



Revenue Budget Strategy 2009/10 – 2011/12

SUMMARY

- 1.1 This report outlines the Council's revenue budget strategy over the next three years. The key issues covered include:
- The revenue budget and resources forecasts, and the emerging cost pressures over the next three years
 - Clear linkage between the budget process, performance of services and value for money.
 - Reinforcing the requirement to deliver the already agreed efficiency savings for 2008/09 and 2009/10, and to identify realistic and robust proposals for efficiency savings to meet the £3 million identified revenue shortfall in 2010/11.
 - Ensuring the Council integrates the budget and corporate planning process with its corporate priorities.

RECOMMENDATION

- 2.1 To note the estimated financial position facing the Council for 2009/10 to 2011/12, and the assumptions included within the forecasts.
- 2.2 To approve the revenue budget strategy to be followed for the 2009/10 to 2011/12 budget planning process.
- 2.3 To approve the corporate priorities for the Council for 2009/10 to 2011/12.
- 2.4 To agree to refer the revenue budget strategy and the Council's corporate priorities to the most appropriate Scrutiny Management Commission.
- 2.5 To recommend Council approve the revenue budget strategy and corporate priorities on 19 November 2008.

SUPPORTING INFORMATION

- 3.1 The 2008/09 to 2010/11 Budget report approved by Council on the 3 March 2008, presented a balanced financial position for 2008/09 and 2009/10, and highlighted a financial revenue shortfall ('unidentified savings') of approximately £3million in 2010/11. In line with our medium term financial strategy, this report highlights only estimated increases in departmental revenue cash budgets for 2011/12, as this financial year falls outside the 2007 Comprehensive Spending Review period, therefore the amount of government grant for this year is unknown at this stage.

Forecast Resources 2009/10 to 2011/12

- 3.2 The Government's central grant system determines the majority of the non-schools funding received by local authorities, and from 2008/09 was set on a three-year basis, allowing local authorities to plan with greater certainty than in the past. The next three-year settlement will begin in 2011/12, in line with the Government's Spending Review. As of now, there is very little information about the Spending Review but it is prudent to forecast that the Council's grant settlement will depend on both the general economic outlook and on the distribution formulae currently being reviewed by DCLG. We hope to influence this review in favour of Derby through our membership of SIGOMA and by responding directly to Government on the existing grant distribution system, especially in relation to grant 'floors and scaling back' where we are significantly penalised.
- 3.3 The table below summarises the Council's revenue budget position from 2009/10 to 2011/12. Budget forecasts and resource assumptions for 2009/10 and 2010/11, remain the same as those agreed by Council and also includes financial estimates for Energy price increases, Treasury Management savings, and new Corporate pressures.
- 3.4 Inflation for 2011/12 has been forecasted to be 2.5%. Given that 2011/12 is outside the three year grant settlement period (CSR 2007), we have made a prudent assumption of a 2.15% increase in Government Grant for 2011/12 based on the median that other authorities within the SIGOMA grouping have assumed. The range of increases within SIGOMA authorities is 1.5% to 3%, with a median figure of 2.15%. We have also continued to assume a 5% increase in Council Tax in each of the three years.

Revenue Budget Summary 2009/10 – 2011/12

		2009/10	2010/11	2011/12
		£m	£m	£m
Previous Year's Base Budget				
	Departments	149.726	151.780	154.165
	Corporate budgets/contingency	12.998	16.220	18.103
	Treasury Management	14.478	16.864	19.978
	Use of reserves	-0.508	-0.354	-0.155
	Total	176.694	184.510	192.091
Inflation		5.114	5.697	4.802
Developments/Pressures		6.882	6.417	0
Savings - specific proposals		-4.180	-1.543	0
Savings Targets – Proposals yet to be identified		0	-2,990	0
Energy & Fuel Prices Increases (see para 3.5)		1.550	- 0.388	0
Pension Scheme Contributions (see para 3.7)		0	0	0.750
Corporate/Departmental Contingency (see para 3.10)				0.206
Treasury Management Base Budget Savings		-0.380	0	0
Treasury Management Temporary Savings (see para 3.12)		-0.550		
Treasury Management Fallout temporary savings		0	0	0.550
Use of reserves		-0.620		
Repay use of reserves			0.388	0.387
Total		184.510	192.091	198.786
Resources				
	Council Tax	78.320	82.442	86.780
	Government Grant	106.190	109.649	112.006
	Total	184.510	192.091	198.786
Balanced Position		0	0	0

