



General Fund Revenue Budget and Council Tax 2008/2009

SUMMARY

- 1.1 The 2008/09 to 2010/11 budget set out in the following pages demonstrates in the clearest possible terms the positive direction in which we are taking the city. It represents the backbone to our visions, showing that our plans are not merely aspirations, but properly budgeted for proposals.
- 1.2 We are continuing to invest in the city so we can carry on providing excellent services across the Council as a whole. This budget plainly reflects our determination to delivery on our corporate priorities. Among the highlights are:
- The injection of £1.1m to provide ongoing support to neighbourhood working in light of the transitional loss of Neighbourhood Renewal Funding;
 - The funding of £2m revenue to enable £19m capital expenditure in both 2009/10 and 2010/11 to ensure future delivery of Public Realm schemes in our Capital Programme. This will include the creation of Castleward Boulevard and will also enable our Accommodation Strategy, providing this city with first-class civic buildings;
 - A £4.2m a year investment by 2010/11 for a new waste disposal plant in partnership with Derbyshire County Council and meeting targets on the amount of waste sent to landfill
 - £500,000 additional budget for Children looked after placements, ensuring special needs children of this city get the specialist care that they deserve;
 - £2.3m in 2008/9 rising to £3m in 2010/11 to drive forward a modern and inclusive agenda on home care, under increasing pressure due to an ageing population, together with the delivery of specialist care services
- 1.3 The Council has identified £8m of savings in 2008/09 to help meet rising costs, maintain priority services and invest for the future.
- 1.4 A council tax increase of 5% is proposed for Derby City Council services. This represents an increase of only 65p per week for most tax payers. Council tax levels in Derby are currently the lowest in the East Midlands and are much lower than the average for England.
- 1.5 The Council's final grant settlement for 2008/2009 is £102.290m which is higher than forecast following our successful lobbying of Government for the removal of the personal social services 'damping' within the formula grant.
- 1.6 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

To recommend to Council the following ...

- 2.1 To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
- 2.2 To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £173,000 (less than 0.1% of the budget) in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of this report.
- 2.3 To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of this report.
- 2.4 To approve the measures proposed to manage budget risks in 2008/09 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 10.
- 2.5 To approve within this total of £176,694,000:

	£
Net service estimates of:	
Children and Young People	35,452,000
Environmental Services	21,997,000
Regeneration and Community	19,579,000
Resources	8,350,000
Corporate and Adult Services	64,346,000
Corporate Budgets	27,478,000
	<u>177,202,000</u>
Appropriations to/from reserves:	
Corporate reserves	(343,000)
Service reserves	(215,000)
Revenue Financing Capital	50,000
	<u>176,694,000</u>

- 2.6 To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854 equivalent band D properties as the Council's Tax Base for the year 2008/09 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base)(Amendment)(England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.

2.7 To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).

- a. £509,299,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
- b. (£332,605,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
- c. £176,694,000 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
- d. £102,290.413 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax)
- e. £1065.13 as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at 2.7 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	710.09	E	1301.83
B	828.43	F	1538.52
C	946.78	G	1775.22
D	1065.13	H	2130.26

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

- 2.9 To note that for the year 2008/09, Derbyshire Police Authority has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	98.96	E	181.43
B	115.45	F	214.41
C	131.95	G	247.40
D	148.44	H	296.88

- 2.10 To note that for the year 2008/09, Derbyshire Fire Authority has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

- 2.11 Having calculated the aggregate in each case of the amount in 2.5, 2.6 and 2.7 above, in accordance with Section 30(2) of the Local Government Finance Act 1992, to set the following amounts as the amounts of Council Tax for the year 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

- 2.12 To note the revenue budget plans for 2009/10 and 2010/11 set out in section 5 of this report.
- 2.13 To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.
- 2.14 To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.



General Fund Revenue Budget and Council Tax for 2008/2009

SUPPORTING INFORMATION

1. Introduction

- 1.1 This report sets out proposals to recommend to Council, a net budget requirement of £176,694,000 in 2008/09 which requires a council tax increase of 5% for City Council services. The report also sets out planning budgets for 2009/10 and 2010/11 as part of the medium term financial strategy of the Council.
- 1.2 Each section of the report deals with the various elements that require consideration before a final decision is reached, namely:
- the budget process leading up to these proposals (para 2)
 - resources available, linked to the local government finance settlement, including council tax (para 3)
 - the budget proposals for 2008/09 and how they have changed since proposals were released for consultation and how they relate to the Council's corporate priorities (para 4, 6 and 9)
 - indicative budgets for 2009/10 and 2010/11 (para 5)
 - the latest estimate 2007/08 outturn position (para 7)
 - the Council's corporate reserves position (para 8)
 - a risk analysis (para 10).
- 1.3 Included in the appendices is summarised budget information for each portfolio area that together with the text of the report constitutes the full budget proposal.

2. The budget process

- 2.1 The Council's initial budget proposals were developed through a series of stages up to the publication of the Council's consultative budget issued on 10 January 2008 ...
- The Council approved indicative budget plans for 2008/09 and 2009/10 in March 2007. At that stage, those plans showed a balanced budget position at a 5% Council Tax rise. This was prior to the inclusion of any further commitment on the Public Realm/Accommodation Strategy and the outcome of the Comprehensive Spending Review 2007 on the amount of Government resources Derby would receive.

- This was followed by a budget strategy report to August 2007 Cabinet which presented an almost balanced position over the two years 2008/09 and 2009/10 but a £3m gap in 2010/11. Updated projections were mainly around.....
 - Latest estimates of cost pressures, particularly in relation to pension fund contributions, waste disposal and a review of contingency cost pressure budgets.
 - A base budget review of the Treasury Management budget using updated assumptions on interest rates, cash balances and borrowing needs.
 - Revised proposals for meeting the development needs of the City Centre and the Accommodation Strategy allowing for a deferral in 2008/09 followed by the provision of a further £2m in 2009/10 and 2010/11 to provide an investment fund of around £19m each year. This is reflected in the Capital Programme report on this same Cabinet agenda.
- Our budget plans have since then been developed with the aim of finding savings sufficient to close the budget shortfall, leading up to the consultation budget position. This required services to identify savings proposals to meet indicative 2008/09 and 2009/10 savings plans, to fund new pressures and to deliver 3% efficiency savings in 2010/11 to close the budget gap.
- The budget proposals consulted on, delivered a balanced budget at a 5% Council Tax, after inclusion of savings proposals and updated resource estimates following the provisional revenue support grant settlement in December 2007.

2.2 Throughout this process, the objective has been to propose back-office efficiency savings wherever possible, through improved ways of working and making best use of major ICT investment. Where service reductions are considered necessary, priority has been given to ensuring frontline services are protected and where the proposals do involve post reductions, we will manage through the Council's personnel policies and delete vacant posts to meet our efficiency savings targets where we can.

3. **Resources available**

- 3.1 The final settlement received from the government was confirmed in January 2008. The settlement, while in theory provisional for 2009/10 and 2010/11 is effectively a fixed three year settlement for the Comprehensive Spending Review - CSR - period. The Council therefore knows for the first time what its core resources in terms of grant from the government will be for the whole three year period.
- 3.2 The grant to the Council is a 5.8% increase on the adjusted 2007/08 total, a 3.8% increase in 2009/10 and a 3.2% increase in 2010/11 as shown in Table 1 on the next page:

Revenue Support Grant Increase 2008/09 to 2010/11

Table 1		adjusted 2007/8 £m	2008/9 £m	Increase %	2009/10 £m	Increase %	2010/11 £m	Increase %
Formula Grant	A	96.667	102.290	5.82	106.190	3.81	109.649	3.26
Council Tax Tax Band D (£)		1,014.41	1065.14	5.00	1118.40	5.00	1174.32	5.00
Gross Taxbase for Tax Setting		70,691	70,990	0.42	71,167	0.25	71,345	0.25
Collection Rate Assumed		98.40%	98.40%		98.40%		98.40%	
Net Taxbase for Tax Setting		69,560	69,854	0.42	70,029	0.25	70,204	0.25
Council Tax Yield	B	70.562	74.404	5.44	78.320	5.26	82.442	5.26
Collection Fund Surplus	C	0.083	0.000		0.000		0.000	
Resources Available	A+B+C	167.312	176.694	5.61	184.510	4.42	192.091	4.11

3.3 In the next two years we are also set to receive increases, albeit of lower amounts. Overall, the core grant settlement is relatively good for the Council compared to what we were forecasting. This is mainly due to the government's recognition of the strength of case made by the Council and the Special Interest Group Of Municipal Authorities – SIGOMA - of the need to remove social services 'damping' from the funding formula and to move towards the underlying formula grant within the system as soon as possible. While there still remains overall scaling back of grant within the system, this is set to reduce from a £6.9m loss of grant in 2008/09 to £4.5m by the end of 2010/11. The government has also given a commitment that they will aim to continue this policy in the next Comprehensive Spending Review period which should enable a significant proportion of this funding to flow through to the Council in future.

3.4 An increase in Council Tax of 5% would yield the amounts indicated in the table above and produce real terms increases in core funding that are above inflation. This position does not take into account, however, changes in specific grants where the main change has been the loss of Neighbourhood Renewal Funding of £4.3m. This amount will be phased out over the next two years where we will receive £2.6m in 2008/09, reducing to £1m in 2009/10 and down to nil in 2010/11. This has put additional pressure on achieving a balanced budget position over the next 3 years..

- 3.5 Table 2 shows the resulting Council Tax by band for Derby City Council services before the inclusion of increases relating to Derbyshire Police and Fire Authorities who set their own Council Taxes in addition to these. The Council Tax calculation for 2008/09 is shown in Appendix 2.

Table 2 Council Tax 2008/09 Compared to 2007/08

Council tax rates	Ratio	2007/08 £	2008/09 £
Band A	6:9	676.27	710.09
Band B	7:9	788.99	828.43
Band C	8:9	901.70	946.78
Band D	9:9	1,014.41	1,065.13
Band E	11:9	1,239.83	1,301.83
Band F	13:9	1,465.26	1,538.52
Band G	15:9	1,690.68	1,775.22
Band H	18:9	2,028.82	2,130.26

- 3.6 Council Tax is set by reference to Band D with for example Band A being 6/9 (two thirds) of Band D, and Band H being 18/9 (double) of Band D. Band A is by far the most common Band in Derby, accounting for nearly 55,000 (52%) of our total properties of just over 104,000 properties. Most Council tax payers will therefore see an increase of £33.82 a year or 65p a week on their bill relating to Council services. Police and Fire increases will be added when we are notified.

4. Budget proposals for 2008/09

- 4.1 The final budget proposals include enough revenue to provide for further Public Realm capital schemes amounting to £38m as well as earmarking £37m for our Accommodation Strategy investment in 2009/10 and 2010/11. The budget also addresses the following budget pressures....
- Adult Social Services mainly from increased demand for Home Care Services
 - Increasing costs of placing children into care due to them needing to be looked after
 - Expected increase in pension contributions into Derbyshire County Council's Pension Fund at an estimated cost of £600k a year
 - Providing for landfill tax increases and the cost of funding a new joint waste disposal facility in partnership with Derbyshire County Council
 - Ongoing funding for neighbourhood working of more than £1.1m due to Neighbourhood Renewal Funding ending
 - Potential increased costs of the Concessionary Fares scheme from April 2008.
 - Maintaining the ongoing earmarked budget of £2.5m a year for the cost of a single status new pay structure
- 4.2 The 2008/09 budget includes allocations of the new unringfenced Area Based Grant for 2008/09 which has been allocated on the same basis of usage as grant funding in 2007/08, with no overall net budget pressure. Work is underway, in conjunction with Derby City Partnership, to review the allocation of Area Based Grant in future years and a report will be brought back to Cabinet in July 2008. A summary of the Area Based Grant allocation for 2008/09 is shown at Appendix 3.

- 4.3 The transitional loss of £4.3m Neighbourhood Renewal Funding – NRF - from 2008/09 has been factored into the budgets. Transitional Working Neighbourhoods Fund grant together with the planned use of £1m of Local Public Service – LPSA2 reward funding expected in 2008/09, are included over the three year period to partly offset the NRF loss until 2010/11. From 2010/11 a £1.145m budget pressure remains to support neighbourhood and anti-social behaviour working previously funded from NRF, for which permanent budget has now been provided.
- 4.4 An additional budget of £170k is included in the 2008/09 Neighbourhood working budget funded from a one-off allocation from corporate reserves. This will fund a one year pilot exercise by providing £10k for each of the 17 wards to spend addressing ward priorities in 2008/09. The criteria for the use of the £10k will be restricted to the following:
- Cleaner and safer agenda
 - Highways eg footway maintenance
 - Youth provision
- The detailed arrangements for authorising this expenditure will need to be incorporated into the Constitution. For 2008/09 only, the £170k expenditure has been added to the Regeneration and Community Department budget and the use of Corporate Reserves income budget.
- 4.5 A summary revenue budget for 2008/09 in a format consistent with the Council's formal resolution at departmental level is provided at Appendix 4a. The same summary at a portfolio level is provided at Appendix 4b..
- 4.6 The changes in the budget for each year of 2008/09 to 2010/11 compared with the previous year are summarised by department and in total in Appendices 5a to 5c. Table 3 below provides a summary of how the 2008/09 budget has changed.

