

## **The Council's 2005/06 – 2007/08 Draft Revenue Budget**

### **RECOMMENDATION**

- 1.1 That the members consider those aspects of the Council's draft 2005/06 – 2007/08 Revenue Budget that fall within the remit of the Commission.
- 1.2 That where appropriate the Commission offers recommendations:
  - a) On proposals contained in the draft budget that fall within the remit of the Commission, and;
  - b) On what the Commission considers to be the best ways of using the £700,000 of unallocated public priority spending.
- 1.3 That members identify any aspects of the budget which they would like to track and scrutinise at subsequent meetings by the use of Performance Eye.

### **SUPPORTING INFORMATION**

- 2.1 The Council's draft Revenue Budget was issued to Overview and Scrutiny Commission members at the briefing meeting on 11 January 2005.
- 2.2 All the Commissions will have an opportunity for detailed consideration of the draft Revenue Budget at their business meetings in January 2005.
- 2.3 From reading the draft budget document, members will be aware that decisions have yet to be taken about the ways in which a sum totalling £700,000 will be allocated for spending on public priorities.
- 2.4 It is suggested that where appropriate that each of the Commissions makes recommendations on:
  - a) Proposals contained in the draft budget that fall within the remit of the Commission, and;
  - b) What the Commission considers to be the best ways of using the £700,000 of unallocated public priority spending.

- 2.5 The Performance Eye performance monitoring facility gives the Overview and Scrutiny Commissions the means of monitoring the effects and outcomes of the funding for Council services agreed through the budget process. It is suggested that each Commission could identify particular service areas within its remit and could at subsequent meetings use Performance Eye to track progress, and examine performance and the outcome of the budget allocation within those areas.
- 2.6 A summary of the information from the draft Revenue Budget that relates to the Planning and Environment Commission is contained within Appendix 2 of this report.
- 2.7 A list of the areas falling within the Commission's portfolio is contained in Appendix 3 of this report.

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Planning and Environment Commission Summary of Revenue Budget Information Appendix 3 - Planning and Environment Commission portfolio

## **Appendix 1**

### **IMPLICATIONS**

#### **Financial**

1. None arising from directly this report.

#### **Legal**

2. None arising from this report.

#### **Personnel**

- 3 None arising from this report.

#### **Equalities impact**

4. Recommendations concerning the Council's Revenue budget have the potential to be of benefit to all Derby people.

#### **Corporate objectives and priorities for change**

5. The Council's Revenue Budget relates to all the Corporate Objectives and Priorities for Change.

### **Planning and Environment Commission Summary of Revenue Budget Information**

#### **1. Commercial Services Directorate**

Revenue Services are (page 16):

- Bereavement Services
- Grounds Maintenance

Trading services are:

- Waste Management
- Street Lighting
- Street Cleansing
- Grounds Maintenance

#### **Service Planning Issues (page 17)**

Bereavement Services

- Implementing strategy of memorial checks and restoration
- Ensuring compliance with the new mercury emission legislation at Markeaton Crematorium

Parks

- Meeting public expectations relating to grass cutting, bedding and trees

Note: both Bereavement Services and Parks have achieved ISO9001 accreditation.

#### **Revenue Budget Proposals (page 19)**

A balanced budget can only be achieved through a number of efficiencies and service reductions. These include:

- Increasing adult cremation charges above inflation
- Reducing the amount spent on bedding plants
- Ceasing participation in Britain in Bloom

#### **Budget Summary tables - page 19**

##### **Service efficiencies**

Adult cremation fees to be increased by 7% above inflation. Increases price from £290 to £310 and will generate approx £67,000 extra income Charge is

comparable with other Unitaries and will result in the service running at a break even cost to Council.

Ceasing participation in Britain in Bloom will save £22,000.

**Further proposals that are not yet included in Budget or recommended/approved by Cabinet (page 22/23):**

- Would like to implement both the O&S Commission's recommendations on improvements to the Parks Service and the recommendations following the Tree Management review. These would cost around £20,000 and £30,000 respectively. However no funding for these is likely to be received and funding cannot be found within the service so improvements cannot be implemented at this stage.
- Could reduce the number of grass cuts from 15 to 12 per year, this would save approximately £70,000 but would reduce satisfaction with the service that has suffered complaints about the current length of the grass on open spaces and highway verges.

