



GENERAL FUND REVENUE BUDGET AND COUNCIL TAX SETTING FOR 2006/7

SUMMARY

- 1.1 This report updates the Cabinet on developments since the consultation budget was launched and includes:
- details of the final Government Grant settlement for 2006/7
 - comments on feedback from Overview and Scrutiny Commissions
 - an updated position for service budgets following the consultation document produced in January 2006
 - a statement of reserves held by the Council.
- 1.2 The report will provide the basis for Council Cabinet to formulate its final recommendation to Council on 1 March consistent with its aim to set a council tax at or below inflation levels.
- 1.3 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

2. To recommend to Council:
- 2.1 To note the final local government finance settlement announcement.
- 2.2 To approve for 2006/7 the departmental estimates and associated virements and use of reserves included in Appendices 2 and 4, incorporating the proposals listed in sections 4 and 6, subject to further recommendations of Council Cabinet on or prior to 1 March 2006.
- 2.3 To note the latest 2005/6 budget monitoring position provided in Appendix 8.
- 2.4 To approve the measures proposed to manage budget risks in 2006/7 and in future years, set out in section 11.
- 2.5 To note the budget plans for 2007/8 and 2008/9 set out in this report for budget planning purposes and their indicative status.
- 2.6 To approve the incorporation of specific grants and income as shown in Appendix 4 into the detailed budgets and in doing so authorise the relevant Chief Officers to publish any required notices and implement any increases in fees and charges that are consistent with the budget proposals.

- 2.7 To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.



DERBY CITY COUNCIL

**COUNCIL CABINET
21 FEBRUARY 2006**

Report of the Corporate Director - Resources

**GENERAL FUND REVENUE BUDGET
AND COUNCIL TAX SETTING FOR 2006/7**

SUPPORTING INFORMATION

1. Introduction

- 1.1 The purpose of this report is to enable Council Cabinet to make final recommendations to Council on the contents of the 2006/7 revenue budget and the council tax to be levied to support that budget, together with the overall council tax for the City including those set by the Police and Fire authorities. The report also sets out indicative budgets for 2007/8 and 2008/9, as part of a medium term financial strategy, although those budgets will be subject to substantive further review.
- 1.2 Each section of the report deals with various elements that require consideration before a final decision is reached, namely:
- the budgetary process that led up to these proposals
 - resources available, linked to the local government finance settlement
 - the budget proposals for 2006/7 and how they link to the priorities within the Corporate Plan
 - the indicative budget position for 2007/8 and 2008/9
 - changes that have been made to the budget since proposals were released for consultation
 - income allowed for within the budget plans
 - the latest estimated 2005/6 outturn position
 - the implications of these proposals for council tax
 - the state of the Council's corporate reserves
 - risks within the budget proposals, and how they are to be managed in the medium term.
- 1.3 Included in the appendices is summarised budget information for each department, that together with the text of the report constitutes the full budget proposal.

2. The Budget Planning Framework

2.1 The Council's initial budget proposals were developed through a series of stages, up to the publication of the Council's consultative revenue budget on 9 January 2006 ...

- The Council first published indicative budget plans for 2006/07 and 2007/08 in March 2005. At that stage, those plans showed a £2.3m budget shortfall in 2006/07, rising to a shortfall of £4.0m in 2007/08, if council tax increases were to be limited to 5% in both years. No further reports were brought to Cabinet by the previous administration to set out how this shortfall was to be addressed. This budget takes as its starting point these published indicative budget plans, which were linked to the Corporate Plan, and the detail provided tracks how the plans have been amended since.
- The Budget Strategy report to 27 September 2005 Cabinet updated this projection of the shortfall. It took account of the commitment of the new administration to limit the council tax in 2006/07 to inflation and to abolish charges for home care, plus some changes to net inflationary pressures and to assumptions on external funding. At the lowest tax increase of the various ranges illustrated (2.5%), the projected shortfall in funding had risen to £4.2m in 2006/07 and to £6.2m in 2007/08.
- Detailed budget plans were then developed, with the aim of finding savings sufficient to close the budget shortfall whilst still delivering an inflation-linked tax increase in 2006/7. The relative allocation of resources between services was still at this stage guided by the indicative plans from March 2005, with saving targets being initially applied in proportion to budgets. Cash limits were adjusted to allow for changes in local government responsibilities, including the separate funding of schools budgets and funding of free off peak bus travel from 2006/7.
- As the revised budget proposals for 2006/7 and 2007/8 were developed in detail, service budget targets were revised to take account of some specific service issues. Of the net £1.156m additional allocation to services for 2006/7 in the consultation budget, £1.027m was provided specifically to Social Services to reflect various demand-led pressures that were not taken into account in earlier indicative budgets. The additional allocations for 2007/8 and 2008/9 were itemised in detail in the published consultation budget.

2.2 The process has allowed for some significant growth in departmental budgets. Some of this was allowed for in the indicative plans set out in March 2005, and specific allocations of additional Government funding for nationally set priorities will also assist in local service improvement. However, the budget process has still been a difficult one, given the scale of the shortfall identified at the start of the process. Considerable efforts have been made to find efficiency savings, but some limited service reductions have also been necessary to balance other service growth in the budget.

2.3 In so far as limited service reductions are being proposed, priority has been given to ensuring that the proposals still aim to protect front line services. The revisions to total budgets for Social Services reflect that. In the proposals in this report, there are no further proposals to reduce the Social Services budget to eliminate the 2006/7 gap identified at consultation.

- 2.4 As a consequence of these pressures, service budgets were in practice subject to a general base budget review across departments, and there ceased to be a programme of specific but limited base reviews. By planning within broad departmental cash limits, services have still been encouraged to recycle savings to deliver growth in priority areas, and to apply any identified underspending to ease future budget pressures, subject to meeting departmental targets.
- 2.5 The consultation proposals represented only an interim stage in budget planning. At that point, the Council still had a substantial gap between its emerging expenditure plans and the resources needed. The proposals set out a range, depending on the council tax to be set. For example, a 3% council tax increase in 2006/7, and a 5% increase in 2007/8 was shown to produce a funding shortfall of £1.17m in 2006/7 rising to a projected shortfall of £3.11m in 2007/8.
- 2.6 Updated budget proposals are set out later in this report, from Section 4 onwards, itemising changes to the earlier consultation proposals. These take further steps towards closing the identified budget gap, and also modify some earlier proposals to take into account the results of budget consultation. Nonetheless, the budget proposals are still not finalised at this stage. The Council has a duty to balance its 2006/7 budget and it is necessary for this to be done as part of the resolution adopted by Council on 1 March 2006. In doing so, it must also demonstrate that medium term plans beyond 2006/7 are affordable, this being a requirement of the Prudential Code allied to the relaxation of direct limits on the Council's borrowing.
- 2.7 The previous Corporate Plan demonstrated close alignment with the Council's budget priorities, and this was maintained by taking the previous indicative budgets as the starting point for financial planning. Detailed budget proposals have been developed in parallel to the process of developing the Corporate Plan, with efforts being made to maintain this alignment.
- 2.8 The budget proposals are also influenced by the intention of the Council Cabinet to seek to limit the council tax increase to the rate of inflation. That general objective was made in July 2005, but has not been more precisely defined prior to this report. Of the published measures, the retail price index is the more relevant, as it is influenced by the level of council tax at a national level. It is published and produced by the Office for National Statistics (ONS). The most relevant measures of retail price inflation are considered to be:
- Monthly RPI July 2005 – 2.9%
The RPI at the point that the commitment was made
 - Monthly RPI September 2005 – 2.7%
The RPI at the point at which pension increases are set for 2006/7
 - Monthly RPI December 2005 – 2.2%
The most recent published RPI, at the time this report was prepared
 - Average RPI for 2005 – 2.8%
The annual average RPI over a calendar year, published once annually in January by the ONS.

- 2.9 These inflation measures all understate significantly the cost pressures facing local authorities, as does the 'GDP deflator' estimated by the Government at 2.5% for 2005/6 and 2006/7. The Local Government Association commented in January 2006 that: "A real terms measure which uses GDP deflator when cost pressures facing local authorities are significantly higher than this is largely meaningless. For example, social care contracts are significantly outstripping inflation, with residential care for older people showing an average annual increase of 6.6% from 2000/1 to 2003/4. The LGA is disappointed that no progress has been made on an index of local government pay and prices but hopes that the ongoing work, for example that on pay, will lead to a shared understanding that it is not appropriate to use a single public sector deflator to measure inflation in local government services."
- 2.10 Of the inflationary pressures affecting the Council in 2006/7 ...
- By far the most significant pressure is that of pay, due to the 2.95% local government pay increase as part of the previous three year national settlement. Net increments on salaries have tended to add to this pressure. The Average Earnings Index published in January rose by 3.8%.
 - The Council is affected by the components of the RPI that are rising the fastest (fuel and light +14.2%, water +11.3%) but some components which are rising slowly or falling are less relevant to its costs (particularly consumer durables: -2.1%, food +1.1%).
 - Costs of bought in services are also tending to rise above the RPI average, consistent with the trend for services to rise faster than bought goods within the RPI.
- 2.11 This demonstrates that wider inflation is not a benchmark against which the Council can normally contain its own cost pressures, even without the additional pressures to respond to the wider growth in demand and expectations of local government services. The policy goal of limiting the council tax increase to inflation in 2006/7 arises solely from a concern over affordability for the taxpayers of Derby but it will also constrain the ability of the Council to deliver services that meet public expectations.

3. The Local Government Finance Settlements for 2006/7 and Future Years

- 3.1 A report on the provisional local government finance settlements for 2006/7 and 2007/8 was presented to Cabinet on 20 December 2005. The final settlement was announced on 31 January 2006, and contained only minor adjustments to the published proposals from those reported to Cabinet, none of which were due to further policy changes by the Government. Given that the changes are relatively minor, only brief details are given below.
- 3.2 For England as a whole, the national increase in formula grant is still 3.0% in 2006/7 and 3.8% in the provisional settlement 2007/8.
- 3.3 The formula grant settlement for Derby in both years is summarised in Table 1:

TABLE 1 – 2006/7 AND 2007/8 FORMULA GRANT FOR DERBY

	2006/7 Settlement £m	2007/8 Provisional Settlement £m
Grant from Previous Year (Unadjusted)	205.760	88.879
Adjustments to Grant from Previous Year:		
Dedicated Schools Grant	-122.199	
Social Services Specific Grants into RSG	+1.120	
Free Bus Travel for Elderly	+1.753	
Electoral Admin	+0.087	
Miscellaneous 2006/7	+0.005	
Treasury Management - Specific Grants 7/8		-0.452
Net Adjustment	-119.234	-0.452
Adjusted Grant from Previous Year	86.526	88.427
Grant for Year	88.879	92.353
Increase in Grant	2.353	3.926
% Increase in Grant	+2.7%	+4.4%
Grant for Year before Floor Adjustment	92.277	95.753
Floor Adjustment	-3.398	-3.400

- 3.4 The settlements are marginally better for Derby than those published for consultation in December – previous grant increases were 2.6% and 4.2%. Over the two years as a whole there is a very slight increase in Derby's share of grant for England.
- 3.5 Grant would be £3.4m higher in both years but for the decision to top slice grant to ensure that all authorities in England will receive a grant increase of at least 2%. The scale of this top slicing should reduce after 2007/8 but only if there are no further formula changes requiring floor protection.
- 3.6 The 2007/8 settlement figures are provisional but are unlikely to change to any material degree, other than to allocate funding to pay for any new spending commitments that local government may be required to deliver.
- 3.7 As yet, the Government has not published any detailed spending plans for 2008/9, so plans for local government spending in that year will be unknown prior to the July 2006 public spending review. Treasury forecasts suggest another tight year for public spending. In the absence of further information, a working assumption of a 3.5% increase in formula grant funding to Derby in 2008/9 has been made, for the purpose of testing the affordability of the Council's spending plans.
- 3.8 The Government has also confirmed its proposals to amend the 2004/5 and 2005/6 grant settlements to reimburse the outstanding refund due to correct 2001 census errors. The latest 2005/6 budget monitoring is consistent with these final allocations.
- 3.9 The Government has changed the way that the formula grant settlement is presented so that it is no longer possible to make any estimate of the assumed level of spending on services, in total or in overall terms, except where adjustments are

made to previous years' grants. Nor is it possible to estimate the assumed council tax used to determine the grant allocations.

- 3.10 The transfer out of formula grant to create the ring-fenced Dedicated Schools Grant in 2006/7 is apparent from Table 1. Final figures for DSG will only be confirmed in May or June and depend on final pupil numbers. DSG is increasing by 6.6% per pupil in 2006/7 and 6.7% in 2007/8, from the baseline position shown. As specific grants will now account for more than 50% of gross expenditure by the Council in 2006/7, additional detail is provided of the grants and their application as part of these proposals. Detailed budget proposals for the use of DSG were already set out in the consultation budget and are confirmed in this report.

4. Budget Proposals for 2006/7

- 4.1 Budget planning for 2006/7 was not sufficiently complete, at the time that this report was prepared, for there to be a final recommendation on the level of the 2006/7 budget and council tax that could be put forward for recommendation by the Cabinet to the 1 March Council meeting. A further special meeting of the Cabinet is proposed, prior to the 1 March Council meeting, to enable such a recommendation to be made. In particular this will allow the Council Cabinet to more fully reflect on the issues raised in public consultation.
- 4.2 The interim 2006/7 budget requirement that could at this stage be delivered is £156.708m and that position is consistent with all of the tables in this report. For the Council to set the council tax at the level needed to match the inflation rate, further savings will need to be found or reserves will need to be used. Table 2 therefore shows a range of options, based on which the Cabinet will make its final recommendation. If no further savings were found or reserves used, the council tax increase would be 4.19%. It remains the intention of the current administration to deliver an increase less than this figure. The decision on 2006/7 council tax will impact on the sustainability of the 2007/8 and 2008/9 budget position and cannot be considered in the context of 2006/7 budgets alone. Section 5 to this report considers the 2007/8 and 2008/9 budgets.

TABLE 2 - COUNCIL TAX AND BUDGET 2006/7

Council Tax Increase (City Council only) %	Budget Requirement 2006/7 £m	Further Savings Needed to Deliver Council Tax £m
4.19%	156.708	Nil
3.0%	155.936	0.772
2.75%	155.773	0.935
2.5%	155.610	1.098
2.25%	155.445	1.263

- 4.3 Even a 4.19% tax increase would still represent the smallest increase in the council tax by the City Council in this millennium, from a position where Derby residents already pay the lowest council tax in the East Midlands for properties in any given band.

- 4.4 The supporting appendices to this report are all based upon interim budget requirements for 2006/7, 2007/8 and 2008/9 and will need to be updated as necessary to allow for the final changes to budget requirements as determined on 1 March.
- 4.5 A summary revenue budget for 2006/7, in a form consistent with the Council's formal resolution, is provided in **Appendix 2**.
- 4.6 The changes in the budget for each of 2006/7, 2007/8 and 2008/9, compared with the previous year are summarised by department and in total in **Appendix 3**. Table 3 provides a summary of how the 2006/7 budget has changed.

TABLE 3 - SUMMARY REVENUE BUDGET 2006/7

	£000
BUDGET REQUIREMENT 2005/6	269,679
External service transfers (2005/6 effect)	-119,227
Reversal of one-off items and reserves from 2005/6	-1,312
BASE FOR COMPARISON 2005/6	149,140
Other base adjustments	3,234
Revisions to base budget already approved by Cabinet	-1,225
ADJUSTED BASE BUDGET 2005/6	151,149
NET CHANGES IN BUDGET 2006/7	
Funded inflation	5,690
Savings – planned in previous indicative budget	-1,688
Savings – new Gershon efficiency savings	-1,471
Savings – other new savings	-6,942
Pressures and developments – planned in previous budget	3,360
New pressures	7,163
New service developments	731
Change in use of reserves over base position	-1,284
BUDGET REQUIREMENT 2006/7	156,708
Funded by:	
Indicative budget allocation for 2006/7 – at March 2005	286,565
Base adjustments to indicative budget allocations	-128,677
Changes to planned inflation	426
Additional allocations for new pressures	2,801
Reduced allocations – savings targets and specific savings	-4,407
CASH LIMIT 2006/7	156,708

- 4.7 The proposals for each service department are set out in detail for each year in **Appendix 4** in two separate sections showing:
- restated summary of changes to the net budget for each department for 2006/7, 2007/8 and 2008/9 – Appendix 4.1
 - departmental budgets by service area for 2006/7 only – Appendix 4.2
This restates the budget allocated to each budget cost centre, after the changes from 2005/6.
 - external funding income by department for 2006/7 only – Appendix 4.3.

