

DERBYSHIRE COUNTY COUNCIL

CABINET

26 March 2013

Report of the Director of Finance

**BUDGET MONITORING 2012-13
(Period up to 31 December 2012)
(FINANCE AND MANAGEMENT)**

1 Purpose of the Report

To provide Cabinet with an update of the latest budget monitoring positions showing an overall departmental overspend of £1.019m, which after consideration of centrally held budgets and expenditure, will lead to an expectation of an overall underspend for the Council of around £10m. The overall forecast underspend has increased from £7.1m which was reported to Cabinet on 29 January 2013. The Environmental Services forecast underspend has increased due to vacancy control as a result of the recent Highways Review. There has also been a £1.4m increase in the Chief Executives underspend which is largely due to the delay in implementing Digital Derbyshire Local Broadband Plan as a result of delays at the national level in gaining approval to key elements of the programme.

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 31 December 2012, however officers have provided additional updates to the Director of Finance to take the position through to the period ending 30 January 2013. The position shown reflects the carry forward of budgets from 2011/12.

Adult Care

The forecast is for an overspend of £8.5m as there continues to be pressures on Adult Care budgets with demand for services expected to grow in the medium/long-term. The Council will receive an allocation for winter pressures, however, at this stage, it is unclear how much will be allocated. Adult Care are aware of the need to control the overspend over the year and are working towards finding additional measures to reduce costs.

Children & Younger Adults

The budget is projected to be overspent by £3.1m. However, after adjustments for the Local Authority Central Spend Equivalent Grant

(LACSEG) refund, which is expected to be paid at the end of the current financial year, and new funding for the Government's 'Troubled Families' programme, as well as the use of underspends brought forward from the previous year, the projected outturn is expected to be break-even.

Environmental Services

The forecast is for an underspend of £1.501m. The main areas of underspend are Transport and Technical (£0.411m) and Highways Management (£0.580m), largely due to vacancy control due to the recent Highways' Review.

Cultural & Community Services

The forecast is for an underspend of £1.082m by the year-end, with the main underspends in Branch and Mobile Libraries (£0.783m), staffing and vehicle related costs. The underspend has increased from that reported in Period 7 due to the approval of the 2011/12 underspend of £0.329m being transferred to an earmarked reserve at the year-end.

Corporate Resources

The forecast is for an underspend of £2.275m. The principal underspends are County Property (£0.578m), Transformation Services (£0.341m) and Human Resources (£0.350m).

Chief Executive's

A year-end forecast underspend of £3.476m is anticipated, with the main underspends being economic regeneration (£1.804m), Office of the Chief Executive (£0.394m), Call Derbyshire (£0.279m) and Policy and Research (£0.221m). It is proposed to transfer the Council's contribution towards the match funding of the Broadband Delivery UK grant allocation (£1.056m) to an earmarked reserve.

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 £0.852m overspend. The main areas of overspend include £0.952m unallocated budget reductions and £0.644m due to declining occupancy rates at the Council's business units. This is offset by underspends in other areas, including Registrars (£0.230m), County Buildings (£0.210m), and Corporate Management (£0.194m).

In addition to the above, the Risk Management Budget and debt charges budget are forecast to underspend by a total of £11m, with capital charges and external interest budgets showing a break-even position.

The income from funding sources such as Council Tax, Formula Grant and General Grants is as anticipated.

Summary

The overall position, as shown at Appendix One, shows departmental overspends of £1.019m, however these are offset by underspends on the Risk Management and debt charges budgets. Some departments will carry forward underspends from 2011/12 while other departments will have to deal with the overspending. Monitoring will continue and the position is expected to improve as the year progresses.

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.

8 OFFICER'S RECOMMENDATION

- i. The 2012/13 budget monitoring position as at 31 December is noted.
- ii. Approval be given to transfer the Broadband match funding of £1.056m budget to an earmarked reserve.

PETER HANDFORD

Director of Finance

County Hall
MATLOCK

4 March 2013

Appendix One

	Budget £m	Year-end forecast £m	(Under)/Over Spend £m
Adult Care	205.097	213.597	8.500
CAYA	117.614	117.614	0.000
Environmental Services	87.695	86.194	(1.501)
CACS	13.171	12.088	(1.082)
Corporate	12.053	12.906	0.853
CRD	42.204	39.929	(2.275)
Chief Executives	14.675	11.199	(3.476)
			1.019