Emerging Budget Pressures 09/10- 11/12

- 3.5 **Energy & Fuel Price Increases** – We have set aside resources in the current budget for 2008/09 for forecasted increases in electricity prices of 20% from October 2008. We now know that this is not enough. Our current best estimates suggest that in 2009/10, we will need to make a prudent provision for an additional £1,325,000 for energy price increases, and £225,000 for fuel price increases in 2009/10. The summary table above therefore includes £1,550,000 in the 2009/10 base budget to meet these energy and fuel price increases. This budget will be managed corporately and distributed to departments in line with increased prices. We are not forecasting any further energy price increases in 2010/11, so any energy inflation budgets previously built into the 2010/11 budget can now be released – these amount to £388,000.
- 3.6 **Waste Landfill Costs** – If recycling rates continue to improve from 40% to 50%, and waste volumes remain the same as in the previous 2 years, then we expect to contain this pressure within our medium term financial strategy.
- 3.7 **New Corporate Pressure 2011/12** – The next revaluation for the Local Government Pension Scheme is due in 2011/12 and we estimate a prudent increase in employers' contributions to be £750k a year. This amount has therefore been included as pressure from 2011/12 and included in the summary table above.
- 3.8 **Highways Maintenance Contract** – Difficulties encountered with the management of the present and former Highways Maintenance contracts, coupled with a number of other issues including a backlog of patching works, has resulted in a significant financial pressure on the Highways budget. A separate report will be presented to the Cabinet outlining in detail the concerns in this area, and the estimated financial pressure.
- 3.9 Two other emerging potential pressures, which will require further consideration during this budget process, are the Carbon Reduction Commitment Scheme, and support to the Building Schools for the Future programme. Participation in the Carbon Reduction Commitment Scheme will be mandatory from April 2010, and we are expecting a budgetary pressures in the region of £80k from 2011/12. We also need to assess the potential costs of supporting the Building Schools for the Future programme through phases 2 and 3, which could mean setting aside resources from 2010/11 onwards.
- 3.10 We have set aside a small contingency of £206k to meet any new departmental or corporate pressures from 2011/12. Any departmental pressures not met through this contingency will need to be funded by corresponding departmental savings.
- 3.11 Within our Capital Strategy report we are proposing to ensure that the principle of ongoing contributions to a sinking fund to pay for future repairs and maintenance costs be built into major capital schemes. This could be funded either from departmental budgets or as a corporate pressure. There will clearly be more of an impact on the revenue budget where schemes are not producing revenue savings, and this will need to be considered in the overall capital approval process.

Treasury Management Savings 2009/10 – 2011/12

- 3.12 New regulations regarding how local authorities make a provision for the repayment of debt mean that the Council is able to spread the costs of making such a provision over a longer time period, in line with the long-term assets (such as the refurbishment of the Council House) in the capital programme. By spreading costs in this way, a forecasted saving of £930,000 can be made in 2009/10, with similar savings in 2010/11. By 2011/12, however, this saving will reduce to around £380,000, and reduced further to £80,000 in 2012/13. This is reflected in the budget summary table above.

Accommodation Strategy

- 3.13 We are currently working through the financial implications relating to the rationalisation of buildings. Any net savings from building running costs identified, after setting aside resources for lifecycle maintenance costs, could be used to help support the capital costs for the second city centre Council accommodation building.

