

## **Response of Council Cabinet to the recommendations of the Overview and Scrutiny Commission on the 2008/9-2010/11 proposed Revenue and Capital Budget**

### **Appendix 2 – Recommendations of the Scrutiny Management Commission**

Recommendations of the Scrutiny Management Commission on the draft Revenue and Capital Budgets 2008-2011

#### **Recommendation**

That the proposed saving of £6,000 in the Mayoral Services budget for 2009/10 is deleted.

#### **Reason**

That the Mayoral budget is already very low when compared to that of similar local authorities and that reducing it still further may have a detrimental effect on the performance of the Mayoral team and on the way in which the Mayor is able to discharge his/her duties.

#### ***CABINET RESPONSE***

***No action – the £6,000 saving proposal can be absorbed and will have no visible impact on the overall services and duties provided by the Mayor.***

### **Appendix 3 – Recommendations of the Adult Services and Health Commission**

Recommendations of the Adult Services and Health Commission on the draft Revenue and Capital Budgets 2008-2011

#### **Recommendation**

The Commission urges the Council Cabinet to bring forward the introduction of the income generation proposals as soon as possible and maximise the income for the Council.

#### ***CABINET RESPONSE***

***All options are being considered . There will have to be a full consultation exercise and results considered before proposals are put into effect. The implications of the new system of 'Personalisation of budgets' also needs to be considered***

#### **Reasons**

The Adult Services and Health Commission at its 29 October 2007 meeting

and the Full Council at the 21 November meeting have both requested the Council Cabinet to explore income generation proposals and reduce pressures on Adult Social Services budget. The draft revenue budget proposals identify an income of £500k in 2008/09 budget which rises to £1.5m in 2009/10. It is assumed that the vast majority of this income will be generated from the re-introduction of home care charges and the £500k relates to charging introduced during part of the year. The Commission recommends the income generation measures are introduced as early as practical, preferably at the start of the financial year in order to maximise the income.

### **Draft Capital Budget**

The Commission welcomes the inclusion of Adult Social Services Capital budget in the Corporate Capital Budget Plan for 2008-2011. The inclusion of the Social Services Capital budget developed from existing resources and not linked to future disposal of capital assets sends out a positive signal about future intention for the service. It also enables service managers to develop effective plans for the future.

## **Appendix 4 – Recommendations of the Children and Young People Commission**

### **Budget Recommendations of the Children & Young People Commission: Revenue**

#### **Recommendation 1**

That Council Cabinet note that the Commission:

- a) would not wish to see the implementation of the 2010/11 proposals to reduce spending on: Family Support (£134k), Reception and Hospital Service (£108k), Aspire Leaving Care (£60k), Reduction of post 16 residential beds (£296k), Assessment and Care Planning (£248k), Independent Reviewing Officer function (£72k),
- b) were informed by the Council Cabinet Member and Corporate Director that every effort would be made to find ways to avoid the implementation of the proposals and
- c) have resolved to receive a regular progress report from the Cabinet Member and Director on the steps taken to avoid implementation in 2010/11, the first of which should be no later than December 2008.

#### ***CABINET RESPONSE***

***The third year savings were proposed in the light of the efficiency savings required of the Department and Council and the difficulty in finding alternatives that do not affect frontline services.***

***Nevertheless, the commission's comments are noted and endorsed, with a view to finding alternative savings options to those identified. The commission's comments are noted and we endorse both b) and c) above with a view to finding alternative savings options to those identified.***

### **Reasons**

These services are central to the Council's statutory obligations in respect of child protection and looked after children; from a risk management approach meeting our responsibilities is highly sensitive both intrinsically and because of the level of external inspection and ramifications should anything go wrong.

### **Recommendation 2**

That Council Cabinet:

- a) note that the Commission welcomes the work to reduce the unit costs of independent fostering agency, IFA, placements, either through contracting arrangements and/or collaboration with other local authorities and
- b) needs to recognise that the overall number of in-house foster carers are affected by the rate of allowances they receive and that this has an interrelationship with the need to make placements with IFAs.

