
Meeting: Social Care, Health & Housing Overview and Scrutiny Committee

Date: 16 December 2013

Subject: 2013/14 Q2 Public Health Revenue Budget Monitoring

Report of: Cllr Carole Hegley, Executive Member for Social Care, Health & Housing

Summary: The report sets out the projected full year outturn position as at 30 September 2013

Advising Officer: Muriel Scott, Director of Public Health

Contact Officer: Simon Jones, Senior Finance Manager

Public/Exempt: Public

Wards Affected: All

Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

1. Sound financial management contributes to the Council's value for money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to the priorities set out in the Medium Term Plan.

Financial:

2. The financial implications are set out in the report.

Legal:

3. There are no direct legal implications arising from the report.

Risk Management:

4. Sound financial management and budget monitoring mitigates adverse financial risk.

Staffing (including Trades Unions):

5. Not applicable.

Equalities/Human Rights:

6. Public Authorities must ensure that decisions are made in a way which minimises unfairness and without a disproportionately negative effect on people from different ethnic groups, disabled people, women and men. It is important that Councillors are aware of this duty before they take a decision.
7. Equality Impact Assessments were undertaken prior to the allocation of the 2013/2014 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Community Safety:

8. Not applicable.

Sustainability:

9. Not applicable.

Procurement:

10. Not applicable.

RECOMMENDATION(S):

The Committee is asked to:-

- **Note the current projected full year outturn position is on budget.**

11. Consider this report.

Introduction and Key Highlights

12. The full year projected outturn position for 2013/14 as at September 2013 is a balanced budget.
13. The April to September spend is a £417k under spend. The majority of which relates to the unspent strategic reserve that is forecast to be fully utilised and under spends due to vacant posts/maternity leave and the saving on the SEPT contract within Children & Young People.
14. The forecast is dependent on the receipt of financial information from Bedford Borough Council (BBC) which hosts major demand led budgets on behalf of Central Bedfordshire (CBC).
15. A strategic reserve of £0.523m has been established from the 2013/14 budget – this is forecast to be fully used. Plans are currently being drawn up.
16. An earmarked reserve of £0.065m is available from the 2012/13 transitional grant. However a cost of £0.039m has been applied against this in July for ICT work stream costs for the transition project, leaving a balance of £0.026m.
17. CBC have recognised in the forecast an element of overhead recovery of £631k. (Previously £691k, however £60k has been allocated to create a controllable budget for Doolittle Mill costs).

18. Summary Table A: Directorate Overall position

	Approved Budget	Provisional Outturn	Full Year Forecast Variance (- under)/over spend	Full Year Forecast Variance after transfers to/from reserves (- under)/over spend
	£'000	£'000	£'000	£'000
Director	1,230	1,230	0	0
AD Public Health	1,215	1,217	2	0
Head of Service C&YP	3,058	2,997	(61)	0
Head of Service Adults	1,120	1,076	(44)	0
BDAT	3,250	3,184	(66)	0
Less Government Grant	(9,873)	(9,873)	0	0
Net Total	0	(168)	(168)	0

19. Table B – Subjective Analysis (Based on Forecast Outturn)

Expenditure type	Forecast Outturn (Before use of Reserves) £'000
Staffing Costs	793
Premises and Transport	73
Supplies and Services	1,315
Third Party Payments	12,086
Total Expenditure	14,266
Income	(2,929)
Public Health Grant	(9,873)
Other Grants	(1,633)
Total Income	(14,435)
Net Expenditure	(168)

Director of Public Health

20. The forecast for the Director of Public Health cost centre is on budget.

21. The forecast for a contribution to corporate overheads of £0.631m is on budget. A technical adjustment was processed in August for a transfer of £60k from the corporate overhead allocation to create a controllable budget for Doolittle Mill based on known lease costs plus estimates of utilities, repairs and maintenance and office costs.
22. The forecasts for the use of the 2013/14 strategic reserve of £0.523m is on budget. Plans for the spending of the reserve are currently being drawn up. The criteria being proposed for use of the Public Health strategic reserve are that they should fulfil ALL of the following criteria (on the basis this is what Public Health currently use when commissioning services):
 - a) There is a strong evidence base that it directly contributes to the strategic priorities of helping people to live longer and healthier lives and/or protecting the population from infectious disease and environmental hazards.
 - b) That it reduces health inequalities.
 - c) That it has been identified as a priority within the JSNA, based on population need.
 - d) That delivery of the objective is through an evidence based intervention or, where current evidence is limited is fully evaluated and reviewed.

Assistant Director Public Health

23. The costs of the Shared Team are budgeted here. Early advice from BBC is that there will be a small under spend on pay which will be shared with CBC.
24. The forecast is showing a saving of £37k on the payroll costs. This is for the post of the Head of Emergency Planning which has been removed from the structure. The total saving for this post is £62k. This saving will be shared with BBC in the 60/40 split ratio.
25. A cost of £39k for ICT work stream costs for the transition project is showing here. However a transfer from earmarked reserves from the 2012/13 transitional grant will take place. This shows as an over spend in the forecast in September which will be covered by a transfer from reserves, so a net nil effect on the figures.
26. The budget for Doolittle Mill is on target.

