

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**29 January 2013**

**Report of the Director of Finance**

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

**1 Purpose of the Report**

To provide Cabinet with an update of the latest budget monitoring positions showing an overall Council overspend of £3.902m, which after consideration of centrally held budgets and expenditure, will lead to an expectation of an overall underspend for the Council of around £7.1m. The overall underspend has increased from £4.7m which was reported to Cabinet on 27 November 2012. This is largely due to a reduction in the Corporate overspend as a result of VR/VER previously allocated to this budget being recharged to departments. There has also been a £1.4m increase in the Chief Executives underspend. This is largely due to the delay in gaining State Aid approval, at a national level, to the rural broadband initiative.

**2 Information and Analysis**

The report summarises the controllable budget position by department. Cabinet members have already considered the budget monitoring position, by portfolio, in much greater detail. Reports will also be considered at Audit Committee and full Council. Monitoring reflects the position as at 31 October 2012, however officers have provided additional updates to the Director of Finance to take the position up to the period ending 30 November. 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 funding for Troubled Families, 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 £0.627m. The main areas of underspend are waste £0.793m, Gold Card £0.756m and Section 74 income (highways maintenance) £0.250m. These underspends have been offset by overspends, the main one being the specific allocation of budget reductions of £1.700m that will be made to identified budgets during period 9 monitoring.

### **Cultural & Community Services**

The forecast is for an underspend of £0.770m by the year-end, with the main underspends in Branch and Mobile Libraries (£0.707m), staffing and vehicle related costs.

### **Corporate Resources**

The forecast is for an underspend of £1.579m. Significant underspends are County Property £0.493m, Transformation Services £0.420m and Human Resources £0.208m.

### **Chief Executive's**

A year-end forecast underspend of £2.568m is anticipated, with the main underspends being economic regeneration (£1.313m), Office of the Chief Executive (£0.386m), Call Derbyshire (£0.241m) and Policy and Research (£0.206m).

### **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 £0.946m overspend. The main areas of overspend include £0.952m unallocated budget reductions and £0.667m due to declining occupancy rates at the Council's business units. This is offset by underspends in other areas including Registrars (£0.216m), County Buildings (£0.193m), and Corporate Management (£0.191m).

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 £3.902m, however these are offset by underspends on the Risk Management and debt charges budgets. Some departments will carry forward underspends from 2011-12 and some departments will have to deal with 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**

That the 2012-13 budget monitoring position as at 31 October is noted.

PETER HANDFORD  
Director of Finance

County Hall  
MATLOCK

18 January 2013

## Appendix One

	<b>Budget</b>	<b>Year-end forecast</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Adult Care</b>	204.976	213.476	8.500
<b>CAYA</b>	117.614	117.614	0.000
<b>Environmental Services</b>	87.594	86.967	(0.627)
<b>CACS</b>	12.852	12.082	(0.770)
<b>Corporate</b>	12.264	13.210	0.946
<b>CRD</b>	41.476	39.897	(1.579)
<b>Chief Executives</b>	13.648	11.080	(2.568)
			<b>3.902</b>