

# Adults Wellbeing and Health Overview and Scrutiny Committee

9 October 2015



## Revenue and Capital Outturn 2014/15

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### Report of Paul Darby, Head of Finance (Financial Services)

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#### Purpose of the Report

1. To provide the committee with details of the final budget outturn position for the CAS service grouping, highlighting major variances in comparison with the (revised) budget for the year, based on the position to the end of March 2015, as reported to Cabinet in July 2015. The report focuses on the Adults Wellbeing and Health services included in CAS.

#### Background

2. County Council approved the Revenue and Capital budgets for 2014/15 at its meeting on 26 February 2014. 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:
  - CAS Revenue Budget - £252.133m (original £275.232m)
  - CAS Capital Programme – £46.894m (original £74.322m)
3. The original CAS revenue budget has been revised to incorporate a number of budget adjustments as summarised in the table below:

Reason For Adjustment	£'000
Original Budget	275,232
Transfers to other services	(909)
Purchase of annual leave reduction	(103)
Car mileage reduction	(89)
Use of (+)/contribution to Corporate reserves (-)	(15,523)
Use of (+)/contribution to reserves (-)	(6,475)
<b>Revised Budget</b>	<b>252,133</b>

4. The use of / (contribution) to reserves consists of:

<b>Reserve</b>	<b>£'000</b>
Corporate Demographics Reserve	(15,900)
Corporate other	377
Social Care Reserve	(4,830)
CPD Reserve	5
Special Reserve	23
Education Reserve	(1,262)
Public Health GRT Reserve	88
Public Health Assets Reserve	42
Public Health Redundancy Reserve	15
Secure Services Trading Reserve (R&M)	360
Tackling Troubled Families Reserve	(916)
<b>Total</b>	<b>(21,998)</b>

5. The summary financial statements contained in the report cover the financial year 2014/15 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 CAS 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**

6. The CAS service **outturn was a cash limit under budget of £873k** against a revised budget of £252.133m. This compares with the quarter 3 forecast of a break-even position, after contributions to and from reserves in year. The cash limit outturn is net of a £15.15m contribution to the Demographics / Hyper Inflation Reserve to offset and delay MTFP pressures in future years.
7. The tables below show the revised annual budget, actual expenditure to 31 March 2015 and the variance at year end. The first table is analysed by Subjective Analysis (i.e. type of expense) and shows the combined position for CAS, and the second is by Head of Service.

### Subjective Analysis (Type of Expenditure)

	Revised Annual Budget	Outturn	Variance	Conts to/from Reserves / Items Outside Cash Limit	Cash Limit Variance
	£000	£000	£000	£000	£000
Employees	114,326	107,729	(6,597)	3,324	(3,273)
Premises	8,383	8,942	559	(1,122)	(563)
Transport	18,279	17,621	(658)	(11)	(669)
Supplies & Services	20,326	18,092	(2,234)	(1,655)	(3,889)
Third Party Payments	194,296	184,808	(9,488)	13	(9,475)
Transfer Payments	11,978	11,072	(906)	47	(859)
Central Support & Capital	49,661	33,605	(16,056)	29,409	13,353
Income	(165,116)	(171,396)	(6,280)	10,782	4,502
<b>Total</b>	<b>252,133</b>	<b>210,473</b>	<b>(41,660)</b>	<b>40,787</b>	<b>(873)</b>

### Analysis by Head of Service Area

	Revised Annual Budget	Outturn	Variance	Conts to/from Reserves / Items Outside Cash Limit	Cash Limit Variance
	£000	£000	£000	£000	£000
Adult Care	137,856	132,166	(5,690)	(1,330)	(7,020)
Central/Other	(3,734)	8606	12,340	2,663	15,003
Commissioning	1,662	(2,410)	(4,072)	536	(3,536)
Planning & Service Strategy	11,342	10,131	(1,211)	96	(1,115)
Central Charges (CYPS)	6,375	2950	(3,424)	3,412	(13)
Childrens Services	59,817	52,908	(6,909)	3,662	(3,247)
Education	38,501	5,763	(32,739)	31,793	(945)
Public Health	314	359	45	(45)	0
	<b>252,133</b>	<b>210,473</b>	<b>(41,660)</b>	<b>40,787</b>	<b>(873)</b>

