

**Agenda Item No.3**

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

**21 September 2015**

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

**BUDGET MONITORING MONTH 3 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 3, the budget is showing a forecast overspend of £0.9m for the year. The position statement at month 3 is attached as Appendix 1.

**2.2 Key variances**

**HR Division – projected underspend £0.270m**

The underspend is due to vacancy control.

**Industrial Development – projected overspend £0.719m**

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.

### **ICT Supplies and services £0.200m**

This will be met from underspends in 2015/16

### **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**

**Corporate Resources**

**PETER HANDFORD**

**Director of Finance**

## APPENDIX 1

COUNCIL SERVICES PORTFOLIO BUDGET MONITORING 2015/16 JUNE 2015					
DIVISION	2015/16 CONTROLLABLE BUDGET	ACTUALS	REST OF YEAR FORECAST	2015/16 CONTROLLABLE FORECAST	CONTROLLABLE (UNDER)/ OVER
	£	£	£	£	£
<b>CORPORATE FINANCE</b>					
- Corporate Finance Division	2,837,663.54	1,539,491.76	1,325,904.14	2,865,396	27,732
- PFVBSF Schemes	669,325	2,777,749	-2,092,109	685,640	16,315
- Insurance	3,132,829	1,300,098	1,832,731	3,132,829	0
- Revenue Contributions to Capital Outlay	0	0	0	0	0
- VR/CR scheme	93,952	-1,630	1,630	0	-93,952
- SAP System Costs	1,114,152	750,941	308,258	1,059,199	-54,953
<b>TRANSFORMATION SERVICES</b>					
- Transformation Division	11,663,058	2,934,875	8,745,049	11,679,924	16,866
- Change Management	376,104	50,652	249,297	299,949	-76,155
<b>LEGAL AND DEMOCRATIC SERVICES</b>					
- Legal Services Division	2,956,418	843,650	2,141,436	2,985,086	28,668
- Coroners	1,316,604	135,983	1,203,668	1,339,652	23,048
- Registrars	-162,971	-160,613	-105,702	-266,315	-103,344
<b>HUMAN RESOURCES</b>	4,777,792	1,578,604	2,928,930	4,507,535	-270,258
<b>COUNTY PROPERTY</b>					
- County Property Division	3,918,875	961,648	2,980,198	3,941,846	22,971
- Building Maintenance	5,648,545	238,138	5,410,407	5,648,545	0
- Carbon Reduction					
- County Buildings (Inc SN Hub)	2,820,859	1,204,737	1,646,114	2,850,851	29,992
- Industrial Development	-1,877,555	-250,260	-908,627	-1,158,887	718,668
<b>CRD CENTRALLY HELD BUDGETS</b>	539,684	-145,051	831,737	686,686	147,002
<b>MEMBERS</b>					
- Elections	8,948	12,098	12,500	24,598	15,650
- Democratic representation and management	1,324,410	317,871	956,016	1,273,887	-50,523
- Member community leadership	459,097	55,759	403,338	459,097	0
- Chairs fund	37,361	0	37,361	37,361	0
<b>MISCELLANEOUS</b>					
- Corporate Management	421,937	42,762	343,668	386,430	-35,507
- Unapportionable central overheads	42,545	482	596	1,078	-41,467
- Travellers	67,000	5,121	59,387	64,508	-2,492
- 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	331	12	343	343
- Other	-155,846	-2,182	-75,062	-77,244	78,602
<b>TOTAL</b>	<b>41,814,524</b>	<b>14,342,648</b>	<b>28,388,130</b>	<b>42,730,778</b>	<b>916,254</b>
	<b>COSTS</b>	<b>INCOME</b>			<b>(SURPLUS)/DEFICIT</b>
<b>PROPERTY DSO</b>	6,896,824	6,956,226			-59,402

## 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
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
<b>Total</b>	<b>4,213,380</b>	<b>3,821,395</b>	<b>391,985</b>

## Appendix 3

### Reserves

	Balance at 30.06.2015
	£
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	1,808,969
BSF Wave 3	1,913,021
South Normanton Joint Service centre	90,000
Registrar's	165,000
Adult Care PFI	257,000
<b>Total</b>	<b>49,794,734</b>