

Public Document Pack



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PUBLIC

To: Members of Cabinet Member Meeting - Corporate Services

Date Not Specified

Dear Councillor,

Please attend a meeting of the **Cabinet Member Meeting - Corporate Services** to be held at **11.00 am** on **Thursday, 5 November 2020**. This meeting will be held virtually. As a member of the public you can view the virtual meeting via the County Council's website. The website will provide details of how to access the meeting, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a light blue horizontal line.

Simon Hobbs
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. To receive declarations of interest (if any)
2. To confirm the minutes of the meeting held on 8 October 2020 (Pages 1 - 2)
3. Revenue Outturn 2019-20 (Pages 3 - 8)

4. Exclusion of the Public

To move “That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph(s)... of Part 1 of Schedule 12A to the Local Government Act 1972”

PART II - EXEMPT ITEMS

5. To receive declarations of interest (if any)

6 (a) Quarterly Report of Delegated Approvals for Property Transactions - not exceeding £500,000 (Pages 9 - 12)

6 (b) Quarterly Report of Delegated Approvals for Property Transactions - not exceeding £100,000 (Pages 13 - 16)

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR CORPORATE SERVICES** held on 8 October 2020.

PRESENT

Cabinet Member – Councillor A Foster

Also in attendance – Councillor P Murray

24/20 **MINUTES RESOLVED** that the minutes of the meeting held on 10 September 2020 be confirmed as a correct record.

25/20 **SHARED COST ADDITIONAL VOLUNTARY CONTRIBUTIONS SCHEME** Members of the Local Government Pension Scheme (LGPS) already had the option to contribute to additional voluntary contributions (AVCs) which were deducted through their salary and received tax relief on the amount they paid. AVCs were effectively a long term savings plan that ran alongside the mainstream LGPS to supplement their income at retirement and allow a member to build up a capital sum with flexible drawdown options at retirement.

Scope existed to implement a shared cost AVC scheme (SCAVC) through the Council's chosen pension provider (currently the Prudential) for members of the LGPS. The LGPS had a provision within its regulations to allow employees to enter into an agreement in which the employer could also contribute to their employee's AVC arrangement. This was known as a SCAVC and could be done under a salary sacrifice arrangement. HMRC rules allowed employers to implement salary sacrifice arrangements for AVC's. The advantages of implementing this new arrangement over the current scheme was that in addition to the tax relief that was currently received, the employee would pay lower national insurance contributions. In addition, the Council would benefit from a reduction in the employer national insurance contributions. The Council already provided employee benefits through salary sacrifice arrangements for Childcare Vouchers and Cycle to Work scheme.

An example of the savings an individual employee and the Council could make from a SCAVC scheme was set out in Appendix 1 to the report.

Prudential were the Derbyshire Pension funds current nominated AVC provider, and they had recommended that the Council sought specialist tax advice for support during the implementation. If approved, the Council would seek to procure an implementation partner who would provide the necessary support with HMRC application on behalf of the Council.

The Council provided salary sacrifice schemes for Childcare Vouchers and the Cycle to Work Scheme. Calculations for the purposes of overtime, allowances, pay awards and redundancy were based on notional pay and would be consistent across all schemes. Counsel's advice was sought regarding the implications of adopting a salary sacrifice scheme for AVC's in addition to the existing schemes for Childcare Vouchers and Cycle schemes. Counsel had recommended applying a consistent method of calculation for occupational maternity pay based on notional pay for all new salary sacrifice scheme members.

RESOLVED to approve the Council's intention to (1) adopt a Shared Cost Additional Voluntary Contributions scheme;

(2) procure a tax advice and implementation partner; and

(3) include salary sacrifice schemes within the LGPS non-mandatory discretions policy.

26/20 **EXCLUSION OF THE PUBLIC RESOLVED** to exclude the public from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of exempt or confidential information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting held on 10 September 2020

27/20 **MINUTES RESOLVED** that the exempt minutes of the meeting held on 10 September 2020 be confirmed as a correct record.

Agenda Item No

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER FOR CORPORATE SERVICES

5 November 2020

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

REVENUE OUTTURN 2019-20

1 Purpose of the Report

To inform the Cabinet Member of the Revenue Budget outturn position for the Corporate Services portfolio.

2 Information and Analysis

2.1 Forecast Summary

The net controllable budget for the Corporate Services portfolio was £45.020m.

The Revenue Budget Outturn Statement indicates that there was an underspend of £1.698m.

The significant areas which make up this underspend are shown in the table below:

	Controllable Budget	Outturn	(Under)/Over Spend
	£m	£m	£m
Strategic Management	0.676	0.196	(0.480)
Finance & ICT	17.115	16.043	(1.071)
Legal Services	4.445	4.546	0.100
Human Resources	8.498	7.942	(0.556)
County Property	11.974	12.400	0.426
Members	1.611	1.525	(0.087)
Miscellaneous	0.701	0.671	(0.030)
Total	45.020	43.323	(1.698)

2.2 Key Variances

Strategic Management- underspend £0.480m

Savings from the deletion of senior management posts in 2017.

Finance & ICT - underspend £1.071m

The underspend in Finance is mainly due to the planned non-filling of vacancies. The ICT section is in the process of undertaking restructuring of various parts of the business over two years, with the first tranche of the review having been implemented in 2020-21. The underspend in ICT is as a result of planned vacancy control, which will assist in managing the restructure more effectively.