### **CABINET RESPONSE**

***The Commission's comments are noted and a) is endorsed.***

***With regard to b) our current basic allowance levels and fees for foster carers are the best in the East Midlands. We review the increase each year to determine how best to allocate that increase across the full allowance range. All carers will receive an increase that is equivalent to the rate of inflation or better. Given the current budget requirement and our regional strong position this is assessed as being sufficient to retain our position in 08 – 09. We will continue to review this and our allowance structure in subsequent years***

### **Reasons**

- a) The appointment of an officer to secure unit cost improvements through a commissioning and contracting process is a welcome example of invest-to-save. It may be that, subject to any rules on competition, a sub-regional consortium of unitary/councils may be able to secure even more favourable unit costs.
- b) The Commission decided not to make a specific recommendation regarding the rate of fostering allowances for 2008/9; however, experience has shown that the number of in-house foster carers is not growing fast enough to enable the rising number of looked after children to be accommodated. As a consequence greater and greater use of made of the much more expensive IFAs. Good child care practice means that once placed there, the child is likely to remain and thus create a long term financial commitment. Making increased

budget provision in response (£547k extra from April 2008) in tight financial circumstances squeezes out the scope to increase the allowances to our own foster carers, which would serve as an aid to recruitment and retention and reduce the need for IFA placements. In July 2006 the Commission's own review heard – and agreed - that 'the issue of allowances can't be ignored – it's a competitive market' and that 'we need to strive to reach' the Fostering Network's recommended rates.

### **Recommendation 3**

That Council Cabinet note that the Commission is concerned that the recategorisation of the costs of the Education Psychology, so as to fall within the schools budget with consequent charging to individual schools, may have an adverse impact on individual pupils accessing the service, as the 'affordability' will depend on i) the level of charges, ii) the number needing referral and iii) the state of the school's budget.

### **CABINET RESPONSE**

***There will be no adverse impact on pupils who need to access this service.***

### **Reasons**

At its meeting the Commission was not sure about the 'mechanics' of putting this important service into the schools budget. If the change does not produce any adverse impact on pupils needing referral then the proposal can be welcomed as creative accountancy. The concern is that a school with budgetary difficulties or which by chance has an unusually high number of children needing referral in a year, does not refer all those who would be referred under the present system. Early, appropriate intervention can avoid much costlier responses later, for example, successfully dealing with behavioural issues can avoid permanent exclusion, family breakdown and the need for the child to become looked after by the Council.

### **Capital**

#### **Recommendation 4**

That Council Cabinet should consider the feasibility of building a larger residential home for autistic children, perhaps comprising two five beds wings, with the additional places to help adjacent authorities to meet the needs of similar children.

### **CABINET RESPONSE**

***The proposal to build a five bedded home which is long stay / permanent for children with severe autism is based upon our current use of agency placements and our forecast of future needs. As the home is a permanent family home for these children, rather than for short breaks as per 'The Lighthouse', the design and regulatory requirements of Ofsted are different. Therefore the proposal as previously approved by Cabinet needs***

***to proceed. The recommendation is, however, noted in the context that there may be other need categories where the building of a further local home would be cost effective. This matter will be referred to the Disabled Children's Strategic Planning Group***

### **Reasons**

There could be a win/win result of income generation for Derby City Council and reduced costs, compared to expensive out-of area placements for neighbouring councils. Accepting the logic that the nature of the children means that specialist units have to be small to manage well and deliver care, two wings could keep the operational scale but also provide significant management economies when compared to two entirely separate homes. Even with a catchment area based on the BVPI indicator of placing a child not more than 20 miles from the parental home, that would include Nottingham City, the Erewash/Amber 'border' towns plus Burton-on-Trent.

### **Recommendation 5**

That Cabinet note that as regards the new capital programme 'Primary Strategy for Change' the Commission a) wish to be involved in a timely way so as to have the opportunity to potentially influence the proposals and b) will take a specific interest in the methodology to be used to determine the order that primary schools appear in the programme.

### **CABINET RESPONSE**

***Agreed. There will be full consultation with schools and all interested parties, including the Commission, before Cabinet agrees the Strategy. The Strategy will be produced in line with the DCSF guidance, so specific school projects will only be identified for the earlier years of the period. We would envisage the consultation taking place immediately after the April 2008 school holiday, and a special Commission meeting may be needed in early May, notwithstanding the difficulties associated with the Council timetable in that period.***

### **Reasons**

The Primary Strategy for Change was described as BSF's 'little brother' because the scale of funding is much smaller. However, the submission to central government has to make projections about primary provision for the following 14 years – making the 15–20 page document much more strategic than most local authority service planning. Working back from the final submission date of 16 June 2008, the timetable needs to factor in engagement with the Commission whilst the proposals are still capable of being shaped and revised. Regarding b) with such limited funds covering such a long period achieving a fair methodology is essential to justify each school's place in the ranking order.

