

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR
STRATEGIC LEADERSHIP, CULTURE AND TOURISM

13 October 2020

Joint Report of the Executive Director of Commissioning, Communities and Policy, the Director of Economy, Transport and Environment and the Director of Finance & ICT

REVENUE OUTTURN 2019-20

1 Purpose of the Report

To inform the Cabinet Member of the revenue outturn position for 2019-20 and to provide a summary of the 2020-21 year-end forecast.

2 Information and Analysis

2.1 Outturn Summary

The controllable expenditure for the Strategic Leadership, Culture and Tourism portfolio was £13.153m against a budget of £13.175m resulting in a controllable underspend of £0.022m as set out in the table below.

	Controllable Budget	Full Year Forecast	Forecasted (under)/over Spend
	£m	£m	£m
COMMISSIONING, CULTURE AND POLICY			
Call Derbyshire	2.046	1.994	-0.052
Policy	2.070	1.986	-0.083
Communications	1.043	1.011	-0.033
Libraries	7.123	7.309	0.186
TOTAL CCP	12.282	12.300	0.018
ECONOMY, TRANSPORT AND ENVIRONMENT			
Heritage	0.660	0.694	0.034
Tourism	0.217	0.158	-0.059
International Relationships and Trade	0.016	0.001	-0.015
TOTAL ETE	0.893	0.853	-0.040
TOTAL SLCT	13.175	13.153	-0.022
Total After Use of Reserves	13.175	13.153	-0.022

2.2 Key Variances

Communications - underspend £0.033m

The underspend results from staffing vacancies and savings on Derbyshire Now which vary on an annual basis.

Policy and Research - underspend £0.083m

The underspends relate to:

- Temporary vacancy in Performance Management which has been advertised but was not filled before the end of the financial year. (£0.030m)
- Voluntary Community Sector grants – Bolsover Community Voluntary Partners closure due to lack of sufficient funding. A new Community Voluntary Partnership is to be set up in 2020-21 due to new funding streams. (£0.015m)
- Vacancy control to achieve savings targets. (£0.038m)

Call Derbyshire - underspend £0.052m

The underspend relates to higher than expected staff turnover due to experienced employees achieving promotion into other Council roles.

Libraries – overspend £0.186m

The overspend relates to delivery of planned budget savings through reduced hours for Branch Libraries being built in from October and therefore the full year impact not being realised by the end of the year. There was also a higher than budgeted increase to business rates for the Records Office. Furthermore, there were higher than budgeted salary costs arising from sickness cover at Buxton Museum, and residual costs of the School Library Service incurred after decommissioning the service.

Tourism - underspend £0.059m

In the main, the underspend relates to The Festival of Derbyshire which had estimated costs of upwards of £0.045m, however it was cancelled due to COVID19.

International Relationships and Trade – underspend £0.015m

There were many planned activities in the year, such as the Toyota delegation (planned for March 2020), and exchange visits to Japan and China, which were cancelled due to COVID19.

Heritage - overspend £0.034m.

The overspend is due to Environmental Studies not achieving the total of their budget savings allocation.

2.3 Budget Savings

Budget reductions totaling £0.760m were allocated for the year, of which £0.245m was brought forward from the previous year.

Of this, £0.685m of savings have been achieved.

Savings in Communications in 2019-20 were due to be made in advertising income. The need to use external Legal support to create a contract, plus delays in the finalisation of procurement papers due to coronavirus, mean that tender papers have not yet been released (expected to be released in July/August 2020). This, combined with the possible changes in demand in the advertising market due to coronavirus, means the income targets for 2019-20 and 2020-21 will need to be revised.

There are £0.120m of savings identified in the previous year for the Environmental Studies Service of which £0.034m was achieved. The savings target has not been achieved and it is unlikely that without an extended market, the opportunities for further income generation are limited.

The table below shows performance against the target.

