

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.

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Director of Finance
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