

Adults Wellbeing and Health Overview and Scrutiny Committee

2 October 2023

Revenue and Capital Outturn 2022/23



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 2022/23 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 2022/23 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 £1.850 million at the year-end against a revised revenue budget of £137.989 million, which represents a 1.34% underspend. This compares with the previously forecast cash limit underspend, based on the position at 31 December 2022 of a £1.608 million cash limit underspend.
- 4 Based on the outturn position the Cash Limit balance for AHS as at 31 March 2023 is £5.329 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 comprised a single scheme of £100,000. There has been capital expenditure incurred of £24,000.

Recommendation

- 7 It is recommended that the Adults Wellbeing and Health Overview and Scrutiny Committee note the financial position 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 - £137.989 million (original £136.741 million)*
- *AHS Capital Programme – £0.100 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:

Reason for Adjustment	£'000
Original Budget	136,741
Budget Transfer to CYPS – Transitions	(923)
Budget Transfer to REG – Centralised repairs and maintenance	(24)
Budget Transfer to Resources – Business Support	(97)
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
Revised Budget	137,989

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

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

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 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 AHS service has a cash limit underspend of £1.850 million against a revised budget of £137.989 million which represents a 1.34% underspend. This compares with the forecast cash limit underspend at Quarter 3 of £1.608 million.
- 13 The tables below show the revised annual budget, actual expenditure in 2022/23 and the year end variance. 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	Actual £000	Variance £000	Items Outside Cash Limit £000	Cont. To / (From) Reserve £000	Cash Limit Variance £000	Memo-Forecast Position at QTR3 £000
Employees	39,001	37,957	(1,044)	(1,469)	0	(2,513)	(2,357)
Premises	1,182	1,914	732	(576)	0	156	131
Transport	2,166	2,346	180	(3)	0	177	47
Supplies & Services	5,815	6,964	1,149	(129)	0	1,020	569
Third Party Payments	319,583	326,991	7,408	0	0	7,408	9,355
Transfer Payments	10,811	11,223	412	0	0	412	(55)
Central Support & Capital	31,026	40,692	9,666	(2,596)	66	7,136	564
Income	(271,595)	(287,241)	(15,646)	0	0	(15,646)	(9,862)
Total	137,989	140,846	2,857	(4,773)	66	(1,850)	(1,608)

Analysis by Head of Service Area

	Revised Annual Budget £000	Actual £000	Variance £000	Items Outside Cash Limit £000	Cont. To / (From) Reserve £000	Cash Limit Variance £000	Memo-Forecast Position at QTR3 £000
Excluded Services	140	149	9	(9)	0	0	0
Central/Other	10,924	12,612	1,688	(1,373)	(26)	289	840
Commissioning	3,014	2,001	(1,013)	(204)	878	(339)	(104)
Head of Adults	121,961	120,230	(1,731)	(3,092)	3,023	(1,800)	(2,344)
Public Health	1,950	5,854	3,904	(95)	(3,809)	0	0
Total	137,989	140,846	2,857	(4,773)	66	(1,850)	(1,608)

14 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	£840,000 under budget on employees due to staff turnover above budget. £588,000 over budget relating to transport. £34,000 over budget on premises. £106,000 over budget on supplies and services. £3,006,000 net over budget on direct care-related activity.	2,894
Safeguarding Adults and Practice Development	£156,000 under budget on employees due to staff turnover above budget. £14,000 under budget on transport. £53,000 over budget on supplies and services. £57,000 over recovery of income.	(174)
Ops Manager OP/PDSI Services	£619,000 under budget on employees due to staff turnover above budget. £212,000 under budget on transport. £370,000 over budget on supplies and services. £3,166,000 net under budget on direct care-related activity.	(3,627)
Ops Manager Provider Services	£491,000 under budget on employees due to staff turnover above budget. £17,000 under budget on transport. £75,000 over budget on supplies and services. £327,000 over recovery of income.	(760)
Operational Support	£89,000 under budget on employees due to staff turnover above budget. £44,000 under budget on supplies and services.	(133)
		(1,800)
Central/Other		
Central/ Other	£462,000 over budget on increased bad debt provision within cash limit. £173,000 under budget mainly in respect of uncommitted budgets to support future operational activity.	289
		289
Commissioning		
Commissioning	£91,000 under budget on employees due to staff turnover above budget. £248,000 under budget in respect of contracts.	(339)
		(339)

Service Area	Description	Cash limit Variance £000
Public Health		
County Durham Together	New Team – full year budget provided.	(99)
Protecting Health	New Team – full year budget provided pls additional income received from Integrated Care Board linked to vaccine inequalities carried forward to 23/24 in reserve.	(126)
General Prevention Activities	Under budget linked to Pharmacy contract for flu immunisation.	(50)
Healthy Communities Strategy and Assurance	Under budget and refund linked to water fluoridation.	(96)
Living and Ageing Well	Overbudget on supervised consumption £34,000, recovery centre premises £90,000, £39,000 over budget to cover reserve for VCS organisations to provide support/deliver programmes to reduce social isolation and risk of MH issues (CREES). Under budget on prescription charges £63,000. Over budget on nicotine replacement therapy vouchers £40,000 plus general net underspend £13,000.	127
Public Health Grant and Reserves	Amount to balance the cash limit variance (+£1,214,000) to Grant Reduction Reserve. £945,000 direct revenue funding to fund Newton Cap suicide prevention from unallocated budget of £1,393,000.	766
Public Health Team	£240,000 over budget to cover reserve contribution to AGE UK offset by £296,000 under budget on staffing – vacant posts within the Public Health Team. Unallocated budget of £301,000.	(357)
Starting Well and Social Determinants	£22,000 reserve to cover increase to Children’s Wellbeing SLA and £35,000 to cover reserve linked to Domestic Abuse Counsellor and contribution to Safety of Women at Night £20,000 not drawn from reserve. Over budget on sexual health contract £26,000. Additional income received to be used in 23/24 of £227,000. Unallocated budget £41,000.	(165)
		0
AHS Total		(1,850)

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

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

• Contribution to Social Care Reserve	66
• Contribution to Community Discharge Reserve	350
• Contribution to County Durham Integrated Care Reserve	3,245
• Contribution to Adults Cash Limit Reserve	255
• Contribution to Public Health Reserves	1,369
• Transfer PH Regional Reserve to Balance Sheet	(5,287)
• Contribution to Corporate Recovery Support Reserve	72
• Use of Corporate Insurance Reserve	(4)
Total	66
• Outside Cash Limit (Central Support / Depreciation etc.)	(455)
• Increase in Bad Debt Provision	(2,407)
• Pay Award	(1,911)
Sub Total	(4,773)
Total	(4,707)

17 The cash limit reserve for Adult and Health Services is £5.329 million after incorporating the 2022/23 outturn.

Capital Programme

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

19 The capital budget at 31 March 2023 is £0.100 million and summary financial performance to the end of March is shown below.

Scheme	Actual Expenditure 31/03/2023 £000	Current 2022-23 Budget £000	(Under) / Over Spending £000
Provider Services – Hawthorn House	24	100	(76)
	24	100	(76)

Background Papers

20 Cabinet Reports 12 July 2023 – 2022/23 Final Outturn for the General 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 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 implications included in the report.