

DERBYSHIRE COUNTY COUNCIL

MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES

18 February 2016

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

BUDGET MONITORING MONTH 9 2015-2016

1 Purpose of the Report

To inform the Cabinet Member, Health and Communities 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 £3.920m, of which £3.685m relates to the Public Health function. This includes the effect of an in-year cut of 6.2% (£2.520m) 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 results of which will be reported to Cabinet.

The rest of the portfolio is expected to underspend by £0.235m.

2.2 Key variances

Public Health – projected underspend £3.685m

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 has been 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 £3.685 at the end of the financial year.

The underspend at year-end will be transferred into the Public Health Reserve Fund. Cabinet on 26th January 2016 committed approximately £2m of the underspend to fund Economy, Transport and Environment

and Health and Communities Public Health related schemes over the next two financial years.

Key areas of underspend are:-

£m	reason
1.183	Lower than anticipated costs for Accredited Services within the Integrated Wellbeing Contract
0.986	Lower than anticipated costs for Tariff based Services within the Integrated Sexual Health Contract
0.469	Lower than anticipated costs on Health Checks budget
0.320	Vacancy control
0.310	Lower than anticipated costs on Children's Public Health budgets
0.293	Lower than anticipated costs on the Substance Misuse Inpatient Detox and Residential Rehab Treatment budgets

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 an additional underspend of £1.183m 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. However an additional underspend of £0.986m is forecasted in 2015-16 due to the under-performance of the Sexual Health Tariff activity-based services. 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 £1.648m and are listed in Appendix 2. This figure reflects Cabinet approval on 26th January 2016 to move £187,000 from the Department's Earmarked Reserves balance to General Reserve.

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

Revenue Budget 2016-17 report to Cabinet 26 January 2016
Working papers held in Corporate Finance Accountancy section.

7 Officers' Recommendation

That the Cabinet Member, Health and Communities notes the position on the 2015-16 Revenue Budget.

DAVID LOWE
Strategic Director
Health and Communities

PETER HANDFORD
Director of Finance

APPENDIX 1

HEALTH AND COMMUNITIES PORTFOLIO BUDGET MONITORING 2015/16 DECEMBER 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	-20,424,137	17,910,100	-2,514,037	-3,685,466
COMMUNITY SAFETY	2,306,686	-206,614	2,100,072	1,448,528	553,526	2,002,054	-98,018
EMERGENCY PLANNING	723,400	-302,524	420,876	372,794	39,334	412,128	-8,748
LIBRARIES AND HERITAGE	9,817,404	-1,065,365	8,752,039	6,273,264	2,418,834	8,692,098	-59,941
TRADING STANDARDS	1,574,994	-110,963	1,464,031	934,848	471,782	1,406,630	-57,401
SCHOOL LIBRARY SERVICE	124,438	-160,261	-35,823	75,767	-111,590	-35,823	0
DERBYSHIRE SPORT	1,266,656	0	1,266,656	191,649	1,075,007	1,266,656	0
OTHER	156,385	0	156,385	41,041	105,256	146,297	-10,088
TOTAL	56,253,884	-40,958,219	15,295,665	-11,086,246	22,462,249	11,376,003	-3,919,662

Earmarked Reserves

	Balance at 31.12.2015 £	
Arts Partnership	47,438	Arts activities funded by Arts Council
Arts Council	10,647	Various Arts projects funded by the Arts Council
Emergency Planning	78,332	Reservoir work
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	67,952	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
Trusted Trader	15,948	To contribute towards running the scheme and maintaining subscription levels
Made in Derbyshire	45,500	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	255,000	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 Cabinet approved allocations for 2015/16
Public Health s256/Externally Funded Programmes	572,685	s256 and others
HCS total	1,648,301	

APPENDIX 3

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