8. The table below provides a brief commentary of the cash limit variances against the revised budget, analysed by Head of Service for those areas which relate to the Adult's area of the service, which is of specific interest to the Adults Wellbeing and Health Overview and Scrutiny Committee. 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. capital charges):

Service Area	Description	Cash limit Variance £000
<b>Head of Adults</b>		
Ops Manager LD /MH / Substance Misuse	£276k under budget on employees due mainly to early achievement of future MTFP savings £151k over budget on transport, supplies and services and other costs £583k over budget on care packages £893k net additional income in respect of fees and charges and CCG contributions to care	(435)
Ops Manager OP/PDSI Services	£544k under budget on employees, mainly in respect of early achievement of MTFP savings £219k under budget on transport costs, due mainly to a reduction in day care activity linked to early achievement of MTFP savings £23k under budget on supplies and services and other costs £5,115k under budget on care activity due to consistent application of existing eligibility criteria £473k under achievement of income, mainly from fees and charges in respect of reduced care activity	(5,428)
Ops Manager Provider Services	£311k under budget on employee costs due mainly to early achievement of future MTFP savings, offset by timing issues linked to residential homes closures £225k under spend on premises, mainly in respect of early achievement of MTFP savings £73k under budget re transport costs £369k under budget on supplies and services and other costs, mainly in respect of early achievement of MTFP savings	(978)
Safeguarding Adults and Pract.Dev.	£86k under budget on employee costs re vacant posts £93k net under budget re supplies and services/other costs	(179)
		<b>(7,020)</b>
<b>Central/Other</b>		
Central Charges / Other	£32k under budget on employees due mainly to early achievement of MTFP savings £119k over budget on premises/supplies and services/other £15,150k contribution to the demographic/hyperinflationary pressures reserve £234k over achievement of income mainly in respect of accommodation recharges and procurement rebates	15,003
		<b>15,003</b>

Service Area	Description	Cash limit Variance £000
<b>Commissioning</b>		
Adult Care / Other	£157k over budget on employees £180k under budget on car mileage and transport for service users £218k under budget on supplies and services / other £3,001k under budget on agency and contracted services/transfer payments, mainly in respect of under spends on non-assessed services/one-off funds £169k net over achievement on income	(3,411)
Financial Services	£76k under budget on employees due to vacant posts £27k under budget on transport, mainly in respect of a new assessment process £13k over budget on supplies and services £35k additional income mainly in respect of financial protection	(125)
		<b>(3,536)</b>
<b>Planning &amp; Service Strategy</b>		
Performance & Information Mgt	£71k under budget on employees due mainly to early achievement of MTFP savings £2k over budget on transport £21k under budget on supplies and services £9k under achievement of income	(81)
Policy Planning & Partnerships	£42k under budget on employees due mainly to early achievement of MTFP savings £29k under budget on supplies and services/other	(71)
PSS Management	£19k under budget on supplies and services/other re early achievement of MTFP savings	(19)
Service Quality & Development	£96k under budget on employees mainly re early achievement of MTFP savings £411k under budget on supplies and services/other	(507)
Service Support	£179k under budget on employees mainly re early achievement of MTFP savings £258k under budget on supplies and services/other budgets	(437)
		<b>(1,115)</b>
<b>Public Health</b>		
Cancer Awareness/ Physical Activity Adults /GRT	Expenditure on Gypsy Romany Travellers and Pharmacy Advice is £42k lower than the £430k budget due to delays in recruitment of provider organisations. Social marketing also spent £19k less than the £80k budget. Managers agreed additional non recurrent investment in Cancer Awareness services of £342k.	281
Capacity Building/Health Trainers	Managers agreed additional non recurrent investment of £918k in a number of service areas, including older people, health trainers, 20mph zones and assistance with patient transport. Expenditure on the Workplace Health contract was £77k lower than the £100k budget available due to extended contract negotiations.	841

