

Agenda Item No.3

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

14 November 2016

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

BUDGET MONITORING MONTH 5 2016-2017

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 £44.5m. As at month 5, the budget is forecasting an underspend of approximately £0.677m. The position statement at month 5 is attached as Appendix 1.

2.2 Key variances

SAP system costs – projected underspend £0.344m

The budget supports the cost of running the SAP system and contributes to software upgrades and developments when required. It is anticipated that the underspend will contribute to upgrades in future years

Transformation Division – projected underspend £0.315m

There are a number of vacancies within the Division, and higher than anticipated levels of income from trading with schools has also contributed to the underspend

Legal Services Division – projected overspend £0.187m

The Division is dealing with a significant number of complex cases which need to be resourced

Registrars – projected underspend £0.116m

This is due to the level of income being generated from services such as civil weddings

HR Division – projected underspend £0.254m

The key variance relates to vacancies within the Division

County Buildings – projected underspend £0.256m

The key areas of underspend relate to utilities and rates in the buildings on the County Hall complex.

Industrial Development – projected overspend £0.579m

For the past few years, the Industrial Development Portfolio has not achieved its income target due to the number of voids, which results in the Council having to pay non-domestic rates liability payable on the empty units.

CRD Centrally held budgets – projected overspend £0.290m

The Department has a number of posts which were created on the basis that they will become self-financing over the medium term. A number of initiatives are under way which will meet the financing objectives for these posts and will result in additional resources being transferred into this heading at the point the impact of the posts has been assessed and realised.

2.3 Reserves

The Department's Earmarked Reserves total £54.940m and are listed in Appendix 2.

2.4 Budget Reductions

Budget reductions totaling £3.419m have been identified against a target of £3.366m for this financial year. The savings are set out in Appendix 3.

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, social value, property and transport considerations.

4 Key Decision

No.

5 Is it necessary to waive the call-in period?

No

6 Background Papers

Files and reports held by the Director of Finance in Room 104.

7 Officers' Recommendation

That the Cabinet Member notes the position on the 2016-17 Revenue Budget.

JUDITH GREENHALGH

Strategic Director of
Corporate Resources

PETER HANDFORD

Director of Finance

APPENDIX 1

COUNCIL SERVICES PORTFOLIO BUDGET MONITORING 2016/17 AUGUST 2016					
DIVISION	2016/17 CONTROLLABLE BUDGET £	ACTUALS £	REST OF YEAR FORECAST £	2016/17 CONTROLLABLE FORECAST £	CONTROLLABLE (UNDER)/ OVER £
CORPORATE FINANCE					
- Corporate Finance Division	2,896,619	2,266,677	543,200	2,809,877	-86,742
- PFI/BSF Schemes	469,325	2,827,329	(2,358,004)	469,325	-0
- Insurance	2,769,829	1,278,715	1,491,114	2,769,829	0
- SAP System Costs	1,114,152	1,545,247	-775,828	769,419	-344,733
TRANSFORMATION SERVICES					
- Transformation Division	12,106,886	4,539,035	7,252,486	11,791,521	-315,365
- Change Management	259,263	80,767	177,822	258,589	-674
LEGAL AND DEMOCRATIC SERVICES DIVISION					
- Legal Services	2,690,952	1,343,730	1,535,212	2,878,943	187,990
- Coroners	1,477,905	375,579	955,481	1,331,060	-146,845
- Registrars	-372,861	-360,796	-127,981	-488,777	-115,916
HUMAN RESOURCES DIVISION					
H.R.	2,865,164	1,078,723	1,531,995	2,610,718	-254,445
SSC	999,979	1,026,841	-54,279	972,562	-27,417
BUSINESS SUPPORT (Derbys Business Centre)	644,446	344,382	200,318	544,699	-99,747
COUNTY PROPERTY					
- County Property Division	3,761,908	1,224,581	2,537,327	3,761,908	-0
- Building Maintenance	6,456,679	533,108	5,923,571	6,456,679	-0
- County Buildings	2,878,714	1,692,994	929,617	2,622,611	-256,103
- Industrial Development	-1,876,279	(580,721)	(716,925)	-1,297,646	578,633
CRD CENTRALLY HELD BUDGETS	495,389	106,317	679,332	785,649	290,260
MEMBERS					
- Elections	8,948	0	0	0	-8,948
- Democratic representation and management	1,341,559	548,403	716,748	1,265,151	-76,408
- Member community leadership	518,976	102,020	416,957	518,976	0
- Communities Priorities Programme	2,271,000	8,700	2,262,300	2,271,000	0
- Chairs fund	65,382	250	65,132	65,382	0
MISCELLANEOUS					
- Corporate Management	443,687	170,687	133,673	304,360	-139,327
- Unapportionable central overheads	42,545	888	1,725	2,613	-39,932
- Travellers	67,000	(30,375)	94,961	64,587	-2,413
- Flood defence Levies	311,414	155,707	155,707	311,414	0
- Other	-166,022	35,071	(20,211)	14,860	180,882
TOTAL	44,542,559	20,313,859	23,551,450	43,865,309	-677,250
	COSTS	INCOME	(SURPLUS) /DEFICIT		
PROPERTY DSO	12,731,822	12,811,588	-79,766		

APPENDIX 2

	Balance as at 30.09.2016
	£
Computer Reserve Fund	2,553,076
Property IMP scheme	6,238,041
Property Package Reserve	1,629,205
Property DSO	4,809,712
CRD Reserve	7,863,632
Change Management	5,240,594
Insurance and Risk Management	18,987,758
VAT	2,667
PFI	5,022,835
BSF Wave 3	1,437,860
Registrar's	15,000
Adult Care PFI	146,583
Equal Pay Legal Costs	34,000
Demolition of buildings	783,733
CRD Underspend	168,205
Total	54,939,551

APPENDIX 3**Budget Reductions**

BUDGET REDUCTIONS 2016/17	Proposed Budget Reduction
	£
Vacancy freeze	271,000
Implementation of Hybrid mail	35,000
Reduction in departmental training budget	100,000
Reduction in registration services and increase in charges	145,000
Increased use of digitalisation in legal proceedings	30,000
Increased charges for highways and planning agreements	27,000
Recovery of legal fees on sale and lease of properties	24,000
Reduced agency expenditure in legal services	50,000
Deletion of trainee solicitor post	40,000
Reduced support to members and electronic distribution of papers for meetings	30,000
Transformation staffing reductions	160,000
ICT-reduce proactive maintenance and move to break fix	300,000
Change Management	200,000
New wide area network contract	45,000
New telecoms contract	200,000
ICT hardware replacement budget	100,000
Reduce contribution to ICT reserve	270,000
Increased revenue from ICT support and maintenance charges	100,000
VR/VER base budget deletion	75,000
Risk management projects	50,000
Re-negotiating PFI contracts	200,000
Insurance premiums	325,000
Project appraisals	25,000
Accountancy support	45,000
VAT advice	10,000
Property review	562,000
Total	3,419,000