Linking Budgets to Performance and Value for Money, VFM

- 3.14 We are currently reviewing service cost indicator information and benchmarking against Derby's other local authority comparator group average. This will give a broad estimate of the potential savings if we were to spend at the same level as our group average, including a number of other 'four star' authorities. These cost indicators are based on gross expenditure (we will need to take account of external resources), and will only give us a potential indication for further probing and due consideration, rather than coming to any firm conclusions around VFM.
- 3.15 Following feedback from the Chief Officers Group on this piece of VFM work, we intend to produce a performance matrix bringing together all our performance indicators including both high and low cost, and good and poor performance. This will provide good evidence and analysis that can be used effectively in this year's budget process.
- 3.16 We are developing a more integrated approach to monitoring VFM across all of the above areas in order to better manage ongoing budget pressures and demonstrate improvements in efficiency. The new Use of Resources assessment is now placing more emphasis on councils' understanding of the links between costs, activities and outcomes.
- 3.17 We will establish key service performance indicators (PIs) and provide outcome targets for each budget that is monitored on Performance Eye. Heads of Service will be asked to work with their service accountants in order to confirm these PIs where they are already in place, and develop new ones where they aren't. This will inform the selection of areas for benchmarking and budget reviews through an ongoing programme concentrating first on high risk budget areas with high spend and comparably poor performance, then moving on to areas of discretionary spend. It is suggested that the Assistant Director Group take a lead role in providing the independent monitoring and reviewing role for these performance indicators and subsequent budgetary reviews.

Transforming Derby & Shared Services Opportunities

- 3.18 Going forward, a key mechanism for delivering efficiency savings is the Council's Transforming Derby Programme. The programme aims to deliver savings from 2010/11 that will go towards meeting our 3% cashable efficiency savings target and help alleviate our indicative budget pressure.
- 3.19 The Transforming Derby programme is currently being finalised and planning for the New Ways of Working project is now well under way in the Council House and will reduce space requirements for employees by at least 30%. Building work will start early in 2009 and will take 2.5 years to complete. This programme will have a significant impact on operating budgets from 2009/10 onwards.
- 3.20 Our significant planned capital investment in Accommodation and Information Technology and Telephony presents a real opportunity to co-locate and integrate services, with a view to improving services and delivering financial savings. The opportunity to share internal support services should be closely aligned to the 'Transforming Derby' strategy. We will be exploring the benefits of centralising Finance, Human Resources, IT, Administration and Customer Services functions wherever practically possible and so long as there is a business case and no compromise on the quality of existing service levels.
- 3.21 We will also be exploring other similar functions currently carried out in different departments, with a view to exploring the feasibility of bringing them together to achieve efficiencies – e.g. the payment and processing of invoices.

Fees and Charges Review Across the Council

- 3.22 Following a report by the Audit Commission - 'Positively Charged' in January 2008, we have commissioned Grant Thornton - our external auditors - to review our fees and charges policies and compare them with similar local authorities. They are due to present their report to us by 30 September 2008, in line with our budget timetable.

Procurement Savings

- 3.23 Our extended central Procurement Team is working closely with departments to identify savings/benefits and is in the process of finalising its work programme. The team is also helping departments to ensure compliance with Corporate Procurement practices e.g. Contracts Register and Contract Procedure Rules, in order to reduce the risk of more expensive out of contract expenditure.

Area Based Grant

- 3.24 The Area Based Grant of over £25m in 2009/10 when Supporting People Grant is included is 'un-ring fenced'. This is allowing us flexibility in re-allocating resources in line with the Council's priorities, and the LAA 35 key priorities. Decisions taken around the allocation of the ABG from 2009/10 will be linked to the Council's budget process.

