

COUNCIL CABINET 21 FEBRUARY 2006

MINUTE EXTRACT

268/05 Revenue Budget and Council Tax Setting

The Council Cabinet considered a report from the Director of Resources updating the Cabinet on developments since the consultation budget was launched including:

- 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.

The report would provide the basis for Council Cabinet to formulate its final recommendation to Council on 1 March 2006 consistent with its aim to set a council tax at or below inflation levels.

Decision

To recommend Council:

1. To note the final local government finance settlement announcement.
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 at a special meeting arranged for 4.45pm on 1 March 2006.
3. To note the latest 2005/6 budget monitoring position provided in Appendix 8 of the report.
4. To approve the measures proposed to manage budget risks in 2006/7 and in future years, set out in section 11.
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.
6. To approve the incorporation of specific grants and income as shown in Appendix 4 of the report, 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.

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.

8. To note the comments of the Overview and Scrutiny Commissions.

The Council Cabinet's response to the Scrutiny Management Commission's recommendations was included in Appendix 6 of the Council Cabinet report and is summarised here:

Recommendation / Comment	Response
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 under spent in previous years.
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.
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.
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 / Comment	Response
1. To note that the Commission considered the revenue budget and decided to make no specific recommendations, however some members had expressed concerns.	Noted.
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.
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 / Comment	Response
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.
2. The Commission is in agreement with the budget proposal to hold arts grants at their cash level for 2005/06.	Noted.
3. The Commission supports the proposal to allocate £100k to Derby Marketing in 2006/07 and £200k in 2007/08.	Noted.

4. The Commission recommends that some of the income resulting from the increased sales and revised pricing at the Assembly Rooms should be ringfenced and itemised in subsequent budgets.	Income generated from the success of the Assembly Room has consistently been reinvested in the service.
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Education Commission

Recommendation / Comment	Response
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.	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. The final budget proposals have reassigned £21k of funding to protect the Gatsby Project. 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.

Planning and Environment Commission

Recommendation / Comment	Response
1. The Planning and Environment Commission recommends: a. 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.	A separate report will be prepared regarding the mercury abatement requirements during 2006/7 to consider what actions are appropriate.

<p>b. 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>	
<p>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.</p>	<p>The report is due to be completed prior to the start of the financial year, but not in time to consider its impact on the current budget.</p> <p>Any financial implications will be considered once the report is available.</p>
<p>Social Care and Health Commission</p>	
<p>Recommendation / Comment</p>	<p>Response</p>
<p>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.</p>	<p>The Cabinet will consider this issue prior to making its recommendation to Council on 1 March 2006.</p>
<p>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.</p>	<p>Noted.</p>