



Revenue Budget and Council Tax 2007/8

SUMMARY

- 1.1 The 2007/8 budget set out in the following pages represent a budget for the future of Derby as a City. The budget provides funding for the first £20 million of a five year, £100 million programme of improvements to public spaces and buildings in the city centre.
- 1.2 We are also continuing to invest in the city continuing to provide excellent services across the Council as a whole. In particular, we will continue to invest in our priority neighbourhoods. We will continue to support good quality concessionary travel for our older and disabled citizens and will continue to provide free home care services.
- 1.3 The Council has identified over £7m of savings to help meet rising costs, particularly in home care and for children looked after by the Council.
- 1.4 A council tax increase of 4.9% is proposed for Derby City Council services. This represents an increase of around 61p per week for most tax payers. Council tax levels in Derby are currently the lowest in the East Midlands and are much lower than the average for England.
- 1.5 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

To recommend to Council the following ...

- 2.1 To note the final local government finance settlement for 2007/8 of £92.353m which is an increase of 4.4% over the 2006/7 adjusted figure.
- 2.2 To approve for 2007/8 the departmental revenue budget estimates and use of reserves summarised in Appendices 3, 4, 5 and 8 of this report.
- 2.3 To note the latest 2006/7 revenue budget monitoring position as set out in Appendix 9 of this report.
- 2.4 To approve the measures proposed to manage budget risks in 2007/8 and in future years, set out in Section 10.
- 2.5 To approve a budget requirement for Derby City Council for 2007/8 of £162,999.000.

2.6 To approve within this total:

	£
Net service estimates of:	
Children and Young People	34,032,000
Environmental Services	20,202,000
Regeneration and Community	18,664,000
Resources and Housing	9,554,000
Corporate and Adult Social Services	57,421,000
Corporate Budgets	22,570,000
Other unallocated budgets	3,250,000
	<hr/> 165,693,000
Appropriations to/from reserves:	
Pump Priming Fund	126,000
Corporate reserves	-2,615,000
Service reserves	-205,000
	<hr/> 162,999,000

2.7 To note that, at its meeting on 24 January 2007, the Council calculated the amount of 69,560 as the Council's Tax Base for the year 2007/8 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base)(Amendment)(England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.

2.8 To calculate the following amounts for the year 2007/8 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).

- a. £531,692,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
- b. £368,693,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
- c. £162,999,000 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. £92,436,594 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, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax) and the sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charges) Directions under Section

98(4) of the Local Government Finance Act 1988
(Community Charge).

e. £1014.41 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 2.7 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	676.27	E	1,239.83
B	788.99	F	1,465.26
C	901.70	G	1,690.68
D	1,014.41	H	2,028.82

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.

2.9 To note that for the year 2007/8, Derbyshire Police Authority, as a precepting 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 To note that for the year 2007/8, Derbyshire Fire Authority, as a precepting 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

- 2.11 Having calculated the aggregate in each case of the amount in 2.5, 2.6 and 2.7 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 2006/7 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

£	£
A	E
B	F
C	G
D	H

- 2.12 To note the revenue budget plans for 2008/9 and 2009/10 set out in section 5 of this report.
- 2.13 To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.



General Fund Revenue Budget and Council Tax Setting for 2007/8

SUPPORTING INFORMATION

1. Introduction

- 1.1 This report sets out proposals to recommend to Council, a net budget requirement of £162,999,000 in 2007/8 which requires a council tax increase of 4.9% for City Council services. The report also sets out indicative budgets for 2008/9 and 2009/10 as part of the medium term financial strategy of the Council.
- 1.2 Each section of the report deals with the various elements that require consideration before a final decision is reached, namely:
- the budget process leading up to these proposals (para 2)
 - resources available, linked to the local government finance settlement, including council tax (para 3)
 - the budget proposals for 2007/8 and how they have changed since proposals were released for consultation and how they relate to the Council's corporate priorities (paras 4, 6 and 9)
 - indicative budgets for 2008/9 and 2009/10 (para 5)
 - the latest estimate 2006/7 outturn position (para 7)
 - the Council's corporate reserves position (para 8)
 - a risk analysis (para 10).
- 1.3 Included in the appendices is summarised budget information for each portfolio area, that together with the text of the report constitutes the full budget proposal.

