

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

29th September 2014

Report of the Chief Executive and the Director of Finance

BUDGET MONITORING MONTH 3 2014-2015

1. Purpose of the Report

To inform the Cabinet Member of the latest budget monitoring position.

2. Information and Analysis

The controllable budget for the Council Services portfolio is approximately £44m. As at month 3, the budget is showing a forecast underspend of £411k for the year. The position statement at month 3 is attached as Appendix 1.

Key variances

Corporate Finance – projected underspend £0.179m

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 £0.210m

The main area of underspend is on staff vacancies. Several reports went to Cabinet in July and are likely to have a significant impact on the underspend.

Registrars – projected underspend £0.315m

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

HR Development - projected underspend £0.434m

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

SSC (Shared Services Centre) – projected overspend £0.136m

The overspend is a result of not achieving income targets due to no longer having contracts with Police and Fire services. SSC are hoping to increase their income from schools.

Business Support (Derbyshire Business Centre) – projected underspend £0.386m

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

County Property - projected underspend £0.185m

Again the underspend is due to staff vacancies

South Normanton JSC – projected overspend £0.171m

The joint service centre is not bringing in as much rent as expected.

Industrial Development – projected overspend £0.726m

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 £0.128m

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.

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 rooms 237 and 202.

6. OFFICERS' RECOMMENDATIONS

That the Cabinet Member notes the position on the 2013-14 Revenue Budget.

IAN STEPHENSON
Chief Executive

JUDITH GREENALGH
Strategic Director
Corporate Resources

PETER HANDFORD
Director of Finance

Appendix 1

COUNCIL SERVICES PORTFOLIO BUDGET MONITORING 2014/15 Jun-14					
DIVISION	2014/15 CONTROLLABLE BUDGET £	ACTUALS TO DATE £	REST OF YEAR FORECAST £	2014/15 CONTROLLABLE FORECAST £	CONTROLLABLE (UNDER)/ OVER £
CORPORATE FINANCE					
- Corporate Finance Division	2,801,509	1,175,422	1,447,252	2,622,674	-178,835
- PFI/BSF Schemes	667,637	140,264	527,373	667,637	0
- Insurance	3,257,170	707,973	2,549,197	3,257,170	0
- Revenue Contributions to Capital Outlay	41,999	0	0	0	-41,999
- VR/VER Costs	275,156	0	0	0	-275,156
- SAP System Costs	1,113,161	670,931	444,179	1,115,110	1,949
TRANSFORMATION SERVICES					
- Transformation Division	11,711,437	2,476,673	9,024,886	11,501,559	-209,878
- Change Management	1,279,177	29,321	1,249,856	1,279,177	0
LEGAL SERVICES					
- Legal Services Division	2,779,943	777,744	2,064,083	2,841,827	61,884
- Coroners	1,298,591	180,837	1,052,330	1,233,168	-65,423
- Registrars	59,104	-152,091	-103,544	-255,635	-314,739
H.R. DIVISION					
- H.R. Division	2,690,913	586,592	1,670,730	2,257,321	-433,592
- Shared Service Centre	1,522,348	689,805	968,972	1,658,777	136,429
- Derbyshire Business Centre	724,018	278,517	59,267	337,784	-386,234
COUNTY PROPERTY					
- Property Division	4,364,029	1,556,251	2,622,713	4,178,964	-185,065
- Building Maintenance	6,299,279	1,105,504	5,193,775	6,299,279	0
- Carbon Reduction	200,000	0	200,000	200,000	0
- County Buildings	2,361,484	459,254	1,943,509	2,402,763	41,279
- South Normanton JSC	75,345	320,621	-74,536	246,085	170,740
- Industrial Development	-1,879,126	-353,358	-799,935	-1,153,293	725,833
CRD CENTRALLY HELD BUDGETS	521,806	-487,429	1,136,961	649,532	127,726
MEMBERS					
- Chairs Fund	37,361	8,539	28,822	37,361	0
- Elections	8,948	0	8,948	8,948	0
- Democratic Representation and Mgt	1,352,333	322,976	927,705	1,250,681	-101,652
- Member Community Leadership	268,800	66,290	201,600	267,890	-910
MISCELLANEOUS					
- Corporate Management	421,937	132,343	241,305	373,648	-48,289
- Unapportionable Central Overheads	40,367	0	360	360	-40,007
- 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	23,822	-23,822	0	0
- Other	-156,071	-50,792	-35,057	-85,849	70,222
TOTAL	43,903,140	10,815,852	32,676,772	43,492,624	-410,517
PROPERTY DSO	COSTS TO JUNE			INCOME TO JUNE	(SURPLUS)/ DEFICIT
	6,632,371			6,698,538	-66,167