



Revenue Outturn and Carry Forward of 2004/05 Budgets

RECOMMENDATION

- 1.1 To note the general fund revenue outturn for the financial year 2004/05 and the variances to the latest approved budget (Appendices 2 and 3).
- 1.2 To approve the treatment of variances and carry-forward proposals at paragraph 2.2 and Appendix 4.
- 1.3 To approve the areas for base budget review at Appendix 5.
- 1.4 To approve the statement of corporate reserves at Appendix 6.
- 1.5 To note the Housing Revenue Account outturn at paragraph 2.4 and Appendix 7.

SUPPORTING INFORMATION

2.1 General fund revenue out-turn

- 2.1.1 The total net outturn in 2004/05 on all General Fund services was £249.384 million, an underspend of £2.506 million, or 0.99% of the budget requirement.
- 2.1.2 The net outturn position takes account of additional transfers to revenue from reserves approved in 2004/5 as follows:
 - the use of £2.3m service carryforward and earmarked reserves. Any balance unused from 2003/4 service carryforward reserves is included in Appendix 4 for consideration
 - the use of £0.3m uncommitted and general corporate reserves shown in Appendix 6
 - those approved in the Revenue Budget 2005/06 report to Council Cabinet February 2005:
 - £1.685m planned transfer to corporate reserves from the £1.915m corporate forecast year-end underspends, after applying £230k to fund the Supporting People budget
 - £445k Education budget planned transfer to a reserve for future years budgets from forecast year-end underspends, including £300k for a rolling programme of condition surveys over all schools.

2.1.3 Appendix 2a summarises the outturn position by service department and Appendix 2b summarises the carry forward proposals. Appendix 3 details the outturn variances, of which the main points to be noted are . . .

Commercial Services - £275k underspend

- Trading services - £273k net surplus after returning £422k to the General Fund as planned in the approved budget.
- Net £2k underspend on Non trading activities comprising a £93k overspend from underachievement of income at the crematorium offset by additional landscape service recharge income and a saving on grounds maintenance.

Chief Executive's department Policy Directorate – £312k overspend

- £408k overspend on the Supporting People budget, after use of £406k corporate reserves, together with £15k overspend on associated administration costs. This is £178k more than the £230k forecast year end overspend reported to Cabinet in February 2005 to be funded from corporate underspends. Total additional Supporting People costs in 2004/5 were therefore £829k. Most of the additional costs have arisen following the settlement of contract claims in dispute with a small number of service providers. The 2005/6 – 2007/8 budget is still under pressure and an update on completion of a further review will be reported to 2 August Cabinet. This will inform Council Cabinet of the ongoing budget pressure and proposed treatment. This is likely to require a further commitment of corporate reserves.
- £123k underspend on ringfenced budgets including £46k on Partnership budgets and £77k on the Housing PFI set-up costs budget.
- £50k net underspend on Housing general fund resulting from additional Lifeline income, fees and savings from vacant posts, partly offset by £33k overspend on Housing Advice staffing.
- £22k underachievement of placement income on Learning to work.
- £29k saving on corporate communication publications costs.
- £84k net overspend across other areas of the Directorate, mainly relating to Community Policy.

Chief Executive's department Corporate Services directorate – £535k underspend

- £620k overachievement of income and fees including £374k on markets and estates from increased occupancy and rent review, net £96k property services additional professional fee recharges, £93k democratic services government funding of European elections and increased activity at the Registry office, and £57k more environmental health income.
- £78k overspend on land charges due to underachievement of income resulting from changes in the housing market.
- £43k saving on abandoned vehicle operating costs.
- £91k additional pc replacement costs.
- £71k underspend on overview and scrutiny research budget.
- Net £13k overspend on administrative buildings costs comprising £65k higher accommodation costs, £42k additional cost on cross authority telephone links offset by £94k savings on building cleaning.
- £17k net overspends across other areas of the directorate.

Chief Executive's department finance directorate - £455k underspend

- £154k net underspend on staffing budgets across planning and performance, financial services, corporate finance and management arising mainly from one-off savings on staffing budgets as a result of vacant posts, and budgets for system development work to be continued into 2005/6.
- £204k net underspend on Revenues and Benefits division, including £336k additional grant income and £70k saving on the PFI contract partly offset by £85k shortfall on court costs income and PC replacements funded in year from revenue.
- £98K net underspend on other budgets including £21k from efficiencies on best value performance plan activities, £47k from fluctuations in ICT contract charges and £49k from additional ICT recharge income.

Chief Executive's department – e-Derby/Building on Excellence budget £99k underspend

This is mainly due to slippage on schemes approval and commencement.

Treasury management budget - £1.755m

A forecast year end underspend of £1.582m was reported in February 2005 and approved for transfer to corporate reserves, as part of the total £1.685m forecast corporate underspends. The final outturn gives an additional £173k underspend due to slightly higher investment balances and rates over the last few months than forecast in February.

Other corporate budgets - £399k underspend

- £165k saving on insurances budget due to lower than budgeted for premiums.
- £75k saving on residual re-organisation and early retirement costs budgets.
- £44k overspend on the Derby Coroners budget due to higher than anticipated contribution to the costs of the service.
- Net £3K overspend on other corporate budgets.
- £212k underspend on the corporate contingency budget after funding £122k of additional Education PFI development costs. These additional PFI costs arose from increased Adviser costs as a result of delays to reaching financial close and signing of the Project Agreement.

