



General Fund Revenue Budget and Council Tax 2011/12

SUMMARY

- 1.1 This report sets out proposals to recommend to Council a net budget requirement of £221,764,425 in 2011/12.
- 1.2 The report also sets out budget proposals for 2012/13 and 2013/14 as part of the Council's Medium Term Financial Plan (MTFP).
- 1.3 The Council has outlined permanent saving requirements of £57m over three years to meet rising costs, maintain priority services and invest for the future. These savings targets of £24.7m in 2011/12, £18.7m in 2012/13 and £13.6m in 2013/14 exclude one-off savings needed to meet redundancy pressures. Savings will be delivered from a combination of the Council's one Derby, one council efficiency programme (ODOC), staff post reductions and changes to services.
- 1.4 Each section of the report deals with the various elements that require consideration before a final decision is reached. These key areas are:
 - the budget process leading up to these proposals (Section 4)
 - resources available, linked to the local government finance settlement, including council tax and significant changes to government funding (Section 5)
 - the budget proposals for 2011/12, how they have changed since proposals were released for consultation and how they relate to the Council's corporate outcomes (Section 6)
 - the Council's corporate reserves position (Section 10)
 - communication and consultation including feedback (Section 11)
- 1.5 A separate report providing details of the latest estimated outturn position 2010/11 and treatment of variances is presented as Item 29 to this meeting.
- 1.6 The Council's notified grant settlement from central government for 2011/12 is £138.872m. The Council also anticipates receiving a new grant for New Homes Bonus of £1.004m in 2011/12, although this has not been confirmed. Total grant settlement from central government is therefore expected to be £139.876m.
- 1.7 Included in the appendices is summarised budget information that together with the text of the report constitutes the full budget proposal.

RECOMMENDATION

To recommend to Council the following ...

- 2.1 To approve a budget requirement for Derby City Council for 2011/12 of £221,764,425.
- 2.2 To approve for 2011/12 the directorate revenue budget estimates and use of reserves of £11.572m (5.22% of the budget) in 2011/12 summarised in Appendix 4 of this report. This includes the use of £8.015m (3.62% of budget) of reserves to support the Council's redundancy programme. Repayment of £5.7m of these reserves during 2012/13 and 2013/14 has been included within these budget proposals. It also includes £3.059m from corporate reserves and £0.498m from service reserves (1.60% of budget) to support a balanced budget position.
- 2.3 To approve the measures proposed to manage budget risks in 2011/12 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 10.
- 2.5 To approve within this total of £221,764,425:

	£
Net service estimates of:	
Adults, Health and Housing	73,568,000
Chief Executives	12,414,000
Children and Young People	46,393,000
Neighbourhoods	41,397,000
Resources	13,941,000
Corporate and Contingency Budgets	45,623,425
	233,336,425
Appropriations to/from reserves (figures in brackets are appropriations from reserves):	
Service reserves	(498,000)
Corporate reserves to support a balanced budget position	(3,059,000)
Corporate reserves to fund redundancies	(8,015,000)
	221,764,425

- 2.6 To note that, at its meeting on 11 January 2011, the Council calculated the amount of 72,278.83 equivalent band D properties as the Council's Tax Base for the year 2011/12 in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012). This calculation is in line with the Council's decision to freeze 2011/12 Council Tax at 2010/11 levels.
- 2.7 To calculate the following amounts for the year 2011/12 in accordance with Sections 33 (1) of the Local Government Finance Act 1993. .
 - a. £558,341,425 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e).

- b. £366,577,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
- c. £221,764,425 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
- d. £140,291,005 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, and additional corporate government grants
- e. £1,127.21 as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at 2.6 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	751.47	E	1,377.70
B	876.72	F	1,628.19
C	1,001.96	G	1,878.68
D	1,127.21	H	2,254.42

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

- 2.8 To note that for the year 2011/12, Derbyshire Police Authority has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

- 2.9 To note that for the year 2011/12, Derbyshire Fire Authority has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

- 2.10 Having calculated the aggregate in each case of the amount in 2.7, 2.8 and 2.9 above, in accordance with Section 30(2) of the Local Government Finance Act 1992, to set the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

- 2.11 To note the Chief Finance Officer's opinion that:

- (i) The estimates used in the production of the budget proposal for 2011/12 are adequately robust
- (ii) Based on the assessment of the reserves, the key financial risks identified, and the thorough process used for developing the Medium Term Financial Plan, the level of reserves and balances for 2011/12 is adequate.

- 2.12 To note the feedback from the budget consultation and approve the Council Cabinet response to the consultation recommendations at Appendix 6.

- 2.13 To approve the 2011/12 Schools Budget included at Appendix 12 and note the comments from the Schools Forum meeting held on 3 February 2011.

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

REASONS FOR RECOMMENDATIONS

- 3.1 The Council has a legal obligation to set a balanced budget for 2011/12, as prescribed in the Local Government Finance Act 1992 and associated Regulations.
- 3.2 Section 25 (1) of the Local Government Act 2003 requires the Chief Finance Officer to report to the Council on the robustness of the estimates it makes when calculating its Budget Requirement under Section 32 of the Local Government Finance Act 1992 and on the adequacy of its proposed financial reserves. These opinions are contained in Sections 4.8 and 10.7 of this report.
- 3.3 Section 25 (1) relates specifically to setting the 2011/12 Budget and Council Tax for the following financial year, but can be more widely interpreted to include the full Medium Term Financial Plan period.
- 3.4 The 2011/12 to 2013/14 budget proposals included within this report provide the resources framework for the delivery of Council priorities over the next 3 years.

SUPPORTING INFORMATION

4 The budget process

- 4.1 The budget strategy approved by Full Council in July 2010 outlined a number of key principles which would be applied and explored during the budget development stage. These were:
 - reviewing and determining at what level the Council provides statutory services
 - exploring alternative service delivery models including:
 - Voluntary sector support
 - Private sector outsourcing
 - Shared services with other public sector bodies
 - reducing inefficiency in all areas
 - ensuring payment for services is at an appropriate level
 - reviewing the level of subsidy provided to services
 - reviewing the eligibility criteria for assessing need
 - reviewing the Council's commitments against the capital strategy which impact on levels of revenue funding
 - reviewing our levels of reserves
 - requesting that partner organisations help in the Council's work to support budget reductions.
- 4.2 A series of Council Cabinet and Chief Officer Group meetings were held during the Autumn to challenge existing base budgets and scrutinise budget savings and

pressures. These meeting were followed by more in depth Star Chamber challenge meetings led by the Leader of the Council, the Chief Executive and the Strategic Director of Resources. Cabinet Members and Strategic Directors presented budget proposals which were then included for public consultation.

- 4.3 The Council carried out a first detailed consultation exercise in January 2011 with Councillors, key stakeholder groups, members of the public, Trade Unions and the business community. Further details of the consultation process and feedback are included in Section 11 and Appendices 8 to 12 of this report.
- 4.4 A second consultation exercise is also underway to identify a further £6.9m savings and corporate financing adjustments to ensure that the Council achieves a balanced budget for 2011/12. The latest proposals were made available on 10 February with a consultation deadline of 23 February 2011.
- 4.5 There have been a number of key developments in the budget strategy since July 2010 including:
 - Indicative pressures and savings outlined in the previous budget process have been fully reviewed and updated where relevant.
 - Inflation factors have been reviewed and applied to relevant budget headings, which equate to approximately £5.1m over the three years (excluding the estimated pay award in 2013/14)
 - Pay Award freeze for 2011/12 and 2012/13, with an assumed increase of 1.5% in 2013/14, equating to £1.7m.
 - Fees & Charges were agreed to be increased by Cabinet in December 2010, including capturing the VAT increase from 4 January 2011. These have now been implemented where possible, and continue to be implemented in early 2011.
 - Confirmation of government funding to support a Council Tax freeze in 2011/12
 - Confirmation and retention of the borrowing requirements to support the capital programme, providing key service and transformation programmes, significantly including the accommodation and leisure strategies
 - Detailed Transformation plans to deliver the ODOC staff efficiencies required in 2011/12
 - Robust action plans have been developed to focus work on delivering service savings
 - Service pressures below £50,000 and other unapproved growth bids submitted to the Star Chamber process will be absorbed by Directorates
 - An increase in the number of post reductions required to address the budget funding gap

- The implementation of a vacant post review which has delivered 103 fte posts to date and met savings of approximately £2.1m from 2011/12
- The implementation of an on-going voluntary early retirement/voluntary redundancy programme which has delivered 76 fte posts to date and met savings of approximately £2.1m in 2011/12
- A second review of the senior management structure to deliver a £1m savings to the Council's revenue budget in 2011/12 and an additional full year effect of £0.29m in 2012/13.
- Early investigation of options to implement compulsory redundancies required to meet the remaining budget gap, including issuing a Section 188 notice to the Trade Unions and consulting on the basis of selection for redundancy.
- Providing the necessary funding to pay for redundancy costs over the next three years, specifically through the use of reserves.

4.6 After taking into account all of the above changes and adjustments since the Council's three year revenue budget strategy was agreed by Full Council in July 2010, this report shows a balanced revenue budget position across the three year period 2011/12 to 2013/14. This is reliant on the delivery of ongoing savings amounting to £24.7m by 2011/12, and a further £18.7m in 2012/13 and £13.6m in 2013/14.

4.7 Table 1 below summarises the final revisions that have been made to the 2011/12 to 2013/14 budget after receiving feedback from our consultation process:

Table 1 Final changes to 2011/12 to 2013/14 budget since receiving feedback from our consultation process

Changes (cumulative)	2011/12 £000's	2012/13 £000's	2013/14 £000's
Budget Requirement at Consultation	221,066	214,888	213,147
Removal of Proposed Changes to staff Terms and Conditions	3,700		
Removal of General additional Compulsory Redundancy Savings Target	3,184		
Reduction in Community Safety Partnership savings targets following announcement of additional Community Safety Fund grant	270	137	137
Identification of further specific savings proposals as detailed in the Stage 2 consultation document	(4,772)		
Corporate adjustments including reduction in contingency budgets	(1,444)		
Increased use of reserves	(240)		
Revised Budget Requirement	221,764	215,025	213,284

4.8 Based on the evidence contained in this report I can provide the necessary assurance to the Council that in my opinion as the Chief Finance Officer the estimates used in the production of the budget proposal for 2011/12 are adequately robust.

4.9 This opinion is based on the following areas:

- The process that was undertaken in developing the 2011/12 budget (Section 4 of this report)
- A review of the financial risks under which the Council is operating (Section 12 of this report)
- The level of Contingency budget available to offset unplanned expenditure and the level of the council's reserves and balances (Sections 10 and 12 of this report)
- The past performance of the Council in respect of budgetary control.

5. Resources available

5.1 The Council's net revenue budget, which supports Directorate services, is funded from Government grants and Council Tax income which is paid by residential householders in the City.

5.2 The 2011/12 budget is based on a starting position of the latest 2010/11 budget, adjusted for the latest government funding methodology. Base budget adjustments, to reflect the full year effect of changes approved in the existing budget strategy, along with further pressures and savings have been identified to balance the budget.

5.3 The budget funding gap, anticipated in the budget strategy in July 2010 was approximately £28m over a four year period, with approximately £7m in each year. The Comprehensive Spending Review announced on 20 October 2010 highlighted a significant frontloading of savings in 2011/12 and increased the estimated budget funding gap by a further £7m.

5.4 When the provisional finance settlement was announced on 13 December 2010, the funding gap for 2011/12 increased by a further £3m as the impact on government grant reductions was highlighted. The finance settlement was only announced for a two year period covering 2011/12 and 2012/13 but for budget planning purposes we have modelled the 2013/14 position on the proposed Comprehensive Spending Review figures. A more fundamental review of local government funding is anticipated from 2013/14 so outline assumptions only can be applied at this stage.

5.5 The Council received details of its final confirmed finance settlement on 31 January 2011. Only minimal changes have been made to the Council's settlement from the provisional position previously received. These had a net impact of decreasing funding by £3,000.

5.6 On 9 February 2011, the Council was also informed of a new grant from the Home Office, called the Community Safety Fund. The Council's allocation of this grant is £0.27m in 2011/12 and £0.14m in 2012/13. For planning purposes, the 2012/13 funding has been assumed to be ongoing in 2013/14.

5.7 There are a number of funding changes included in this report as summarised below:

- The formula grant provided by government is to be reduced by £24.4m over the two year settlement period, of which £14.9m relates to 2011/12 and £9.5m in 2012/13. A further £5m reduction is included for planning purposes in 2013/14.
- Government has announced significant reductions in specific and area based grants of £7.2m predominantly relating to 2011/12, with some grants being removed completely. This includes the loss of concessionary fares grant discussed in paragraph 5.13. A more detailed analysis of grant implications is provided in Appendix 3.
- Government has announced that they will provide a Council Tax grant to Local Authorities who freeze their 2011/12 Council Tax at 2010/11 levels. The Council has decided to agree to this proposal which will provide £2.03m of additional funding per annum over a four year period
- The budget proposals include an assumed increase in Council Tax of 2.5% in 2012/13 and 2013/14, which equates to approximately £2m in each year
- Council Cabinet agreed a new net Council Tax base of 72,278.83 at the 11 January 2011 Cabinet meeting. This improves the estimated Council Tax funding relating to the increase in households within Derby by £1.3m in 2011/12, with an additional estimated £0.5m in each of 2012/13 and 2013/14.
- Government have announced a new grant relating to New Homes Bonus, which is based on the increase in domestic properties in Derby. The additional funding received from this new grant has now been confirmed at £1.004m in 2011/12 with a further £0.6m estimated in each of 2012/13 and 2013/14.

5.8 Further clarification is still emerging on changes to grant funding. The figures contained here are therefore based on the most up to date information currently available and may change slightly before the start of the 2011/12 financial year.

5.9 Table 2 shows the level of funding and changes between financial years from 2010/11 to 2013/14, along with Council Tax setting assumptions.

Table 2 Resources Available 2010/11 to 2013/14

		2010/11 £m	2011/12 £m	Change %	2012/13 £m	Change %	2013/14 £m	Change %
Formula Grant	A	128.062	113.114	(11.67)	103.583	(8.43)	98.583	(4.83)
Other Specific Grants	B	27.938	26.762	(4.21)	26.387	(1.40)	26.387	0.00
Council Tax Tax Band D (£)		1,127.21	1,127.21	0	1,155.42	2.50	1,184.31	2.50
Gross Taxbase for Tax Setting		72,271	73,454	0.00	73,454	0.00	73,454	0.00
Collection Rate Assumed		98.4%	98.4%	0.00	98.4%	0.00	98.4%	0.00
Net Taxbase for Tax Setting		71,115	72,279	1.64	73,614	1.85	74,570	1.30
Council Tax Yield	C	80.161	81.473	1.64	85.055	4.39	88.314	3.83
Collection Fund Surplus	D	1.248	0.415		0.000		0.000	
Resources Available	A+B+C+D	237.409	221.764	(6.59)	215.025	(3.04)	213.284	(0.81)

5.10 In line with the approved budget strategy, directorate budgets reflect spending plans in line with the allocation of specific grants. At this stage no change to the level and allocation of specific grant for 2013/14 has been made in the budget proposals.