2. The budget process

- 2.1 The Council's initial budget proposals were developed through a series of stages up to the publication of the Council's consultative budget issued on 9 January 2007 ...
- The Council published indicative budget plans for 2007/8 and 2008/9 in March 2006. At that stage, those plans showed a £2.2m shortfall in 2007/8 and a smaller gap of £0.5m in 2008/9 on the assumption that council tax increases were a maximum of 5%.
 - This was followed by a budget strategy report to August 2006 Cabinet which updated these projections. It took account of increased cost and inflationary pressure and the results from early discussions on corporate priorities. In

particular this now included proposals for meeting the development needs of the City Centre, meeting the demands of our asset management plan and meeting costs of a waste management strategy. This identified the need for at least 10% savings over three years from 2007/8, including 3.5% in year one.

- Detailed budget plans were then developed with the aim of finding savings sufficient to close the budget shortfall, leading to the consultation budget.

2.2 Throughout the process, the objective has been to propose efficiency savings wherever possible. Where service reductions are considered necessary, priority has been given to ensuring, as much as possible, the proposals protect frontline services. The proposals do involve post reductions which are being managed through the Council's normal personnel policies by deleting vacant posts and seeking out redeployment opportunities. Redundancy is only to be considered as a last resort.

3. Resources available

- 3.1 A report on the provisional local government finance settlement for 2007/8 was presented to Cabinet on 9 January 2007. The final settlement has led to no overall change in that position. The formula grant settlement for Derby for 2007/8 is therefore £92.353m an increase of 4.4% over the 2006/7 adjusted figure.
- 3.2 Based on a council tax increase of 4.9%, a tax base of 70,691 band D equivalents and an assumed collection level of 98.4%, the council will collect £70.562m of council taxes in 2007/8. In addition, we are able to declare a small collection surplus from previous years of £100,000 of which £83,373 can be used to contribute to the 2007/8 Council budget, the remainder shared with police and fire authorities. Table 1 below summarises this position. The council tax calculation is shown in Appendix 2.

Table 1 – 2007/8 resources position

	2006/7	2006/7	2007/8	%
	£m	adjusted	£m	
		£m		
Formula Grant (A)	88.879	88.427	92.353	4.4
Council tax				
Tax Band D (£)	966.66		1014.41	4.9
Gross tax base	70,087		70,691	0.9
Collection rate	98.4%		98.4%	0.0
Net tax base for tax setting	68,966		69,560	0.9
Council tax yield (B)	66.667		70.562	5.8
Collection Fund surplus (C)	Nil		0.083	
Resources available (A+B+C)	155,546		162,999	4.8%

- 3.3 Table 2 below shows the resulting council tax by band for Derby City Council services. This is prior to notification of increases for Derbyshire Police and Fire authorities who set their own council taxes.

Table 2 – Council tax by Band

Band	Ratio	2006/7 £	2007/8 £
A	6/9	644.44	676.27
B	7/9	751.85	788.99
C	8/9	859.25	901.70
D	9/9	966.66	1,014.41
E	11/9	1,181.47	1,239.83
F	13/9	1,396.29	1,465.26
G	15/9	1,611.10	1,690.68
H	18/9	1,933.32	2,028.82

- 3.4 Derby currently has the lowest council tax at a given band of any of the 42 local authorities in the East Midlands region. Council's have yet to set their tax increases for 2007/8, but it is likely that the position will remain unchanged.

