

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

**16 March 2015**

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

**BUDGET MONITORING MONTH 9 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 9, the budget is showing a forecast underspend of £0.8m for the year. The position statement at month 9 is attached as Appendix 1.

**2.2 Key variances**

**Corporate Finance – projected underspend £0.358m**

The main area of underspend is on staff vacancies. Around £120,000 of this underspend relates to one-off funding to help manage the implementation of SAP in schools and will need to be carried forward into 2015-16.

**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.

## **HR Division - projected underspend £0.548m**

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 £0.276m**

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

## **Industrial Development – projected overspend £0.746m**

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 £6.175m**

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 DECEMBER 2014					
DIVISION	2014/15 CONTROLLABLE BUDGET	ACTUALS	REST OF YEAR FORECAST	2014/15 CONTROLLABLE FORECAST	CONTROLLABLE (UNDER)/ OVER
	£	£	£	£	£
<b>CORPORATE FINANCE</b>					
- Corporate Finance Division	2,909,243	3,227,378	-676,276	2,551,102	-358,141
- PFI/BSF Schemes	845,525	1,830,346	-1,018,820	811,526	-33,999
- Insurance	2,957,103	1,045,604	1,911,499	2,957,103	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	851,522	861,000	1,712,522	-141,977
<b>TRANSFORMATION SERVICES</b>					
- Transformation Division	12,017,774	8,553,914	3,420,447	11,974,361	-43,413
- Change Management	614,751	138,056	289,783	427,839	-186,912
<b>LEGAL AND DEMOCRATIC SERVICES</b>					
- Legal Services Division	2,919,000	2,189,947	770,993	2,960,940	41,940
- Coroners	1,301,063	858,962	427,348	1,286,310	-14,753
- Registrars	56,128	-121,614	-11,608	-133,221	-189,349
<b>HUMAN RESOURCES</b>					
H.R. Division	3,233,254	2,092,927	592,813	2,685,740	-547,514
SSC	1,088,542	789,682	418,894	1,208,576	120,034
BUSINESS SUPPORT (Derbys business centre)	713,647	543,336	-105,762	437,574	-276,073
<b>COUNTY PROPERTY</b>					
- County Property Division	4,448,791	3,842,167	536,154	4,378,321	-70,470
- Bulding Maintenance	6,283,199	2,236,419	4,046,780	6,283,199	0
- Carbon Reduction	200,000	155,148	0	155,148	-44,852
- County Buildings (Inc SN Hub)	2,812,600	2,534,944	338,342	2,873,286	60,686
- Industrial Development	-1,879,126	-866,132	-266,922	-1,133,054	746,072
<b>CRD CENTRALLY HELD BUDGETS</b>	943,524	78,857	1,097,964	1,176,821	233,298
<b>MEMBERS</b>					
- Elections	8,948	0	8,948	8,948	0
- Democratic representation and management	1,319,726	950,830	278,197	1,229,027	-90,699
- Member community leadership	384,907	151,663	67,200	218,863	-166,044
- Chairs fund	18,124	0	9,340	9,340	-8,784
<b>MISCELLANEOUS</b>					
- Corporate Management	421,937	295,527	107,835	403,362	-18,575
- Unapportionable central overheads	42,545	1,625	360	1,985	-40,560
- Travellers	67,000	20,151	53,750	73,901	6,901
- Flood defence Levies	283,533	298,950	0	298,950	15,417
- Efficiencies	-519,048	0	0	0	519,048
- Police and Crime Panel	0			0	0
- Other	-156,017	-4,865	-137,670	-142,535	13,482
<b>TOTAL</b>	45,527,123	31,702,848	13,020,589	44,723,437	-803,686
	<b>COSTS</b>	<b>INCOME</b>	<b>(SURPLUS)/DEFICIT</b>		
<b>PROPERTY DSO</b>	26,555,966	26,618,693	-62,727		

## 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
<b>Total</b>	<b>2,738,026</b>	<b>2,738,026</b>	<b>0</b>

## Appendix 3

### Reserves

	Balance at 31.12.2014
	£
Computer Reserve Fund	2,580,342
Property Package Reserve	2,186,801
Property DSO	4,065,869
CRD Reserve	10,710,822
Change Management	6,175,192
Insurance and Risk Management	13,607,236
Holmewood Business Park	198,950
VAT	100,000
PFI	2,005,424
BSF Wave 3	1,158,298
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	0
<b>Total</b>	<b>43,424,934</b>