

DERBYSHIRE COUNTY COUNCIL

CABINET

1 October 2013

Report of the Director of Finance

**BUDGET MONITORING 2013-14
(Period up to 30 June 2013)
(COUNCIL SERVICES)**

1 Purpose of the Report

To provide Cabinet with an update of the latest budget monitoring positions showing an overall departmental overspend of £13.179m, which after consideration of centrally held budgets and expenditure, and use of carry forward balances from 2012/13, will lead to a break-even position for the Council. A significant element of the overspend relates to the achievement of budget reductions in 2013/14 and this is the subject of a further report on the agenda.

2 Information and Analysis

The report summarises the controllable budget position by department. Reports will also be considered at Audit Committee and Full Council. Monitoring reflects the position as at 30 June 2013, however officers have provided additional updates to the Director of Finance to take the position through to the period ending 31 August 2013. The Revenue Outturn 2012/13 was approved by Cabinet on 30 July 2013. Where departments have asked for carry forward of budget, it requires final approval from the appropriate Cabinet Member. The budget monitoring position as at June, excludes any carry forward of 2012/13 underspends.

Adult Care

The forecast is for an overspend of £13.7m as there continues to be pressures on Adult Care budgets with demand for services expected to grow in the medium/long-term. The main areas of overspend are Fieldwork and Direct Care, which are partly off-set by an underspend on Strategy and Commissioning.

Children & Younger Adults

The budget is projected to be overspent by £6.390m, although this can be off-set by the 2012/13 carry forward to give a break-even position.

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The main reason for the overspend is that the departmental budget reduction target is still to be allocated to services.

Environmental Services

The forecast is for an overspend of £0.980m. The main area of overspend relates to winter maintenance which is currently projected at £0.977m, however this will be financed from the Winter Maintenance Reserve which will result in a break-even position at year-end. There are also budget reductions which are still to be achieved by services. These are off-set by underspends in Transport and Technical (£0.651m) and Resources and Improvement (£0.572m) as a result of vacancy control.

Cultural & Community Services

The forecast is for an underspend of £0.681m by the year-end, however, this includes a balance brought forward of £0.415m from 2011/12 outturn underspends. The main underspends were Branch and Mobile Libraries (£0.533m).

Corporate Resources

The forecast is for an underspend of £1.632m. The principal underspends are Communications (£0.463), County Property (£0.253m), Transformation Services (£0.157m) and Human Resources (£0.347m).

Health and Community Department

The budget is projected to underspend by £0.191m. The main area of underspend relates to Youth Offending (£0.095m).

Budget Reductions

Departmental annual efficiencies are set out in the Five Year Financial Plan. Achievements of targets are being closely monitored by departments and the Chief Executive.

Corporate Budgets

The year-end forecast is a £1.979m overspend. The main areas of overspend include £1.519m unallocated budget reductions and £0.799m due to declining occupancy rates at the Council's business units. This is offset by underspends in other areas, including Registrars (£0.298m) and Corporate Management (£0.214m).

In addition to the above, the Risk Management Budget and debt charges budget are forecast to underspend by a total of £12m, with external interest budgets showing a break-even position.

The income from funding sources such as Council Tax, Business Rates Retention Scheme and General Grants announced at the time of the

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Local Government Finance Settlement is as anticipated. There have been additional funding allocations which have been announced after the budget was approved by Council in February. These are Adoption Reform Grant (£1.213m), Local Authority Central Spend Equivalent Grant (£0.608m) and Extended Rights to Free Travel (£1.313m). These are all general grants and decisions regarding the use of funding will be considered as part of the Revised Budget Report 2013/14.

Summary

The overall position in Appendix One, shows departmental overspends of £13.179m, however these are offset by underspends on the Risk Management budget, debt charges budgets and use of previous years underspends to leave a break-even position. However, the Council has been in consultation with the Derbyshire care home providers regarding the level of fees paid to them. Details of the outcome will be reported to Cabinet in due course, which could result in ongoing costs to the Council which will be met from the Risk Management Budget.

3 Considerations

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

4 Financial Considerations

As set out above.

5 Key Decision

No

6 Call-in

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

7 Background Papers

Papers held in Technical Section, Corporate Finance.

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8 OFFICER'S RECOMMENDATION

The 2012/13 budget monitoring position as at 30 June 2013 is noted.

PETER HANDFORD

Director of Finance

10 September 2013

Budget Monitoring position as at 30 June 2013

	Budget £m	Year-end forecast £m	(Under)/Over Spend £m
Adult Care	204.925	218.569	13.644
CAYA	105.436	105.436	0.000
Environmental Services	86.718	86.718	0.000
CACS	10.428	9.805	(0.622)
Corporate	9.331	11.311	1.980
CRD	45.439	43.807	(1.632)
Health and Community	40.424	40.234	(0.191)
			13.179