

Agenda Item No.3

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

2 November 2015

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

BUDGET MONITORING MONTH 5 2015-2016

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 £42m. As at month 5, the budget is showing a forecast overspend of £0.7m for the year. The position statement at month 5 is attached as Appendix 1.

2.2 Key variances

HR Division – projected underspend £0.265m

The underspend is due to vacancy control.

Industrial Development – projected overspend £0.637m

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 £4.2m have been allocated. The table showing performance against target is attached as Appendix 2.

The savings will be achieved by the end of the financial year apart from the following.

SSC Introduction of SAP E-recruitment to facilitate data flows & enhanced self-service £0.127m

There is a delay in project implementation

SSC Developing Business warehouse to provide management information £0.066m

There is a delay in setting up the Business warehouse team to develop this.

2.4 Reserves

Earmarked reserves totalling £50m are currently held to support future expenditure. The larger ones are listed below:

Details of all reserves are shown as Appendix 3.

Property DSO £4.302m

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

CRD Reserve £8.976m

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

Change Management £6.273m

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 £17.524m

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 of
Corporate Resources

PETER HANDFORD
Director of Finance

APPENDIX 1

COUNCIL SERVICES PORTFOLIO BUDGET MONITORING 2015/16 AUGUST 2015					
DIVISION	2015/16 CONTROLLABLE BUDGET	ACTUALS	REST OF YEAR FORECAST	2015/16 CONTROLLABLE FORECAST	CONTROLLABLE (UNDER)/ OVER
	£	£	£	£	£
CORPORATE FINANCE					
- Corporate Finance Division	2,906,164	2,371,697	461,194	2,832,891	-73,273
- PFI/BSF Schemes	669,325	3,035,902	-2,386,309	649,593	-19,732
- Insurance	3,132,829	1,357,740	1,775,089	3,132,829	0
- Revenue Contributions to Capital Outlay	0	0	0	0	0
- VR/CR scheme	93,952	0	0	0	-93,952
- SAP System Costs	1,114,152	877,955	130,818	1,008,773	-105,379
TRANSFORMATION SERVICES					
- Transformation Division	11,663,058	5,079,291	6,581,856	11,661,147	-1,911
- Change Management	376,104	68,760	248,442	317,202	-58,902
LEGAL AND DEMOCRATIC SERVICES					
- Legal Services Division	2,956,418	1,392,656	1,620,257	3,012,914	56,496
- Coroners	1,316,604	419,121	894,901	1,314,022	-2,582
- Registrars	-162,971	-262,088	25,383	-236,705	-73,734
HUMAN RESOURCES	4,777,792	2,511,788	2,001,148	4,512,935	-264,857
COUNTY PROPERTY					
- County Property Division	3,918,875	2,062,855	1,856,020	3,918,875	0
- Building Maintenance	6,136,279	678,931	5,457,348	6,136,279	-0
- Carbon Reduction	0	0	0	0	0
- County Buildings (Inc SN Hub)	2,820,859	1,672,552	1,172,149	2,844,701	23,842
- Industrial Development	-1,877,555	-514,167	-726,165	-1,240,332	637,223
CRD CENTRALLY HELD BUDGETS	539,684	-20,072	689,870	669,798	130,114
MEMBERS					
- Elections	8,948	12,098	14,522	26,620	17,672
- Democratic representation and management	1,361,771	523,483	766,754	1,290,237	-71,534
- Member community leadership	459,097	88,906	370,191	459,097	0
- Chairs fund	37,361	0	37,361	37,361	0
MISCELLANEOUS					
- Corporate Management	375,187	100,367	290,454	390,821	15,634
- Unapportionable central overheads	42,545	952	383	1,335	-41,210
- Travellers	67,000	9,496	60,511	70,007	3,007
- Flood defence Levies	302,785	151,392	151,393	302,785	0
- Efficiencies	-519,048	0	0	0	519,048
- Police and Crime Panel	0	336	0	336	336
- Other	-154,974	107,104	-180,149	-73,045	81,929
TOTAL	42,362,241	21,727,055	21,313,421	43,040,476	678,236
	COSTS	INCOME			(SURPLUS) /DEFICIT
PROPERTY DSO	13,587,916	13,653,254			-65,338

APPENDIX 2

Budget Reductions

	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
SSC Developing Business Warehouse to provide management information to managers	65,587		65,587
DBC Hybrid mail	35,868	35,868	0
Total	4,213,380	4,021,395	191,985

APPENDIX 3**Reserves**

	Balance at 31.08.2015
	£
Computer Reserve Fund	2,917,509
Property IMP scheme	3,315,484
Property Package Reserve	1,955,463
Property DSO	4,301,678
CRD Reserve less IMP	8,975,547
Change Management	6,272,990
Insurance and Risk Management	17,524,393
Holmewood Business Park	202,680
VAT	95,000
PFI	1,822,132
BSF Wave 3	1,935,262
South Normanton Joint Service centre	90,000
Registrar's	165,000
Adult Care PFI	146,583
Total	49,719,721