Human Resources - underspend £0.556m

The major area of underspend relates to vacancies. The Division is currently undergoing a review of its functions as part of the centralisation of the HR function. The review will make a significant contribution towards the 2020-21 and 2021-22 savings targets. The planned holding of vacancies will help to contribute towards the ability of HR to manage its restructure and deliver against savings targets in future years

County Property - overspend £0.426m

The overspend is due to a combination of:

- County Buildings was overspent largely due to vacant buildings that are waiting to be sold incurring costs.
- Industrial Development units have an income target based on 100% occupancy which was not achieved. In addition, they have rental agreements that are below market rate to support charitable organisations.

2.3 Budget Savings

Budget reductions totalling £1.435m were allocated for the year. Additionally, there is a brought forward balance of savings not achieved during the prior year of £0.377m. This is non-achievement of a savings target in respect of Policy and Communications that has been carried forward.

Savings of £1.279m have been achieved. Savings of £0.158m have not been achieved consisting of HR restructuring savings of £0.118m and £0.040m of Legal savings. The table below shows performance against the target. The balance will be achieved in the following year.

Identified Savings Initiatives 2019/20	Budget Reduction	Achieved	(Shortfall)/ Additional Savings Achieved
	£m	£m	£m
Reduced contribution to Computer Reserve	0.100	0.100	0.000
Reduction in ICT hardware budget	0.100	0.100	0.000
IT vacancy control	0.150	0.150	0.000
Digital team reduction	0.027	0.027	0.000
Insurance	0.166	0.166	0.000
Exchequer	0.050	0.050	0.000
Corporate Accountancy	0.045	0.045	0.000
Business Centre	0.050	0.050	0.000
Members PA's reduction	0.050	0.050	0.000
Legal Services	0.040	0.000	-0.040
HR review	0.118	0.000	-0.118
Planned maintenance programme reserve	0.350	0.350	0.000
Property fee income	0.191	0.191	0.000
Total of Identified Savings Initiatives	1.437	1.279	-0.158
Shortfall/(Surplus) of Identified Savings	0.377		-0.377
Total Savings Target	1.814	1.279	-0.535
Budget Reductions	£m		
Prior Year B/f	0.379		
Current Year	1.435		
Total Savings Target	1.814		

Growth Items and One-Off Funding

The portfolio received the following additional budget allocations in 2019-20:

ICT strategy - £0.200m (ongoing)

This has been used to ensure that ICT delivers the key elements associated with the approved ICT Strategy. This will help to ensure that ICT is aligned with the requirements of the business, particularly in delivering the Enterprising Council programme.

Legal Services - £0.300m (one off)

The growth has been used to support the provision of services due to the continued high level of demand.

Enterprising Council - £0.150m (one off) £0.094m (ongoing)

This has supported the programme of transformational change, which covers the whole Council.

Learning Management System - £0.083m (one off)

The funds have been used to project manage the replacement of the Council's Learning Management system

Shared Service Centre HR consultant – SAP development £0.045m (one off)

This has provided increased support for the HR SAP development team which enables the section to focus on generating more financial savings.

2.4 Earmarked Reserves

Earmarked reserves are established either by statute or at the discretion of the Council. Departments may establish Earmarked Reserves from within their cash limited budgets to properly reflect on-going financial commitments, fund future service developments or expenditure of an uneven nature.

Earmarked reserves are not available to the Council for use in its budget and Council Tax setting process. They are required for specific purposes and are a means of building up funds to meet known or predicted liabilities.

Current earmarked reserves total £69.261m and are listed below.

Reserves	Balance as at 31/03/2020 £m
Change Management	1.807
Computer Reserve Fund	2.828
Property Package Reserve	0.513
PFI/BSF	2.340
Property DSO	2.110
Insurance and Risk Management	20.085
Equal Pay	0.277
EMR-Commissioning, Communities and Policy (includes departmental underspend balances)	3.986
Demolition of buildings	0.377
Local Authorities Energy Programme	0.060
Corporate-Business Rates Pool	4.672
Exchequer	0.850
Core Systems	0.535
Budget Management	16.431
Uninsured Financial loss	3.500
Communities Priorities Programme	0.901
Planned Building Maintenance	5.275
Property IMP scheme	0.591
Property IMP 2018	2.122
Total	69.261

2.5 Debt Position

The profile of the debt raised, relating to income receivable by services within the Commissioning, Communities and Policy department is as follows:

	0-30 Days	31-365 Days	1-2 Years	2-3 Years	3-4 Years	Over 4 Years	Total
£m	3.471	0.913	0.704	0.196	0.079	0.173	5.536
%	63%	16%	13%	4%	1%	3%	100%

In the year up to the end of 31 March 2020 the value of debt that has been written off totals £0.031m.

3 Financial Considerations

As detailed in the report.

4 Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality of opportunity; and environmental, health, human resources, property, social value and transport considerations.

5 Key Decision

No.

6 Call-In

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

7 Background Papers

Held on file within the CCP Department. Officer contact details – Julia Wilks, extension 36709.

8 Officers' Recommendation

That the Cabinet Member notes the report.

EMMA ALEXANDER

Executive Director
Commissioning, Communities and
Policy

PETER HANDFORD

Director of Finance
& ICT

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