

Adults Wellbeing and Health Overview and Scrutiny Committee

2 October 2023

Quarter 1: Forecast of Revenue and Capital Outturn 2023/24



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 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 2023.

Executive Summary

- 2 This report provides an overview of the forecast of outturn, based on the position to 30 June 2023. It provides an analysis of the forecast 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 forecast indicates that AHS will have a cash limit underspend of £85,000 at the year-end against a revenue budget of £156.296 million, which represents a 0.05% underspend.
- 4 Based on the forecasts, the Cash Limit balance for AHS as at 31 March 2024 will be £3.562 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 2023/24 comprises three schemes within Adult Care totalling £2.402 million. As at 30 June 2023 capital expenditure of £0.342 million has been incurred.

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 2023/24 at its meeting on 22 February 2023. 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 - £156.296 million (original £156.296 million)*
- *AHS Capital Programme – £2.402 million (original £2.045 million)*

9 The original AHS revenue budget has not been revised at quarter 1. However, the original budget includes a number of budgeted use of reserves as summarised in the table below:

Budgeted Use of Reserves in Original Budget	£'000
Use of cash limit reserve at budget build	(699)
Use of AHS reserves at budget build	(2,072)

10 The use of AHS reserves consists of:

Reserve	£'000
Use of Social Care Reserve at budget build	(523)
Use of Integrated Reserve at budget build	(677)
Use of Public Health Reserve at budget build	(872)
Total	(2,072)

11 The summary financial statements contained in the report cover the financial year 2023/24 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 £85,000 against a budget of £156.296 million which represents a 0.05% underspend.
- 13 The tables below show the revised annual budget, actual expenditure to 30 June 2023 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	Forecast Use of Reserve £000	Cash Limit Variance QTR1 £000
Employees	40,360	9,504	40,217	(56)	0	(199)
Premises	1,283	169	1,256	22	0	(5)
Transport	2,147	311	2,661	0	0	514
Supplies & Services	4,500	1,401	4,956	0	0	456
Third Party Payments	351,544	67,519	351,465	3,500	0	3,421
Transfer Payments	11,838	1,833	12,083	0	0	245
Central Support & Capital	34,009	21,552	33,890	0	212	93
Income	(289,385)	(72,308)	(293,995)	0	0	(4,610)
Total	156,296	29,981	152,533	3,466	212	(85)

Analysis by Head of Service Area

	Revised Annual Budget £000	YTD Actual £000	Forecast Outturn £000	Items Outside Cash Limit £000	Forecast Use of Reserve £000	Cash Limit Variance QTR1 £000
Excluded Services	122	(758)	122	0	0	0
Central/Other	10,828	(14)	10,838	3	0	13
Commissioning	354	(508)	915	(13)	(574)	(26)
Head of Adults	143,740	20,805	140,940	3,476	(748)	(72)
Public Health	1,252	10,456	(282)	0	1,534	0
Total	156,296	29,981	152,533	3,466	212	(85)

- 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
Head of Adults		
Ops Manager LD /MH / Substance Misuse	£231,000 under budget on employees due to staff turnover above budget. £10,000 over budget on premises. £487,000 over budget on transport. £78,000 over budget on supplies and services. £1,139,000 net over budget on direct care related activity.	1,483
Safeguarding Adults and Practice Development	£94,000 under budget on employees due to staff turnover above budget. £54,000 net over budget on supplies and recharges. £56,000 over recovery of income.	(96)
Ops Manager OP/PDSI Services	£180,000 under budget on employees due to staff turnover above budget. £37,000 over budget on transport. £81,000 over budget on supplies and services. £1,241,000 net under budget on direct care-related activity.	(1,303)
Ops Manager Provider Services	£104,000 under budget on employees due to staff turnover above budget. £54,000 net under budget on transport, premises, supplies & services.	(158)
Operational Support	No material variances.	2
		(72)
Central/Other		
Central/ Other	No material variances.	13
		13
Commissioning		
Commissioning	£65,000 under budget on employees due to staff turnover less than budget. £39,000 over budget on supplies and services.	(26)
		(26)
Public Health		
County Durham Together	Plans not yet in place for budget.	(65)

Service Area	Description	Cash limit Variance £000
Protecting Health	Plans not in place for budget of £50,000 offset by over budget on Infection Control not drawn from reserves £67,000	17
General Prevention Activities	Underbudget linked to pharmacy contract for flu immunisation.	(29)
Healthy Communities Strategy and Assurance	Under budget on water fluoridation £67,000 offset by over budget of £16,000 not drawn from reserves mainly linked to Let's Connect contract.	(51)
Living and Ageing Well	Under budget on Health Checks contract £126,000. IPD grant used to fund £16,000. Under budget on prescription charges £63,000. Over budget of £108,000 to cover reserve expenditure linked to Stamp it Out Hub, Tobacco (Serious Mental Illness) project, NRT additional allocation and diabetes project.	(97)
Public Health Grant and Reserves	Amount to balance the cash limit variance (£1,052,000) to Grant Reduction Reserve. Unallocated budget of £1,738,000 offset by forecast agenda for change costs of £366,000.	(320)
Public Health Team	£195,000 under budget on staffing – vacant posts within the Public Health Team. Over budget on projects linked to expenditure not drawn from reserves including contribution for CREES, Age UK, apprentice post, community champions post and Wellbeing Programme Manager.	260
Starting Well and Social Determinants	Under budget on sexual health contract £41,000. Underbudget on children's contracts £68,000. Underbudget on remain safe contribution £30,000. Over budget on projects linked to reserve expenditure £42,000 including GUM Out of area invoices, MapMe additional funding, HDFT Safeguarding Nurse, Glasses in Classes, Breastfeeding Insights work, projects linked to Domestic Abuse.	285
		0
AHS Total		(85)

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 2023/24 budgets, which for AHS in total amounted to £1.775 million.

16 The forecast outturn position excludes £3.466 million of expenditure outside the cash limit as follows; £56,000 in respect of the 2023/24 chief officers pay award, £3.500 million associated with a forecast underspend in adult care for future MTFP support and £22,000 in respect of a decrease in energy costs.

17 The Service has forecast £0.212 million net contribution to reserves at quarter 1 as outlined below and shown as outside the cash limit:

- Use of Social Care Reserve (42)
- Use of County Durham Integrated Care Reserve (192)

• Use of Adults Cash Limit Reserve	(1,088)
• Contribution to Public Health Reserves	1,534
Total	212

18 The cash limit reserve for Adult and Health Services is forecast to be circa £3.562 million after incorporating the 2023/24 forecast and transfers to other earmarked reserves.

Capital Programme

19 The AHS capital programme comprises three schemes, the upgrade of Hawthorn House respite centre, the development of complex needs provision at Harelaw and development of Positive Journeys at Chester le Street.

20 Further reports will be taken to MOWG during the year where revisions to the AHS capital programme are required. The capital budget currently totals £2.402 million.

21 Summary financial performance to 30 June 2023 is shown below.

Scheme	Actual Expenditure 30/06/2023 £000	Current 2023-24 Budget £000	(Under) / Over Spending £000
Hawthorn House Development	51	1,349	(1,298)
Complex Needs in the Community Harelaw	0	523	(523)
Positive Journeys Chester le Street	291	530	(239)
	342	2,402	(2,060)

22 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

23 Cabinet Report 14 September 2023 – Forecast Revenue and Capital Outturn 2023/24 – Period 30 June 2023.

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 2023 in relation to the 2023/24 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.