

Adults Wellbeing and Health Overview and Scrutiny Committee



9 October 2015

Quarter 1: Forecast of Revenue and Capital Outturn 2015/16 – Children and Adult Services

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

Purpose of the Report

1. To provide the committee with details of the forecast outturn budget position for Children and Adult Services (CAS), highlighting major variances in comparison with the budget for the year, based on the position to the end of June 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 2015/16 at its meeting on 25 February 2015. 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 - £251.484 (original £252.931)
 - CAS Capital Programme – £50.723m (original £45.453)
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 | 251,450 |
| Transfers to other services | (61) |
| Energy Efficiency Reduction | (148) |
| Transfer From Contingency - Soulsbury Pay award | 111 |
| Contribution To Capital | (1,002) |
| Use of (+)/contribution to CAS reserves (-) | 26 |
| Use of (+)/contribution to Corporate reserves (ERVR) (-) | 2,555 |
| Revised Budget | 252,931 |

4. The use of / contribution to CAS reserves consists of:

| Reserve | £'000 |
|---------------------------------------|--------------|
| Social Care | 87 |
| EBP | 120 |
| Emotional Wellbeing | (5) |
| Mental Health Counselling | 18 |
| Movement Difficulties Service | (13) |
| Re-Profiling Activity | (175) |
| SEND reform Grant | 239 |
| Swimming | (66) |
| Secure Services Capital | 1,002 |
| Tackling Troubled Families | 281 |
| Transformation | (1,528) |
| Remodelling of Health Improve Service | (300) |
| Accumulated fund CPD | 366 |
| Total | 26 |

5. The summary financial statements contained in the report cover the financial year 2015/16 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 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 is reporting a cash limit under budget of £7.613m against a revised budget of £252.931m which represents a 3.0% under budget.
7. The tables below show the revised annual budget, actual expenditure to 30 June 2015 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 shows the combined position for CAS, and the second is by Head of Service.

Subjective Analysis (Type of Expenditure)

| | Revised Annual Budget £000 | YTD Actual £000 | Forecast Outturn £000 | Variance £000 | Items Outside Cash Limit £000 | Contribution To From Reserves £000 | Cash Limit Variance £000 |
|---------------------------|-------------------------------|--------------------|--------------------------|------------------|----------------------------------|---------------------------------------|-----------------------------|
| Employees | 115,938 | 31,317 | 112,511 | (3,427) | - | - | (3,427) |
| Premises | 7,002 | 648 | 7,095 | 93 | - | - | 93 |
| Transport | 17,360 | 2,896 | 16,994 | (366) | (76) | - | (442) |
| Supplies & Services | 19,176 | 1,808 | 18,345 | (831) | - | - | (831) |
| Third Party Payments | 238,673 | 47,680 | 232,468 | (6,205) | - | - | (6,205) |
| Transfer Payments | 13,069 | 1,876 | 12,789 | (280) | - | - | (280) |
| Central Support & Capital | 64,389 | 2,471 | 65,018 | 629 | - | - | 629 |
| Income | (222,677) | (79,746) | (219,827) | 2,850 | - | - | 2,850 |
| Total | 252,930 | 8,950 | 245,393 | (7,537) | (76) | - | (7,613) |

Analysis by Head of Service Area

| | Revised Annual Budget £000 | YTD Actual £000 | Forecast Outturn £000 | Variance £000 | Items Outside Cash Limit £000 | Contribution To From Reserves £000 | Cash Limit Variance £000 |
|-------------------------------------|-------------------------------|--------------------|--------------------------|------------------|----------------------------------|---------------------------------------|-----------------------------|
| Head of Adults | 124,305 | 27,802 | 119,733 | (4,572) | (9) | - | (4,581) |
| Central/Other | 8,847 | 86 | 8,643 | (204) | - | - | (204) |
| Commissioning inc Supporting People | 10,141 | (27,255) | 8,416 | (1,725) | (3) | - | (1,728) |
| Planning & Service Strategy | 11,689 | 2,765 | 11,202 | (487) | (4) | - | (491) |
| Central Charges (CYPS) | 4,393 | (2,204) | 4,393 | - | - | - | - |
| Childrens Services | 53,156 | 14,655 | 53,414 | 258 | (48) | - | 210 |
| Education | 39,699 | (2,845) | 38,893 | (806) | (13) | - | (819) |
| Public Health | 701 | (4,055) | 701 | - | - | - | - |
| Total | 252,931 | 8,949 | 245,395 | (7,536) | (77) | - | (7,613) |