Table 3 – Summary Revenue Budget Position for 2008/09

	£000's	% of adjusted base
2007/08 Approved budget	162,999	
add service transfers	4,282	
add One-off adjustments from previous year	568	
less other base adjustments	0	
2008/09 adjusted base	167,849	
add inflation	4,949	2.9%
add developments and pressures	11,944	7.1%
less savings	(8,048)	-4.8%
Proposed budget requirement 2008/09	176,694	105.2%

- 4.7 The summary 2008/09 budgets for each service department are set out in Appendix 6. The same summary appendices by portfolio will be made available on CMIS.
- 4.8 Table 4 below summarises the final revisions that have been made for 2008/09 to 2010/11 to the budget after receiving feedback from our consultation process:

Table 4 – Final changes to 2008/09 budget since receiving feedback from our consultation process

Changes (cumulative)	2008/09 £000's	2009/10 £000's	2010/11 £000's
Government resources - final settlement	176	160	143
Use of general corporate Reserves	-343	-194	0
Corporate contingency budget	-221	-43	-225
External Audit fees increase	12	24	36
To replace estates rental income loss from sales	5	5	5
Youth Offending Service NRF replacement funding for one –year only	53	0	0
Concessionary Fares local scheme costs 2008/09 only	100	0	0
Changes on inflation – corporate budgets	48	48	41
Neighbourhood forums pilot 2008/09 only funded from reserves	170		
Total adjustments since consultation	0	0	0

- 4.9 The budgets presented in this report are prior to the apportionment of support service costs to departments. This will be subject to a further Cabinet report during Spring 2008.
- 4.10 The Schools Budget is funded from the Dedicated Schools Grant and has to be spent for purposes specified by the Department for Children, Schools and Families. Appendix 13 provides details of the Schools Budget proposals.
- 5. 2009/10 and 2010/11 planning budgets**
- 5.1 Current plans for the three years show the following balanced position for 2009/10 and 2010/11 on the basis of:
- an assumed 5% Council Tax increase in each year
 - the delivery of £2.990m of departmental efficiency savings targets included in 2010/11 for which specific proposals have yet to be identified.

Table 5 – Summary three year budget 2008/09 to 2010/11

	2009/10 £m	2010/11 £m
Opening position	176,694	184,510
Inflation	5,114	5,697
Developments/pressures	6,882	6,417
Savings – specific proposals	(4,180)	(1,543)
Savings targets – proposals yet to be identified	0	(2,990)
Proposed budget	184,510	192,091
Resources	184,510	192,091
Balanced Position	0	0

- 5.2 A summary revenue budget for 2009/10 and 2010/11 in a format consistent with the Council's formal resolution at departmental level are provided at Appendices 7a and 8a. The same summaries at a portfolio level are provided at Appendices 8a and 8b. The summary 2009/10 and 2010/11 service budgets for each service department and portfolio will be made available on CMIS. .
- 5.3 Both the 2009/10 and 2010/11 budgets include an additional £2m to provide around £19m of funds each year for further investment in Public Realm, the Accommodation Strategy and other priority asset investment, as included in the Capital Programme 2008/09 to 2010/11 report to this Cabinet. .
- 5.4 Unlike previous years there is now some certainty over the level of our core resources in terms of grant from the government for 2009/10 and 2010/11 as explained in section 3. The actual resources from Council Tax in 2009/10 and 2010/11 will depend on the actual level of tax set each year. The Council Tax for 2009/10 and 2010/11 could change and will be the subject of further decision making as part of future year's budget processes before being set by full Council each year.
- 5.5 2010/11 savings proposals total £4.5m. £2.9m of this relates to 3% efficiency savings to be delivered through new ways of working and making full use of investment in new computer systems, which will form part of our 'Transforming Derby' programme. In recognition of the scale of budget pressures facing Adult Social Services no 3% efficiency savings target was applied to that area. In most cases specific proposals and action plans for delivery have yet to be finalised. The level of unidentified savings in Table 5 above includes £1.5m for Children and Young People's department in recognition of the removal of specific 2010/11 savings proposals following budget consultation.

- 5.6 There is also a degree of uncertainty at this stage in relation to future year's costs. These include...
- the costs of major programmes including single status, waste disposal and concessionary fares
 - future inflationary increases particularly for utility bills and employee pay settlements
 - the treasury management budget is based on a set of assumptions which could change over time and any impact of new regulations on the method of calculating borrowing repayments has yet to be confirmed.
- 5.7 Departments and Cabinet members should plan on the basis that the budget totals included here for 2009/10 and 2010/11 will be their working budget totals for those years and, therefore, it is very important that the savings proposals within the budget totals are implemented at the earliest opportunity.

6. Delivery of corporate priorities

- 6.1 Council Cabinet in July 2007 approved the Council's 2007/08 six key priorities as the basis for corporate and financial planning in 2008-2011. The Corporate Plan is to be approved by Council alongside the budget in March 2008. Where any resources are needed to deliver a corporate target, this is clearly marked up in the plan itself. The relationship between the priorities and the proposals in the budget are highlighted below ...

Making us proud of our neighbourhoods

- Mainstream funding of £1.1m provided to support neighbourhood working and anti-social behaviour support since the cessation of Neighbourhood Renewal Funding from 2008/09
- Continuing to support from the base budget neighbourhood working management being delivered through the Community Safety Partnership
- £170K in 2008/09 only to fund a one year pilot exercise by providing £10k for each of the 17 wards to spend addressing ward priorities in 2008/09.

Creating a 21st Century city centre

- Further funding from prudential borrowing for the corporate capital programme is deferred in 2008/09 and then reinstated within the revenue budget from 2009/10, allowing for approximately £19m capital expenditure in both 2009/10 and 2010/11 - funded by £2m revenue. If new regulations are approved, the exact amount will have to be recalculated according to the actual proposed programme and the life of the individual assets. The corporate capital programme includes Public Realm schemes for Full Street improvements and Castleward Boulevard construction, a contribution to a Lottery bid to refurbish the Silk Mill, and developing alternatives to residential accommodation for older people. The programme also includes funding for the Council's accommodation strategy, which will involve significant improvements to the Council House and new or alternative office accommodation in the city, to improve efficiency and service to customers.

Leading Derby toward a better environment

- £4.2m by 2010/11 for investment in a new waste disposal plant in partnership with Derbyshire County Council to meet the targets on reducing landfill waste disposal tonnage
- £0.1m budget allocation to provide additional staffing to support the delivery of the Climate Change and energy saving programme.

Support everyone in learning and achieving

- £0.5m additional budget for Children looked after placements, providing safe effective care for some of our vulnerable young people supporting their health learning and achievement.
- £0.2m to continue a rapid response service to address pupil attendance, following the end of external funding
- £0.1m from 2009/10 for new libraries running costs

Helping us all to be healthy, active and independent

- £2.3m in 2008/09 rising to £3m in 2010/11 to provide an adequate budget to drive forward a modern and inclusive agenda on home care, under pressure due to growth in the ageing population and increasing pull on resources.
- £0.6m to address the budget pressure on the delivery of mental health residential care
- £0.5m by 2009/10 for the development of specialist care for dementia patients
- increased running costs following improvements at Springwood Leisure Centre
- £1.1m for National and local Concessionary fares schemes

Giving you excellence services and value for money

- Proposals are included across the whole budget to deliver efficiency savings and reshape service delivery through new ways of working and making best use of computer systems
- Part of the £38m investment fund created will go towards funding our Accommodation Strategy. This will provide the facilities to enable us to be more efficient and deliver truly first-class customer service.
- We forecast to be one of the lowest, if not remaining the lowest, level of Council Tax in the East Midlands.
- Derby has maintained its excellent 4 star and improving well status.

7. 2007/08 budget monitoring

- 7.1 The latest general fund budget monitoring position is provided in detail in Appendix 12. Overall, the budget is showing a small net underspend of £222k.
- 7.2 This includes £150k underspend from the Supporting People budget to be returned to corporate reserves to repay the final balance of a previous year's overspend funded from corporate reserves. This leaves a net £72k across all other services, excluding Supporting People budget, schools delegated budgets and partnership budgets. The position has improved by £0.5m to that reported in November 2007, mainly in Adult Social Services and Children and Young People's departments forecast year-end positions.

- 7.3 The budgets set out for 2008/09 recognise and deal with the causes of these overspendings and underspending services to give a clean position at the start of the year. Subject to Chief Officers and their departments continuing to work to reduce overspending, it is proposed that the Council agrees to net off overspending and underspending in 2007/08 as a general principle and to remove the right to carry forward except in very exceptional circumstances. This policy will be reviewed in light of the actual outturn report to Cabinet later in the year.
- 7.4 As Supporting People's grant remains ringfenced in 2007/08 it is proposed to carry forward the cumulative underspend that has now arisen on Supporting People during 2007/08, net of the £150k return to corporate reserves, in anticipation of increased expenditure in future years, To do this an earmarked reserve will be set up so that the funds can be carried forward to next year.
8. **Corporate reserves**
- 8.1 Appendix 11 provides a statement of the available corporate reserves and how the budget plans draw upon them during 2008/09 to 2010/11.
- 8.2 The budgeted spending funded from these reserves is included with the gross budget proposals set out in the report.
- 8.3 The General Reserve has to date been maintained at around 2% of the budget requirement, including schools budgets. With increased risks and uncertainties with the budget it is prudent to continue with these same levels as previously maintained.
- 8.4 The Council's 'modernisation' fund will continue to be available to enable the Council to support approved business cases for change management projects through pump priming and advanced funding. Combined with access to the repayable pump priming fund and unsupported prudential borrowing, this provides a range of funding options to support transformational change and corporate priorities. These funds will be made available in particular to:
- a. support further approved environmental measures flowing from the Council's climate change action plan, once approved
 - b. support the delivery of the Transforming Derby programme
 - c. support business cases for service efficiency and modernisation initiatives where future ongoing savings can be delivered.

8.5 A summary of the reserves position is shown at Table 6 below.

Table 6 – Summary of corporate reserves

Corporate Reserves	31/3/08 £m	31/3/09 £m	31/3/10 £m	31/3/11 £m
General reserve	6.2	6.5	6.8	7.1
Held for defined purpose:				
Treasury Management	3.5	3.5	3.5	3.5
Trading Services	1.0	1.0	1.0	1.0
Job evaluation	1.3	0	0	0
Pump priming fund	0.4	0.4	0.5	0.5
Corporate modernisation fund	0.8	0.8	0.7	0.7
Local Public Service Agreement	1.0	1.5	1.0	1.0
Car park income	0.7	0.7	0.7	0.7
Housing Benefit Payments	0.4	0.4	0.4	0.4
Climate Change Board	0.2	0	0	0
Total	9.3	8.3	7.8	7.8
Uncommitted corporate reserve	2.2	1.7	1.2	0.9
Total reserves	11.5	10.0	9.0	8.7

8.6 £1.25m Local Public Service Agreement 2 – LPSA2 revenue reward funding has been assumed to be receivable in 2008/09 and included in the corporate reserves and budget proposals. There is a possibility of one-off resources from LABGI in 2008/09 but as it is uncertain at this stage, nothing has been included in corporate reserves.

9. Communication and consultation

9.1 The Council carries out consultation on its spending proposals on an ongoing basis. The outcomes of many pieces of consultation have influenced what Cabinet members and officers have put forward as proposals in the budget. Therefore, when the Council budget proposals are made public in January each year, maximum effort goes in to communicating the proposals more so than necessarily gathering feedback on them. This is with the exception of the detailed consultation process with councillors through the Council's Scrutiny Commissions. This year's process included:

- a. special meetings of the Council's Overview and Scrutiny Commissions. Appendix 9 summarises the recommendations of the Commissions and the Cabinet's response to them
- b. a press release of the budget summary and detailed proposals to the media and the publishing of all relevant information on the Council's website
- c. communication to neighbourhood boards/ forums to supplement the participative budgeting pilot budget information sharing exercise for service areas selected by the neighbourhoods.

- d. communication to stakeholder groups targeting specific groups including younger and older people, disabled communities, diversity groups, trade unions and employees of the Council
- e. the statutory meetings with representatives and non domestic ratepayers, business and partners. The minutes of this meeting are attached at Appendix 10.

9.2 There was a hard copy as well as an electronic form to capture feedback from members of the public and employees if anyone wanted to comment. However, the number of people completing the form was very low, despite the prominent publication of the summary proposals. This has led us to conclude that the proposals are broadly acceptable with no particular items of public concern.

10. **Management of budget risks**

10.1 The budget proposals in this report represent the estimated position of the Council's revenue position for 2008/09 to 2010/11. The identified pressures will inevitably change as new factors give rise to different financial consequences in the course of time.

10.2 The position reported over the three years shows a fully balanced budget position. This position however reflects assumptions about inflation, service demand and the deliverability of savings. The budget is also modelled on a level of council tax at 5% which could change, as the 2009/10 and 2010/11 council tax charges are not approved at this stage. These will be considered further and approved during the following years' budget processes.

10.3 It is therefore very important that the Council takes a view on these risks and makes sure contingencies and reserves are set aside. In relation to general risks the amount attributed to services includes a best estimate of service inflation and pressures. It is necessary to include as yet unallocated contingencies in the budget to deal with this.

10.4 Contingency budgets have therefore been included for the following:

- £0.8m for the cost of the expected increase to the employers pension fund contribution rate
- £0.4m per annum for pay award contingency above the 2.5% budgeted level
- £2.5m single status new pay structure
- £2m in 2008/09, a further £1m in 2009/10 and a further £1.2m in 2010/11 for waste disposal costs including forecasted landfill tax increases
- £1m contingency for any cost increases of the Government's new National Concessionary Fares scheme
- In addition, the Council continues to hold general reserves of 2% of the net budget excluding schools.

10.5 Contingency budgets will be allocated out to departments at the point that actual budget pressures have been confirmed. As a general principle any contingency budget balance at the year end will be held in corporate reserves towards future

costs in those areas, and the ongoing budget pressure reviewed as part of future budget processes.

10.6 In relation to specific budget risks, the Council has an effective risk budget approach already in place where identified risk budgets are reported quarterly to Cabinet with more frequent reporting at departmental management team level.