Development and Cultural Services - £663k underspend

- £300k underspend on budgets created from additional corporate allocations to address priority issues in the 2004/5 budget process, mainly relating to savings on the Rethink Rubbish programme.
- £197k overspend on Residual waste collection due to waste growth and landfill savings shortfall, less £50k saving on the paperback scheme, above levels anticipated following the roll-out of the Rethink Rubbish programme.
- £511k underspend from overachievement of income including £156k development and building control income after the transfer of £32k building control trading surplus to the trading reserve, £123k parking income, net £133k

highways and transport fees and charges, £44k Assembly rooms income and £48k developer contributions.

- £110k underspend on the highways public liability budget as a result of measures to reduce the causes of claims and a review of the provision requirement for possible future claims.
- £117k overspend on highways maintenance revenue budget due to final payments in 2004/5 not provided for on 2003/4 schemes completed in 2004/5.
- Net £6K underspend on other budget areas.

Education Individual School Budgets - net £785k in-year overspend

In line with Local Management of Schools this is met from school balances, reducing them to £5.062 million at 31 March 2005. A separate report on school balances is on the agenda for this Council Cabinet meeting.

Other Education - £366k net underspend after transfer of £445k as explained in paragraph 2.1.2

- £306k underspend on recoupment and independent special school fees, as a result of the development of greater provision within Derby schools for pupils with special educational needs.
- £220k underspend on early years, because of reduced payments to private and voluntary providers following changes to the admissions policy, and staffing savings.
- £210k underspend on early retirement liabilities, because of the use of 2003/04 carry forwards to fund new commitments and a declining inherited liability due to demographic changes.
- £211k underspend on the Standards Fund relating to previous years balances not clawed back by the DfES, and an underspend on the ring-fenced grant for Advanced Skills Teachers.
- £391k overspend on ICT due to additional expenditure on schools connectivity not covered by income from government grant or schools, and costs on new systems exceeding identified funding.
- £248k underspend in other areas of education, as detailed in Appendix 3.

Social Services - £43k overspend

Children and Families Services were overspent by £330k overall largely owing to the increasing costs of foster care, disabled children's agency residential care and Unsupported Foreign Nationals which has been provided for in the 2005/6 budget. These costs were offset by underspends on social work and family support employee costs as recruitment and retention of staff remain problems for the departments.

Adults Services were underspent by £61k across all client categories. However pressures on agency nursing and residential budgets remain ongoing for all Adult Services, offset by underspends on home care services and also social work employee costs.

Support Services and Service Strategy and Planning were both underspent contributing to the overall departmental overspend of £43k (0.07% of the Net Controllable Budget).

- 2.1.4 The 2004/5 revenue budget included an additional £350k to address public concern issues. £75k of this was used to cover unsupported borrowing debt financing costs for an additional £750k of capital spend. The capital element is reported in the Capital Outturn report on this agenda. The outturn on the revenue budgets, in terms of spend variance and actual outputs, is detailed below for information.

Commercial Services

- Dual purpose bins - £60k

During 2004/5 82 new dual purpose (combined litter and dog waste) bins were installed in Derby's parks and public open spaces. Some of the new bin sites were positioned in areas that had previously received a high number of public complaints about litter and dog mess. The number of public complaints has dropped considerably since the installation of the new dual purpose bins. The full budget allocation was spent in 2004/5.

Development and Cultural Services

- Blitz campaign to remove litter and graffiti - £150k

Activity included a new cleansing squad and drug litter removal squad and logos on fleet, bins and signs. In addition some initial work was done on dealing with gum waste removal. There is an £8k underspend which relates to service promotion which did not occur in 2004/5, for which carry forward is requested to 2005/6.

- Darley Park concert, annual bonfire and other additional city centre entertainments - £70k addition to the events programme budget

The events programme delivered in 2004/5 included the bonfire, the Darley Park concert and Saturday concerts. In addition there were two carnivals and a fun run. Together with events management costs and some funding from sponsorship income, actual spend on the events programme was £145k leaving an underspend of £31k. A carry forward proposal is included in Appendix 4 to fund the commitment to a second day for Darley Park concert in 2005/6 only. This does not pre-commit to the continuation of the second day in future years.

2.2 Proposed treatment of variances

- 2.2.1 Under the Council's Financial Procedure rules, services are able to carry forward under or overspends across financial years. Carryforwards in excess of £50,000 or 5%, require Council Cabinet approval. For overspends this means that unless alternative treatment has been approved, department's are required to meet the overspend from their next years budget.
- 2.2.2 Department's proposals for the treatment of 2004/05 underspends are attached at Appendix 4 together with unused carry forwards from previous years. Appendix 4 also includes the proposals for the treatment of corporate underspends. As shown at Appendix 2b the carry forward proposals total £2.674m against £2.506m net underspends available, leaving a gap of £168k. It is proposed, therefore, to reverse £168k of the £1.685m planned transfer to corporate reserves from corporate underspends to balance.
- 2.2.3 Any underspend on additional corporate budget allocations for public concern issues has been identified separately in carryforward proposals at Appendix 4, as these are treated as corporate underspends. In addition, where other additional corporate allocations were given to departments in the 2004/5 budget process to balance budget proposals to cashlimits, any underspend on those budgets should also be treated as corporate underspends. Proposals for the use of these underspends are reflected in Appendix 4 with the emphasis on being ringfenced to progress important corporate objectives – notably on the Accommodation Review and Rethink Rubbish.
- 2.2.4 The first call on under spends needs to be to meet additional costs not included in the approved 2005/06 budget arising from the following:
- commitments in 2005/06 from 2004/05 approved actions
 - confirmed unavoidable budget pressures for which there is no other source of funding
 - any one-off costs of service developments and improvements already approved in 2005/06.
- 2.2.5 Department proposals at Appendix 4 include items that do not fall into these categories and ask for resources to be applied to other Service priority, mainly to address service improvements and developments. This includes reserves for major corporate developments.
- 2.2.6 Those services with carry forwards, however, are reminded that they first need to ensure they are managing in year budget risks before releasing their carry forwards. This will be monitored as part of the regular reporting of spending to Cabinet in 2005/6 as the year progresses.
- 2.2.7 An initial review of outturn variances 2004/5, together with consideration of previous outturns and budget allocations has identified some areas requiring base budget reviews. These are attached at Appendix 5. Consideration will need to be given during these reviews to the impact, if any, of departmental reorganisation proposals. The outcome will be reported back to Council Cabinet in the autumn as part of the 2006/7 budget process.