8. The table below provides a brief commentary of the forecast 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 |
|---------------------------------------|---|--------------------------|
| Head of Adults | | |
| Ops Manager LD /MH / Substance Misuse | £116k under budget on employees through effective vacancy management. £35 net under budget on care provision. £21k over budget in respect of premises/transport/supplies and services | (130) |
| Safeguarding Adults and Pract.Dev. | £123k under budget on employee costs due to vacant posts. £97k projected over budget on supplies and services, mainly in respect of professional fees linked to Deprivation of Liberty cases. £14k net under budget on transport/other costs. | (40) |
| Ops Manager OP/PDSI Services | £536k under budget due to early achievement of employee-related MTFP savings. £2,849k net under budget on direct care-related activity. £164k under budget in respect of premises/transport/supplies and services costs. | (3,549) |
| Ops Manager Provider Services | £578k under budget on employees in respect of early achievement of future MTFP savings. £275k under budget on supplies and services in respect of early achievement of future MTFP savings. £9k net under budget on premises/transport/other costs. | (862) |
| | | (4,581) |
| Central/Other | | |
| Central/Other | £108k under budget on employee-related costs in respect of future MTFP savings. £36k under budget on premises/transport/other costs. £60k additional income mainly in respect of salary recharges. | (204) |
| | | (204) |
| Commissioning | | |
| Commissioning Management | Under budget mainly in respect of future MTFP savings, particularly agency and contracted services budgets held. | (1,630) |
| Financial Services | Mainly in respect of under budgets on employees, (£55k) due to effective vacancy management, and associated travel costs (£25k). £17k over budget on supplies and services. Additional income receivable of £35k. | (98) |
| | | (1,728) |

| Service Area | Description | Cash limit Variance £000 |
|---|--|--------------------------------|
| Planning & Service Strategy | | |
| Performance & Information Mgmt | £83k under budget on employees re future MTFP savings. | (83) |
| Policy Planning & Partnerships | £78k under budget on employees re future MTFP savings. £8k under budget on transport/supplies and services/other budgets. £24k under achievement of income. | (62) |
| Service Quality & Development | Future MTFP savings linked in the main to employees (£134k) and supplies and services (£88k). £7k under budget on other areas. | (229) |
| Service Support | £99k under budget on employees re future MTFP savings. £18k under budget on transport/supplies and services/other budgets. | (117) |
| | | (491) |
| Public Health | | |
| Cancer Awareness/ Physical Activity Adults /GRT | The variance relates to a non-recurrent planned investment in commissioned activity relating to cancer awareness and pharmacy advice. | 96 |
| Capacity Building/Health Trainers | Primarily related non recurrent activity connected with Patient transportation to GP and hospital appointments | 158 |
| Health Checks/Smoking Cessation | Forecast activity within the smoking cessation services is expected to generate expenditure £530k less the £2.6m budget available. This is partially offset by non-achievement of budgeted income (£158k) related to the Diabetes prevention programme and increased equipment costs (£36k) | (336) |
| Oral Health and Services to Children | Activity forecast in line with budget | - |
| Public Health Specialist Training Prog (HENE) | Activity forecast in line with budget | - |
| Public Health Team | Commissioning decisions related to c£2.6m budget are being held in abeyance pending final notification of the value of the Central Government imposed in year reduction in Public Health Grant. Employee's costs are projected to spend £220k less than current budget due to vacancies and secondment arrangements. Forecast in line with budget as any underspend achieved is likely to be required to finance in Year Government Imposed Funding Cut. | - |
| Sex Health/Alc/Subs Misuse/Domestic VInce/Mental Hlth | One-off non budgeted decommissioning costs related to redundant Drug and Alcohol Treatment centres (£124k) combined £126k investment in domestic abuse pilot is leading to forecast in year underspend. | 252 |
| | | - |

9. The following is a breakdown of items outside of the cash :

- Adjustment for delayed reduction in Car Mileage allowance rate 48p to 45p per mile - £76,434
10. In summary, the service is on track to maintain spending within its cash limit. The outturn position incorporates the MTFP savings built into the 2015/16 budgets, which for CAS in total amount to £8.590m.

Capital Programme

11. The CAS capital programme was revised earlier in the year to take into account budget reprofiled from 2014/15 following the final accounts for that year. This increased the 2015/16 original budget. Further reports to MOWG in May and July have detailed further revisions to the CAS capital programme, adjusting the base for grant additions/ reductions, budget transfers and budget reprofiling into later years. The revised capital budget currently totals **£50.723m**.
12. Summary financial performance to the end of June is shown below.

| CAS -Service Area | 2015-16 Total Budget | Actual Expenditure (30-6-15) | Remaining Budget |
|------------------------------------|----------------------|------------------------------|------------------|
| | £000 | £000 | £000 |
| Adult Care | 901 | - | 901 |
| Commissioning | - | - | - |
| Social Inclusion | - | - | - |
| Childrens Care | 58 | 2 | 56 |
| Early Intervention and Involvement | - | 2 | (2) |
| Early Years | 48 | (7) | 55 |
| Free School Meals Support | 190 | 70 | 120 |
| Secure Services | 1,002 | 21 | 981 |
| Planning & Service Strategy | 132 | 94 | 38 |
| Public Health | 1,396 | 36 | 1,360 |
| School Devolved Capital | 4,529 | 203 | 4,326 |
| School Related | 25,193 | 2,695 | 22,498 |
| SCP - LEP | 17,274 | 7,286 | 9,988 |
| Total | 50,723 | 10,402 | 40,321 |

Recommendations:

13. It is recommended that Adults Wellbeing and Health Overview and Scrutiny Members note the financial forecasts included in the report, which are summarised in the Quarter 1 forecast of outturn report to Cabinet in July.

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Appendix 1: Implications

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.