5.11 Table 3 shows the planned Council Tax by band for Derby City Council services before the inclusion of increases relating to Derbyshire Police and Fire Authorities who set their own Council Taxes in addition to these. The Council Tax calculation for 2011/12 is shown in Appendix 2.

Table 3 Council Tax 2011/12 Compared to 2010/11

Council tax rates	Ratio	2010/11 £	2011/12 £
Band A	6:9	751.47	751.47
Band B	7:9	876.72	876.72
Band C	8:9	1,001.96	1,001.96
Band D	9:9	1,127.21	1,127.21
Band E	11:9	1,377.70	1,377.70
Band F	13:9	1,628.19	1,628.19
Band G	15:9	1,878.68	1,878.68
Band H	18:9	2,254.42	2,254.42

5.12 Council Tax is set by reference to Band D with for example Band A being 6/9 (two thirds) of Band D, and Band H being 18/9 (double) of Band D. Band A is by far the most common Band in Derby, accounting for over 55,000 (52%) of the Council's total properties of just over 106,000 properties. Police and Fire increases will be added once the Council has been notified of these values.

5.13 The Council's grant settlement showed a loss of funding from government grant relating to Concessionary Fares. In 2010/11 the Council received £3.9m in specific grant, on top of the £2.2m received through formula grant. The Concessionary Fares funding will now be received entirely through formula grant, but the Council will only receive £3.6m compared to the £6.1m in 2010/11, a reduction of £2.5m. The Council is currently pursuing options to try to address this issue, although no movement is anticipated following the finalisation of the financial settlement. Therefore, to ensure a prudent approach, the loss of this funding has been built into the MTFP as this is a demand led budget

6. Budget proposals for 2011/12

6.1 The summary 2011/12 budgets for each service directorate are set out in Appendix 4a to this report.

6.2 In order to provide comparable opening data for the 2011/12 budget, the allocation of grants received in 2010/11 between directorate budgets and corporate funding has been adjusted. £22.6m of grant funding previously netted off within specific directorates has been moved to corporate funding, in line with the funding methodology applied by central government from 2011/12. This has adjusted the 2010/11 total Directorate budgets from £217.484m to £240.070m.

6.3 Table 4 below summarises the budget changes proposed to the 2010/11 base budget to arrive at the revenue budget for 2011/12.

Table 4 Summary Revenue Budget Position for 2011/12 compared to 2010/11

	£000's	% of adjusted base
2010/11 Approved budget	217,484	
add reallocation of government grant income in line 2011/12 settlement methodology	22,586	
2011/12 adjusted base	<u>240,070</u>	
add inflation	1,747	
add pressures (including redundancy costs)	16,257	
less savings	<u>(24,738)</u>	
2011/12 Net Budget	<u>233,336</u>	
less Use of Reserves	<u>(11,572)</u>	
Proposed budget requirement 2011/12	221,764	(7.63)

- 6.4 Included within the 2011/12 savings are £9.9m of redundancies. The Council is committed to maximising the number of people leaving the Council by voluntary redundancy (VR) rather than compulsory redundancy. Therefore, an enhanced VR package has been offered to Council staff and the results of this exercise will not be available until March 2011. The allocation of this savings target will depend on the results of the VR offer and therefore is currently included as an overarching Corporate target. An update of the allocation of these savings will be provided to Cabinet once this information becomes available.
- 6.5 One Derby one council (ODOC): The revenue budget includes significant savings to be delivered through the Council's ODOC efficiency programme. These are fundamental to the delivery of a balanced budget. £1.878m has been included as a short-term corporate implementation budget. This will be managed and allocated to individual workstreams through the one Derby one council Strategic Board.
- 6.6 Details of service budget strategies and key proposals for each Directorate are outlined below:

Adults, Health and Housing

- 6.7 The Adults, Health and Housing budget is based on a number of key principles:
- Prioritising care and support to most vulnerable people
 - Accelerating the take up of personal budgets
 - In-house services to focus more on prevention, early intervention and re-enablement
 - Carers, extra care and dementia services a priority with targeted investment
 - Greater emphasis on developing the external market to extend choice
 - Asking people to contribute more to the cost of their care
- 6.8 Adult social care budgets are under severe pressure nationally and locally. The demand for services is increasing as a result of longer life expectancy for groups of

vulnerable people. In particular, older people and adults of working age with learning disability are living longer. These service areas account for over 71% of the adult social care budget.

- 6.9 The Council is funding £3.35m of pressures across older people and learning disability services in 2011/12, in recognition of the upward pressure on demand in these areas.
- 6.10 The directorate will find £5.43m worth of savings during 2011/12 and £11.61m over the next 3 year period. These shall be delivered through the directorate transformation programme and will largely comprise of management savings, cost and efficiency measures, income generation and service prioritisation. The functional areas affected cover the whole of the directorate and are not confined to any single service or function.

Chief Executive's Office

- 6.11 The Chief Executive's Office delivers the core corporate Policy, Performance and Communication services along with the support to key Partnerships, Economic Development and Asset Management.
- 6.12 Significant savings in the directorate are a combination of ODOC transformation staff savings, savings from Partnerships in line with the relevant reduction in government funding, and from procurement savings through changes to service delivery in the Cleaning, Catering and Caretaking Division.
- 6.13 There is one pressure affecting the Chief Executive's Office budget. This relates to a future liability for the Carbon Reduction Commitment (CRC), a taxation on the level of the Council's carbon footprint.

Children and Young People

- 6.14 In order to tackle the reduction in resources available, the proposals for the Children and Young People budget are based on the following principles:
- Protection of statutory services for the most vulnerable (e.g. Safeguarding Services).
 - Integration of services within the Council and with others to achieve economies of scale, management efficiencies and the release of expensive and under-used buildings
 - Focus on early intervention and prevention in order to support children and families earlier and to reduce the requirement for more expensive crisis or specialist services
 - Changing the way services are provided through a transformation programme, in order to improve effectiveness and efficiency
 - Reviewing decision-making to promote independence
- 6.15 The Children and Young People budget contains a £1.0m pressure in 2011/12 to support the growth in numbers of Children in Care. The pressure reflects additional anticipated expenditure on agency residential, disabled and foster placements.

Neighbourhoods

- 6.16 The Neighbourhoods Directorate includes a wide range of diverse services that contribute to the quality of life for all residents within the city. The directorate has responsibility for strategic plans covering Planning, Transport, Highways, Health and Safety and Waste Management, but also provides direct services in Leisure, Arts, Culture, Libraries, Waste Collection, Street Cleansing, Grounds Maintenance, Highway Maintenance and Regulatory Services.
- 6.17 The budget available for 2011/12 has required the Directorate to rethink historical approaches to service delivery in order to ensure that efficiency is maximised, bureaucracy is removed and front-line services are protected
- 6.18 The Neighbourhood budget as proposed will ensure that statutory services are delivered and by focusing savings on management costs and efficiency we have ensured that services will continue to support the quality of life for all in Derby.

Resources

- 6.19 The Resources Directorate is made up predominantly of back office support services and corporate core functions. In addition the Council's frontline revenue, benefits and customer service functions are managed by this Directorate.
- 6.20 Based on these key functions and the significant level of employee costs as a proportion of Directorate net budget the majority of service savings are to be achieved through transformation staffing efficiencies, and reflect the ODOC design mandate model.
- 6.21 £2.3m of the proposed savings relate to transformation efficiencies from staffing budgets. A further £0.6m relates to other efficiencies in ICT contracts and associated ICT spending.
- 6.22 There are two budget pressures in the Directorate. These are:
- One-off funding to continue the additional staff resource in Derby Direct who support the Streetpride initiative. This will allow time to develop further efficiencies to support this on an ongoing basis.
 - Investment in the running costs of ICT investment which supports the transformation programme.

7. 2012/13 and 2013/14 budget forecasts

- 7.1 Current plans for the three years show the following balanced position for 2012/13 and 2013/14 on the basis of:
- an assumed 2.5% Council Tax increase in each year
 - the delivery of £32.3m of identified directorate savings
 - identification of a further £9.2m savings to achieve balanced budgets in 2012/13 and 2013/14.

Table 5 Summary of budget from 2012/13 to 2013/14

	2012/13	2013/14
	£m	£m
Opening position	233.336	214.893
Inflation	1.948	3.153
Pressures	6.346	4.883
Savings – identified ¹	(22.786)	(9.665)
Savings targets – proposals yet to be identified	(3.951)	(5.210)
Proposed Net Budget	214.893	208.054
Repayment of reserves	0.132	5.230
Proposed Budget Requirement	215.025	213.284
Resources	(215.025)	(213.284)
Balanced Position	0	0

¹Including one off reversals of redundancy cost pressure from previous year.

- 7.2 A summary revenue budget for 2012/13 and 2013/14 in a format consistent with the Council's formal resolution at directorate level is provided at Appendices 4b and 4c.
- 7.3 The 2.5% Council Tax forecasts for 2012/13 and 2013/14 could change and will be the subject of further decision making as part of future years' budget processes. The actual level of resources from Council Tax in 2012/13 and 2013/14 will depend on the level of tax set for each of these years.
- 7.4 Savings identified in 2012/13 and 2013/14 amount to £32.451m which includes the efficiency savings to be delivered through the ODOC programme, including making best use of investment in new computer systems.
- 7.5 Directorates and Cabinet members should plan on the basis that the budget totals included here for 2012/13 and 2013/14 will be their working budget totals for those years with further savings to be allocated and, therefore, it is very important that the savings proposals within the budget totals are implemented at the earliest opportunity.

8. Equalities Impact Assessment

- 8.1 The Council has a duty to carry out an Equality Impact Assessment (EIA) to support the budget planning process, in order to understand whether the budget proposals will have an adverse impact on any particular group of people or could result in direct or indirect discrimination. This EIA follows the guidance drafted by the Equality and Human Rights Commission.
- 8.2 The Council has undertaken a detailed screening process of all pressures and savings proposals identified as part of the 2011/12 budget setting process. This screening focused on both financial and service factors to determine whether specific equality impact assessments were required. For the financial assessment a significance level of 1% of total specific savings proposals was established and equates to £204,000. Any proposals which reach this threshold were considered to

require an EIA from a financial perspective. Senior officers also reviewed all pressures and savings proposals, focusing on the qualitative relevance of an EIA for each proposal and identifying those where an EIA was required from a service perspective.

- 8.3 This screening process has allowed the Council to identify key pressures and savings for which an EIA is required. The level of potential risk associated with each proposal has also been considered and all high risk areas were considered to require a specific equalities impact assessment. Lower risk proposals have been considered at a Directorate-wide level. For those service areas requiring a significant review, EIAs for specific proposals are currently being developed as part of the project planning work in each case.
- 8.4 It is recognised that the impact of savings may affect certain groups disproportionately, given the scale of savings required and the level of existing budget supporting customers with a high level of need. However, the Council have considered the impact across all service areas and believe that the approach taken is fair in order to reach a balanced position. Several budget increases are proposed which mitigate some of the impact, and further options to find alternative provision to support service change have been considered.
- 8.5 As part of the EIA the Council invited a number of advisors from minority groups to challenge the process. This group carried out an overarching equalities impact assessment on the 2011/12 budget as a whole. This exercise led to a number of recommendations being raised. Responses to the recommendations will be formalised by the Council and provided to the next EIA group meeting. The budget EIA group have proposed they meet on a quarterly basis to monitor project progress with regards to equalities issues and any unforeseen impact which needs to be addressed.

9. Delivery of corporate outcomes

- 9.1 The Council and its partners are working towards a 2026 vision “*Derby – passionate about progress*”. The budget plans are based on the proposed eight key outcomes which support delivery of this vision. These are ‘*All people in Derby to enjoy...*’
1. A thriving sustainable economy
 2. Achieving their learning potential
 3. Good health and well being
 4. Being safe and feeling safe
 5. A strong community
 6. An active cultural life
 7. Good quality services that meet local needs
 8. A skilled and motivated workforce

- 9.2 These outcomes will form the basis of the Council Plan 2011-14, which will be published in March 2011 and will contain the key actions we will carry out to improve services in support of these outcomes.
- 9.3 The budget proposals include the following major budget elements which will support the delivery of the above outcomes:

A thriving sustainable economy – Funding will continue in 2011/12 to support the ongoing reactive highways maintenance budget to keep our networks safe and sustain the reactive maintenance programme. Funding will continue to ensure that resources are available to work with communities to develop the Core strategy, the main planning document for the city, to support our future sustainable growth. In addition, the revenue budget retains the investment in the Council's Regeneration Fund.

Achieving learning potential – Investment continues providing support and challenge to schools supporting achievement in primary and secondary schools.

Good health and well being – There is a significant focus on narrowing health inequalities, promoting healthy active lifestyles and supported recovery with sustained good mental health.

Being safe and feeling safe – There is continued investment in children in looked after placements providing safe effective care for vulnerable young people.

A strong community – Engagement in decision making and sense of belonging of local people and groups continues through consultation of the budget process and ongoing activities through neighbourhood boards.

An active cultural life – Participation in cultural activities across the city.

Good quality services that meet local needs supported by a skilled and motivated workforce – Proposals continue across the whole budget to deliver efficiency savings through the continuation of the Council's ODOC transformation programme.

10. Use of Reserves

- 10.1 Table 6 below provides a statement of the available corporate reserves and how the budget plans draw upon them during 2011/12 to 2013/14. The budgeted spending funded from these reserves is included with the gross budget proposals set out in the report.
- 10.2 The 2011/12 budget relies on £3.557m use of reserves to support the balanced budget position. This use of reserves has been earmarked to support one-off costs of £2.6m for the Council's Accommodation strategy and to support temporary project costs for the one Derby one council efficiency programme. The reserves used are £0.276m from the transformation reserve; £0.105m from the Regeneration Fund reserve; £0.498m from service reserves; and the remaining £2.679m will be used

from the Council's budget risk reserve. £0.332m from service reserves will be repaid in 2014/15 to support longer-term directorate projects.

- 10.3 The 2011/12 budget also includes the use of £8.015m reserves to provide funding to pay for redundancies. £5.7m of these reserves will be repaid from revenue budgets in 2012/13 and 2013/14. The balance of £2.315m will be met from £0.3m permanently used from the Treasury Management Reserve; £1.0m from the Job Evaluation reserve in line with reduced staff numbers; and a further £1.015m will be permanently used from the Council's unallocated Backdated Business Rates Reserve.
- 10.4 The General Reserve of £6.743m has been maintained at around 2% of the budget requirement, including schools budgets (as at 31 March 2010). With increased risks and uncertainties with the budget it is prudent to continue with these same levels as previously maintained.
- 10.5 A number of transfers to and from corporate reserves have been proposed from the 2010/11 budget as explained in Item 29 to this meeting. These have been included in the estimated reserve balances in Table 6 below, subject to approval of the proposals by Council Cabinet.
- 10.6 A summary of the reserves position is shown at Table 6 below. Further details are included in Appendix 7.