4. Budget proposals for 2007/8

- 4.1 The budget proposals have this year been influenced by significant cost pressures falling on the Council. National inflation figures tend to underestimate these pressures. The Council has over the years, taken the view that the retail price index – RPI – is closest in relevance as it is itself influenced by the level of council tax and includes mortgage costs which reflect the borrowing costs of councils to maintain their assets. The latest RPI figure for January 2007 was 4.2%.
- 4.2 A summary revenue budget for 2007/8 in a format consistent with the Council's formal resolution at departmental level is provided at Appendix 3.
- 4.3 The changes in the budget for each of 2007/8 to 2009/10 compared with the previous year are summarised by portfolio and in total in Appendix 4. Table 3 on page 8 provides a summary of how the 2007/8 budget has changed.

Table 3 – Summary revenue budget 2007/8

	£000's	% of adjusted base
2006/7 Approved budget	155,546	
add service transfers	57	
add One-off adjustments from previous year	138	
less other base adjustments	-147	
2007/8 adjusted base	155,594	
add inflation	5,694	3.7%
add corporate developments and pressures	5,022	3.2%
less savings target achieved	-5,023	-3.2%
add additional service pressures	4,434	2.8%
less additional service savings	-2,141	-1.4%
less one off pressures funded by reserves	-581	-0.3%
Proposed budget requirement 2007/8	162,999	4.8%

- 4.4 The summary budget proposals for each service department are set out in Appendix 5.
- 4.5 The budget for consultation was based on a £1.749m shortfall against resources at a 5% council tax for 2007/8. Table 4 below summarises the final revisions that have been made for 2007/8.

Table 4 – Final changes since consultation budget

	2007/8 £000's
add cost of tax at 4.9%	43
add Health and Safety Team	100
add CPA Resources	100
add Spondon/Asterdale neighbourhood pilot	50
less Collection Fund surplus	-83
less additional use of reserves to fund one-off pressures	-420
less reduce inflation contingencies to £750k	-250
less reduction in prudential borrowing	-800
add minor changes in departmental budgets	33
less removal of pressures	
streetlighting inflation	-195
car park income shortfall	-200
staffing costs (increments)	-115
minor inflation adjustments	-21
reduce voids contingency	-15
add savings proposals adjustments	
Blue badges	+10
TIC opening hours reduction	+14
Total adjustments since consultation	-1,749

- 4.6 In total, £2,694k of corporate reserves are being used to support the budget. This includes £2,113k already approved from previous years, to fund a temporary supplement to building maintenance costs (£565k), LPSA 1 and 2 reward and pump priming costs (£901k), £568k general budget support and £205k use of service reserves less £126k pump priming fund repayments. There is a total of £581k being used to fund new one-off pressures which are as follows:

	£000's
• Corporate Assessment costs	200
• Welfare Service restructure costs	61
• Rethink Rubbish	146
• Bus Station temporary income loss	10
• Markets publicity and marketing campaign	35
• One-off Adult Social Care smoothing costs	162
• Neighbourhood pilot	50
• Less funded from collection fund surplus	<u>-83</u>
	<u>581</u>

- 4.7 The key development proposal within the budget for 2007/8 is the start of a major programme of capital investment on public spaces and infrastructure as well as on Council assets both in the city centre and neighbourhoods. £1.7m has been set aside to meet debt repayments on the first stage of improvements, which together with £3.8m external funding totals £20.8m in 2007/8. Firm commitments are

included for East Street to tie in with the opening of the Westfield Centre and a major project for Cathedral Green funded by grant. Plans for the use of remaining resources will be the subject of a further report to Cabinet which will set out the broad areas for investment and will include a further consultation programme as schemes develop. This will include proposals for improving the Council owned assets in the city centre and neighbourhoods.

- 4.8 The budgets presented in this report are prior to the apportionment of support service costs to departments. In addition, a full analysis of external income and partnership funding also needs to be carried out. These will be subject to further Cabinet reports during Spring 2007.

