

DERBYSHIRE COUNTY COUNCIL

MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES

12 January 2016

**Report of the Strategic Director, Health and Communities
and the Director of Finance**

BUDGET MONITORING MONTH 7 2015-2016

1 Purpose of the Report

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

2 Information and Analysis

2.1 Summary

The gross budget for the Health and Communities portfolio is approximately £56m. The budget monitoring statement (Appendix 1) is projecting an underspend for the year of £5.238m, of which £5.045m relates to the Public Health function. This includes the effect of an in-year cut of 6.2% (£2.524m) to the Ring-Fenced Public Health Grant which has recently been confirmed by the Department of Health.

In November 2015 the Government announced further cuts to Public Health budgets from 2016-17 to 2020/21 which will result in a cash reduction in funding of 9.6% (17.9% in real-terms). Public Health is currently carrying out a comprehensive review of future commitments in the light of these additional cuts to the Ring-Fenced Grant.

The remaining portfolio has a projected underspend of £0.193m.

2.2 Key variances

Public Health – projected underspend £5.045m

The Public Health function is mainly funded by a Ring-Fenced grant of £33.038m. An additional £5.179m (£10.358m full year) Public Health Ring-Fenced Grant will be received in-year to meet the transfer of responsibility for Children's 0-5 Public Health services giving a total Ring-Fenced Grant figure of £38.217m. The latest projections are forecasting an underspend of £5.045m at the end of the financial year.

The underspend at year-end will be transferred into the Public Health Resource Fund Reserve from which allocations approved by Cabinet in February 2015 will be made during 2015-16.

Key areas of underspend are:-

£m	reason
1.219	Lower than anticipated costs for Accredited Services within the Integrated Wellbeing Contract
0.355	Lower than anticipated costs on Health Checks budget
0.300	Vacancy control
0.250	Lower than anticipated costs for Tariff based Services within the Integrated Sexual Health Contract
0.174	Revised implementation date of the Affordable Warmth Project
0.155	Lower than anticipated costs on Children's Public Health budgets
0.150	Lower than anticipated costs on Falls Prevention/Foot Care Contracts
0.120	Lower than anticipated costs on the Substance Misuse Inpatient Detox and Residential Rehab Treatment budgets
0.119	Lower than anticipated costs on the Substance Misuse Prevention budget
0.112	Lower than anticipated costs on the Substance Misuse Drug Prescribing budget

Following a major re-design/re-procurement of Obesity and Smoking Cessation services the new Integrated Wellbeing Contract commenced on 1 December 2014. Savings worth 15% on original annual budget values have been achieved as a result. However additional underspend of £1.219m is forecasted in 2015-16 due to the under-performance of the Smoking Cessation Accredited activity-based services.

There has also been a major re-design/re-procurement of Sexual Health and Children's Public Health services which has resulted in greater efficiencies worth a 15% saving on original annual budget values. The new Integrated Sexual Health service will achieve full-year savings in 2015-16. The new Integrated Children's service commenced on 1 October 2015 which will result in part-year savings during 2015-16 with a full-year saving to be achieved in the following financial year.

2.3 Reserves

The Department's Earmarked Reserves total £1.994m and are listed in Appendix 2.

2.4 Budget Reductions

Budget reductions totaling £1.291m were agreed by Full Council as part of the approval of the 2015-16 budget. Where there is a shortfall on a specific scheme, this will be met by underspends elsewhere in the budget. A table showing performance against target is attached as Appendix 3.

3 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.

4 Key Decision

No

5 Call-in

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

6 Background Papers

Working papers held in Corporate Finance Accountancy section.

7 Officers' Recommendation

That the Cabinet Member notes the position on the 2015-16 Revenue Budget.

