

DERBYSHIRE COUNTY COUNCIL

MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES

01 November 2016

**Report of the Strategic Director for Economy, Transport and
Communities, Strategic Director for Adult Care
and Director of Finance**

BUDGET MONITORING MONTH 5 2016-2017

1. Purpose of the Report:

To inform the Cabinet Member of the current budget monitoring position.

2. Information and Analysis:

2.1 Summary

The 2016-17 gross budget for the Health and Communities portfolio is approximately £56m. The budget monitoring statement (Appendix 1) is projecting an underspend for Public Health of £1.910m (which is committed as per the Public Health Prevention Fund Investment paper which was approved by Cabinet on 20 September 2016). The Communities element is projecting an overspend of £0.642m, resulting in a total projected underspend of £1.268m for the portfolio.

The areas which make up this projection are shown in the table below:-

HEALTH AND COMMUNITIES PORTFOLIO			
BUDGET MONITORING 2016/17			
August 2016			
DIVISION	CONTROLLABLE BUDGET £m	CONTROLLABLE FORECAST £m	(UNDER)/ OVER £m
PUBLIC HEALTH	0.296	(1.614)	(1.910)
COMMUNITIES			
Community Safety	1.120	1.080	(0.040)
Emergency Planning	0.403	0.410	0.007
Libraries and Heritage	8.037	8.522	0.485
Trading Standards	1.409	1.599	0.190
School Library Service	(0.035)	(0.035)	0.000
Derbyshire Sport	0.174	0.174	0.000
TOTAL COMMUNITIES	11.108	11.750	0.642
Use of Public Health funding	0.000	(0.300)	(0.300)
Use of Underspends	0.000	(0.240)	(0.240)
	11.108	11.210	0.102

The £0.642m Communities overspend will be funded in 2016-17 by £0.300m Public Health funding and £0.240m of 2015-16 underspends. This will reduce the projected overspend to £0.102m this financial year which will be identified within the remainder of the year.

2.2 Key variances

Public Health – projected underspend £1.910m

The Public Health function is mainly funded by a Ring-Fenced grant of £42.670m. This is following a 2.24% reduction in the value of the Grant for 2016-17 which equates to £0.981m. The latest projections are predicting an underspend of £1.910m at the end of the financial year.

A large proportion of the underspend continues to be generated from activity-based contracts which are not meeting anticipated levels of service.

The underspend at year-end will be transferred into the Public Health Reserve and will fund committed investment in Prevention work worth £2.952m over a maximum period of the next 2 years which was approved by Cabinet on 20 September 2016.

Key areas of underspend are:-

£m	reason
0.700	Lower than anticipated costs for Tariff based Services within the Integrated Sexual Health Contract
0.506	Lower than anticipated costs for Accredited Services within the Integrated Wellbeing Contract
0.272	Lower than anticipated costs on the Substance Misuse Inpatient Detox, Residential Rehab Treatment and Shared Care budgets
0.146	Vacancy control
0.142	Lower than anticipated costs on the Substance Misuse Drug Prescribing budget
0.122	Lower than anticipated costs on Children's Public Health budgets

Libraries and Heritage – projected overspend £0.485m

The main area of overspend relates to the staffing budget cuts not being achieved to date.

Trading Standards – projected overspend £0.190m

The key overspend relates to the budget cuts not being achieved to date. This will be met in 2016-17 by Public Health funding and the division is being restructured to meet all the staffing cuts in 2017-18.

2.3 Reserves

The Department's Earmarked Reserves total £5.287m and are listed in Appendix 2.

2.4 Budget Reductions

Budget reductions totaling £1.247m were agreed by Full Council as part of the approval of the 2016-17 budget. In addition to this there is an amount of £0.380m unallocated reductions from previous years. The total cut allocation for 2016/17 is, therefore, £1.627m. A table showing performance against target is attached as Appendix 3. Where there is a shortfall on a specific scheme, this will be met by underspends elsewhere in the budget, reserves and Public Health funding.

3. Social Value:

All expenditure incurred is fully assessed against the Social Value imperatives.

4. Other Considerations:

In preparing this report the relevance of the following factors has been considered: financial, legal and human rights, human resources, equality and diversity, health, environmental, transport, property, and prevention of crime and disorder considerations.

5. Key Decision:

No.