10.7 The main budget risks which need to be monitored are ...

- Delivery of forecasted savings. Savings targets are included for all three years on the basis that they will be delivered. No contingency is set aside for non-delivery. It will therefore be crucial to monitor delivery of these savings during 2008/9, extremely closely. Monitoring reports submitted to cabinet member meetings in 2008/09 will include specific references to the delivery of savings against targets. In addition the delivery of efficiency savings targets will include progress monitoring and performance management against action plans within the Transforming Derby programme.
- The net cost of a single status pay structure, including the review of terms and conditions. The outcome from other local authorities who have introduced a new structure indicates the likelihood of significant cost increases.
- Waste Disposal costs. The budget set for waste disposal costs will be adequate for 2008/09 but no allowance has been included for any potential cost of increased landfill taxes from Landfill Allowance Trading scheme -LATS - penalties or purchases in 2009/10 or beyond. LATS penalties of £150 a tonne are payable if the Council does not manage to reduce the amount of biodegradable waste going to landfill in line with government targets. The implementation of our 'rethink rubbish' programme and the increased recycling and composting that has arisen from the Council's strategy in this area over the last few years means that the Council is currently in surplus for LATs. However, as the target amounts are reducing each year, and waste has generally been increasing in volume over time, the amount of that surplus is eroding fast and is currently forecast to be in deficit by about 8,000 tonnes in 2009/10 despite our performance improvements over the last few years. The deficit is set to increase by up to 17,000 tonnes in 2010/11. The cost of this deficit is unknown at this point and the financial impact, along with meeting the Council's target of reducing the use of landfill is why the Council is procuring a new waste treatment plant in partnership with the Derbyshire County Council. Such facilities will not, however, come about until 2010 at the earliest.
- Concessionary Fares. There are several potential pressures which may arise on the concessionary fares budget including the outcome of the arbitration from bus operator appeals, the net cost to the Council of the new National scheme, and the on-going costs of local schemes. £1.1m additional budget has been included against these budget risks.

- **Treasury Management.** The Treasury Management budget includes best estimates of future cash balances, borrowing requirements and interest rates based on current information available. These could be subject to change, particularly in relation to the impact on cash balances and borrowing requirements of any change in the timing of delivery of the Accommodation Strategy. In addition, the implications of proposed new regulations on the repayment of borrowing have yet to be confirmed.
- **Reliance on external funding.** Grants that are awarded on a time limited basis should only be used to support specific time-limited spending plans and not create ongoing budget commitments beyond the period of funding. Our budgets are, however, generally built on the assumption that specific grants will be ongoing and therefore core service delivery and improvement capacity often depends on them. The impact of changes, if any, to the allocation of future years Area Based Grant beyond 2008/2009 is as yet unknown. Services would need to develop appropriate exit strategies should the level of assumed external funds reduce or be discontinued beyond 2008/2009.

<p>For more information contact:</p> <p>Background papers:</p> <p>List of appendices:</p>	<p>Carolyn Wright Tel 01332 255349 email carolyn.wright@derby.gov.uk</p> <p>Budget consultation documents</p> <p>Appendix 1 – Implications</p> <p>Appendix 2 – Council tax calculation 2008/09</p> <p>Appendix 3 – Area Based Grant allocations 2008/09</p> <p>Appendix 4a – Department Revenue Budget Summary 2008/09</p> <p>Appendix 4b – Portfolio Revenue Budget Summary 2008/09</p> <p>Appendix 5a – Summary of Revenue Budget changes 2008/09</p> <p>Appendix 5b – Summary of Revenue Budget changes 2009/10</p> <p>Appendix 5c – Summary of Revenue Budget changes 2010/11</p> <p>Appendix 6 – Revenue Budget Summary by Department 2008/09</p> <p>Appendix 7a – Department Revenue Budget Summary 2009/10</p> <p>Appendix 7b – Portfolio Revenue Budget Summary 2009/10</p> <p>Appendix 8a – Department Revenue Budget Summary 2010/11</p> <p>Appendix 8b – Portfolio Revenue Budget Summary 2010/11</p> <p>Appendix 9 – Overview and Scrutiny Commissions Recommendations</p> <p>Appendix 10 – Minutes of the statutory meetings</p> <p>Appendix 11a and 11b – Corporate Reserves</p> <p>Appendix 12 – Revenue Budget Monitoring Position 2007/08</p> <p>Appendix 13 – Schools Budget</p>
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IMPLICATIONS

Financial

1. As described in the report.

Legal

- 2.1 The Council is obliged to set a balanced budget for 2008/09. It must set the Council Tax for the City Council's own budget requirement, and determine the combined Council Tax figure, including the Tax set independently by the Derbyshire Police Authority and Derbyshire Fire Authority. The Council cannot delegate these responsibilities. The role of Cabinet is to advise the Council.
- 2.2 In setting its budget, the Council is obliged to take account of spending guidance issued by the Government, including the availability of reserve capping powers.
- 2.3 The method of calculation of the Council's Budget and Council Tax is prescribed in the Local Government Finance Act 1992 and associated Regulations.

Personnel

3. Specific personnel proposals arising from the budget decisions made as a result of this report will be dealt with in accordance with normal personnel procedures and approval arrangements, including consultation with trade unions.

Equalities impact

4. The Council's budget consultation has extended to the relevant groups that advise on equalities issues and a response to the most relevant issues arising during consultation meetings is given as part of this report.

Corporate priorities

5. The close relationship between the budget and corporate priorities is made clear in the report.

Council Tax Statutory Calculation 2008/2009		
Derby City Council Budget Requirement 2008/2009	R	176,694,000
Revenue Support Grant 2008/09 excluding prior year amendments		(12,499,610)
National Non Domestic Rates (NNDR) 2008/09 - share of distributable amount		(89,790,803)
Collection Fund Surplus - Council Tax		0
	P	(102,290,413)
Tax Yield	R-P	74,403,587
Taxbase for Tax Setting (Band D Equivalent)	T	69,854.16
Basic Amount of Council Tax (2 dp)		1,065.13
Derby		
<i>Band A - (Disabled)</i>	5/9	591.74
Band A	6/9	710.09
Band B	7/9	828.43
Band C	8/9	946.78
Band D	9/9	1,065.13
Band E	11/9	1,301.83
Band F	13/9	1,538.52
Band G	15/9	1,775.22
Band H	18/9	2,130.26
Council Tax 2007/08 Band D		1,014.41
Unadjusted Increase Band D (2dp)		50.72
Unadjusted Increase Band D %		5.0000%

Appendix 3

Area Based Grant 2008/09	Grant allocation 2008/09 £000
Working Neighbourhoods Fund (replaces Neighbourhood Renewal Fund)	2,581
<u>New Grants with additional responsibilities not currently delivered</u>	
Care Matters White Paper	205
Local Involvement Networks	150
Learning Disability Development Fund	231
<u>Little or No change grants</u>	
Children's Fund	808
Education Health Partnerships	71
Secondary National Strategy – Behaviour and Attendance	68
Respect - Youth Task Force	36
School Development Grant (Local Authority element)	1,232
School Intervention Grant	65
School Travel Advisers	28
Sustainable Travel General Duty	17
Teenage Pregnancy	141
Choice Advisers	32
Detrunking	110
Secondary National Strategy – Central Coordination	161
Primary National Strategy – Central Coordination	163
<u>Grants with no allocation</u>	
Cohesion	0
Rural Bus Subsidy	0
Sea Fisheries Committee	0
Aggregates Levy Sustainability Fund	0
<u>Grants Reductions which require service review</u>	
Stronger Safer Communities Fund, including Crime Reduction, Drugs Strategy and Anti Social Behaviour	713
<u>Grants Reductions which can be contained</u>	
14-19 Flexible Funding Pot	73
Preserved Rights	983
Road Safety Grant - Revenue	396
Supporting People Administration	208
Local Enterprise Growth Initiative	0
<u>Grant Increases to be applied in full or part</u>	
Carers	1,101
School Improvement Partners	104
Extended Rights to Free Transport	62
Connexions	2,364
Positive Activities for Young People	296
<u>Grant increases or new grants where increases to be held back - release subject to a supporting business case</u>	
Child Death Review Process	0
Extended Schools Start Up Costs	368
Child and Adolescent Mental Health Services (DCC)	434
Mental Capacity Act and Independent Mental Capacity Advocate Service	73
Mental Health	655
Children's Social Care Workforce	94
Adult Social Care Workforce	625
<u>Grants yet to be determined</u>	
Preventing Extremism	125
Total Grants allocated	14,773
Total Area Based Grant	15,110
Variance comprising:	
grant increases held pending business case	-337
balance	-15

Summary Revenue Budget 2008/2009 Summary by Department

SERVICE ACTIVITY	Departmental Expenditure			Departmental Income			Total Approved Budget 2008/9 £000's
	Employees £000's	Running Costs £000's	Total Expenditure £000's	Grants £000's	Other Income £000's	Total Income £000's	
Regeneration and Community	16,618	20,755	37,373	(939)	(16,855)	(17,794)	19,579
Children and Young People	39,696	191,485	231,181	(188,003)	(7,726)	(195,729)	35,452
Environmental Services	29,923	47,794	77,717		(55,720)	(55,720)	21,997
Corporate and Adult Services	37,274	68,490	105,764	(13,488)	(27,930)	(41,418)	64,346
Resources	8,646	5,499	14,145	(2,065)	(3,730)	(5,795)	8,350
Corporate Budgets & Cross Dept. Conting.	2,564	40,505	43,069	(1,690)	(13,901)	(15,591)	27,478
Departmental Total	134,721	374,528	509,249	(206,185)	(125,862)	(332,047)	177,202
Appropriations To/From Reserves: Service Reserves Corporate Reserves Revenue Financing Capital							(215) (343) 50
General Fund Budget Requirement							176,694

Summary Revenue Budget 2008/2009 Summary by Portfolio

SERVICE ACTIVITY	Departmental Expenditure			Departmental Income			Total Approved Budget 2008/9 £000's
	Employees	Running Costs	Total Expenditure	Grants	Other Income	Total Income	
	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Policy	10,814	37,112	47,926	(1,690)	(17,219)	(18,909)	29,017
Personnel, Performance Management and Economic Development	6,127	9,981	16,108	(47)	(6,894)	(6,941)	9,167
Leisure and Direct Services	32,529	52,140	84,669	(221)	(58,199)	(58,420)	26,249
Children and Young People	35,547	190,345	225,892	(184,735)	(7,139)	(191,874)	34,018
Neighbourhood, Social Cohesion and Housing Strategy	6,469	1,874	8,343	(2,643)	(1,361)	(4,004)	4,339
Planning and Transportation	9,195	18,458	27,653	(160)	(12,915)	(13,075)	14,578
Adult Services	30,326	60,169	90,495	(16,591)	(19,433)	(36,024)	54,471
Community Safety and E-Government	1,071	3,954	5,025	(98)	(2,020)	(2,118)	2,907
Enforcement	2,644	495	3,139		(683)	(683)	2,456
Portfolio Total	134,722	374,528	509,250	(206,185)	(125,863)	(332,048)	177,202
Appropriations To/From Reserves:							
Service Reserves							(215)
Corporate Reserves							(343)
Revenue Financing Capital							50
General Fund Budget Requirement							176,694

REVENUE BUDGET PROPOSALS 2008/2009 - SUMMARY BY DEPARTMENT

	ES	R&C	RS	CA	CO	HS	CYP	CB&C	Use of Reserves	Budget Requirement
PROPOSED BUDGET CHANGES	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000
Latest Approved Controllable Base Budget	20,714	18,488	7,809	46,600	10,175	1,667	34,229	25,961	(2,644)	162,999
Add/less Service Transfers	249			3,001			1,032			4,282
Add/Less one-off adjustments from previous year	(141)	(50)	381	(170)	(671)		(75)	(1,185)	2,479	568
Add/Less other base adjustments	(210)		40	(35)			(87)	292		
Adjusted Base Budget	20,612	18,438	8,230	49,396	9,504	1,667	35,099	25,068	(165)	167,849
Add approved inflation	1,146	631	182	1,476	405	48	953	108		4,949
Total corporate approved developments and pressures	981	1,639	347	4,230	45	16	943	4,086	(343)	11,944
Total savings target proposals	(742)	(1,129)	(405)	(2,155)	(262)	(26)	(1,543)	(1,786)		(8,048)
PROPOSED BUDGET CHANGES	21,997	19,579	8,354	52,947	9,692	1,705	35,452	27,476	(508)	176,694

Environmental Services ES
 Regen & Community R&C
 Resources RS
 CASS Adult CA
 CASS Other CO
 Housing HS
 Children & Young People CYP
 Corporate Budgets & Contingencies CB&C

RESOURCES	
Government	(102,290)
Council Tax	(74,404)
Total Resources	(176,694)
Budget Gap	0

REVENUE BUDGET PROPOSALS 2009/2010 - SUMMARY BY DEPARTMENT

	ES	R&C	RS	CA	CO	HS	CYP	CB&C	Use of Reserves	Budget Requirement
PROPOSED BUDGET CHANGES	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000
Latest Approved Controllable Base Budget	21,997	19,579	8,354	52,947	9,692	1,705	35,452	27,476	(338)	176,694
Add/less Service Transfers										
Add/Less one-off adjustments from previous year	5				(10)				5	
Add/Less other base adjustments	(42)							42		
Adjusted Base Budget	21,960	19,579	8,354	52,947	9,682	1,705	35,452	27,518	(333)	176,694
Add approved inflation	1,153	553	187	1,550	426	51	979	215		5,114
Total corporate approved developments and pressures	130	1,386	57	555		96	111	4,398	(21)	6,882
Total savings target proposals	(598)	(1,052)	(490)	(2,400)	(219)	(107)	(267)	953		(4,180)
PROPOSED BUDGET CHANGES	22,645	20,466	8,108	52,652	9,889	1,745	36,275	33,084	(354)	184,510

Environmental Services
 Regen & Community
 Resources
 CASS - Adult
 CASS Other
 Housing
 Children & Young People
 Corporate Budgets & Contingencies

ES
 R&C
 RS
 CA
 CO
 HS
 CYP
 CB&C

RESOURCES	
Government	(110,106)
Council Tax	(74,404)
Total Resources	(184,510)
Budget Gap	0