## **Appendix 5 – Recommendations of the Climate Change Commission**

Recommendations on the Draft Revenue and Capital Budget 2008-2011 by the Climate Change Commission

### **Recommendation 1**

That the Council should not reduce facilities and subsidies on parks activities by a total of £81,000 over the period 2008/9 to 2010/11 and should instead seek other means of making this saving. No decision to close or fail to refurbish play areas should be made without the Climate Change Commission being consulted on the play areas proposed for closure and on the costs/savings of refurbishment and closure.

### **CABINET RESPONSE**

*We have considered all types of savings for this difficult 3 year period and unfortunately have not been able to identify alternatives. Much of this £81k is due to facilities being barely used but regularly maintained and follows on from the savings identified last year. In regard to Play Area consultation, the relevant Neighbourhood Forums are to be consulted directly.*

### **Reasons**

The Commission is aware of and supports the proposals contained in the Parks and Open Spaces Strategy (Forward Plan item 28/07). Members are concerned that the proposed reduction in facilities and subsidies on parks activities will prevent the effective delivery of the Strategy and will have a detrimental effect on the City's parks and detract from their attractiveness to the public. The proposal to reduce the facilities and subsidies on parks activities does not support the Council's priorities for 2007/10 of:

- Making us proud of our neighbourhoods
- Leading Derby towards a better environment
- Helping us all to be healthy, active and independent
- Giving you excellent services and value for money

Children's play areas provide an important facility for families and contribute to the achievement of the Council's objective of 'Helping us all to be healthy, active and independent'. It is accepted that some play areas may be underutilised but the Commission still wishes to be consulted on any

proposed closures.

### **Recommendation 2**

The Commission recommends that recycling bring sites that are well used by the public should not be closed and that any programme of closure of the bring sites should be based on current levels of usage and not on the assumption that the sites are not needed because the Council now provides kerbside collection facilities.

### **CABINET RESPONSE**

***Disagree. Because our 'Rethink Rubbish' and kerb side collection systems are working well, there is less of a need for some of our 'bring sites' and to withdraw some of these facilities will be a very positive signal to the public that our 'green' policies are working. Our reasons for doing this will be communicated to our public through the relevant neighbourhood forums.***

### **Reasons**

The Commission is aware that some of the City's recycling bring sites are underutilised and that there are problems of antisocial behaviour at some of the sites. Members can consequently understand the reasons for a programme to rationalise and consolidate the number of recycling bring sites in Derby. However members consider that the closure of all recycling bring sites in the City no matter what their level of usage, would deny the public an important facility and would have a detrimental effect on the level of recycling in Derby. No figures have been provided to the Commission to justify the proposal to close all the recycling bring sites and members have requested a list of the sites, and information on the amount of material deposited at each site. It is considered that a rational decision about the sites to be closed cannot be made without this information. The proposal to close all the recycling bring sites in Derby would not support the Council's objectives of:

- Leading Derby towards a better environment
- Giving you excellent services and value for money.

### **Recommendation 3**

The Commission recommends that the proposal to close the Council run public conveniences in the City centre and elsewhere in Derby is re-examined to see whether it will be possible to retain some of the City centre facilities.

### **CABINET RESPONSE**

***Agreed.***

### **Reasons**

The Commission understands the reasoning for the proposal to close the Council run public conveniences in Derby. Members are aware of the problems of vandalism and antisocial behaviour that affect some of these

public conveniences and support in principle their closure. Members are however concerned about the impact that the closure of all the Council run public conveniences will have on residents and visitors to the City. This proposal will penalise law abiding members of the public when they need toilet facilities. Not all of them may be happy with using the facilities in commercial premises, and if they are visitors to the City, they may not know where those facilities are. The closure of Council run public conveniences in the City centre would not support the Council's objective of:

- Creating a 21<sup>st</sup> century City centre

The Commission accepts the need to close certain public conveniences in Derby. However it is suggested that the implications of the proposal to close all Council run public conveniences requires further consideration and that some City centre facilities should be retained.

