

Budget Strategy 2010/11 to 2012/13

Briefings to Scrutiny Commissions
Oct/Nov 2009

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Budget Scrutiny Process

- Agreed Budget Scrutiny Process - SMC 28 Sept
- Plain English Presentation on the Budget Strategy - today
- Background Budget Information to Commissions
- Star chamber scrutiny of budget proposals
- Cabinet Budget Proposals released – 9 and 15 Dec 2009
- Commissions Budget Scrutiny Meetings – Jan 2009
- Cabinet Recommend Budget – 16 Feb 2009
- Council Approve Budget – 1 March 2009



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Budget Strategy Headlines

- Revenue budget gap - expenditure less income
- £0.7m in 10/11, £7m in 11/12 and £8m in 12/13
- Assumes efficiency savings* made in 09/10 of £9m and £4m in 10/11 achieved
- Also assumes £1.3m of salary savings in 09/10 achieved
- Going forward - strategic approach to savings targets – Council wide approach rather than departmental

* An efficiency saving is where we plan to deliver the same service at less cost

Budget Strategy - Assumptions

- Income forecasts based on a 2.5% council tax increase
- Cash freeze in Government Grant for 11/12 and 12/13
- Area Based Grant £24m – passported but to be kept under review
- Pay and price inflation* forecasted at 1.5% over the three years

* Price inflation is the amount we expect running costs to increase less the amount we plan to increase fees and charges by

Budget Strategy Pressures added in so far

- Equal Pay - £2.5m annual contingency budget
- £880k savings target from Transforming Derby (Efficiency Programme) in 10/11 but only £440k identified to date
- Benefit payments pressure of £150k from 10/11
- Concessionary fares pressure of £650k from 10/11



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Budget Strategy Pressures added in so far

- Carbon reduction commitment scheme - £50k from 10/11
- Treasury management - £0.7m in 11/12 and no new borrowing in 12/13
- Pensions - £1.5m in 11/12 due to revaluation
- BSF construction phase - £600k from 12/13



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Budget savings proposals

- Savings proposals are being developed to remove the budget gap
- DECATS
- Scrutiny by commissions and consultation with stakeholders in December/January

Potential Budget Strategy Pressures

- Nothing included in the strategy for:
 - a. additional energy and fuel price increases
 - b. dedicated schools grant – more difficult to charge wider children’s costs to Dedicated Schools Grant - more pressure on Council budget
 - c. increased repairs and maintenance and highways maintenance
 - d. impact of economic downturn.

Potential Budget Strategy – New Legislation Pressures

- Child protection and the Laming Report
- Accommodation for 16/17 year old homeless - housing benefit issue
- Safeguarding adults
- Dementia care

Potential Budget Strategy – New Legislation Pressures

- Government strategy for people with learning difficulties
- National strategy for Carers
- Adult social care – personalised budget requirements
- Flood prevention and relief



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Capital Programme Priorities

- Accommodation Strategy and New ways of Working
- Public Realm
- Waste Project
- Building Schools for the Future
- Climate Change Commitment – all new buildings to be zero carbon by 2018



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Capital Programme Priorities

- Local Investment Plan – Homes and Communities Agency funding and our aspirations for Osmaston, Castleward and Rosehill developments
- District Centres
- Littleover library
- Friargate studios



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Capital Programme Priorities

- Large maintenance projects include:
 - a. Market hall
 - b. Moorways Sports Centre
 - c. Queens Leisure Centre
 - d. Central library and museum
 - e. Schools Vic Hallam buildings
 - f. Depots