

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR COUNCIL SERVICES

20th October 2014

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

BUDGET MONITORING MONTH 5 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 5, the budget is showing a forecast underspend of £0.77m for the year. The position statement at month 5 is attached as Appendix 1.

2.2 Key variances

Corporate Finance – projected underspend £0.202m

The main area of underspend is on staff vacancies.

VR/VER Costs – projected underspend £0.275m

During 2012/13 a decision was taken to meet the cost of any severance payments from the General reserve thus generating an underspend on this budget.

Transformation Division – projected underspend £0.310m

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

Registrars – projected underspend £0.266m

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

HR Development - projected underspend £0.450m

The main area of underspend relates to vacancies and unpaid staff absences. There are also underspends on the access to work budget at the moment, but this budget responds to demands from departments

Business Support (Derbyshire Business Centre) – projected underspend £0.381m

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

County Property - projected underspend £0.102m

Again the underspend is due to vacancy management.

Industrial Development – projected overspend £0.724m

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.

CRD Centrally held budgets – projected overspend £0.136m

The Senior Management structure was agreed by Cabinet in November 2013. This re-introduced the post of Strategic Director, CRD. This new post is to be self-financing within two years through structural changes and procurement savings.

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. Details of these reserves are shown as 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, 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 AUGUST 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	2,017,369	620,290	2,637,659	-202,714
- PFI/BSF Schemes	845,525	2,640,478	(1,794,953)	845,525	0
- Insurance	3,257,170	821,341	2,435,829	3,257,170	0
- Revenue Contributions to Capital Outlay	41,999	0	0	0	-41,999
- VR/CR scheme	275,156	0	0	0	-275,156
- SAP System Costs	1,854,499	679,319	1,167,155	1,846,474	-8,025
TRANSFORMATION SERVICES					
- Transformation Division	11,772,308	4,347,977	7,113,924	11,461,901	-310,407
- Change Management	880,356	95,179	754,036	849,215	-31,141
LEGAL AND DEMOCRATIC SERVICES					
- Legal Services Division	2,894,562.10	1,335,441.66	1,636,944.05	2,972,386	77,824
- Coroners	1,298,591.10	489,184.20	773,163.80	1,262,348	-36,243
- Registrars	50,913.93	-210,513.91	-4,210.53	-214,724	-265,638
HUMAN RESOURCES					
H.R. Division	3,195,141.00	1,183,317.00	1,561,974.00	2,745,291	-449,850
SSC	1,114,457.00	905,153.00	240,314.00	1,145,467	31,010
BUSINESS SUPPORT (Derbys business centre)	710,304	451,985	-122,987	328,998	-381,306
COUNTY PROPERTY					
- County Property Division	4,367,074	3,049,396	1,215,890	4,265,286	-101,788
- Building Maintenance	6,299,279	1,080,801	5,218,478	6,299,279	0
- Carbon Reduction	200,000	0	155,148	155,148	-44,852
- County Buildings	2,793,654	1,700,624	1,101,389	2,802,013	8,359
- Industrial Development	-1,879,126	-437,086	-717,962	-1,155,048	724,078
CRD CENTRALLY HELD BUDGETS	533,701	-338,206	1,007,587	669,381	135,680
MEMBERS					
- Elections	8,948	0	8,948	8,948	0
- Democratic representation and management	1,357,088	535,825	735,083	1,270,908	-86,180
- Member community leadership	268,800	99,800	156,800	256,600	-12,200
- Chairs fund	37,361	0	18,680	18,680	-18,681
MISCELLANEOUS					
- Corporate Management	421,937	211,072	175,570	386,642	-35,295
- Unapportionable central overheads	40,367	782	2,346	3,128	-37,239
- Troubled Families Initiative	0	0	0	0	0
- Travellers	67,000	-31,232	98,750	67,518	518
- Flood defence Levies	283,533	149,843	149,843	299,686	16,153
- Efficiencies	-519,048	0	0	0	519,048
- Police and Crime Panel	0	-16,911	16,911	0	0
- Other	-156,071	-62,188	-38,375	-100,563	55,508
TOTAL	45,155,852	20,698,751	23,686,564	44,385,315	-770,537
	COSTS TO AUGUST	INCOME TO AUGUST			(SURPLUS)/DEFICIT
PROPERTY DSO	13,182,691	13,244,445			-61,754

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

Earmarked Reserves

	Balance at 1.4.2014 £	Movements up to the end of period five £	Balance at 31.08.2014 £
Computer Reserve Fund	3,447,809	-655,467	2,792,342
Property Package Reserve	2,186,801	0	2,186,801
Property DSO	4,065,869	0	4,065,869
CRD Reserve	6,611,367	3,741,090	10,352,457
Change Management	6,070,192	0	6,070,192
Insurance and Risk Management	13,607,236	0	13,607,236
Holmewood Business Park	198,950	0	198,950
VAT	100,000	0	100,000
PFI	2,386,183	0	2,386,183
BSF Wave 3	981,722	0	981,722
South Normanton Joint Service centre	90,000	0	90,000
Registrar's	165,000	0	165,000
Total	39,911,129	3,085,623	42,996,752