



## SCRUTINY MANAGEMENT COMMISSION 7 MARCH 2006

Report of the Director of Corporate and Adult Social Services and  
Deputy Chief Executive

### Tracking the effect of the proposed savings identified in the 2006/07-2008/09 Revenue Budget

#### RECOMMENDATION

- 1.1 That the Commission considers the proposals contained in Appendix 2 to this report.
- 1.2 That members identify the budget areas where they wish to track the effect of the proposed savings

#### SUPPORTING INFORMATION

- 2.1 At the Scrutiny Management Commission meeting on 24 January 2006 members asked the Co-ordination Officer to prepare a report outlining the ways in which the effect of the savings identified in the Council's Revenue Budget 2006/07 to 2008/09 might be tracked.
- 2.2 Appendix 2 of this report lists the Revenue Budget savings that fall within the portfolio of the Scrutiny Management Commission and suggests some methods of tracking the effect of these savings throughout the financial year 2006/07.

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**Background papers:** Appendix 1 – Implications  
**List of appendices:** Appendix 2 - Revenue Budget 2006/07-2008/09 - tracking the effect of savings

<b>IMPLICATIONS</b>
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**Financial**

1. None arising from this report.

**Legal**

2. None arising from this report.

**Personnel**

3. None arising from this report.

**Equalities impact**

4. The Revenue Budget will have an effect on all Derby people

**Corporate Objectives, Values and Priorities**

5. This report has the potential to link with all the of the Council's Corporate Objectives, Values and Priorities:

## Revenue Budget 2006/07-2008/09 - tracking the effect of savings

### 1. Identification of the savings

Table 1 below lists the savings and proposals for income generation identified in the Revenue Budget that fall within the portfolio of the Scrutiny Management Commission.

**Table 1 (note: page numbers refer to the pages in the Draft Revenue Budget document issued to members on 9 January 2006)**

<b>Chief Executives Department – Policy Directorate – Derby City Partnership (p46)</b>	
<b>Proposals</b>	<b>2006/07</b>
Reduction to Council contribution	£2k
<b>Chief Executives Department – Policy Directorate – Directorate Management (p48)</b>	
<b>Proposals</b>	<b>2006/07</b>
Non filling of Vacant post	£12k
<b>Chief Executives Department – Policy Directorate – Personnel and Equalities (p50)</b>	
<b>Proposals</b>	<b>2006/07</b>
Reduction in Learn to Work subsidy (from previous indicative budget)	£48k
General supplies and services	£1k
<b>Corporate Services Directorate - Chief Executives Department – Democratic Services Unit (p60)</b>	
<b>Proposals</b>	<b>2006/07</b>
Telecoms – reduction in bundle costs	£16k
Elections – savings on postages	£9k
Overview and Scrutiny – research budget halved	£24k
Deletion of Mayors Secretary post	£8k
Increase in civil fees	£2k
Reduce twinning grants budget	£4k
Review of Register Office fees	£28k
Land Charges – reduction in IT budget and freeze vacancy	£10k

Other equipment budget savings across service unit	£10k
Reallocate contingency budget to identified pressures	£43k

**Corporate Services Directorate - Chief Executives Department – Legal Services Unit (p61)**

<b>Proposals</b>	<b>2006/07</b>
Freeze vacant Legal Clerk post	£17k
Increase fees to client departments	£16k

**Corporate Services Directorate - Chief Executives Department – Property Services Unit (p62)**

<b>Proposals</b>	<b>2006/07</b>
Direct employment of building inspection staff rather than using consultants	£55k
Car Boot sale – increase fees	£15k
Street Trading – increase fees	£11k
Building cleaning savings	£10k
Increase Estates Rental income	£58k
Energy efficiency savings	£3k
Premises savings from bus station closure	£64k
Markets – increased occupancy	£7k
Delete lighting/decorating budget for markets	£25k

**Corporate Services Directorate - Chief Executives Department – Repair and Maintenance Service (p64)**

<b>Proposals</b>	<b>2006/07</b>
Reduction to maintenance programme to fund pressure	£270k

**Finance Directorate - Chief Executives Department – Corporate Finance Service Unit (p73)**

<b>Proposals</b>	<b>2006/07</b>
Reduce supplies budgets across service unit	£6k
Increase in internal audit income from foundation schools	£3k
Minor staffing restructure within accountancy	£5k
Do not cover maternity in Tech Finance	£4k

**Finance Directorate - Chief Executives Department – Financial Services Service Unit (p74)**

<b>Proposals</b>	<b>2006/07</b>
Savings in supplies and services budgets across service unit	£23k
System software savings	£12k

**Finance Directorate - Chief Executives Department – ICT and Performance Service Unit (p75)**

<b>Proposals</b>	<b>2006/07</b>
Increase in HCI net income	£4k
Delete Business Improvement Advisor Post	£33k
Savings in Building on Excellence Budget to fund project support post	£29k
Delete libraries support budget	£10k
Reduce central funding of development/assignment days	£20k
Reductions in IT 'client side' costs	£20k

**Finance Directorate - Chief Executives Department – Revenues and benefits Service (p76)**

<b>Proposals</b>	<b>2006/07</b>
Reduction in PFI contract costs	£6k
Reduction in publicity budget	£5k
Incremental growth savings	£13k

**Corporate Budgets – Chief Executives Department – Other Corporate Budgets (p84)**

<b>Proposals</b>	<b>2006/07</b>
Reduce corporate contingency to balance	£233k
Outcome of corporate reviews – Agency and Recruitment	£100k

**Corporate Budgets – Chief Executives Department – Treasury Management Service Unit (p94)**

<b>Proposals</b>	<b>2006/07</b>
Renegotiation of interest payable on pre-reorganisation debt	£258k
Investment performance in excess of market benchmarks	£100k
Revised investment income including reappraisal of future cash holdings	£435k
Revenues and Benefits PFI contract end August 2006	£200k
Reduced estimate of borrowing costs in support of capital programme	£200k

## **2. Tracking the effect of the savings**

There are a number of ways in which the effect of the proposed budget savings could be tracked.

One way would be to compare performance within a particular area in past years with performance in the same area over the coming financial year. It will be appreciated that this can only be done if there is information available about the past years' performance.

The Performance Eye system now contains a mass of performance data, much of it dating from 2004. It may be that some of this data can be related, directly or indirectly, to some of the savings listed in Table 1, and where this is possible it should be possible to make a comparison of 2006/07 performance with that of previous years.

Where no Performance Eye information is available it will be much more difficult to assess the effect of the savings. In these circumstances it might be possible to obtain performance data relating to previous years, but this will probably involve significant additional work by officers of the relevant service departments.

An alternative would be to ask service department officers to provide regular qualitative update reports to the Commission on any effects that the savings are having on the services provided by the Council. This will also involve extra work, but it is likely to be less onerous than that involved in a comparison with historical performance data.

As the method that can be used to track the effect of the savings will depend on the information available about the particular budget area, more definite information about the methods and the work that they will involve cannot be provided until the Commission identifies the particular budget areas in which it is interested. Members are therefore asked to provide this information to the Co-ordination Officer.

DRR 17 February 2006