Table 6 – Summary of corporate reserves

Corporate Reserves	31/03/2011	31/03/2012	31/03/2013	31/03/2014
	£m	£m	£m	£m
General Fund reserve	6.743	6.743	6.743	6.743
Held to support the 2011/12 balanced budget	3.060	0	0	0
Held to support long-term projects	11.324	4.924	4.924	10.324
Held to support specific budget uncertainties	3.048	2.448	2.748	2.748
Uncommitted corporate reserves	2.345	1.330	1.330	1.330
Total Corporate Reserves	26.520	15.445	15.745	21.145

- 10.7 Based on the information contained in this section and guidance provided by the Audit Commission on levels of general reserves, I can confirm, as Chief Finance Officer, that I consider the projected levels of reserves and balances to be adequate.

11. Communication and consultation

- 11.1 The Council carries out consultation on its spending proposals on an ongoing basis. The outcomes of many pieces of consultation have influenced what Cabinet members and officers have put forward as proposals in this budget. Therefore, when the Council budget proposals are made public each year, maximum effort goes in to communicating the proposals. We also carry out a detailed consultation process with

councillors through the Council's Scrutiny Commissions and the meetings with statutory bodies including the Trade Unions and business community.

11.2 This year's process included:

- a. Special meetings of the Council's Overview and Scrutiny Commissions. Appendix 8 summarises the recommendations of the Commissions and the Cabinet's response to them
- b. The statutory meetings with representatives and non domestic ratepayers, business and partners. The minutes of these meetings are attached at Appendix 10.
- c. A media briefing about the budget proposals and the publishing of all relevant information on the Council's website.
- d. Communication to stakeholder groups including: Trade Unions; Disabled People's, Minority Communities, and Gender and Sexuality Diversity Forums; Derby 50+ Forum; and to young people through 'Voices in Action'.
- e. A special meeting of the 50+ and diversity forums took place. Feedback from the budget consultation meeting is attached at Appendix 11.

11.3 A form was available on-line and as a hard copy for anyone wishing to give their feedback on the proposals. A summary of feedback of responses from the public is shown at Appendix 9. A proportion of responses disagree with the proposals, which is expected given the scale of the financial challenge we face. However, all points raised will be taken into consideration.

12. Management of budget risks

- 12.1 The budget proposals in this report represent the Council's estimated revenue position for 2011/12 to 2013/14. The identified pressures will inevitably change as new factors give rise to different financial consequences in the course of time.
- 12.2 The reported budget over the three years shows a fully balanced position. It however reflects assumptions about resources inflation, service demand and the deliverability of significant levels of savings.
- 12.3 The level of Government funding for 2013/14 is uncertain pending further announcements from government. The budget is also modelled on a level of Council Tax growth from 2012/13 of 2.5% which could change, as the 2012/13 and 2013/14 Council Tax charges are not being approved at this stage. These will be considered further and recommended for approval during the following years' budget processes.
- 12.4 It is therefore very important that the Council takes a view on the risks detailed below and makes sure contingencies and reserves are set aside to address these. In relation to general risks the amount attributed to services includes a best estimate of service inflation and pressures. It is necessary to include as yet unallocated contingencies in the budget to deal with this.

- 12.5 In relation to specific budget risks, the Council has an effective risk budget approach in place where identified risk budgets are reported quarterly to Cabinet with more frequent reporting to the Chief Officer Group and at directorate management team level.

Specific Risks

- 12.6 There are a number of specific risks associated with the planned budget. These are noted below.
- 12.7 ODOC Efficiency Savings: In year efficiency savings are required to support the Council's budget for the three year period. This continues to be an extremely challenging target and requires services to fundamentally review their operations. Plans for 2011/12 are in place; however specific detailed robust and realistic proposals will need to be outlined for 2012/13 onwards.
- 12.8 Efficiency savings in 2011/12 to 2013/14 are in addition to efficiency savings already delivered in 2010/11. The significant reduction in staffing levels in 2011/12 will inevitably have an impact on service response which will need to be managed closely. Further staff savings will continue to be managed through the control of vacancies and through voluntary processes in the first instance.
- 12.9 Service Savings: With a significant volume of savings required in 2011/12, to address the loss of funding, there is a risk of slippage through unforeseen delays and the timing of savings delivery. A one-off budget risk reserve of £1.209m is currently available in the estimated reserves position, along with a planned £1m permanent risk contingency budget to help manage this risk. Plans within Directorate need to be managed robustly in order to limit the requirement to use these contingency budgets.
- 12.10 Income: The MTFP is supported by over £100m of external income and services. The level of income achieved against budgeted levels could be affected by external factors such as the economic climate and changes to regulations on charging. The Council needs to continually develop creative plans to ensure that this level of income is sustained.
- 12.11 Council Tax: In-year collection rates continue to be good in Derby at 98.4% and this needs to be sustained. The MTFP includes a level of known and assumed growth in the Council Tax base for 2011/12, 2012/13 and 2013/14. Regarding the Council Tax grant provided in 2011/12 it is unknown whether this will continue after four years.
- 12.12 Contingencies: The Council continues to hold a number of corporate contingencies to support the revenue budget. These budgets are the best estimate of financial need at this stage and will continue to be monitored during 2011/12. The following significant contingencies have been included:
- Waste Strategy £1.1m
 - Accommodation Strategy £2.6m
 - National insurance employers contribution rate increase contingency from 2011/12 £0.6m
 - General cost/inflation contingency £1.0m representing 0.5% of the budget requirement
 - Single status £0.6m
 - one Derby, one Council implementation costs contingency £1.8m

- 12.13 Contingency budgets will be allocated out to directorates at the point that actual budget pressures have been confirmed. As a general principle any contingency budget balance at the year end will be held in corporate reserves towards future costs in those areas, and the ongoing budget pressure reviewed as part of future budget processes.
- 12.14 Pensions: Pension liability estimates were believed to be affordable at the date of the July budget strategy. The County Council have been supplied with the Council's latest estimate of pensionable pay forecasts for 2011/12 to 2013/14, taking into account a reducing workforce. Given the range of possibilities on future workforce, market performance, and the outcome of the 2010/11 actuarial revaluation of the local government pension fund this remains as a key risk. Options to spread these costs and/or review the number of years across which the deficit is paid continue to be explored.
- 12.15 Single Status: The MTFP maintains a level of ongoing budget to support equal pay claims and fund the team delivering the process. The level of funding set aside continues to be a risk until the Council has more certainty.
- 12.16 Redundancy Payments: Forecast future redundancy payments are based on existing average information. It is anticipated that the Council has set aside sufficient to finance the required one-off payments over the three years, however the actual impact will only be known when specific details come forward. An enhanced redundancy package has been offered for early exits. The Council proposes to apply for a capitalisation directive for 2011/12, but at this stage there is uncertainty as to whether this will be approved by central government.
- 12.17 Treasury Management: The current financial climate impacts on the Council's borrowing and investment strategies, which support the revenue budget and capital programme. These are subject to change, particularly in relation to the impact of the Council's capital programme on cash balances and borrowing requirements. The Council will continue to monitor these on a daily basis.
- 12.18 The balance on the budget risk reserve estimated by 2013/14 is £1.314m. To manage spending plans within available resources, and avoid any call on the budget risk reserve, even tighter financial management of budget risks and emerging pressures will be required going forward. Early remedial actions and compensating savings will need to be implemented from within revenue budgets.

Opportunities

- 12.20 There are a number of areas of finance yet to be announced which may support the Council's MTFP for 2011/12 to 2013/14:
- Unannounced Grants: There are a few unannounced grants from the Department for Education and the Home Office which are expected to be announced imminently. These may offset the loss of funding through area based and specific grants and allow some services to continue.
 - Tax Incremental Financing: This allows councils to borrow for regeneration schemes and finance the borrowing from increased business rate revenues. Full details will be announced as part of a white paper on local growth. This

paper was subject to consultation during December 2010 but is not expected to be finalised until April 2012.

- **Local Taxes:** This new initiative relates to raising additional domestic and non-domestic taxes. This has been financed by top-slicing of formula grant so has adversely affected Derby, however, given this position there is a possibility of increasing the Council's income base in future years. Full details are yet to be clarified.

13. Revenue Budget Position as at 15 February 2011

- 13.1 The current budget proposals show a balanced revenue budget position for 2011/12 to 2013/14. With a legal requirement to set a balanced budget for 2011/12 this position is reliant upon delivering planned savings of £24.7m during 2011/12 and the Council will face significant challenges in ensuring that these targets are met.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	
---	--

For more information contact: Martyn Marples Tel 01332 643377 email martyn.marples@derby.gov.uk

Background papers: Budget consultation documents and strategy reports

List of appendices:

- Appendix 1 – Implications
- Appendix 2 – Council tax calculation 2011/12
- Appendix 3a – Changes to Grant funding 2011/12
- Appendix 3b – Changes to Grant funding 2012/13
- Appendix 4a – Revenue Budget Summary 2011/12
- Appendix 4b – Revenue Budget Summary 2012/13
- Appendix 4c – Revenue Budget Summary 2013/14
- Appendix 5 – Schedule of Budget Pressures
- Appendix 6 – Schedule of Budget Savings
- Appendix 7 – Summary of Corporate Reserves
- Appendix 8 – Overview and Scrutiny Budget Consultation: Schedule of Recommendations
- Appendix 9 – Feedback from Public Consultation
- Appendix 10 – Minutes of the statutory meetings
- Appendix 11 – Forum Budget Consultation Feedback
- Appendix 12 – Schools Budget

IMPLICATIONS

Financial

- 1.1 As described in the report.

Legal

- 2.1 The Council is obliged to set a balanced budget for 2011/12. 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 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

- 3.1 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

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

Health and Safety

- 5.1 None directly arising.

Carbon commitment

- 6.1 None directly arising.

Value for money

- 7.1 The Council's focus for achieving value for money (VFM) will be through the one Derby one council efficiency programme and through the use of a suite of performance indicators. The Council is also in the process of developing meaningful local performance measures designed to specifically measure VFM.

Corporate objectives and priorities for change

- 8.1 The close relationship between the budget and corporate outcomes is outlined in section 9 of the report.

COUNCIL TAX STATUTORY CALCULATION 2011/2012
--

Derby City Council Budget Requirement 2011/2012	R	221,764,425
Revenue Support Grant 2011/12		(26,708,186)
National Non Domestic Rates (NNDR) 2011/12 – share of distributable amount		(86,405,485)
Collection fund surplus – Council Tax		(414,989)
Other Specific Grants		(26,762,345)
	P	(140,275,005)
Tax Yield	R-P	81,473,420
Taxbase for Tax Setting (Band D equivalent)	T	72,278.83
Basic Amount of Council Tax		1,127.21

Derby

Band A – (Disabled)	5/9	626.23
Band A	6/9	751.47
Band B	7/9	876.72
Band C	8/9	1,001.96
Band D	9/9	1,127.21
Band E	11/9	1,377.70
Band F	13/9	1,628.19
Band G	15/9	1,878.68
Band H	18/9	2,254.42

Council Tax 2010/11 Band D	1,127.21
Unadjusted Increase Band D	0.00
Unadjusted % Increase Band D	0.00%

FINANCE SETTLEMENT 2011/2012

	Final Settlement 2010/11	Final Settlement 2011/12	Difference	
			£m	%
<u>FORMULA GRANT</u>				
Formula Grant - RSG/NNDR	109.65	113.12		
Specific Grants Rolled into Formula				
- Supporting People	10.56	0.00		
- Housing Services for Older People				
- LSC Staff Transfer	0.29			
- HIV/AIDS Support	0.11			
- Preserved Rights	0.86			
DfT Grants Transferring into Formula (Local Transport Services)				
- Road Safety Grant	0.20	0.00		
- Detrunking Grant	0.07			
Concessionary Fares Specific Grant	1.29			
Adult Social Services Grants	3.80			
Personal Social Services Grants	1.49			
Other minor transfer in	0.49			
Other minor transfers out	-0.75			
New Formula Grant	128.06	113.12	-14.94	-11.67%
<u>SPECIFIC GRANTS</u>				
Other specific grants assumed to be reduced	1.02	0.00		
Core Grants (recycled from previous grants)				
- Early Intervention	13.48	11.74		
- Housing & CTB Subsidy Admin	2.24	2.10		
- Preventing Homelessness	0.17	0.23		
- Learning Disability (formerly NHS)	6.06	6.19		
- Community Safety Fund	0.34	0.27		
DCLG figures for specific grants	23.31	20.53	-2.78	-11.93%
- Council Tax Freeze Grant	0.00	2.03	2.03	
Total Assumed Specific Grants	23.31	22.56	-0.75	-3.22%
FORMULA & SPECIFIC	151.37	135.68	-15.69	-10.37%
<u>NHS FUNDING</u>				
NHS funding to support social care and benefit health	0.00	3.19	3.19	
<u>COUNCIL TAX</u>				
Council Tax Requirement	80.20	80.20	0.00	0.00%
Notified Revenue Spending Power	231.57	219.07	-12.50	-5.40%
<u>OTHER CHANGES</u>				
Concessionary Fares and other funding not rolled into base	2.82	0.00	-2.82	
ABG & Specific Grants completely removed, net of assumed reductions	1.76	0.00	-1.76	
Collection Fund Surplus 2010/11	1.25	0.41		
Growth in Council Tax Base (including New Homes Bonus)	0.00	2.29		
Net Budget Requirement	237.40	221.77	-15.63	-6.58%

FINANCE SETTLEMENT 2012/13

	Final Settlement 2011/12	Provisional Settlement 2012/13	Difference	
			£m	%
<u>FORMULA GRANT</u>				
Formula Grant - RSG/NNDR	113.12	103.58		
New Formula Grant	113.12	103.58	-9.53	-8.43%
<u>SPECIFIC GRANTS</u>				
Core Grants				
- <i>Early Years Intervention</i>	11.74	11.96		
- <i>Housing & CTB Subsidy Admin</i> ¹	2.10	2.10		
- <i>Preventing Homelessness</i>	0.23	0.17		
- <i>Learning Disability</i>	6.19	6.33		
- <i>Community Safety Fund</i>	0.27	0.14		
	20.53	20.70	0.17	0.83%
Council Tax Freeze Grant	2.03	2.03	0.00	0.00%
Specific Grants	22.56	22.73		
FORMULA & SPECIFIC	135.68	126.31	-9.37	-6.91%
<u>NHS FUNDING</u>				
NHS funding to support social care and benefit health	3.19	3.06	-0.13	-4.20%
<u>COUNCIL TAX</u>				
Council Tax Requirement	80.20	82.21	2.01	2.50%
Forecast Revenue Spending Power	219.07	211.58	-7.49	-3.42%
Collection Fund Surplus	0.41	0.00		
Growth in Council Tax Base (including New Homes Bonus)	2.29	3.45		
Estimated Net Budget Requirement	221.77	215.03	-6.74	-3.04%

¹ 2012/13 allocation for Housing & CTB Subsidy Admin will be announced in Autumn 2011 - a similar level has been assumed for budget planning