REVENUE BUDGET PROPOSALS 2010/2011 - SUMMARY BY DEPARTMENT

	ES	R&C	RS	CA	CO	HS	CYP	CB&C	Use of Reserves	Budget Requirement
PROPOSED BUDGET CHANGES	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000	Total budget proposals 2008/2009 £'000
Latest Approved Controllable Base Budget	22,645	20,466	8,108	52,652	9,889	1,745	36,275	33,084	(354)	184,510
Add/less Service Transfers										
Add/Less one-off adjustments from previous year								(5)	5	
Add/Less other base adjustments										
Adjusted Base Budget	22,645	20,466	8,108	52,652	9,889	1,745	36,275	33,079	(349)	184,510
Add approved inflation	1,219	595	190	1,645	470	52	1,028	498		5,697
Total corporate approved developments and pressures	109	331	106	414		80	73	5,110	194	6,417
Total savings target proposals	(753)	(726)	(230)	0	(313)	(124)	(1,781)	(606)		(4,533)
PROPOSED BUDGET CHANGES	23,220	20,666	8,174	54,711	10,046	1,753	35,595	38,081	(155)	192,091

Environmental Services ES
 Regen & Community R&C
 Resources RS
 CASS - Adult CA
 CASS Other CO
 Housing HS
 Children & Young People CYP
 Corporate Budgets & Contingencies CB&C

RESOURCES	
Government	(117,687)
Council Tax	(74,404)
Total Resources	(192,091)
Budget Gap	0

Summary Revenue Budget 2008/2009 Regeneration and Community Department

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees	Running Costs	Grants	Other Income	
	£000's	£000's	£000's	£000's	
Business Support					
Performance and Resources	997	471		(40)	1,428
City Development and Tourism					
Economic Development Unit	490	795	(47)	(435)	803
City Centre Management	75	2		(6)	71
Tourist Information Centre and Tourism	232	162		(33)	361
Planning					
Building Control	733	91		(745)	79
Development Control	734	95		(1,048)	(219)
Plans and Policies	545	54	(36)	(55)	508
Environmental Sustainability	506	134		(10)	630
Environmental Strategy Development	100				100
Highways Maintenance and Street Lighting	969	5,879		(91)	6,757
Engineering Design					
Engineering and Design Services	1,333	425		(1,203)	555
Highways Property Administration		12		(27)	(15)
Traffic and Transportation					
Transportation and Special Projects	1,040	4,190		(3,321)	1,909
Traffic	1,618	910	(124)	(1,351)	1,053
Parking Services	534	1,445		(4,817)	(2,838)
CCTV		213		(4)	209
Street Furniture Sponsorship				(197)	(197)
Entertainments					
Assembly Rooms	785	1,956		(2,194)	547
Guildhall	200	128		(174)	154
Arts					
Cultural Services Management	92	5			97
Arts Development	209	73	(45)	(26)	211
Arts Grants		952		(10)	942
Leisure Events	47	211		(59)	199
Museums and Art Gallery	1,318	303	(18)	(246)	1,357
Libraries					
Citywide Activities and Administration	1,075	462	(1)	(221)	1,315
Libraries Materials Fund		485			485
Library Service Points	1,523	561	(157)	(231)	1,696
Derby City Partnership					
Derby City Partnership	177	56		(113)	120
External Funding Unit	583	45	(413)	(14)	201
Area and Neighbourhood Coordination					
Derby Community Safety Partnership	353	158	(98)	(118)	295
Area and Neighbourhood Working	350	380		(66)	664
Neighbourhood Boards		102			102
Total Regeneration and Community Department	16,618	20,755	(939)	(16,855)	19,579

Summary Revenue Budget 2008/2009 Children and Young Peoples Department

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees	Running Costs	Grants	Other Income	
	£000's	£000's	£000's	£000's	
Delegated School Funding					
Individual Schools Budget		138,631	(7,157)		131,474
School Standards Grant					
Central Support Services and Capital Charges to Schools		4,484	(4,484)		
Learning					
Inclusion	1,289	1,779	(1,549)	(241)	1,278
Learning Development	155	202		(453)	(96)
Primary Learning	858	237	(90)	(3)	1,002
Secondary Learning	330	218		(187)	361
Pupil Referral Unit and Behaviour Support	2,936	585	(53)	(293)	3,175
Adult Learning	2,238	459	(2,871)	(285)	(459)
Performance & Commissioning					
Assessment and Commissioning	420	76		(2)	494
Children's Quality Assurance	698	325	(90)		933
Home To School Transport	224	2,754			2,978
Partnership, Performance and Participation	1,126	390	(927)		589
Recoupment/Independent Special School Fees	30	3,512	(239)	(1,243)	2,060
Locality Services					
LAA Funding Streams/General Sure Start Grant	264	111	(375)		
Early Years and Childcare	5,394	4,951	(6,580)	(1,103)	2,662
Education Welfare	627	117	(56)	(41)	647
Family Support	1,842	920	(40)		2,722
ICS Area 1	130	38	(29)		139
Reception and Hospital Services	1,210	167			1,377
Youth Service	1,911	681	(397)	(302)	1,893
Specialist Services					
Agency Placements		5,290	(836)		4,454
Assessment and Care Planning	2,488	491			2,979
Fostering and Adoption	1,115	3,994	(170)	(123)	4,816
Integrated Disabled Children's Service	1,801	565	(388)	(749)	1,229
Other Specialist Services	962	940	(414)		1,488
Residential and Leaving Care	3,550	882	(217)	(56)	4,159
Special Educational Needs Services	1,301	182	(259)	(64)	1,160
Standards Fund		16,231	(16,231)		
Strategic Support					
Admissions and Awards	301	81	(52)		330
Asset Management	300	729			1,029
Communication & Customer Support	262	207		(37)	432
Finance	787	34		(452)	369
ICT	391	720		(376)	735
Management Team	568	86		(5)	649
Other Strategic Services		185		(1,084)	(899)
Personnel	866	33	(19)	(547)	333
Voluntary Early Retirement	1,689				1,689
Workforce Learning & Development	1,166	142	(746)	(80)	482
Catering		40	(44)		(4)
Central Staff Cover	467	16	(25)		458
less Dedicated Schools Budget			(143,665)		(143,665)
Total Childrens and Young Peoples Department	39,696	191,485	(188,003)	(7,726)	35,452

Summary Revenue Budget 2008/2009 Environmental Services Department

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees	Running Costs	Grants	Other Income	
	£000's	£000's	£000's	£000's	
Trading Services	19,086	24,526		(46,327)	(2,715)
Trading Surplus Retained Surplus		(255)			(255)
Cemeteries and Crematorium					
Crematorium	225	420		(1,172)	(527)
Cemeteries	123	82		(271)	(66)
Maintenance- Disused Burial Grounds		3			3
Management, Finance and Administration					
London Road - Trading Services	984	225			1,209
Stores Road - Trading Services	649	38			687
Derby Parks	279	18		(14)	283
Parks					
Golf Client	7	3		(193)	(183)
City Centre Horticultural Features		3		(39)	(36)
Osmaston Park	15			(15)	
Garden Allotments	11	19		(20)	10
Landscape Client	268	15		(149)	134
Arboretum Park	108	77		(16)	169
Grounds Maintenance Client	304	23		(77)	250
Outdoor Amenities (Parks)	935	653		(654)	934
Grounds Maintenance Contracts		3,142		(400)	2,742
Environmental Health and Trading Standards					
Hackney Carriages	198	43		(292)	(51)
Licensing	89	17		(194)	(88)
Abandoned Vehicles	44	45		(6)	83
Air Quality Management Areas	27	20			47
Pest Control	82	49		(109)	22
Dog Control	89	65		(6)	148
Pollution Control	249	17		(35)	231
General	273	29		(1)	301
EHTS Management and Administration	273	74		(3)	344
Health and Safety	260	25			285
Commercial	383	27		(14)	396
Trading Standards	676	84		(22)	738
Waste Services					
Refuse Collection - Client	114	3,210		(47)	3,277
Waste Disposal	110	5,081			5,191
Street Cleansing Client	131	1,955			2,086
Conveniences	19	270		(3)	286
Recycling	99	315		(285)	129
Recycling Plan	132	3,301		(547)	2,886
NEAT Project	14				14
Sport and Leisure					
Grants		21			21
Marketing and Administration	329	146		(202)	273
Community and Play	118	62		(22)	158
Sports Development	339	43		(159)	223
Sports Centres	2,881	3,504		(4,426)	1,959
Building Cleaning Contract		399			399
Total Environmental Services Department	29,923	47,794		(55,720)	21,997

Summary Revenue Budget 2008/2009 Corporate and Adult Services Department - Adult Social Services

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees £000's	Running Costs £000's	Grants £000's	Other Income £000's	
Older People					
Management	613	159			772
Care Management and Purchasing	2,822	185	(91)	(96)	2,820
Residential Care	3,772	18,589	(717)	(9,411)	12,233
Non Residential Services	6,643	5,353	(675)	(1,328)	9,993
Physical Or Sensory Disability					
Management	185	3			188
Care Management and Purchasing	1,459	511	(5)	(490)	1,475
Residential Care		1,962	(20)	(766)	1,176
Non Residential Services	520	5,191	(4)	(1,286)	4,421
Learning Disabilities					
Management	155	5		(17)	143
Care Management and Purchasing	1,343	286		(1,087)	542
Residential Care	1,486	7,308	(211)	(2,356)	6,227
Non Residential Services	2,104	3,122		(851)	4,375
Mental Health Needs					
Management	81		(4)		77
Care Management and Purchasing	1,948	113	(380)	(415)	1,266
Residential Care		2,670	(47)	(498)	2,125
Non Residential Services	126	764	(231)	(90)	569
Other Adult Client Groups					
Management	5				5
Care Management and Purchasing	18	3			21
Residential Care		173		(62)	111
Non Residential Services		35	(21)		14
Service Strategy & Regulation					
Policy, Planning, Performance and Resources	946	17	(61)	(15)	887
Resources and Performance Management					
Personnel	483	21	(34)		470
Finance	844	54	(50)		848
Management and Administration	108	437			545
Information	266	389			655
Community Grants Budget		1,067		(78)	989
Total Corporate Adult Services Department - Adult Social Services	25,927	48,417	(2,551)	(18,846)	52,947

Summary Revenue Budget 2008/2009 Corporate and Adult Services Department - Housing and Advice Services

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees	Running Costs	Grants	Other Income	
	£000's	£000's	£000's	£000's	
Housing and Advice					
Derby Advice	488	33		(11)	510
Housing General Fund Account		1			1
Housing Services Management	187	57		(23)	221
Housing Options (Private)	509	297	(165)	(185)	456
Derby Homefinder					
Homelessness Strategy					
Community Care (Private)	91	73		(431)	(267)
Homeless Hostel		29		(26)	3
Private Sector Renewal Support Grant	840	243		(538)	545
Advances to Housing Associations				(1)	(1)
Housing Development	148	8			156
Building a Better Derwent					
Shelton Lock Caravan Site		24		(33)	(9)
Supporting People Administration	250	48	(208)		90
Supporting People Programme		10,564	(10,564)		
Total Corporate Adult Services Department - Housing and Advice Services	2,513	11,377	(10,937)	(1,248)	1,705

Summary Revenue Budget 2008/2009 Corporate Adult Services Department - Other Budgets

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees	Running Costs	Grants	Other Income	
	£000's	£000's	£000's	£000's	
Democratic Services					
Elections Administration	75	43			118
Member Services	108	89			197
Register Office	309	56		(323)	42
Management and Administration	489	197		(26)	660
Central Services	58	112		(175)	(5)
Constitutional Services	258	43		(8)	293
Overview and Scrutiny	290	24			314
Land Charges	227	92		(454)	(135)
Legal	1,267	219		(372)	1,114
Property Services					
Accommodation	258	1,778		(178)	1,858
Estates	490	496		(1,163)	(177)
Markets	173	1,540		(3,008)	(1,295)
Festivities		104			104
Property Maintenance	593	229		(139)	683
Quantity Surveying	195	10		(242)	(37)
Building Services	765	32		(275)	522
Architectural Services	454	25		(517)	(38)
Property Services Administration	320	24		(6)	338
Repair and Maintenance Works		2,956			2,956
Repair and Maintenance Fees					
Building Cleaning Contract					
Bus Station	44	11		(27)	28
Personnel and Equalities					
Kedleston Road	79	113		(88)	104
Personnel and Equalities	1,926	371		(783)	1,514
Corporate Communications	169	91		(52)	208
Consultation and Research	287	41			328
Total Corporate Adult Services Department - Other	8,834	8,696		(7,836)	9,694

Summary Revenue Budget 2008/2009 Resources Department

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees	Running Costs	Grants	Other Income	
	£000's	£000's	£000's	£000's	
Resources Department Management	540	19		(89)	470
Corporate Finance					
Accountancy and Technical Finance	1,034	20		(322)	732
Change Management and Performance	428	123		(55)	496
Audit and Risk Management					
Internal Audit	481	23		(97)	407
Risk Management and Insurance	75	19			94
Financial Services					
Tax	45	6		(19)	32
Employee Payments	367	79		(88)	358
Business Systems	263	346		(39)	570
External Payments and Procurement	429	35		(300)	164
ICT and Performance					
IT Services	507	3,937		(1,881)	2,563
E Services	229	67		(21)	275
Customer Services					
Income and Post Room	352	34		(32)	354
Council Tax Billing	542	126		(428)	240
NDR Billing and Collection	81	83		(326)	(162)
Policy and Development	329	6	(265)		70
Systems and Performance	299	290	(133)		456
Benefits Administration	1,025	13	(761)		277
Inspection Services	375	32	(265)		142
Recovery of Overpayments	310	12	(243)	(1)	78
Derby Direct	902	8	(398)	(32)	480
Corporate Customer Services Management		297			297
Corporate Customer Services	33	29			62
Getting It Right Project		(105)			(105)
Total Resources Department	8,646	5,499	(2,065)	(3,730)	8,350