This shows what specific external funding sources have been allowed for in drawing up each departmental budget.

- 4.8 **Appendix 5** provides further background detail on the key budget proposals and explains how they are consistent with the delivery of priorities in the Corporate Plan in 2006/7 and subsequent years.
- 4.9 Budget proposals are shown on the basis of the old departmental structures, as some of the detail of the current reorganisation remains to be finalised. Later in 2006 the budget will be republished on the basis of the new departments subject to further Cabinet approval. Appendix 4.2 shows how it is expected that cost centres will be reallocated, and also shows the cost centres that will need to be divided between at least two new departments following further analysis. The Appendix also gives links to Cabinet and Scrutiny responsibilities.
- 4.10 Changes in the 2006/7 budget by department and in total are shown in **Appendix 3** and summarised in Table 4 below. Changes are shown relative to the 'base for comparison' for services but the total change in the net budget requirement is adjusted only for external service transfers, consistent with adjustments to the revenue support grant formula that permits like-for-like comparisons.

TABLE 4 – BUDGET SUMMARY BY SERVICE 2006/7

	Budget 2006/7	Increase %
	£000	
Commercial Services	2,609	1.8
Chief Executive's Department		
• Policy	5,811	-2.2
• Corporate Services	10,043	2.6
• Finance	7,360	0.3
• Corporate Budgets	6,061	-8.8
• Treasury Management	13,160	0.7
Development and Cultural Services	28,738	4.8
Education (LEA and Sports only)	14,154	0.1
Social Services	66,861	5.5
Use of Public Priority Fund – to be determined	510	
Other cross departmental contingencies	1,930	
Corporate and Service Reserves	-529	
TOTAL BUDGET REQUIREMENT	156,708	4.2

5. Indicative Budgets for 2007/8 and 2008/9

- 5.1 2007/8 and 2008/9 budgets have indicative status only. That means that they are provided for the assessing the overall affordability of service plans but that they cannot be relied upon as providing any delegated authority to commit additional expenditure in those years without further approval.

- 5.2 The 2007/8 indicative budget was previously planned on the basis of assessing shortfalls against a notional 5% tax increase, and this assumption has been maintained and repeated for 2008/9. However, as the 2006/7 council tax increase will be lower than was previously assumed, the 2007/8 council tax and budget would still be lower than the planning assumption made in March 2005.
- 5.3 Indicative budgets for both years will be reported on further on 1 March, and will be affected by the further changes to be made to 2006/7 budgets. Prior to this, the interim indicative budget requirements shown in this report are £166.047m in 2007/8 and £172.757m in 2008/9.
- 5.4 Significant further savings would need to be found against these indicative budgets. This is primarily because the budgets are still in excess of the cash limits issued to several departments, after revisions. The exact level of those savings will depend upon the council tax that is finally implemented for 2006/7. Table 5 summarises the position.

**TABLE 5 - INDICATIVE BUDGET GAP 2007/8
BASED ON 5% TAX INCREASE IN 2007/8**

Council Tax Increase In 2006/7 of	Savings Needed in 2007/8 Budget (5% 2007/8 tax increase) £m
4.19%	2.017
3.0%	2.832
2.75%	3.002
2.5%	3.177
2.25%	3.352

- 5.5 If the 5% notional tax planning assumption for 2007/8 were changed, each 1% reduction would add a further £675k approximately to the gap shown in Table 5.
- 5.6 The scale of these shortfalls is quite significant. They are not yet at a level where they might call into question the overall affordability of the Council's medium term budget, providing that action is taken to reduce them in subsequent months. The final section of this report deals further with budget risks in this context. This needs to be considered when deciding upon the level of council tax in 2006/7. Cabinet should note that ...
- Provisional grant allocations for 2007/8 have been made and there is no prospect of a more favourable overall grant settlement in that year. The gap will need to be closed by net expenditure reductions.
 - The further use of reserves to meet these gaps would not be a sustainable strategy on its own. Use of reserves ultimately increases costs, as interest on investment balances is reduced.

- The Government has announced that it expects average council tax increases to be kept below 5% in both 2006/7 and 2007/8. This has been widely interpreted as meaning that any increase above 5% risks council tax capping.

- 5.7 For 2008/9, the equivalent gap produced by a further 5% tax increase in that year would be about £50k less than that shown in Table 5, unless the gap is eliminated in 2007/8 with ongoing savings. Some reassurance can be gained by the fact that the 2008/9 gap has not widened over that for 2007/8, and is somewhat narrower than the £4.0m gap projected in March 2005 for the third budget year. However, relatively few new pressures have been built in to the 2008/9 budget and as these emerge they will need to be contained by further savings.
- 5.8 Table 6 sets out the annual changes in indicative budgets, based on these interim figures.

**TABLE 6 - ANNUAL CHANGE IN INDICATIVE BUDGET
BY SERVICE 2007/8 AND 2008/9**

	Increase 2007/8	Increase 2008/9
	%	%
Commercial Services	11.8	4.7
Chief Executive's Department		
• Policy	1.4	2.7
• Corporate Services	5.2	8.9
• Finance	1.2	2.1
• Corporate Budgets	-7.0	4.3
• Treasury Management	10.7	2.9
Development and Cultural Services	6.7	2.4
Education (LEA and Sports only)	2.5	3.2
Social Services	5.2	5.0
TOTAL BUDGET REQUIREMENT	6.0	4.0

6. Changes Following Initial Consultation

- 6.1 The consultation budget forms part of these final budget proposals. The full 178 page consultation document shows in more detail the specific components of changes in net service budgets by activity. This section explains the changes to the budget in these interim budget proposals, compared to the details published for consultation. **Appendix 6** also provides a response to the main issues raised during the consultation budget period, consistent with these budget proposals.

6.2 Table 7 shows the specific changes that affect the net budget of any service.

TABLE 7 – NET BUDGET CHANGES SINCE CONSULTATION

	2006/7 £000	2007/8 £000	2008/9 £000
Consultation Net Budget Requirement	156,973	166,775	173,483
Previous Years Brought Forward Changes	0	-265	-728
Net Changes in Year from Consultation Budget			
• Cross-departmental contingency – inflation adjustment	20		
• Cross- departmental contingency – remove contingency for external funding losses		-500	
• D&CS: Reserves - development strategy post	-21	-21	-21
• D&CS: Adjustments to DC action plan and use reserves to support	-131	63	68
• D&CS: Reserves - transport procurement post	-26	26	
• D&CS: Reprofiting of decriminalised parking enforcement	178	-89	-68
• D&CS: Reserves – planning improvement budget		-72	
• D&CS: Revenue budget impact of additional waste efficiency grant	-82	-59	
• Social Services: Net change in specific grants		-128	98
• Social Services: Minor base adjustment			1
• Corporate: Residual reorganisation pensions	-10		
• Corporate: Secondary leases now paid off	-27		
• Corporate: Car leases not renewed	-14		
• Corporate: Turnover factor – Chief Officers	24		
• Corporate: Environment agency levy	5		
• Corporate: External audit fees	13		
• Corporate: Bank charges	9		
• Treasury Management: January 2006 debt restructuring and forward borrowing	-18	-26	-1
• Treasury Management: Latest capital programme revisions, net	-185	343	-75
• Educ: Schools budget contingency for hard to place pupils	72		
• Educ: ISB reduction	-72		
• Educ: Standards Fund match funding	-84		
• Educ: Youth/community misc budgets	10		
• Educ: Gatsby Project replace lost contributions	21		
• Educ: Safeguarding Childrens Board	24		
• Educ: External audit fees	11		
• Educ: Replace CSP partnership funding	8		
• Educ: ICT – pupil database module	10		
• Educ: Additional post to coordinate admissions		19	
• Educ: Future initiatives provision		-19	
Total Change Including Brought Forward	-265	-728	-726
Interim Net Budget Requirement	156,708	166,047	172,757

6.3 Of these changes, note that...

- The remaining external funding cross departmental contingency of £500k has been removed from 2007/8 onwards. When the contingency was established there were unresolved concerns over future external funding of the Neighbourhood Renewal Fund and Supporting People in particular. Following announcements during 2005 such funding is now reasonably secure until 2008/9. The general principle now being adopted is that the scale of externally funded programmes will need to be reduced if external funding is reduced, and risks are not sufficiently great to provide an earmarked contingency.
- Specialist consultants have advised that the previous indicative budget had underestimated the cost of operating decriminalised parking enforcement, so a shortfall has emerged in 2006/7 and 2007/8. Once enforcement is fully operational, by 2008/9, additional income growth will have eliminated this shortfall.
- Use of uncommitted planning delivery grant from 2005/6 and 2006/7 is proposed, together with the use of uncommitted service reserves, to fund some of the service improvements in the D&CS development control action plan and planning improvement budgets and two other posts. These were previously provided for in core budgets.
- Additional waste efficiency grant will be received in 2006/7 and 2007/8, above planned levels. As Rethink Rubbish had previously been funded from corporate allocations in the absence of specific grant funding, the pressure in the previous indicative budget has now been reduced.
- There are various minor changes in corporate budgets, several of which had not been fully reviewed when the consultation budget had to be published.
- The Treasury Management budget has required updating as the capital programme has been finalised and borrowing levels are confirmed. Debt restructuring and further forward borrowing for the 2006/7 programme in January 2006 has also generated some limited savings.
- The Schools Forum has agreed to a £72k provision in the Central Schools budget for the placement of specific hard to place pupils, funded from a reduction in the devolved Independent Schools Budget allocated on a general formula basis. This affects only the distribution of funding between schools, not the overall level of funding to schools.
- Confirmation of final Standards Fund allocations mean that the matched funding requirement is £84k less than planned. This has allowed the reallocation of funding to meet a number of other pressures. Of these, the most significant are the replacement of withdrawn contributions to the Gatsby Project (+£21k), and a contribution to the costs of the new Safeguarding Childrens Board (+£24k).

6.4 Other changes have been made that affect the classification of the movement in budget between years, but do not affect the final net budget of any service. These are in respect of the following:

- some base adjustments are now more correctly shown as in-year changes
- the classification of savings into 'Gershon efficiency' measures and 'other savings' has been reviewed and some changes have been made in order to comply with the Gershon definitions
- the classification of budget growth into pressures and developments has been reviewed, so that all developments that result in improvements to services are properly classified
- some reanalysis has taken place of the causes of the year-on-year variation within the Treasury Management budget.

- 6.5 Some further revenue budgets have been transferred to the Treasury Management budget from service budgets, to reflect additional self-financing prudential borrowing funded from existing service budgets. This is consistent with the detail in the proposed capital programme and does not affect the Council's net budget requirement.
- 6.6 Corrections have also been made to better classify the use of reserves and cross-departmental contingency budgets. This does not affect the net budget except where disclosed in Table 7. Note that ...
- **Appendix 7** provides an updated statement of corporate reserves and the movements in those reserves should be consistent with the net changes shown in the revenue budget. Some further technical adjustments may still be necessary to ensure that the use of reserves is fully stated, consistent with Appendix 7, but as the use of reserves will be matched by changes in spending on the face of the revenue budget, there will be no net budgetary effect.
 - The only cross-departmental contingency budgets that are not matched by an equal transfer from corporate reserves are the following, which are unchanged since the consultation budget and are ongoing:
 - the £1.8m contingency budget for costs of single-status job evaluation in 2006/7, which rises to £2.8m in 2007/8 and 2008/9
 - £450k for additional unallocated inflationary pressures in 2007/8, most of which is likely to be required to meet a new round of energy cost increases.
 - Reserves which are used to reduce net service spending are now shown as being matched by an opposite entry in cross-departmental contingency budgets, for presentational purposes, to enable an aggregate use of reserves to be shown in the penultimate column in Appendix 3.
 - There are some other minor reassignments of cross-departmental contingency budgets to departmental budgets that have no net budgetary effect.
- 6.7 Appendix 4.2 now provides additional detail classifying 2006/7 budgets by source – employee costs, running expenses, external funding and other income. Appendix 4.3 summarises the external funding assumed as part of the budget proposals.
- 6.8 The uses of the Public Priorities fund reserve available in 2006/7 and 2007/8 have yet to be determined and continue to be shown as a cross-departmental contingency budget at this point, funded from a transfer from those reserves.

- 6.9 Details of changes will be restated in the format of the appendices to the consultation budget, to provide all changes in a single reference document, once the budget has been approved.

7. Income

- 7.1 The budget proposals will give delegated powers to chief officers to approve and implement increases to fees and charges in 2006/7 that are consistent with these budget proposals. Income by cost centre is shown in Appendix 4.2. Any increases materially above those consistent with plans in the budget must be reported separately to the Cabinet for approval. This is consistent with the practice in previous years.
- 7.2 The levels of grant income that has been assumed from specific sources within these budget proposals are set out in Appendix 4.3. Such external funding now amounts to the majority of the Council's income and the basis of approval for the use of that income needs to be clarified.
- 7.3 Where such grant income has been allocated to specific service cost centres within Appendix 4.2, the budget has clarified its use and no further authorisation for spending in 2006/7 is required. Where grant income has yet to be so allocated, or where the grant has not been provided for at all in Appendix 4.3 or is materially greater than that provided for, then further Cabinet authorisation for its use will be required. This includes a decision on whether any such income should be reserved for corporate use.

8. 2005/6 Estimated Budget Outturn

- 8.1 The latest budget monitoring position is provided in detail in **Appendix 8** which updates the monitoring report provided to Cabinet on 29 November 2005.
- 8.2 The overall position has improved significantly. An overall underspending of £11k is now projected, consisting of a £269k net projected underspending on corporate budgets, projected overspending of £363k and £136k on Social Services and D&CS departmental budgets, and projected underspending of £241k on all other departmental budgets. Within these projections, the £696k pressure in 2005/6 arising from the policy decision to end home care charging has been offset by the corporate budget savings shown
- 8.3 The causes of the improvement can be established by comparing the November and current positions reported in detail in Appendix 8.
- 8.4 The approach towards carrying forward net departmental underspending in 2005/6 is yet to be determined and Cabinet is not being asked to make any such commitments as part of these proposals. No proposals for such uses were included in the consultation budget.
- 8.5 In addition, a balance of £535k of the corporate job evaluation contingency budget is expected to be unspent at the end of 2005/6, net of the allocation already approved by Cabinet on 29 November to progress the job evaluation process. This budget is being reclassified as an earmarked corporate reserve, for accounting purposes. The recognition that this amount cannot be treated as having been spent in 2005/6 will

result in a corresponding further reduction in the revised 2005/6 budget for subsequent monitoring and reporting purposes.

9. Council Tax

- 9.1 The council tax calculation will be explained further in the additional report to 1 March Cabinet recommending Council to set a specific level of Band D council tax.
- 9.2 Precepts set by the police and fire authorities will also be reported for inclusion in total council tax bills at that stage.

10. Corporate Reserves

- 10.1 **Appendix 7** provides a statement of the available corporate reserves and of how the budget plans draw upon them during 2006/7 to 2008/9.
- 10.2 The budgeted spending funded from these reserves is included within the gross budget proposals set out in earlier appendices, with the proposals also showing the contribution from reserves as a contra entry,
- 10.3 The General Corporate reserve continues to be maintained at around 2% of the budget requirement plus, from 2006/7, the Council's spending on schools funded from the Dedicated Schools Grant. This is equivalent to the existing minimum levels agreed with our auditors.
- 10.4 The Council is holding other corporate reserves for specifically defined uses, even though these are not fully committed. Of these members should note that ...
 - The figures shown for LPSA reward grant and LPSA2 schemes funding is being reviewed for the correct revenue/capital treatment and spending profiles, and changes will be reported back in due course.
 - At the same time as it announced the final grant settlement for 2006/7, the Government confirmed that the final 2001 census amending grant payments would be made in 2006/7. The previously reported corporate reserve statement had planned for £2.3m to be received in 2006/7 as part of the 2004/5 refund. In addition, the 2005/6 estimated outturn and Appendix 8 has separately reported an increase of £441k and £338k in the amounts of the previously reported refund. All of these changes to reserves are now shown in 2005/6 and are being accrued in a single backdated census reserve.
 - The net remaining impact of the 2005/6 outturn variation is an estimated £95k increase in current uncommitted reserves above original plans. The figure is derived from the service identified savings in 2005/6 approved by Cabinet on 29 November 2005 (-£863K), the current variation against the net revised budget (-£11k) and the transfer of census refunds to the separate census reserve (+£441k, +£338k). Any subsequent reallocation of 2005/6 savings for service use will reduce this uncommitted balance.
- 10.5 The Council will start 2006/7 with a balance of £5.019m of corporate reserves, which is expected to fall by 2008/9 to balance of £2.673m that is not specifically earmarked. No commitment of reserves has been assigned to bridge the significant

projected budget gap in 2007/8. This is because such savings are ongoing and, if they are to be found, a strategy is required to achieve this on a sustainable ongoing basis. One-off reserves are therefore unsuitable for this purpose, although they can serve to provide some temporary insurance should ongoing savings take time to deliver. As reserves are one-off resources, any further use of reserves to reduce the impact of the budget proposals on council tax would only have a temporary effect. It would lead to correspondingly larger pressures to increases in council tax in the following year when those reserves were unavailable and the underlying impact of spending was restored.