Capital Programme 2009/10 - 2011/12

- 3.25 The Capital Strategy 2009/10 to 2011/12 is being developed and aligned with the Revenue Budget Strategy, and is presented to this same Cabinet meeting. The overall context of the capital programme is that it is becoming more difficult to obtain capital receipts in the current economic climate. We reported the latest 2008/09 Capital Programme position to Cabinet on 29 July 2008. This proposed a rebalancing of the capital programme to fund increased costs or reduced funding levels in a number of areas. The main source of additional funding is unsupported borrowing, and there is sufficient revenue budget provision within the Treasury Management budget to enable this.
- 3.26 Another longstanding issue which the Capital Strategy recommends we try to address is the need to set aside adequate annual provision for a “sinking fund” for repairs and maintenance for new buildings or where buildings are rebuilt or refurbished. The sinking fund would build up in the early years of a new or refurbished building's life and would then be available for use when it is showing more sign of wear and tear. This could be funded from savings where these arise from a capital project business case, or otherwise would have to be built into corporate or departmental budget proposals.
- 3.27 The existing capital programme runs from 2008/09 to 2010/11 and has a number of major schemes where business cases are still in the process of being reviewed. Where there is any slippage on these schemes, it is proposed that the savings should be transferred to a contingency to support the revenue budget and the establishment of a sinking fund as described in paragraph 3.11 above. The exception to this would be schemes within the remit of the Public Realm Board, which would be able to propose a reallocation of resources provided that equivalent expenditure could be incurred during that year without slippage. Given the difficulties in balancing the revenue budget, and the uncertainty of funding beyond the next Spending Review period, it is proposed that no new unsupported borrowing is planned for 2011/12 at this stage and no new capital bids invited until nearer the time.

Revenue Cash Budget Limits 2009/10 – 2011/12

- 3.28 Our departmental budget allocations for 2009/10 and 2010/11 are cash limited and fixed in both these years as a result of the 2007 Comprehensive Spending Review. Our medium term financial strategy assumes that we achieve all our planned efficiency savings in 2008/09 and 2009/10. However, we have a funding gap for 2010/11 and £2.99m of unidentified savings. Departmental savings targets for 2010/11 to balance have been allocated as follows :

Children & Young People	£1.571m
Environmental Services	£0.533m
Regeneration & Community	£0.585m
Corporate & Adult Services.	£0.301m

- 3.29 The budget process needs to ensure that departmental savings proposals for 2010/11 are developed and included in our balanced budget proposals to members for consideration. Given that 2011/12 will be the first year of a new Comprehensive Spending Review, we are unsure about the level of grant we will receive from Government. We therefore propose to plan on an increase of departmental cash limits of 2.5% in 2011/12.

Corporate Reserves

- 3.30 Appendices 2a and 2b provide the latest position on corporate reserves, showing the balance at 31st March 2008 and the approved commitments against them. The general reserve continues to be held at 2% of the Budget requirement (including the Schools Budget), in line with recommended best practice.
- 3.31 Given the number of significant reviews planned across the Council over the next few years, we are recommending to set up an 'organisational change' reserve to fund any potential one-off costs associated with employee reviews, following a review of corporate reserves, and subject to robust business cases.

The budget planning process

- 3.32 Departments are aware of their responsibility to manage budgets within approved budget totals, including the delivery of savings, together with close monitoring and immediate action for any emerging budget pressure on risk budgets.
- 3.33 Any on-going budget pressures emerging from the 2008/09 early monitoring will need to be addressed by departments as part of the detailed budget planning, on the basis that there will be no additional corporate allocation for pressures. It should also be noted that any new service pressures identified and built into detailed budget planning will necessitate corresponding additional departmental savings proposals to balance.
- 3.34 Departments should therefore continue to plan within the indicative departmental cash limits for 2009/10 and 2010/11 as agreed by Council on 3 March 2008 and set out in the 2008/9 budget process, when working up detailed budgets for 2009/10 and 2010/11. Departmental cash limits for 2011/12 will be issued to work within for 2011/12 detailed budget planning, set at this stage by applying a 2.5% overall inflation uplift to 2010/11 indicative cash limits.
- 3.35 There will be no change to the indicative inflation uplift percentages already allowed or for demographic changes for 2009/10 and 2010/11. A budget contingency provision will continue to be held corporately towards the cost of a pay award settlement should this be above 2.5%. A set of standard inflation uplift percentages will be issued for detailed budget planning for 2011/12 and the outcome reviewed against the provisional 2.5% uplift.