Summary Revenue Budget 2008/2009 Corporate Budgets

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees	Running Costs	Grants	Other Income	
	£000's	£000's	£000's	£000's	
Twinning	15	24		(1)	38
Conduct of Elections		153			153
Registration of Electors	71	131		(3)	199
Mayoral Expenses	98	58		(14)	142
Derby Coroner		244			244
Corporate Management	324	112			436
Members Allowances		951			951
Corporate Adult Services Department	508	1,673		(18)	2,163
Treasury Management		27,918		(13,440)	14,478
Bank Charges	17	77		(15)	79
Benefit Payments		300			300
Car Leasing	19	133		(72)	80
Corporate Contingency Fund		58			58
Environment Agency		88			88
External Audit Fees		342		(59)	283
Former Transport Superannuation					
HCI initiative	(18)	(208)			(226)
Council Insurance Policies	216	1,603		(297)	1,522
Residual Reorganisation Costs	250	1			251
Dedicated Schools Grant			(1,638)		(1,638)
Support Services Recharge Balance		(107)			(107)
LABG1 Grant			(52)		(52)
Transport Act 1985	36				36
Compensatory Added Years	377				377
Waste Strategy Contingency		1,267			1,267
Corporate Personnel Agency Savings	(20)				(20)
Resources Department	877	3,554	(1,690)	(443)	2,298
Concessionary Fares	11	4,537			4,548
Emergency Planning		171			171
Regeneration and Community Department	11	4,708			4,719

Summary Revenue Budget 2008/2009 Corporate Budgets (Cont'd)

SERVICE ACTIVITY	Departmental Expenditure		Departmental Income		Net Departmental Controlled Budget 2008/9 £000's
	Employees £000's	Running Costs £000's	Grants £000's	Other Income £000's	
BID Contingency		25			25
Community Cohesion	2	27			29
Inflation and Pay Award	416				416
Job Evaluation	750	1,750			2,500
NRF / WNF Contingency		250			250
Other Cost Pressures Contingency					
Pensions Contingency		600			600
Treasury Management - Public Realm					
Cross Department Contingencies	1,168	2,652			3,820
Total Corporate Budgets	2,564	40,505	(1,690)	(13,901)	27,478

Summary Revenue Budget 2009/10 Summary by Department

SERVICE ACTIVITY	Departmental Expenditure			Departmental Income			Total Approved Budget 2009/10 £000's
	Employees £000's	Running Costs £000's	Total Expenditure £000's	Grants £000's	Other Income £000's	Total Income £000's	
Regeneration and Community	16,955	21,868	38,823	(894)	(17,463)	(18,357)	20,466
Children and Young People	40,522	196,598	237,120	(194,231)	(6,614)	(200,845)	36,275
Environmental Services	30,542	49,374	79,916		(57,271)	(57,271)	22,645
Corporate and Adult Services	37,966	70,282	108,248	(13,500)	(30,461)	(43,961)	64,287
Resources	8,816	5,200	14,016	(1,805)	(4,103)	(5,908)	8,108
Corporate Budgets & Cross Dept. Conting.	3,033	46,086	49,119	(1,740)	(14,296)	(16,036)	33,083
Departmental Total	137,834	389,408	527,242	(212,170)	(130,208)	(342,378)	184,864
Appropriations To/From Reserves:							
Service Reserves							(210)
Corporate Reserves							(194)
Revenue Financing Capital							50
General Fund Budget Requirement							184,510

Summary Revenue Budget 2009/2010 Summary by Portfolio

SERVICE ACTIVITY	Departmental Expenditure			Departmental Income			Total Approved Budget 2009/10 £000's
	Employees	Running Costs	Total Expenditure	Grants	Other Income	Total Income	
	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Policy	11,463	42,368	53,831	(1,740)	(17,686)	(19,426)	34,405
Personnel, Performance Management and Economic Development	6,232	10,083	16,315	(47)	(6,996)	(7,043)	9,272
Leisure and Direct Services	33,281	53,889	87,170	(161)	(59,933)	(60,094)	27,076
Children and Young People	36,276	195,442	231,718	(190,908)	(6,013)	(196,921)	34,797
Neighbourhood, Social Cohesion and Housing Strategy	6,612	2,373	8,985	(2,668)	(1,397)	(4,065)	4,920
Planning and Transportation	9,373	19,120	28,493	(160)	(13,309)	(13,469)	15,024
Adult Services	30,874	61,718	92,592	(16,647)	(21,815)	(38,462)	54,130
Community Safety and E-Government	1,094	3,902	4,996	(101)	(2,080)	(2,181)	2,815
Enforcement	2,629	498	3,127		(702)	(702)	2,425
Portfolio Total	137,834	389,393	527,227	(212,432)	(129,931)	(342,363)	184,864
Appropriations To/From Reserves:							
Service Reserves							(210)
Corporate Reserves							(194)
Revenue Financing Capital							50
General Fund Budget Requirement							184,510

Summary Revenue Budget 2010/2011 Summary by Department

SERVICE ACTIVITY	Departmental Expenditure			Departmental Income			Total Approved Budget 2010/11 £000's
	Employees £000's	Running Costs £000's	Total Expenditure £000's	Grants £000's	Other Income £000's	Total Income £000's	
Regeneration & Community	17,348	22,158	39,506	(982)	(17,858)	(18,840)	20,666
Children & Young People	40,748	201,210	241,958	(198,926)	(7,437)	(206,363)	35,595
Environmental Services	31,113	50,803	81,916		(58,696)	(58,696)	23,220
Corporate & Adult Services	38,625	61,559	100,184	(2,717)	(30,956)	(33,673)	66,511
Resources	9,036	5,114	14,150	(1,767)	(4,206)	(5,973)	8,177
Corporate Budgets & Cross Dept. Conting.	3,529	49,940	53,469	(1,792)	(13,600)	(15,392)	38,077
Departmental Total	140,399	390,784	531,183	(206,184)	(132,753)	(338,937)	192,246
Appropriations To/From Reserves:							
Service Reserves							(205)
Corporate Reserves							
Revenue Financing Capital							50
General Fund Budget Requirement							192,091

Summary Revenue Budget 2010/2011 Summary by Portfolio

SERVICE ACTIVITY	Departmental Expenditure			Departmental Income			Total Approved Budget 2010/11 £000's
	Employees	Running Costs	Total Expenditure	Grants	Other Income	Total Income	
	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Policy	12,167	45,667	57,834	(1,792)	(17,057)	(18,849)	38,985
Personnel, Performance Management and Economic Development	6,367	10,439	16,806	(47)	(7,088)	(7,135)	9,671
Leisure and Direct Services	33,695	55,432	89,127	(233)	(61,357)	(61,590)	27,537
Children and Young People	36,403	200,211	236,614	(195,545)	(6,829)	(202,374)	34,240
Neighbourhood, Social Cohesion and Housing Strategy	6,775	2,638	9,413	(2,486)	(1,584)	(4,070)	5,343
Planning and Transportation	9,599	19,276	28,875	(160)	(13,674)	(13,834)	15,041
Adult Services	31,465	63,593	95,058	(16,706)	(22,286)	(38,992)	56,066
Community Safety and E-Government	1,124	4,012	5,136	(104)	(2,142)	(2,246)	2,890
Enforcement	2,695	500	3,195		(722)	(722)	2,473
Portfolio Total	140,290	401,768	542,058	(217,073)	(132,739)	(349,812)	192,246
Appropriations To/From Reserves:							
Service Reserves							(205)
Corporate Reserves							
Revenue Financing Capital							50
General Fund Budget Requirement							192,091

Appendix 9 – Recommendations of the Scrutiny Management Commission

Recommendations of the Scrutiny Management Commission on the draft Revenue and Capital Budgets 2008-2011

Recommendation

That the proposed saving of £6,000 in the Mayoral Services budget for 2009/10 is deleted.

Reason

That the Mayoral budget is already very low when compared to that of similar local authorities and that reducing it still further may have a detrimental effect on the performance of the Mayoral team and on the way in which the Mayor is able to discharge his/her duties.

CABINET RESPONSE

No action – the £6,000 saving proposal can be absorbed and will have no visible impact on the overall services and duties provided by the Mayor.

Appendix 3 – Recommendations of the Adult Services and Health Commission

Recommendations of the Adult Services and Health Commission on the draft Revenue and Capital Budgets 2008-2011

Recommendation

The Commission urges the Council Cabinet to bring forward the introduction of the income generation proposals as soon as possible and maximise the income for the Council.

CABINET RESPONSE

All options are being considered .

There will have to be a full consultation exercise and results considered before proposals are put into effect.

The implications of the new system of 'Personalisation of budgets' also needs to be considered

Reasons

The Adult Services and Health Commission at its 29 October 2007 meeting and the Full Council at the 21 November meeting have both requested the Council Cabinet to explore income generation proposals and reduce pressures on Adult Social Services budget. The draft revenue budget proposals identify an income of £500k in 2008/09 budget which rises to £1.5m in 2009/10. It is assumed that the vast majority of this income will be generated from the re-introduction of home care charges and the £500k relates to charging introduced during part of the year. The Commission recommends the income generation measures are introduced as early as practical, preferably at the start of the financial year in order to maximise the income.

Draft Capital Budget

The Commission welcomes the inclusion of Adult Social Services Capital budget in the Corporate Capital Budget Plan for 2008-2011. The inclusion of the Social Services Capital budget developed from existing resources and not linked to future disposal of capital assets sends out a positive signal about future intention for the service. It also enables service managers to develop effective plans for the future.

Appendix 4 – Recommendations of the Children and Young People Commission

Budget Recommendations of the Children & Young People Commission:

Revenue

Recommendation 1

That Council Cabinet note that the Commission:

- a) would not wish to see the implementation of the 2010/11 proposals to reduce spending on: Family Support (£134k), Reception and Hospital Service (£108k), Aspire Leaving Care (£60k), Reduction of post 16 residential beds (£296k), Assessment and Care Planning (£248k), Independent Reviewing Officer function (£72k),
- b) were informed by the Council Cabinet Member and Corporate Director that every effort would be made to find ways to avoid the implementation of the proposals and
- c) have resolved to receive a regular progress report from the Cabinet Member and Director on the steps taken to avoid implementation in 2010/11, the first of which should be no later than December 2008.

CABINET RESPONSE

The third year savings were proposed in the light of the efficiency savings required of the Department and Council and the difficulty in finding alternatives that do not affect frontline services.

Nevertheless, the commission's comments are noted and endorsed, with a view to finding alternative savings options to those identified.

The commission's comments are noted and we endorse both b) and c) above with a view to finding alternative savings options to those identified.

Reasons

These services are central to the Council's statutory obligations in respect of child protection and looked after children; from a risk management approach meeting our responsibilities is highly sensitive both intrinsically and because of the level of external inspection and ramifications should anything go wrong.

Recommendation 2

That Council Cabinet:

a) note that the Commission welcomes the work to reduce the unit costs of independent fostering agency, IFA, placements, either through contracting arrangements and/or collaboration with other local authorities and

b) needs to recognise that the overall number of in-house foster carers are affected by the rate of allowances they receive and that this has an inter-relationship with the need to make placements with IFAs.

CABINET RESPONSE

The Commission's comments are noted and a) is endorsed.

With regard to b) our current basic allowance levels and fees for foster carers are the best in the East Midlands. We review the increase each year to determine how best to allocate that increase across the full allowance range.

All carers will receive an increase that is equivalent to the rate of inflation or better. Given the current budget requirement and our regional strong position this is assessed as being sufficient to retain our position in 08 – 09. We will continue to review this and our allowance structure in subsequent years

Reasons

a) The appointment of an officer to secure unit cost improvements through a commissioning and contracting process is a welcome example of invest-to-save. It may be that, subject to any rules on competition, a sub-regional consortium of unitary/councils may be able to secure even more favourable unit costs.

b) The Commission decided not to make a specific recommendation regarding the rate of fostering allowances for 2008/9; however, experience has shown that the number of in-house foster carers is not growing fast enough to enable the rising number of looked after children to be accommodated. As a consequence greater and greater use of made of the much more expensive IFAs. Good child care practice means that once placed there, the child is likely to remain and thus create a long term financial commitment. Making increased budget provision in response (£547k extra from April 2008) in tight financial circumstances squeezes out the scope to increase the allowances to our own foster carers, which would serve as an aid to recruitment and retention and reduce the need for IFA placements. In July 2006 the Commission's own review heard – and agreed - that 'the issue of allowances can't be ignored – it's a competitive market' and that 'we need to strive to reach' the Fostering Network's recommended rates.

Recommendation 3

That Council Cabinet note that the Commission is concerned that the re-categorisation of the costs of the Education Psychology, so as to fall within the schools budget with consequent charging to individual schools, may have an adverse impact on individual pupils accessing the service, as the 'affordability' will depend on i) the level of charges, ii) the number needing referral and iii) the state of the school's budget.

CABINET RESPONSE

There will be no adverse impact on pupils who need to access this service.

Reasons

At its meeting the Commission was not sure about the 'mechanics' of putting this important service into the schools budget. If the change does not produce any adverse impact on pupils needing referral then the proposal can be welcomed as creative accountancy. The concern is that a school with budgetary difficulties or which by chance has an unusually high number of children needing referral in a year, does not refer all those who would be referred under the present system. Early, appropriate intervention can avoid much costlier responses later, for example, successfully dealing with behavioural issues can avoid permanent exclusion, family breakdown and the need for the child to become looked after by the Council.

Capital

Recommendation 4

That Council Cabinet should consider the feasibility of building a larger residential home for autistic children, perhaps comprising two five beds wings, with the additional places to help adjacent authorities to meet the needs of similar children.

CABINET RESPONSE

The proposal to build a five bedded home which is long stay / permanent for children with severe autism is based upon our current use of agency placements and our forecast of future needs. As the home is a permanent family home for these children, rather than for short breaks as per 'The Lighthouse', the design and regulatory requirements of Ofsted are different. Therefore the proposal as previously approved by Cabinet needs to proceed.

The recommendation is, however, noted in the context that there may be other need categories where the building of a further local home would be cost effective. This matter will be referred to the Disabled Children's Strategic Planning Group

Reasons

There could be a win/win result of income generation for Derby City Council and reduced costs, compared to expensive out-of area placements for neighbouring councils. Accepting the logic that the nature of the children means that specialist units have to be small to manage well and deliver care, two wings could keep the operational scale but also provide significant management economies when compared to two entirely separate homes. Even with a catchment area based on the BVPI indicator of placing a child not more than 20 miles from the parental home, that would include Nottingham City, the Erewash/Amber 'border' towns plus Burton-on-Trent.

