

# Adults Wellbeing and Health Overview and Scrutiny Committee

3 October 2022

## Quarter 1: Forecast of Revenue and Capital Outturn 2022/23



### 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 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 2022.

### Executive Summary

- 2 This report provides an overview of the initial forecast of outturn, based on the position to 30 June 2022. 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 £1.063 million at the year-end against a revised revenue budget of £138.193 million, which represents a 0.77% underspend.
- 4 Based on the forecasts, the Cash Limit balance for AHS as at 31 March 2023 will be £5.645 million.
- 5 Details of the reasons for under and overspending against relevant budget heads is disclosed in the report.
- 6 The AHS capital budget for 2022/23 comprises a single scheme of £0.435 million. As at 30 June 2022 capital expenditure of £8,000 has been incurred.

## **Recommendation**

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

## Background

8 County Council approved the Revenue and Capital budgets for 2022/23 at its meeting on 23 February 2022. 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 - £138.193 million (original £136.741 million)*
- *AHS Capital Programme – £0.435 million (original £1.170 million)*

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	136,741
Budget Transfer to CYPS – Transitions	(840)
Budget Transfer from Contingencies – Pay Award 2021/22	517
Use of (+)/contribution to Corporate Recovery Reserve (-)	128
Use of (+)/contribution to cash limit reserve (-)	1,399
Use of (+)/contribution to AHS reserves (-)	248
<b>Revised Budget</b>	<b>138,193</b>

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

<b>Reserve</b>	<b>£'000</b>
Use of AHS - Social Care Reserve	148
Use of AHS – Integrated Reserve	11
Use of Public Health Reserve	89
<b>Total</b>	<b>248</b>

11 The summary financial statements contained in the report cover the financial year 2022/23 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 reporting a cash limit underspend of £1.063 million against a revised budget of £138.193 million which represents a 0.77% underspend.
- 13 The tables below show the revised annual budget, actual expenditure to 30 June 2022 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	Items Outside Cash Limit £000	Cash Limit Variance £000
Employees	38,566	8,977	38,502	(900)	(964)
Premises	1,187	403	1,294	(28)	79
Transport	2,164	273	2,273	-	109
Supplies & Services	5,185	1,479	5,571	-	386
Third Party Payments	309,993	42,776	310,279	-	286
Transfer Payments	10,956	1,565	10,245	-	(711)
Central Support & Capital	30,999	72	31,099	-	100
Income	(260,857)	(43,258)	(261,205)	-	(348)
<b>Total</b>	<b>138,193</b>	<b>12,287</b>	<b>138,058</b>	<b>(928)</b>	<b>(1,063)</b>

### Analysis by Head of Service Area

	Revised Annual Budget £000	YTD Actual £000	Forecast Outturn £000	Items Outside Cash Limit £000	Cash Limit Variance £000
Excluded Services	140	146	144	(4)	0
Central/Other	10,947	(16,009)	10,773	(30)	(204)
Commissioning	2,864	3,487	2,864	(47)	(47)
Head of Adults	122,292	34,012	122,327	(847)	(812)
Public Health	1,950	(9,349)	1,950	-	0
<b>Total</b>	<b>138,193</b>	<b>12,287</b>	<b>138,058</b>	<b>(928)</b>	<b>(1,063)</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	£543,000 under budget on employees due to staff turnover above budget. £90,000 over budget in respect of premises and supplies & services. £312,000 over budget relating to transport. £361,000 net over budget on direct care related activity.	220
Safeguarding Adults and Practice Development	£49,000 under budget on employees due to staff turnover above budget. £52,000 over recovery of income.	(101)
Ops Manager OP/PDSI Services	£126,000 under budget on employees, premises, transport and supplies. £645,000 net under budget on direct care-related activity.	(771)
Ops Manager Provider Services	£167,000 under budget on employees due to staff turnover above budget. £35,000 net over budget in respect of premises and transport.	(132)
Operational Support	£22,000 under budget on employees due to staff turnover above budget. £6,000 under budget on supplies and services.	(28)
		<b>(812)</b>
<b>Central/Other</b>		
Central/ Other	£204,000 under budget mainly in respect of uncommitted budgets to support future operational activity.	(204)
		<b>(204)</b>
<b>Commissioning</b>		
Commissioning	£37,000 under budget on employees due to staff turnover above budget. £10,000 under budget in respect of effective contract management.	(47)
		<b>(47)</b>
<b>Public Health</b>		
General Prevention Activities	No material variances.	0

Service Area	Description	Cash limit Variance £000
Healthy Communities Strategy and Assurance	No material variances.	0
Living and Ageing Well	No material variances.	0
Public Health Grant and Reserves	Amount to balance the cash limit variance (+£297,000) made up principally of savings from vacant posts.	297
Public Health Team	Under budget on staffing – vacant posts within the Public Health Team.	(297)
Starting Well and Social Determinants	No material variances.	0
		0
<b>AHS Total</b>		<b>(1,063)</b>

15 The service grouping is on track to maintain spending within its cash limit. The forecast outturn position incorporates the MTFP savings built into the 2022/23 budgets, which for AHS in total amounted to £157,000.

16 The cash limit reserve for Adult and Health Services is forecast to be circa £5.645 million after incorporating the 2022/23 forecast and transfers to other earmarked reserves.

### Capital Programme

17 The AHS capital programme comprises one scheme, the upgrade of Hawthorn House respite centre in Provider Services.

18 Further reports will be taken to MOWG during the year where revisions to the AHS capital programme are required. The capital budget currently totals £0.435 million.

19 Summary financial performance to 30 June 2022 is shown below.

Scheme	Actual Expenditure 30/06/2022 £000	Current 2022-23 Budget £000	(Under) / Over Spending £000
Provider Services – Hawthorn House	8	435	(427)
	<b>8</b>	<b>435</b>	<b>(427)</b>

20 Officers continue to carefully monitor capital expenditure on a monthly basis. There has been limited 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**

- 21 Cabinet Report 14 September 2022 Forecast Revenue and Capital Outturn 2022/23 – Period 30 June 2022.

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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 2022 in relation to the 2022/23 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.