Service Area	Description	Cash limit Variance £000
Health Checks/Smoking Cessation	Health Checks and Smoking Cessation spent £862k less than the £4.17m budget available, due to lower than anticipated activity, the majority of which was on smoking cessation services.	(862)
Oral Health and Services to Children	There was an additional non recurrent investment of £830k in One Point services for wider determinants of Public Health. Services to Children spent £221k less than the budget available due to delays in recruitment of provider organisations.	609
Public Health Grant and Reserves	Actual transfers from the Earmarked Reserve were £62k lower than the planned £150k budget due to the delays in Health Visitor recruitment for the GRT contract.	(62)
Public Health Specialist Training Prog (HENE)	Income of £35k received in 14-15 from the Health Education North East Training body was transferred to the Earmarked Reserve leaving a nil variance against this budget.	-
Public Health Team	A small number of vacant posts within the Public Health Team lead to expenditure of £122k less than the £1.4m budget available. This was offset by £158k for support staff redundancies funded by Public Health.	36
Safer Stronger Communities	£21k less than the £40k budget available due to delays in contract start dates.	(21)
Sex Health/Alc/Subs Misuse/Domestic VInce/Mental Hlth	Sexual Health services spent £169k less than the £5.4m budget available, mainly due to lower than anticipated activity on out of area services. Drug and Alcohol services spent £553k less than the £10m budget available, due to lower than expected activity and recharges from NHS Property services. Mental Health and Domestic violence services spent £100k less than the £2.8m budget due to delays in commencement of new contracts.	(822)
		(-)

9. In summary, the service has maintained spending within its cash limit. The outturn position incorporates the MTFP savings built into the 2014/15 budgets, which for CAS in total amount to £12.430m.

### Capital Programme

10. The CAS capital programme was revised earlier in the year to take into account budget reprofiled from 2013/14 following the final accounts for that year. This increased the 2014/15 original budget. Further reports during the year to MOWG have detailed further revisions to the CAS capital programme, adjusting the base for grant additions/ reductions, budget transfers and budget profiling into later years. The revised capital budget currently totals **£46.894m**.
11. Summary financial performance to the end of March is shown below.

CAS - Service Area	2014-15 Budget	Actual Expenditure ( to 31 March 2015)	2014/15 Remaining Budget
	£000	£000	£000
Adult Care	62	-	(62)
Commissioning	101	121	20
Childrens Care	71	14	(57)
Early Intervention & Involvement	-	(5)	(5)
Early Years	692	635	(57)
Free School Meals Support	1,126	1,067	(59)
Planning & Service Strategy	40	13	(27)
Public Health	469	233	(236)
SCP - LEP	23,379	22,786	(593)
School Devolved Capital	4,623	2,767	(1,856)
School Related	16,331	13,970	(2,361)
<b>CAS Total</b>	<b>46,894</b>	<b>41,601</b>	<b>(5,293)</b>
<b>% Annual Budget Expended to 31 March</b>		<b>88.7%</b>	

#### Recommendations:

- It is recommended that Adults Wellbeing and Health Overview and Scrutiny Members note the revenue and capital outturn included in the report, which are summarised in the outturn report to Cabinet in July.

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## **Appendix 1: Implications**

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### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

### **Staffing**

There are no implications associated with this report. Any over or under spending against the employee budgets are disclosed within the report.

### **Risk**

The management of risk is intrinsic to good budgetary control. This report forms an important part of the governance arrangements within CAS. Through routine / regular monitoring of budgets and continual re-forecasting to year end the service grouping can ensure that it manages its finances within the cash envelope allocated to it.

### **Equality and Diversity / Public Sector Equality Duty**

There are no implications associated with this report.

### **Accommodation**

There are no implications associated with this report.

### **Crime and Disorder**

There are no implications associated with this report.

### **Human Rights**

There are no implications associated with this report.

### **Consultation**

There are no implications associated with this report.

### **Procurement**

There are no implications associated with this report.

### **Disability Issues**

There are no implications associated with this report.

### **Legal Implications**

There are no implications associated with this report.