- 3.36 Departments will also need to develop exit strategies where one-off, or time limited funds, are currently being used to support on-going services and expenditure, to avoid on-going budget pressures. Exit strategies will also need to include the departmental funding of any employee severance costs. This is specifically required for the following areas...
- External funding due to cease between 2009 and 2012 with no confirmed replacement or continuation at this stage, identifying in the process the policy and service implications. This review will also need to include Partnership budgets supported by external funding.
 - Reliance on service reserves to fund service developments and improvement plans, which have an on-going budget implication.
- 3.37 The Capital Strategy for 2009/10 to 2011/12 is included on this Cabinet agenda, taking into account the updated proposals included here to support capital investment from the revenue budget using prudential borrowing.
- 3.38 The scale of additional savings required to be identified for implementation from 2010/11 will need to be confirmed and the timetable for working up, consulting on and approving proposals agreed.

Council Priorities and Corporate Planning

- 3.39 The Council's corporate priorities are central to the budget planning process as they guide resource allocation in line with our vision to create 'Derby - a city of all ages' and wider Community Strategy.
- 3.40 Looking ahead to 2009-12, there are a number of drivers which have prompted a review of the corporate priorities as published in our 2008-11 Corporate Plan. These are as follows...
- Finalisation and publication of the Local Area Agreement - LAA - 2008-2011. The Agreement focuses around three key themes; raising aspiration, improving and strengthening Derby's communities and creating wealth for all.
 - The draft Sustainable Communities Strategy.
 - The publication of the Government's White Paper - Communities in Control: Real People, Real Power.
 - Liberal Democrat' manifesto commitments.
 - Recent consultation responses received through Derby Pointer survey.
- 3.41 Members of Chief Officer Group and Cabinet attended a workshop on 31 July 2008, the main purpose of which was to review the existing priorities and supporting outcomes in light of the changes set out above.

3.42 The Cabinet's proposed priorities for 2009-12 are set out below.

2009-2012 Priorities
Supporting our neighbourhoods
Creating a sustainable economy for Derby
Protecting and improving Derby's environment
Raising aspirations and achievement across all ages
Improving health and supporting us all to be active and independent
Delivering quality, cost effective services

3.43 As in previous years, each priority is supported by a number of key outcomes that set out the aspirations that underpin it. These are shown in **Appendix 3**.

3.44 Subject to formal approval of these priorities and outcomes by Cabinet, work will commence on drafting the Corporate Plan for 2009-12. Further consultation will also be undertaken through the October 2008 Pointer Panel and wider budget consultation process. This will inform the final wording of the priorities and outcomes in light of plain English requirements.

Financial and corporate planning timetable

3.45 An integrated corporate and financial planning timetable is being used for the development of the Corporate Plan, service plans and budgets for 2009/10 to 2011/12. The timetable is attached at **Appendix 4**.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 - Corporate Reserves Summary Appendix 3 – Summary of 2009-12 Corporate Priorities and Outcomes Appendix 4 – Corporate and financial planning timetable 2009/10

IMPLICATIONS

Financial

- 1.1 As detailed in the report

Legal

- 2.1 The Council is required to set balanced revenue and capital budgets for 2009/10 by March 2009. Under the Prudential Code established by the Local Government Act 2003, it is also required to demonstrate the affordability of its revenue budget for the two subsequent financial years, after taking into account its plans for capital expenditure.

Personnel

- 3.1 No new implications assumed at this stage.

Equalities Impact

- 4.1 None.

Corporate objectives and priorities for change

- 5.1 As set out in the report.