11. Approach to the Management of Budget Risks

- 11.1 The budget proposals in this report reflect the estimated position of the general fund. They are only estimates, and actual net pressures on the council tax will inevitably change as new factors give cause to change the approach taken.
- 11.2 After closing the remaining 2006/7 gap, as required by statute, the Council will be left with a projected budget gap in 2007/8 and 2008/9. This is the underlying major budget risk. There is no real prospect of closing this significantly through higher council tax increases from 2007/8 onwards, even if this course were to be contemplated, as there is a real risk that tax increases above 5% will be capped. Nor is there the prospect of any significant improvement in grant funding above projected levels until at least 2008/9, given the two year settlement, although this lack of volatility also removes a potential budget risk. The Council can therefore only look to reducing the 2007/8 and 2008/9 net indicative budget requirements to deal with this. However, the scale of the savings already found is significant and it will be harder to identify future efficiency and other savings without more substantial changes to the way services are delivered.
- 11.3 Some risks also affect the 2006/7 budget as well as subsequent years. The main ones are that ...
- Services are relying upon the delivery of these savings or income streams. Although every effort has been made to include only deliverable budget savings, the risk is that some savings may not materialise.
 - Social services budgets are largely demand led and account for approximately 42% of the Council's total revenue budget. It is critical that these budgets are subject to tight control as the Council completes its departmental restructure.
 - Some specific budgets are highly volatile and require close particular attention. An example is the new budget for Local Authority Business Growth Incentives, which was revised downwards from £250k to zero during 2005/6 as soon as it emerged that the growth in rateable values had fallen behind historic trends due to the scale of development activity underway, and 2006/7 budget planning was adjusted accordingly. Once the major developments are in place, the rate yield will increase significantly.
 - Some external funding sources remain volatile, and the contingency budget established to deal with this has now been eliminated. However, the extent of damping of the main revenue support grant settlement means that a major

reversal of grant formula changes would be needed in 2008/9 before Derby could expect to lose grant share.

11.4 The strategy that is being adopted to deal with these risks is set out below. Some points represent new initiatives from the approach adopted previously...

- Chief officers' responsibilities for delivering balanced budgets has been re-emphasised including the need to limit the pace of developments in the budget or take other measures to limit pressures if planned savings prove difficult to realise.
- Apart from the overall budget shortfall, there are no as yet unfunded budget shortfalls of any major significance that are shown as 'unidentified savings' within service budgets. The base position is therefore a reasonably reliable one.
- The new appendices provided in this report disclosing assumed external funding provide a clearer definition of the level and sources of income assumed within the 2006/7 budget. The report makes it clear that funding received significantly above this level or from new sources will require Cabinet approval before it is committed. It cannot be assumed to be available for new service spending as opposed to assisting with the corporate budget position. Services have also exercised reasonable prudence in planning for external funding sources.
- The approach of setting indicative budgets for the second and third year is essential for tracking the future affordability of budget plans. However, the scrutiny of those budgets is in practice limited. The Council therefore intends to conduct a fuller base review of the 2007/8 and 2008/9 indicative budgets that requires growth in to those indicative budgets to be reprioritised. Given this, the difference between the indicative budgets and the revised cash limits for those years is still shown. Specific base budget reviews may also be conducted, into selected budget areas, but the extent of specific as opposed to general reviews will be considered when developing the budget strategy.
- The Council recognises the need to review the implications of the floor damping mechanism for capital expenditure that is financed through the revenue support grant system, through SCE-R allocations. If necessary there is potential to slow down the pace at which some capital schemes funded from these sources are delivered, without jeopardizing the Council's external funding to an equivalent degree, should revenue affordability of the capital programme become a major issue.
- The Council's reserves remain significant and provide some cushion against short term difficulties, allowing the Council time to react to these. Details have been set out in the previous section.
- VAT appeal – the Council is currently considering appealing against charging VAT on our off street car parks. Four councils have recently won a case to stop paying VAT. The latest advice is that the Council should consider withholding payments until any appeal has been dealt with but not build this into budgets. If successful this could provide approximately £300k in additional income.

- Only limited corporate efficiency savings have been built into the budget at this point, until the Council can be sure that other potential savings can be relied upon to be delivered. In the longer term, it is recognised that new ways of delivering back office services harnessing new technologies provide considerable potential for more efficient delivery, and if these are realized the budgetary position will improve.
- Reasonable ongoing budget provision exists for the financial risks associated with job evaluation, and the budget confirms the strategy of building up an earmarked reserve to deal with likely retrospective costs. There would not be a significant projected budget shortfall in 2007/8 if these risks had not been recognised and contingency provision made.
- The significance of the restrictions placed on LPSA reward funding for revenue uses has been recognised and no further major commitment of Council reserves will take place until it has been addressed. A reassignment of revenue and capital reserves will be considered but the duration of LPSA funded programmes will also if necessary be reappraised.
- A more systematic approach will be taken in 2006/7 to the identification of specific risk budgets across departments where some of these risks are particularly manifest, to ensure that strategies are in place for containing costs and to prompt early intervention.
- Senior officers' responsibility to deliver value for money including cashable efficiency savings within budgets they managed has recently been adopted within performance review systems.

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Background papers:	See index below
List of appendices:	

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IMPLICATIONS

Financial

1. As described in the report.

Legal

- 2.1 The Council is obliged to set a balanced budget for 2005/6. It must set the Council Tax for the City Council's own budget requirement, and determine the combined Council Tax figure, including the Tax set independently by the Derbyshire Police Authority and Derbyshire Fire Authority. The Council cannot delegate these responsibilities. The role of Cabinet is to advise the Council.
- 2.2 In setting its budget, the Council is obliged to take account of spending guidance issued by the Government, including the availability of reserve capping powers.
- 2.3 In exercising its powers under the Local Government Act 2003 to undertake unsupported borrowing in support of its capital programme, the Council must also ensure the affordability of those plans in the medium term in terms of the impact on revenue budgets beyond 2006/7.
- 2.4 The method of calculation of the Council's Budget and Council Tax is prescribed in the Local Government Finance Act 1992 and associated Regulations.

Personnel

3. Specific personnel proposals arising from the budget decisions made as a result of this report will be dealt with in accordance with normal personnel procedures and approval arrangements, including consultation with trade unions.

Equalities impact

4. The Council's budget consultation has extended to the relevant committees that advise on equalities issues and a response to the most relevant issues arising during consultation meetings is given as part of this report.

Corporate objectives and priorities for change

5. The close relationship between the budget and corporate objectives and priorities is made clear in the report.

Summary General Fund Revenue Budget 2006/2007

Department	Controllable Expenditure		Gross Expenditure 2006/07 £000's	Controllable Income		Gross Income 2006/07 £000's	Proposed Controllable Budget 2006/07 £000's	Add		Total Departmental Budget 2006/07 £000's	Memorandum Reserve Movements	
	Employees	Running Costs		Grants	Other Income			Capital Charges	Net Support Services		Service	Other
	£000's	£000's		£000's	£000's			£000's	£000's		£000's	£000's
Commercial Services	21,269	28,073	49,342		(46,523)	(46,523)	2,819	1,019	286	4,124	(210)	
Chief Executive's Department												
Policy	6,210	13,238	19,448	(11,380)	(2,257)	(13,637)	5,811	308	(134)	5,985		
Corporate Services	8,693	9,486	18,179		(7,486)	(7,486)	10,693	1,320	(6,619)	5,394	(81)	(569)
Finance	7,630	4,698	12,328	(2,224)	(2,719)	(4,943)	7,385	67	(4,590)	2,862	(10)	41
Corporate Budgets	1,554	74,181	75,735	(64,609)	(4,927)	(69,536)	6,199		571	6,770		(138)
Treasury Management		27,037	27,037		(13,877)	(13,877)	13,160			13,160		55
Development & Cultural Services	14,969	30,949	45,918	(307)	(16,612)	(16,919)	28,999	8,675	3,313	40,987	(235)	(26)
Education	32,405	14,417	46,822	(24,822)	(7,846)	(32,668)	14,154	15,978	2,955	33,087		
Social Services	39,610	55,679	95,289	(8,290)	(20,138)	(28,428)	66,861	1,205	4,218	72,284		
Cross Departmental Contingencies			-			-	1,156			1,156		644
Departmental Total	132,340	257,758	390,098	(111,632)	(122,385)	(234,017)	157,237	28,572	-	185,809	(536)	7
Less Capital Charges			-			-		(28,572)		(28,572)		
Net Expenditure	132,340	257,758	390,098	(111,632)	(122,385)	(234,017)	157,237	0	-	157,237		
Appropriations to / from reserves:												
Service reserves											(536)	
Pump priming fund											111	
Corporate reserves											(2,129)	
LPSA reward funding											2,025	
Total General Fund Budget Requirement											156,708	

OVERALL SUMMARY BUDGET POSITION AT 9 JANUARY 2005
2006/07

SUMMARY OF REVENUE BUDGET PROPOSALS													
DEPARTMENT TOTAL													
	Commercial Services £'000	Chief Executive's Department					Development and Cultural Services £'000	Education		Social Services £'000	Cross Department Contingency £'000	To/(from) Reserves £'000	Budget Requirement £'000
		Policy £'000	Corporate Services £'000	Finance £'000	Corporate Budgets £'000	Treasury Management £'000		Schools £'000	LEA and Sports £'000				
PROPOSED BUDGET													
Controllable Base Budget (2005/6)	3,092	5,807	10,328	7,373	6,664	12,246	28,242	120,666	14,135	62,283	(4,341)	3,184	269,679
Add/Less budget service transfers between Council services/departments	-	274	-	-	(1,554)	(274)	-	1,554	-	-	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(517)	-	-	-	(255)	1,097	(325)	-	-	-	-	-	-
Add/Less external service transfers	-	-	85	-	1,788	-	-	(122,220)	-	1,120	-	-	(119,227)
Base for Comparison - After Use of Reserves													150,452
Add/Less one-off adjustments from previous year	(13)	(140)	(621)	(32)	-	-	(506)	-	-	-	-	-	(1,312)
Base for Comparison - 2005/6 Services	2,562	5,941	9,792	7,341	6,643	13,069	27,411	-	14,135	63,403	(4,341)	3,184	149,140
Add/Less other base adjustments	144	100	-	38	(426)	274	-	-	50	-	5,497	(2,429)	3,248
Less full year effects of additional 2005/06 savings	-	(14)	-	-	-	-	-	-	-	-	-	-	(14)
Less new savings already approved by Cabinet in 2005/06	-	(67)	-	(86)	-	-	(41)	-	-	(1,031)	-	-	(1,225)
Adjusted Base Budget	2,706	5,960	9,792	7,293	6,217	13,343	27,370	-	14,185	62,372	1,156	755	151,149
Add/Less Proposed Budget changes													
Funded Inflation	149	173	435	155	129	-	1,216	-	505	2,928	-	-	5,690
Savings planned in previous indicative budget	-	(119)	(26)	-	(4)	(201)	(1,024)	-	(314)	-	-	-	(1,688)
New proposals for Gershon efficiency savings	(22)	(160)	(170)	(96)	(100)	(258)	(98)	-	(63)	(504)	-	-	(1,471)
New proposals for other budget savings	(92)	(271)	(630)	(97)	(284)	(1,138)	(1,194)	-	(696)	(2,540)	-	-	(6,942)
Pressures and developments planned in previous indicative budget	3	126	-	5	-	1,310	1,852	-	64	-	-	-	3,360
New pressures met within cashlimit	55	132	1,095	79	223	104	705	-	242	4,528	-	-	7,163
New developments met within the cashlimit	20	(30)	197	46	18	-	172	-	231	77	-	-	731
Total proposed budget changes	113	(149)	901	92	(18)	(183)	1,629	-	(31)	4,489	-	-	6,843
Net budget before use of reserves	2,819	5,811	10,693	7,385	6,199	13,160	28,999	-	14,154	66,861	1,156	755	157,992
Less use of reserves:													
Departmental	(210)	-	(81)	(10)	-	-	(235)	-	-	-	536	(536)	(536)
Corporate	-	-	(569)	(15)	(138)	-	(26)	-	-	-	748	(748)	(748)
NET BUDGET PROPOSED (January 2006)	2,609	5,811	10,043	7,360	6,061	13,160	28,738	-	14,154	66,861	2,440	(529)	156,708
CASH LIMIT													
Cash Limit Based on Indicative Budget (March 2005)	3,223	5,568	9,809	7,470	6,670	13,355	29,292	128,641	14,595	66,001	(664)	2,605	286,565
Add/Less Net Change in Base Budget Adjustments between Departments	(56)	274	112	38	(1,980)	(274)	53	1,554	(56)	135	2,050	(1,850)	-
Add/Less Net Change in Approved Total Inflation	15	19	174	11	(19)	-	247	-	(9)	218	(230)	-	426
Add/Less Adjustments to Indicative Corporate Allocations	-	(120)	85	-	-	(203)	(200)	-	(9)	-	1,284	(1,284)	(447)
Adjustments to Indicative Budget or New Service Transfers	(517)	-	-	-	1,533	1,097	(225)	(130,195)	(23)	100	-	-	(128,230)
Revised Indicative Cashlimit	2,665	5,741	10,180	7,519	6,204	13,975	29,167	-	14,498	66,454	2,440	(529)	158,314
Add Any Allocations for New Pressures	20	202	18	17	190	-	17	-	-	2,087	250	-	2,801
Less Any New Specific Savings	-	(1)	-	-	(100)	(500)	(82)	-	-	(138)	(250)	-	(1,071)
Less Savings Targets	(76)	(131)	(155)	(176)	(233)	(315)	(364)	-	(344)	(1,542)	-	-	(3,336)
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	2,609	5,811	10,043	7,360	6,061	13,160	28,738	-	14,154	66,861	2,440	(529)	156,708
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH LIMIT	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed Budget % increase over Base for Comparison - 2005/6 Services	1.8%	-2.2%	2.6%	0.3%	-8.8%	0.7%	4.8%		0.1%	5.5%			4.2%

