

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR COUNCIL SERVICES

5 October 2017

**Joint Report of the Strategic Director for Commissioning, Communities
& Policy and the Director of Finance & ICT**

BUDGET MONITORING MONTH 3 2017-2018

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 3, the budget is forecasting a £144k underspend. The position statement at month 3 is attached as Appendix 1.

2.2 Key variances

Corporate Finance & ICT Division - projected underspend £0.515m

There is an underspend on salaries due to vacancy control within the Division. Higher than anticipated levels of income from trading with schools have also contributed.

Human Resources – projected underspend £0.210m

The underspend is a result of vacancy control.

Industrial Development – projected overspend £0.613m

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.

2.3 Reserves

The Department's Earmarked Reserves total £79.234m and are listed in Appendix 2.

2.4 Budget Reductions

Budget reductions totaling £2.905m have been identified against a target of £3.015m 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 Background Papers

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

6 Officers' Recommendation

That the Cabinet Member notes the position on the 2017-18 Revenue Budget.

EMMA ALEXANDER
Strategic Director for Commissioning,
Communities & Policy

PETER HANDFORD
Director of Finance & ICT

APPENDIX 1

COUNCIL SERVICES PORTFOLIO BUDGET MONITORING 2017/18 JUNE 2017					
DIVISION	2017/18 CONTROLLABLE BUDGET £	ACTUALS £	REST OF YEAR FORECAST £	2017/18 CONTROLLABLE FORECAST £	CONTROLLABLE (UNDER)/ OVER £
CORPORATE FINANCE & ICT					
- Corporate Finance Division	3,418,048	1,399,910	1,872,215	3,272,124	-145,924
- ICT	10,337,007	3,594,138	6,527,367	10,121,505	-215,502
- PFI/BSF Schemes	269,325	-360,836	630,161	269,325	0
- Insurance	2,699,829	1,379,589	1,320,240	2,699,829	0
- VR/CR scheme					
- Corporate Management	443,687	161,328	270,572	431,900	-11,787
- SAP System Costs	954,152	844,882	-32,412	812,470	-141,682
Corporate Finance & ICT total	18,122,048	7,019,011	10,588,143	17,607,153	-514,895
LEGAL AND DEMOCRATIC SERVICES DIVISION					
- Legal Services Division	3,085,822	703,651	2,452,174	3,155,824	70,003
- Business Centre	574,672	223,179	316,687	539,865	-34,807
Legal and Democratic Services Division total	3,660,494	926,830	2,768,860	3,695,690	35,196
HUMAN RESOURCES					
H.R. Division	2,794,625	681,227	1,742,827	2,424,054	-370,571
SSC	957,490	632,169	485,841	1,118,010	160,520
Human Resources total	3,752,115	1,313,396	2,228,668	3,542,064	-210,051
COUNTY PROPERTY					
- County Property Division	3,517,693	1,373,610	2,144,083	3,517,693	0
- Building Maintenance	7,556,338	370,601	7,185,737	7,556,338	0
- County Buildings	3,772,471	2,124,359	1,595,441	3,719,800	-52,671
- Industrial Development	-1,876,279	-399,562	-863,803	-1,263,365	612,914
- Travellers	67,000	7,775	59,169	66,944	-56
County Property total	13,037,223	3,476,783	10,120,627	13,597,410	560,187
CRD CENTRALLY HELD BUDGETS	665,531	-67,127	791,828	724,701	59,170
MEMBERS					
- Elections	895,582	895,582	0	895,582	0
- Democratic representation and management	1,356,901	323,998	876,803	1,200,801	-156,100
- Member community leadership	254,395	11,022	243,373	254,395	0
- Communities Priorities Programme	1,561,430	267,043	1,294,387	1,561,430	0
- Chairs fund	37,361	0	37,361	37,361	0
Members' total	4,105,669	1,497,645	2,451,924	3,949,569	-156,100
MISCELLANEOUS					
- Unapportionable central overheads					
- Flood defence Levies	311,414	80,161	240,482	320,643	9,229
- Other	-97,694	29,369	-53,618	-24,249	73,445
- Apprenticeship levy	1,000,000	0	1,000,000	1,000,000	0
Miscellaneous total	1,213,720	109,530	1,186,864	1,296,394	82,674
TOTAL	44,556,800	14,276,067	30,136,914	44,412,981	-143,819

APPENDIX 2

	Balance as at 30.6.17
Change Management	5,552,839
Computer Reserve Fund	4,555,076
Property Package Reserve	1,952,788
PFI	1,530,502
Property DSO	3,358,508
Insurance and Risk Management	19,952,699
Equal Pay	809,125
VAT	6,650
Equal Pay Legal Costs	34,000
BSF Wave 3	623,904
CRD Reserve	11,886,146
Registrar's	15,000
CRD Underspend	200,290
Adult Care PFI	146,583
Demolition of buildings	557,468
Local Authorities Energy Programme	76,274
Business Rates Pool	2,260,067
Budget Management	7,004,000
Uninsured Financial loss	13,000,000
Communities Priorities Programme	1,729,000
Property IMP Scheme	3,932,594
Buxton Crescent Legal Fees	50,000
Total	79,233,513

APPENDIX 3**Budget Reductions**

BUDGET REDUCTIONS 2016/17	Proposed Budget Reduction	Amount projected to be achieved
	£	£
Reduction in HR staffing and other running costs	210,000	210,000
Reduction in mail delivery service at County Hall	60,000	60,000
Increase in Shared Service Centre Income	80,000	80,000
Reduction in registration services and increase in charges	75,000	75,000
Coroners service - re-porcurement of contracts	50,000	50,000
Increased use of digitalisation in legal proceedings	30,000	0
Legal staff reductions	50,000	50,000
Revised support to members and electronic distribution of papers for meetings	80,000	0
ICT- Data Centre and network hardware replacement	200,000	200,000
ICT management restructure	110,000	110,000
New wide area network contract	540,000	540,000
Reduction in Corporate landlord & Asset management function	100,000	100,000
Reduction in Property running costs & maintenance	890,000	890,000
Re-negotiating PFI contracts	200,000	200,000
Insurance premiums	170,000	170,000
Reduction in Accountancy support	10,000	10,000
Reduction in suppoer for SAP developments	160,000	160,000
Total	3,015,000	2,905,000