

DERBYSHIRE COUNTY COUNCIL

CABINET

27 November 2012

**Joint Report of the Chief Executive and the
Director of Finance**

**REVENUE OUTTURN 2011/12
(FINANCE AND MANAGEMENT)**

1 Purpose of the Report

To provide Members with proposals for the use of underspends following the outturn position for 2011/12.

2 Information and Analysis

The final outturn position for 2011/12 was reported to Cabinet on 4 September 2012. The report identified significant variations from the revised estimate and identified any commitments already agreed against the underspend.

The outturn position and commitments for each department is summarised in Appendix One.

Decisions regarding the balance of £13.955m are still to be approved. Departments have been asked to provide details of their proposals which are set out below.

Children and Younger Adults

Approval is sought to retain a further £0.639m of the balance for the following pressures:

Pressure	Request £m	Description
Kitchen equipment	0.500	Delay in planned purchased for 2011/12 resulted in procurement process not being completed.
Unify initiative	0.015	Grant received in 2011/12 required in 2012/13.
Independent Travel	0.059	Travel training and development of services to support the raising of the participation age.
Derbyshire Schools Accounting System	0.065	Contribution to the replacement of the schools accounting system by SAP.

If these proposals are agreed, there remains an uncommitted underspend of £7.909m against the CAYA budget. It is requested that this balance is retained by CAYA to manage the transition to more cost effective services in line with the Council's Five Year Financial Plan.

Environmental Services

The Department is proposing to use the remaining £2.320m underspend to fund the following essential projects and to offset the significant cuts to highways maintenance:

Pressure	Request £m	Description
Capacity Building	0.169	New flood management responsibilities – phased in over two years to accommodate new responsibilities.
Legal Fees	0.150	New Mills footpath.
Single System replacement	0.750	Procurement of a new system.
Routewise Software	0.120	Replacement system for journey planning.
Confirm Software	0.070	Maintenance of software to support highways management.
Countryside Programme	0.050	To increase the number of volunteers.
Climate Change Project Officer	0.014	Part funding of a project with Chief Executives.
Highways Maintenance	0.974	Reinvestment over two years to offset the cuts.
Derbyshire Environmental Trust	0.023	Commitment to manage the Community Fund to support local community projects.

Cultural and Community Services

Approval is sought to retain a further £0.338m of the balance for the following pressures:

Pressure	Request £m	Description
Library Service	0.312	Materials Fund - £0.100m Library refurbishments - £0.080m Self Service – upgrade of existing machines and extension of self-service into further libraries - £0.123m School Library Service - £0.009
Derbyshire Record Office	0.008	Equipment

Buxton Museum and Art Gallery	0.010	Outreach work
Trading Standards	0.008	EDRM and FSSnet system integrations.

This leaves an uncommitted underspend of £0.421m. It is proposed that £0.415m is used to support efficiencies in 2013/14 with the balance of £0.006m returned to General Reserves. Due to the above approvals coming late in the financial year, it is likely that the carry forward will not be spent in-year, therefore an Earmarked Reserve will be created at year-end in such circumstances.

Corporate Resources/Chief Executives

Of the balance of £3.545m, a sum of £0.300m has been approved by Cabinet since the report to Cabinet on 4 September for Handy Van - £0.250m (24 July 2012) and Energy Bulk Buying - £0.050m (6 November 2012). Approval is sought to retain a further £1.283m as follows:

Pressure	Request £m	Description
Prince's Trust	0.006	To cover expenses of the volunteers recently put forward to help the Trust run various projects.
GIS System	0.100	Contribution towards the costs of its potential replacement.
Climate Change Officer	0.015	To enable the officer's contract to be extended until the end of the current financial year.
Apprentices Scheme	0.330	To fund a second phase of the Apprenticeship Employer Grant Scheme.
Derbyshire Sports	0.120	To support the delivery of the Derbyshire Sport and Active Recreation plan.
Literacy Co-Ordinator	0.040	To provide a fund for the newly appointed Literacy Co-ordinator.
Destination Management Partnership	0.100	To support the partnership in this financial year.
Review of internal audit function	0.030	As part of the review of Corporate Finance Division, external consultants will conduct a review of the internal audit function.
Learning and Development	0.100	External consultancy support will be required to implement the SAP functionality which will replace the existing Learning and Development system.

Pressure	Request £m	Description
Equipment and software	0.158	The Transformation Division have a number of projects that expenditure was committed to in 2011/12 but were not completed.
Changing the Way Derbyshire Works	0.060	For the creation of two additional temporary posts to expedite implementation of the programme.
Training	0.057	Training needs have been identified for the forthcoming year and this will meet the shortfall on the budget.
Departmental contingency	0.102	To help the department respond to any unforeseen demands which may arise.
Derbyshire Schools Accounting System	0.065	Contribution to the replacement of the schools accounting system by SAP.

This leaves a balance of £1.962m to be returned to General Reserves.

Corporate

The department is proposing to use £0.060m of the underspend, details of which are outlined below, with the balance of £0.566m returned to General Reserves.

Pressure	Request £m	Description
Registrars	0.015	Replacement of the Registrar Service Software. – £0.010m. Scanning equipment at Chesterfield Registration Office to provide access for copy certificates for registrar's staff – £0.005m.
South Normanton Joint Service Centre	0.045	Creation of an earmarked reserve to cover long-term planned building maintenance and other expected landlord costs.

Adult Care

The overspend for Adult Care of £1.843m will be funded from the General Reserve.

Summary

The table in Appendix One summarises the departmental proposals and shows that after proposals for the use of underspends a balance of £0.691m will be returned to the General Reserve.

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

Yes

5 Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? No

6 Background Papers

Papers held in Technical Section, Corporate Finance.

7 OFFICERS' RECOMMENDATION

That Cabinet approves the proposals for the use of underspends as outlined above.

NICK HODGSON

Chief Executive

PETER HANDFORD

Director of Finance

County Hall
MATLOCK

15 November 2012

APPENDIX ONE

	Controllable (Under)/ Overspend £m	Committed as Part of a Previous Approval £m	Request to (Add to)/use Earmarked Reserves £m	Balance of (Under)/Over spend after commitments £m	Further Request for use of underspend £m	Balance to be returned to General Reserve £m
Chief Executive/Corporate Resources	(5.207)	1.662	0.000	(3.545)	1.583	(1.962)
Environmental Services	(3.772)	1.452	0.000	(2.320)	2.320	0.000
Cultural and Community Services	(1.082)	0.280	0.043	(0.759)	0.753	(0.006)
Children and Younger Adults	(11.167)	2.619	0.000	(8.548)	8.548	0.000
Adult Care	1.843	0.000	0.000	1.843	0.000	1.843
Corporate	(5.199)	2.844	1.729	(0.626)	0.060	(0.566)
Total	(24.584)	8.857	1.772	(13.955)	13.264	(0.691)