The Commercial Services Revenue Budget for 2004/05 and the proposed budgets for 2005/06, 2006/07 and 2007/08 are shown on pages 24, 25, 26 and 27.

## **2. Corporate Services Directorate**

**Summary of Services Provided (page 39):**

- Environmental Health including Pollution Control, Workplace Health and Safety, Licensing, Food Safety, Public Health, Pest and Dog Control, Trading Standards and Consumer Advice.

**Service Planning Issues (page 40)**

- Taking on responsibility for Liquor Licensing from February 2005 - income is likely to fall below the cost necessary to operate the system.
- Continuing to contribute to the Public Health Strategy with no dedicated resource.

**Service Objectives and Performance Levels (page 41)**

- Environmental Health and Trading Standards operate to ISO 9000 standard
- Environmental Health have scored 100% against checklist of enforcement best practice
- Trading Standards have scored 80% against checklist of enforcement best practice. This cannot be exceeded until further funding found to complete the full range of discretionary activities.

Budget summary in table on page 42.

### **Service efficiencies (page 43)**

- Savings of £15,000 possible on abandoned vehicles budget
- Miscellaneous savings of £11,000 identified across EH&TS Division
- Further efficiencies will be needed for 2006/07 and 2007/08 in order to balance budget back to cash limit.

The Corporate Services Revenue Budget for 2004/05 and the proposed budgets for 2005/06, 2006.07 and 2007/08 are shown on pages 63, 67, 71, and 75.

## **3. Development and Cultural Services**

### **Service Planning Issues**

#### Development (page 92)

- Sustaining improvements in Development Control Performance
- Retaining a competitive Building Control Service
- Introducing and delivering the new Local Development Framework
- Championing environmental sustainability and protecting the natural and built environment

#### Highways Transport and Waste Management (page 93)

- Continuing the Roll out of Rethink Rubbish
- Cost increases associated with landfill tax and waste treatment
- The shortage of investment in the fabric of the City
- Delivering the Street Lighting PFI
- Coping with public demand for traffic transport and maintenance improvements
- Demand for improved public transport and no budget support
- Delivering Connecting Derby
- Traffic/transport evaluation for new developments
- Funding the preparatory costs for major traffic schemes
- Improving Street Cleaning standards

### **Service Objectives and Performance Levels (page 93)**

- Paving the way for high quality development and new facilities
- Creating a safe clean city
- Improving accessibility
- Safeguarding heritage and environment

#### Performance Eye shows service performances (page 94)

Above target - 17  
On target - 5  
Below target - 4

### **Summary of key issues and Budget Strategy (page 97)**

There has been significant additional investment resulting from bases budget review savings and efficiency savings. There have been additional allocations above the basic level of inflation to support specific service priorities. £684,000 has been added to the D&CS base budget to sustain improvements which include:

- Rethink Rubbish twin bin scheme extension

Base budget reviews have highlighted £198,000 of savings available for reinvestment within the department.

Around £2.1m of savings in 2005/06 have been generated for reinvestment (1.3 page 97). Sources include:

- Approx £0.5m in Development Division
- Approx £1.0m in HATS Division

The increased cash limit and efficiencies have allowed approx £2.9m of priority pressures to be met, including (1.4):

- Development Division - DC Action Plan, Cityscape contributions, DDEP subscriptions and service improvements
- HATS Division - Rethink Rubbish rollout, Decriminalised Parking Enforcement, drug litter removal squad and £0.9m of unavoidable pressures.

In addition £196,000 of departmental developments can be met by reallocating £169,000 of frozen departments carry forward from 2003/04 and pre-committing £27,000 of any 2004/05 underspend (1.5 page 98)

One off budget developments are listed in the table on page 98.

The budget proposals include £216,000 of unidentified savings required to fund service proposals in 2006/07 and 2007/08 (1.7).

There are a number of desirable service developments which would require additional funding beyond that proposed in the budget where optional additional funding possibilities have been suggested for further consideration (1.6).

### **Budget Summary**

The budget is summarised in the table on Page 99.