- 2.2.8 Where carry forward proposals create a specific reserve for a defined purpose but without details at this stage, financial procedure rules will apply to the actual application of these reserves.

2.3 Corporate Reserves

- 2.3.1 A position statement on corporate reserves and proposed uses was approved by Cabinet in February 2005.
- 2.3.2 Appendix 6 details the latest corporate reserves position at 31 March 2005, including approved application of reserves in 2004/5 and an updated forecast for 2005/06 to 2007/08.
- 2.3.3 Appendix 6 currently shows a £2.7m balance of corporate reserves available for future use at 31 March 2008 from unallocated reserves together with the pump priming and corporate investment funds. It should be noted, however, that new calls on these funds are very likely in the near future to fund commitments to major service and corporate developments and budget pressures. This may include, the Accommodation Strategy, replacement corporate financial systems, Connecting Derby and the Supporting People budget. In addition, Members should note that the indicative 2006/7 and 2007/8 budgets include an unfunded pressure of £1.8m and £3.0m respectively. Council Cabinet approval will be sought for any such further allocations from corporate reserves having consideration to the overall Council resource position and requirements.

2.4 Housing Revenue Account - HRA

- 2.4.1 The outturn Position for 2004/5 is a surplus of £6.506m. This compares with an opening position of £1.419m surplus, and so represents a surplus for the year of £5.087m.
- 2.4.2 Out of the balance of £6.506m on the account, £1.314m is earmarked for the specific purposes stated. The remaining general reserve/contingency of £5.192m is broadly in line with the budget plan to build surpluses during the years when ALMO funding at 8% is available – to underpin the future finances of the plan and provide for any developments in future years – when such funding reduces to the actual cost of borrowing. The net variation on the planned outturn is £5.087m, and this is due to increased rental income, a reduction in the provision for bad debts and an increased contribution to the repairs account. A list of variations is shown at Appendix 7.
- 2.4.3 Underspending of £202,000 by Derby Homes is reflected in a reduction in the management fee payable, on the basis that the underspending is directly related to the level of services provided under the management agreement.
- 2.4.4 The underspending on depreciation is temporary, since depreciation charges to Derby Homes will rise steeply in future years and funding will be required to meet this increase. The reserve for furniture and equipment has been created to fund purchases made in 2004/5 but to be paid for in 2005/6. The increased contribution to the repairs account was necessary to prevent that account moving into deficit. No surplus from the DSO for work undertaken by Commercial Services is available for the year and a corresponding reduction in the contribution to the repairs account in 2005/6 is planned.

- 2.4.5 It is planned to use part of the Supporting People reserve as financing for capital expenditure on sheltered housing and CCTV and part to meet a shortfall in Supporting People funding for tenants.

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Background papers: None

List of appendices:

- Appendix 1 – Implications
- Appendix 2 – Summary of out-turn by department
- Appendix 3 – Main variance explanations and on-going implications
- Appendix 4 – Treatment of variances and carryforward proposals
- Appendix 5 – Base budget review proposals
- Appendix 6 – General and Corporate reserves
- Appendix 7 – HRA Outturn 2004/5 – Summary of main variances

IMPLICATIONS

1. Financial

As set out in this report and the associated appendices.

2. Legal

None.

3. Personnel

None.

4. Equalities impact

None directly.

5. Corporate objectives and priorities for change

The recommendations accord with all of the Council's key themes and priorities.

Appendix 2a

SUMMARY GENERAL FUND REVENUE OUT-TURN 2004/2005

for information

DEPARTMENT	Actual outturn variance to original budget (Under)/Over spend 2004/05 £000	forecast outturn (Under)/Over spend 2004/05 reported Feb 2005 £000	Variance final to forecast outturn £000
COMMERCIAL SERVICES			
Trading	(273)	(78)	(195)
Non-trading	(2)	95	(97)
CHIEF EXECUTIVE'S DEPARTMENT			
Policy directorate	312	283	29
Corporate Services directorate	(534)	(91)	(443)
Finance directorate	(455)	(260)	(195)
Corporate budgets:			
e-Derby/Building on Excellence	(99)	(163)	64
Treasury management	(1,755)	(1,582)	(173)
Other corporate Budgets	(399)	(333)	(66)
DEVELOPMENT & CULTURAL SERVICES	(663)	(86)	(577)
EDUCATION			
Schools budgets	785	0	785
Other Education	(811)	(660)	(151)
SOCIAL SERVICES	43	147	(104)
Total all Departments	(3,851)	(2,728)	(1,123)
Transfers from/to reserves			
Less approved transfers to reserves February 2005:			
Planned transfer to support future budgets	445	445	0
Planned transfer to corporate reserves	1,685	1,685	0
Add transfer from schools ISB balances	(785)	0	(785)
Net variance against latest approved budget	(2,506)	(598)	(1,908)