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 (2% of budget requirement including DSG)	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	-458	237	0	237	0	237
Total Treasury Management reserves	3,556	0	3,556	-458	3,098	0	3,098	0	3,098
Trading Services reserve	1,000	0	1,000	0	1,000		1,000		1,000
Job Evaluation	1,253	537	1,790	-1,253	537	0	537	0	537
Pump Priming Fund - Existing Budgeted Commitments	639	111	750	0	750	0	750	0	750
approved use for Decriminalised Parking Enforcement	-105	0	-105	0	-105	0	-105	0	-105
approved use for Jayex signboard	-55	55	0	0	0	0	0	0	0
Friargate Studios	-193	0	-193	21	-172	18	-154	18	-136
Environmental Services schemes 20 February 2007 Cabinet	0	0	0	22	22	22	44	22	66
Net Pump Priming Reserve	286	166	452	43	495	40	535	40	575
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
Children's services contracts officer Cabinet 28/11/06	0	-50	-50	0	-50	0	-50	0	-50
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	0	-99	-1	-100	0	-100	0	-100
Silk Mill Refurbishment	0	-97	-97	-53	-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	-11	-32	-14	-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	0	0	-46	-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
Top-up from 2007/08 underspend		800	800		800		800		800
Specialist external legal advice for the ICT contract re-tender	0	0	0	-100	-100		-100		-100
Recruitment of a Principal and Senior Procurement Officer	0	0	0	-60	-60	-30	-90		-90
Rowditch recreation Ground feasibility work	0	0	0	-10	-10		-10		-10
Schools Primary capital programme/Academies project support - 22/04/08 Cabinet	0		0	-100	-100		-100		-100
Net Corporate Investment Fund	1,407	387	1,794	-418	1,376	-55	1,321	-25	1,296
Climate Change Board									
initial transfer from Modernisation Reserve	0	200	200		200		200		200
Less Approved Use estimated spend profile	0	-17	-17	-183	-200		-200		-200
	0	183	183	-183	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	-523	-1,107	0	-1,107	0	-1,107	0	-1,107
LPSA1 pump priming grant late adjustment	188	0	188	0	188	0	188	0	188
0607 late use of LPSA	-434		-434		-434		-434		-434
0708 late use	0	-553	-553		-553		-553		-553
Sunnyhill Community Centre	0	39	39		39		39		39
Less to Corporate Modernisation Fund	-1,000		-1,000		-1,000		-1,000		-1,000
Provisional LPSA2 Reward Grant 50% revenue	0		0	750	750	950	1,700		1,700
Proposed application for NRF transition	0		0	-750	-750	-500	-1,250		-1,250
0607 outturn transferred to LPSA	217		217		217		217		217
Net LPSA Reserve	1,693	-1,604	89	0	89	450	539	0	539
Car Park Income reserve	750	0	750	-32	718	0	718	0	718
Contingency Insurance Claims		200	200	-200	0	0	0	0	0
Springwood		160	160	-160	0	0	0	0	0
Housing Benefit payments and overpayments reserve	400		400		400		400		400
Council Tax Benefit Reserve	370		370		370		370		370
Net Housing Benefit Reserves	770	0	770	0	770	0	770	0	770
From Budget Uncertainties Reserve	193	376	569		569		569		569
2007/08 use of reserve	0	-222	-222		-222		-222		-222
Net Waste Strategy Reserve	193	154	347	0	347	0	347	0	347
From Budget Uncertainties Reserve	341	1,922	2,263		2,263		2,263		2,263
2006/07 Use of reserve (audit adjustment journal)	-149	0	-149		-149		-149		-149
To fund ICS development costs 0708		-113	-113		-113		-113		-113
0708 contribution from CYP revenue		479	479		479		479		479
2007/08 spend transferred to CAA		-544	-544		-544		-544		-544
Net Building Schools for the future	192	1,744	1,936	0	1,936	0	1,936	0	1,936
Total	10,715	-331	10,384	-2,301	8,083	435	8,518	15	8,533