Overall Summary by Directorate - Revenue Budget 2011/2012
--

SERVICE ACTIVITY	Revised Controllable 2010/11 Base Budget £000's	Budget Changes				Controllable 2011/12 Budget £000's
		Base Budget Adjustments £000's	Inflation £000's	Pressures £000's	Savings £000's	
Adults, Health and Housing	75,875	(763)	537	3,350	(5,431)	73,568
Chief Executive's Office	13,056	673	394	0	(1,709)	12,414
Children and Young People	50,150	130	333	1,274	(5,494)	46,393
Neighbourhoods	42,977	1,311	739	1,016	(4,646)	41,397
Resources	13,278	2,109	143	411	(2,000)	13,941
Corporate Budgets and Contingencies	44,734	(3,460)	(399)	10,206	(5,458)	45,623
Total Net Budget	240,070	0	1,747	16,257	(24,738)	233,336
Less transfer with reserves:						
From service reserves	(239)					(498)
From corporate reserves	(2,472)					(3,059)
From corporate reserves to fund redundancies	0					(8,015)
To fund capital - community assets	50					0
Net Budget Requirement	237,409	0	1,747	16,257	(24,738)	221,764
Funded By:						
RSG & NDR Government Grant	(128,062)					(113,114)
Collection fund surplus 2010/11	(1,248)					(415)
Income raised from Council Tax	(80,161)					(81,473)
Specific Grants:						
Council Tax Grant	0					(2,031)
Early Intervention Grant	(13,480)					(11,741)
Preventing Homelessness	(166)					(232)
Housing and Council Tax Subsidy Admin Grant	(2,243)					(2,103)
Learning Disability Grant	(6,063)					(6,187)
Learning Disability and Health Reform Grant	0					(3,194)
Community Safety Fund	(338)					(270)
New Homes Bonus	0					(1,004)
Other Specific Grants	(5,648)					0
Total Resources	(237,409)					(221,764)

Overall Summary by Directorate - Revenue Budget 2012/13

SERVICE ACTIVITY	Controllable 2011/12 Base Budget £000's	Budget Changes				Controllable 2012/13 Budget £000's
		Base Budget Adjustments £000's	Inflation £000's	Pressures £000's	Savings £000's	
Adults, Health and Housing	73,568	0	377	550	(4,071)	70,424
Chief Executive's Office	12,414	0	429	400	(1,103)	12,140
Children and Young People	46,393	0	229	(181)	(2,647)	43,794
Neighbourhoods	41,397	0	1,205	0	(1,983)	40,619
Resources	13,941	0	127	(161)	(847)	13,060
Corporate Budgets and Contingencies	45,623	0	(419)	5,738	(12,135)	38,807
Total Departmental Budgets	233,336	0	1,948	6,346	(22,786)	218,844
Add cross-department permanent budget changes: Savings to be identified					(3,951)	(3,951)
Total Net Budget	233,336	0	1,948	6,346	(26,737)	214,893
Less transfer with reserves: From service reserves From corporate reserves From corporate reserves to fund redundancies	(498) (3,059) (8,015)					(168) 0 300
Budget Requirement	221,764	0	1,948	6,346	(26,737)	215,025
Funded By: RSG & NDR Government Grant Collection fund surplus 2010/11 Income raised from Council Tax Specific Grants: Council Tax Grant Early Intervention Grant Preventing Homelessness Housing and Council Tax Subsidy Admin Grant Learning Disability Grant Learning Disability and Health Reform Grant Community Safety Fund New Homes Bonus	(113,114) (415) (81,473) (2,031) (11,741) (232) (2,103) (6,187) (3,194) (270) (1,004)					(103,583) 0 (84,067) (2,031) (11,956) (166) (2,103) (6,334) (3,060) (137) (1,588)
Total Resources	(221,764)					(215,025)

Overall Summary by Directorate - Revenue Budget 2013/14
--

SERVICE ACTIVITY	Controllable 2012/13 Base Budget £000's	Budget Changes				Controllable 2013/14 Budget £000's
		Base Budget Adjustments £000's	Inflation £000's	Pressures (note 1) £000's	Savings (note 1) £000's	
Adults, Health and Housing	70,424	0	761	750	(2,110)	69,825
Chief Executive's Office	12,140	0	612	0	(1,023)	11,729
Children and Young People	43,794	0	556	(258)	(2,780)	41,312
Neighbourhoods	40,619	0	1,236	0	(1,628)	40,227
Resources	13,060	0	359	0	(900)	12,519
Corporate Budgets and Contingencies	38,807	0	(371)	4,391	(1,224)	41,603
Total Departmental Budgets	218,844	0	3,153	4,883	(9,665)	217,215
Add cross-department permanent budget changes: Savings to be identified	(3,951)				(5,210)	(9,161)
Total Net Budget	214,893	0	3,153	4,883	(14,875)	208,054
Less transfer with reserves: From service reserves	(168)					(170)
From corporate reserves to fund redundancies	300					5,400
Budget Requirement	215,025	0	3,153	4,883	(14,875)	213,284
Funded By: RSG & NDR Government Grant	(103,583)					(98,583)
Income raised from Council Tax	(84,067)					(86,726)
Specific Grants:						
Council Tax Grant	(2,031)					(2,031)
Early Intervention Grant	(11,956)					(11,956)
Preventing Homelessness	(166)					(166)
Housing and Council Tax Subsidy Admin Grant	(2,103)					(2,103)
Learning Disability Grant	(6,334)					(6,334)
Learning Disability and Health Reform Grant	(3,060)					(3,060)
Community Safety Fund	(137)					(137)
New Homes Bonus	(1,588)					(2,188)
Total Resources	(215,025)					(213,284)

2011/12 TO 2013/14 PROPOSED BUDGET PRESSURES

Directorate	Service Activity	Proposed Change	Pressure - £'000s			Total
			11/12	12/13	13/14	£000
AHH	Use of reserves	Loss of one-off funding in 2010/11 from Transforming Social Care Grants	750			750
AHH	Learning Disabilities - Care & Assessment	Net growth in additional Learning Disabilities clients	300	350	550	1,200
AHH	Learning Disabilities - Continued Health Care	Loss of Continuing Health Care contribution from 2010/11	750			750
AHH	AHH	Adult services base budget restatement, including 2% annual growth	1,550	200	200	1,950
CEO	Climate Change	Carbon reduction commitment liability		400		400
CYP	Agency Placements	Costs of increased number of looked after children in the independent sector	1,000	(117)	(258)	625
CYP	School Planning and Building Schools for the future	Building Schools for the Future (BSF) delivery budget to fund the infrastructure costs required to deliver the 'sample' schemes - Noel Baker, St Martins and Derby Moor	274	(64)		210
NBH	Development Control	Shortfall on achievement of Development Control income targets reflecting the drop in income during the current economic climate. Based on existing actual income levels.	100			100
NBH	Highways	Reactive maintenance base budget requirement to support the highways maintenance budget at existing service levels and replace the temporary funding in 2010/11.	400			400
NBH	Parking Services Fee Income	Shortfall on car parking income targets - excluding impact of Connecting Derby shortfall reflecting the loss of income from the current economic climate and the impact of illegal car parks	250			250

Directorate	Service Activity	Proposed Change	Pressure - £'000s			Total
NBH	Bus Station	Additional pressures from the Council's liabilities for the property, along with potential losses of departure charge income	151			151
NBH	Trading Services - Buildings	Transfer of Building Services to Derby Homes - in June 2010. This represents the loss of target funding returns achieved in 2010/11.	115			115
RES	ICT Revenue Costs	Base revenue budget to support investment in ICT transformation programme	250			250
RES	Derby Direct	One-off funding of additional staff to support Streetpride initiative	161	(161)		0
CORP	Concessionary Fares (CF)	Increased base budget to support current level of concessionary fare demand.	418			418
CORP	ODOC restructure Costs	Increase to restructure costs contingency	658			658
CORP	Treasury Management	Movement in Treasury Management requirements to fund capital programme	1,459	4,984	600	7,043
CORP	Treasury Management	RCCOS - Reduction in TM Pressure from reduced capital borrowings in line with 2011/2012 capital programme	(551)	(1,271)	(309)	(2,131)
CORP	Treasury Management	Reduction in TM Pressure - HRA Charge for Transferred Debt	(725)	725		0
CORP	Employers NI rate contingency	Alterations to employers NI rate and NI threshold adjustments	600			600
CORP	Corporate Contingency Fund	Increase to corporate contingency fund to provide for unforeseen budget risks	832			832
CORP	Job Evaluation (JE)	Further release of JE Contingency (£1.5m released in 2010/11)	(500)		2,000	1,500
CORP	Redundancy Costs	Costs of redundancies to support Council savings proposals	8,015	1,300	2,100	11,415
TOTAL			16,257	6,346	4,883	27,486

2011/12 TO 2013/14 PROPOSED BUDGET SAVINGS

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
AHH	Voluntary Redundancy/ Early Retirement	Identified to support the Council's One Derby One Council programme	(222)			(222)
AHH	AHH	Further One Derby One Council staffing savings to be identified.	(181)	(244)	(977)	(1,402)
AHH	Senior Management Review	Savings target from restructure of senior management.	(162)			(162)
AHH	Housing	ODOC staff savings - Initial Contact, Enquiry Handling & Finance Reorganisation at BIO Hse	(66)	(66)	(66)	(198)
AHH	Housing	Review of Community Legal Advice Centre in 2012/13		(50)		(50)
AHH	Housing	Closure of Peartree cash office delivered in October 2010. Full savings in 2011/12.	(17)			(17)
AHH	Housing	Increase charges at Milestone House by 5% and review the contingency fund.	(44)			(44)
AHH	Housing	ODOC staff savings - Private Sector Housing and Supporting People Reorganisation & Process Improvement	(11)	(44)	(11)	(66)
AHH	Supporting People	4.5% a year reduction in budget	(444)	(444)	(444)	(1,332)
AHH	Derby Advice	6% a year reduction for 3 years in funds available through service efficiencies	(22)	(22)	(22)	(66)
AHH	Derby Homes / Housing Management	Joint Efficiencies through a review of services provided by Derby City Council and Derby Homes	(400)			(400)
AHH	Learning Disabilities - Residential & Nursing Care	High Cost placements savings through use of the Care Funding Calculator in negotiating placement costs with providers	(300)	(75)	(75)	(450)
AHH	Older People & Physical or Sensory Disability -	ODOC staff savings - Direct Customer Contact including Face to Face	0	(73)	(125)	(198)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
	Care & Assessment					
AHH	Older People & Physical or Sensory Disability - Home Care	Loss of 80 FTEs in In House service delivered by Oct 2011	(750)	(750)		(1,500)
AHH	Home Care & other services	Charging reviews: eliminate subsidy	(750)	(250)		(1,000)
AHH	Home Care	Charging for double attendance when more than one carer required - subject to ability to pay by financial assessment.	(175)			(175)
AHH	Home Care	Review of fair Access to Core Services Eligibility Criteria	(600)	(1,000)		(1,600)
AHH	Older People	Review of older peoples' day care	(75)	(225)		(300)
AHH	Older People	Review of older peoples' homes		(230)	(200)	(430)
AHH	Mental Health	Reduce placement numbers in 11/12 and future budgets by 4.5% a year from 12/13	(400)	(190)	(190)	(780)
AHH	Other Adults	Sensory Team eliminate growth	(200)			(200)
AHH	Community and Voluntary sector grants	Review current grants	(204)	(306)		(510)
AHH	Older People & Physical or Sensory Disability Home Care	Efficiencies within the Enablement Service	(48)	(17)		(65)
AHH	Learning Disabilities	Deletion of vacant posts, re-profiling of shift patterns and review of day services	(190)	(54)		(244)
AHH	Mental Health Care & Assessment	Deletion of vacant Mental Health posts	(69)	0		(69)
AHH	Strategic Management & Support Services	Efficiencies in Fairer Charging Team	(75)	(22)		(97)
AHH	Strategic Management & Support Services	Reduction software development personnel within the Information Section Team	(26)	(9)		(35)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
TOTAL ADULTS, HEALTH AND HOUSING SAVINGS			(5,431)	(4,071)	(2,110)	(11,612)
CEO	C Exec's	ODOC staff savings from business efficiency and delivery		(631)	(904)	(1,535)
CEO	Voluntary Redundancy/ Early Retirement	Identified to support the Council's One Derby One Council programme	(231)			(231)
CEO	Senior Management Review	Savings target from restructure of senior management.	(233)			(233)
CEO	Asset Management - Markets	Remove marketing budget one off 2010/11	(25)			(25)
CEO	Cleaning	Procurement efficiencies through alternative cleaning provision	(173)	(271)		(444)
CEO	Climate Change	Establishment efficiencies and service savings by releasing the planned £50k budget for Carbon Reduction Commitment (now £400k pressure) plus reorganisation of the Climate Change Team	(350)			(350)
CEO	Repairs and Maintenance	Procurement Savings		(33)	(97)	(130)
CEO	Derby City Partnership	Reduction in DCP activity to reflect reduction in funding from central government and planned one Derby, one council efficiencies	(20)			(20)
CEO	Derby Community Safety Partnership	Reduction in CSP activity to reflect reduction in funding from central government including Home Office funding for Safer Stronger Communities, Preventing Violent Extremism, and Young Persons Substance Misuse. Plus planned one Derby, one council efficiencies through release of vacancies and voluntary release of posts.	(384)	(133)		(517)
CEO	Policy Performance and Communication	Transfer the only Project Manager on a permanent contract onto a fixed-term in line with the rest of the team.			(22)	(22)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
CEO	Regeneration	Reduce contribution to Marketing Derby as previously notified to the Marketing Derby Board	(10)	(10)		(20)
CEO	Regeneration	Reduced opening hours of Tourist Information Centre including closing on Sundays and opening 1 hour less during the winter months	(10)			(10)
CEO	Community Safety partnership	Reduction in Tier 4 manager posts and ASB team reduction	(81)	(25)		(106)
CEO	Regeneration	City Centre Management	(31)			(31)
CEO	Policy Performance	Restructure of the Policy, Performance and Communication team	(161)			(161)
TOTAL CHIEF EXECUTIVE'S OFFICE SAVINGS			(1,709)	(1,103)	(1,023)	(3,835)

