

Time commenced – 6.00pm
Time finished – 8.22pm

**SCRUTINY MANAGEMENT COMMISSION
9 NOVEMBER 2010**

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

In attendance Councillors Naitta, Rawson, Repton, Skelton and Troup
(Minute no 51/10)

45/10 Apologies for Absence

An apology for absence was received from Councillor Bolton.

46/10 Late items introduced by the Chair

There were no late items.

47/10 Declarations of Interest

There were no declarations of interest.

48/10 Minutes

The minutes of the meetings held on 21 September 2010 were agreed as a correct record and signed by the Chair.

49/10 Call-in

There were no items.

50/10 Councillor Call for Action

There were no items.

**51/10 Budget Strategy: Impact of Comprehensive Spending
Review**

The Commission received an update, from the Interim Strategic Director of Resources, on the ongoing impact of the Coalition Government's revenue and capital budget announcements on 10 June 2010, the content of the Emergency Budget on 22 June 2010 and the Comprehensive Spending Review (CSR) announcement on 20 October 2010 for the period 2011/12 to 2014/15.

Council Cabinet agreed to bring an updated report to their 26 October 2010 meeting following the CSR announcement. Whilst the broad picture was now available the detailed impact would not be fully identified until Government departments had issued

their detailed budget announcements.

Governments Departments would produce detailed announcements on their specific budget allocations during November, December 2010 and January 2011. Following these announcements officers would be able to clarify the overall budget position for future years. Whilst officers had attempted to calculate the financial impact of the announcement of the Council's budget, the information available was at a high level and had required a level of interpretation and a number of strong assumptions. Even though analysis had been undertaken, the figures produced at this stage could only be used as a general guide.

There was still insufficient information to establish the full impact on Area Based Grant and specific grants. Some grants were being rolled into the formula grant and we had attempted to estimate the impact of these from the headline information available. The CSR did not detail the grants which had not been rolled into formula grant and it was possible that some of these could be abolished when the department details were released. This would have a further material impact on the level of resources available to the Council if this was the case.

Legally the Council only has to set a balanced revenue and capital budget for one year, but it was also required to demonstrate the affordability of its revenue budget for the two subsequent financial years, after taking into account its plans for capital expenditure. As the CSR was for a 4 year period, the budget strategy within the report covered the four year period 2011/12 to 2014/15.

In terms of mainstream grant, the Council's original and fairly pessimistic assumptions were relatively accurate. However, the front-loading of the reduction had not been anticipated and this had given the Council a significant funding problem in 2011/12.

The estimated new reduction in formula grant following CSR announcement was £28.94m. Including saving requirements to balance the existing medium term financial strategy and meet the challenges for further service pressures the total savings required over the next four years was estimated to be approximately £56m, when service inflation was taken into account.

The actual impact of the complicated formula adjustment would not be known until December. As a result it was necessary to undertake an assessment from a broad perspective from the national funding allocations in order to guide budget planning.

Members of the Commission raised concerns about the impact of Council cuts on the private sector. It was explained that time had necessarily been spent on profiling the effects on Council budgets rather than looking at the effect on the private sector. All functions were being looked at to ensure that key statutory functions such as protecting vulnerable adults and children were protected. Members of the Commission requested a list of statutory and non statutory functions be provided to each Commission.

There were concerns about many aspects of the budget position but in particular some Members were concerned about the effect on vulnerable people and that the cuts were too deep too soon. The proportion of cuts appeared to be unevenly spread across the 4 years, with disproportionately high savings required in the first year.

Members of the commission asked about the actions being taken relating to the transfer

of services from the NHS to the Council, and whether the funds would be sufficient to deliver the services.

Resolved

- 1. To request Council Cabinet to make an assessment of the impact of Council cuts on the private sector.**
- 2. To ask the Interim Strategic Director of Resources to provide a list of statutory and non statutory functions to each Commission.**
- 3. To ask Council Cabinet to make sure that, when responsibility for Public Health transfers from the NHS, sufficient funds will also be transferred to deliver the services.**

52/10 Performance Management – Demonstration of DORIS

The Commission received a demonstration of the user friendly replacement of Performance Eye.

53/10 Shifting Gears: Safeguarding Derby's Economic Growth

The Commission received a presentation on the newly published independent report by the Centre for Cities on Safeguarding Derby's Economic Growth. Alan Smith then answered Members questions. The report would be used as an evidence base for Derby's new Economic Regeneration Strategy; the Strategy would itself also form the Economy Chapter of the Sustainable Community Strategy.

Resolved to note the report and to further scrutinise how this had been progressed at the February 2011 meeting.

54/10 Forward Plan

The Commission received an update on the latest position in relation to Allestree Hall from Steve Meynell, Chief Estates Officer. The building condition and the cost of restoration mean there was a 'conservation deficit'. Mr Meynell outlined medium term options which took account of the current state of the economy.

Resolved to note the update.

55/10 Climate Change Update

The Commission considered a report which stated that at its meeting in July 2010 Council allocated responsibility for the scrutiny of climate change to this Commission. As part of the discharge of that responsibility the Chair and Vice Chair had requested an update on climate – related activity and initiatives. Tim Findlay, Head of Maintenance, reported on progress under the following 9 headings:

- City insulation scheme (ST4)
- Small Business Grant Scheme - City-wide Partnership Group (CL1)
- AMR Update and Council emissions/baseline (OE3)

- Schools' Progress (SE 3)
- Hydro Scheme (CL 3)
- Warm and well - Working in partnership to provide energy advice and assistance (CL7)
- NI 188 - Embedding carbon management within corporate decision making framework of the Council (ST1)
- CRC – Developing a Carbon Reduction Strategy for all Council Buildings (ST2)
- 10:10 City wide Campaign with Derby Telegraph – City-wide communications programme (CL 2)

Resolved

- 1. To note the report.**
- 2. To request Council Cabinet as part of the budget setting process to consider if there is a way to continue the 'Warm and Well' energy advice programme.**
- 3. To request Council Cabinet to make representations to central government to mitigate the approximate ten fold increase from £50k to £500k per year that will arise from the changes in the mandatory Carbon Reduction Commitment Energy Efficiency Scheme.**
- 4. To record the Commission's great concerns about the potential risks to the achievement of the Longbridge Weir Hydro Scheme.**

56/10 Retrospective Scrutiny

There were no items requested.

57/10 Matters Referred to the Commission by Council Cabinet

There were no items.

58/10 Response of Council Cabinet to the Recommendations and Reports of this Commission and the Former Climate Change Commission

There were no items.

59/10 Overview and Scrutiny Commissions – Work Programmes

The Commission considered a report setting out the following proposed work programmes.

Adults, Health and Housing Commission – 'Review of options for the future management and maintenance of the Council's housing stock.'

Resources Commission – 'Succession Strategy for Derwent New Deal for Communities Programme.' The Chair advised Members that if the Scrutiny Management

Commission's recommendation to disband the Resources Commission is confirmed by Council on 17 November that there would be a special meeting of Scrutiny Management Commission on Monday 22 November to complete the New Deal for Communities review.

Children and Young People Commission – 'What is being done by Derby City Council and its partners to help Children Looked After with Mental Health Issues and can these services be improved.'

Resolved

- 1. to approve the proposed work programmes for the Adults, Health and Housing Commission, the Resources Commission and the Children and Young People Commission.**
- 2. to note that a special meeting of the Scrutiny Management Commission may take place on 22 November 2010 to complete the Derwent New Deal for Communities review.**

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