DAVID LOWE
Strategic Director - Health &
Communities

PETER HANDFORD
Director of Finance

APPENDIX 1

HEALTH AND COMMUNITIES PORTFOLIO BUDGET MONITORING 2015/16 OCTOBER 2015							
DIVISION	2015/16 GROSS CONTROLLABLE BUDGET £	2015/16 INCOME BUDGET £	2015/16 CONTROLLABLE NET BUDGET £	ACTUALS TO DATE £	REST OF YEAR FORECAST £	2015/16 CONTROLLABLE FORECAST £	CONTROLLABLE (UNDER)/ OVER £
PUBLIC HEALTH	40,283,921	-39,112,492	1,171,429	-5,875,540	2,002,102	-3,873,438	-5,044,867
COMMUNITY SAFETY	2,306,686	-206,614	2,100,072	2,113,168	-112,945	2,000,223	-99,849
EMERGENCY PLANNING	723,400	-302,524	420,876	384,226	14,100	398,326	-22,550
LIBRARIES AND HERITAGE	9,798,397	-1,065,365	8,733,032	4,912,644	3,821,424	8,734,068	1,036
TRADING STANDARDS	1,574,994	-110,963	1,464,031	771,184	631,286	1,402,470	-61,561
SCHOOL LIBRARY SERVICE	124,438	-160,261	-35,823	68,564	-104,387	-35,823	0
DERBYSHIRE SPORT	1,266,656	0	1,266,656	58,755	1,207,901	1,266,656	0
OTHER	156,385	0	156,385	85,207	60,947	146,154	-10,231
TOTAL	56,234,877	-40,958,219	15,276,658	2,518,208	7,520,428	10,038,636	-5,238,022

Earmarked Reserves

	Balance at 31.10.2015 £	
Arts Partnership	42,438	Arts activities funded by Arts Council
Arts Council	12,647	Various Arts projects funded by the Arts Council
Emergency Planning	78,332	Reservoir work
Derbyshire Literature Festival	24,960	To take place as part of 'Made in Derbyshire' event
Derbyshire Poet Laureate	19,496	To fund her activities
Libraries Computer Reserve	65,552	Fund replacement of IT kit for public use
Derbyshire Sport	20,002	Partnership body for whom we host their accounts
Museums Acquisitions Reserve	12,979	Donations from the public to fund acquisitions
Picture the Past	113,952	Partnership with OLA's
PSA1 reward grant	174,645	Major part will fund library refurbishments and Local Studies equipment
Rural and Community Tour	4,515	Arts Council funding
School Library service	65,563	To meet deficits if they arise
Trusted Trader	30,948	To contribute towards running the scheme and maintaining subscription levels
Made in Derbyshire	126,786	To fund Made in Derbyshire events in 2015
County Records	21,600	To cover equipment expenditure
Readwritetell	1,457	To be transferred back to General Reserves
Upgrade of Broadband in Libraries	286,200	From 13/14 and 14/15 underspends
Digital Exclusion	96,000	
Fairshare	154,000	To support preventative and sustainable approach to reducing food poverty in Derbyshire
Proceeds from sale of Mobile Libraries	37,600	
Proceeds of Crime	32,001	
Public Health Resource Fund	0	balance brought forward now fully committed to approved allocations for 2015/16
Public Health s256/Externally Funded Programmes	572,685	s256 and others
HCS total	1,994,358	

Budget reductions

	Budget Reduction Amount	Achieved Amount	Not Achieved
	£	£	£
Emergency Planning - staffing review	25,000	25,000	0
Community Safety - staffing re-organisation to tackle anti-social behaviour, domestic violence, re-offending rates	120,000	120,000	0
Mobile Library Service - withdrawal of a number of fleet vehicles resulting in reduced service	265,000	265,000	0
Trading Standards - restructuring of the service	150,000	150,000	0
Library Service Restructuring	250,000	250,000	0
Departmental HQ - reduction in leadership, management and non-staffing budgets	454,000	354,000	100,000
Museum Service - staffing	27,000	27,000	0
Total	1,291,000	1,191,000	100,000