CYP	CYP	ODOC staff savings through business efficiency and delivery		(1,766)	(2,080)	(3,846)
CYP	Voluntary Redundancy/ Early Retirement	Identified to support the Council's One Derby One Council programme - scales to be confirmed	(258)			(258)
CYP	Senior Management Review	Savings target from restructure of senior management.	(372)			(372)
CYP	Learning	Reduce or end external consultant work and use in house specialism.	(150)			(150)
CYP	Learning - workforce remodelling	Removal of team as external funding ceases.	(83)			(83)
CYP	Excellence Partnership	End Excellence Partnership Activity as external funding ceases and establish more cost efficient and effective mechanisms.	(150)			(150)
CYP	School Achievement	Review use of external School Improvement Partners (SIPs) to remove the LA's use of externally contracted SIPs (primary, secondary and special schools). SIPs will no longer be a statutory requirement from September 2011 in line	(98)			(98)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
		with National Policy				
CYP	School Achievement	To end the provision of teaching and learning consultancy support to secondary schools. To reduce the number of primary teaching and learning consultants and to operate this reduced team on an income-generating basis in line with National Policy.	(393)			(393)
CYP	Social Development and Inclusion	Streamlining the management structure with an integrated Access / Traveller team.	(83)			(83)
CYP	Social Development and Inclusion	Change working patterns to term time only.	(89)			(89)
CYP	Education Welfare	Streamlining non statutory provision to protect statutory school attendance functions.	(95)			(95)
CYP	Youth Service	A review of service delivery, impact and commissioned services to achieve a better targeted multi agency youth service delivered more flexibly.	(600)			(600)
CYP	Neighbourhood Nurseries	A review of role and function provision within local authority run nurseries to ensure they are cost effective.	(200)			(200)
CYP	Children's Centre Review	Reconfiguration of Children's Centres	(500)			(500)
CYP	Locality Planning and Extended Services	Revisit locality planning and extended services in light of the core offer and statutory duties as national pump priming has ended and funding for direct provision is targeted through schools.	(257)			(257)
CYP	Transport	Home to School Transport - introduce means testing for charging - final phase	(60)			(60)
CYP	Transport	Special Educational Needs and Social Care Transport efficiencies through procurement and route planning.	(30)			(30)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
CYP	Transport	Review of transport provided across the service.	(370)	(400)	(400)	(1,170)
CYP	Voluntary Sector Grants	Realigning voluntary sector grants in line with Council priorities	(313)			(313)
CYP	Children in Care	Commissioning plans for Children in Care	(300)			(300)
CYP	Fostering	Increasing the capacity for in-house placements		(117)		(117)
CYP	Specialist Teaching & Psychology Service	Review service levels to statutory levels and consider other service providers			(300)	(300)
CYP	Grant Funded Activities	To review grant funded activities in SEN, Healthy Schools, Excellence in Cities, Primary in Cities, Primary Expansion, LSC Transfer and Secondary Strategy	(984)	(257)		(1,241)
CYP	Further Management Restructure	Review current proposals from restructure of senior management.	(33)	(32)		(65)
CYP	Commissioning and Partnerships	Review provision of crèche facilities, Schools and other providers.	(22)	(22)		(44)
CYP	Commissioning and Partnerships	Review structures of Childrens Trust Partnership and Safeguarding Policy Unit	(54)	(53)		(107)
TOTAL CHILDREN AND YOUNG PEOPLE SAVINGS			(5,494)	(2,647)	(2,780)	(10,921)
NBH	Neighbourhoods	ODOC staff savings through business efficiency and delivery	0	(414)	(1,452)	(1,866)
NBH	Voluntary Redundancy/ Early Retirement	Identified ODOC VR/VER Savings - not included within service savings	(253)			(253)
NBH	Senior Management Review	Savings target from restructure of senior management.	(140)			(140)
NBH	Cremation	Revision of burial and cremation charges	(200)			(200)
NBH	Environmental Health	Efficiencies through the adoption of different enforcement models in food safety and food standards services.	(50)			(50)
NBH	Leisure Facilities	Transfer Shaftesbury Leisure Centre to third	(100)			(100)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
		sector				
NBH	Leisure Facilities	Withdraw from management of Derby College Leisure Facility	(30)			(30)
NBH	Leisure Facilities	Review Leisure Centre provision	(200)			(200)
NBH	Leisure facilities	To transfer the management of the remaining community centres to voluntary/community groups and to cease support to the remaining centres.	(100)			(100)
NBH	Leisure and Culture Department	Attract external funding for Leisure & Culture services through being commissioned by other organisations to help deliver their outcomes.	(11)			(11)
NBH	Leisure and Culture Development	Reduce arts grants	(86)	(54)	(76)	(216)
NBH	Leisure and Culture Development	Delete play officer post by covering any remaining duties within the Leisure and Culture Service	(17)			(17)
NBH	Derby LIVE	Review Derby LIVE programmed outdoor events - taking into account charging or external contributions plus savings on infrastructure costs.	(100)			(100)
NBH	Derby LIVE	Examine closure or disposal of Guildhall Theatre		(75)		(75)
NBH	Derby LIVE	Reduce Derby LIVE programme including: - Cease international classical concert series - Terminate contract on Big Screen after 2012 Olympics	(8)	(18)	(25)	(51)
NBH	Derby LIVE	Efficiency savings in Derby LIVE Programme	(18)			(18)
NBH	Libraries	Reduce materials fund and citywide service development budgets, and end 8pm closing at Mickleover and Alvaston Libraries.	(100)			(100)
NBH	Libraries	Restructure information, learning, caretaking services, weekend pay arrangements and opening hours	(177)	(99)		(276)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
NBH	Museums	Adjust Opening Hours to suit visitor patterns and rationalise all weekend pay arrangements so that all weekend work is at standard rate of pay	(75)			(75)
NBH	Natural environment	Deletion of vacant post - Tree preservation officer. Responsibilities of the post have been split across other posts in Neighbourhoods to enable this statutory service to continue to be delivered	(27)			(27)
NBH	Wild Derby	Withdraw all revenue funding for this service. Consultation is underway and alternative delivery mechanisms are being investigated.	(60)			(60)
NBH	Transport Planning	Deletion of vacant post - Transport co-ordination and programming. Reduced LTP programme will require less resource to manage. Half of post is Capital funded so does not contribute to revenue saving.	(20)			(20)
NBH	Transport	Review of transport associated with Children and Young People service provided across Neighbourhoods.	(15)			(15)
NBH	Transportation	Derby to East Midlands Airport - Skylink bus service cease temporary support	(40)			(40)
NBH	Community Transport	Consultation and review of services is underway.		(293)		(293)
NBH	Traffic	Implementation of Network management Permit scheme to improve control and coordination of works in the highway.		(100)		(100)
NBH	CCTV	Continue the process of reducing camera numbers outside of the city centre. It also removes 24/7 active monitoring, replacing it with 24/7 recording and targeted monitoring at key times.	(100)			(100)
NBH	Structures	Deletion of vacant post - Structural building engineer following reduced levels of service demand.	(39)			(39)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
NBH	Refuse collection	Review the refuse and dry recycling collection service from 1 June 2011	(415)	(85)		(500)
NBH	Conveniences	Reduce the number of public conveniences, but improve City Centre conveniences.	(100)			(100)
NBH	Traffic Management & Road Safety	Reductions in capital & Local Transport Programme (LTP) funding has led to less schemes to be built & therefore a reduction of 1.5 posts.	(37)			(37)
NBH	Recycling	Closure of the remaining 31 recycling bring sites now that the recycling service to households has been rolled out citywide	(50)	(50)		(100)
NBH	Recycling Plan	Reduction in capital finance requirements for the Rethink Rubbish recycling scheme implementing the target savings agreed in the indicative budget	(54)			(54)
NBH	Refuse collection	Review the paper recycling collection service from 1 June 2011 in order to deliver service efficiencies	(75)			(75)
NBH	Revenue support for local bus services, including Pride Park & Ride	Reduction in service		(93)		(93)
NBH	School Crossing Patrol	Reduce the number of School Crossing Patrols by 3 from 38 patrols to 35 and provide cover where necessary by the mobile service	(14)			(14)
NBH	Grounds maintenance	Reduce Grounds Maintenance service provision including: - reducing grass cutting from 18 to 12 cuts per year - reduce flower bedding by 40% - close the Glass House - reduce non-routine maintenance by 15%	(235)	(240)		(475)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
NBH	Highways Maintenance	Removal of one off funding for Highways Maintenance - replaced with £400,000 permanent funding	(500)			(500)
NBH	Neighbourhood management	Review of staffing establishment to deliver efficiencies in providing Neighbourhood Management Support	(135)			(135)
NBH	Neighbourhoods	Additional ODOC VR/VER Savings on top of those included in consultation document	(153)			(153)
NBH	Streetpride - Waste, Fleet & Depot	Restructure Tier 4 to create managers with dual area & service management responsibilities	(65)	(21)		(86)
NBH	Streetpride - Refuse Collection	Deletion of vacant posts in section	(56)			(56)
NBH	Streetpride - Waste, Fleet & Depot	Restructure inspection and supervision	(60)	(20)		(80)
NBH	Streetpride - Waste Management	Waste Disposal costs - reduction in forecasted landfill costs due to reduction in waste stream	(264)			(264)
NBH	Streetpride - Grounds Maintenance & Cleansing	Restructure Tier 4 to create managers with dual area & service management responsibilities	(65)	(21)		(86)
NBH	Streetpride - Arboriculture	Introduce CAVAT tree valuation system - increased charges for services	(25)	(25)		(50)
NBH	Streetpride - Arboriculture	Improved efficiencies in the way arboriculture work is undertaken		(50)		(50)
NBH	Streetpride - Highways	Restructure Tier 4 to create managers with dual area & service management responsibilities	(26)	(9)		(35)
NBH	Streetpride - Highways	Review contracts and management of contracts in street lighting and highways maintenance		(50)	(75)	(125)
NBH	Streetpride - Traffic and Transport	Restructure Tier 4 to create managers with dual area & service management responsibilities	(52)	(18)		(70)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
NBH	Libraries	To re-organise the operational manager support for libraries, cease providing CD and DVD loan services and remove the Digital Information Services post.	(99)	(33)		(132)
NBH	Leisure Development	Restructure of Leisure Development to improve efficiency, reduce costs and redefine roles	(94)	(44)		(138)
NBH	Derby Live	Transfer the operation of Derby Theatre from Derby LIVE to the University of Derby		(100)		(100)
NBH	Libraries	Revision of opening hours initially whilst the use of volunteers is explored to assist with the delivery of the library services to potentially increase the opening hours		(25)		(25)
NBH	Libraries	Re design the service delivery of books to housebound people		(18)		(18)
NBH	Leisure Facilities	Deliver the crèche provision as part of a new Learn to Move scheme	(11)	(4)		(15)
NBH	Natural Environment	Reduce technical support	(7)	(2)		(9)
NBH	Development Management	Redesign service and combine roles	(13)	(4)		(17)
NBH	Development Management	Reduce planning enforcement activity by 50%	(23)	(8)		(31)
NBH	Traffic & Transport	Redesign service to improve efficiency and combine role responsibilities	(41)	(10)		(51)
NBH	Engineering Design & Structures	Review capacity in structures team and delete vacant posts	(11)			(11)
TOTAL NEIGHBOURHOODS SAVINGS			(4,646)	(1,983)	(1,628)	(8,257)
RES	Resources	ODOC staff savings from business efficiency and delivery	0	(319)	(745)	(1,064)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
RES	Voluntary Redundancy/ Early Retirement	Identified to support the Council's One Derby One Council programme	(341)	(9)		(350)
RES	Senior Management Review	Savings target from restructure of senior management.	(93)			(93)
RES	Democratic - Land Charges	Land Charges electronic documentation which will enable quicker and easier access to information		(35)		(35)
RES	Legal	Reduction in external spend with Counsel through use of internal resources	(15)			(15)
RES	Finance	Transformation of the finance function including rationalising capital, projects and the budget monitoring process, review of data management and reporting and restructuring the accountancy function post transformation.	(15)	(86)	(90)	(191)
RES	Audit	Explore options for a wider cross County audit partnership including continuing to pursue the ongoing discussions with two neighbouring authorities.		(40)		(40)
RES	Customer Services	Transformation and centralisation of the customer services function.	(105)	(65)	(65)	(235)
RES	HR	Increased levels of self service and integration of Learning and Development	(100)	(200)		(300)
RES	ICT	Efficiency savings in ICT contract by ongoing identification of efficiency projects to be undertaken and reduce the annual contract fee. Several projects have already been identified.	(400)			(400)
RES	ICT	Reduce the ICT departments supplies and services budgets and scale back on assignment days budget. This includes the negotiation of lower costs with key suppliers of both hardware and software; reviewing the volume of licenses required; and rationalising the level of	(150)			(150)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
		maintenance support to an appropriate level.				
RES	ICT	Staff savings in ICT department including restructuring of teams and an additional VR request	(106)	(21)		(127)
RES	Customer Services	Staff savings in Customer Services department including restructuring of teams and deletion of vacant posts.	(352)	(73)		(425)
RES	Customer Services	Non staffing efficiencies	(65)			(65)
RES	HR/ Legal & Democratic / Finance, Procurement, Audit and Risk	Deletion of vacant posts and potential additional VR/VER requests	(258)			(258)
TOTAL RESOURCES SAVINGS			(2,001)	(847)	(900)	(3,748)

CORP	Travel Plan Contingency Budget	Travelplan Compensation - remove one-off budget	(1,187)			(1,187)
CORP	Regeneration Contingency Budget	Phased reduction in temporary Regeneration Fund	(500)	(500)		(1,000)
CORP	Pay Award Contingency	Adjustment to pay contingency including pay freeze as detailed in July Strategy report	(1,410)			(1,410)
CORP	Accommodation Strategy	Revenue costs associated with Accommodation Strategy	300	(2,600)		(2,300)
CORP	Waste Contingency	Waste Plant Capital Financing	315	(209)		106
CORP	One Derby, One Council Transformation Project Costs	Reduction to transformation base budget	(411)	(771)		(1,182)
CORP	Travel Plan	Full year effect of travel plan implementation in 2010/11	(240)			(240)
CORP	Supplies and Services Budget	Roll up of supplies and services budget from departments plus additional savings target from supplies and services	(1,077)			(1,077)

Directorate	Service Activity	Proposed Change	Potential Savings - £'000s			Total £'000s
			2011/12	2012/13	2013/14	
CORP	Democratic	Transformation of the democratic services function including reduction in use of agency staff for elections	(20)			(20)
CORP	Registration of Electors	Delayed implementation of individual registrations of electors until 2013/14	(76)		76	0
CORP	Fixed Line Telecoms	Procurement Savings by rationalising the number of telephone lines and discontinuing itemised billing		(40)		(40)
CORP	Performance Improvement / BID Contingencies	Reduction in Performance Improvement and BID Contingencies	(209)			(209)
CORP	Inflation Contingency	Release of corporate pay inflation contingency budget in line with Council pay freeze policy	(943)			(943)
CORP	Reversal of Redundancy Costs Pressure	Reversal of one-off prior year redundancy costs pressure		(8,015)	(1,300)	(9,315)
TOTAL CORPORATE BUDGET SAVINGS			(5,458)	(12,135)	(1,224)	(18,817)
TOTAL SAVINGS			(24,738)	(22,786)	(9,665)	(57,190)

