

DERBYSHIRE COUNTY COUNCIL

CABINET

25 March 2014

Report of the Director of Finance

**BUDGET MONITORING 2013/14
(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 £4.914m, which after consideration of centrally held budgets and expenditure, and use of carry forward balances from 2012/13, will lead to an underspend of £8.5m for the Council.

2 Information and Analysis

The report summarises the controllable budget position by department. Reports will also be considered at Audit Committee and Council. Monitoring reflects the position as at 31 December 2013, however officers have provided additional updates to the Director of Finance to take the position through to the period ending 31 January 2014. Where departments have asked for carry forward of budget, it requires final approval from the appropriate Cabinet Member.

Adult Care

The forecast is for an overspend of £12.4m, however the use of reserves and one-off support give a projected year-end overspend of £8.795m. The overspend is due to the impact of demographic pressures and the increasing complexity of client's needs. The main areas of overspend are Fieldwork and Direct Care, which are off-set by an underspend on Strategy and Commissioning and debt charges. There continues to be pressures on Adult Care budgets with demand for services expected to grow in the medium/long-term.

Children and Younger Adults

The budget is projected to be overspent by £2.700m, this can be off-set by the 2012/13 carry forward to give a break-even position. The projected overspend has reduced by £0.7m since that reported to Cabinet on 28 January 2014. This is largely due to the anticipated costs of staffing where vacancy controls and continuing staff turnover

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have combined to keep staff costs lower than anticipated previously, payments to support families, lower anticipated transport costs and lower costs of support to childcare providers. The main reason for the overspend is in the main due to the budget reductions allocated to CAYA have not yet been applied to individual budgets.

Environmental Services

The forecast is for an underspend of £1.965m. The main areas of underspend are Waste Management £1.337m, Transport and Technical £0.861m, Commercial Services £0.307m and Regeneration £0.220m. These are off-set by an overspend in Highways Maintenance £0.998m.

Cultural and Community Services

The budget is projected to underspend by £0.746m, however this includes a balance brought forward of £0.415m from 2011/12 outturn underspends. The main underspends were Branch and Mobile Libraries £0.372m, largely as a result of staffing.

Council Services

The forecast is for an underspend of £0.535m. The underspends are Communications £0.486m, Human Resources £0.415m, Corporate Finance £0.251m and Transformation Services £0.269m, Registrars £0.210m, Corporate Management £0.225m, the main reasons being staffing and vacancy control. These are off-set by overspends of £1.519m due to unallocated budget reductions and £0.706m due to declining occupancy rates at the Council's business unit.

Health and Community Safety

The budget is projected to underspend by £0.657m. The main area of underspend relates to Community Safety £0.455m.

Public Health, which is funded by a ring-fenced grant, is forecast to underspend by £3.5m. Any underspend will help to support preventative programmes across the Council.

Corporate Budgets

In addition to the above, the Risk Management Budget and debt charges budget are forecast to underspend by a total of £13.5m, with external interest 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 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. The revised

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Budget report by Council in October 2013 allocated £0.100m of the Extended Rights to Free Travel funding to CAYA.

On 30 January 2014, the Government announced allocations to compensation authorities for the cost of the temporary increase in Small Business Rate Relief in 2013/14. The allocation of this one-off funding is £0.619m and will be allocated to the Risk Management Budget.

Summary

The overall position in the Appendix shows departmental overspends of £4.914m, however these are offset by underspends on the Risk Management budget, debt charges budgets and use of previous years underspends to give an underspend of £8.5m. 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 on-going costs to the Council which will be met from the Risk Management Budget.

3 Financial Considerations

As set out above.

4 Other 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.

5 Background Papers

Papers held in Technical Section, Corporate Finance.

6 Key Decision

No.

7 Is it necessary to waive the call-in period?

No.

8 OFFICER'S RECOMMENDATION

The 2013/14 budget monitoring position as at 31 December 2013 is noted.

PETER HANDFORD
Director of Finance

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APPENDIX

	Budget £m	Year-end forecast £m	(Under)/Over Spend £m
Adult Care	208.415	217.210	8.795
CAYA	110.654	110.654	0.000
Environmental Services	88.600	86.635	(1.965)
CACS	13.194	12.448	(0.746)
Council Services	56.089	55.554	(0.535)
Health and Community	4.325	3.670	(0.655)
			4.914