5. 2008/9 and 2009/10 indicative budgets

- 5.1 2008/9 and 2009/10 budgets are set to provide working targets for departments and Cabinet members to focus their forward plans. This is particularly crucial to this budget cycle in that in order to meet the 10% savings targets the savings proposals in the consultation budget need to be started to be delivered as soon as possible. In addition, proposals to contain future costs need acting upon on an ongoing basis.
- 5.2 Nevertheless, there is a great deal of uncertainty at this stage in relation to future years. A comprehensive spending review is taking place over the Spring and Summer 2007 and until that is complete, the level of funding available to local government will be uncertain. In addition we have uncertainties over the costs of major programmes including single status job evaluation and waste disposal in particular.
- 5.3 Current plans for the three years show the following balanced position for 2008/9 and 2009/10.

Table 5 – Summary three year budget 2007/8 to 2009/10

	2007/8 £m	2008/9 £m	2009/10 £m
Opening position	155.5	163.0	171.0
Base adjustments	0.1	0.5	0.0
Inflation	5.7	6.4	6.6
Corporate developments/pressures	5.0	5.2	3.0
Service pressures	4.4	0.3	0.6
Savings	-7.1	-4.4	-4.3
Key new use of reserves	-0.6	0.0	0.0
Proposed budget	163.0	171.0	176.9
Forecast resources	163.0	169.0	175.2
Variance	0	2.0	1.7
Less public realm not yet committed	0	-2.0	-2.0
Balanced position (- = surplus)	0	0	-0.3

- 5.4 It is therefore proposed to ask services to plan on the budget totals included here for 2008/9 and 2009/10. It is intended only to change these totals in respect of inflation figures and assessments of demographic impacts as part of the formal 2008/9 budget process. Services should start to plan and implement future years savings at the earliest opportunity.
- 5.5 In 2008/9 and 2009/10 the continuing delivery of the public realm and asset management strategy depends upon either additional resources being made available once the outcome of the comprehensive spending review is known, for the inflation contingencies to be no longer required or for additional savings to be required. In addition, further resources may be needed to fund a full rollout of area and neighbourhood working.
- 5.6 For 2008/9 and 2009/10 it is proposed that a shift of emphasis on savings is made to focus on making efficiency savings in the 'back office' and administration capitalising on recent major investment in systems. Chief officers will be asked to continue to deliver the savings identified in the budget documents and where individual departments have not been able to identify the 10% target as yet, a further review of the feasibility of doing so will be undertaken. In parallel a corporate programme of efficiency savings will be drawn up in Spring and Summer 2007 to identify further savings.

6. Delivery of corporate priorities

- 6.1 The Council has settled on six key priorities for the three years to 2009/10. The Corporate Plan is to be approved by Council alongside the budget. Where any resources are needed to deliver a corporate target, this is clearly marked up in the plan itself. The relationship between the priorities and the proposals in the budget are highlighted below ...

Making us proud of our neighbourhoods

- In partnership, using Neighbourhood Renewal Funding and other external funding, we are able to invest in enhanced neighbourhood working in our five priority neighbourhoods, Derwent through New Deal and on council housing estates using our Estates Pride Funding.
- The budget includes £50k for 2007/8 to design an appropriate framework for neighbourhood working in a non priority area. The area selected is Spondon and Asterdale, which allows us to look at an area with a smaller zone meeting neighbourhood renewal criteria. It is envisaged that consultation with elected members, organised groups and individual citizens will help shape an appropriate format for working in these neighbourhoods in the future. It is also proposed that some of the resources be allocated to community based cleaning blitz campaigns and other cleaner, greener initiatives in the area to stimulate public involvement in their neighbourhood.
- From 2008/9 it is planned to start a more comprehensive roll out of neighbourhood working on a citywide basis. This will be managed to match available resources and our ability to re-focus existing service provision.