#### **Recommendation 4**

The Commission recommends that the budget pressure of £70k arising from reduced income from golf operations is covered by increasing the charge to players at the Council's golf courses.

#### ***CABINET RESPONSE***

***Whilst we are in sympathy with the opinions of the Commission on golf, the difficulty is by putting up the price too much would lead to less people playing and therefore increase the loss.***

#### **Reasons**

Commission members consider it would be reasonable to address the budget pressure by increasing the charge to players at the Council's golf courses. Members have suggested that off setting this budget pressure in this way might partially remove the requirement to reduce facilities and subsidies on parks activities. It is considered that increased golf charges would still satisfy the Council's objective of:

- Giving you excellent services and value for money.

The Climate Change Commission made no specific recommendations on the draft Capital Budget proposals that fell within its portfolio.

## **Appendix 6 – Recommendations of the Community Commission**

Recommendations on the Draft Revenue and Capital Budget 2008-2011 by the Community Commission



### **Recommendation 1**

The Commission recommends that the Council Cabinet provides additional resources, beyond replacing the NRF funding stream, for the neighbourhood working agenda and considers providing each ward, at minimum level a dedicated part-time neighbourhood manager to manage and actions issues raised at the Neighbourhood Forums and Boards.

### **CABINET RESPONSE**

***Agreed - subject to available funding. Options are being explored.***

### **Reason**

Derby is seen as a national leader in Neighbourhood Working and the Commission was disappointed to note that this important service area is not being supported with additional resources. The Council agreed to the new way of working and has developed strong relationships with local residents and partner organisations but lack of additional resources would seriously limit future progress and credibility to process. The Council can only continue to be visionary if it bends its funding streams to support this new way of community engagement and partnership working.

### **Recommendation 2**

The Commission wishes to see a production theatre performing in the city and therefore welcomes the inclusion £400k in this year's draft budget. The Commission also wishes to support amateur theatre and recommends ring fencing a portion of the budget to support amateur theatre groups, this amount is seen as £50k of the £400k budget allocation. There are various options of supporting the groups and the Commission recommends the Cabinet works with amateur groups to determine how they could best utilise the resources to enable them to continue to flourish in the city.

### **CABINET RESPONSE**

***Agreed to the principle of the Commission's recommendations, however, the City Council and Arts Council aim to ensure a much further involvement of amateur theatre groups in a new operating model for theatre in Derby rather than simply ring -fencing an element of grant for their specific use.***

### **Reason**

There is a debate to be had on how the £400k could be best used for supporting producing theatre in the city since the recently elected new management Board at Derby Playhouse announced that they no longer wish to receive funding from the City Council but would still need the £750,000 grant from the Arts Council. However, the Commission was informed by the Head of Arts and Events that the funding from the Arts Council is provided to the Playhouse on the condition that it receives financial support from the City Council.

### **Recommendation 3**

The Council Cabinet is recommended to carry out an options appraisal as soon as practical on the ending of the additional ALMO's subsidy of more than £2.5m per year in 2011/2012 and initiate the consultation process with the key stakeholders so that informed choices can be made on the future rent levels and the best strategy for the avoidance of the negative housing subsidy. There is an announcement from Government that may be helpful in this respect due on the 8<sup>th</sup> February.

#### **CABINET RESPONSE**

*The Housing Revenue Account - HRA - Strategic Working Party considered this issue in January 2008, and rejected the idea of having an options appraisal at this point – particularly a full one consulting tenants. It would be inappropriate at this point in time as the government has just announced a major review of the HRA subsidy system to report next year. This could well lead to significant changes to the rules on which the subsidy system is based. As a result, the fundamental assumptions that surround the options appraisal are unclear and could change significantly, making an options appraisal undertaken at this point of little use to the Council in considering its future options next year. With the Council already committed to Derby Homes through a management fee until at least 2012 in order to secure the additional funding referred to by the Commission, there would be no advantage to a review in advance of the publication of the government's review of subsidy next year.*

#### **Reason**

It is important that early options appraisal is carried out to determine the level of resources available following the end of the £2.5m per annum subsidy and how best they can be utilised. Starting the process early would enable meaningful consultation to be conducted with the relevant stakeholders, including tenants and enable the Council to set a strategic policy on rent levels with sufficient surplus for stock maintenance at its current level of repair.