OVERALL SUMMARY BUDGET POSITION AT 9 JANUARY 2005
2007/08

SUMMARY OF REVENUE BUDGET PROPOSALS													
DEPARTMENT TOTAL													
	Commercial Services £'000	Chief Executive's Department					Development and Cultural Services £'000	Education		Social Services £'000	Cross Department Contingency £'000	To/(from) Reserves £'000	Budget Requirement £'000
		Policy £'000	Corporate Services £'000	Finance £'000	Corporate Budgets £'000	Treasury Management £'000		Schools £'000	LEA and Sports £'000				
PROPOSED BUDGET													
Controllable Base Budget (2005/6)	2,819	5,811	10,693	7,385	6,199	13,160	28,999		14,154	66,861	1,156	755	157,992
Add/Less budget service transfers between Council services/departments	-	-	-	-	-	-	-	-	-	-	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(301)	-	-	-	(52)	613	(99)	-	-	(161)	-	-	-
Add/Less external service transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves	2,518	5,811	10,693	7,385	6,147	13,773	28,900	-	14,154	66,700	1,156	755	157,992
Base for Comparison - After Use of Reserves	2,308	5,811	10,043	7,360	6,009	13,773	28,639		13,986	66,700	(914)	2,605	156,320
Add/Less one-off adjustments from previous year	-	-	(636)	(20)	-	-	(261)	-	-	-	-	-	(917)
Add/Less other base adjustments	4	-	-	-	(547)	-	-	-	-	-	3,720	(2,019)	1,158
Less full year effects of additional 2005/06 savings	-	-	-	-	-	-	-	-	-	-	-	-	-
Less new savings already approved by Cabinet in 2005/06	-	(2)	-	-	-	-	-	-	-	-	-	-	(2)
Adjusted Base Budget	2,522	5,809	10,057	7,365	5,600	13,773	28,639	-	14,154	66,700	4,876	(1,264)	158,231
Add/Less Proposed Budget changes													
Funded Inflation	142	165	259	157	127	-	1,021		371	3,193			5,435
Savings planned in previous indicative budget	-	(30)	-	-	(138)	(419)	(454)		(36)	-			(1,077)
New proposals for Gershon efficiency savings	(8)	(37)	-	(15)	-	-	-		-	-			(60)
New proposals for other budget savings	-	(31)	-	(36)	-	(148)	128		(136)	15			(208)
Pressures and developments planned in previous indicative budget	106	-	-	-	-	1,840	1,084		83	-			3,113
New pressures met within cashlimit	-	16	762	-	-	206	195		-	290			1,469
New developments met within the cashlimit	4	-	(13)	-	-	-	101		-	-			92
Total proposed budget changes	244	83	1,008	106	(11)	1,479	2,075	-	282	3,498	-	-	8,764
Net budget before use of reserves	2,766	5,892	11,065	7,471	5,589	15,252	30,714	-	14,436	70,198	4,876	(1,264)	166,995
Less use of reserves:													
Departmental	(186)	-	15	(21)	-	-	(149)		(95)	-	436	(436)	(436)
Corporate	-	-	(512)	-	-	-	-		-	-	512	(512)	(512)
NET BUDGET PROPOSED (January 2006)	2,580	5,892	10,568	7,450	5,589	15,252	30,565	-	14,341	70,198	5,824	(2,212)	166,047
CASH LIMIT													
Cash Limit Based on Indicative Budget (March 2005)	3,355	5,694	10,056	7,635	6,854	14,669	30,749	136,228	15,080	68,824	(914)	2,605	300,835
Net Cash Limit Change carried forward from 2006/7	(614)	243	234	(110)	(609)	(195)	(554)	(128,641)	(441)	860			(129,827)
Add/Less Net Change in Base Budget Adjustments between Departments	-	-	-	-	-	-	-		-	-			-
Add/Less Net Change in Approved Total Inflation	137	164	259	157	127	(164)	1,070		371	3,101	250		5,472
Add/Less Adjustments to Indicative Corporate Allocations	(137)	(126)	(258)	(165)	(234)	481	(997)		(533)	(2,623)	6,288	(4,817)	(3,121)
Adjustments to Indicative Budget or New Service Transfers	(301)	(33)	-	-	(52)	613	1	(7,587)	-	-	-		(7,359)
Revised Indicative Cashlimit	2,440	5,942	10,291	7,517	6,086	15,404	30,269	-	14,477	70,162	5,624	(2,212)	166,000
Add Any Allocations for New Pressures	-	-	-	-	-	-	-		-	-	200		200
Less Any New Specific Savings	-	-	-	-	-	-	(59)		-	(161)			(220)
Less Savings Targets	(31)	(50)	(90)	(67)	(60)	(152)	(288)		(136)	(1,114)			(1,988)
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	2,409	5,892	10,201	7,450	6,026	15,252	29,922	-	14,341	68,887	5,824	(2,212)	163,992
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH LIMIT	171	-	367	-	(437)	-	643	-	-	1,311	-	-	2,055
Proposed Budget % increase over Base for Comparison - Before Reserves	9.8%	1.4%	3.5%	1.2%	-9.1%	10.7%	6.3%		2.0%	5.2%			5.7%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	11.8%	1.4%	5.2%	1.2%	-7.0%	10.7%	6.7%		2.5%	5.2%			6.0%

OVERALL SUMMARY BUDGET POSITION AT 9 JANUARY 2005
2008/09

SUMMARY OF REVENUE BUDGET PROPOSALS													
DEPARTMENT TOTAL													
	Commercial Services	Chief Executive's Department					Development and Cultural Services	Education		Social Services	Cross Department Contingency	To/(from) Reserves	Budget Requirement
	£'000	Policy £'000	Corporate Services £'000	Finance £'000	Corporate Budgets £'000	Treasury Management £'000	£'000	Schools £'000	LEA and Sports £'000	£'000	£'000	£'000	£'000
PROPOSED BUDGET													
Controllable Base Budget (2005/6)	2,766	5,892	11,065	7,471	5,589	15,252	30,714		14,436	70,198	4,876	(1,264)	166,995
Add/Less budget service transfers between Council services/departments	-	-	-	-	-	-	-	-	-	-	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(39)	-	-	-	(179)	368	(150)	-	-	-	-	-	-
Add/Less external service transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves	2,727	5,892	11,065	7,471	5,410	15,620	30,564	-	14,436	70,198	4,876	(1,264)	166,995
Base for Comparison - After Use of Reserves	2,541	5,892	10,568	7,450	5,410	15,620	30,415		14,291	70,198	4,876	(1,714)	165,547
Add/Less one-off adjustments from previous year	-	-	(512)	(16)	-	-	(149)	-	-	-	-	-	(677)
Add/Less other base adjustments	(5)	-	-	-	102	-	-	-	-	-	-	-	97
Less full year effects of additional 2005/06 savings	-	-	-	-	-	-	-	-	-	-	-	-	-
Less new savings already approved by Cabinet in 2005/06	-	(2)	-	-	-	-	-	-	-	-	-	-	(2)
Adjusted Base Budget	2,722	5,890	10,553	7,455	5,512	15,620	30,415	-	14,436	70,198	4,876	(1,264)	166,413
Add/Less Proposed Budget changes													
Funded Inflation	129	158	257	160	128	-	1,023		364	3,411			5,630
Savings planned in previous indicative budget	-	-	-	-	-	(357)	(60)		-	-			(417)
New proposals for Gershon efficiency savings	-	(4)	-	-	-	-	-		-	-			(4)
New proposals for other budget savings	-	(3)	-	-	-	-	(11)		-	-			(14)
Pressures and developments planned in previous indicative budget	-	-	-	(5)	-	744	(51)		-	-			688
New pressures met within cashlimit	-	10	691	-	-	72	89		-	99			961
New developments met within the cashlimit	-	-	3	-	-	-	(199)		-	-			(196)
Total proposed budget changes	129	161	951	155	128	459	791	-	364	3,510	-	-	6,648
Net budget before use of reserves	2,851	6,051	11,504	7,610	5,640	16,079	31,206	-	14,800	73,708	4,876	(1,264)	173,061
Less use of reserves:													
Departmental	(190)	-	-	-	-	-	(64)		(50)	-	304	(304)	(304)
Corporate	-	-	-	-	-	-	-		-	-	-	-	-
NET BUDGET PROPOSED (January 2006)	2,661	6,051	11,504	7,610	5,640	16,079	31,142	-	14,750	73,708	5,180	(1,568)	172,757
CASH LIMIT													
Cash Limit Based on Indicative Budget (March 2005)	2,409	5,892	10,201	7,450	6,026	15,252	29,922		14,341	68,887	5,106	(1,714)	163,772
Add/Less Net Change in Base Budget Adjustments between Departments	-	-	-	-	-	-	-		-	-			-
Add/Less Net Change in Approved Total Inflation	118	159	259	160	128	535	1,072		364	3,406			6,201
Add/Less Adjustments to Indicative Corporate Allocations	-	-	-	-	-	(89)	-		-	-	74	146	131
Adjustments to Indicative Budget or New Service Transfers	(39)	-	-	-	(77)	368	(350)		-	-			(98)
Revised Indicative Cashlimit	2,488	6,051	10,460	7,610	6,077	16,066	30,644		14,705	72,293	5,180	(1,568)	170,006
Add Any Allocations for New Pressures	-	-	-	-	-	-	-		-	-			-
Less Any New Specific Savings	-	-	-	-	-	-	-		-	(161)			(161)
Less Savings Targets	-	-	-	-	-	-	-		-	-			-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	2,488	6,051	10,460	7,610	6,077	16,066	30,644	-	14,705	72,132	5,180	(1,568)	169,845
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH LIMIT	173	-	1,044	-	(437)	13	498	-	45	1,576	-	-	2,912
Proposed Budget % increase over Base for Comparison - Before Reserves	4.5%	2.7%	4.0%	1.9%	4.3%	2.9%	2.1%		2.5%	5.0%			3.6%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	4.7%	2.7%	8.9%	2.1%	4.3%	2.9%	2.4%		3.2%	5.0%			4.0%

COMMERCIAL SERVICES DEPARTMENT

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	3,092	2,819	2,766
Add/Less budget service transfers between Council services/departments	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(517)	(301)	(39)
Add/Less external service transfers	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves			
		2,518	2,727
Base for Comparison - After Use of Reserves		2,308	2,541
Add/Less one-off adjustments from previous year	(13)	-	-
Base for Comparison - 2005/6 Services	2,562		
Add/Less other base adjustments	144	4	(5)
Less full year effects of additional 2005/06 savings	-	-	-
Less new savings already approved by Cabinet in 2005/06	-	-	-
Adjusted Base Budget	2,706	2,522	2,722
Add/Less Proposed Budget changes			
Funded Inflation	149	142	129
Savings planned in previous indicative budget	-	-	-
New proposals for Gershon efficiency savings	(22)	(8)	-
New proposals for other budget savings	(92)	-	-
Pressures and developments planned in previous indicative budget	3	106	-
New pressures met within cashlimit	55	-	-
New developments met within the cashlimit	20	4	-
Total proposed budget changes	113	244	129
Net budget before use of reserves	2,819	2,766	2,851
Less use of reserves:			
Departmental	(210)	(186)	(190)
Corporate	-	-	-
NET BUDGET PROPOSED (January 2006)	2,609	2,580	2,661
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	3,223	3,355	2,409
Net Cash Limit Change carried forward from 2006/7		(614)	
Add/Less Net Change in Base Budget Adjustments between Departments	(56)	-	-
Add/Less Net Change in Approved Total Inflation	15	137	118
Add/Less Adjustments to Indicative Corporate Allocations	-	(137)	-
Adjustments to Indicative Budget or New Service Transfers	(517)	(301)	(39)
Revised Indicative Cashlimit	2,665	2,440	2,488
Add Any Allocations for New Pressures	20	-	-
Less Any New Specific Savings	-	-	-
Less Savings Targets	(76)	(31)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	2,609	2,409	2,488
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH LIMIT	-	171	173
Proposed Budget % increase over Base for Comparison - Before Reserves		9.8%	4.5%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	1.8%	11.8%	4.7%

CHIEF EXECS DEPARTMENT - POLICY DIRECTORATE

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	5,807	5,811	5,892
Add/Less budget service transfers between Council services/departments	274	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	-	-	-
Add/Less external service transfers	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves		5,811	5,892
Base for Comparison - After Use of Reserves		5,811	5,892
Add/Less one-off adjustments from previous year	(140)	-	-
Base for Comparison - 2005/6 Services	5,941		
Add/Less other base adjustments	100	-	-
Less full year effects of additional 2005/06 savings	(14)	-	-
Less new savings already approved by Cabinet in 2005/06	(67)	(2)	(2)
Adjusted Base Budget	5,960	5,809	5,890
Add/Less Proposed Budget changes			
Funded Inflation	173	165	158
Savings planned in previous indicative budget	(119)	(30)	-
New proposals for Gershon efficiency savings	(160)	(37)	(4)
New proposals for other budget savings	(271)	(31)	(3)
Pressures and developments planned in previous indicative budget	126	-	-
New pressures met within cashlimit	132	16	10
New developments met within the cashlimit	(30)	-	-
Total proposed budget changes	(149)	83	161
Net budget before use of reserves	5,811	5,892	6,051
Less use of reserves:			
Departmental	-	-	-
Corporate	-	-	-
NET BUDGET PROPOSED (January 2006)	5,811	5,892	6,051
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	5,568	5,694	5,892
Net Cash Limit Change carried forward from 2006/7		243	
Add/Less Net Change in Base Budget Adjustments between Departments	274	-	-
Add/Less Net Change in Approved Total Inflation	19	164	159
Add/Less Adjustments to Indicative Corporate Allocations	(120)	(126)	-
Adjustments to Indicative Budget or New Service Transfers	-	(33)	-
Revised Indicative Cashlimit	5,741	5,942	6,051
Add Any Allocations for New Pressures	202	-	-
Less Any New Specific Savings	(1)	-	-
Less Savings Targets	(131)	(50)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	5,811	5,892	6,051
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH LIMIT	-	-	-
Proposed Budget % increase over Base for Comparison - Before Reserves		1.4%	2.7%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	-2.2%	1.4%	2.7%

CORPORATE SERVICES DIRECTORATE - CHIEF EXEC'S DEPARTMENT

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	10,328	10,693	11,065
Add/Less budget service transfers between Council services/departments	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	-	-	-
Add/Less external service transfers	85	-	-
Base for Comparison - Before Use of Previous Year's Reserves		10,693	11,065
Base for Comparison - After Use of Reserves		10,043	10,568
Add/Less one-off adjustments from previous year	(621)	(636)	(512)
Base for Comparison - 2005/6 Services	9,792		
Add/Less other base adjustments	-	-	-
Less full year effects of additional 2005/06 savings	-	-	-
Less new savings already approved by Cabinet in 2005/06	-	-	-
Adjusted Base Budget	9,792	10,057	10,553
Add/Less Proposed Budget changes			
Funded Inflation	435	259	257
Savings planned in previous indicative budget	(26)	-	-
New proposals for Gershon efficiency savings	(170)	-	-
New proposals for other budget savings	(630)	-	-
Pressures and developments planned in previous indicative budget	-	-	-
New pressures met within cashlimit	1,095	762	691
New developments met within the cashlimit	197	(13)	3
Total proposed budget changes	901	1,008	951
Net budget before use of reserves	10,693	11,065	11,504
Less use of reserves:			
Departmental	(81)	15	-
Corporate	(569)	(512)	-
NET BUDGET PROPOSED (January 2006)	10,043	10,568	11,504
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	9,809	10,056	10,201
Net Cash Limit Change carried forward from 2006/7		234	
Add/Less Net Change in Base Budget Adjustments between Departments	112	-	-
Add/Less Net Change in Approved Total Inflation	174	259	259
Add/Less Adjustments to Indicative Corporate Allocations	85	(258)	-
Adjustments to Indicative Budget or New Service Transfers			
Revised Indicative Cashlimit	10,180	10,291	10,460
Add Any Allocations for New Pressures	18	-	-
Less Any New Specific Savings	-	-	-
Less Savings Targets	(155)	(90)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	10,043	10,201	10,460
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH	-	367	1,044
Proposed Budget % increase over Base for Comparison - Before Reserves		3.5%	4.0%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	2.6%	5.2%	8.9%

FINANCE DIRECTORATE - CHIEF EXEC'S DEPARTMENT

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	7,373	7,385	7,471
Add/Less budget service transfers between Council services/departments	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	-	-	-
Add/Less external service transfers	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves		7,385	7,471
Base for Comparison - After Use of Reserves		7,360	7,450
Add/Less one-off adjustments from previous year	(32)	(20)	(16)
Base for Comparison - 2005/6 Services	7,341		
Add/Less other base adjustments	38	-	-
Less full year effects of additional 2005/06 savings	-	-	-
Less new savings already approved by Cabinet in 2005/06	(86)	-	-
Adjusted Base Budget	7,293	7,365	7,455
Add/Less Proposed Budget changes			
Funded Inflation	155	157	160
Savings planned in previous indicative budget	-	-	-
New proposals for Gershon efficiency savings	(96)	(15)	-
New proposals for other budget savings	(97)	(36)	-
Pressures and developments planned in previous indicative budget	5	-	(5)
New pressures met within cashlimit	79	-	-
New developments met within the cashlimit	46	-	-
Total proposed budget changes	92	106	155
Net budget before use of reserves	7,385	7,471	7,610
Less use of reserves:			
Departmental	(10)	(21)	-
Corporate	(15)	-	-
NET BUDGET PROPOSED (January 2006)	7,360	7,450	7,610
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	7,470	7,635	7,450
Net Cash Limit Change carried forward from 2006/7		(110)	
Add/Less Net Change in Base Budget Adjustments between Departments	38	-	-
Add/Less Net Change in Approved Total Inflation	11	157	160
Add/Less Adjustments to Indicative Corporate Allocations	-	(165)	-
Adjustments to Indicative Budget or New Service Transfers	-	-	-
Revised Indicative Cashlimit	7,519	7,517	7,610
Add Any Allocations for New Pressures	17	-	-
Less Any New Specific Savings	-	-	-
Less Savings Targets	(176)	(67)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	7,360	7,450	7,610
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH	-	-	-
Proposed Budget % increase over Base for Comparison - Before Reserves		1.2%	1.9%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	0.3%	1.2%	2.1%

