

Adults Wellbeing and Health Overview and Scrutiny Committee

15 January 2024

Quarter 2: 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 September 2023.

Executive Summary

- 2 This report provides an overview of the forecast of outturn, based on the position to 30 September 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 £0.316 million at the year-end against a revenue budget of £156.014 million, which represents a 0.2% underspend.
- 4 Based on the forecasts, the Cash Limit balance for AHS as at 31 March 2024 will be £3.543 million.
- 5 Detail 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 £2.548 million. As at 30 September 2023 capital expenditure of £0.525 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 - £156.014 million (original £156.296 million)*
- *AHS Capital Programme – £2.548 million (original £2.045 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	156,296
Budget Transfer to CYPS	(157)
Budget Transfer to Resources	(26)
Budget Transfer to Chief Executive Office	(99)
Revised Budget	156,014

10 The original AHS revenue 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 Social Care Reserve at budget build	(523)
Use of Integrated Reserve at budget build	(677)
Use of Public Health reserves at Budget Build	(872)
Total	(2,771)

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 £0.316 million against a budget of £156.014 million which represents a 0.2% underspend. This compares with the forecast cash limit underspend at June of £85,000.
- 13 The tables below show the revised annual budget, actual expenditure to 30 September 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	Cash Limit Variance QTR2 £000	Memo-Forecast Position at QTR1 £000
Employees	40,164	19,188	39,861	(55)	(358)	(199)
Premises	1,306	376	1,308	35	37	(5)
Transport	2,642	845	2,455	0	(187)	514
Supplies & Services	4,503	2,492	5,076	0	573	456
Third Party Payments	355,379	167,446	361,436	0	6,057	3,421
Transfer Payments	11,982	5,629	12,217	0	235	245
Central Support & Capital	36,296	22,239	32,630	936	(2,730)	93
Income	(296,258)	(140,839)	(300,201)	0	(3,943)	(4,610)
Total	156,014	77,376	154,782	916	(316)	(85)

Analysis by Head of Service Area

	Revised Annual Budget £000	YTD Actual £000	Forecast Outturn £000	Items Outside Cash Limit £000	Cash Limit Variance QTR2 £000	Memo-Forecast Position at QTR1 £000
Excluded Services	122	(976)	122	0	0	0
Central/Other	10,828	120	10,868	(11)	29	13
Commissioning	237	1,102	880	(698)	(55)	(26)
Head of Adults	143,575	73,307	143,122	163	(290)	(72)
Public Health	1,252	3,823	(210)	1,462	0	0
Total	156,014	77,376	154,782	916	(316)	(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	£294,000 under budget on employees due to staff turnover above budget. £18,000 over budget on premises. £11,000 over budget on transport. £91,000 over budget on supplies and services. £1,847,000 net over budget on direct care related activity.	1,673
Safeguarding Adults and Practice Development	£81,000 under budget on employees due to staff turnover above budget. £6,000 under budget on transport. £56,000 net over budget on supplies and services. £23,000 over recovery of income.	(54)
Ops Manager OP/PDSI Services	£337,000 under budget on employees due to staff turnover above budget. £158,000 under budget on transport. £26,000 over budget on supplies and services. £1,216,000 net under budget on direct care-related activity.	(1,685)
Ops Manager Provider Services	£232,000 under budget on employees due to staff turnover above budget. £20,000 net over budget on other areas.	(212)
Operational Support	£12,000 under budget on employees due to staff turnover above vacancies.	(12)
		(290)
Central/Other		
Central/ Other	£29,000 net over budget across the service.	29
		29
Commissioning		
Commissioning	£37,000 over budget on employees due to staff turnover less than budget. £92,000 under budget on supplies and services.	(55)
		(55)
Public Health		

Service Area	Description	Cash limit Variance £000
County Durham Together	Plans not yet in place for budget.	(65)
Protecting Health	Under budget on additional budget as plans no in place yet £50,000. Offset by over budget due to reserve not being drawn for Infection Control contract £67,000 plus Agenda for Change linked to Infection Control £8,000 and over budget linked to Vaccine Inequalities funding held in Grant Reduction Reserve £14,000.	39
General Prevention Activities	Underbudget linked to pharmacy contract for flu immunisation.	(28)
Healthy Communities Strategy and Assurance	Under budget on water fluoridation £67,000 and £10,000 additional income from the ICB linked to Joining the Dots. Offset by £19,000 over budget not drawn from reserves.	(58)
Living and Ageing Well	Under budget on Health Checks contract £58,000. IPD grant used to fund £16,000. Under budget on prescription charges £61,000. Over budget of £126,000 to cover reserve expenditure and a £21,000 general under budget.	(30)
Public Health Grant and Reserves	Amount to balance the cash limit variance (£1,992,000) to Grant Reduction Reserve. Unallocated budget of £1,666,000 offset by £22,000 on Botox Enforcement.	348
Public Health Team	£301,000 under budget on staffing – vacant posts within the Public Health Team and associated costs.	(301)
Starting Well and Social Determinants	Under budget on sexual health contract £122,000. Underbudget on children's contracts £130,000. Underbudget on remain safe contribution £30,000. Over budget on projects linked to reserve expenditure £367,000 including GUM Out of area invoices, MapMe additional funding, HDFT Safeguarding Nurse, Glasses in Classes, Breastfeeding Insights work, projects linked to Domestic Abuse. General over budget £10,000.	95
		0
AHS Total		(316)

- 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.

Capital Programme

- 16 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.

- 17 Further reports will be taken to MOWG during the year where revisions to the AHS capital programme are required. The capital budget currently totals £2.548 million.
- 18 Summary financial performance to 30 September 2023 is shown below.

Scheme	Actual Expenditure 30/09/2023 £000	Current 2023-24 Budget £000	(Under) / Over Spending £000
Hawthorn House Development	62	1,349	(1,287)
Complex Needs in the Community Harelaw	0	523	(523)
Positive Journeys Chester le Street	463	676	(213)
	525	2,548	(2,023)

- 19 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

- 20 Cabinet Report 15 November 2023 – Forecast Revenue and Capital Outturn 2023/24 – Period September 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.