Recommendation 5

That Cabinet note that as regards the new capital programme 'Primary Strategy for Change' the Commission a) wish to be involved in a timely way so as to have the opportunity to potentially influence the proposals and b) will take a specific interest in the methodology to be used to determine the order that primary schools appear in the programme.

CABINET RESPONSE

Agreed. There will be full consultation with schools and all interested parties, including the Commission, before Cabinet agrees the Strategy.

The Strategy will be produced in line with the DCSF guidance, so specific school projects will only be identified for the earlier years of the period. We would envisage the consultation taking place immediately after the April 2008 school holiday, and a special Commission meeting may be needed in early May, notwithstanding the difficulties associated with the Council timetable in that period.

Reasons

The Primary Strategy for Change was described as BSF's 'little brother' because the scale of funding is much smaller. However, the submission to central government has to make projections about primary provision for the following 14 years – making the 15–20 page document much more strategic than most local authority service planning. Working back from the final submission date of 16 June 2008, the timetable needs to factor in engagement with the Commission whilst the proposals are still capable of being shaped and revised. Regarding b) with such limited funds covering such a long period achieving a fair methodology is essential to justify each school's place in the ranking order.

Appendix 5 – Recommendations of the Climate Change Commission

Recommendations on the Draft Revenue and Capital Budget 2008-2011 by the Climate Change Commission

Recommendation 1

That the Council should not reduce facilities and subsidies on parks activities by a total of £81,000 over the period 2008/9 to 2010/11 and should instead seek other means of making this saving.

No decision to close or fail to refurbish play areas should be made without the Climate Change Commission being consulted on the play areas proposed for closure and on the costs/savings of refurbishment and closure.

CABINET RESPONSE

We have considered all types of savings for this difficult 3 year period and unfortunately have not been able to identify alternatives. Much of this £81k is due to facilities being barely used but regularly maintained and follows on from the savings identified last year.

In regard to Play Area consultation, the relevant Neighbourhood Forums are to be consulted directly.

Reasons

The Commission is aware of and supports the proposals contained in the Parks and Open Spaces Strategy (Forward Plan item 28/07). Members are concerned that the proposed reduction in facilities and subsidies on parks activities will prevent the effective delivery of the Strategy and will have a detrimental effect on the City's parks and detract from their attractiveness to the public. The proposal to reduce the facilities and subsidies on parks activities does not support the Council's priorities for 2007/10 of:

- Making us proud of our neighbourhoods
- Leading Derby towards a better environment
- Helping us all to be healthy, active and independent
- Giving you excellent services and value for money

Children's play areas provide an important facility for families and contribute to the achievement of the Council's objective of 'Helping us all to be healthy, active and independent'. It is accepted that some play areas may be underutilised but the Commission still wishes to be consulted on any proposed closures.

Recommendation 2

The Commission recommends that recycling bring sites that are well used by the public should not be closed and that any programme of closure of the bring sites should be based on current levels of usage and not on the assumption that the sites are not needed because the Council now provides kerbside collection facilities.

CABINET RESPONSE

Disagree. Because our 'Rethink Rubbish' and kerb side collection systems are working well, there is less of a need for some of our 'bring sites' and to withdraw some of these facilities will be a very positive signal to the public that our 'green' policies are working.

Our reasons for doing this will be communicated to our public through the relevant neighbourhood forums.

Reasons

The Commission is aware that some of the City's recycling bring sites are underutilised and that there are problems of antisocial behaviour at some of the sites. Members can consequently understand the reasons for a programme to rationalise and consolidate the number of recycling bring sites in Derby. However members consider that the closure of all recycling bring sites in the City no matter what their level of usage, would deny the public an important facility and would have a detrimental effect on the level of recycling in Derby.

No figures have been provided to the Commission to justify the proposal to close all the recycling bring sites and members have requested a list of the sites, and information on the amount of material deposited at each site. It is considered that a rational decision about the sites to be closed cannot be made without this information.

The proposal to close all the recycling bring sites in Derby would not support the Council's objectives of:

- Leading Derby towards a better environment
- Giving you excellent services and value for money.

Recommendation 3

The Commission recommends that the proposal to close the Council run public conveniences in the City centre and elsewhere in Derby is re-examined to see whether it will be possible to retain some of the City centre facilities.

CABINET RESPONSE

Agreed.

Reasons

The Commission understands the reasoning for the proposal to close the Council run public conveniences in Derby. Members are aware of the problems of vandalism and antisocial behaviour that affect some of these public conveniences and support in principle their closure.

Members are however concerned about the impact that the closure of all the Council run public conveniences will have on residents and visitors to the City. This proposal will penalise law abiding members of the public when they need toilet facilities. Not all of them may be happy with using the facilities in commercial premises, and if they are visitors to the City, they may not know where those facilities are. The closure of Council run public conveniences in the City centre would not support the Council's objective of:

- Creating a 21st century City centre

The Commission accepts the need to close certain public conveniences in Derby. However it is suggested that the implications of the proposal to close all Council run public conveniences requires further consideration and that some City centre facilities should be retained.

Recommendation 4

The Commission recommends that the budget pressure of £70k arising from reduced income from golf operations is covered by increasing the charge to players at the Council's golf courses.

CABINET RESPONSE

Whilst we are in sympathy with the opinions of the Commission on golf, the difficulty is by putting up the price too much would lead to less people playing and therefore increase the loss.

Reasons

Commission members consider it would be reasonable to address the budget pressure by increasing the charge to players at the Council's golf courses.

Members have suggested that off setting this budget pressure in this way might partially remove the requirement to reduce facilities and subsidies on parks activities.

It is considered that increased golf charges would still satisfy the Council's objective of:

- Giving you excellent services and value for money.

The Climate Change Commission made no specific recommendations on the draft Capital Budget proposals that fell within its portfolio.

Appendix 6 – Recommendations of the Community Commission

Recommendations on the Draft Revenue and Capital Budget 2008-2011 by the Community Commission

Recommendation 1

The Commission recommends that the Council Cabinet provides additional resources, beyond replacing the NRF funding stream, for the neighbourhood working agenda and considers providing each ward, at minimum level a dedicated part-time neighbourhood manager to manage and actions issues raised at the Neighbourhood Forums and Boards.

CABINET RESPONSE

Agreed - subject to available funding. Options are being explored.

Reason

Derby is seen as a national leader in Neighbourhood Working and the Commission was disappointed to note that this important service area is not being supported with additional resources. The Council agreed to the new way of working and has developed strong relationships with local residents and partner organisations but lack of additional resources would seriously limit future progress and credibility to process. The Council can only continue to be visionary if it bends its funding streams to support this new way of community engagement and partnership working.

Recommendation 2

The Commission wishes to see a production theatre performing in the city and therefore welcomes the inclusion £400k in this year's draft budget. The Commission also wishes to support amateur theatre and recommends ring fencing a portion of the budget to support amateur theatre groups, this amount is seen as £50k of the £400k budget allocation. There are various options of supporting the groups and the Commission recommends the Cabinet works with amateur groups to determine how they could best utilise the resources to enable them to continue to flourish in the city.

CABINET RESPONSE

Agreed to the principle of the Commission's recommendations, however, the City Council and Arts Council aim to ensure a much further involvement of amateur theatre groups in a new operating model for theatre in Derby rather than simply ring -fencing an element of grant for their specific use.

Reason

There is a debate to be had on how the £400k could be best used for supporting producing theatre in the city since the recently elected new management Board at Derby Playhouse announced that they no longer wish to receive funding from the City Council but would still need the £750,000 grant from the Arts Council. However, the Commission was informed by the Head of Arts and Events that the funding from the Arts Council is provided to the Playhouse on the condition that it receives financial support from the City Council.

Recommendation 3

The Council Cabinet is recommended to carry out an options appraisal as soon as practical on the ending of the additional ALMO's subsidy of more than £2.5m per year in 2011/2012 and initiates the consultation process with the key stakeholders as so that informed choices can be made on the future rent levels and the best strategy for the avoidance of the negative housing subsidy. There is an announcement from Government that maybe helpful in this respect due on the 8th February.

CABINET RESPONSE

The Housing Revenue Account - HRA - Strategic Working Party considered this issue in January 2008, and rejected the idea of having an options appraisal at this point – particularly a full one consulting tenants.

It would be inappropriate at this point in time as the government has just announced a major review of the HRA subsidy system to report next year. This could well lead to significant changes to the rules on which the subsidy system is based. As a result, the fundamental assumptions that surround the options appraisal are unclear and could change significantly, making an options appraisal undertaken at this point of little use to the Council in considering its future options next year.

With the Council already committed to Derby Homes through a management fee until at least 2012 in order to secure the additional funding referred to by the Commission, there would be no advantage to a review in advance of the publication of the government's review of subsidy next year.

Reason

It is important that early options appraisal is carried out to determine the level of resources available following the end of the £2.5m per annum subsidy and how best they can be utilised. Starting the process early would enable meaningful consultation to be conducted with the relevant stakeholders, including tenants and enable the Council to set a strategic policy on rent levels with sufficient surplus for stock maintenance at its current level of repair.

Recommendation 4

The Community Commission was asked to give its views on the level of rent increase to harmonise council rent with the RSLs. The Commission recommends the rents are increased by 8.2% to bring the convergence in line by 2012 as required by the Government.

CABINET RESPONSE

Agreed

Reason

Local authorities are required to harmonise council rents and bring them inline with those charged by RSLs by 2012. The Commission was presented with three options on possible rent increases:

- a) increase rents by 12 %
- b) increase rents by 8.2% to bring them in line by 2012
- c) increase rents by 7.4% to bring them in line by 2016

The commission feels that 12% increase would be excessive and could become a significant burden on those not housing benefits whilst delaying the convergence to a later date could put significant pressure on the HRA. Also the difference between 8.2% and 7.4% would be minimal for the tenant, around 35p per week but could provide substantial resources across the 14,000 housing stock and enable the convergence to be achieved by the timescales set by the Government.

Recommendation 5

The Commission recommends that of the £6m Estates Pride Programme still unspent, £4m could be spent over the next two years to carry out capital improvement on local estates whilst the remainder £2m is used to support neighbourhood working over the next ten years, funding conditions permitting.

CABINET RESPONSE

Agree.

These proposals are consistent with tenants' feedback and the HRA business plan

The intention is to continue funding neighbourhood working projects at a cost of around £0.6m a year including all current neighbourhood support plus the youth inclusion project run by Enthusiasm.

Reason

£15m Estates Pride Programme was provided for improvements to estates and to provide facilities for the benefit of tenants. Of this £9m has so far been spent some of which is used to support the Neighbourhood Working agenda. The Commission feels the Neighbourhood Agenda is an important new way of working with local partners and for the benefit for local community including council tenants. Using Estate Pride resources to support Neighbourhood Working would extend the benefit over the next years, providing this was did not contravene funding criteria.

Appendix 7 – Recommendations of the Planning and Transportation Commission

Recommendations on the Draft Revenue and Capital Budget 2008-2011 by the Planning and Transportation Commission.

Revenue Budget Recommendations

Recommendation 1

Request that the Council Cabinet Member explore what can be done to maximise work on the Safer Routes to School Scheme.

CABINET RESPONSE

We will have another look at the scheme to ensure we are providing an optimum level of service within our overall budgetary constraints.

Reasons

To promote the Safer Routes to Schools scheme and encourage alternatives to private car use within the City.

Recommendation 2

Recommend that if funding allows, particularly if income generation from planning charging exceeds expectations, the Council Cabinet Member should take action to address the current high workload of the officers of the Development Control and Plans and Policies teams and that in the medium term regard is also taken of the additional capacity and support that will be required if these teams are to effectively deliver the new 'place shaping' role that is envisaged by central government.

CABINET RESPONSE

Cabinet agrees to review the level of staffing resource in the Development Control Team but this will be done in the context of the overall workload in all service areas within the Regeneration Function and the relative budget constraints and staffing resources in the whole function.

A full review of the Planning and Development Control services will also be a major project within the Council's transformational change programme – 'Transforming Derby'.

Reasons

To address the very high work load of Development Control and Plans and Policies staff which has been identified by through the Commission's review of 'back land' development, and to provide the capacity that these teams need to deliver on their new 'place shaping' role.

Capital Budget 2008-2011 Recommendations

The Planning and Transportation Commission made no specific recommendations and resolved to note the report.

Corporate Capital Programme 2008/9 – 2010/11 Recommendations Recommendation 3

That the Council Cabinet to look again at the funding for new schemes in the Corporate Capital Programme 2008-11 (Appendix 2) to see if half of the proposed £300,000 funding for 'Way Finding design and construction costs' could be spent on Footway Maintenance in 2008/09.

CABINET RESPONSE

Delivery of the 'Wayfinding' project is a high priority within our Public Realm Strategy and the delivery timetable is a high priority. Therefore there is unlikely to be an opportunity to divert any allocated funding to the footway maintenance programme.

Reason

The Commission considered that footway maintenance was of a higher priority to residents of the City than the provision of 'Wayfinding' signs.

DERBY CITY COUNCIL

NOTES OF A MEETING WITH REPRESENTATIVES OF NON-DOMESTIC RATEPAYERS AND THE BUSINESS COMMUNITY AND PARTNERS

HELD 5 FEBUARY 2008 AT 2PM AT THE COUNCIL HOUSE, CORPORATION STREET, DERBY

Present: Representing Derby City Council

Councillor Dave Roberts
Councillor Chris Williamson
Don McLure – Director of Resources
Ray Cowlshaw – Chief Executive

Representing Non-Domestic Ratepayers and the Business Community and Partners

Anne Perry – Federation of Small Businesses
John Cadwallader – Derby CityScape
Helen Osler – Derby City Partnership
George Cowcher – Derbyshire and Nottinghamshire Chamber of Commerce
George Mighty - Derby City Partnership

1 Introduction

Councillor Williamson welcomed representatives to the meeting and introduced the representatives from the City Council. The Director of Resources explained that the Council Cabinet would be meeting on 19 February 2008, to make recommendations to the City Council about setting the budget for the 2008/09 financial year. This meeting was part of the programme of consultation, which would help to inform the decisions made by the Council Cabinet and its recommendations to Council.