6. Call-in:

Is it required that call-in be waived in respect of decisions proposed in the report? No

7. Background Papers:

Files and reports held by Economy, Transport and Communities and Adult Care Accountancy sections.

Public Health Prevention Fund Investment – Cabinet 20 September 2016.

Prioritisation of Public Health Grant Investment – Cabinet 15 March 2016.

8. Officers' Recommendation:

That the Cabinet Member notes the position on the 2016-17 Revenue Budget.

Mike Ashworth
Strategic Director – Economy,
Transport and Communities

Peter Handford
Director of Finance

Joy Hollister
Strategic Director – Adult Care

APPENDIX 1

HEALTH AND COMMUNITIES PORTFOLIO BUDGET MONITORING 2016/17 AUGUST 2016							
DIVISION	2016/17 GROSS CONTROLLABLE BUDGET £	2016/17 INCOME BUDGET £	2016/17 CONTROLLABLE NET BUDGET £	ACTUALS TO DATE £	REST OF YEAR FORECAST £	2016/17 CONTROLLABLE FORECAST £	CONTROLLABLE (UNDER)/ OVER £
PUBLIC HEALTH	43,161,607	-42,866,000	295,607	-7,918,901	6,304,988	-1,613,913	-1,909,520
COMMUNITY SAFETY	1,325,592	-205,614	1,119,978	1,169,225	-89,857	1,079,368	-40,610
EMERGENCY PLANNING	705,698	-302,524	403,174	291,326	118,914	410,240	7,066
LIBRARIES AND HERITAGE	8,965,549	-928,776	8,036,773	3,724,188	4,798,307	8,522,495	485,722
TRADING STANDARDS	1,519,720	-110,963	1,408,757	717,758	881,032	1,598,790	190,033
SCHOOL LIBRARY SERVICE	241,602	-276,462	-34,860	31,347	-66,207	-34,860	0
DERBYSHIRE SPORT	173,645	0	173,645	2,446	171,199	173,645	0
TOTAL	56,093,413	-44,690,339	11,403,074	-1,982,611	12,118,376	10,135,765	-1,267,309

Net Overspend excluding Public Health		642,211
Less	Use of Reserves Public Health funding	240,000 300,000
Projected Overspend		<u>102,211</u>

APPENDIX 2

Earmarked Reserves

	Balance at 31.08.2016 £
<u>Communities Reserves</u>	
School Library Service	76,300
Collections in the Landscape	20,378
Arts Partnership	48,895
Arts Council	15,662
Emergency Planning	78,332
Community Safety	81,115
Derbyshire Sport	20,003
Museums Acquisitions Reserve	16,108
Picture the Past	67,952
PSA1 Reward Grant	174,645
Rural and Community Tour	4,515
Trusted Trader	15,948
Made in Derbyshire	45,500
County Records	48,779
Paul Mellon Fund	10,000
Upgrade of Broadband in Derbyshire	255,000
Digital Inclusion	101,000
Proceeds for Sale of Mobile Libraries	37,600
Proceeds of Crime	34,868
CACS Underspend	240,000
<u>Total Communities Reserves</u>	<u>1,392,600</u>
<u>Public Health Reserves</u>	
Public Health Reserve	3,492,615
Public Health s256/Externally Funded Programmes	332,329
Fareshare	69,300
<u>Total Public Health Reserves</u>	<u>3,894,244</u>
<u>Health and Communities Total Reserves</u>	<u>5,286,844</u>

APPENDIX 3

COMMUNITIES BUDGET CUTS 2016/17			
	Budget Reduction target £m	Achieved Amount £m	Outstanding Amount £m
Emergency Planning			
Staffing Review	0.036	0.036	0.000
Community Safety			
Staffing re organisation	0.061	0.061	0.000
Community Safety Project Fund	0.085	0.085	0.000
Libraries & Heritage			
Stock reductions in materials fund	0.185	0.185	0.000
Review of Libraries and Heritage services	0.574	0.105	0.469
Changes to staffing and opening hours at the Derbyshire Record Office	0.060	0.000	0.060
Reduction in the Arts service	0.125	0.000	0.125
Departmental HQ - reduction in the leadership, management, back office and non-staffing budgets	0.373	0.218	0.155
Trading Standards			
Restructuring of the service	0.128	0.000	0.128
	1.627	0.690	0.937