

Adults Wellbeing and Health Overview and Scrutiny Committee

13 January 2025



Quarter 2: Forecast of Revenue and Capital Outturn 2024/25

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 2024.

Executive Summary

- 2 This report provides an overview of the forecast of outturn, based on the position to 30 September 2024. 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 £1.374 million at the year-end against a revenue budget of £159.497 million, which represents a 0.86% underspend.
- 4 Based on the forecasts, the Cash Limit balance for AHS as at 31 March 2025 will be £4.366 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 2024/25 comprises two schemes within Adult Care totalling £0.740 million. As at 30 September 2024 capital expenditure of £0.660 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 2024/25 at its meeting on 28 February 2024. 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 - £159.497 million (original £160.100 million)*
- *AHS Capital Programme – £0.740 million (original £0.740 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	160,100
Budget Transfer to CEO – Systems and Data Team	(637)
Chief Officers Pay Award	34
Revised Budget	159,497

10 The summary financial statements contained in the report cover the financial year 2024/25 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

- 11 The updated forecasts show that the AHS service is reporting a cash limit underspend of £1.374 million against a budget of £159.497 million which represents a 0.86% underspend. This compares with the forecast cash limit underspend at June of £1.828 million.
- 12 The tables below show the revised annual budget, actual expenditure to 30 September 2024 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	42,239	21,187	41,567	0	(672)	(270)
Premises	1,410	304	1,333	83	6	(90)
Transport	2,651	947	2,443	0	(208)	(184)
Supplies & Services	4,269	3,200	4,622	0	353	349
Third Party Payments	386,900	177,962	392,725	0	5,825	947
Transfer Payments	12,251	6,001	13,030	0	779	570
Central Support & Capital	31,626	22,706	32,603	(2,447)	(1,470)	(1,647)
Income	(321,849)	(155,586)	(327,836)	0	(5,987)	(1,503)
Total	159,497	76,721	160,487	(2,364)	(1,374)	(1,828)

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	128	(1,742)	128	0	0	0
Central/Other	(1,968)	(5,246)	(1,815)	(70)	83	1
Commissioning	351	869	1,267	(959)	(43)	(16)
Head of Adults	160,940	79,282	159,818	(292)	(1,414)	(1,813)
Public Health	46	3,558	1,089	(1,043)	0	0
Total	159,497	76,721	160,487	(2,364)	(1,374)	(1,828)

- 13 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	£251,000 under budget on employees due to staff turnover above budget. £7,000 over budget on premises. £17,000 under budget on transport and supplies and services. £1,695,000 net over budget on direct care related activity.	1,434
Safeguarding Adults and Practice Development	£69,000 under budget on employees due to staff turnover above budget. £7,000 under budget on transport. £2,000 over budget on supplies and recharges.	(74)
Ops Manager OP/PDSI Services	£260,000 under budget on employees due to staff turnover above budget. £150,000 under budget on transport. £190,000 over budget on supplies and services. £2,157,000 net under budget on direct care-related activity.	(2,377)
Ops Manager Provider Services	£407,000 under budget on employees due to staff turnover above budget. £6,000 net under budget on transport, premises, supplies & services.	(413)
Operational Support	£11,000 over budget on employee costs due to staff turnover budget not met. £5,000 over budget on transport and supplies & services.	16
		(1,414)
Central/Other		
Central/ Other	£83,000 net over budget employees, supplies & services and central support.	83
		83
Commissioning		
Commissioning	£25,000 under budget on employees due to staff turnover above budget. £18,000 under budget on supplies and services.	(43)
		(43)

Service Area	Description	Cash limit Variance £000
Public Health		
Pharmacy	£27,000 under budget linked to flu immunisation.	(27)
Team 1 – including Tobacco, 0-25 Healthy Child	£143,000 over budget linked to Nicotine Replacement. £343,000 underbudget on budgets linked to future Agenda for Change costs and CYPS contracts (full year budget covering partial year increase). £45,000 received from HDFT linked to Trailblazer payments made in previous year.	(245)
Team 2 – including Health Protection, Sexual Health, Oral Health	£399,000 under budget linked to future Agenda for Change costs and additional budget for Integrated Sexual Health Service. £90,000 under budget on “Protecting Health” and £42,000 Oral Health budget not being used.	(531)
Team 3 – including Drugs & Alcohol, Domestic Abuse, Wellbeing for Life	£16,000 under budget on In Patient Detox, £5,000 under budget on Nalaxone and £30,000 under budget on Remain Safe all funded from Grant. £118,000 under budget against prescription charges. £14,000 under budget on Drug and Alcohol Recovery Services etc.	(183)
Team 4 including Healthy Weight, Physical Activity, Workplace Health	£3,000 under budget against CREES.	(3)
Team 5 including Mental Health, County Durham Together	£22,000 under budget against County Durham Together budget.	(22)
Public Health Team	£63,000 under budget on staffing – vacant posts within the Public Health Team. £40,000 fortuitous income from the ICB towards suicide coordinator post. £1,114,000 transfer to Grant Reduction Reserve for future Public Health projects.	1,011
		0
AHS Total		(1,374)

- 14 The service grouping is on track to maintain spending within its cash limit. The forecast outturn position incorporates the MTFP savings built into the 2024/25 budgets, which for AHS in total amounted to £1.029 million.

Capital Programme

- 15 The AHS capital programme comprises two schemes, the upgrade of Hawthorn House respite centre and the development of Positive Journeys at Chester le Steet.
- 16 Further reports will be taken to MOWG during the year where revisions to the AHS capital programme are required. The capital budget currently totals £0.740 million.

17 Summary financial performance to 30 September 2024 is shown below.

Scheme	Actual Expenditure 30/09/2024 £000	Revised 2024-25 Budget £000	(Under) / Over Spending £000
Hawthorn House Development	627	714	(87)
Positive Journeys Chester le Street	33	26	7
	660	740	(80)

18 Officers continue to carefully monitor capital expenditure on a monthly basis. 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

19 Cabinet Report 4 December 2024 – Forecast Revenue and Capital Outturn 2024/25 – Period September 2024.

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 2024 in relation to the 2024/25 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.