CORPORATE BUDGETS - CHIEF EXEC'S DEPARTMENT - OTHER CORPORATE BUDGETS

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	6,664	6,199	5,589
Add/Less budget service transfers between Council services/departments	(1,554)	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(255)	(52)	(179)
Add/Less external service transfers	1,788	-	-
Base for Comparison - Before Use of Previous Year's Reserves		6,147	5,410
Base for Comparison - After Use of Reserves		6,009	5,410
Add/Less one-off adjustments from previous year	-	-	-
Base for Comparison - 2005/6 Services	6,643		
Add/Less other base adjustments	(426)	(547)	102
Less full year effects of additional 2005/06 savings	-	-	-
Less new savings already approved by Cabinet in 2005/06	-	-	-
Adjusted Base Budget	6,217	5,600	5,512
Add/Less Proposed Budget changes			
Funded Inflation	129	127	128
Savings planned in previous indicative budget	(4)	(138)	-
New proposals for Gershon efficiency savings	(100)	-	-
New proposals for other budget savings	(284)	-	-
Pressures and developments planned in previous indicative budget	-	-	-
New pressures met within cashlimit	223	-	-
New developments met within the cashlimit	18	-	-
Total proposed budget changes	(18)	(11)	128
Net budget before use of reserves	6,199	5,589	5,640
Less use of reserves:			
Departmental	-	-	-
Corporate	(138)	-	-
NET BUDGET PROPOSED (January 2006)	6,061	5,589	5,640
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	6,670	6,854	6,026
Net Cash Limit Change carried forward from 2006/7		(609)	
Add/Less Net Change in Base Budget Adjustments between Departments	(1,980)		-
Add/Less Net Change in Approved Total Inflation	(19)	127	128
Add/Less Adjustments to Indicative Corporate Allocations	-	(234)	-
Adjustments to Indicative Budget or New Service Transfers	1,533	(52)	(77)
Revised Indicative Cashlimit	6,204	6,086	6,077
Add Any Allocations for New Pressures	190	-	-
Less Any New Specific Savings	(100)	-	-
Less Savings Targets	(233)	(60)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	6,061	6,026	6,077
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH	-	(437)	(437)
Proposed Budget % increase over Base for Comparison - Before Reserves		-9.1%	4.3%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	-8.8%	-7.0%	4.3%

CORPORATE BUDGETS - TREASURY MANAGEMENT (SERVICE UNIT) - CHIEF EXEC'S DEPARTMENT

SCHEDULE OF REVENUE BUDGET PROPOSALS			
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	12,246	13,160	15,252
Add/Less budget service transfers between Council services/departments	(274)		
Add/Less Prudential Borrowing budget transfers to Treasury Management	1,097	613	368
Add/Less external service transfers			
Base for Comparison - Before Use of Previous Year's Reserves		13,773	15,620
Base for Comparison - After Use of Reserves		13,773	15,620
Add/Less one-off adjustments from previous year			
Base for Comparison - 2005/6 Services	13,069		
Add/Less other base adjustments	274		
Less full year effects of additional 2005/06 savings			
Less savings already approved by Cabinet in 2005/06			
Adjusted Base Budget	13,343	13,773	15,620
Add/Less Proposed Budget changes			
Funded Inflation	-	-	-
Savings planned in previous indicative budget	(201)	(419)	(357)
New proposals for Gershon efficiency savings	(258)	-	-
New proposals for other budget savings	(1,138)	(148)	-
Pressures and developments planned in previous indicative budget	1,310	1,840	744
New pressures met within cashlimit	104	206	72
New developments met within the cashlimit	-	-	-
Total proposed budget changes	(183)	1,479	459
Net budget before use of reserves	13,160	15,252	16,079
Less use of reserves:			
Departmental	-	-	-
Corporate	-	-	-
NET BUDGET PROPOSED (January 2006)	13,160	15,252	16,079
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	13,355	14,669	15,252
Net Cash Limit Change carried forward from 2006/7		(195)	
Add/Less Net Change in Base Budget Adjustments between Departments	(274)		
Add/Less Net Change in Approved Total Inflation		(164)	535
Add/Less Adjustments to Indicative Corporate Allocations	(203)	481	(89)
Adjustments to Indicative Budget or New Service Transfers	1,097	613	368
Revised Indicative Cashlimit	13,975	15,404	16,066
Add Any Allocations for New Pressures	-		
Less Any New Specific Savings	(500)		
Less Savings Targets	(315)	(152)	
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	13,160	15,252	16,066
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH LIMIT	-	-	13
Proposed Budget % increase over Base for Comparison - Before Reserves		10.7%	2.9%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	0.7%	10.7%	2.9%

DEVELOPMENT AND CULTURAL SERVICES

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	28,242	28,999	30,714
Add/Less budget service transfers between Council services/departments	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(325)	(99)	(150)
Add/Less external service transfers	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves		28,900	30,564
Base for Comparison - After Use of Reserves		28,639	30,415
Add/Less one-off adjustments from previous year	(506)	(261)	(149)
Base for Comparison - 2005/6 Services	27,411		
Add/Less other base adjustments	-	-	-
Less full year effects of additional 2005/06 savings	-	-	-
Less new savings already approved by Cabinet in 2005/06	(41)	-	-
Adjusted Base Budget	27,370	28,639	30,415
Add/Less Proposed Budget changes			
Funded Inflation	1,216	1,021	1,023
Savings planned in previous indicative budget	(1,024)	(454)	(60)
New proposals for Gershon efficiency savings	(98)	-	-
New proposals for other budget savings	(1,194)	128	(11)
Pressures and developments planned in previous indicative budget	1,852	1,084	(51)
New pressures met within cashlimit	705	195	89
New developments met within the cashlimit	172	101	(199)
Total proposed budget changes	1,629	2,075	791
Net budget before use of reserves	28,999	30,714	31,206
Less use of reserves:			
Departmental	(235)	(149)	(64)
Corporate	(26)	-	-
NET BUDGET PROPOSED (January 2006)	28,738	30,565	31,142
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	29,292	30,749	29,922
Net Cash Limit Change carried forward from 2006/7		(554)	
Add/Less Net Change in Base Budget Adjustments between Departments	53	-	-
Add/Less Net Change in Approved Total Inflation	247	1,070	1,072
Add/Less Adjustments to Indicative Corporate Allocations	(200)	(997)	-
Adjustments to Indicative Budget or New Service Transfers	(225)	1	(350)
Revised Indicative Cashlimit	29,167	30,269	30,644
Add Any Allocations for New Pressures	17	-	-
Less Any New Specific Savings	(82)	(59)	-
Less Savings Targets	(364)	(288)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	28,738	29,922	30,644
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH	-	643	498
Proposed Budget % increase over Base for Comparison - Before Reserves		6.3%	2.1%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	4.8%	6.7%	2.4%

EDUCATION DEPARTMENT

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	14,135	14,154	14,436
Add/Less budget service transfers between Council services/departments	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	-	-	-
Add/Less external service transfers	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves		14,154	14,436
Base for Comparison - After Use of Reserves		13,986	14,291
Add/Less one-off adjustments from previous year	-	-	-
Base for Comparison - 2005/6 Services	14,135		
Add/Less other base adjustments	50	-	-
Less full year effects of additional 2005/06 savings	-	-	-
Less new savings already approved by Cabinet in 2005/06	-	-	-
Adjusted Base Budget	14,185	14,154	14,436
Add/Less Proposed Budget changes			
Funded Inflation	505	371	364
Savings planned in previous indicative budget	(314)	(36)	-
New proposals for Gershon efficiency savings	(63)	-	-
New proposals for other budget savings	(696)	(136)	-
Pressures and developments planned in previous indicative budget	64	83	-
New pressures met within cashlimit	242	-	-
New developments met within the cashlimit	231	-	-
Total proposed budget changes	(31)	282	364
Net budget before use of reserves	14,154	14,436	14,800
Less use of reserves:			
Departmental	-	(95)	(50)
Corporate	-	-	-
NET BUDGET PROPOSED (January 2006)	14,154	14,341	14,750
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	14,595	15,080	14,341
Net Cash Limit Change carried forward from 2006/7		(441)	
Add/Less Net Change in Base Budget Adjustments between Departments	(56)	-	-
Add/Less Net Change in Approved Total Inflation	(9)	371	364
Add/Less Adjustments to Indicative Corporate Allocations	(9)	(533)	-
Adjustments to Indicative Budget or New Service Transfers	(23)	-	-
Revised Indicative Cashlimit	14,498	14,477	14,705
Add Any Allocations for New Pressures	-	-	-
Less Any New Specific Savings	-	-	-
Less Savings Targets	(344)	(136)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	14,154	14,341	14,705
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH	-	-	45
Proposed Budget % increase over Base for Comparison - Before Reserves		2.0%	2.5%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	0.1%	1.3%	3.2%

SUMMARY OF SCHOOLS BUDGET

This table summarises the overall spending to be met from Dedicated Schools Grant.

This includes:

- The Individual Schools Budget (Part 4H, Appendix B)
- Central Schools Budget costs within Education (Part 4H, Appendix B)
- Central Schools Budget costs recharged from Chief Exec's Department

	Individual Schools Budget £000	Central Schools Budget - Education £000	Central Schools Budget - Chief Execs £000	Total Met by Dedicated Schools Grant £000
2005/06 Base	112,606	8,878	1,509	122,993
2006/07	118,857	9,801	1,554	130,212
% Increase	5.6%	10.4%	3.0%	5.9%
2007/08	125,546	10,632	1,601	137,779
% Increase	5.6%	8.5%	3.0%	5.8%
2008/09	132,705	11,416	1,649	145,770
% Increase	5.7%	7.4%	3.0%	5.8%

SOCIAL SERVICES DEPARTMENT

SUMMARY OF REVENUE BUDGET PROPOSALS			
	DEPARTMENT TOTAL		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
PROPOSED BUDGET			
Controllable Base Budget (2005/6)	62,283	66,861	70,198
Add/Less budget service transfers between Council services/departments	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	-	(161)	-
Add/Less external service transfers	1,120	-	-
Base for Comparison - Before Use of Previous Year's Reserves		66,700	70,198
Base for Comparison - After Use of Reserves		66,700	70,198
Add/Less one-off adjustments from previous year	-	-	-
Base for Comparison - 2005/6 Services	63,403		
Add/Less other base adjustments	-	-	-
Less full year effects of additional 2005/06 savings	-	-	-
Less new savings already approved by Cabinet in 2005/06	(1,031)	-	-
Adjusted Base Budget	62,372	66,700	70,198
Add/Less Proposed Budget changes			
Funded Inflation	2,928	3,193	3,411
Savings planned in previous indicative budget	-	-	-
New proposals for Gershon efficiency savings	(504)	-	-
New proposals for other budget savings	(2,540)	15	-
Pressures and developments planned in previous indicative budget	-	-	-
New pressures met within cashlimit	4,528	290	99
New developments met within the cashlimit	77	-	-
Total proposed budget changes	4,489	3,498	3,510
Net budget before use of reserves	66,861	70,198	73,708
Less use of reserves:			
Departmental	-	-	-
Corporate	-	-	-
NET BUDGET PROPOSED (January 2006)	66,861	70,198	73,708
CASH LIMIT			
Cash Limit Based on Indicative Budget (March 2005)	66,001	68,824	68,887
Net Cash Limit Change carried forward from 2006/7		860	
Add/Less Net Change in Base Budget Adjustments between Departments	135	-	-
Add/Less Net Change in Approved Total Inflation	218	3,101	3,406
Add/Less Adjustments to Indicative Corporate Allocations	-	(2,623)	-
Adjustments to Indicative Budget or New Service Transfers	100	-	-
Revised Indicative Cashlimit	66,454	70,162	72,293
Add Any Allocations for New Pressures	2,087	-	-
Less Any New Specific Savings	(138)	(161)	(161)
Less Savings Targets	(1,542)	(1,114)	-
CASH LIMIT FOR CONSULTATION BUDGET (January 2006)	66,861	68,887	72,132
CUMULATIVE VARIANCE - PROPOSED BUDGET LESS CASH	-	1,311	1,576
Proposed Budget % increase over Base for Comparison - Before Reserves		5.2%	5.0%
Proposed Budget % increase over Base for Comparison - 2005/6 Services	5.5%	5.2%	5.0%

COMMERCIAL SERVICES DEPARTMENT BUDGET 2006/2007

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees £000's	Running Costs £000's	Grants £000's	Income £000's	Net Controllable Departmental Budget 2006/07 £000's	Member Portfolio		New Structure Department (See codes below)
							Cabinet	Overview & Scrutiny	
	Cemeteries and Crematorium								
(27)	Cemeteries	102	76		(204)	(26)			
2	Maintenance- Disused Burial Grounds	-	2		-	2	Environment & Direct Services	Planning & Environment	ES
(572)	Crematorium	193	365		(1,140)	(582)			
(597)		295	443	-	(1,344)	(606)			
	Management, Finance and Administration								
-	London Road - Trading Services	822	220			1,042	Environment & Direct Services	Planning & Environment	ES
-	Stores Road - Trading Services	624	39			663			
147	Derby Parks	135	16			151	Leisure & Cultural Services	Culture & Prosperity	ES
147		1,581	275	-	-	1,856			
	Parks								
(32)	City Centre Horticultural Features	-	3		(38)	(35)			
135	Landscape Client	254	16		(131)	139			
248	Grounds Maintenance Client	302	16		(83)	235			
(312)	Golf Client	7	2		(276)	(267)			
10	Garden Allotments	11	18		(18)	11			
919	Outdoor Amenities (Parks)	887	693		(624)	956			
(6)	Arboretum Park	103	49		(10)	142			
-	Osmaston Park	15	-		(15)	-	Leisure & Cultural Services	Culture & Prosperity	ES
2,636	Grounds Maintenance Contracts	-	2,979		(369)	2,610			
3,598		1,579	3,776	-	(1,564)	3,791			
-	Trading Services	17,814	23,579	-	(43,615)	(2,222)	Environment & Direct Services	Planning & Environment	ES
3,148	Total Commercial Services Budget	21,269	28,073	-	(46,523)	2,819			
	Less Use of Reserves					(210)			
	Net Commercial Services Budget					2,609			

New Structure Department Codes

CYP Children and Young People's
 ES Environmental Services
 RC Regeneration and Community
 R Resources
 CASS Corporate and Adult Social Services

POLICY DEPARTMENT BUDGET 2006/2007

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2006/07 £000's	Member Portfolio		New Structure Department (See codes below)
		£000's	£000's	£000's	£000's		Cabinet	Overview & Scrutiny	
268	Directorate Management	111	64	-	(32)	143	CP	SMC	RC,CASS,R
87	Derby City Partnership	147	90	-	(149)	88	CP	SMC	RC
283	Derby Community Safety Partnership	339	149	-	(203)	285	CS,R & E gov	CR	RC
638		597	303	-	(384)	516			
	Personnel and Equalities								
87	Kedleston Road	65	91	-	(65)	91	P,PM & ED	SMC	CASS
1,030	Personnel and Equalities	1,271	120	-	(328)	1,063	P,PM & ED	SMC	CASS
87	Job Evaluation	84	5	-	-	89	P,PM & ED	SMC	CASS
-	Occupational Health	98	61	-	(159)	-	P,PM & ED	SMC	CASS
107	Learning to Work	-	-	-	-	-			
1,311		1,518	277	-	(552)	1,243			
	Community Policy								
185	Corporate Communications	144	73	-	(18)	199	CP	SMC	CASS
415	Consultation and Research	333	70	-	-	403	CP	SMC	CASS
350	Area and Neighbourhood Unit	405	50	-	(62)	393	CS, R & E gov	CR	RC
124	Area Panel Budgets	-	99	-	-	99	CS,R & E gov	CR	RC
120	Community Policy Management	106	17	-	-	123	CS,R & E gov	CR	RC
850	Community Grants	-	855	-	-	855	AS	CR	?
224	External Funding Unit	551	50	(402)	-	199	CS,R & E gov	CR	RC
2,268		1,539	1,214	(402)	(80)	2,271			
	Housing and Advice								
418	Derby Advice	494	32	-	(45)	481	H & SC	CR & SC	R
1	Housing General Fund Account	-	1	-	-	1	H & SC	CR & SC	R
243	Housing Services Management	178	75	-	(23)	230	H & SC	CR & SC	R
437	Housing Options (Private)	312	280	-	(173)	419	H & SC	CR & SC	R
-	Derby Homefinder	101	80	-	(181)	-	H & SC	CR & SC	R
-	Homelessness Strategy	140	-	(140)	-	-	H & SC	CR & SC	R
(112)	Community Care (Private)	93	52	-	(271)	(126)	H & SC	CR & SC	R
13	Homeless Hostel	-	29	-	(16)	13	H & SC	CR & SC	R
234	Private Sector Renewal Support Grant	759	240	-	(470)	529	H & SC	CR & SC	R
(9)	Advances to Housing Associations	-	-	-	(1)	(1)	H & SC	CR & SC	R
-	Derby Homezone	20	-	-	(20)	-	H & SC	CR & SC	R
171	Housing Development	137	8	-	-	145	H & SC	CR & SC	R
-	Building a Better Derwent	62	8	(70)	-	-	H & SC	CR & SC	R
(6)	Shelton Lock Caravan Site	-	23	-	(33)	(10)	H & SC	CR & SC	R
71	Supporting People Administration	260	59	(219)	-	100	H & SC	CR & SC	R
129	Supporting People Programme	-	10,557	(10,549)	(8)	-	H & SC	CR & SC	R
1,590		2,556	11,444	(10,978)	(1,241)	1,781			
5,807		6,210	13,238	(11,380)	(2,257)	5,811			