Net variance percentage of budget requirement -0.99%

**GENERAL FUND REVENUE OUT-TURN 2004/2005
SUMMARY OF SERVICE CARRYFORWARD PROPOSALS**

DEPARTMENT	Carryforward requests
<p>COMMERCIAL SERVICES</p> <p>Trading (273)</p> <p>Non-trading (2)</p> <p>CHIEF EXECUTIVE'S DEPARTMENT</p> <p>Policy directorate (126)</p> <p>Corporate Services directorate (534)</p> <p>Finance directorate (455)</p> <p>Corproate budgets:</p> <p> e-Derby/Building on Excellence (99)</p> <p> Other (6)</p> <p>DEVELOPMENT & CULTURAL SERVICES (663)</p> <p>EDUCATION</p> <p>Schools budgets</p> <p>Other Education (366)</p> <p>SOCIAL SERVICES (150)</p>	
TOTAL DEPARTMENTS	(2,674)

Revenue Outturn 2004/05 - Summary of Main Variances 2004/05

Variance explanation	Variation to latest approved 2004/05 budget £000's
Commercial Services department	
Trading services:	
Building	-260
Building Cleaning & Caretaking	87
Catering	45
Waste Management	-19
Street Lighting	-53
Conveniences & Markets	-38
Grounds Maintenance	-75
Streets & Gully Cleaning	40
Net surplus	-273
Non-trading:	
Landscape – increased fee recharges for additional capital work	-39
Parks – additional income of 23k and other savings made £24k to assist fund emerging pressures in other areas	-47
Grounds Contract and client	10
Cemeteries and Disused Burial Grounds	-14
Crematorium- lower than budgeted for income achieved	93
Other net variances	-5
	-2
Total Commercial Services department	-275
Chief Executive's department	
Policy Directorate	
Community Safety Partnership – Underspend which is ringfenced for this purpose and requires carry forward	-27
Housing PFI Set up – Underspend which is ringfenced for this purpose	-77
Community Grants – Compact Expenditure not incurred and additional expected application not received	-8
Personnel and Learning to Work – mainly due to reduction in number of trainees and income lower than anticipated	27
Corporate Communications – Underspend due to A to Z Guide not printed and reduced phone directory printing costs	-29
Community Policy - Miscellaneous Variances across Division	35
Area and Neighbourhood Unit – Additional Publicity Costs	10
Directorate Management - mainly cost of staff cover	10

Community Care – Higher than budgeted achievement of Lifeline Income	(27)
	(14)
Private Sector Renewal - Higher than budgeted achievement of Houses in Multiple Occupation (HM0)/ Immigration Inspection Fees	
Housing Strategy – one-off savings from vacant posts	(42)
Derby Advice – Staffing Overspend	33
Supporting People - Admin Legal Fees £15k and Supporting People Payments £408k, after use of £406k reserves	423
Other Policy Directorate net miscellaneous variances	17
Add Childrens Fund partnership budget underspend ringfenced (managed by Social Services)	-19
Total Policy Directorate	312
Corporate Services Directorate	
Additional Income:	
Elections Administration – Additional income received for European Election	-51
Registry Office – Overachievement of income targets	-28
Legal – Overachievement of income	-14
Estates – Staffing vacancies and overachievement of income due to occupancy levels	-99
Markets – Overachievement of income due to rent review and increased occupancy	-275
Increased pollution income due to changes in authorisation regime	-14
Extra income from Foods Standary Agency	-12
Health and Safety secondment income	-31
Overachieved professional fees recharge income £344k net of additional staffing costs £248k to carry out additional work, including agency costs	-96
Land Charges – reduce income levels due to changes in housing market during 2004/2005	78
Removal of abandoned vehicles underspend due to success of LPSA scheme	-43
Unbudgeted PC replacement costs – Member Services £45k and other areas of the Directorate £46k	91
Overview and Scrutiny – Staffing vacancies resulting in underspend on research	-71
Telecommunications – Costs of cross authority telephone link	42
Accommodation – Long Term Sickness and increase service charges	65
Building cleaning savings due to building closures including St Helens House	-94
Committee Services – Staffing vacancies and increased income	-8
Central Services – Shortfall in activity levels	15

Environmental Health staffing underspends less £47k approved funding of new FLARE system £26k, less management and administration overspends £25k	(1)
Festivities and general office costs overspends	12
Total Corporate Services Directorate	-534
Finance Directorate	
One-off saving in Financial Services as a result of the implementation of a restructure and system development work to be continued into 2005/06	-85
Net underspend on staffing budgets across planning and performance, financial services, corporate finance and management arising mainly as a result of vacant posts	-69
Revenues and benefits grant income achieved during 2004/05	-336
Saving on the PFI contract	-70
Efficiency savings on best value performance plan activities	-21
Savings arising from in-year fluctuations in ICT contract charges based on PC numbers	-47
Additional CT recharge income	-49
Shortfall on Council Tax court costs income	85
Revenues and Benefits PC replacement funded from revenue rather than carryforward reserves	133
Other net variances across the Directorate	4
Total Finance Directorate	-455
Corporate Budgets	
e-Derby/Building on Excellence – mainly due to delays in scheme approval and commencement for approved schemes	-99
Treasury management budget – investment levels and rates were more favourable during the last couple of months of 2004/05 than forecast in February resulting in £173k higher underspend than forecast	-1,755
Other corporate budgets:	
Coroners Court – share of costs higher than anticipated	44
Actual insurance premium increases lower than assumed in budget	-165
Savings on costs of early retirements including those transferred on reorganisation	-75
Corporate contingency budget not called on during the year, after funding additional £122k Education PFI costs	-212
Emergency Planning budget	-6
Other net variances	3
Total other corporate budgets	-399

