

# Adults Wellbeing and Health Overview and Scrutiny Committee

3 October 2022



## Adult and Health Services - Revenue and Capital Outturn 2021/22

### Report of Corporate Directors

**Paul Darby, 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 2021/22 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 2021/22 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 reports considered by Cabinet on a quarterly basis.
- 3 The outturn shows that AHS has a cash limit underspend of £0.192 million at the at the year-end against a revised revenue budget of £126.214 million, which represents a 0.15% underspend. This compares with the previously forecast cash limit underspend, based on the position at 31 December 2021, of a £0.189 million cash limit underspend.
- 4 In arriving at the cash limit position, Covid-19 related expenditure of £3.147 million, offset by Covid-19 related savings of £1.335 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 2022 is £6.149 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 £0.377 million, and as at 31 March 2022 there has been capital expenditure incurred of £0.375 million.

**Recommendation**

- 8 It is recommended that the Adults Wellbeing and Health Overview and Scrutiny Committee note the financial position 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 - £126.214 million (original £133.618 million)*
- *AHS Capital Programme – £0.377 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)
Budget Transfer – CYPS	(4,500)
Budget Transfer – Partnerships to CYPS	(30)
Budget Transfer – Resources	(5)
Use of (+)/contribution to cash limit reserve (-)	(1,507)
Use of (+)/contribution to AHS reserves (-)	(1,727)
<b>Revised Budget</b>	<b>126,214</b>

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

<b>Reserve</b>	<b>£'000</b>
Contribution to AHS - Social Care Reserve	(1,694)
Contribution to Public Health Reserve	(33)
<b>Total</b>	<b>(1,727)</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 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 £0.192 million against a revised budget of £126.214 million which represents a 0.15% underspend. This compares with the forecast cash limit underspend of £0.189 million at Quarter 3, 2021/22.
- 14 The tables below show the revised annual budget, actual expenditure in 2021/22 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)

	Adjusted Annual Budget £000	Actual 2021/22 £000	Variance £000	Items Outside Cash Limit £000	Cont. To / (From) Reserve £000	Cash Limit Variance £000	Memo-Forecast Position at QTR3 £000
Employees	38,883	37,330	(1,553)	(372)	(25)	(1,950)	(1,848)
Premises	2,116	1,869	(247)	395	0	148	106
Transport	2,256	1,870	(386)	359	0	(27)	(270)
Supplies & Services	5,064	9,123	4,059	(746)	85	3,398	1,957
Third Party Payments	304,593	305,869	1,276	(2,469)	(13)	(1,206)	1,663
Transfer Payments	11,278	10,911	(367)	0	0	(367)	(730)
Central Support & Capital	31,660	33,732	2,072	(27)	255	2,300	1,613
Income	(269,636)	(277,627)	(7,991)	968	4,535	(2,488)	(2,680)
<b>Total</b>	<b>126,214</b>	<b>123,077</b>	<b>(3,137)</b>	<b>(1,892)</b>	<b>4,837</b>	<b>(192)</b>	<b>(189)</b>

### Analysis by Head of Service Area

	Adjusted Annual Budget £000	Actual 2021/22 £000	Variance £000	Items Outside Cash Limit £000	Cont. To / (From) Reserve £000	Cash Limit Variance £000	Memo-Forecast Position at QTR3 £000
Central/Other	10,782	9,089	(1,693)	1,920	346	573	205
Commissioning	4,769	3,832	(937)	(13)	537	(413)	(318)
Head of Adults	109,160	112,433	3,273	(3,668)	43	(352)	(76)
Excluded Services	242	299	57	0	(57)	0	0
Public Health	1,261	(2,576)	(3,837)	(131)	3,968	0	0
<b>Total</b>	<b>126,214</b>	<b>123,077</b>	<b>(3,137)</b>	<b>(1,892)</b>	<b>4,837</b>	<b>(192)</b>	<b>(189)</b>

- 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
<b>Head of Adults</b>		
Ops Manager LD /MH / Substance Misuse	£553,000 under budget on employees due to staff turnover above budget. £142,000 over budget on transport. £131,000 over budget in respect of supplies and services and premises. £595,000 net under budget on direct care related activity.	(875)
Safeguarding Adults and Practice Development	£105,000 under budget on employees due to staff turnover above budget. £131,000 under budget on supplies and services.	(236)
Ops Manager OP/PDSI Services	£433,000 under budget on employees due to staff turnover above budget. £184,000 under budget linked to transport £226,000 under budget on supplies and services. £2.334 million net over budget on direct care-related activity, including a part year 10% increase in the domiciliary fee rate.	1,491
Ops Manager Provider Services	£286,000 net under budget on employees due to staff turnover above budget. £69,000 net over budget in respect of transport, supplies and services, and premises. £520,000 over recovery of income, including additional Government funding to support outbreak measures.	(737)
Operational Support	£12,000 under budget on employees due to staff turnover above budget. £17,000 over budget on supplies and services.	5
		<b>(352)</b>
<b>Central/Other</b>		
Central/ Other	£207,000 under budget mainly in respect of uncommitted budgets to support future operational activity. £780,000 over budget in respect of increased bad debt provision.	573
		<b>573</b>
<b>Commissioning</b>		
Commissioning	£182,000 under budget on employees due to staff turnover above budget. £231,000 under budget in respect of effective contract management.	(413)