New Structure Department Codes

CYP Children and Young People's
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NB - Where a Service Activity spans more than one Department please list all appropriate codes

CORPORATE SERVICES DEPARTMENT BUDGET 2006/2007

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2006/07	Member Portfolio		New Structure Department (See codes below)
		£000's	£000's	£000's	£000's	£000's	Cabinet	Overview & Scrutiny	
	Democratic Services								
405	Telecommunications	199	278		(65)	412	CSRE-G	SMC	CASS
86	Elections Administration	30	133			163	CP	SMC	CASS
213	Member Services	113	102			215	CP	SMC	CASS
77	Register Office	303	59		(304)	58	CP	SMC	CASS
514	Management and Administration	368	221		(23)	566	CP	SMC	CASS
43	Contingency Budget					-	-	-	CASS
52	Reprographics and Procurement	138	113		(191)	60	CP	SMC	CASS / R
252	Constitutional Services	225	68		(10)	283	CP	SMC	CASS
273	Overview & Scrutiny	234	22			256	CP	SMC	CASS
(339)	Land Charges	215	88		(581)	(278)	CP	SMC	CASS
1,576		1,825	1,084	-	(1,174)	1,735			
979	Legal	1,105	231		(344)	992	CP	SMC	CASS
	Property Services								
1,536	Accommodation	244	1,504		(55)	1,693	PPMED	SMC	CASS
(120)	Estates	547	456		(1,165)	(162)	PPMED	SMC	CASS
(1,187)	Markets	240	1,450		(2,928)	(1,238)	PPMED	SMC	CASS
104	Festivities		104			104	LCS	CP	CASS
366	Property Maintenance	508	(22)		(131)	355	PPMED	SMC	CASS
(37)	Quantity Surveying	180	9		(228)	(39)	PPMED	SMC	CASS
356	Building Services	592	32		(259)	365	PPMED	SMC	CASS
(35)	Architectural Services	426	24		(487)	(37)	PPMED	SMC	CASS
327	Property Services Administration	340	23		(5)	358	PPMED	SMC	CASS
3,617	Repair and Maintenance Works		3,777			3,777	PPMED	SMC	CASS
39	Repair and Maintenance Fees		39			39	PPMED	SMC	CASS
313	Building Cleaning Contract	-	311			311	PPMED	SMC	CASS
5,279		3,077	7,707	-	(5,258)	5,526			
	Environmental Health & Trading Standards								
13	Licensing	103	18		(155)	(34)	EDS	PE	ES
(56)	Hackney Carriages	193	42		(282)	(47)	EDS	PE	ES
314	EHTS Management and Administration	278	42		(4)	316	EDS	PE	ES
390	Commercial	366	27		(14)	379	EDS	PE	ES
24	Abandoned Vehicles	42	49		(93)	(2)	EDS	PE	ES
212	Pollution Control	237	17		(33)	221	EDS	PE	ES
38	Air Quality Management Areas	26	19			45	EDS	PE	ES
279	General	260	28			288	EDS	PE	ES
59	Pest Control	108	49		(103)	54	EDS	PE	ES
142	Dog Control	84	65		(5)	144	EDS	PE	ES
321	Health and Safety	321	24			345	EDS	SMC	ES
758	Trading Standards	668	84		(21)	731	EDS	PE	ES
2,494		2,686	464	-	(710)	2,440			
10,328		8,693	9,486	-	(7,486)	10,693			

New Structure Department Codes

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FINANCE DEPARTMENT BUDGET 2006/2007

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2006/07	Member Portfolio		New Structure Department (See codes below)
		£000's	£000's	£000's	£000's	£000's	Cabinet	Overview & Scrutiny	
	Corporate Finance								
488	Finance Management	518	6		(8)	516	CP	SMC	R
753	Accountancy and Technical Finance	1,081	21		(324)	778	CP	SMC	R
408	Internal Audit	466	23		(90)	399	CP	SMC	R
1,649		2,065	50	-	(422)	1,693			
	Financial Services								
49	Tax	71	6		(24)	53	CP	SMC	R
88	Management Support	81	18		(1)	98	CP	SMC	R
151	Employee Payments	238	46		(131)	153	CP	SMC	R
448	Business Systems	213	254		(20)	447	CP	SMC	R
22	External Payments	359	33		(393)	(1)	CP	SMC	R
758		962	357	-	(569)	750			
	ICT and Performance								
391	Strategic Planning and Performance	241	123		(22)	342	PPMED	SMC	R
1,887	Computer Services	275	2,595		(970)	1,900	CSRE-G	SMC	R
388	E Services	173	225			398	CSRE-G	SMC	R
275	Projects	146	133			279	CSRE-G	SMC	R
2,941		835	3,076	-	(992)	2,919			
	Revenues and Benefits								
393	Income and Post Room	340	43		(5)	378	HSI / CP	CR / SMC	R
547	Council Tax Billing	675	319		(401)	593	HSI / CP	CR / SMC	R
(177)	NDR Billing and Collection	75	84		(330)	(171)	HSI / CP	CR / SMC	R
386	PFI Contract	-	380			380	HSI / CP	CR / SMC	R
352	Policy and Development	297	53			350	HSI / CP	CR / SMC	R
280	Systems and Performance	244	20			264	HSI / CP	CR / SMC	R
38	Divisional Management	(8)	54			46	HSI / CP	CR / SMC	R
(716)	Benefits Administration	1,102	180	(2,224)		(942)	H SI	CR	R
262	Inspection Services	607	49			656	HSI / CP	CR / SMC	R
109	Recovery of Overpayments	(92)	19			(73)	HSI / CP	CR / SMC	R
589	Corporate Customer Management	528	14			542	HSI / CP	CR / SMC	R
2,063		3,768	1,215	(2,224)	(736)	2,023			
7,411		7,630	4,698	(2,224)	(2,719)	7,385			

New Structure Department Codes

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OTHER CORPORATE BUDGETS PROPOSED REVENUE BUDGET 2006/07

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2006/07	Member Portfolio		New Structure Department (See codes below)
		£000's	£000's	£000's	£000's	£000's	Cabinet	Overview & Scrutiny	
	Other Corporate Budgets								
157	The Chief Executive	187	5	-	-	192	CP	SMC	R
131	Registration of Electors	72	64	-	(3)	133	CP	SMC	CASS
110	Conduct of Elections		110	-	-	110	CP	SMC	CASS
162	Mayoral Expenses	117	61	-	(13)	165	CP	SMC	CASS
39	Twinning	18	22	-	(1)	39	CP	SMC	CASS
840	Members Allowances	-	863	-	-	863	PPMED	SMC	CASS
224	Corporate Management	147	94	-	-	241	CP	SMC	CASS
174	Derby Coroner	-	178	-	-	178	CP	SMC	CASS
69	Environment Agency	-	76	-	-	76	EDS	SMC	R
43	Transport Act 1985	45	-	-	-	45	PPMED	SMC	R
316	Residual Reorganisation Costs	285	-	-	-	285	PPMED	SMC	R
1,834	Insurance	276	1,869	-	(555)	1,590	CP	SMC	R
320	Corporate Contingency Fund	-	87	-	-	87	CP	SMC	R
138	Childrens Services Implementation	-	-	-	-	-	-	-	-
34	Support Services Recharge Balance	-	34	-	-	34	CP	SMC	R
-	Central support services to schools' budgets	-	-	-	(1,554)	(1,554)	CP / CES	SMC / ED	R / CYP / CASS
(422)	Trading Services Rebate	-	(249)	-	-	(249)	CP / EDS	SMC / P&E	R
-	Corporate review - Agency and Recruitment	-	(100)	-	-	(100)	CP	SMC	X-DEPT
94	Car Leasing	18	133	-	(69)	82	CP	SMC	R
-	HCI initiative	-	-	-	(273)	(273)	CSRE-G	SMC	R
265	External Audit Fees	-	330	-	(46)	284	CP	SMC	R
65	Bank Charges	13	76	-	(13)	76	CP	SMC	R
-	Benefit Payments	-	67,009	(64,609)	(2,400)	-	HIS	CR	R
1,514	Concessionary Fares	8	3,330	-	-	3,338	PT	SMC	RC
189	Emergency Planning	-	189	-	-	189	CP	SMC	RC
368	Former Transport Superannuation	368	-	-	-	368	PPMED	SMC	R
6,664		1,554	74,181	(64,609)	(4,927)	6,199			
-	Treasury Management	-	27,037	-	(13,877)	13,160	CP	SMC	R
6,664	Total Corporate Budgets	1,554	101,218	(64,609)	(18,804)	19,359			

New Structure Department Codes

CYP Children and Young People's
 ES Environmental Services
 RC Regeneration and Community
 R Resources
 CASS Corporate and Adult Social Services

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DEVELOPMENT & CULTURAL SERVICES DEPARTMENT PROPOSED REVENUE BUDGET 2006/07

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees £000's	Running Costs £000's	Grants £000's	Income £000's	Net Controllable Departmental Budget 2006/07 £000's	Member Portfolio		New Structure Department (See codes below)
							Cabinet	Overview & Scrutiny	
	Business Support								
1,368	Business Support Unit	1,011	241		(37)	1,215	P & T	P & E	RC
7	Former Leisure Department Residual Costs	-	7		-	7	P & T	P & E	RC
1,375		1,011	248	-	(37)	1,222			
	City Development and Tourism								
598	Economic Development Unit	443	551		(350)	644	P, P&M & ED	C & P	RC
3	Rosehill Business Centre	-	3		-	3	P, P&M & ED	C & P	RC
-	ID Centre	-	127		(127)	-	P, P&M & ED	C & P	RC
68	City Centre Management	75	2		(3)	74	P, P&M & ED	C & P	RC
171	Tourism	76	107		(12)	171	P, P&M & ED	C & P	RC
162	Tourist Information Centre	146	46		(37)	155	P, P&M & ED	C & P	RC
1,002		740	836	-	(529)	1,047			
	Planning								
69	Building Consultancy	780	94		(781)	93	P & T	P & E	RC
(113)	Development Control	697	262		(918)	41	P & T	P & E	RC
469	Plans and Policies	474	116		(61)	529	P & T	P & E	RC
5	Brownfield Development - LPSA	36	-		(25)	11	E & DS	P & E	RC
376	Environmental Sustainability	338	75		(4)	409	E & DS	P & E	RC
8	Footpaths	-	8		-	8	E & DS	P & E	RC
65	Project Riverlife	29	41		(3)	67	E & DS	P & E	RC
-	Environmental Improvements	-	-		-	-	E & DS	P & E	RC
101	Environmental Strategy Development	89	15		(2)	102	E & DS	P & E	RC
980		2,443	611	-	(1,794)	1,260			
	Highways Maintenance and Street Lighting								
5,671		1,004	5,330		(208)	6,126	P & T	P & E	RC
	Waste Management								
2,634	Refuse Collection - Client	109	2,655		(57)	2,707	E & DS	P & E	ES
4,267	Waste Disposal	105	4,266		(85)	4,286	E & DS	P & E	ES
1,963	Street Cleansing Client	131	1,911		-	2,042	E & DS	P & E	ES
428	Conveniences	18	397		(3)	412	E & DS	P & E	ES
243	Recycling	97	287		(288)	96	E & DS	P & E	ES
2,046	Recycling Plan	160	2,892	(282)	(450)	2,320	E & DS	P & E	ES
-	NEAT Project	13	-		-	13	E & DS	P & E	ES
11,581		633	12,408	(282)	(883)	11,876			
	Engineering Design								
677	Engineering and Design Services	1,319	374		(1,083)	610	P & T	P & E	RC
(41)	Highways Property Administration	-	11		(53)	(42)	P & T	P & E	RC
636		1,319	385	-	(1,136)	568			
	Traffic and Transportation								
1,603	Transportation and Special Projects	941	3,510		(3,148)	1,303	P & T	P & E	RC
1,060	Traffic	1,466	942	(25)	(836)	1,547	P & T	P & E	RC
16	Road Casualty Reduction - LPSA	29	60		(70)	19	P & T	P & E	RC
(1,956)	Car Parks	507	1,426		(4,446)	(2,513)	P & T	P & E	RC
194	CCTV	-	412		(214)	198	P & T	P & E	RC
(179)	Street Furniture	-	-		(185)	(185)	P & T	P & E	RC
738		2,943	6,350	(25)	(8,899)	369			

DEVELOPMENT & CULTURAL SERVICES DEPARTMENT PROPOSED REVENUE BUDGET 2006/07

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees £000's	Running Costs £000's	Grants £000's	Income £000's	Net Controllable Departmental Budget 2006/07 £000's	Member Portfolio		New Structure Department (See codes below)
							Cabinet	Overview & Scrutiny	
	Entertainments								
684	Assembly Rooms and Guildhall	897	1,913		(2,136)	674	L & CS	C & P	RC
(4)	Guildhall Catering and Cleaning	35	20		(58)	(3)	L & CS	C & P	RC
680		932	1,933	-	(2,194)	671			
	Arts								
85	Culture Management	91	-		-	91	L & CS	C & P	RC
235	Arts Development	194	234		(210)	218	L & CS	C & P	RC
-	QUAD	-	97		-	97	L & CS	C & P	RC
745	Arts Grants	-	755		(10)	745	L & CS	C & P	RC
163	Events	47	218		(57)	208	L & CS	C & P	RC
1,228		332	1,304	-	(277)	1,359			
1,239	Museums and Art Gallery	1,151	280		(200)	1,231	L & CS	C & P	RC
	Libraries								
792	Libraries Administration	439	479		(77)	841	L & CS	C & P	RC
1,346	Central and Branch Libraries	1,359	262		(183)	1,438	L & CS	C & P	RC
42	Children's Mobile Library LPSA	79	29		(60)	48	L & CS	C & P	RC
61	Mobile Library	42	21		(4)	59	L & CS	C & P	RC
-	Schools Library Service	10	-		(10)	-	L & CS	C & P	RC
468	Bindery Service	-	-		-	-	L & CS	C & P	RC
	City Book Fund	-	469		-	469	L & CS	C & P	RC
21	Blagreaves Sub Unit	137	-		(120)	17	L & CS	C & P	RC
41	Special Services Unit	27	4		-	31	L & CS	C & P	RC
270	Established/Non Established Relief	283	-		-	283	L & CS	C & P	RC
1	Bookstart	32	-		(1)	31	L & CS	C & P	RC
-	Education Action Zone	-	-		-	-	L & CS	C & P	RC
70	Childrens Team	53	-		-	53	L & CS	C & P	RC
3,112		2,461	1,264	-	(455)	3,270			
28,242	Total Development and Cultural Services	14,969	30,949	(307)	(16,612)	28,999			

New Structure Department Codes

CYP Children and Young People's
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NB - Where a Service Activity spans more than one Department please list all appropriate codes