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							
NNDR refunds reserve	713	-21	692	-32	660	0	660
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	684	0	684	0	684	0	684
BSF - move balance created 06/07 to defined	-341		-341		-341		-341
BSF - move balance created 06/07 to defined	149		149		149		149
Waste Strategy - move to defined reserves - 0607 outturn	-193		-193		-193		-193
LABGI	0	0	0	2,900	2,900	0	2,900
Net 2007/08 outturn	1,071		1,071		1,071		1,071
Less: Reserves Already Used	-4,455	-4,871	-9,326	-2,885	-12,211	-494	-12,705
Net Budget Uncertainties Reserve	6,218	-4,729	1,489	15	1,504	-494	1,010
Net Balance of Reserves Available for Year	6,931	-4,750	2,181	-17	2,164	-494	1,670
	Reserves Used in 2007/8		Reserves Used in 2008/9		Reserves Used in 2009/10		Reserves Used in 2010/11
Earmark for approved use							
Energy efficiency schemes - from NNDR refunds	0		-32				
Salix finance energy efficiency bid - from NNDR refunds	-100						
Charges for recovering bills	-27						
income received	106						
	-21	0	-32	0	0	0	0
Use of corp reserves - RCCO - Sunny Hill Community Centre From Public Priority Fund	-39						
Use of reserves - Sports & Leisure Funding Officer	-32						
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
2007/8 budget - one-off items	-581		-10				
Contingency - insurance claims	-200						
Consultants - Accommodation strategy			-52				
BSF as per 20/02 cab plus additional - move to defined reserves	-1,921						
Waste Strategy - move to defined reserves	-376						
Derwent NEAT	-70						
<u>Earmark commitments from revenue outturn report to Cabinet 31 July 2007 :</u>							
Springwood Leisure centre	-160						
Library restructure costs	-69						
Schools health and safety posts - 31 July 2007 Cabinet	-30						
Use of LABGI - 22 April 08 Cabinet			-2,200				
Proposed Use of reserves - budget 2008/09 to 2010/11	0		-343		-194		
	-4,871	0	-2,885	0	-494	0	-320
Net Use of Reserves in Year	-4,892	0	-2,917	0	-494	0	-320
Net Balance of Reserves Unused at Year End	2,039		-736		1,670		1,350

Summary of 2009-12 Corporate Priorities and Outcomes

Priority	Outcome
1. Supporting our neighbourhoods	1.1 Reducing the fear and levels of crime and anti-social behaviour
	1.2 Improving the standard and range of affordable housing
	1.3 Increasing community cohesion and engagement
	1.4 Improving facilities and services in our neighbourhoods
2. Creating a sustainable economy for Derby	2.1 Supporting economic development and sustainable investment
	2.2 Improving access to and within the city
	2.3 Improving the quality and range of leisure, business and cultural facilities in the city centre
	2.4 Raising accessibility to job opportunities in the city
3. Protecting and improving Derby's environment	3.1 Reducing the level of carbon emissions and other pollutants
	3.2 Tackling climate change and supporting people to address local environmental issues
	3.3 Seeking to integrate the built heritage with new developments
	3.4 Creating a cleaner and greener environment and improving the quality of open spaces across the city
4. Raising aspirations and achievement across all ages	4.1 Raising achievement and narrowing gaps in education attainment
	4.2 Improving skills and achievement at all ages
5. Improving health and supporting us all to be active and independent	5.1 Promoting independence and increasing choice and the quality of services for vulnerable and older people
	5.2 Improving the health and well-being of our communities
	5.3 Safeguarding vulnerable members of the community
6. Delivering quality, cost effective services	6.1 Modernising services and infrastructure and increasing customer satisfaction
	6.2 Reviewing costs of services and improving value for money

Corporate and Financial Planning Timetable 2009-12

Date	Activity
September 2008	Early preparation of the Corporate Plan.
	Service planning guidance issued.
30 September 2008	Revenue and Capital Budget Strategies approved by Cabinet.
October 2008	Review of Budget consultation approach used for 2008/09.
	Departmental management teams to commence work of improvement priorities, service planning and detailed budget proposals.
	Derby Pointer survey on priorities.
November 2008	Results of Derby Pointer priorities survey.
10 December 2008	COG to approve: <ul style="list-style-type: none"> • First draft of the Corporate Plan • Budget consultation pack
December 2008 – January 2009	Consultation through the Commission, Neighbourhoods and relevant committees/forums on the revenue and capital budget proposals and corporate priorities.
13 January 2009	First draft of the Corporate Plan 2009-2012 to be submitted to Cabinet.
Mid to late January 2009	COG/ AD workshop to review Corporate Plan action plan and facilitate service planning
17 February 2009	Council Cabinet considers final draft Corporate Plan, 2009/10 Revenue Budget and Council Tax and budget plans for 2010/11 and 2011/12 recommended to 2 March Council for approval.
2 March 2009	Council adopts Corporate Plan and Budget.
April 2009	Publishing of service business plans and detailed budgets.