CORPORATE RESERVES

Corporate Reserves	31/03/2011	31/03/2012	31/03/2013	31/03/2014
	£m	£m	£m	£m
General Fund reserve	6.743	6.743	6.743	6.743
Held to support balancing 2011/12 budget:				
Transformation Reserve – one Derby, one council	0.276	0	0	0
Regeneration Fund	0.105	0	0	0
Budget risk reserve to support the 2011/12 budget	2.679	0	0	0
Sub-Total	3.060	0	0	0
Held to support long-term projects:				
Older Peoples' Strategy	1.470	1.470	1.470	1.470
Waste Strategy Reserve	2.074	0.706	0.706	2.074
Supporting People ¹	2.748	2.748	2.748	2.748
Job Evaluation Corporate Reserve	5.032	0	0	4.032
Sub-Total	11.324	4.924	4.924	10.324
Held to support specific budget uncertainties:				
Trading Services reserve	0.170	0.170	0.170	0.170
Insurance Claims Reserve	1.261	1.261	1.261	1.261
Treasury Management reserve	1.617	1.017	1.317	1.317
Sub-Total	3.048	2.448	2.748	2.748
Uncommitted corporate reserves:				
Budget Risk Reserve	1.330	1.330	1.330	1.330
Backdated Business Rates Reserve	1.015	0	0	0
Sub-Total	2.345	1.330	1.330	1.330
Total Corporate Reserves	26.520	15.445	15.745	21.145

¹Subject to spending plan proposals included in Item 10 to 15 February 2011 Cabinet

Budget Consultation 2011/12 – 2013/14 – Schedule of Recommendations for Scrutiny Commissions

Commission	Recommendations	Response from Cabinet
Adults, Health & Housing	<p>Derby Homes/ Housing Management</p> <p>The Commission recognises the need to make savings however it recommends caution in seeking to make joint efficiency savings with Derby Homes due to many unknown factors.</p>	Cabinet will ensure that robust plans are implemented when considering the efficiency saving with Derby Homes.
Adults, Health & Housing	<p>Derby Advice</p> <p>The Commission recommends caution when seeking to make savings in Derby Advice Services budget as this frontline service is used by some of the most vulnerable people in the city.</p>	Cabinet recognise the service provided by Derby Advice.
Adults, Health & Housing	<p>Older People, Care Homes</p> <p>The Commission wished to see clear evidence of the calculations used to evaluate the level of savings from the closure of residential care homes before a decision is taken to close.</p>	Evidence of the calculations used to assess the savings have been shared with the Commission.
Children and Young People	<p>Children Centres</p> <p>The Commission recommends that £500,000 is moved from the general reserve to save the proposed closure of six children's centres.</p>	Cabinet do not agree with using the general reserve to support changes to the budget.
Children and Young People	<p>Youth Service</p> <p>The Commission recommends that the cost of running the 11 youth service sessions per week which are proposed as a net cut be restored to the youth service budget.</p>	The recommendation will not result in a net saving in the Council's budget. Youth Services will be considered further as part of the allocation of Early Intervention Grant.

Commission	Recommendations	Response from Cabinet
Neighbourhoods	<p>CCTv Cameras –</p> <p>a) There should be proper consultation prior to decisions on removal regarding each location.</p> <p>b)) Following removal of CCTv at any site there should be monitoring to gauge any change in the incidence of crime and anti-social behaviour at that location,</p>	<p>Full consultation prior to any removal will be undertaken, as will monitoring of activity.</p>
Neighbourhoods	<p>Derby LIVE -</p> <p>a) The outcome of the review should not result in the closure of the outdoor programme;</p> <p>b) Cabinet should be cautious about the likely scale and durability of potential sponsorship as a means of supporting the programme</p> <p>c) Cabinet note that the Commission will later wish to scrutinise the various policy options considered by the Directorate regarding the sponsorship and charging strategies needed to implement this policy.</p>	<p>All options will be explored to support the outdoor events programme through charging and sponsorship. If this is not achievable it may result in some reduction in the programme. Sponsorship and charging strategies will be shared with the Commission.</p>
Neighbourhoods	<p>Recycling</p> <p>That the phasing of the closure of the bring sites over the two years should be co-ordinated with the roll out of domestic recycling to the remaining households not currently on the three bin system and that efforts should continue to persuade supermarkets to take over sites that are in their car parks.</p>	<p>Supermarkets will be encouraged to do this as the Commission requests. Phasing is not possible as savings would not be achieved.</p>
Neighbourhoods	<p>Wild Derby</p> <p>That the proposed withdrawal of £60k from Wild Derby should not proceed.</p>	<p>Cabinet are still investigating all options available to retain this service.</p>

Commission	Recommendations	Response from Cabinet
Neighbourhoods	<p>Grounds Maintenance</p> <p>That Cabinet use its best endeavours to reduce the impact of the following proposals:</p> <ul style="list-style-type: none"> - reduce grass cutting from 18 to 12 cuts per year - reduce flower bedding by 40% - close the Glass House - reduce non-routine maintenance 	Cabinet will ensure that the impact of these proposals will be kept to a minimum.
Neighbourhoods	<p>Public Conveniences</p> <p>That Cabinet note that the Commission endorse this proposal to reduce the number of public conveniences, but improve city centre conveniences.</p>	Cabinet note this endorsement.
Scrutiny Management	<p>ICT Contract</p> <p>That Council Cabinet note the Commission endorse the actions being taken to seek contract cost reductions by ongoing identification of efficiency projects to be undertaken and to reduce the annual contract fee.</p>	Cabinet note this endorsement.
Scrutiny Management	<p>Report on Capital Budgets</p> <p>a) That Council Cabinet note the Commission a) support the £2m for emergency works at Lees Brook School as these are essential to keep the school open b) reiterate the need to secure central government funding for a full rebuild and c) request a report back to a future meeting.</p> <p>b) That Council Cabinet note the Commission a) support the additional £1m capital allocation to Disabled Facilities Grant in 2011/12 b) support the policy intention of the Leader that DFG be substantially expanded in future years as a welcome invest-to-save means of reducing the need for residential care and c) will want to consider the</p>	Cabinet note this endorsement and will continue to lobby for additional funding and will report back to the Commission. Cabinet note this endorsement and agree to share the findings of the invest-to-save proposals with the Commission.

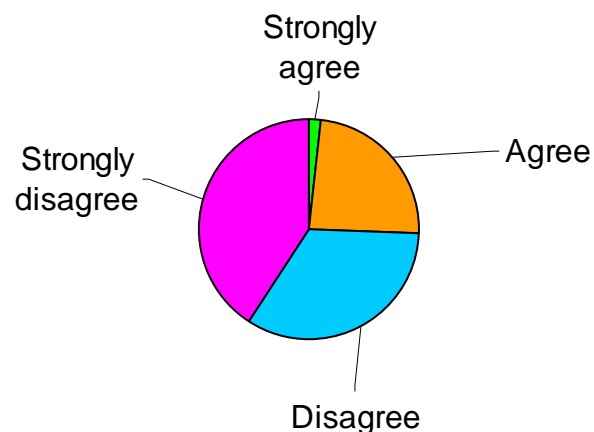
Commission	Recommendations	Response from Cabinet
	findings of the related forthcoming review.	
Safer Communities	<p data-bbox="517 233 786 268">Community Safety</p> <p data-bbox="517 304 1518 488">The Commission noted the processes of the partners to balance their respective budgets and made the recommendation, that each Partner should monitor the impact of delivering the budget reduction on community safety in the short to medium term and bring a report to a future meeting of the Commission.</p>	Cabinet note this endorsement and agree to report back to the Commission.

FEEDBACK FROM PUBLIC BUDGET CONSULTATION PROCESS

Table 1: Overall Feedback

	Percent
Strongly agree	1.8
Agree	23.6
Disagree	33.6
Strongly disagree	40.9
Total	100.0

Analysis of Overall Public Response to Consultation



The Council carried out a general public consultation on the 2011/12 to 2013/14 budget proposals from 19 January to 4 February 2011.

A total of 150 responses with 210 comments were received from the public from both the on-line survey and from written submissions.

Members of the public were asked to rate how strongly they agreed/disagreed with the Council's budget proposals. The overall results of this questionnaire are given in table 1.

A summary of the main topic areas raised are provided in table 2. Detailed analysis of the specific questions and issues raised by the public is currently ongoing. Further information will be provided as this becomes available.

Table 2: Summary of Specific Comments on Topic Areas Raised in Public Consultation

	Adult	Chief	CYP	Neigh	Res	Corp	Total Comments	% of total comments
Climate change	1	24		3	1	1	30	14.3
Council Offices	3	1	1			2	7	3.3
Protecting frontline services	5	1	6	2		1	15	7.1
Adult Social Care	11		1				12	5.7
Arts Culture		1		5			6	2.9
Balancing priorities	1		1	2			4	1.9
Reducing managers		6			1	1	8	3.8
Balancing priorities		2					2	1.0
Grants	1	1	1	1	1		5	2.4
Consultants		1					1	0.5
Children's centres			11				11	5.2
Children's services / education			26				26	12.4
Other	13	13	8	18	17	14	83	39.5
Total Comments							210	100.0

SPECIAL CORPORATE JOINT COMMITTEE BUDGET CONSULTATION MEETING

21 JANUARY 2011

Present:

Employer's Side

Adam Wilkinson	Chief Executive
Roger Kershaw	Strategic Director of Resources
Julian Kearsley	Interim Strategic Director of Resources
Martyn Marples	Director of Finance and Procurement
Andy Rothery	Programme Accountant
Paul Robinson	Strategic Director of Neighbourhoods
Rod Wood	Director of Human Resources
Karen Jewell	Head of HR Transformation Team
Jas Bhupal	HR Advisor – Policy and Employee Relations

Trade Union Side

John McCallum	UNITE
John Swain	UNITE
Sarah Stevens	UNITE
Kit Salt	UCU
Russ Escritt	UCU
Dave Wilkinson	NASUWT
Wendy Hardy	ATL
Jean Ramsden	CYWU
Graham Falgate	ASPECT
Keith Venables	NUT
Barry Seagrave	GMB
Denise Tinley	GMB
Charlie Carruth	UNISON
Nicole Berrisford	UNISON
Nirmal Pheasant	UNISON
Lesley Sumner	UNISON
Maggie Fennell	UNISON
Moz Greenshields	UNISON

45/10 Apologies

Apologies for absence were received from Coral Golding, Tyehimba Nosakhere, Albert Freeman, Ian Jennison, Gloria Glasby, Mick Alderson and Kath Lyons.

46/10 Late Items

There were no late items.

47/10 Budget Consultation 2011-12

The Strategic Director of Resources gave a presentation on the budget proposals for 2011/12 to 2013/14. He confirmed that he wanted to continue to consult with the Trade Unions on the budget proposals. Moz Greenshields raised concerns that the Trade Union Side had not previously been consulted and the Interim Strategic Director of Resources reported that he had met twice with the Trade Unions and that weekly meetings were arranged with the Trade Unions when the budget is discussed.

It was reported that the budget proposals were based on the Comprehensive Spending Review, the provisional financial settlement and the front loading of spending reductions. This resulted in the budget being dramatically different to previous budgets and it was noted that the net effect for Derby was worse than originally forecast. The Strategic Director of Resources advised that Derby City Council would lose a lot of specific grants and is still waiting for some government grants to come through.

It was added that the Council faces other budget pressures and anticipates a £23.6 million estimated funding change, along with a further £34.7 million other pressures, leading to a revised budget target of £58.3 million. Savings had been identified which available in the Revenue Budget Proposals 2011/12 – 2013/14 booklet which was previously circulated to the Trade Union Side.

Moz Greenshields asked if the Council had applied for Capitalisation. She reported that 65 other Local Authorities had applied and received some funds. Martyn Marples explained that the reason Derby City Council had not yet applied was because that there are 2 tests that must be passed:

- the Council must have no reserves
- the actual costs need to be a proportion of the actual budget.

So far the Council had failed these tests.

The Interim Strategic Director of Resources reported that earmarked reserves were being examined and that the Council wanted to replenish these over time. Martyn Marples confirmed that the reserves that would be used to pay for the compulsory redundancies would be put back into the reserves fund in 2 years. It was also confirmed that the Council was in discussion with Derbyshire regarding spreading out pension liability over time and waiting for further information from Derbyshire on this.

Moz Greenshields asked for clarification on the consultancy spend figures that had been circulated to the Trade Union Side on Wednesday 19 January and it was agreed that this would be provided.

Agreed:

- 1. That Jas Bhupal would ensure the Budget Consultation presentation is circulated to members of the Corporate Joint Committee;**
- 2. That Martyn Marples would confirm a) which grants Derby City**

Council was waiting for and b) the value of these;

- 3. That the Trade Union side would be kept informed of progress on pension liability;**
- 4. That the Strategic Director of Resources/Martyn Marples would consider if the Council should apply for Capitalisation;**
- 5. That Andy Rothery would clarify the consultancy spend figures and explain the discrepancy with those figures previously released at the Corporate Joint Committee;**
- 6. That Andy Rothery would estimate the Consultancy spend for this financial year**

MINUTES END

DERBY CITY COUNCIL**NOTES OF A MEETING WITH REPRESENTATIVES OF NON-DOMESTIC RATEPAYERS AND THE BUSINESS COMMUNITY AND PARTNERS****HELD 24 JANUARY 2011 AT 12.30PM AT SAXON HOUSE, FRIARY STREET, DERBY****Present:** Representing Derby City Council

Councillor Harvey Jennings
 Adam Wilkinson – Chief Executive
 Roger Kershaw – Strategic Director of Resources
 Martyn Marples – Director of Finance and Procurement
 Rita Silvester – Service Director Performance and Commissioning
 Children and Young People

Representing Non-Domestic Ratepayers and the Business Community and Partners

Carolyn Spencer – Federation of Small Businesses
 Hazel Lymbery – Derby City Partnership
 John Forkin – Marketing Derby
 George Cowcher – Derbyshire and Nottinghamshire Chamber of Commerce
 Janet Tristram – St James Centre
 Hazel Simpson

1 Introduction

Councillor Jennings and Adam Wilkinson welcomed representatives to the meeting and introduced the representatives from the City Council. The Strategic Director of Resources explained that the Council Cabinet would be meeting on 15 February 2011, to make recommendations to the City Council about setting the budget for the 2011/12 financial year. This meeting was part of the programme of consultation, which would help to inform the decisions made by the Council Cabinet and its recommendations to Council.

2 Budget Process

The Strategic Director of Resources explained the Council's priorities and budget for 2011/12 onwards revenue budget timetable. The Chief Executive explained that there were significant challenges ahead following the Comprehensive Spending Review and Government grant reductions.

3 Comments from the Meeting

Comments were invited from those present, both on the reports circulated before hand and on the information presented at the meeting. The substance of these and the replies given were:

Carolyn Spencer said that there was a lot of information to take in, in a very short space of time. She asked where/how the Council expected to see services provided with diminished services and whether there were any procurement opportunities for

businesses. There may be an opportunity to develop business opportunities by using the skills of employees who were made redundant.

Councillor Jennings stated that there was a great deal of opportunity for the voluntary and private sector. He gave an example of where the council were already doing this in relation to dementia care.

Carolyn Spencer stated that there was a lot of provision across the care sector and there was scope to develop business opportunities and reduce costs.

The Chief Executive stated that in three years the Council would look very different with more partners fulfilling various activities. There would be an expansion of the personalised budgets and there was both provision and markets to be explored. Procurement costs were being considered to see where savings could be found.