EDUCATION DEPARTMENT PROPOSED REVENUE BUDGET 2006/07

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2006/07	Member Portfolio		New Structure Department (See codes below)
		£000's	£000's	£000's	£000's	£000's	Cabinet	Overview & Scrutiny	
	Delegated School Funding								
	School Standards Grant		4,574	(4,574)		-	Children & Education	Education	CYP
108,613	Individual Schools Budget	102,918	22,592	(6,654)	-	118,856	Children & Education	Education	CYP
108,613		102,918	27,166	(11,228)	-	118,856			
	Central Support Services and Capital Charges to Schools					-			
	Lifelong Learning and Community/ Youth and Community								
(459)	Adult Learning	2,282	452	(2,864)	(329)	(459)	Children & Education	Education	CYP
128	Awards Administration	125	26	-	(0)	151	Children & Education	Education	CYP
1	Discretionary Awards	-	1	-	-	1	Children & Education	Education	CYP
2,049	Early Years and Childcare	790	2,208	(112)	(229)	2,657	Children & Education	Education	CYP
127	Family and Out of Lesson Time Learning	268	179	(181)	(132)	134	Children & Education	Education	CYP
0	SureStart	3,863	2,187	(5,539)	(510)	0	Children & Education	Education	CYP
1,749	Youth	1,818	645	-	(636)	1,827	Adult	Education	CYP
-	Lifelong Learning and Community Other	-	222	-	-	222	Children & Education	Education	CYP
3,596		9,146	5,920	(8,695)	(1,836)	4,534			
	Resources and Strategic Planning								
314	Asset Management	238	110	-	-	347	Children & Education	Education	CYP
(4)	Catering	-	40	(44)	-	(4)	Children & Education	Education	CYP
364	Central Staff cover	355	17	-	-	372	Children & Education	Education	CYP
323	Finance	701	39	-	(403)	336	Children & Education	Education	
377	ICT/IMS	322	452	-	(348)	426	Children & Education	Education	CYP
559	Management Team and Support	611	89	-	(56)	644	Children & Education	Education	CYP
-	Mandatory Awards	-	-	-	-	-	Children & Education	Education	CYP
380	Marketing and Communications	225	227	-	(64)	388	Children & Education	Education	CYP
292	Personnel	788	86	-	(572)	302	Children & Education	Education	
20	Policy and Corporate Planning	-	20	-	-	20	Children & Education	Education	CYP
198	Pupil Services (Admissions)	193	35	-	-	229	Children & Education	Education	CYP
22	Premises Costs	-	22	-	-	22	Children & Education	Education	CYP
277	Resources and Strategic Planning Services	-	12	-	-	12	Children & Education	Education	CYP
	Other (Res & Str planning)	-	266	-	-	266	Children & Education	Education	CYP
1,740	Voluntary Early Retirement	1,582	-	-	-	1,582	Children & Education	Education	CYP
4,864		5,015	1,415	(44)	(1,444)	4,942			
	School Improvement and Inclusion								
338	Access Service	464	47	-	(160)	351	Children & Education	Education	CYP
709	Education Psychologists	754	31	-	(53)	732	Children & Education	Education	CYP
400	Education Welfare Service	628	117	(238)	(93)	414	Children & Education	Education	CYP
2,823	Home to School Transport	213	2,605	-	-	2,817	Children & Education	Education	CYP

EDUCATION DEPARTMENT PROPOSED REVENUE BUDGET 2006/07

Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2006/07 £000's	Member Portfolio		New Structure Department (See codes below)
		£000's	£000's	£000's	£000's		Cabinet	Overview & Scrutiny	
208	Inclusion	109	447	-	(58)	498	Children & Education	Education	CYP
1,421	Recoupment / Non Maintained Schools	-	2,871	(182)	(1,202)	1,488	Children & Education	Education	CYP
1,036	School Improvement	1,642	583	(74)	(1,137)	1,013	Children & Education	Education	CYP
1,510	Specialist support service	1,339	81	(44)	(297)	1,079	Children & Education	Education	CYP
1,997	Pupil Referral Unit and Behaviour Support	2,220	638	(122)	(171)	2,566	Children & Education	Education	CYP
585	Special Services Support	385	76	(49)	-	412	Children & Education	Education	CYP
	Schools Access fund	-	52	(52)	-	-	Children & Education	Education	CYP
19	School Improvement and Inclusion Other	22	40			62	Children & Education	Education	CYP
11,045		7,775	7,588	(760)	(3,172)	11,431			
4,261	Standards Fund	13,642	2,995	(16,083)	-	554	Children & Education	Education	CYP
	Education Sport and Leisure								
473	Community and Play	109	101	-	(22)	188	Adult/Leisure	Culture & Prosperity	ES
30	Grants	-	30	-	-	30	Leisure	Culture & Prosperity	ES
202	Sports Development	441	129	-	(327)	243	Leisure	Culture & Prosperity	ES
186	Marketing and Administration	214	230	-	(280)	164	Leisure	Culture & Prosperity	ES
1,555	Sports Centres	2,836	2,969	-	(3,937)	1,868	Leisure	Culture & Prosperity	ES
2,446		3,600	3,459	-	(4,565)	2,493			
134,824	Total Education Department less Dedicated Schools Grant	142,097	48,542	(36,810)	(11,018)	142,812 (128,658)			
	Net Education Budget					14,154			

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Latest Approved Controllable Budget 2005/06 £000's	SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2006/07 £000's	Member Portfolio		New Structure Department (See codes below)
		£000's	£000's	£000's	£000's		Cabinet	Overview & Scrutiny	
	Service Strategy and Regulation								
123	Director and Support	4	-	-	-	4	?	SC&H	CYP & CASS
888	Policy, Planning, Performance and Resources	966	42	(85)	(56)	867	?	SC&H	CYP & CASS
1,011		970	42	(85)	(56)	871			
	Children and Families								
2,290	Children and Families Management	2,148	539	(46)	(213)	2,428	C&E	SC&H	CYP
5,122	Care Management and Purchasing	4,270	1,651	(221)	(584)	5,116	C&E	SC&H	CYP
9,202	Residential Care	3,393	9,156	(301)	(1,882)	10,366	C&E	SC&H	CYP
3,608	Non Residential Services	2,945	1,826	(975)	(241)	3,555	C&E	SC&H	CYP
20,222		12,756	13,172	(1,543)	(2,920)	21,465			
	Older People								
744	Management	594	157	(12)	(10)	729	Adult	SC&H	CASS
2,380	Care Management and Purchasing	2,958	264	(643)	(111)	2,468	Adult	SC&H	CASS
10,902	Residential Care	3,891	17,824	(992)	(9,406)	11,317	Adult	SC&H	CASS
5,848	Non Residential Services	5,821	3,656	(2,520)	(478)	6,479	Adult	SC&H	CASS
19,874		13,264	21,901	(4,167)	(10,005)	20,993			
	Physical Or Sensory Disability								
196	Management	186	3	(8)	(10)	171	Adult	SC&H	CASS
1,431	Care Management and Purchasing	1,518	681	(6)	(485)	1,708	Adult	SC&H	CASS
785	Residential Care	-	1,683	(22)	(665)	996	Adult	SC&H	CASS
3,105	Non Residential Services	494	3,637	(271)	(680)	3,180	Adult	SC&H	CASS
5,517		2,198	6,004	(307)	(1,840)	6,055			
	Learning Disabilities								
157	Management	249	-	(59)	(26)	164	Adult	SC&H	CASS
382	Care Management and Purchasing	1,296	275	-	(1,059)	512	Adult	SC&H	CASS
5,455	Residential Care	1,434	7,085	(233)	(2,359)	5,927	Adult	SC&H	CASS
3,112	Non Residential Services	2,006	2,633	-	(795)	3,844	Adult	SC&H	CASS
9,106		4,985	9,993	(292)	(4,239)	10,447			
	Mental Health Needs								
118	Management	136	-	(4)	-	132	Adult	SC&H	CASS
1,095	Care Management and Purchasing	1,947	132	(419)	(433)	1,227	Adult	SC&H	CASS
994	Residential Care	-	1,984	(67)	(492)	1,425	Adult	SC&H	CASS
286	Non Residential Services	120	580	(222)	(36)	442	Adult	SC&H	CASS
2,493		2,203	2,696	(712)	(961)	3,226			
	Other Adult Client Groups								
5	Management	15	-	-	(10)	5	Adult	SC&H	CASS
51	Care Management and Purchasing	17	3	-	-	20	Adult	SC&H	CASS
158	Residential Care	-	244	-	(73)	171	Adult	SC&H	CASS
(17)	Non Residential Services	2	83	(65)	-	20	Adult	SC&H	CASS
197		34	330	(65)	(83)	216			
	Resources And Performance Management								
270	Training	840	184	(712)	(34)	278	?	SC&H	CYP & CASS
676	Personnel	758	29	(34)	-	753	?	SC&H	CYP & CASS
1,094	Finance	886	75	(70)	-	891	?	SC&H	CYP & CASS
813	Management and Administration	192	512	(31)	-	673	?	SC&H	CYP & CASS
1,010	Information	524	741	(272)	-	993	?	SC&H	CYP & CASS
3,863		3,200	1,541	(1,119)	(34)	3,588			
62,283		39,610	55,679	(8,290)	(20,138)	66,861			

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Chief Executive's Department - Finance

List of Grant Income

	<u>2005/06</u>	<u>2005/06 - After Transfer to FSS</u>	<u>2006/07</u>
	<u>£'000</u>		<u>£'000</u>
<u>Grant Income:</u>			
Housing and Council Tax Benefit Administration Grant	(2,168)		(2,224)
Total Grant Income	<u>(2,168)</u>		<u>(2,224)</u>

Chief Executive's Department - Other Corporate Budgets

List of Grant Income

	<u>2005/06</u>	<u>2005/06 - After Transfer to FSS</u>	<u>2006/07</u>
	<u>£'000</u>		<u>£'000</u>
<u>Grant Income:</u>			
Housing Benefit Subsidy	(24,932)		(25,555)
Rent Rebate Grant	(23,249)		(23,830)
Council Tax Subsidy	(13,652)		(13,993)
Other Housing Benefit grants	(1,201)		(1,231)
Total Grant Income	<u>(63,034)</u>		<u>(64,609)</u>

Development & Cultural Services DepartmentList of Grant Income

	<u>2005/06</u>	<u>2005/06 - After Transfer to</u>	<u>2006/07</u>
	<u>£'000</u>	<u>FSS</u>	<u>£'000</u>
<u>Grant Income:</u>			
Waste Performance Efficiency Grant (DEFRA)	180		282
Schools Travel Plan Coordinator (DFT/DFES)	25		25
Total Grant Income	<u>205</u>		<u>307</u>

Education DepartmentList of Grant Income

	<u>2005/06</u>	<u>2005/06 - After Transfer to FSS</u>	<u>2006/07</u>	
	<u>£'000</u>		<u>£'000</u>	
Grant Income:				
Standards Fund (wholly or mainly devolved)				
School development grant	3,285			
Advanced skills teachers	401			
Excellence Cluster	2,795			
Behaviour improvement programme	1,508			
Gifted and talented summer schools	18			
Enterprise learning	258			
ICT in schools	1,704			
Training schools	55			
Specialist schools	987			
School development grant (amalgamated)			11,029	Final amount will depend on pupil numbers
Leadership incentive grant	1,269		-	
Primary strategy targeted	780		742	
Secondary strategy targeted	466		604	
Ethnic minority achievement grant	1,525		1,461	
E-learning credits	483		360	
School meals grant	137		137	Final amount will depend on pupil numbers
Music services	-		15	
Total	15,671		14,348	
Standards Funds (centrally retained)				
Targeted improvement grant	50		-	
Vulnerable children	239		239	
Primary strategy central co-ordination	162		162	50% match funded
Secondary strategy central co-ordination	173		167	50% match funded
Secondary strategy: behaviour and attendance	68		68	
Education health partnerships	44		44	
Playing for success	140		140	Match funding contribution of 50
Extended schools	361		368	
Workforce remodelling	204		-	
ICT connectivity/broadband	253		246	Match funding contribution
School travel advisers	28		28	
School meals grant	146		243	Final amount will depend on pupil numbers
School improvement partners	-		20	
Music services	-		10	
Total	1,868		1,735	
School Standards Grant	4,142		4,598	Final amount will depend on pupil numbers
Sure Start grants				
General Sure Start Grant	2,568		3,042	
Carry forward from 2005/06	-		97	
Sure Start local programmes	2,697		2,497	
Transformation fund	-		tbc	
Total	5,265		5,636	
Learning and Skills Council				
Adult learning	3,175		2,864	
Post-16 provision	6,128		6,665	
Threshold grant	220		220	Part of overall threshold grant in 05/06
Family learning	203		181	
Total	9,726		9,930	
Youth service grants				
Transforming youth work grant	50		-	
Youth opportunity fund	-		54	Expected to increase as result of pre-Budget report
Total	50		54	
Other				
EU milk subsidy	44		44	
Schools access fund	52		52	
NDC - Shap project	50		72	
LPSA1	238		238	
Other			103	
Total	384		509	
Total Grant Income	37,106		36,810	

Social Services DepartmentList of Grant Income

	<u>2005/06</u>	<u>2005/06 - After Transfer to</u>	<u>2006/07</u>
	<u>£'000</u>	<u>FSS</u>	<u>£'000</u>
<u>Grant Income:</u>			
Quality Protects - Choice Protects	275		-
Quality Protects - Adoption Support	159		-
Children's Services	-		547
Children's Mental Health	417		426
Safeguarding Children	443		-
Teenage Pregnancy	151		141
Carers'	866		884
Mental Health	647		651
Human Resources Development Strategy	281		224
National Training Strategy	413		484
Access & Systems Capacity	2,709		2,533
HIV / AIDS Support - tbc	60		60
Delayed Discharges	464		466
Preserved Rights	1,386	73	1,162
Preventative Technology	-		141
CSCI	-		4
Asylum Seekers	361		361
Local Change Fund	50		-
Residential Allowance	1,047	1,047	-
Improving Information Management	130		132
Integrated Children's System	72		74
Total Grant Income	<u>9,931</u>	<u>1,120</u>	<u>8,290</u>

Key Budget Proposals and Delivery of Corporate Plan Objectives

Improving the quality of life in Derby's neighbourhoods

- Work with partners in the Police, Community Safety Partnership, Derby Homes and voluntary sector to centre to ...
 - Make neighbourhood teams more outward focussed actually working in and with communities.
 - Roll out new street and public space cleaning and streetcare concept in priority neighbourhoods.
 - Support Police in rolling out of community policing.
 - Develop new service to enforce parking and traffic management in the City.
 - Further development of contact centre to enable residents to get quicker responses to enquiries.
- Continued roll out of twin bin recycling scheme with two further areas in 2006/7.
- Application to secure additional funding to improve economic condition of deprived neighbourhoods through Local Economic Growth Initiative (LEGI).
- Revenue funding for QUAD built in to develop City Centre.
- Street Lighting PFI scheme funding built in.

Encouraging lifelong learning and achievement as a catalyst for economic growth

- Dedicated schools budget delivers an increase in school spending of 6.6% per pupil in 2006/7 and 6.7% per pupil in 2007/8.
- Results in £2m+ of real terms growth in schools next year.
- Schools PFI scheme on track and revenue costs fully funded.
- Extension in free provision for 3-4 year olds from 33 to 38 weeks per annum.
- Provision for a significant campaign to market Derby as a city.

To build healthy and independent communities

- Continuation of free home care service costing £900,000 per annum.
- Launch strategy to modernise supported accommodation in the City
- Improve home care service following the best value review
- Integrate Council services with health for people who are elderly, suffering mental health problem and who have learning disabilities.
- Develop the new combined service for Children and Young People, bringing together both our Social Care Service and Education into one – at no additional net cost.
- Costs of service growth have been met, particularly in Children Looked After and Learning and Physical Disabilities placements.
- From April 2006, new Government policy will ensure free off peak bus travel for over 60s and disabled people.

Delivering excellent services, performance and value for money

- Services are being modernised to meet spending pressures and deliver low council tax rise.
- Efficiency savings have been delivered without affecting front line service delivery.
- Social Care has seen a 5% increase in resources and services have been reshaped to ensure that priority social care needs are met.

Appendix 5

- We are aiming to deliver the lowest council tax since the first year of unitary status.
- Delivery of low council tax in 2006/7, in spite of tighter revenue support grant than in previous years.
- Significant inflationary pressures have been contained including landfill tax and utility and fuel costs.
- Significant investment in planning service.
- Revenue costs of capital programme are being kept to a minimum by sound borrowing and investment strategy, maximising investment in Derby's infrastructure including Connecting Derby and Inner Ring Road scheme.
- £0.5m in each of 2006/7 and 2007/8 still available for allocation from Public Priority fund.