2 Budget Process

The Director of Resources explained the Council's priorities and budget for 2008/09 onwards revenue budget timetable. The Director of Resources also gave a brief outline of the capital programme.

3 Comments from the Meeting

Comments were invited from those present, both on the reports circulated before hand and on the information presented at the meeting. The substance of these and the replies given were:

George Cowcher stated that a 5% increase in Council Tax would be at the upper end of the scale and that competing authorities were proposing lesser increases. He stated that there needed to be an emphasis on efficiency and that it needed to be genuine and not just cash limiting.

Councillor Williamson explained that a decision on the setting of the Council Tax had not yet been made but even if it was 5%, the Council would probably still be one of the lowest in the East Midlands. With about 50% of properties being in the lowest value band – Band A – Derby has a low overall Council Tax base which brings with it additional pressures. There were lots of examples of efficiencies which were already being achieved across the Council.

George Cowcher also asked if there would be evidence of the Accommodation Strategy coming to fruition in the next financial year.

Councillor Williamson explained that the Council were keen to progress the Accommodation Strategy but that the right decisions needed to be made. Options were being considered and it was hoped that work would start during 2008/09. The Council needs to base its decision strategically to help the private sector as well if possible – for example by moving out of St Mary's Gate would allow development of the site and help the City move forward. Hopefully the Full Street site would start shortly and would complement Riverlights and Quad. It was essential to make municipal buildings commensurate with surrounding buildings. The Council is transforming the way it does business and this will help to reduce the amount of accommodation required.

George Cowcher asked about the Council's position on job evaluation and if there was likely to be the same situation in Derby as is the case in Birmingham according to the newspaper headlines.

Councillor Roberts explained that there was a dispute relating to bonuses and that this was being dealt with by ACAS. Job Evaluation was progressing but it was anticipated that the problems that Birmingham were experiencing would not affect Derby.

Don McLure explained that our organisational structure for Human Resources was being assessed to see if efficiencies could be achieved. Also, the ICT contract was due to be re-let in April 2009 and the Council was in competitive dialogue with 4 bidders. The contract would include how ICT would help with transformation and deliver efficiency savings.

George Cowcher stated the he was keen for the Accommodation Strategy to move forward.

John Cadwallader stated how important the Council's public realm strategy was to increase the quality of city living.

Councillor Williamson stated that he was determined to make sure that public realm happened and worked to best effect. Derby was changing and it was hoped to promote Derby as a city for a City Break Destination and the gateway to the Peak District for tourists.

George Mightly asked about how the Police Authority Budget would affect the Council Tax setting.

Councillor Williamson explained that the Council collected the levy for both the Police and Fire Authorities but that the Council did not have any say on the amount set. Derby's Council Tax including Police and Fire would still be one of

the lowest in the East Midlands. About half of the properties in Derby were in Band A and therefore pay lower than average Council Tax.

Anne Perry from the Federation of Small Businesses asked if the Council was considering setting Supplementary Business Rates and if so would there be consultation with the local business community and what the money would likely be spent on.

Councillor Williamson explained that it was being considered, the business community would be consulted and that if it went ahead public realm would be the most likely area where the money would be spent. This would all be subject to discussion with partners in the business community.

Don McLure explained that Supplementary Business Rates was still subject to Government regulations.

Anne Perry asked what the take up of small business rate relief was. George Cowcher explained that there was quite a high take up in Derby.

Anne Perry asked for an explanation of what was happening with waste disposal.

Councillor Williamson explained that the Council were currently looking at design and build options for a new waste disposal plant in Derby in partnership with Derbyshire County Council and were evaluating bids. The aim was to reduce the amount of waste sent to landfill sites. There would be many environmental benefits in doing so.

Anne Perry asked if the Council made any provision to remove electrical goods from businesses under new regulations relating to the disposal of these items.

Councillor Williamson explained about a successful scheme operating in Normanton which he hoped could be rolled out across the city.

Anne Perry asked about congestion charging, what the level would be and where and when it would operate.

Councillor Williamson stated that no decision had been made, feasibility work was nearing completion. Consideration needed to be given to the impact it would have on businesses and the environment. All the infrastructure needed to be in place before any charging could be introduced. It was anticipated that this would not be until 2016 – 2020. If it was brought in, it would be at specific times of the day and the anticipated charge was £2 per day.

Helen Osler asked about how we could encourage more people to attend this meeting. Perhaps consideration should be given to either a breakfast or an evening meeting. George Cowcher said that breakfast meetings tended to be popular and well attended.

Agreed to consider holding a breakfast meeting for the Consultation with non domestic ratepayers and partners next year.

4. Conclusion

The Director of Resources reported that written responses would be considered by Council Cabinet at its meeting on 19 February 2008. Councillor Williamson thanked the representatives and the businesses and partner representatives for attending the meeting. The meeting closed at 3.00pm.

MINUTES END

COMMITTED AND GENERAL CORPORATE RESERVES

General Corporate Reserve									
Reserve	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000	Changes 2009/10 £000	Balance 31 March 2010 £000	Changes 2010/11 £000	Balance 31 March 2011 £000
General Reserve (5% of budget requirement)	5,920	260	6,180	280	6,460	300	6,760	320	7,080

Corporate Reserves Held for Defined Uses									
Reserve	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000	Changes 2009/10 £000	Balance 31 March 2010 £000	Changes 2010/11 £000	Balance 31 March 2011 £000
Treasury Management Commutation reserve	2,861	0	2,861	0	2,861	0	2,861	0	2,861
Other Treasury Management reserves	695	0	695	0	695	0	695	0	695
Total Treasury Management reserves	3,556	0	3,556	0	3,556	0	3,556	0	3,556
Trading Services reserve	1,000	0	1,000	0	1,000		1,000		1,000
Job Evaluation	1,253	0	1,253	-1,253	0	0	0	0	0
Pump Priming Fund - Existing Budgeted Commitments	639	126	765	0	765	0	765	0	765
approved use for Decriminalised Parking Enforcement	-105	105	0	0	0	0	0	0	0
approved use for Jayex signboard	-55	55	0	0	0	0	0	0	0
Friargate Studios	-193	-86	-279	21	-258	18	-240	18	-222
Environmental Services schemes 20 February 2007 Cabinet	0	-110	-110	22	-88	22	-66	22	-44
Net Pump Priming Reserve	286	90	376	43	419	40	459	40	499
Corporate Modernisation Fund	999	0	999	0	999	0	999	0	999
Less budgeted approved use:									
Head of Procurement	-65		-65	0	-65	0	-65	0	-65
Transport Coordinator Post	-88	0	-88	0	-88	0	-88	0	-88
Accommodation Strategy	-62	0	-62	0	-62	0	-62	0	-62
Building on Excellence / Change Management	-57	0	-57	0	-57	0	-57	0	-57
Financial Systems Strategy	-99	-1	-100	0	-100	0	-100	0	-100
Silk Mill Refurbishment	0	-150	-150	0	-150	0	-150	0	-150
CSP Growth and Mainstreaming	-100	0	-100	0	-100	0	-100	0	-100
Big City Screen- 20 February 2007 Cabinet	0	-34	-34	-34	-68	-34	-102	-34	-136
East Street	-100	0	-100	0	-100	0	-100	0	-100
CLAC - April 2007 Cabinet	-21	-25	-46	0	-46	0	-46	0	-46
Top-up from LPSA reserve	1,000	0	1,000	0	1,000	0	1,000	0	1,000
Assembly rooms bleacher seating - 20 March 2007 Cabinet	0	-55	-55	9	-46	9	-37	9	-28
Moorways sports centre- Cabinet 2/10/07	0	-21	-21		-21		-21		-21
Climate Change Board	0	-200	-200		-200		-200		-200
Specialist external legal advice for the ICT contract re-tender	0	-100	-100		-100		-100		-100
Recruitment of a Principal and Senior Procurement Officer	0	-30	-30	-30	-60	-30	-90		-90
Rowditch recreation Ground feasibility work	0	-10	-10		-10		-10		-10
	0		0		0		0		0
Net Corporate Investment Fund	1,407	-626	781	-55	726	-55	671	-25	646
Climate Change Board									
initial transfer from Modernisation Reserve	0	200	200		200		200		200
Less Approved Use estimated spend profile	0	-50	-50	-150	-200		-200		-200
	0		0		0		0		0
	0	150	150	-150	0	0	0	0	0
LPSA									
LPSA1 50% reward + 50% capital switched funding	4,174	0	4,174	0	4,174	0	4,174	0	4,174
LPSA1 scheme support	-868	-567	-1,435	0	-1,435	0	-1,435	0	-1,435
LPSA2 scheme support	-584	-334	-918	0	-918	0	-918	0	-918
LPSA1 pump priming grant late adjustment	188	0	188	0	188	0	188	0	188
Less to Corporate Modernisation Fund	-1,000		-1,000		-1,000		-1,000		-1,000
Provisional LPSA2 Reward Grant 50% revenue	0		0	1,250	1,250	0	1,250		1,250
Proposed application for NRF transition	0		0	-750	-750	-500	-1,250		-1,250
Net LPSA Reserve	1,910	-901	1,009	500	1,509	-500	1,009	0	1,009
Car Park Income reserve	750	0	750	-32	718	0	718	0	718
Housing Benefit payments and overpayments reserve	400		400		400	0	400	0	400
Total	10,562	-1,287	9,275	-947	8,328	-515	7,813	15	7,828

Balance of Uncommitted Corporate Reserves							
	Balance Available for 2007/8 £000	Change in Balance Available for 2007/8 £000	Balance Available for 2008/9 £000	Change in Balance Available for 2008/9 £000	Balance Available for 2009/10 £000	Change in Balance Available for 2009/10 £000	Balance Available for 2010/11 £000
Reserves Available							
NDR refunds reserve	713	0	713	0	713	0	713
Net 2004/5 outturn	1,721	0	1,721	0	1,721	0	1,721
Net 2005/06 Out-turn excluding Census	1,050	0	1,050	0	1,050	0	1,050
2005/6 1% savings	863	0	863	0	863	0	863
Backdated Census - 2003/04 Settlement - Paid 05/06	2,219	0	2,219	0	2,219	0	2,219
Backdated Census - 2004/05 and 2005/06 Settlement	3,079	0	3,079	0	3,079	0	3,079
Previously Earmarked Corporate Reserves now Uncommitted	43	0	43	0	43	0	43
Supporting People return to corporate reserves	328	142	470	0	470	0	470
To corporate reserves 2006/7 outturn	1,185	0	1,185	0	1,185	0	1,185
Less: Reserves Already Used	-4,455	-4,505	-8,960	-633	-9,593	-494	-10,087
Net Balance of Reserves Available for Year	6,746	-4,363	2,383	-633	1,750	-494	1,256
	Reserves Used in 2007/8		Reserves Used in 2008/9		Reserves Used in 2009/10		Reserves Used in 2010/11
Earmark for approved use							
Bus Station one-off transitional costs 2005/2006 and 2006/2007							
Repair and Maintenance 2006/07 and 2007/08 unallocated corporate reserve	-565						
General use of reserves in 2006/07 budget including reallocated Public Priorities Fund	-568						
Maintain general reserves balances	-260		-280		-300		-320
Energy efficiency schemes - from NNDR refunds	-32						
Salix finance energy efficiency bid - from NNDR refunds	-100						
BSF upfront costs - as per 20/2 Cabinet	-925						
Waste Strategy	-376						
2007/8 budget - one-off items	-581		-10				
Contingency - insurance claims	-200						
Consultants - Accommodation strategy	-52						
Schools health and safety posts - 31 July 2007 Cabinet	-30						
Earmark commitments from revenue outturn report to Cabinet 31 July 2007 :							
BSF additional costs	-324						
Derwent NEAT	-70						
Springwood Leisure centre	-160						
Waste Performance grant - waste strategy	-193						
Library restructure costs	-69						
Proposed use of reserves - budget 2008/09 to 2010/11	0		-343		-194		-7
Net Use of Reserves in Year	-4,505		-633		-494		-327
Net Balance of Reserves Unused at Year End	2,241		1,750		1,256		929

General Fund Revenue Budget Monitoring 2007/2008

Summary by Department	Forecast Year-end (underspend) /overspend £000's
Children and Young People– excluding individual school budgets	
Non schools budgets	485
Schools budgets	(119)
	366
Corporate and Adult Services	
Adult Social Services	2,722
Housing and Other Services	(104)
	2,618
Environmental Services	
Non -trading	160
Trading	300
	460
Regeneration and Community	391
Resources	21
Corporate Budgets	
Treasury Management	(3,600)
Inflation contingency	(800)
Supporting People	(1,700)
Other	472
	(5,628)
Net Variance	(1,772)
Proposed treatment	
Transfer to earmarked Supporting People reserve	1,550
Transfer to corporate unallocated reserves	222
Total transfer to corporate reserves	1,772

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Children and Young People Department				
Non Schools Budget				
Workforce Learning and Development – Risk Budget	128	148	Demand for service exceeded resources	The costs of the agency training officer for the Integrated Children's System has been funded from underspends elsewhere within the service and detailed work will be undertaken with Corporate and Adult Services with a view to producing a Service Level Agreement that can be contained within existing resources, or a restructuring option.
Reception and Hospital Services	50	55	Underlying staffing overspend	Where possible budgets from underspending services within the department will be permanently transferred to reduce the ongoing impact. The service is currently under review.
Family Support	(233)	(120)	Underspends on staffing. Posts have been frozen to help balance other overspending budgets within the division, i.e. Reception and Hospital Services	The service will change following the implementation of social care reorganisation from April 2008.
Asset Management	54	54	Essential office moves following reorganisation of new Children and Young People's department.	

