-19 related expenditure of £3.126 million, offset by Covid-19 related savings of £4.634 million 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 forecasts, the Cash Limit balance for AHS as at 31 March 2022 will be £14.263 million.

- 6 Details of the reasons for under and overspending against relevant budget heads is disclosed in the report.
- 7 The AHS capital budget for 2021/22 is £1.210 million, however as at 30 June 2021 there has been no capital expenditure.

### **Recommendation**

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

## Background

9 County Council approved the Revenue and Capital budgets for 2021/22 at its meeting on 24 February 2021. 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 - £132.748 million (original £133.618 million)*
- *AHS Capital Programme – £1.210 million (original £1.210 million)*

10 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	133,618
Transfer from Contingencies – Transforming Care	371
Budget Transfer – Safeguarding Adults Board	149
Budget Transfer – Transitions	(150)
Budget Transfer – First Aid Training	(5)
Use of (+)/contribution to cash limit reserve (-)	(1,877)
Use of (+)/contribution to AHS reserves (-)	642
<b>Revised Budget</b>	<b>132,748</b>

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

<b>Reserve</b>	<b>£'000</b>
Use of AHS - Social Care Reserve	168
Use of Public Health Reserve	474
<b>Total</b>	<b>642</b>

12 The summary financial statements contained in the report cover the financial year 2021/22 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

- 13 The updated forecasts show that the AHS service is reporting a cash limit underspend of £3.886 million against a revised budget of *£132.748 million* which represents a 2.9% underspend.
- 14 The tables below show the revised annual budget, actual expenditure to 30 June 2021 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 £000	YTD Actual £000	Forecast Outturn £000	COVID 19 Costs £000	COVID Under spends £000	Cash Limit Variance £000
Employees	38,586	9,055	38,189	(126)	0	(523)
Premises	2,112	189	2,201	0	0	89
Transport	2,256	224	1,528	0	688	(40)
Supplies & Services	4,851	1,586	5,723	(50)	0	822
Third Party Payments	294,922	43,761	292,579	(2,950)	2,000	(3,293)
Transfer Payments	11,278	1,679	10,111	0	0	(1,167)
Central Support & Capital	30,925	19,085	31,161	0	0	236
Income	(252,182)	(54,258)	(254,138)	0	1,946	(10)
<b>Total</b>	<b>132,748</b>	<b>21,321</b>	<b>127,354</b>	<b>(3,126)</b>	<b>4,634</b>	<b>(3,886)</b>

### Analysis by Head of Service Area

	Revised Annual Budget £000	YTD Actual £000	Forecast Outturn £000	COVID 19 Costs £000	COVID Under spends £000	Cash Limit Variance £000
Central/Other	10,867	(15,368)	10,441	0	0	(426)
Commissioning	4,455	4,033	4,242	0	45	(168)
Head of Adults	115,658	32,902	110,877	(3,100)	4,589	(3,292)
Public Health	1,768	(246)	1,794	(26)	0	0
<b>Total</b>	<b>132,748</b>	<b>21,321</b>	<b>127,354</b>	<b>(3,126)</b>	<b>4,634</b>	<b>(3,886)</b>

- 15 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	£76,000 under budget on employees due to effective management of vacancies. £28,000 over budget in respect of supplies and services. £1.130 million net under budget on direct care related activity.	(1,178)
Safeguarding Adults and Practice Development	£8,000 under budget on employees due to effective management of vacancies.	(8)
Ops Manager OP/PDSI Services	£82,000 under budget on employees, premises, transport and supplies. £1.996 million net under budget on direct care-related activity.	(2,078)
Ops Manager Provider Services	£17,000 net under budget across a range of headings.	(17)
Operational Support	£11,000 under budget on employees due to effective management of vacancies.	(11)
		<b>(3,292)</b>
<b>Central/Other</b>		
Central/ Other	£0.426 million under budget mainly in respect of uncommitted budgets to support future operational activity.	(426)
		<b>(426)</b>
<b>Commissioning</b>		
Commissioning	£53,000 under budget on employees due to effective management of staff vacancies. £115,000 under budget in respect of effective contract management.	(168)
		<b>(168)</b>
<b>Public Health</b>		
General Prevention Activities	No material variances.	0
Healthy Communities Strategy and Assurance	Under budget on employees due to vacant Mental Health at work practitioner post (-£17,000).	(17)
Living and Ageing Well	Fresh and Balance contract CDDFT over budget (+£26,000), Smoke free manager post corrected income from Regional LA7 (-£53,000). Uncommitted base budgets relating to the Drug & Alcohol Recovery Service Ridgemount House, tenancy ended Mar 21 Temple Cross W-RAD (-£99,000) Dilapidation costs at Ridgemount House (+£4,000) Drug and Alcohol Commissioning Under-recovered income (+£14,000).	(108)

Service Area	Description	Cash limit Variance £000
Public Health Grant and Reserves	Amount to balance the cash limit variance (+£240,000) made up principally of savings from vacant posts and contracts in each service area as described.	240
Public Health Team	Under budget on staffing – vacant posts within the Public Health Team.	(115)
Starting Well and Social Determinants	No material variances.	0
		-
<b>AHS Total</b>		<b>(3,886)</b>

- 16 The service grouping is on track to maintain spending within its cash limit. The forecast outturn position incorporates the MTFP savings built into the 2021/22 budgets, which for AHS in total amounted to £0.974 million.
- 17 The council continues to face 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 in respect of AHS is £3.126 million for the additional financial support paid to providers. This support includes a temporary 2% 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 (£4.634 million):
- (a) £0.688 million in respect of short-term spot hire of vehicles and car allowances etc;
  - (b) Net agency and contracted services are forecast to be £2.000 million below budget as a result of a reduction in contracted placements with adult care providers.
  - (c) A CDCCG contribution towards additional COVID-related arrangements is £1.946 million.
- 20 The cash limit reserve for Adult and Health Services is forecast to be circa £14.263 million after incorporating the 2021/22 forecast and transfers to other earmarked reserves.

## Capital Programme

- 21 The AHS capital programme comprises two schemes, the drug and alcohol recovery services premises upgrade and the upgrade of Hawthorn House respite centre in Provider Services.
- 22 Further reports will be taken to MOWG during the year where revisions to the AHS capital programme are required. The capital budget currently totals £1.210 million.
- 23 Summary financial performance to 30 June 2021 is shown below.

AHS	Actual Expenditure 30/06/2021 £000	Current 2021-22 Budget £000	(Under) / Over Spending £000
Provider Services – Hawthorn House	-	336	(336)
Public Health – Drug and Alcohol Premises Upgrade	-	874	(874)
	-	<b>1,210</b>	<b>(1,210)</b>

- 24 Officers continue to carefully monitor capital expenditure on a monthly basis. There has been no expenditure incurred to date. At year end the actual outturn performance will be compared against the revised budgets, and service and project managers will need to account for any budget variance.

## Background Papers

- 25 Cabinet Report 15 September 2021 – Forecast of Revenue and Capital Outturn 2021/22 - Period 30 June 2021.

---

## **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 forecast spend against budgets agreed by the Council in February 2021 in relation to the 2021/22 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.