

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR COUNCIL SERVICES

16 January 2017

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

BUDGET MONITORING MONTH 7 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 £44.7m. As at month 7, the budget is forecasting an underspend of approximately £467k. The position statement at month 7 is attached as Appendix 1.

2.2 Key variances

SAP system costs - projected underspend £0.317m

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 £0.228m

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 £0.145m

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

HR Division - projected underspend £0.229m

The key variance relates to vacancies within the Division.

County Buildings - projected underspend £0.269m

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

Industrial Development - projected overspend £0.603m

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

CRD Centrally held budgets - projected overspend £0.302m

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 have been assessed and realised.

2.3 Reserves

The Department's Earmarked Reserves total £83.477m 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.

5 Key Decision

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 OCTOBER 2016					
DIVISION	2016-17 CONTROLLABLE BUDGET £	ACTUALS £	REST OF YEAR FORECAST £	2016-17 CONTROLLABLE FORECAST £	CONTROLLABLE (UNDER)/ OVER £
CORPORATE FINANCE					
- Corporate Finance Division	2,891,781	2,914,754	-130,241 ▼	2,784,512	-107,268
- PFI/BSF Schemes	469,325	2,346,851	(1,877,526) ▼	469,325	0
- Insurance	2,769,829	1,077,917	1,691,912 ▼	2,769,829	0
- VR/CR scheme	18,952		0 ▼	0	-18,952
- SAP System Costs	1,114,152	1,732,776	-935,226 ▼	797,550	-316,602
Corporate Finance total	7,264,039	8,072,298	-1,251,081	6,821,216	-442,822
TRANSFORMATION SERVICES					
- Transformation Division	12,106,886	5,704,021	6,175,031 ▼	11,879,052	-227,834
- Change Management	262,523	93,437	169,064 ▼	262,501	-22
Transformation Services total	12,369,409	5,797,458	6,344,095	12,141,553	-227,856
LEGAL AND DEMOCRATIC SERVICES DIVISION					
- Legal Services Division	2,697,953 ▼	1,704,518	1,138,621 ▼	2,843,139	145,185
- Coroners	1,477,905	587,226	770,377 ▼	1,357,602	-120,303
- Registrars	-372,862	-380,565	-58,510 ▼	-439,075	-66,214
Legal and Democratic Services Division total	3,802,997	1,911,178	1,850,487	3,761,666	-41,331
HUMAN RESOURCES					
H.R. Division	2,865,164	1,488,328	1,147,604 ▼	2,635,932	-229,232
SSC	1,021,508	294,260	722,726 ▼	1,016,987	-4,522
BUSINESS SUPPORT (Derbys Business Centre)	651,165	374,145	211,576 ▼	585,721	-65,444
Human Resources total	4,537,837	2,156,733	2,081,906	4,238,640	-299,197
COUNTY PROPERTY					
- County Property Division	3,796,286	2,093,481	1,702,805 ▼	3,796,286	0
- Building Maintenance	6,440,679	1,066,027	5,374,652 ▼	6,440,679	0
- County Buildings	2,929,761 ▼	1,926,920	733,525 ▼	2,660,445	-269,316 ▼
- Industrial Development	-1,876,279	(793,642)	(480,134) ▼	-1,273,776	602,503 ▼
County Property total	11,290,446	4,292,785	7,330,848	11,623,634	333,187
CRD CENTRALLY HELD BUDGETS	495,389	229,595	567,521 ▼	797,116	301,727
MEMBERS					
- Elections	8,948			0	-8,948
- Democratic representation and management	1,354,528 ▼	548,403	716,748 ▼	1,265,151	-89,377
- Member community leadership	518,976	138,207	380,769 ▼	518,976	0
- Communities Priorities Programme	2,271,000	85,278	2,185,722 ▼	2,271,000	0
- Chairs fund	65,382	250	65,132 ▼	65,382	0
Members' total	4,218,834	772,138	3,348,371	4,120,509	-98,325
MISCELLANEOUS					
- Corporate Management	443,687	214,279	99,697 ▼	313,976	-129,711
- Unapportionable central overheads	42,545	1,210	1,404 ▼	2,614	-39,931
- Travellers	67,000	18,564	48,889 ▼	67,453	453
- Flood defence Levies	311,414	233,561	77,853 ▼	311,414	0
- Other	-166,022 ▼	198,424	(188,045) ▼	10,379	176,401
Miscellaneous total	698,624	666,038	39,798	705,836	7,212
TOTAL	44,677,575	23,898,224	20,311,946	44,210,170	-467,405
	COSTS	INCOME			(SURPLUS) /DEFICIT
PROPERTY DSO	20,641,392	20,729,519			-88,127

APPENDIX 2

	Balance as at 29/11/2016 £
Computer Reserve Fund	3,610,076
Property IMP scheme	6,238,041
Property Package Reserve	653,767
Property DSO	4,809,712
CRD Reserve	9,433,632
Change Management	5,740,593
Insurance and Risk Management	18,987,757
VAT	6,650
PFI	1,678,892
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	198,205
Business Rates Pool	1,030,220
Budget Management	12,500,000
Uninsured Financial loss	13,000,000
Communities Priorities Programme	1,729,000
Local Authorities Energy Programme	84,218
Equal Pay	1,359,206
Total	83,477,145

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