Head of Service Children, Young People & Health Inequalities

27. The overall position is an under spend of £61k.
28. Head of Service
The forecast is a £55k under spend. This is due to payroll savings from 1 vacant post and 2 employees on maternity leave.

29. Sexual Health Services

The forecast is showing a £66k over spend. The budget for Community Contraceptive and Sexual Health Services (CASH) Services was set at £689,000 for 2013/14. This was based on a contract value suggested by the previous NHS Commissioning organisation, which was subsequently found to be unrealistic to secure service provision adequate to meet local population need. The re-tender of the CASH contract has resulted in the annual contract value exceeding the allocated budget by £0.111m. The impact of this for Central Bedfordshire is an over spend of £0.066m – this will be met from savings within the Substance Misuse Contracts where the provision within the contract for provider redundancies will be less than expected.

30. Children's Services

Discussions have taken place with SEPT Community Services regarding agreed developments of the 5-19 Healthy Child Programme. This will result in a contract variation. It is anticipated that a non-recurrent under spend will arise in 2013/14 in the region of £120k, however this will be shared with BBC. CBC share of this underspend is £72k.

31. Other

This area includes Teenage Pregnancy, Fluoridation, Obesity Intervention programmes for young people and the Dental Health Service. The majority of these services are commissioned by BBC. These are all currently forecast on budget.

Head of Service Older People and Adults

32. The overall position is an under spend of £43k.

33. Head of Service

The forecast is an under spend of £43k. This is due to payroll savings for 3 vacant positions and one employee on maternity leave. The Resilience Support Office vacancy saving will be shared with BBC in the 60/40 split ratio. In total this is approximately £5k based on when the new starter starts. This is forecast to be in December.

34. Health Checks

This service is provided by BBC. Current indications are that the budget will be on forecast.

35. Stop Smoking Service

Shared Service – the shared service is provided by BBC. Current indications are that the budget will be on forecast.

CBC Stop Smoking Service – this budget is on target. An adjustment of £28k was made to the budgets in August for the non-pay budget realignments between CBC and BBC.

Head of Service Substance Misuse and Alcohol

36. Head of Service

The forecast is currently on target. A budget virement is required to set up a payroll budget. The budget for this is currently included under the Substance Misuse Contract budget.

37. Substance Misuse - Integrated Drug and Alcohol treatment system provision

The forecast on this budget is currently showing an under spend of £66k. This has arisen in the provision within the contract for provider redundancies, these will outturn at less than provided for. The under spend here will cover the over spend within Sexual Health Services with respect to the Community Contraceptive and Sexual Health Services (CASH) contract. All other items of expenditure against this cost centre are expected to be within budget.

38. Drug Intervention Programme

This is a service hosted on behalf of the three local authorities in Bedfordshire. Funding is from former PCT budgets and from the Police and Crime Commissioner (previously from the Home Office). It is expected that this service will be on budget. An income/expenditure budget was set for this cost centre in August with grant income, income from Bedford Borough Council and Luton Borough Council and expenditure budget transferred from the Substance Misuse budget.

Reserves position

39. The total earmarked reserves available as at the end September 2013 are £0.026m.

Income & Debt Management

40. There was no outstanding debt for Public Health at the end of the second quarter.

Prompt Payment Indicator

41. The performance target for payment to suppliers, where there is no dispute over the amount invoiced, is 90% of invoices paid within 30 days of invoice receipt date. For Public Health this figure for September 2013 is 50%, with 7 invoices out of 14 paid after the 30 days. April to September cumulative is 68.52% (August cumulative 75%).

Risks and Upsides

42. There is a potential risk of an additional £168k to the budgets regarding the Sexual Health Shared Service across GUM and Primary Care. The contract is an activity based contract and quarter one activity data is showing higher than expected GUM activity (Genito-Urinary Medicine). This forecast is based on a single quarter of activity and monitoring of this is being carried out by BBC.

It is expected that this risk will be mitigated by savings elsewhere within the Public Health service.

Public Health may become liable for certain prescribing costs currently picked up by CCG. Total risk to date estimated to be in the region of £900k of which £535k is CBC share. However current information suggests that this risk is low.

Virements

43. There have been 7 directorate budget realignments during the second quarter, July to September.

- £350k transfer of the Alcohol Misuse contract budget from the Alcohol Prevention budget to the Substance Misuse budget where the contract costs are charged.
- £60k transfer from the corporate overhead allocation to create a controllable budget for Doolittle Mill based on known lease costs plus estimates of utilities, repairs and maintenance and office costs.
- £601k transfer of the Drug Intervention Programme (DIP) BBC income and expenditure from Substance Misuse to the DIP cost centre.
- £553k setting income/expenditure budget for DIP - Community Safety Grant and income due from Luton Borough Council.
- £141k transfer of the Alcohol Misuse BBC income budget from the Alcohol Prevention budget to the Substance Misuse budget where the contract costs are charged.
- £1,292k setting income/expenditure budget for LAT Offender Health Income within the Substance Misuse budget.
- £28k setting the Stop Smoking non pay budget with income from BBC.

Appendices:

Appendix A1 Directorate Position analysed by AD