Carolyn Spencer stated that it was very complex for small businesses to provide services to the Council due to procurement difficulties. They often did not know how to apply for contracts or get on to supplier lists.

The Strategic Director of Resources stated that in relation to commissioning and contracting there would be an opportunity to create and nurture markets within the private sector. One of the key factors needed was to procure better and smarter.

George Cowcher congratulated the Council on the work done so far and said he appreciated the size of the challenge ahead. Derby was working well and was ahead of many other authorities. The main concern from the Chamber of Commerce was education, training and attainment as this was an investment for the future.

Hazel Simpson asked about the level of current reserves.

Martyn Marples gave an explained of the position with reserves.

The Chief Executive explained that some reserves would be used over the next three years to fund redundancies but these would need to be replenished over the same period.

Hazel Simpson said that it could take 3 years to grow the market but the voluntary sector could not wait that long for support.

The Chief Executive explained that this had been debated in the Adult Social Care environment and they were looking at invest to save issues. Rita Silvester stated that services for people with disabilities were being reviewed but it was difficult to down size one service to expand another service when information was still awaited on some grants.

Janet Tristram asked about equality impact assessments and how they would ensure that the most vulnerable people were not adversely affected.

A question was raised about children with disabilities and the impact on them.

Councillor Jennings stated that the Council would have to look carefully at what services were provided.

The Chief Executive stated that an equality impact assessment had been done but further assessments would be needed as the final proposals were developed. When £30m savings were required there would be some impact but there would have to be a judgement on the severity of the impact.

Janet Tristram suggested that there were other ways that services could be provided for example through the voluntary sector.

John Forkin asked if the Regeneration Fund and Leisure Strategy would continue.

The Chief Executive gave an explanation of how it was anticipated the capital programme would go forward.

John Forkin asked how the Council would ensure that commissioning and procurement were kept local.

Councillor Jennings said that the local sector needed to be used where possible and the Chief Executive explained that the supply chain was being examined, quality would figure highly and where possible the local labour / supply would be used.

The Strategic Director of Resources explained that the transformation process was well placed to meet the challenges to funding and there would be year on year savings.

It was suggested that where possible partners should take on services that may not be provided otherwise.

George Cowcher asked if staff had been consulted on changes to terms and conditions of employment.

The Chief Executive explained that consideration had been given to changes to terms and conditions of employment for staff and that there had been meetings with the unions. An enhanced short term voluntary redundancy package had been agreed to reduce the need for compulsory redundancies. There was some inequality of applying terms and conditions changes but this was being explored. There were other changes in the pipeline including changes to pensions and National Insurance.

John Forkin asked how many people retire each year.

The Chief Executive gave an explanation of the age profile of the workforce. Many staff had long service and were therefore entitled to larger redundancy packages. Staff turnover had reduced recently.

John Forkin raised concerns that opportunities in the voluntary sector may be lost when funding of projects finished in March 2011. The next six months were critical to the survival of some groups in the voluntary sector.

Councillor Jennings stated that the reality was that some groups would disappear. Some organisations may join together and rationalise to help them survive and be in a better position to tender for service provision. Local authorities were likely to become facilitators and move away from delivery.

4. Conclusion

The Chief Executive reported that written responses would be considered by Council Cabinet at its meeting on 15 February 2011. Councillor Jennings thanked the representatives and the businesses and partner representatives for attending the meeting. The meeting closed at 1.40pm.

MINUTES END

FEEDBACK FROM BUDGET FORUM MEETING 26 JANUARY 2011

Question	Response
QUESTION AND ANSWER SESSION	
<p>What Equality Impact Assessments (EIAs) have already been done?</p> <p>How robust are they?</p> <p>What criteria have you used to undertake them?</p> <p>Can you be more specific on which communities you are going to engage with and how?</p>	<p>Service Director – Putting People First (Adults, Health and Housing Directorate)</p> <p>Where there is a significant impact we will undertake specific individual EIAs. For each we will set up a reference group with representatives from the community. You are welcome to participate in these, particularly those dealing with proposed changes in Adults, Health and Housing. Anyone interested should submit their names to Ian Chennery, Voluntary and Community Sector Partnership Manager.</p> <p>We want to engage with as many people as possible to inform Cabinet members. We will try to get as robust a view as possible by encouraging the public to express their views and ensure decisions are as transparent and participative as can be in the timeframes available. We are fully committed to working with you.</p>
<p>Migrants are the most destitute people in the city. This is not a minority but mainstream issue as they make up 10% of the population.</p> <p>How will you deliver services for this and other vulnerable groups, many of whom are not eligible for benefits?</p>	<p>Chair and Leader, Derby City Council</p> <p>We are very aware of the issues and are looking comprehensively at what we can do for these groups within the financial constraints.</p>
<p>The council has a negative approach to ageing and we are not looking at positive models for ageing and how we can get help and support to remain healthy for longer.</p> <p>What about Adult Education Centres?</p>	<p>Chair and Leader, Derby City Council</p> <p>With the demise of the PCT, the public health agenda and responsibilities, together with significant funding, will transfer to the council. Via our Health and Wellbeing Board we will be looking at prevention and how we can expand this agenda in the future.</p> <p>Service Director – Putting People First (Adults, Health and Housing Directorate)</p>

Question	Response
	<p>We don't just want to intervene at crisis points and strongly recognise prevention is the best way ie b-active. The focus of government is that prevention and wellbeing is the better route but such an approach needs time to grow and we need to work in partnership with our older population to take this forward and promote it. We have facilities which we can open up to you to use to meet the wellbeing/active ageing agenda. We are happy to work with Age UK and the 50+ Forum and if it is deemed a priority, will put resources into this.</p>
<p>Is the Access Officer being replaced and when? This is a position which needs to be filled and the new postholder also needs to be disabled.</p>	<p>Director of Planning and Transportation (Neighbourhoods Directorate)</p> <p>With the retirement of the current postholder, we need to look at whether there is a better way to provide this service and it is a credit to the retiring Access Officer that there are such strong feelings about this.</p> <p>Access should be embedded in everything we do and should be the responsibility of all officers and members. The concerns are understood and the door is not closed to replacing the postholder but it needs a review to consider alternative options and other opportunities.</p> <p>We will talk to the DPDF about the way ahead and explore suggestions and ideas for ensuring access is central to everything the Council does.</p>
<p>How are older people going to be cared for if residential homes are closing and the number of older people is increasing?</p>	<p>Chair and Leader, Derby City Council</p> <p>Not many local authorities now provide residential care. The new generation of older people want to look after themselves as much as possible and the preferred way is the Extra Care national model. This is felt to be nearer to what people want and expect and there is already a scheme in Alvaston. The Extra Care concept allows for residents to retain as much or as little independence as they wish in a controlled environment. Personal en-suites and kitchen areas are supplemented by communal facilities and services with on site nursing and care staff. Our current residential care stock is not suitable for Extra Care so we are looking at the transition towards delivering this new approach.</p>

Question	Response
	I have spoken to residents in care homes and they like the Extra Care idea – their main concern is how we move towards it. Whilst we will listen to you and what you want, we believe Extra Care is the way ahead and it is possible that in the long-term local authorities should not deliver residential care.
I support the individual EIAs but how will you look at the cross-cutting issues and the cumulative effect of changes?	<p>Service Director – Putting People First (Adults, Health and Housing Directorate)</p> <p>We fully understand this. It is easy to focus on individual schemes but Ann Webster, the council's Lead on Equality and Diversity, has oversight of all the EIAs and will be able to see where there are multiple impacts. The Cabinet Members are also looking across all the proposals to make sure we identify and understand these linkages. We will look at this cross-sectional analysis as part of each EIA and apply to all savings proposals.</p>
<p>Why is the Older People's Champion and the Cabinet Member for Adult Social Care not here? We have not seen the Older People's Champion since they came into position.</p> <p>Also the Extra Care home I visited was not accessible in my wheelchair!</p>	<p>Chair and Leader, Derby City Council</p> <p>Comments about the Champion have been noted and will be taken forward with those concerned.</p> <p>We need to look at Extra Care homes at the planning stage and will work with you and our private sector partners to ensure they are accessible. We are getting substantial government funding of £2 million for new Extra Care developments so it is important that these comments are put forward.</p>
The cost for keeping children in care is very high. What is being done in the way of early intervention to help prevent children going into care or funding an alternative to care?	<p>Interim Service Director - Specialist Services (Children and Young People Directorate)</p> <p>The number of young people in care has gone up steadily over the past 2 years and residential care is one of the biggest costs. We are looking at different ways of commissioning these services, trying to recruit more foster carers and continuing our good track record of placing children in adoption.</p> <p>However, none of this is cheap and puts extreme pressure on CYP budgets. We need to look at how we can best support children at risk whilst looking at how we prevent them coming into care and so reduce the associated cost.</p>

Question	Response
Are you looking at doing anything new?	<p>There are plans to refocus services as funding streams are changing and we are looking particularly at</p> <ol style="list-style-type: none"> 1) Working with families with very young children to make the impact early to help them or remove the children into alternative care quickly. 2) How we can help families with teenagers 'survive adolescence' which is another pressure point for families coping. <p>as well as general family support.</p> <p>Interim Service Director - Specialist Services (Children and Young People Directorate)</p> <p>The two initiatives just outlined are new and we are actively exploring solutions.</p> <p>Where children are in care we are looking at in-house services and a different format for adolescents. We are also looking to reduce the use of the private sector and reducing the cost of buying those placements.</p>
What is the OneDerbyOneCouncil project and what is the 'Business Intelligence Arm'?	<p>Chair and Leader, Derby City Council</p> <p>OneDerbyOneCouncil (ODOC) is the Council's transformation programme bringing employees into one place with the IT infrastructure to operate more efficiently.</p> <p>Service Director – Putting People First (Adults, Health and Housing Directorate)</p> <p>The 'Business Intelligence Arm' is a vehicle for the delivery of new approaches in line with the transformation programme. It will help us achieve Value for Money and ensure that managers have the information to drive the service forward and make decisions towards modernising Adult Social Care services. It will enable us to carry through Capable Communities and Active Citizens projects which is the Government's future vision for how it wishes to see adult social services delivered for people; a new direction for adult social care, putting personalised services and outcomes centre stage.</p>

Question	Response
<p>In order to enable older and disabled people to maintain health we need to ensure they can get to facilities (such as health centres). Is there any extra help for transport?</p>	<p>Chair and Leader, Derby City Council</p> <p>The closure of one of our two daycare centres (which are one and a half miles apart!) is part of our recognition that services are spread across the city. We are looking at allocating the savings to providing services more local to where people live.</p> <p>With current financial pressures we are not looking to extend transport support but will maintain free travel on buses to present levels. We are reviewing the subsidy to private operators including the airport shuttle and, unfortunately, there are tough decisions and no simple answers.</p>
<p>Have higher tier officers been asked if they would take a pay freeze/pay cut?</p>	<p>Chair and Leader, Derby City Council</p> <p>A fundamental review of senior posts is already underway and £2 million of savings (posts) have already been taken out. This has been further reviewed and we have set a target of saving another £1 million. As a result of this we will have a very flat and lean – possibly too lean – management structure.</p> <p>There is a public sector pay freeze for those earning above £21k – all those below will get an extra £250 per annum. There is still a gap of £7 million and further staff reductions through Voluntary Redundancy (VR) and Voluntary Early Retirement (VER) are being sought.</p> <p>We have looked at terms and conditions for wider staff but initial discussions with unions have not been positive – they would rather see redundancies. The council is working hard to find a solution.</p>
<p>The current Access Officer understands the issues for the hearing impaired. We need a dedicated Access Officer – sharing with Derbyshire County Council is not an option.</p>	<p>Chair and Leader, Derby City Council</p> <p>Will note the point about the Access Officer.</p>
<p>Why is the Guildhall Theatre closing when it pays for itself?</p>	<p>Chair and Leader, Derby City Council</p> <p>Closure of the Guildhall is only a proposal but is generating interest and offers. The proposal is based on offering it to the Amateur Dramatic</p>

Question	Response
	community to operate and manage. There are no current plans for closure contrary to media speculation.
On reassessment, what assurances can you give me that you won't put the burden on Extra Carers?	<p>Service Director – Putting People First (Adults, Health and Housing Directorate)</p> <p>Over the last 2 years we have put significant resource into supporting carers. The eligibility criteria change is a proposal and the decision hasn't been reached. Cabinet members will take note of comments.</p> <p>If it does transpire, people will be reassessed and those with moderate needs will be supported to find alternatives. We will do everything we can to ensure the burden is not increased on informal carers. I shall put a specific section on carers in the report and make it understood to Cabinet, although there are no guarantees. If the decision is made, that is the reality. We have to balance the budget and there isn't much room for manoeuvre. These are unprecedented cuts and hardly any area has been left untouched.</p>
WRITTEN QUESTIONS	
<p>Wellbeing Works CIC</p> <p>Could I have as much information as possible regarding the Derby City Council Health and Wellbeing Board, including how it was set up, who was consulted and its aims and objectives.</p>	<p>The Health and Well-being Board has recently been set up in "shadow" form with a draft terms of reference. It is still in a developmental stage. It was set up after a discussion at the Health City Board of the Derby City Partnership on the NHS White Paper which proposes the establishment of Health and Well-being Boards. More detailed information can be sent.</p>
<p>SHOUT/50+ Forum</p> <p>Will the Council support pensioners if they have to go into private care which seems to be the Council's objective?</p>	<p>The council will continue to support older people with eligible care needs to choose the type of support that best suits them. That might be care at home or living in a care home. People currently have a choice of either a council run home or an independent sector home.</p>
<p>Sight Support Derbyshire/DPDF</p> <p>1) Savings for older, physical and sensory disabled are</p>	<p>1) The savings reductions in assessment staff are based on improving the service we offer people when they initially contact the council. We have</p>

Question	Response
<p>proposed to be made by staff reductions (assessment and home care). How do we get to understand what impact this will have?</p> <p>2) You say you will transfer services to 3rd sector/private sector. What is your plan for this?</p> <p>3) Is there a plan to re-tender for contracts already being supported by the 3rd sector to look for better/cheaper alternatives? If so, when?</p> <p>4) Are you looking at joint working with another council (e.g. Derby(shire) Council) to save money e.g. back office function?</p>	<p>identified that too many people are under-going a comprehensive assessment of their needs when what they really needed was some advice, information and sign-posting to the correct services. We believe if we can deal with more people's needs at the point of initial request, we will need slightly less assessment staff in the long run.</p> <p>Our strategy for home support services is to focus the council's in-house service on offering enablement services. This is a programme of structured support for up to 6 weeks to help people regain their independence after such things as an accident, stroke or flu. Most people (around 60%) completely recover and need no on-going support with the remaining 40% needing some on-going support but less than they needed at the start of their rehabilitation. We want to move straight forward care packages to the independent sector. This strategy helps us save money by making the best use of skilled council staff and by maximising people's independence thereby reducing long term care costs. As we increase the number of hours in our enablement service, people should see increased opportunities for rehabilitation.</p> <p>2) We will roll out personal budgets as they way people can exercise greater choice and control of their care and support arrangements. We are working with the independent sector, which includes the Third sector, to make sure they offer the services that people want to buy. We believe that customers will choose to spend more of their personal budgets in the independent sector. This may see a reduction in the call on council-provided services over time.</p> <p>3) We are planning to run an open grants round to re-commission priority services from the voluntary sector that focus on prevention, early intervention, enablement and advocacy. Quality will be the first consideration when evaluating grant applications but value for money will also be a consideration.</p>