CONSULTATION ON DRAFT BUDGET 2006/7 – CABINET RESPONSES

Scrutiny Management Commission	
Recommendation 1 The Scrutiny Management Commission recommends that the Overview and Scrutiny research budget is not reduced by £24k as is proposed in the draft Revenue Budget 2006/07-2008/09.	The Commission budgets have had to be reviewed like all other budgets to deliver a low tax and protect front line services. This budget has consistently been underspent in previous years.
Recommendation 2 The Scrutiny Management Commission recommends that Council Cabinet considers the recommendations made about the draft Revenue Budget 2006/07-2008/09 by the Overview and Scrutiny Commissions.	Each recommendation of Scrutiny Commissions is considered below.
Recommendation 3 That Council Cabinet note the thanks offered by the Scrutiny Management Commission to the officers involved in the preparation of the budget documents.	Noted.
Recommendation 4 That Council Cabinet are informed that the Scrutiny Management Commission consider the presence of Council Cabinet members at the recent round of budget meetings to have been important to the budget process and that they also note that the presence of the Cabinet members was appreciated by members of the Scrutiny Management Commission.	Noted.
Community Regeneration Commission	
Recommendation 1 To note that the Commission considered the revenue budget and decided to make no specific recommendations, however some members had expressed concerns.	Noted.

Community Regeneration Commission	
Recommendation 2 Cabinet subsequently inform the Commission about the replacement for the Derwent Neighbourhood Environmental Action Team, when the proposals are worked up but preferably before implementation, and how this might be rolled out to other parts of the City.	Agreed – the Council, DCP and Derwent are currently working together to design a replacement scheme to be delivered in each of the priority neighbourhoods.
Recommendation 3 After it has become clear whether/how much of the Public Priorities Fund can be released, Cabinet give the Commission the opportunity to make suggestions about uses for the Fund in 2006/07.	Noted.
Culture and Prosperity Commission	
Recommendation 1 The Culture and Prosperity Commission urges Council Cabinet to review the spending cuts in the Museums Service that are proposed in the draft Revenue Budget.	The Cabinet is reflecting on the feedback regarding the museums service and will finalise its views prior to Council on 1 March 2006.
Recommendation 2 The Commission is in agreement with the budget proposal to hold arts grants at their cash level for 2005/06.	Noted.
Recommendation 3 The Commission supports the proposal to allocate £100k to Derby Marketing in 2006/07 and £200k in 2007/08.	Noted.
Recommendation 4 The Commission recommends that some of the income resulting from the increased sales and revised pricing at the Assembly Rooms should be ring-fenced and itemised in subsequent budgets.	Income generated from the success of the Assembly Room has consistently been re-invested in the service.

Education Commission	
<p>Recommendation 1 The Education Commission had concerns in a number of areas of the Education Budget, particularly relating to Adult Learning, the Gatsby Project and for English Speakers of Other Languages and recommended that there should be no cuts in the education budget.</p>	<p>The proposals avoid service reductions by reappportioning costs to utilise the growth in the central part of the Schools budget to offset the impact of the savings target in the LEA budget. Including the Dedicated Schools Grant, net spending on Education is increasing by 5.2% in 2006/7, with significant growth above inflation.</p> <p>The final budget proposals have reassigned £21k of funding to protect the Gatsby Project.</p> <p>The Adult Learning budget is dependent on funding from the Learning and Skills Council and changes reflect that body's decision to refocus provision on basic skills training. The budget for English Speakers of Other Languages is similarly sensitive to reductions in Ethnic Minority Achievement Grant. Both of these issues are outside of the Council's control.</p>
Planning and Environment Commission	
<p>Recommendation 1 The Planning and Environment Commission recommends:</p> <ol style="list-style-type: none"> That cremation fees are increased by £25 in addition to the 2.25% above inflation increase that is proposed in paragraph 3.5.1 of the draft Revenue Budget document. That the income derived from the £25 increase in cremation fees is ring-fenced and used to off-set the cost of the mercury abatement equipment that the Council is required to install at the crematorium 	<p>A separate report will be prepared regarding the mercury abatement requirements during 2006/7 to consider what actions are appropriate.</p>

Planning and Environment Commission	
Recommendation 2 The Planning and Environment Commission recommends that the report on the Council's use of energy, which was requested by the Council Cabinet member for Environment and Direct Services following her meeting on 6 December 2005 with the Planning and Environment Commission, is completed in time for its conclusions to be considered as part of the Council's 2006/07 Revenue Budget process.	The report is due to be completed prior to the start of the financial year, but not in time to consider impact on current budget. Any financial implications will be considered once the report is available.
Social Care and Health Commission	
Recommendation 1 The Commission recommended that the Council Cabinet review its proposal to impose a capital limit in relation to the "self funders" as the Commission doesn't believe this is a fair method for setting home care charges.	The Cabinet will consider this issue prior to making its recommendation to Council on 1 March.
Recommendation 2 The Commission supported the proposed budget in relation to Children Services and asked the Council Cabinet to continue with its aspirations to increase fostering allowance and bring them in line with comparator authorities.	Noted.

UNCOMMITTED AND GENERAL CORPORATE RESERVES

General Corporate Reserve							
Reserve	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000
General Reserve (2% of budget requirement)	5,767	137	5,904	150	6,054	0	6,054

Corporate Reserves Held for Defined Uses							
Reserve	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000
Treasury Management Commutation reserve	2,861	0	2,861	0	2,861	0	2,861
Other Treasury Management reserves	695	0	695	0	695	0	695
Total Treasury Management reserves	3,556	0	3,556	0	3,556	0	3,556
Trading Services reserve	1,000	0	1,000	0	1,000	0	1,000
Job Evaluation	759	-224	535	0	535	0	535
Pump Priming Fund - Existing Budgeted Commitments	509	111	620	112	732	0	732
Add approved use for Decriminalised Parking Enforcement	-180	180	0	0	0	0	0
Add approved use for Jayex signboard	-45	45	0	0	0	0	0
Add approved use for Creative Industries	-52	-88	-140	82	-58	0	-58
Net Pump Priming Reserve	232	248	480	194	674	0	674
Corporate Investment Fund	999	0	999	0	999	0	999
Less budgeted approved use:							
Head of Procurement	-66	-44	-110	-12	-122	0	-122
DCS Transport coordinator post	-32	-26	-58	0	-58	0	-58
Accommodation strategy	-32	0	-32	0	-32	0	-32
Building on Excellence / Change Management	-27	-15	-42	0	-42	0	-42
Less other approved use:							
Financial Systems Strategy	-70	-30	-100	0	-100	0	-100
Net Corporate Investment Fund	772	-115	657	-12	645	0	645
LPSA1 Reward funding reserve	2,025	2,025	4,050	0	4,050	0	4,050
Less LPSA1 scheme support	-537	-537	-1,074	-537	-1,611	0	-1,611
Less LPSA2 scheme support	-333	-334	-667	-333	-1,000	0	-1,000
Less LPSA1 and 2 Inflation Contingency	0	-40	-40	-80	-120	0	-120
Net LPSA Reserve	1,155	1,114	2,269	-950	1,319	0	1,319
Total	7,474	1,023	8,497	-768	7,729	0	7,729

APPENDIX 7

Uncommitted Corporate Reserves							
	Available and Uses in 2005/6 £000	Additions 2006/7 £000	Available and Uses in 2006/7 £000	Additions 2007/8 £000	Available and Uses in 2007/8 £000	Additions 2008/9 £000	Available and Uses in 2008/9 £000
Reserves Available							
NDR refunds reserve	663	0	663	0	663	0	663
Existing budget uncertainties reserve/corporate planned forecast underspend 2004/5	1,799	0	1,799	0	1,799	0	1,799
Backdated Census - 2003/04 Settlement	2,200	0	2,200	0	2,200	0	2,200
Backdated Census - 2004/05 and 2005/06 Settlement	3,079	0	3,079	0	3,079	0	3,079
Net 2005/06 Out-turn excluding Census	95		95	0	95	0	95
Previously Earmarked Corporate Reserves now Uncommitted	43	0	43	0	43	0	43
Balance of Reserves Available Before Use	7,879	0	7,879	0	7,879	0	7,879
Balance of Previous Year's Approved Uses Brought Forward	-1,064		-2,860		-4,050		-5,206
Budgeted approved uses of Reserves							
Supporting People 2005/2006 and 2006/2007 budget support	-200		0				
Urban Regeneration Company contribution full-year effect 2005/06	-125						
Bus Station one-off transitional costs 2005/2006 and 2006/2007	-25		-25				
Repair and Maintenance 2005/06 revenue budget	-500						
Repair and Maintenance 2006/07 and 2007/08 unallocated corporate reserve			-500		-500		
Public Priority Fund 2005/2006 revenue budget	-534						
Public Priority Fund - 2006/07 and 2007/08 unallocated corporate reserve			-510		-506		
Integrated Children's Services 2005/2006 and 2006/2007	-138		-138				
General use of reserves in 2005/06 budget	-137						
Maintain general reserves at 2% of budget requirement 2004/05							
Other potential uses of Reserves							
Maintain general reserves balances	-137		-137		-150		
Corporate funding of HTS transport problem (up to)			-180				
Supporting people - Repayment of corp contribution in 6/7			300				
Total future years approved uses	-2,860		-4,050		-5,206		-5,206
Net Balance of Uncommitted Reserves Available	5,019		3,829		2,673		2,673

ESTIMATED OUT-TURN 2004/05 – MAIN ISSUES BY DEPARTMENT

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Commercial Services			
Trading Services	-78	-78	Mainly building. After planned return of £422k to General Fund
Other Services - bereavement service	+59	+75	Increased medical referral fees and utilities reduction in cremations and lower price increases, after taking into account approval to fund £50k from Corporate budgets if overspent at year-end. Employee costs higher than budget due to no turnover of staff and one off relocation expenses.
- bereavement service	+50	+50	Funding from Corporate budgets re above - £50k not shown in 29 Nov report but referred to.
Total Commercial Services	+31	+47	
Of which:-			
Departmental Variance (+)			
Departmental Variance (-)	-19	-3	
Corporate Variance	+50	+50	

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Policy Directorate			
Supporting People	+534	+470	2005/6 pressures – as reported previously to Cabinet. To be funded from corporate underspends as approved 6 September 2005 Ongoing strategic reviews to reduce contract values.
Housing Services Management	-8	-24	Additional Car Park income
Community Care	-22	-25	Additional Care Line income
Private Sector Renewal	+30	+30	Budgeted ODPM income of £60k for landlord training not materialised. £30k additional external funding income for Homezone
Derby Advice	+30	+30	Net staffing overspend including lack of turnover
Strategy Development	0	-44	Vacancies, delays with 'Housing Market Needs Study'
Housing Options Centre	0	-51	Increased recovery of B&B HB and underspends on HOC staffing
Advances to Housing Associations	0	+8	Mortgage redeemed, loss of interest
Learning to Work	+30	+60	Income lower than anticipated and reduction in number of trainees
Consultation Support	0	-40	Underspend due to staff vacancies for which appointments have now been made and sickness and maternity leave.
Personnel	+15	+15	Overspend due to salaries including lack of turnover and recruitment costs for the Assistant Director post.
Total Policy Directorate	+609	+429	
Of which:-			
Departmental Variance (+)	+75		
Departmental Variance (-)		-41	
Corporate Variance	+534	+470	

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Corporate Services Directorate			
Markets and Estates	-87	-98	Additional income forecast – built into 2006/07 budget proposals
Elections administration	-27	-27	General savings as no elections being held
Overview and Scrutiny	-20	-15	Savings on research budget expected
Procurement and reprographics	+27	+25	Pressure on income levels
Legal Services	0	+40	Counsels fees
Registry office	-23	-27	Overachievement of income targets
Accommodation	+48	+30	Overspend relates to staff sickness cover and backdated electricity bill to Oct 04.
Design and Property maintenance	+96	+96	Current projected overspend on repair and maintenance to deal with urgent work
Environmental Health and Trading standards	-14	-14	Underspends across department relating to staffing vacancies
Other net variances	0	-10	
Total Corporate Services Directorate	0	0	
Of which:-			
Departmental Variance (+)	0	0	
Departmental Variance (-)			
Corporate Variance	0	0	
Finance Directorate			
Benefits administration and investigation	0	0	Potential year end variances have been allocated to meet the 1% savings target
Total Finance Directorate	0	0	
Of which:-			
Departmental Variance (+)	0	0	
Departmental Variance (-)			
Corporate Variance	0	0	

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Corporate Budgets			
Treasury Management	-750	-750	Due to higher than average balances largely due to the timing of borrowing decisions in early 2005/6 creating additional net investment income
Insurance	-100	-100	Savings on premiums and provisions
LABG1 Grant	+250	+250	Unlikely to be received in 2005/6
Backdated Census - 2004/5	-441	-441	Due to an increase in the 2004/5 Census grant adjustment from £2.3m expected
Backdated Census - 2005/6	0	-338	Unexpected adjustment to 2005/06 revenue support grant due to earlier census changes
Elections	-106	-106	Saving from no elections during 2005/6
Other	0	0	Other net variances
Total Corporate Budgets	-1147	-1485	
Of which:-			
Departmental Variance (+)	0	0	
Departmental Variance (-)			
Corporate Variance	-1147	-1485	

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Development and Cultural Services			
Waste Strategy	+54	-246	Reduction in 05/06 costs of Rethink Rubbish, net of waste growth pressures
Development Control	-1	+47	Underachieved income and one off legal costs.
Highways design/ Highways traffic and transportation fees	+31	+57	Underachievement of fees income
Highways Development Control	0	+51	Increase in staffing and agency costs
Libraries	-30	-67	Various savings across the library service
CCTV	+50	-10	Improved income forecast.
Business Support	0	+101	Dept. wide service overspend on franking, IT support and safety requirements
Transportation Section	0	+67	Reduction in anticipated income from street furniture sponsorship
Parking Services	0	+75	Parking Income underachievement
Other	+32	+92	Minor net variances
Use of Service Reserves to balance	0	-31	Use of Service Reserves already identified
Total Development and Cultural Services	+136	+136	
Of which:-			
Departmental Variance (+)	+136	+136	
Departmental Variance (-)			
Corporate Variance	0	0	

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Education excluding individual schools budgets			
Early Years and Childcare (Schools Budget)	-65	-65	Savings on core budgets due to an underutilisation of grants received. Costs charged to underspending grants and funding switched in year to ensure grants are maximised.
School Improvement/ Independent Special School fees	+250	+193	Expenditure on new high cost placements. Alternative solutions considered for future.
Special Needs Support	0	-197	Underspend on growth money that was used for staffing not appointed until late in the year
School Improvement (LEA Budget)	-122	-122	Staff vacancies, some appointments now made.
School Inclusion	0	0	
Standards Funds (Schools Budget)	0	0	
ICT	-70	-70	Additional income received
Home to school transport	-80	-80	Based on contracts in place in September
Other	-60	-68	Other net variances across department
Sport and Leisure Sports Centres	+212	+212	Increase in energy charges in sports centres, shortfall in income at Moorways, staffing overspends at Springwood and performing rights payments
Total Education	+65	-197	
Of which:-			
Departmental Variance (+)	+65		
Departmental Variance (-)		-197	
Corporate Variance	0	0	

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Social Services			
Children and families	+718	+530	Projected overspend arising from additional agency residential and IFA placements (following overall increase in numbers of Children Looked After.) This is offset by an increase in the estimated underspend on family support employee costs and a reduction in estimated spend on premises and supplies & services costs.
Older People	-319	-68	Overspend on direct payments (arising from increase of 50 services users to date) and net overspend on home care (in-house and agency). This is offset by use of £200k one-off additional specific grant funding to offset overspending service areas.
Physical or Sensory Disability	+55	-51	Overspend arising from high cost specialist agency placements offset by reduction in overspend on employee costs.
Learning Disabilities	-204	-210	Underspend on nursing & residential agency placements.
Mental Health Needs	+262	+268	Overspend on nursing & residential agency placements arising from increase in numbers of service users and cost of specialist placements.
Other services areas	+29	-106	Increased underspend on residential costs for other adult client groups and on support services employee costs.
Home care charges cost pressure	+696	+696	To be funded from corporate underspends as approved 6 September 2005.
Total Social Services	+1237	+1059	
Of which:-			
Departmental Variance (+)	+541	+363	
Departmental Variance (-)			
Corporate Variance	+696	+696	

Budget Variance	Variance Reported 29 November 2005 £000	Current Projected Variance £000	Explanation
Total all budgets	+931	-11	
Of which:-			
Departmental Variance (+)	+817	+499	
Departmental Variance (-)	-19	-241	
Corporate Variance	+133	-269	