Development and Cultural Services department	
<u>D&CS corporate budgets</u>	
Rethink Rubbish – savings on programme costs	-261
Events allocation from public priority	-31
Street Cleansing allocation from public priority - promotion	-8
	<hr/> -300
<u>D&CS core budgets</u>	
Income overachieved:	
• DC income -net of £30k additional costs re Highways DC	-111
• BC -net of transfer of £32k to trading account	-45
• Parking income	-123
• Engineering Design fees (net of staff and agency payments)	-77
• NRSWA income	-97
• Revenue Support overachieved income and service savings	-84
• Assembly Rooms - net	-44
• Plans & Policies – developer contributions	-48
Income underachieved:	
• Transportation design fees -net of staff and agency payments)	76
• Design fees in Highways Maintenance	26
Expenditure areas overspent:	
• Flood defence & drainage	60
• Residual Waste - Landfill savings shortfall / growth	179
• CA site costs – as a result of growth	18
• Highway Maintenance expenditure on schemes including completion of 03/04 schemes	117
Expenditure areas underspent:	
• Highways public liability budget savings – as a direct consequence of active measures to reduce the causes of claims and a reduction in the need for provisions for outstanding claims	-110
• Paperback	-50
• Central Library (net)	-63
• Historic Building Grants	-13
Other net variances across the department	26
Total Development and Cultural Services department	-663
<u>Education department</u>	
<u>Schools budget - Individual Schools Budget</u>	
Opening balance	
Closing balance	(5,847)
Net movement in ISB balances	(5,062)
	<hr/> 785

<u>Schools budget – other</u>	
Early Years and Childcare	
Payments to private, voluntary and independent sector for foundation places for 3 and 4 year olds. No on-going savings, already assumed as part of budget setting for 2005/06.	(143)
Staffing savings	(84)
Recoupment / independent special school fees	
Continuing improvement in use of resources in developing internal provision. £200,000 already recycled elsewhere within the schools budget as part of the 2005/06 budget process.	(306)
Special Needs Support Service including the Pupil Referral Unit	
High level of exclusions and a diminishing sold service. The service has undergone a restructure and significant growth has been built into the 2005/06 budget.	171
Other miscellaneous variances	22
<u>Non Schools budget</u>	
Awards Administration	
Staffing savings. No additional effect for future years, already assumed as part of budget setting for 2005/06.	(51)
Family and Out of Lesson Time Learning	
Learning and Skills Council grant applied in year resulting in an underspend on core budgets. No on-going savings.	(71)
ICT / IMS	
Schools connectivity £300,00 and other central projects £100,000	391
Voluntary Early Retirement	
Reflects the demographic profile of inherited commitments; 2003/04 underspend used for new commitments	(210)
No on-going savings, already assumed as part of the 2005/06 budget process.	
Home to School Transport	
Additional costs due to re-tendering of contracts lower than anticipated and a reduction in expenditure for the Special Education Needs Support Service / Pupil Referral Unit following the devolution of budget responsibility.	(129)
Standards Fund	
£180,000 of one off carryforwards of previous years grant element and underspends on ring fenced grant – Advanced Skills Teachers.	(211)

School Improvement	
Staffing vacancies	(74)
Sport and Leisure	
Sports Centres	
Markeaton income shortfall, Moorways Pool Café/Sauna income shortfall and Springwood salaries overspend	91
Best Value Review – Delays in the implementation of the proposals until the strategy had been proposed and agreed.	(79)
Staffing savings on Sports budgets	(37)
other miscellaneous variances	(91)
Sub-total Education excluding Individual Schools Budgets	(811)
Social Services department	
Children & Families:	
Residential Care – overspends on in-house residential employee costs, foster care costs & disabled children's agency residential care	990
Non-residential Services – underspends on staffing costs	(662)
Elderly:	
Care Management & Purchasing – underspends on service & care manager employee costs	(519)
Residential Care – independent sector agency residential care overspend	560
Non-residential Services – underspends on independent sector home care and meals on wheels & laundry contracts	(612)
Physical or Sensory Disability:	
Residential Care – overspend on independent sector agency residential care	288
Non-residential Services – underspend on independent sector home & day care	(344)
Learning Disabilities:	
Care Management & Purchasing – underspend on social work employee costs	(343)
Residential Care – increase in contributions from NHS towards joint packages	(148)

Non-residential Services – overspend on home & day care agency payments and reduction in income from Supporting People	602
Mental Health Needs:	
	158
Care Management & Purchasing – overspending on social work employee costs	306
Residential Care – overspend on independent sector agency residential care	(233)
Net underspend on other divisions of service	
Total Social Services department	43

**Commercial Services
Revenue Outturn Statement 2004/05
Service Carry Forward Proposals**

Resources		£000's
Net 2004/05 underspend Trading		-273
Revenue		-2
Unused carry forward reserves from previous years		-24
Net 2004/5 resources available		-299
Proposed use of Resources	£000's	£000's
One-off carry forwards:		
<u>Carry forward of previous years unused carry forwards</u>		
Parks EMR for Memorial Safety Checks	24	24
Commitments into 2005/6		
	0	0
<u>Planned support to 2005/06 budget</u>		
	0	0
<u>Proposals to support new pressured in 2005/06 budget</u>		
	0	0
<u>Proposals to support future years budget risks</u>		
	0	0
<u>Proposals to create an earmarked reserve</u>		
Revenue Reserve for Arboretum	50	
Capital Reserve for Arboretum	170	
Trading Accounts Reserve for Job Evaluation	45	
		265
<u>One-off service improvements and developments</u>		
50 additional dog dirt bins	10	10
Total carry forward proposals		299