## **Service budgets - Key Issues and Proposals**

### Development Division (page100)

- Corporate funding has been added to D&CS base to cover continuing cost of Cityscape, URC and subscription to Derby and Derbyshire Economic Partnerships
- The budget strategy for the Development Division centres on funding improvements in Development Control
- An improvement to the Planning Delivery Grant is expected in 2005/06. The grant in 2004/05 was £126,000. The Development Division will be able to fund the planned improvements without needing the full 2.5 % inflation in its base budget.
- The budget will not fund recruitment of an e-delivery officer or continuing contributions to the Derby and Sandiacre Canal
- Running costs of Brownfield development will be met by a provision of £7,000 from LPSA awards
- The budget includes efficiency savings of £41,000 in 2006/07 details of which still have to be identified.

### Highways Transport and Waste Management (page101)

- Base budget reviews on car park income, winter maintenance and public liability insurance have resulted in savings of £198,000
- The roll-out of Rethink Rubbish has been supported by additional corporate funding
- The temporary drugs litter removal squad will be made permanent
- These efficiencies and further budget allocations will cover almost £1.4m of budget pressures and service improvements.

### Car Park Charges

- A further £258,000 of service pressures can be met by increasing city centre car parking charges. There is public demand for improvements in bus services. Appendix 10 illustrates a possible set of charges to raise a further £74,000 per year - the Commission may wish to comment on this (3.3.6).

### Public Priorities Fund

- In previous years a corporate Public Priorities Fund has been used for streetcare improvements. It is intended to run the fund again and to concentrate on streetcare issues - the Commission may want to concentrate on this (3.3.7).
- The cash limit does not allow the following service developments to be made:
  - Exor improvements to the highway system
  - Continuation of Kerbcraft
  - Major scheme preparation costs

- The budget is balanced for 2005/06 but in the following two years further efficiencies of £48,000 will need to be identified (3.3.9).

The D&CS Services Revenue Budget for 2004/05 and the proposed budgets for 2005/06, 2006.07 and 2007/08 are shown on pages 104-111.

The table on page 112 gives details of the income from on and off street car parking.

**Parking income** has risen over the past year due to:

- The introduction of on-street car parking charges which are believed to have caused a migration to off street Parking
- A higher levels of fine income than was previously expected.

The table on page 112 does not reflect the true situation because:

- There has been a loss of income of £40,000 from Siddals Road car park
- The increase of 5% in parking charges that was planned for October 2004 has not taken place. The effect has been to reduce income by £45,000 in 2004/05 and £90,000 for a full year.
- Taking these factors into account the projected surplus for 2004/05 and 2005/06 is £108,000. The fee increase would give a surplus of £153,000 in 2004/05 and £198,000 in 2005/06.

Other issues are:

- An increase of 3% in fee income would be needed to maintain the position in real terms
- Funding is required on top of base budget to implement decriminalised parking enforcement
- There will be a reduction in car parking income during and following the construction of the inner ring road. Income reductions of £197,000 are expected in 2007/08 and £180,000 per year thereafter.

## **Winter maintenance**

Appendix 6 gives details of the budget for winter maintenance.

There has been a persistent trend of underspending for the last five years. In addition D&CS have maintained a reserve of £100,000 for use to top up the budget and this has not been drawn on in any of the last five years.

Climate change is seen as having implications for highway maintenance as heavy rainfall is the major cause of damage to highways.

Based on current service standards the base budget for highways winter maintenance is overstated by around £40,000 per year.



## **Highways Public Liability Insurance - Appendix 7**

The 2004/05 budget for Highways Public Liability Insurance is £90,258.

Based on an assumed 40 claims per year, the budget requirement would be £20,000.

The budget could therefore be overstated by as much as £70,000 per year, but a more prudent reduction would be around £50,000.

## **Appendix 3**

### **Planning and Environment Commission Portfolio**

Strategic Planning, including traffic and transportation  
Development Control and Building Control Policy  
Footpaths, Highways and Maintenance, Car Parks  
Roads - Engineering Design Service  
Highways Property Administration  
City Centre and Neighbourhood Horticultural Features  
Licensing policy issues - Taxis and Entertainment  
Local Agenda 21 Strategy, Environmental Co-ordination and Initiatives  
Environmental Health and Trading Standards  
Outdoor Amenities  
Client - Street Cleaning/Waste Collection and Disposal/Conveniences  
Recycling  
Land Drainage  
Energy Conservation  
Building Cleaning  
All Direct Services  
Non-Highway Engineering  
Cemeteries and Crematorium

DRR 16 January 2005.

