

Time commenced – 6.00pm
Time finished – 7.40pm

SCRUTINY MANAGEMENT COMMISSION
14 FEBRUARY 2011

Present: Councillor Carr (in the Chair)
Councillors Barker, Bolton, Davis, Dhindsa, Harwood and F
Khan

In attendance Councillors Rawson, Skelton and Troup

93/10 Apologies for Absence

An apology for absence was received from Councillor F Winter.

94/10 Late items introduced by the Chair

There were no late items.

95/10 Declarations of Interest

There were no declarations of interest.

**96/10 Revenue Budget Proposals Stage 2 - 2011/12 to
2013/14**

The Commission considered the revenue budget proposals stage 2 – 2011/12 to 2013/14.

Commission Members asked about the total number of job losses needed to balance the budget. A total of 536 were required and this consisted of both those already found and those still needed.

A question was asked about earmarked reserves for Children and Young People. It was explained that these were for specific projects. In respect of the Council's total general reserves there was approximately £7m which was the minimum amount needed to be sustainable. If funds were required for specific projects then choices would need to be made as to where further savings could be achieved elsewhere.

Questions were raised in respect of recovery of bad debts. The Strategic Director of Resources explained that the target recovery rate for Council Tax was 98.4% but the Council had actually achieved a better result. He also explained how other debts were shown on the ledger and in the accounts. The Council were very good at only writing off the minimum amount of bad debt.

Concern was raised about the impact of the new corporate saving being proposed relating to a pay inflation contingency to support possible £250 pay increase to officers with a salary of less than £21,000. Officers replied that the impact of the financial settlement had been examined and it was not considered affordable. It was suggested by Councillor Rawson that Council Cabinet be asked to retain the contingency in the budget and make representations to seek national agreement by the Local Government employers to pay

the increase to lower paid staff.

In relation to terms and conditions Councillor Harwood expressed disappointment that the proposed reduction in working hours had not been pursued as it could have saved many jobs. The Strategic Director of Resources explained that the proposal had been put on hold but was likely to be revisited during the year. The negotiating team had had discussion with the unions on various issues and pursuing the enhanced voluntary redundancy option was considered the most appropriate currently. It was reported that some teams had collectively agreed to reduce hours to prevent redundancies in their areas. Councillor Dhindsa disagreed with challenging staff term and conditions, as that could damage the current, sensitive negotiations involving the unions regarding the budget.

Councillor F Khan asked about how it was decided which debts should be pursued and which should be written off. Martyn Marples gave an explanation.

A question was raised on the viability of the Derby Community Safety Partnership. The Strategic Director of Resources explained that there was an inherent commitment to pass on funds to the Community Safety Partnership. Its Board had Business Plan options dependent on the level of budget available. Councillor F Khan asked whether it would be viable for the Council to directly take on the activities of the Community Safety Partnership if it did not have a Business Plan. It was reported that it was not envisaged that that situation would occur.

Councillor Rawson asked if there was any possibility to draw on the Housing Revenue Account to support the budget. Martyn Marples reported that this was already up to the maximum allowed.

Councillor Troup expressed concern about a reduction in planning enforcement. The Strategic Director of Neighbourhoods reported that this was an area of discretionary activity rather than statutory activity.

Councillor Harwood asked if £1m base budget risk contingency was sufficient. The Strategic Director of Resources explained that this was the minimum required.

Councillor Bolton asked for an explanation of each of the Children and Young People items included in the proposed budget savings and the numbers of job losses this may equate to.

Councillor Skelton requested information on the proposals relating to Adults Health and Housing.

A question was raised on the impact that Academies may have on the budget. Rita Silvester explained that the funding was top sliced out of the direct schools grant, which gave less head room to recharge centrally funded services. Members of the Commission requested that modelling be undertaken of the potential impact on centrally-held funds and services should further schools adopt Academy status and that the outcome be reported to the Children and Young People Commission.

Councillor Harwood reported that the Audit and Accounts Committee had expressed concerns about schools retained balances. The Strategic Director of Resources gave an explanation on the rules for justification of school balances.

Councillor Bolton requested an explanation of each the Neighbourhoods items included in the proposed budget savings.

Resolved

- 1. To welcome the proposals set out in paragraphs 2.2 – 2.6 of the report.**
- 2. To request that modelling be undertaken of the potential impact on centrally-held funds and services should further schools adopt Academy status and b) the outcome be reported to the Children and Young People Commission.**
- 3. To request Council Cabinet to note that the Commission:**
 - a) recorded extreme disappointment that changes to staff terms and conditions was not pursued and in particular the reduction from 37 to 36 hours because of the number of jobs that would potentially have saved.**
 - b) commended those staff teams that had voluntarily agreed changes to hours or working patterns so as to reduce the impact of expenditure cuts in their work area.**
 - c) commended staff who had taken on extra work and responsibilities covering for vacant posts but the Commission recommended that this should be monitored as this may become overwhelming for some staff with adverse consequences for individuals' welfare.**
- 4. To request Council Cabinet to retain a) the pay increase contingency to fund £250 each for lower paid staff in the budget and other savings be identified in the revenue budget to make this cost neutral and b) to make representations to seek national agreement by the Local Government employers to pay the increase to lower paid staff.**
- 5. To request Council Cabinet to retain the current budget for planning enforcement to avoid the proposed reduction from 2 to 1 enforcement staff and other savings be identified in the revenue budget be identified to make this cost neutral.**

Chair of the next ensuing meeting
at which these minutes were signed