**Policy Directorate
Revenue Outturn Statement 2004/05
Service Carry Forward Proposals**

Resources		£000's
Net 2004/05 OVERSPEND		312
Less overspends funded from corporate underspends:		
• Approved Supporting People forecast underspend February 2005-06-17		-230
• Remaining overspends funded from corporate underspends		-208
Add unused carry forward reserves from previous years		0
Net 2004/5 ring-fenced for carryforward		-126
Proposed use of Resources	£000's	£000's
One-off carry forwards:		
<u>Commitments into 2005/6</u>		
Community Grants - Underspend which has been approved as carry forward at Cabinet 18 January	3	
Housing PFI Set up Costs – Ringfenced for this purpose	77	
		80
<u>Planned support to 2005/06 budget</u>	0	
	0	
<u>Proposals to support new pressured in 2005/06 budget</u>		0
		0
<u>Proposals to support future years budget risks</u>	0	
	0	
<u>Proposals to create an earmarked reserve</u>		
Community Safety Partnership – Underspend ringfenced for this purpose	27	
Partnership Budget – Children's Fund – Underspend ringfenced for this purpose	19	
		46
<u>One-off service improvements and developments</u>		
		0
Total carry forward proposals		126

**Corporate Services Directorate
Revenue Outturn Statement 2004/05
Service Carry Forward Proposals**

Resources		£000's
Net 2004/05 underspend		-534
Unused carry forward reserves from previous years		-110
Net 2004/5 resources available		-644
Proposed use of Resources	£000's	£000's
<u>One-off carry forwards:</u>		
Carry forward of previous years unused carry forwards		
Anticipated increase in cost of elections	13	
Replacement IT Programme	10	
Land charges – Service developments to achieve ISO status	7	
2002/2003 revenue underspends ringfenced for future schemes	39	
		69
<u>Commitments into 2005/6</u>		
		0
<u>Planned support to 2005/06 budget</u>		
Land Charges – Drop in projected income and increase of personal searches	65	
Electoral – Costs associated with increased postal votes	25	
Legal – Licence Fees	3	
		93
<u>Proposals to support new pressured in 2005/06 budget</u>		
		0
<u>Proposals to support future years budget risks</u>		
		0
<u>Proposals to create an earmarked reserve</u>		
Unrecoverable rechargeable works	80	
		80
<u>One-off service improvements and developments</u>		
PC Replacements for directorate	15	
Strategic accommodation issues	68	
Telecommunications –Transfer of posts to ICT	10	
Land Charges – NLIS 3 software	10	
Registry Office – Refurbishment cost for Oak House	31	
Members – Telecomms equipment for members	10	
Action to clear backlog of Food Safety and Health & Safety inspections	40	
CRM – Project officer	30	
Property Maintenance pressures	90	
Condition surveys to corporate buildings	80	
Environmental Health training and equipment	18	
		402
Total carry forward proposals		644

**Finance Directorate
Revenue Outturn Statement 2004/05
Service Carry Forward Proposals**

Resources		£000's
Net 2004/05 underspend		-455
Unused carry forward reserves from previous years		-514
Net 2004/5 resources available		-969
Proposed use of Resources	£000's	£000's
One-off carry forwards:		
<u>Further carry forward of previous years unused carry forwards</u>		
ICT and Performance management software for FAST project	5	
Electronic delivery Inland Revenue returns	5	
HR/Payroll and Travel and subsistence system developments	16	
One-off costs of Financial Services division restructuring	35	
Financial Services division ICT priorities reserve	30	
PC replacement programme	8	
Continuing professional development	6	
Printing development work for corporate budget and accounts publications	5	
Neighbourhood budgeting project	25	
Reserve to fund Sigoma subs to 2007/08	15	
System upgrade for internet payments	21	
		171
<u>Commitments into 2005/6</u>		
Business process re-engineering software, training and implementation	15	
Computer services - ICT contract inflation above budgeted level, benchmarking and support agreement costs	75	
e-Serves – set-up costs for Web and information Services team and programme/project management	17	
HR/Payroll system developments – phase 2 costs	45	
Financial management system (Codas) replacement	120	
One-off costs of Corporate finance restructure	70	
Revenues and Benefits replacement ICT system	304	
		646
<u>Planned support to 2005/06 budget</u>		
		0
<u>Proposals to support new pressures in 2005/06 budget</u>		
ICT Enterprise agreement scheme for Revenues and Benefits	45	
Corporate finance maternity cover	13	
		58
<u>Proposals to support future years budget risks</u>		
		0

**Finance Directorate
Revenue Outturn Statement 2004/05
Service Carry Forward Proposals continued**

Proposals to create an earmarked reserve		
ICT reserve for any future contract fluctuations	47	
		47
<u>One-off service improvements and developments</u>		
Expenses management system	20	
Financial Services division - Office refurbishment/furniture	4	
GIS mapping for Corporate finance	2	
Training needs analysis budget	12	
Corporate finance training	4	
IT Audit initiatives	5	
		47
Total carry forward proposals		969

**Corporate Budgets
Revenue Outturn Statement 2004/05
Carry Forward Proposals**

1. Treasury Management and other corporate budgets

Resources	£000's
Net 2004/05 underspend	-2.154
Less approved transfer to corporate reserves	1.685
Less approved funding of Supporting People overspend	230
Less funding of Policy directorate remaining net overspend	208
Less funding of Social Services overspend after providing for £150k carryforward proposals	193
Scale back of planned transfer of forecast corporate underspends to corporate reserves to balance outturn	-168
Net 2004/5 resources available	-6
Proposed use of Resources	£000's
Proposals to create an earmarked reserve	
Emergency Planning underspend to an Emergency Planning reserve	6

