

**DERBYSHIRE COUNTY COUNCIL**

**COUNCIL**

**5 December 2012**

**Report of the Director of Finance**

**BUDGET MONITORING 2012-13  
(Period up to 31 August 2012)**

**1 Purpose of the Report**

To provide Council with an update of the latest budget monitoring positions showing an overall department overspend of £5.616m, which after consideration of centrally held budgets and expenditure, will lead to an expectation of an overall underspend for the Council of around £4.7m.

**2 Information and Analysis**

The report summarises the controllable budget position by department. Reports will also be considered at Audit Committee and Cabinet. Monitoring reflects the position as at 31 August 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 partly reflects the carry forward of budgets from 2011-12 as the details regarding the use of underspends has not been finalised at the time of the report. However, departments are able to use any underspend from 2011-12 to help manage budget reductions in 2012-13. Details of the use of underspends were reported to Cabinet on 27 November 2012.

**Adult Care**

There continues to be pressures on Adult Care budgets with demand for services expected to grow in the medium/long-term. The forecast position based on current pressures and progress towards achievement of efficiencies is for an overspend of £8.5m. Adult Care are aware of the need to reduce the overspend further over the year and are working towards finding additional measures to reduce costs.

**Children & Younger Adults**

The budget is projected to be overspent by £3.8m, 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 £0.663m. There are underspends of £1.303m on Transport and Technical Policy (mainly due to Gold Card re-imbursements and school crossing patrol vacancies) and £0.643 on Waste Management, offset by overspends in Countryside Services (£0.258m) and unallocated budget reductions (£1.205m).

### **Cultural & Community Services**

The forecast is for an underspend of £0.661m by the year-end, with the main underspends in Branch and Mobile Libraries (£0.597), in the main due to staffing and vehicle related costs.

### **Corporate Resources**

The forecast is for an underspend of £1.794m. Significant underspends are Transformation Services, Human Resources and County Property.

### **Chief Executive's**

A year-end forecast underspend of £1.201m is anticipated. Of this figure, £0.338m relates to the 'front-loading' of efficiency savings. Also, there are currently a large number of vacancies throughout the department.

### **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 £1.434m overspend. The main areas of overspend include £0.952m unallocated efficiency savings and £0.698m due to declining occupancy rates at the Council's business units. This is offset by underspends in other areas including Registrars (£0.213m), Corporate Management (£0.188m) and County Buildings (£0.188m).

In addition to the above, the Risk Management Budget is forecast to underspend by £5.3m.

The debt charges budget is estimated to underspend by £5m, 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. There have been no additional funding allocations. The Council has received a refund for the LACSEG adjustment made in 2011/12 of £0.574m, which has been allocated to departments. Details of this were reported to Cabinet Member for Finance and Management on 16 November 2012.

## **Summary**

The overall position, as shown at Appendix One, shows departmental overspends of £5.616m, however these are offset by underspends of £10.3m 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 August is noted.

**PETER HANDFORD**

Director of Finance

County Hall  
MATLOCK

26 November 2012

## Appendix One

<b>Departmental Budget Monitoring</b>	<b>Budget £m</b>	<b>Year-end forecast £m</b>	<b>(Under)/Over Spend £m</b>
<b>Adult Care</b>	204.240	212.740	8.500
<b>CAYA</b>	114.231	114.231	0.000
<b>Environmental Services</b>	87.317	86.655	(0.662)
<b>CACS</b>	10.775	10.136	(0.661)
<b>Corporate</b>	12.253	13.687	1.434
<b>CRD</b>	41.955	40.161	(1.794)
<b>Chief Executives</b>	13.682	12.481	(1.201)
			<b>5.616</b>