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Agency Placements – Risk budget	507	300	Children's agency residential and fostering placements greater than assumed in budget.	Continue to place as many children in-house as possible, negotiate favourable rates where possible, seek planned moves of children to extended family wherever appropriate. On-going pressure has been included in 2008-2011 budget.
ICT – Risk Budget	0	0		
Other net variances across the department	(21)	59		
Total Non Schools Variance	485	496		
Schools Budget				
Independent Special School Fees – Risk budget	(37)	48	High cost placements in independent special schools	Negotiate block contracts and challenge costs and placements
Foundation stage payments to the private and voluntary sector	130	100	Increase in number of 3 year olds	
Rates	(114)	(145)	Schools rate revaluations	
Central Staff Cover	87	0	Maternity and union duties reimbursements to schools.	
Pupil Referral Unit	(100)	0	Successful shared placement packages negotiated with schools and joint funding arrangements.	
Specialist Teaching Support Service	(60)	0	Staffing underspends.	
Other net variances	(25)	12		
Total Schools Budget Variance	(119)	15		
Total Children and Young People's department	366	511		

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Corporate and Adult Services department				
Adult Social Services				
Home Care	2,394	2,161	Increase in number of hours provided above budgeted level	The forecast year-end overspend reasons and action being taken was reported in detail to November Council Cabinet. The on-going pressures have been addressed in the 2008/09 to 2010/11 budget.
High cost placements – mental health	581	647	Cost of placements being above budget	
Planned efficiencies	697	888	Agreed savings only partly achieved	
Underspends	(950)	(442)	Various	
Total Adult Social Services	2,722	3,254		
Housing and Other Corporate Services				
Estates Income	0	0		
Markets Income	0	27	High level of voids in Eagle Centre market covered by additional income from Cattle Market	One-off funding used for temporary rent reduction to prevent more voids; opening of Westfield has improved situation
Legal Services	51	63	High external legal fees and less income from Derby Homes than budgeted	Additional staffing approved in budget will reduce external Counsel's fees
Housing General Fund	62	40	Reduced income from Carelink, HMO Licensing and Enforcement Notices.	Efforts will be made to contain within the overall Division's budget
Net underspends across other areas	(217)	(72)	Vacancies in HR and less than anticipated spends on utilities in accommodation.	
Total Housing and Other Corporate Services	(104)	58		
Total Corporate and Adult Services	2,618	3,312		

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Environmental Services department				
Non Trading Services				
Composting	138	164	Approx 3,250 tonnes being composted above the 17,310 budgeted for	For 2008/2009 discussions with contractor over disposal rates being charged. Look to promote home composting to reduce the amount of green waste collected.
Waste disposal	(74)	(74)	Lower tonnes being sent to landfill due to higher composting collections	Continued work to promote recycling, thus helping to achieve recycling targets and minimising landfill disposal costs.
Recycling disposal	42	37	Income received for recycling materials has dropped due to market prices being lower than forecasted.	Discussions with contractor regarding gate fee being charged for materials.
Other Waste issues	10	(25)	Extra costs relating to CA Site offset by sundry grants received.	
Bereavement Services	79	116	Lower than forecasted number of cremations and burials.	None essential spend kept to a minimum. Income budgets revised from 2008/2009.

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Arboretum Park budget risk	0	0	Use of £50k one off reserve in 07/08 to support budget.	
Parks	(149)	0	Maintenance work limited to health & safety only saving £118k and utility costs contained.	Continue to limit spend to essential only.
Sport Centre Income	37	51	Lower than forecasted income returns from Queens and Moorways.	Examining reasons for fall in membership numbers, remedial action then to take place if possible.
Sport & Leisure	74	0	£41k due to B-active campaign event had to be cancelled in summer in 2007 due to weather. It was re-scheduled for the Autumn. Overspends on IT and consultancy.	The B-active campaign is funded by LPSA. Seeking additional LPSA funding to cover the B-Active overspend.
Environmental Health	3	41	Pest control income pressures offset by vacant post savings.	
Total Non-Trading	160	310		

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Trading Accounts				
Golf income (trading account)	87	100	Reduced income because of poor weather	The budget for 2008/2009 has been adjusted to take account of the long term decline in income received. A full review of the service is planned for 2008/2009.
Building tendered works risk budget	0	0	On course to achieve budgeted income of £18.8m.	
Catering service	237	60	Food costs increased by around 10%. Approx 130,000 fewer meals sold. Price increase to meals minimised.	Discussions on future pricing policy, drink provision with the meal, support from grants and free school meal allocation ongoing.
Other trading accounts	(24)	8	Balance on other trading accounts	
Total Trading	300	168		
Total Environmental Services	460	478		

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Regeneration and Community department				
Friargate Studios	178	150	Estimated running costs reviewed with Estates, occupancy is expected to be 11 units let (26%) by end of March.	Strategy being drawn up to enhance internal features of building to attract tenants. Work has already been undertaken to improve Ford Street car park to provide 2 dedicated parking spaces for the studios and a rent review has been implemented.
CCTV	35	35	Income unachievable and increased monitoring and maintenance costs.	Review underway to identify options for the service to operate within current budgets or secure additional funding.
Parking Services		180		A corporate car park income reserve is available, if required, for net income shortfalls but is not an on-going funding option
Off-Street Parking	207		Parking fees are falling short of anticipated increases, mainly from the later than planned recent price increase and a fall in patronage in the multi-storey car parks(12% below budgeted level).	A further review of parking services is proposed
On-street parking	202		On street income is slightly down on 2006/2007 levels. Total £409k	

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Parking enforcement	(263)		Income from parking enforcement is estimated to be £115k above the budgeted level. The cost of operating the service is expected to be £147k lower than budgeted, through late filling of vacancies and being restricted to a minimum level whilst the service is developing.	Delivery improvements planned for 2008/2009 will restrict this savings to 2007/2008, whilst also meeting planned savings in parking services for the 2008-11 budget plan.
Highway Maintenance risk budget	0	0	Some schemes will be capitalised against the LTP programme to offset increased revenue costs. The revenue and capital budgets for highway maintenance will jointly be managed to ensure maximisation of grant funding.	The new contract is being closely managed through the Derby Roads Partnership

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Big City Screen	10	10	Overspend on installation costs - costs not included in bid for DDEP grant. There is a risk of not raising sponsorship for the screen itself.	The search for sponsors has resulted in one pledge of £5,000 so far. This effort will continue to the year end, with the possibility of cooperation on appointing a fundraiser jointly with Derby Creative Industries Network.
Development Control	(49)	74	Forecast over achievement on fee paying applications following recent increase in high value major applications.	
Building Consultancy – non trading	19	0	Downturn in number of inspections, net of managed vacancy savings and plan checking fees from neighbouring authorities.	
Department wide balance	52	52	Pressures of balancing the 2007/2008 departmental wide budget shortfall	Steps have been taken to limit this cost in 2007/2008, however the full effect of any changes will not be achieved until 2008/2009
Total Regeneration and Community department	391	501		
Resources department				
Telecommunications	48	48	Reflects actual spending by departments	Savings anticipated from new Featurenet contract
Various minor underspends	(27)	0		
Total Resources Department	21	48		

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Corporate Budgets				
Treasury Management	(2,100)	(2,200)	One-off savings from higher cash balances and favourable interest rates than anticipated in the original budget	Forward cashflow projections have been built into budget planning; ongoing savings will be much more limited in scale
Treasury management – Public Realm unsupported borrowing	(1,500)	(1,500)	First year borrowing cost savings and savings from re-profiling of some spend to 2008/9	No on-going saving unless further slippage in programme spend
Total Treasury Management Underspend	(3,600)	(3,700)		
Corporate Contingency Budgets – inflation contingency	(800)	(800)	Following the 2007/2008 pay award settlement the contingency budget is no longer required	The level of inflation contingency budgets held have been reduced as part of the 2008-2011 budget strategy
Supporting People budget	(1,700)	0	Delays in implementation of the re-investment programme	See section 7 of main report
Other corporate budgets				
Elections	82	65	Unavoidable additional expenditure on personal canvass and postage	Being built into budget planning as corporate pressure

General Fund Revenue Budget Monitoring 2007/2008

Department	Forecast Year-end Position 2007/8	Projected year-end variance November 2007 £000	Reason for variance	Action being taken
Coroner	91	68	Reflects expected actual activity based on 6 month recharge from County Council	Being built into budget planning as corporate pressure
Benefits payments	310	300	Actual cost of unrecovered overpayments and unsubsidised expenditure	Realistic base position to be built into budget planning
Miscellaneous Budgets	(11)	0		
Other Corporate Budgets	472	433		
Total Corporate Budgets	(5,628)	(4,067)		

Schools Budget 2008/09 to 2010/11

- 1.1 The overall level of schools funding has increased nationally per pupil by 4.6% in 2008/09 (3.9% in cash terms), 3.7% in 2009/10 (3.3% in cash terms) and 4.3% in 2010/11 (4.1% in cash terms). This includes funding for ministerial key priorities, personalisation of teaching and learning, support for pupils to make good progress, the extension of the early years offer to parents and extended children's services provided from schools. This is compared to previous increases of 6.6% in 2006/07 and 6.7% in 2007/08.
- 1.2 Against the national increases Derby City Council has not fared too well. Our increases in DSG for 2008/09 to 2010/11 are 4.3%, 3.6% and 4.1% respectively. This means that our settlement in 2008/09 ranks us 120 out of the 150 authorities in terms of largest increases. This is because additional top ups have been given to authorities that have historically spent below the old Formula Spending Share up to the formula level, some protection has been given for authorities with falling numbers and additional funding for authorities with pockets of deprivation in affluent areas. We have relatively static numbers and did not spend below FSS.
- 1.3 Table A illustrates the detailed proposals with a comparison to 2008/09 indicative budgets. Growth has reduced from £3.2 million to £2.046 million. The reduction is primarily due to the savings for the independent special school fees not materialising and the charge for the non statutory education psychology service. It should be noted that these proposals are subject to actual pupils numbers from the January 08 census and a report will follow in March finalising the budget.
- 1.4 In 2008/09 the Schools Budget is funding the additional £687,000 part year effect of the establishment of the new Kingsmead Special School which opened in September 2007. This was agreed as part of the 2007/08 budget strategy.
- 1.5 This year has seen a significant increase in the numbers of payments to the private, voluntary and independent sector for the 3 and 4 year old early years free entitlement. The projected overspend for 2007/08 is estimated to be £135,000 and our projections indicate that these numbers are likely to continue at this level. The 2007-2008 autumn term is over 20% higher than that of the previous year and with the one point entry into school these children will probably stay in nursery education until the following autumn, putting increased pressure on the spring 2008 and summer 2008 payments.

- 1.6 Schools forum agreed on 11 July 2007 an additional breach of the central expenditure limit of £40,000 to fund the shortfall in Building Schools for the Future preparation costs should the need arise. This has been phased in as a pressure for 2009/10 when more growth is available
- 1.7 The three year budget strategy for 2007/08 to 2009/2010, consulted on last year, identified £291,000 of funding to transfer to the Schools Budget for non statutory educational psychology services provided to schools. This was deliverable from the headroom within the central expenditure limit (CEL). The Children and Young People's department has undergone an exceptionally challenging budget this year primarily due to the fact that looked after children are at the highest level ever for the City and £1.5 million of external funding has ceased through streams such as Neighbourhood Renewal funding (NRF) and Local Public Service Agreements (LPSA 2nd round). It is in this climate of severe pressures on the department that this charge to the Schools Budget for education psychology is proposed to be brought forward from 2009/10 to 2008/09. This is still within the headroom of the CEL thus no breach is incurred.
- 1.8 **Moorfields Enhanced Care Programme**
The Enhanced Care Programme is a multi-disciplinary PRU group designed to improve support for looked after children and young people with complex, high level care, education, and health needs, by enhancing services provided from Moorfield Children's Centre with additional CAMHS, Education and Social Care services.
- 1.9 Children and young people referred are those whose care needs are not adequately met in local residential placements, who are not on roll or are in danger of being excluded from local education provision, including the PRU, and who have identified unmet mental and emotional health needs.
- 1.10 Historically this project has been funded from combinations of under spends from CAMHS grant and the Local Area Agreement. It is proposed that to offer continued support and stability to the project the funding will form part of the Schools Budget from 2009/10. Total cost of the project is £110,000 and funds 1.5 teaching assistants, a contribution to a teaching post, 0.5 mental health worker and a residential community care worker.
- 1.11 It is proposed that this is charged to the Schools Budget as a 'contribution to combined budgets'. The regulations state that this must be approved by Schools Forum and where a local education authority operates a combined service 'expenditure is incurred in providing an educational benefit to those pupils'. This will be met from the headroom within the CEL. Forum agreed this at their meeting on 24th January 2008.

- 1.12 All proposals exclude any impact for job evaluation on schools as we do not have any sound information at this stage on which to make proposals. Schools would have to meet any extra costs from within the growth in DSG.

Table A

**PORTFOLIO: CHILDREN AND YOUNG PEOPLE
CHILDREN AND YOUNG PEOPLE DEPARTMENTAL SUMMARY
SCHOOLS BUDGET**

PROPOSED BUDGET AT APPROVED CASH LIMIT	TOTAL			
	2008/09 Indicative £'000	2008/09 Latest £'000	2009/10 £'000	2010/11 £'000
Latest Approved Controllable Base Budget	137,156	137,156	143,665	148,622
Add approved inflation	3,262	3,453	3,563	3,852
Other pressures identified				
Pupil Numbers	(803)	(103)	(813)	(586)
Redesignation of a unit	687	687		
Foundation Stage Payments		135		
Building Schools for the Future			40	
Recategorise Education Psychology Service to Schools Budget		291		
Moorfields			110	
Growth above inflation	3,222	2,046	2,057	2,829
Independent Special School Fees	(452)			
Total other pressures	2,654	3,056	1,394	2,243
Total Proposed Budget	143,072	143,665	148,622	154,717