2. e-Derby/Building on Excellence budget

Resources	£000's
Net 2004/05 underspend	-99
add unused e-Derby reserves	-409
Net 2004/5 resources available	-508
Proposed use of Resources	
To be carried forward to progress the Building on Excellence programme, including e-Derby schemes, as approved by the Building on Excellence Board.	508

Development and Cultural Services Department
Revenue Outturn Statement 2004/05
Service Carry Forward Proposals

Resources- Net 2004/05 underspend		£000's
- D&CS corporate budgets		-300
- D&CS core budgets		-363
Unused carry forward reserves from previous years		-375
Net 2004/5 resources available		-1,038
Proposed use of Resources for one-off carry forwards:	£000's	£000's
<u>Carry forward of previous years unused carry forwards</u>		
World Heritage project costs	6	
Tourism DMS - Objective 2 match funding	15	
Land & property gazetteer	32	
Arts development funds	15	
Street Lighting PFI shortfall contingency	65	
		133
<u>Commitments into 2005/6</u>		
Historic Building Grants already approved	19	
Office alterations – Norman House	3	
Cultural Diversity & Arts in Education projects	18	
Performance spaces study	15	
Museums – counter replacement and shop/foyer refurbishment	9	
Retention/funding for New Alvaston Library capital scheme	9	
		73
<u>Planned support to 2005/06 budget (approved 17May05)</u>		
Waste Strategy Development contributions	10	
Transport procurement & operations group	20	
LTP2 statutory Environmental Assessment & consultation	30	
Libraries - migration to barcodes	86	
		146
<u>Proposals to support new pressured in 2005/06 budget</u>		
Fridge disposal - re extended deadline for take-back scheme	64	
		64
<u>Proposals to support future years budget risks</u>		
Street Lighting PFI – private cabling surveys	50	
		50
<u>Proposals to create an earmarked reserve</u>		
<i>D&CS Corporate Budgets:</i>		
Rethink Rubbish reserve pending base budget review	261	
Events reserve for 05/06 commitments	31	
Street Cleansing reserve for service promotion	8	
<i>D&CS core budgets:</i>		
Libraries system replacement and PFI contingency	58	
Development Control action plan reserve pending review	49	
		407
<u>One-off service improvements and developments</u>		
City Centre pedestrian, City boundary and Sir Brian Clough Way signage	9	
Museums improvements: Military Gallery, Central Museum Refurbishment and Silk Mill Interpretation Project match funding	30	
Assembly Rooms reinvestment	44	
Tri-Cycle funding	10	
Derby & Sandiacre Canal contribution	6	
Increased costs of new Local Development Framework	30	
Historic Building Grants balance	5	
World Heritage Site – future developments	11	
City Sites & Monuments records	20	
		165
Total carry forward proposals		1,038

**Education Department
Revenue Outturn Statement 2004/05
Service Carry Forward Proposals**

Resources		£000's
Net 2004/05 underspend		-811
School condition surveys		300
To balance the 2007/08 budget		145
Balance available from 2004/5		-366
 Add Unused carry forward reserves from previous years		-115
Less allocations already approved as part of the 2005/06 budget process		109
Net 2004/5 resources available		-372
Proposed use of Resources	£000's	£000's
One-off carry forwards:		
<u>Carry forward of previous years unused carry forwards</u>		0
 <u>Commitments into 2005/6</u>		
 <u>Planned support to 2005/06 budget</u>		
 <u>Proposals to support new pressures in 2005/06 budget</u>		
 <u>Proposals to support future years budget risks</u>		0
 <u>Proposals to create an earmarked reserve</u>		0
 <u>One-off service improvements and developments</u>		0
Integrated pupil database – modules for pupil services and SEN	80	
Sports Centres – e-Derby funding to connect additional centres to common income and booking system	45	
Sports Centres – Condition surveys to enable market testing to take place	50	
Connecting schools to Council intranet	6	
Adult Learning – connection to Wide Area network	20	
Adult Learning – review strategic options	15	
Management team and support – additional post for project resources to address major developments in service	40	
Learning and development budgets	20	
Home to School transport – contribution towards Bemrose bus	15	
Contact recording system – licence and training	12	
ICT – improvements to interactive whiteboards installation	10	
Contribution to Drugs and Alcohol Advisory Team	6	
PFI Schools – costs of moving broadband connectivity	40	372
Health and Safety budgets	13	
Total carry forward proposals		372

**Social Services Department
Revenue Outturn Statement 2004/5
Carry Forward Proposals**

Resources	£000's
Net 2004/5 overspend	43
Less funded from corporate underspends	193
Balance required for carry forward proposal	(150)
Proposed use of Resources	
Proposals to create a corporate earmarked reserve	
Electronic Social Care Project commitment to Unix Server replacement – work commissioned 2004/5 to be carried out 2005/6	150

Base Budget Review Areas for 2006/7 Budget Process

Commercial Services

- Trading services contribution – scope to reinstate to £500k

Chief Executive's

- External funding unit grant income
- Area and neighbourhood budgets
- Environmental Health and Trading Standards
- Markets and Estates – reconsideration of 2004 rent review and voids
- Overview and Scrutiny – financial impact of changes
- IT – recharge income
- Revenues and Benefits – grant income

D&CS

- General review of waste budgets including rethink rubbish
- Car parking income
- D&CS capital fees and recharges
- Development control fees and grants

Education

- Home to school transport
- School improvement

Social Services

- Report back on progress of departmental budget savings review

UNCOMMITTED AND GENERAL CORPORATE RESERVES

General Corporate Reserve							
Reserve	Balance 31 March 2005 £000	Changes 2005/06 £000	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000
General Reserve (2% of budget requirement)	5,630	137	5,767	137	5,904	150	6,054