Service Area	Description	Cash limit Variance £000
		(413)
<b>Public Health</b>		
General Prevention Activities	Under budget against flu vaccination budget (-£45,000).	(45)
Healthy Communities Strategy and Assurance	Under budget on employees due to vacant Mental Health at Work practitioner post (-£24,000). Net contract saving; Wellbeing for Life, Data Collection Service NHS Midland and Newcastle Council Better Health at Work (-£34,000).	(58)
Living and Ageing Well	Fresh and Balance contract CDDFT over-budget (+£26,000) Smoke free manager post corrected income from Regional LA7 (-£53,000). Overspend on Nicotine Replacement Therapy (+£57,000) Underspend on Drug and Alcohol commissioning various (-£44,000), Eden House (Temple Cross) (-£55,000) Dilapidation costs at Ridgemount House (+£4,000) Saddler House electricity costs (+£14,000) Thames House historic rates charges (+£12,000) East Durham additional capital cost (+£18,000) Whinney Hill additional repairs and cleaning costs (+£13,000) Health Checks underspend (-£23,000), FP10 Prescription costs estimate underspend (-£26,000), Supervised Consumption estimate underspend (-£53,000). Additional income from Northern Cancer Alliance (-£65,000).	(175)
Public Health Grant and Reserves	Amount to balance the cash limit variance (+£492,000) made up principally of savings from vacant posts and contracts in each service area as described.	492
Public Health Team	Under budget on staffing – vacant posts within the Public Health Team and staff travel and supplies and services.	(209)
Starting Well and Social Determinants	Net effect of various under and overspends against contracts.	(5)
		-
<b>AHS Total</b>		<b>(192)</b>

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

• Contribution to Social Care Reserve	538
• Contribution to Community Discharge Reserve	392
• Contribution to Public Health Reserve	600
• Contribution to PH Regional Reserve	3,547
• Use of Adults Safeguarding Board Reserve	(57)
• Use of Corporate Reserves – COMF	(179)
• Use of Corporate Insurance Reserve	(4)
<b>Total</b>	<b><u>4,837</u></b>

• Outside Cash Limit (Central Support / Depreciation etc.)	457
• COVID-19 Costs and Lost Income	(3,147)
• COVID-19 Underspends	1,335
• Pay Award	(537)
<b>Sub Total</b>	<u>(1,892)</u>
<b>Total</b>	<u>2,945</u>

- 17 The council continued 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, are being treated corporately and is therefore excluded from the cash limit.
- 18 The major area of additional cost in respect of AHS is £3.147 million for the additional financial support paid to providers. This support includes a temporary 2% uplift in specified fees to 30 September 2021, and targeted support being given to residential care homes where occupancy levels dropped significantly (in excess of 10%).
- 19 The major areas of Covid-19 related savings in respect of AHS are as follows (£1.335 million):
- (a) £0.367 million in respect of short-term spot hire of vehicles and car allowances etc;
  - (b) A CDCCG contribution towards additional COVID-related arrangements of £0.968 million.
- 20 In summary, the service has maintained spending within its cash limit. It should also be noted that the outturn position incorporates the MTFP savings built into the 2021/22 budgets, which for AHS in total amounted to £0.974 million.
- 21 The cash limit reserve for Adult and Health Services is £6.149 million after incorporating the 2021/22 outturn.

### Capital Programme

- 22 The AHS capital programme comprises two schemes, the Public Health drug and alcohol recovery services premises upgrade and the upgrade of Hawthorn House respite centre in Provider Services.

- 23 The capital budget at 31 March 2022 is £0.377 million and summary financial performance to the end of March is shown below.

AHS	Actual Expenditure 31/03/2022 £000	Current 2021-22 Budget £000	(Under) / Over Spending £000
Provider Services – Hawthorn House	49	41	8
Public Health – Drug and Alcohol Premises Upgrade	326	336	(10)
	<b>375</b>	<b>377</b>	<b>(2)</b>

### Background Papers

- 24 Cabinet Report 13 July 2022 – 2021/22 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 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.