

Agenda Item No.3

**DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR COUNCIL SERVICES**

1 August 2016

Report of the Strategic Director of Corporate Resources and Director of Finance

REVENUE OUTTURN 2015-16

1 Purpose of the Report

To report the final revenue outturn position for 2015-16, to identify significant variations in expenditure from the budget, and to make proposals for the use of any underspends.

2 Information and Analysis

2.1 Summary

Attached as Appendix 1 to this report is a statement setting out the final outturn position for 2015-16. Controllable net expenditure was £42.2m against a budget of £42.7m resulting in a controllable underspend of £0.4m.

2.2 Key Variances

Transformation Services **underspend £0.305m**

The main area of underspend is on staff vacancies which have been held to meet budget reductions in 2016-17. There was also an increase in income from 'Services for schools.'

Change Management **underspend £0.208m**

The underspend is due to a combination of the multiyear nature of the programme and the timing of payments.

Registrars **underspend £0.257m**

The underspend is due to the over recovery of income for the various Registrar fees and charges.

HR Division**underspend £0.527m**

The underspend is a result of vacancy control. Additional income has also been received from Services-for-schools and the pension fund.

Industrial Development**overspend £0.754m**

The overspend is due to the under recovery of forecasted income for industrial units and small business centres brought about by the economic downturn in 2008 and the additional costs arising from having to pay non-domestic rates liability payable on empty units. It also includes the write-off of £150,000 of bad debts which have arisen mainly during the economic downturn and have little prospect of being recovered as all potential approaches have now been exhausted. Options for the future delivery of the service are being considered.

Centrally held budgets**overspend £0.358m**

The overspend includes the provision of £0.188m for bad debts.

Corporate Efficiencies**overspend £0.519m**

These are the unallocated efficiency savings which have yet to be identified within Corporate budgets. An exercise is underway to allocate and capture savings across the department in 2016-17 to meet this target.

2.3 Budget Reductions

Budget reductions totalling £4.2m were allocated and have been achieved as per the table in Appendix 2.

2.4 Proposals for the use of underspends

Cabinet, at its meeting on 26 July, agreed the allocation of £45,000 from underspends. It is proposed the allocation will be used to enable the portfolio to fund the following projects:

Production of a Gardens Management & Maintenance Plan for the Historic Core Gardens at Elvaston Castle - £15,000.

The appointment of a suitably qualified and experienced consultant to review our entire property portfolio with the aim of identifying alternative and innovative uses for our assets that will maximise the revenue earning potential - £30,000. This will be the subject of a further report to Cabco.

3 Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and

diversity, human resources, environmental, health, property, transport and social value considerations.

4 Key Decision

No

5 Call-in

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

6 Background Papers

Files and reports held by the Director of Finance in Room 103, County Hall.

7 Officers' Recommendations

7.1 To note the revenue outturn position for 2015-16

7.2 To approve the use of underspends to fund the projects outlined in the report.

JUDITH GREENHALGH

Strategic Director of
Corporate Resources

PETER HANDFORD

Director of Finance

APPENDIX 1

COUNCIL SERVICES PORTFOLIO BUDGET MONITORING 2015/16 OUTTURN			
DIVISION	2015/16 CONTROLLABLE BUDGET £	ACTUALS £	CONTROLLABLE (UNDER)/ OVER £
CORPORATE FINANCE			
- Corporate Finance Division	2,429,148	2,297,414	-131,734
- PFI/BSF Schemes	1,348,256	1,312,129	-36,127
- Insurance	3,132,829	3,132,829	0
- Revenue Contributions to Capital Outlay	0	0	0
- VR/CR scheme	93,952	0	-93,952
- SAP System Costs	1,230,677	1,124,664	-106,013
TRANSFORMATION SERVICES			
- Transformation Division	11,397,508	11,092,920	-304,588
- Change Management	447,137	239,160	-207,977
LEGAL AND DEMOCRATIC SERVICES			
- Legal Services Division	2,894,274	2,868,371	-25,903
- Coroners	1,316,604	1,318,460	1,856
- Registrars	-162,971	-419,623	-256,652
HUMAN RESOURCES			
H.R. Division	3,064,114	2,537,063	-527,051
SSC	1,077,620	1,040,438	-37,182
BUSINESS SUPPORT (Derbys business centre)	688,541	629,251	-59,290
COUNTY PROPERTY			
- County Property Division	4,046,777	3,991,383	-55,394
- Building Maintenance	6,419,011	6,419,011	0
- County Buildings	2,791,710	2,636,096	-155,613
- Industrial Development	-1,877,555	-1,123,065	754,490
CRD CENTRALLY HELD BUDGETS	574,967	933,193	358,226
MEMBERS			
- Elections	45,144	45,144	0
- Democratic representation and management	1,324,410	1,236,783	-87,627
- Member community leadership	187,193	187,193	0
- Chairs fund	9,340	9,340	0
MISCELLANEOUS			
- Corporate Management	375,187	272,647	-102,540
- Unapportionable central overheads	42,545	3,177	-39,368
- Travellers	67,000	61,722	-5,278
- Flood defence Levies	302,785	302,785	0
- Efficiencies	-519,048	0	519,048
- Police and Crime Panel	0	0	0
- Other	-93,478	72,599	166,077
TOTAL	42,653,677	42,221,085	-432,592
	COSTS	INCOME	(SURPLUS) /DEFICIT
PROPERTY DSO	40,548,148	40,687,227	-139,079

APPENDIX 2

BUDGET REDUCTIONS 2015/16	Budget Reduction	Achieved Amount	Not Achieved
	£	£	£
Internal audit partnership	100,000	100,000	0
Staffing-better SAP use	200,000	200,000	0
Risk management projects	25,000	25,000	0
RCCO-Budget deletion	42,000	42,000	0
VR/VER Base budget deletion	200,000	200,000	0
Change Management	475,000	475,000	0
ICT Supplies and services	200,000	200,000	0
Staffing/Income generation from registration	240,000	240,000	0
Carbon reduction fee	200,000	200,000	0
Carbon reduction staffing	25,400	25,400	0
Surveying/Asset management	320,000	320,000	0
Maintenance funding-mtce budget	1,310,000	1,310,000	0
Maintenance funding-staffing	180,000	180,000	0
Commissionaires	38,386	38,386	0
Property Restructuring-Leadership & Business Support	233,907	233,907	0
HRD HR Strategy budget	30,000	30,000	0
HR reduction in the reasonable adjustment fund for employees	30,000	30,000	0
HRD 15/16 & 16/17 WFR-reduction in capacity to support one-off interventions eg Single Status in schools	92,650	92,650	0
SSC E bulk on-line processing of DBS checks	43,184	43,184	0
SSC Introduce SAP E-Recruitment to facilitate data flows & enhanced self-service for managers	126,398	126,398	0
SSC Developing Business Warehouse to provide management information to managers	65,587	65,587	0
DBC Hybrid mail	35,868	35,868	0
Total	4,213,380	4,213,380	0