

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR COUNCIL SERVICES

12 January 2015

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

BUDGET MONITORING MONTH 7 2014-2015

1. Purpose of the Report

To inform the Cabinet Member of the latest budget monitoring position.

2. Information and Analysis

2.1 Summary

The controllable budget for the Council Services portfolio is approximately £45m. As at month 7, the budget is showing a forecast underspend of £0.74m for the year. The position statement at month 7 is attached as Appendix 1.

2.2 Key variances

Corporate Finance – projected underspend £0.234m

The main area of underspend is on staff vacancies.

VR/VER Costs – projected underspend £0.286m

During 2012/13 a decision was taken to meet the cost of any severance payments from the General Reserve thus generating an under-spend on this budget. However there is a need to fund residual early severance costs that can no longer be met from Dedicated Schools Grant.

Transformation Division – projected underspend £0.187m

The main area of underspend is on staff vacancies. There are also some project costs that are coming in under budget.

Registrars – projected underspend £0.205m

The underspend is due to the generation of additional income for the various Registrar fees and charges.

HR Division - projected underspend £0.511m

The main area of underspend relates to vacancies and unpaid staff absences. There are also underspends on the access to work budget and there is some generation of additional income.

Business Support (Derbyshire Business Centre) – projected underspend £0.352m

The main area of underspend is on staff vacancies and generation of additional income.

Industrial Development – projected overspend £0.713m

The main reasons for the overspend are the under recovery of forecasted income for industrial units and small business centres brought about by the difficult economic climate, and the additional costs due to non-domestic rates liability payable on empty properties.

Corporate Efficiencies – projected overspend £0.519m

These are the unallocated efficiency savings which have yet to be identified within Corporate budgets.

2.3 Budget Reductions

Budget reductions totaling £2.7m were allocated and will be achieved by the end of the financial year. The table showing performance against target is attached as Appendix 2.

2.4 Reserves

Earmarked reserves totalling £43m are currently held to support future expenditure. The larger ones are listed below:

Details of all reserves are shown as appendix 3.

Property DSO £4.065m

The reserve mainly covers the replacement of large pieces of equipment and also provides a contingency against future losses

CRD Reserve £10.711m

The department has provided for building projects which have received member approval but not yet started.

Change Management £5.925m

The Change Management Reserve has been established to meet the one-off costs of the change management programme that cannot be met from within the annual base budget

Insurance and Risk Management Reserve £13.607m

This was established to meet the costs of liabilities and claims incurred but not yet made against the Council. The adequacy of this balance is regularly verified by independent actuaries.

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 and transport considerations.

4. Key Decision

No.

5. Background Papers

Files and reports held by the Director of Finance in room 151.

6. OFFICERS' RECOMMENDATIONS

That the Cabinet Member notes the position on the 2014-15 Revenue Budget.

JUDITH GREENALGH
Strategic Director
Corporate Resources

PETER HANDFORD
Director of Finance

APPENDIX 1

COUNCIL SERVICES PORTFOLIO BUDGET MONITORING 2014/15 OCTOBER 2014					
DIVISION	2014/15 CONTROLLABLE BUDGET	ACTUALS	REST OF YEAR FORECAST	2014/15 CONTROLLABLE FORECAST	CONTROLLABLE (UNDER)/ OVER
	£	£	£	£	£
CORPORATE FINANCE					
- Corporate Finance Division	2,840,373	2,327,609	278,588	2,606,197	-234,176
- PFI/BSF Schemes	845,525	-788,871	1,600,000	811,129	-34,396
- Insurance	3,057,316	946,152	2,111,164	3,057,316	0
- Revenue Contributions to Capital Outlay	41,999	0	0	0	-41,999
- VR/CR scheme	293,953	7,503	0	7,503	-286,450
- SAP System Costs	1,854,499	836,892	1,019,699	1,856,591	2,092
TRANSFORMATION SERVICES					
- Transformation Division	11,772,307	5,789,894	5,795,273	11,585,167	-187,140
- Change Management	885,826	55,170	812,961	868,131	-17,695
LEGAL AND DEMOCRATIC SERVICES					
- Legal Services Division	2,904,092	1,683,264	1,316,695	2,999,959	95,867
- Coroners	1,301,063	642,584	644,522	1,287,106	-13,957
- Registrars	56,128	-171,321	22,428	-148,893	-205,021
HUMAN RESOURCES					
H.R. Division	3,222,812	1,643,234	1,068,181	2,711,415	-511,397
SSC	1,077,183	402,021	749,193	1,151,214	74,031
BUSINESS SUPPORT (Derbys business centre)	710,305	685,594	-327,200	358,394	-351,911
COUNTY PROPERTY					
- County Property Division	4,417,075	3,636,052	728,676	4,364,727	-52,348
- Bulding Maintenance	6,283,199	1,703,628	4,579,571	6,283,199	0
- Carbon Reduction	200,000	155,148	0	155,148	-44,852
- County Buildings	2,809,734	2,026,976	830,933	2,857,909	48,175
- Industrial Development	-1,879,126	-662,457	-503,589	-1,166,046	713,080
CRD CENTRALLY HELD BUDGETS	554,171	10,701	619,730	630,431	76,260
MEMBERS					
- Elections	8,948	0	8,948	8,948	0
- Democratic representation and management	1,319,727	738,787	497,308	1,236,095	-83,632
- Member community leadership	384,907	124,730	112,000	236,730	-148,177
- Chairs fund	37,361	0	19,327	19,327	-18,034
MISCELLANEOUS					
- Corporate Management	421,937	264,842	109,785	374,627	-47,310
- Unapportionable central overheads	42,545	1,307	360	1,667	-40,878
- Troubled Families Initiative	0	0	0	0	0
- Travellers	67,000	20,151	53,750	73,901	6,901
- Flood defence Levies	283,533	224,764	74,921	299,685	16,152
- Efficiencies	-519,048	0	0	0	519,048
- Police and Crime Panel	0	-16,415	16,415	0	0
- Other	-156,071	-89,542	-36,775	-126,317	29,754
TOTAL	45,139,273	22,198,397	22,202,863	44,401,260	-738,013
	COSTS	INCOME			(SURPLUS)/DEFICIT
PROPERTY DSO	20,526,755	20,597,721			-70,966

Appendix 2

Budget reductions

	Budget Reduction Amount	Achieved Amount	Not Achieved
	£	£	£
Savings on reduced subscriptions	80,000	80,000	0
Audit Fees	100,000	100,000	0
Savings brought forward	532,000	532,000	0
Corporate Finance restructure	67,000	67,000	0
Savings on insurance premiums	300,000	300,000	0
Revenue contributions to Capital	100,000	100,000	0
VR/VER	200,000	200,000	0
Change Management	275,000	275,000	0
Staffing/Income generation from Registration	66,691	66,691	0
Building maintenance	629,000	629,000	0
Corporate Property	168,000	168,000	0
HR/SSC/DBC	206,317	206,317	0
Departmental Training/IT	14,018	14,018	0
Total	2,738,026	2,738,026	0

Appendix 3

Reserves

	Balance at 31.10.2014 £
Computer Reserve Fund	2,792,342
Property Package Reserve	2,186,801
Property DSO	4,065,869
CRD Reserve	10,710,822
Change Management	5,925,192
Insurance and Risk Management	13,607,236
Holmewood Business Park	198,950
VAT	100,000
PFI	2,386,183
BSF Wave 3	981,722
South Normanton Joint Service centre	90,000
Registrar's	165,000
Adult Care PFI	257,000
Equal Pay Legal Costs	124,000
D2N2 Local Enterprise Partnership	62,500
Total	43,653,617