Question	Response
	We already collaborate with other local authorities on such things like community equipment in order to get good value for money. There are no plans to share back office functions at the moment with other local authorities.
<p>50+ Forum</p> <p>Could the Council confirm that planning permission and strategy for the proposed H.E.P. development at the Derwent Weir are now in place?</p>	<p>Answer: planning permission was granted on 2 February 2010 for the installation of a Hydro Electric Power Generator at Longbridge Weir, Riverside Gardens in Derby. The documents are available to view using the following link:</p> <p>http://eplanning.derby.gov.uk/acolnet/planningpages02/acolnetcgi.gov?ACTION=UNWRAP&RIPNAME=Root.PgeDocs&TheSystemkey=86725</p>
<p>50+ Forum</p> <p>If you have a 'statutory duty' to protect vulnerable, then why are you not co-operating with Police to enforce LAWS RE CYCLISTS ON PAVEMENTS. Elderly and vulnerable are being caused extreme stress when walking on pavements. Police are now saying City Council 'will not co-operate'. I have been knocked down 4 times.</p> <p>Do we need 'glossy brochures' sent to us and printed? I would far rather have my pavements swept as in the past and experience REAL services than reading glowing WORDS!!</p>	<p>The issues around cyclists using pavements are well known. The Council worked with the police and with DPDF last year to raise awareness about the dangers associated with cycling both on the pavement and in pedestrian areas. The police have undertaken targeted enforcement particularly in the city centre and this is welcomed by the Council. However, enforcement alone will not eradicate the problem and we need to do all we can to ensure that cyclists are fully aware of the dangers they pose to others. We will continue to work with the police and others in addressing problems in the most effective way.</p>

Schools Forum: Schools Budget 2011/12 – 2013/14

1.1 Supporting Information

On 20 October 2010, Chancellor George Osborne set out the Government's spending plans for the next four years. To put the figures into context, public expenditure in the 2004-07 spending review period grew by just over 4% per annum in real terms, whilst it increased by around 2% per annum in real terms between 2007-10.

1.2 The budget for the Department for Education is detailed below:

Government Departmental Expenditure Limits (DEL)

	Baseline 2010-11 £billion	2011-12 £billion	2012-13 £billion	2013-14 £billion	2014-15 £billion	Cumulative real terms growth
Education	50.8	51.2	52.1	52.9	53.9	-3.4%

Note that these figures are at 2010 prices and show the changes in cash terms over the four years although the final column shows the cumulative real growth in percentage terms. These do not take into account cuts in capital spending.

1.3 As announced by Ministers on 13 December 2010, the 'spend plus' methodology will continue in 2011/12. The main changes for the 2011/12 are;

- The mainstreaming of specific grants into the DSG
- Dual subsidiary pupils in pupil referral units will not be included in the pupil count
- A minimum funding guarantee of minus 1.5% and
- A cash floor for local authorities of minus 2% in 2011-12

For 2011-12 the following specific grants have been rolled into the DSG:

- ### 1.4
- School Standards Grant
 - School Development Grant (includes SDG Main, Post LIG Deprivation and Transition, Specialist Schools and High Performing Specialist Schools) – It does not include the amount previously paid through the Area Based Grant
 - School Lunch Grant
 - Ethnic Minority Achievement Grant
 - 1-2-1 Tuition
 - Extended Schools – Sustainability
 - Extended Schools – Subsidy
 - Targeted Support for Primary National Strategy allocated to schools (consisting of Universal and Targeted elements, Leading Teachers, Every Child elements, Early Years Foundation Stage and Modern Foreign Languages)
 - Targeted Support for the Secondary National Strategy allocated to Schools (consisting of Universal and Targeted elements and Leading Teachers)
 - Diploma Formula Grant

2.1 Schools Budget Proposals

Appendix 12b illustrates the detailed proposals. It should be noted that these proposals are subject to actual pupil numbers from the January 2010 school census and a report will follow in March 2011 finalising the budget.

- 2.2 Schools Funding has been continued to be ring fenced and has been protected from the reductions as is the case within the rest of local government funding. The Guaranteed Unit of Funding (GUF) remains constant with the 2010/11 levels at £4,290 per pupil. This should not be confused with the amounts allocated at a local level. Local funding formula applies the distribution to schools. The current gap in the Schools Budget Proposals is £1.9m and this has arisen because of a number of factors.
- 2.3 Inflation
Inflation is estimated to be a pressure on the Schools Budget of £770k, £628k of which will be within the Individual Schools Budget (ISB) and the remainder on central schools related services funded through the DSG (pupil referral units, independent special school fees). The main contributors to the inflation is the pay award of £250 for all employees under £21,000, a pressure for schools considering the mix of their workforce, and this is a cost of around £500k. The remaining inflation is in areas such as rates, utilities costs and transport.
- 2.4 Change in Pupil Numbers
It is anticipated that falling pupil numbers at the foundation stage will also have a pressure on the Schools Budget. This is because as funding comes into the 'pot' at a set rate of £4,290 per pupil it is not distributed locally at those amounts. So, where the decline in numbers are in areas where the local distribution is less than £4,290 per pupil it causes a pressure because the ISB is only reducing by the AWPU relating to that key stage. For example where the reductions are at foundation stage and the AWPU is around £2,500 we only save £2,500 per reducing pupil but the funding envelope reduces by a much greater amount.
- 2.5 Capital Financing
Borrowing has been made against the Schools Budget against sound business cases for the development of internal specialist provision to reduce the reliance on expensive out of authority placements. This will cost approximately £130k per annum.
- 2.6 Carbon Reduction Commitment
A Key change announced in the settlement was a basic amendment to the CRC (Carbon Reduction Commitment) Energy Efficiency Scheme. The scheme became operational in 2010 and is central to the UK's strategy for improving energy efficiency and reducing carbon dioxide emissions. Organisations with a half-hourly-meter electricity supply exceeding 6,000 MWh in 2008 are required to register and participate and that included schools.

The original plan was for organisations to buy carbon allowances in advance. Trading would then allow them to sell unneeded allowances or buy more to cover emissions. Money collected in the central allowance sale was to be recycled back to participants; the amount received depended on the organisation's position in a league table.

Revenue Funding Change

This all changes with the spending review, which announced: 'Revenue raised from the CRC Energy Efficiency Scheme will be used to support the public finances, rather than recycled to participants.'

Further guidance said the scheme would be 'simplified to reduce the burden on businesses, with the first allowance sales for 2011/12 emissions taking place in 2012

rather than 2011. Revenues from allowance sales totalling £1bn a year by 2014/15 will be used to support the public finances, including spending on the environment, rather than recycled to participants’.

Schools Forum has already considered this and was very clear that any costs arising from the CRC Scheme should be borne by a top slice of the DSG rather than being passed to schools through a formula factor. This was because the Forum wanted to avoid the creation of local league tables and acknowledged that the inconsistency of the asset base throughout the City meant that schools would not have an equal ability to address the requirements of the scheme; a significantly reduced capital envelope compounds this argument.

In light of these views it is proposed that the DSG is top sliced to meet the costs of the scheme for schools. Officers are currently trying to establish the value of the CRC on schools so for the purpose of budget planning it is proposed to put aside £250k to meet this need, any surplus will be redistributed back into schools delegated budgets. It is anticipated that final figures will be known by the end of March when the final budgets are issued.

2.7 High Cost Pupils

There is also a pressure from the increased numbers of high cost pupils funded from the Schools Budget. It is anticipated that the numbers will increase by 11 within our special schools. Until final budgets are allocated it is proposed to put aside an additional £150k to meet these additional costs and any associated retrospective adjustments.

2.8 Dual Registration for Pupils Attending Pupil Referral Units

The previous methodology for counting pupils for DSG purposes did not distinguish between main and subsidiary registrations. This in effect meant that authorities were double funded for all of those instances. It has been confirmed that this will not be the case for 2011/12 onwards. For Derby last year we had 145 pupils where this applied and this equates to a reduction in DSG of £580,000.

2.9 Previous Years Overspends

Providing the DSG does not overspend this financial year, and current forecasts are that it will not, there will be an additional £480k to be recycled back into the budget. This is because in the past two financial years we have either overspent or made a provision to overspend and this can now be released back into the base budget.

2.10 Unfunded 2010/11 final Adjustment.

The Forum may recall from an earlier meeting (November 2010) they were informed that the final DSG allocation was £30k below what we had anticipated in preparing the budget. This was funded from contingency allocations held in year in order that it didn't put the DSG into an overspending position. This now requires permanent funding to restore contingencies to previous years' levels.

2.11 Contingency Allocations

The Schools Budget contingency is currently £300k. This contingency is held to fund things such as formula corrections identified in year although lately it has been used to support DSG overspends and deficits of closing schools. It is proposed to add a further £100k to the contingency budget as there is a high risk that the restructuring of central DSG services could incur additional costs such as redundancy and pension

shortfalls. There is currently no provision for these costs and the risk of the DSG going into an overspend position is very high. It is proposed that this is a one year measure only.

2.12 Gangs Work

Last year Schools Forum agreed to fund a post to support the continuation of the delivery of the schools programme. The post was previously funded through the Community Safety Partnership within the Multi Agency Gangs Team. The status of this post will be confirmed for the meeting in March, if the work is not continuing then the funding will be withdrawn and recycled within the Schools Budget.

3.1 **Central Schools Budget Savings Proposals**

Savings are being proposed within the central part of the DSG in the following areas:

Specialist Teaching and Psychology Service (STePS) £150k (proposed £150k 2012/13 and a further £300k in 2013/14)

STePS was created in October 2006 from the amalgamation of three existing but separate teams: the Early Intervention Team (EIT); the Educational Psychology Service (EPS); the Specialist Support Teaching Service (SSTS).

This was done to provide an integrated service for vulnerable pre-school and school aged children and young people with learning difficulties and disabilities (LDD), including behaviour emotional and social difficulties (BESD), thereby reducing inefficiencies and improving quality.

A large proportion of the service provided is directly of a statutory nature or indirectly assists the Local Authority in its statutory duty to identify and make provision for children with special educational needs (SEN).

The service budget for the financial year 2010-11 is £2.1 million, the vast majority of which comprises salaries.

Budget reductions of £150k in 2011/12 are achievable through natural wastage and some VR/VER and replacement with staff with lower skills levels and qualifications.

The service has a high proportion of professional staff including educational psychologists and specialist teachers with mandatory qualifications (for example teachers of the vision impaired). Some of these staff will be replaced by teaching assistants.

The risks to be considered are:

- Reductions in non-statutory services may lead to an increase in parental and school requests for statutory assessments placing pressure on existing statutory services and making it more difficult to avoid the need for expensive alternative placements;
- Reducing support at School Action Plus (not a statutory duty but a major contribution to the Authority's statutory duty to identify and make provision for SEN) may lead to more exclusions and more children requiring special school as opposed to mainstream placements: this is particularly true in the light of the great increase in children with ASD locally and nationally;

- Negative publicity from parents of vulnerable children with LDD as services are removed;
- Impact on schools as services are removed;
- Some of the services provided by STePS are highly specialised and in short supply locally and nationally. It may not be possible to identify alternative providers and large reductions in staffing may jeopardise retention and make it impossible to provide or purchase some services for children with LDD.

3.2 **Grants Transferring into DSG**

As listed in paragraph 1.4, a number of grants are transferring into the DSG.

These grants are protected by the Minimum Funding Guarantee. This means that allocations have to be passed to schools at a protected per pupil rate. As the MFG is currently set at minus 1.5%, these grants can only be redistributed by a 1.5% margin. At the November meeting of Schools Forum they favoured stability when considering the distribution of these grants.

It is very likely that the 1.5% MFG will be required to fund the deficit balance on the DSG (£1.9m) so in essence it is very unlikely in reality that there is even a 1.5% headroom available within the grants for any redistribution. It is therefore proposed that grants will transfer to schools at the same per pupil value as the previous financial year. A sub group of Schools Forum will be established to then develop post 2011/12 proposals. The Schools Financing Regulations, the regulations that cover the application of the DSG and local schemes, has been amended to allow a factor to be incorporated into Schools Budgets to allow this to happen.

3.3 **Top Slicing of Grants**

It is proposed to continue with the top slice of the Ethnic Minority Achievement Grant (EMAG) to fund the central support team of £228k. This is for one year only and will be part of the review of the grants.

3.4 **Language Centres**

Schools Forum has previously agreed to use the headroom with the 2010/11 School Development Grant of £112k to fund the continuation of the language centres (May 2010 report, attached for reference Appendix 3). It is proposed to continue this and this is achievable as the funding is built into the base allocations and not from one off under spends.

**PORTFOLIO: CHILDREN AND YOUNG PEOPLE
CHILDREN AND YOUNG PEOPLE DIRECTORATE SUMMARY
SCHOOLS BUDGET**

PROPOSED BUDGET AT APPROVED CASH LIMIT	2010/11 Indicative £'000	2010/11 £'000	2011/12 Indicative £'000	2011/12 £'000
Latest Approved Controllable Base Budget	145,838	146,170	152,391	152,391
Add/Less Service Transfers				
Add/Less one-off adjustments from previous year				
Add/Less other base adjustments				
Adjusted Base Budget	145,838	146,170	152,391	152,391
Add approved inflation	3,433	2,919	2,543	773
Other pressures identified				
Pupil Numbers	(298)	279	783	256
Building Schools for the Future	40	40		
Moorfields enhanced care scheme				
Contribution to combined budgets	500	500		
NI increased contribution				
Central Staff Cover				
Village Schools Prudential Borrowing				
Admission Appeals				
Funding of previous year's Schools Budget overspend		286	-480	-480
Insurance				
Formula change - special schools factor		111		
Formula change - hydrotherapy pool factor		130		
Recoupment/Independent special school fees		141		
Autistic unit prudential borrowing			100	100
St Giles ASD Provision			35	35
Formula Implications of additional ASD Children			160	150
Funding PRU on sustainable basis		276		
Gangs		60		
Dual registration for pupils attending pupil referral units			500	580
Non statutory element of the Education Psychology Service		100		
Electronic Meter Readers in Schools		50	-50	
Infunded DSG final allocation				30
Carbon Reduction Tax				250
Contingency Allocations				100

PROPOSED BUDGET AT APPROVED CASH LIMIT	2010/11 Indicative £'000	2010/11 £'000	2011/12 Indicative £'000	2011/12 £'000
Savings Specialist Teaching Service				-150
Growth above inflation	1,803	1329	630	-1956
Total other pressures	2,045	3,302	1,678	1,644
Total Proposed Budget	151,316	152,391	156,612	152,079