

DERBYSHIRE COUNTY COUNCIL

MEETING WITH CABINET MEMBER, HEALTH AND COMMUNITIES

21 February 2017

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

BUDGET MONITORING MONTH 9 2016-2017

1. Purpose of the Report:

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

2. Information and Analysis:

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 £2.052m (most of 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 £0.058m.

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

HEALTH AND COMMUNITIES PORTFOLIO			
BUDGET MONITORING 2016/17			
December 2016			
DIVISION	CONTROLLABLE BUDGET £m	CONTROLLABLE FORECAST £m	(UNDER)/ OVER £m
PUBLIC HEALTH	0.296	(1.756)	(2.052)
COMMUNITIES			
Community Safety	1.120	1.026	(0.094)
Emergency Planning	0.403	0.402	(0.001)
Libraries and Heritage	8.037	8.158	0.121
Trading Standards	1.434	1.466	0.032
School Library Service	(0.035)	(0.035)	0.000
Derbyshire Sport	0.174	0.174	0.000
TOTAL COMMUNITIES	11.133	11.191	0.058
Use of Reserves	0.000	(0.058)	(0.058)
	11.133	11.133	(0.000)

There is £0.333m of Public Health funding available for Communities which is included in the figures above. This includes £0.033m from the Public Health Prevention Fund for the 'Heart of Derbyshire' project in the Trading Standards division. If not for this funding then the

Communities overspend position before the use of underspends would be £0.391m. Use of £0.058m earmarked reserves will cover the projected overspend to balance the budget.

2.2 Key variances

Public Health – projected underspend £2.052m

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 £2.052m 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 which was approved by Cabinet on 20 September 2016 and commenced in October 2016 over a maximum period of the next 2 years.

Key areas of underspend are:-

£m	reason
0.714	Lower than anticipated costs for Tariff based Services within the Integrated Sexual Health Contract
0.535	Lower than anticipated costs for Accredited Services within the Integrated Wellbeing Contract
0.441	Lower than anticipated costs on the Substance Misuse Inpatient Detox, Drug Prescribing, Residential Rehab Treatment and Shared Care budgets
0.354	Lower than anticipated costs for uptake of Health Checks within Derbyshire

Libraries and Heritage – projected overspend £0.121m

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

2.3 Reserves

The Portfolio's earmarked reserves total £2.001m 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 base cuts that need to be achieved during 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. It should be noted that all Divisions are currently taking appropriate action to achieve their savings target.

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 for any decision on this report? No

6. 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

7. 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 DECEMBER 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	-5,713,014	3,957,064	-1,755,950	-2,051,557
COMMUNITY SAFETY	1,325,592	-205,614	1,119,978	1,074,941	-49,028	1,025,913	-94,065
EMERGENCY PLANNING	705,698	-302,524	403,174	248,273	153,841	402,114	-1,060
LIBRARIES AND HERITAGE	8,977,275	-940,503	8,036,772	6,059,463	2,098,367	8,157,830	121,058
TRADING STANDARDS	1,545,431	-110,963	1,434,468	1,070,166	396,006	1,466,172	31,704
SCHOOL LIBRARY SERVICE	229,877	-264,737	-34,860	54,031	-88,891	-34,860	0
DERBYSHIRE SPORT	173,645	0	173,645	9,000	164,645	173,645	0
TOTAL	56,119,125	-44,690,341	11,428,784	2,802,860	6,632,004	9,434,864	-1,993,920

Net Overspend excluding Public Health 57,637

Less Use of CACS Underspend Reserve 57,637

Remaining Balance of CACS Underspend Reserve to be used towards meeting slippage in delivering 2017-18 cuts 182,363

APPENDIX 2

Earmarked Reserves

	Balance at 31.12.2016
<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
Museums Acquisitions Reserve	16,108
Picture the Past	67,952
PSA1 Reward Grant	174,645
Rural and Community Tour	4,515
Trusted Trader	1,996
Made in Derbyshire	45,500
County Records	48,779
Paul Mellon Fund	10,000
Upgrade of Broadband in Derbyshire	255,000
Digital Exclusion	101,000
Proceeds for Sale of Mobile Libraries	37,600
Proceeds of Crime	23,110
CACS Underspend to cover slippage in cuts	240,000
<u>Total Communities Reserves</u>	<u>1,346,887</u>
<u>Public Health Reserves</u>	
Public Health Reserve	252,088
Public Health s256/Externally Funded Programmes	332,329
Fareshare	69,300
<u>Total Public Health Reserves</u>	<u>653,717</u>
<u>Health and Communities Total Reserves</u>	<u>2,000,604</u>

APPENDIX 3

COMMUNITIES BUDGET CUTS 2016/17			
	Budget Reduction target	Achieved Amount	Outstanding Amount
	£m	£m	£m
Emergency Planning			
Staffing Review	0.036	0.000	0.036
Community Safety			
Staffing re organisation	0.061	0.000	0.061
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	0.294	0.079
Trading Standards			
Restructuring of the service	0.128	0.000	0.128
	1.627	0.669	0.958