



DERBY CITY COUNCIL

Budget Strategy 2010/11 to 2012/13

Briefings to Scrutiny Commissions

Oct/Nov 2009

Don McLure, Corporate Director of Resources
Zulf Darr, Assistant Director - Corporate Finance



DERBY CITY COUNCIL

Budget Scrutiny Process

- Agreed Budget Scrutiny Process - SMC 28 Sept
- Plain English Presentation on the Budget Strategy - today
- Background Budget Information to Commissions
- Star chamber scrutiny of budget proposals
- Cabinet Budget Proposals released – 9 and 15 Dec 2009
- Commissions Budget Scrutiny Meetings – Jan 2009
- Cabinet Recommend Budget – 16 Feb 2009
- Council Approve Budget – 1 March 2009



DERBY CITY COUNCIL

Budget Strategy Headlines

- Revenue budget gap - expenditure less income
- £0.7m in 10/11, £7m in 11/12 and £8m in 12/13
- Assumes efficiency savings* made in 09/10 of £9m and £4m in 10/11 achieved
- Also assumes £1.3m of salary savings in 09/10 achieved
- Going forward - strategic approach to savings targets – Council wide approach rather than departmental

* An efficiency saving is where we plan to deliver the same service at less cost



DERBY CITY COUNCIL

Budget Strategy - Assumptions

- Income forecasts based on a 2.5% council tax increase
- Cash freeze in Government Grant for 11/12 and 12/13
- Area Based Grant £24m – passported but to be kept under review
- Pay and price inflation* forecasted at 1.5% over the three years

* Price inflation is the amount we expect running costs to increase less the amount we plan to increase fees and charges by



DERBY CITY COUNCIL

Budget Strategy Pressures added in so far

- Equal Pay - £2.5m annual contingency budget
- £880k savings target from Transforming Derby (Efficiency Programme) in 10/11 but only £440k identified to date
- Benefit payments pressure of £150k from 10/11
- Concessionary fares pressure of £650k from 10/11



DERBY CITY COUNCIL

Budget Strategy Pressures added in so far

- Carbon reduction commitment scheme - £50k from 10/11
- Treasury management - £0.7m in 11/12 and no new borrowing in 12/13
- Pensions - £1.5m in 11/12 due to revaluation
- BSF construction phase - £600k from 12/13



DERBY CITY COUNCIL

Budget savings proposals

- Savings proposals are being developed to remove the budget gap
- DECATS
- Scrutiny by commissions and consultation with stakeholders in December/January



DERBY CITY COUNCIL

Potential Budget Strategy Pressures

- Nothing included in the strategy for:
 - a. additional energy and fuel price increases
 - b. dedicated schools grant – more difficult to charge wider children’s costs to Dedicated Schools Grant - more pressure on Council budget
 - c. increased repairs and maintenance and highways maintenance
 - d. impact of economic downturn.



DERBY CITY COUNCIL

Potential Budget Strategy – New Legislation Pressures

- Child protection and the Laming Report
- Accommodation for 16/17 year old homeless - housing benefit issue
- Safeguarding adults
- Dementia care



DERBY CITY COUNCIL

Potential Budget Strategy – New Legislation Pressures

- Government strategy for people with learning difficulties
- National strategy for Carers
- Adult social care – personalised budget requirements
- Flood prevention and relief



DERBY CITY COUNCIL

Capital Programme Priorities

- Accommodation Strategy and New ways of Working
- Public Realm
- Waste Project
- Building Schools for the Future
- Climate Change Commitment – all new buildings to be zero carbon by 2018



DERBY CITY COUNCIL

Capital Programme Priorities

- Local Investment Plan – Homes and Communities Agency funding and our aspirations for Osmaston, Castleward and Rosehill developments
- District Centres
- Littleover library
- Friargate studios



DERBY CITY COUNCIL

Capital Programme Priorities

- Large maintenance projects include:
 - a. Market hall
 - b. Moorways Sports Centre
 - c. Queens Leisure Centre
 - d. Central library and museum
 - e. Schools Vic Hallam buildings
 - f. Depots