### **Recommendation 4**

The Community Commission was asked to give its views on the level of rent increase to harmonise council rent with the RSLs. The Commission recommends the rents are increased by 8.2% to bring the convergence in line by 2012 as required by the Government.

#### **CABINET RESPONSE**

**Agreed**

#### **Reason**

Local authorities are required to harmonise council rents and bring them inline

with those charged by RSLs by 2012. The Commission was presented with three options on possible rent increases:

- a) increase rents by 12 %
- b) increase rents by 8.2% to bring them in line by 2012
- c) increase rents by 7.4% to bring them in line by 2016

The Commission feels that 12% increase would be excessive and could become a significant burden on those not housing benefits whilst delaying the convergence to a later date could put significant pressure on the HRA. Also the difference between 8.2% and 7.4% would be minimal for the tenant, around 35p per week but could provide substantial resources across the 14,000 housing stock and enable the convergence to be achieved by the timescales set by the Government.

#### **Recommendation 5**

The Commission recommends that of the £6m Estates Pride Programme still unspent, £4m could be spent over the next two years to carry out capital improvement on local estates whilst the remainder £2m is used to support neighbourhood working over the next ten years, funding conditions permitting.

#### ***CABINET RESPONSE***

***Agree. These proposals are consistent with tenants' feedback and the HRA business plan The intention is to continue funding neighbourhood working projects at a cost of around £0.6m a year including all current neighbourhood support plus the youth inclusion project run by Enthusiasm.***

#### **Reason**

£15m Estates Pride Programme was provided for improvements to estates and to provide facilities for the benefit of tenants. Of this £9m has so far been spent some of which is used to support the Neighbourhood Working agenda. The Commission feels the Neighbourhood Agenda is an important new way of working with local partners and for the benefit for local community including council tenants. Using Estate Pride resources to support Neighbourhood Working would extend the benefit over the next years, providing this was did not contravene funding criteria.

## **Appendix 7 – Recommendations of the Planning and Transportation Commission**

Recommendations on the Draft Revenue and Capital Budget 2008-2011 by the Planning and Transportation Commission.

### **Revenue Budget Recommendations**

### **Recommendation 1**

Request that the Council Cabinet Member explore what can be done to maximise work on the Safer Routes to School Scheme.

### ***CABINET RESPONSE***

***We will have another look at the scheme to ensure we are providing an optimum level of service within our overall budgetary constraints.***

### **Reasons**

To promote the Safer Routes to Schools scheme and encourage alternatives to private car use within the City.

### **Recommendation 2**

Recommend that if funding allows, particularly if income generation from planning charging exceeds expectations, the Council Cabinet Member should take action to address the current high workload of the officers of the Development Control and Plans and Policies teams and that in the medium term regard is also taken of the additional capacity and support that will be required if these teams are to effectively deliver the new 'place shaping' role that is envisaged by central government.

### ***CABINET RESPONSE***

***Cabinet agrees to review the level of staffing resource in the Development Control Team but this will be done in the context of the overall workload in all service areas within the Regeneration Function and the relative budget constraints and staffing resources in the whole function. A full review of the Planning and Development Control services will also be a major project within the Council's transformational change programme – 'Transforming Derby'.***

### **Reasons**

To address the very high work load of Development Control and Plans and Policies staff which has been identified by through the Commission's review of 'back land' development, and to provide the capacity that these teams need to deliver on their new 'place shaping' role.

### **Capital Budget 2008-2011 Recommendations**

The Planning and Transportation Commission made no specific recommendations and resolved to note the report.

### **Corporate Capital Programme 2008/9 – 2010/11 Recommendations**

### **Recommendation 3**

That the Council Cabinet to look again at the funding for new schemes in the Corporate Capital Programme 2008-11 (Appendix 2) to see if half of the

proposed £300,000 funding for 'Way Finding design and construction costs' could be spent on Footway Maintenance in 2008/09.

**CABINET RESPONSE**

***Delivery of the 'Wayfinding' project is a high priority within our Public Realm Strategy and the delivery timetable is a high priority. Therefore there is unlikely to be an opportunity to divert any allocated funding to the footway maintenance programme.***

**Reason**

The Commission considered that footway maintenance was of a higher priority to residents of the City than the provision of 'Wayfinding' signs.