Corporate Reserves Held for Defined Uses							
Reserve	Balance 31 March 2005 £000	Changes 2005/06 £000	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000
Treasury Management Commutation reserve	2,861	0	2,861	0	2,861	0	2,861
Other Treasury Management reserves	695	0	695	0	695	0	695
Total Treasury Management reserves	3,556	0	3,556	0	3,556	0	3,556
Trading Services reserve	1,000	0	1,000	0	1,000	0	1,000
Job Evaluation	198	?	198	?	198		198
Pump Priming Fund - Existing Commitments	395	114	509	111	620	112	732
Add approved use for Decriminalised Parking Enforcement, Jayex signboard and Creative Industries	-104	-163	-267	-89	-356	196	-160
Net Pump Priming Reserve	291	-49	242	22	264	308	572
Corporate Investment Fund	999	0	999	0	999	0	999
Less approved use:							
Head of Procurement	-6	-60	-66	-14	-80	0	-80
DCS Transport coordinator post	0	-45	-45	-13	-58	0	-58
Accommodation strategy	-32	0	-32	0	-32	0	-32
Building on Excellence post	0	-42	-42	0	-42	0	-42
Financial Systems Strategy	0	-100	-100	0	-100	0	-100
Net Corporate Investment Fund	961	-247	714	-27	687	0	687
LPSA1 Reward funding reserve	0	2,025	2,025	2,025	4,050	0	4,050
Less LPSA1 scheme support	0	-537	-537	-537	-1,074	-537	-1,611
Less LPSA2 scheme support	0	-333	-333	-334	-667	-333	-1,000
Net LPSA Reserve	0	1,155	1,155	1,154	2,309	-870	1,439
Total	6,006	859	6,865	1,149	8,014	-562	7,452

APPENDIX 6b

Uncommitted Corporate Reserves									
	Balance 1 April 2004 £000	Additions 2004/5 £000	Available and Uses in 2004/5 £000	Additions 2005/6 £000	Available and Uses in 2005/6 £000	Additions 2006/7 £000	Available and Uses in 2006/7 £000	Additions 2007/8 £000	Available and Uses in 2007/8 £000
Reserves Available									
NDR refunds reserve	594	17	611	0	611	0	611	0	611
Existing budget uncertainties reserve/corporate planned forecast underspend 2004/5	60	1,685	1,745	0	1,745	0	1,745	0	1,745
Backdated Census	0		0	2,200	2,200	2,300	4,500		4,500
Previously Earmarked Corporate Reserves now Uncommitted	0	43	43	0	43	0	43	0	43
Balance of Reserves Available Before Use	654	1,745	2,399	2,200	4,599	2,300	6,899	0	6,899
Less reduction to planned £1.685m transfer from corporate underspends 2004/05 to match actual net corporate underspends at outturn			-168		-168		-168		-168
Less actual approved use/allocation of reserves 2004/05									
Balance of Previous Year's Approved Uses Brought Forward			0		-740		-740		-740
To create Liquor Licensing Earmarked Reserve			-200						
Used in 2004/05 to fund cost of Supporting People claim			-206						
Top up Education PFI and Street lighting PFI reserves			-334						
Total Approved Uses 2004/05			-740		-740		-740		-740
Future years approved uses of Reserves									
Balance of Previous Year's Further Proposed Uses Brought Forward			0		-156		-1,952		-3,362
Supporting People 2005/2006 and 2006/2007 budget support					-200		-100		
Urban Regeneration Company contribution full-year effect 2005/06					-125				
Bus Station one-off transitional costs 2005/2006 and 2006/2007					-25		-25		
Repair and Maintenance 2005/06 revenue budget					-500				
Repair and Maintenance 2006/07 and 2007/08 unallocated corporate reserve							-500		-500
Public Priority Fund 2005/2006 revenue budget					-534				
Public Priority Fund - 2006/07 and 2007/08 unallocated corporate reserve							-510		-506
Integrated Children's Services 2005/2006 and 2006/2007					-138		-138		
General use of reserves in 2005/06 budget					-137				
Maintain general reserves at 2% of budget requirement 2004/05			-156						
Maintain general reserves at 2% of budget requirement future years					-137		-137		-150
Total future years approved uses			-156		-1,952		-3,362		-4,518
Net Balance of Uncommitted Reserves Available			1,335		1,739		2,629		1,473

Appendix 7

HRA Outturn 2004/05 – Summary of main variances

Estimated surplus in 2004/05 – February 2005	(4,242)
Variations at outturn:	
Increased Contribution to Repairs Account	421
Increased Rental and Service Charges Income (net)	(422)
Purchase of furniture and Equipment	272
Derby Homes Management Fee – Depreciation	(112)
Derby Homes Management Fee – Furniture and Equipment	(229)
Derby Homes Management Fee Underspending - Other	(202)
Interest / Housing subsidy – Capital	98
Housing Subsidy – Other	(14)
Reduction in Bad Debts Provision	(519)
Part spending of reserve for Supporting People Windfall	212
Transfer of remaining Supporting People Windfall to Reserves	(241)
Increased Contribution from General Fund – Community Facilities	(25)
Increased Investment Income	(76)
Other net variations	(8)
Net Surplus in 2004/05	(5,087)
Total Reserves Brought Forward from 2003/4	(1,419)
Total Reserves 31 March 2004 (Outturn)	(6,506)
Of which:	
Derby Homes Management Fee Reserve	(342)
Derby Homes Depreciation Reserve	(214)
Supporting People Reserve	(529)
Furniture and Equipment Reserve	(229)
General Reserve including Contingency	(5,192)
	(6,506)