Identified Savings Initiatives	Budget Reduction Amount	Forecast to be Achieved by the end of 2019-20	(Shortfall)/ Additional Savings Achieved
	£m	£m	£m
Call Derbyshire - Staffing	0.135	0.135	0.000
Policy - Staffing	0.100	0.100	0.000
Communications - Advertising Income	0.075	0.000	(0.075)
Libraries HQ ICT	0.040	0.040	0.000
Mobile Libraries	0.050	0.050	0.000
Materials Fund	0.140	0.140	0.000
Library Service - Reduction in Hours	0.134	0.134	0.000
Environmental Studies Service	0.086	0.000	(0.086)
Total Savings Target	0.760	0.599	(0.161)

Budget Reductions	£m
Prior Year B/f	0.245
Current Year	0.515
Total Savings Target	0.760

2.4 Growth Items and One-Off Funding

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

Thriving Communities £0.368m ongoing

Funding to concentrate on three priorities in respect of rolling out the Council Plan commitment across Derbyshire: radically reshaping demand, unlocking community potential and creating an alliance for work and skills. This is to replace one-off funding from reserves and is due to be spent in year.

Enterprising Council £0.094m ongoing

Support for this programme of transformational change, which will affect the whole organisation and is a Council Plan commitment. It is expected that £0.094m will be spent in the year.

Community Managed Libraries - £0.742m one-off

Funding for the Council Plan commitment to introduce community managed libraries over the next 5 years.

2.5 Risks

No quantifiable risks identified.

2.6 Earmarked Reserves

Earmarked reserves totaling £3.090m are currently held to support future expenditure. Details of these reserves are as follows:

	Balance at 31.03.2020 £
Policy & Research	
- Thriving Communities Initiative	5,376
- Performance Management	133,460
- Customer Segmentation	80,000
- Speech recognition	100,000
- GIS	35,000
- Action Grants	319,991
- Money Matters	27,000
Strategic Policy Underspends	
- Call Derbyshire - service improvement	201,000
- Web Chat solution	12,000
- Self Service Design templates	14,010
- Replacement social media platform	25,000
- Channel Shift	119,175
- Print & Design solution - Panacea	17,747
- Action Grant Publicity	19,369
- Thriving Communities Initiative	20,000
- Digital Developer Training	21,000
- Armed Forces Covenant	25,000
Partnership Forum	29,007
Arts Partnership	84,417
Library Strategy Implementation	428,645
Museum Acquisitions	34,942
EM RR - Made in Derbyshire	45,500
County Records	48,779
Paul Mellon Reserve	7,343
Arts Council	84,560
Proceeds Sale of Mobile Libraries	37,600
Digital Exclusion	21,000
Matinee - Paul Hamlyn Foundation	57,747
New Burdens	71,612
Literature Development	9,613
Community Managed Libraries	742,000
Creswell Crags	35,689
Derwent Valley Mills World Heritage Site	176,010
Total	3,089,592

2.7 Forecast Outturn 2020-21 as at 31 May 2020

A year-end overspend of £0.035m is projected after the allocation of £0.315m of MHCLG Covid-19 grant funding. Before the allocation of this funding, the main variances are:

Libraries, £0.521m overspend – savings are not expected to be realised as the Library Strategy and proposals to transfer the service to community management have been suspended due to the Covid-19 pandemic.

Policy, £0.427m underspend – due to vacancy control. Also, £0.200m of one-off funding was allocated to coordinate and plan measures to address the threat of Climate Change. It is forecast that this allocation will be fully spent by the end of the financial year.

Heritage, £0.203m overspend – planned savings from the withdrawal of Arts grants to the Community and Voluntary Sector are not anticipated to be achieved, as it is not expected that the transfer of the service to an alternative provider can proceed at this time due to the Covid-19 pandemic.

The budget savings target for 2020-21 is £1.899m, with a further £0.161m target brought forward from previous years. Of this total target of £2.060m, it is expected that £0.320m will be achieved by the end of the financial year.

Additional funding has been provided in the 2020-21 budget for the following items:

- Climate Change - £0.200m (one-off), the Council published its Climate Change Manifesto in May 2019. This funding is to advance the priorities identified in the Manifesto. It is forecast that this allocation will be fully spent by the end of the financial year.

The Council continues to monitor its overall financial position, as well as the cost implications of Covid-19. The next formal reporting of the financial position will be completed as at September 2020 and will be reported to the Cabinet Member later in the year.

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 – Claire Bell, extension 38756.

8 Officers' Recommendation

That the Cabinet Member notes the revenue outturn position for 2019-20 and the summary forecast outturn for 2020-21.

EMMA ALEXANDER
Executive Director
Commissioning, Communities and Policy

TIM GREGORY
Director
Economy, Transport and Environment

PETER HANDFORD
Director of Finance and ICT