

ITEM 8 - REVISED



DERBY CITY COUNCIL

COMMUNITY COMMISSION
19 JANUARY 2010

Report of the Corporate Director of Corporate and Adult Services

Community Commission Budget Proposals - Issues

Note - this reports **replaces** the version included with the agenda pack. The additional wording is shown in track changes. This report needs to be read in conjunction with the Budget Book 'Revenue Budget Proposals 2010/11 – 2012/13 which distributed to Members in December.

RECOMMENDATION

- 1.1 To consider and make any recommendations on Revenue Budget Proposals 2010/11 – 1012/13 for the elements of the Budget that relate to the Commission's Portfolio

SUPPORTING INFORMATION

Corporate Budget Strategy - budget pressures and savings

- 2.1 The introductory pages (pages 2-6) in the revenue Budget Proposals 2010/11 – 2012/13 set out the key issues that will affect the Council as a whole.

i) The scene setting on explains the Council's funding which was identified in September 2009 as £0.69m in 2010/11, rising to £7m in 2011/12 and then £8m for 2012/13. Para 2 b, on page 2, that the strategic approach to close budget gaps includes 'thorough scrutiny'. Section 3 then sets out developments since September 2009.

ii) Of particular relevance to this Commission is para 3 e (on page 4) which refers to the City-wide Leisure strategy. Also, page 5 refers to new base budget pressures:

- £100k to improve Christmas domestic waste collection
- £700k consequential on transferring council house repairs to Derby Homes

iii) Appendix A, pages 7 to 11, offers an update on the Area Based Grant. This was previously badged as the Local Area Agreement Single Pot. Now decoupled from the LAA, the Area Based Grant is a collection of grants previously allocated to organisations in local areas to fund particular pieces of work. This revenue funding is now going direct to local authorities which are free to use this non-ring fenced

funding as they see fit to support the delivery of local, regional and national priorities in their areas. Derby's indicative figure for 2010/11 sees a reduction from £14.6m (2009/10) to £13m. More than two thirds of the £1,425,537 reduction is accounted for by the loss of £1m approximately in Neighbourhood Renewal Fund and Working Neighbourhood Fund transitional monies.

- 2.2 The introduction sets out a strategic direction, anticipated funding levels and forecast savings.
- 2.3 The Budget Strategy was agreed at full Council in September 2009 and the Commission received an initial briefing on 26 October 2009. The formal budget consultation began with the all-member presentations on 9 and 15 December 2010.

Elements of the Budget that relate to the Commission's Portfolio

- 2.4 Each section shows on separate pages the actual proposal for 2010-11 then the indicative proposals for 2011-12 and for 2012-13. The right hand column of the 'landscaped' pages shows which is the relevant overview and scrutiny commission. Those relating to the Community Commission are indicated by 'CMMTY'. Pressures of £50k or more are explained at the end of each section.

- 2.5 Section 3b relates to the Housing General Fund – pages 52 to 60

i) A £300k private sector housing pressure is recognised but mitigated by £110k savings on staff, producing a net pressure of £200k, page 53 (and 59-60). Members may wish to explore the impact on both Rosehill and the development of Osmaston Master Plan.

- 2.6 Section 3d covers Resources and includes Housing and Council Tax Benefits Administration – pages 90 to 94 plus 97 to 99 and 104 to 105.

i) Page 91 shows £90k (anticipated) + £150k (new) pressures on Housing Benefit administration. The £90k is loss of grant due to a grant formula change) The £150k is explored on pages 104 and 105. The figure is based on an expected reduction in DWP grant for the administration of benefit (ie mainly staff salaries) though the higher caseloads (which triggered the award) continue to reflect the effects of the recession. See also para 2.7.

ii) Members may also wish to explore the options on page 97-99 regarding the Inspections Service. Although the target saving is £22k, a range of possible options for the 10-strong visitor scheme has been under consideration.

- 2.7 Section 3e covers Corporate Budgets and includes Benefit Payment plus library contingencies. Relevant pages are 108 to 112 plus 123 - 124.

i) On page 109 additional pressures of £200k are shown for benefit payments and £53k for library contingencies.

ii) The £200k for benefits is divided into £50k for rising Discretionary HB payments, supported by a pressure form at pages 123 and 124. The larger £150k is not detailed but was earlier reported to September Cabinet (then Council) as: 'Benefit payments £150k from 2010/11 – due to the possible loss of reward funding plus higher benefit payments attracting nil or reduced rate subsidy '. This is therefore separate and in addition to the issue at 2.6 i) above; that referred to *administration* costs whereas this is none or partial *reimbursement* of benefits paid out to claimants.

iii) The £53k extra for libraries is one of 8 increases in contingency budgets.

2.8 Section 3g relates to the Environmental Services Department. There are relevant references on most pages, 189 to 212.

i) Summary re ESD for 2010/11. Page 190 shows many base budget adjustments although the overall net effect on expenditure is small. Specific issues for include:

- an increase of £80k (through privatisation) from the golf courses
- closure of facilities on Markeaton Park (£15k)
- a cost of £700k to the General Fund consequential on transferring building services to Derby Homes (see vi) below.

i) Summary for 2011/12 (page 192) Community and Play appears to move to being a net income generator (but see iv below) and (on page 193) £100k savings are envisaged from public conveniences.

ii) Page 199 also shows a possible saving of £50k from April 2011 if changes are made to food safety enforcement.

iii) Page 200 outlines the public convenience review.

iv) Page 201 refers to a possible reduction (£20) in the Park Ranger Service from April 2010 – the recommendations were timetabled for December.

v) Page 202 gives the Budget Review for Community and Play. This considers the transfer of the remaining 5 community centres under Council management to voluntary/community groups.

vi) Pages 203/204 and 205/206 are the Pressure Forms regarding the building services transfer to Derby Homes and...

vii) for Christmas refuse collections

2.9 Section 3h covers Regeneration and Community. Community Commission items are throughout pages 213 to 224 and then at pages 249 to 252.

i) For 2010/11 page 214 shows savings (though proportionately small compared to budget scale) associated with the libraries, museums and Derby LIVE. Page 220 shows the various elements for 2010/11, including cessation of the mobile library.

ii) Continuing with libraries and museums, higher savings amounts are shown for 2011/12 (on page 216) and the components listed on page 222.

iii) On page 224 proposes the seeking of neighbouring LA's contributions to derby LIVE

2.10 Any recommendations arising from this scrutiny exercise will be formally submitted to Council Cabinet on 16 February. They will be provided earlier to the Corporate Director - Resources and to relevant Cabinet Members to enable the Commission to beneficially influence the final budget as proposed by Cabinet to full Council on 1 March.

For more information contact:	Rob Davison 01332 255596 e-mail rob.davison@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

1. The purpose of the main proposals.

Legal

2. None arising from this report.

Personnel

3. None arising from this report.

Equalities impact

4. Effective scrutiny will benefit all Derby people.

Corporate Priorities

5. The revenue budget is the financial plan to deliver all of the Council's priorities – see pages 257 and 258. Those priorities are being revised to more closely align with the Sustainable Community Strategy, SCS. Page 254 shows the early SCS priorities.