- As a start to this, the Director of Resources is tasked with bringing forward proposals early in 2007/8 on the potential for a form of participatory budgeting, where local neighbourhoods influence how money is spent in their area to a much greater extent than currently.
- The capital programme includes some significant projects which will boost neighbourhoods. These include Mickleover library, street lighting PFI, enhanced sports and library facilities in Oakwood etc.

Creating a 21st Century city centre

- The start of a £100 million, five year programme of investment in the infrastructure and assets of the city centre. This starts with East Street, Cathedral Green, work on Council owned buildings and the construction of the Quad arts and media centre. Consultation will take place on the detail of the next phases of the public realm programme during 2007/8.
- A doubling of investment into Derby Marketing in 2007/8 to £190,000 per annum.
- Continuing support for Derby Cityscape and its masterplan.

Leading Derby toward a better environment

- £1 million increase in the modernisation fund to provide investment opportunity in actions to tackle climate change at a local level. This fund will provide opportunity to fund schemes where a business case can demonstrate significant environmental benefits in a cost effective way.
- We are now in the final phase of roll out of the twin bin recycling scheme, Rethink Rubbish. In addition we are working on a new contract for ceasing using landfill by 2009/10 with Derbyshire County Council.

Support everyone in learning and achieving

- Dedicated schools grant is increasing by 6.7% per pupil in 2007/8. This budget supports both schools spending and certain categories of expenditure within the Children and Young People's service. A higher proportion of the overall increase is being allocated to meet risk costs of independent special school fees and to establish a special school for pupils with emotional and behavioural difficulties. Schools, will nevertheless be receiving significant growth above inflation in their delegated budgets.
- Outside of these changes, much of the additional resource for learning and achieving has been directed through the local area agreement where the Council is working closely with partners in developing Children's Centres and Sure Start.
- Significant resources continue to need to be directed into support Derby's children looked after where costs of provision have been rising significantly in the independent sector.

Helping us all to be healthy, active and independent

- A key challenge is to meet the ever increasing demands for support for our ageing population. We are directing this through packages to help people remain in their own homes. This is being achieved by increasing the overall budget alongside plans for tighter control over eligibility criteria and transferring budgets from Residential Care where demand is falling.
- A key component of the Council's policy on home care is to keep it free of charge to those needing the service.
- We are rolling out assistive technology as part of the package to allow people to live at home longer. A further £140,000 is available for 2007/8.
- Extended sports, fitness and library facilities are being developed. Mickleover Library will be completed in 2007/8 as will an extension to Springwood Leisure Centre to offer greater fitness opportunities and incorporating a library.

Giving you excellence services and value for money

- We are investing in new technology so that we can deliver services quicker, better and cheaper than before. £250,000 per annum has been added to the capital programme from 2007/8.
- We have declared in excess of £7m in savings in 2007/8 allowing the Council to meet cost increases elsewhere and fund the city centre development strategy whilst keeping council tax to an acceptable level.
- Derby continues to be the lowest council tax by band in the East Midlands whilst achieving its 4 star status.
- We have clear programmes in the future for further increasing efficiency through better ways of working and improved procurement.

7. 2006/7 budget monitoring

- 7.1 The latest budget monitoring position is provided in detail in Appendix 9. Overall, the budget is showing a balanced position at year end. We are forecasting significant underspending in relation to treasury management (£1.4m) and a return of £867k in contributions made by the Council to fund previous years overspends in the Supporting People budget. There remains, however significant overspending in Adult Social Care (£807k), Children and Young People, net of support from local area agreement (£624k) and Regeneration and Community (£317k).
- 7.2 Chief Officers and Cabinet Members have been tasked with seeking to reduce areas of overspending as much as possible by the year end as this erodes the flexibility in managing future years budgets with reduced contribution to reserves.
- 7.3 The budgets set out for 2007/8 recognises and deals with the causes of these overspendings and underspending services to give a clean position at the start of the year. Subject to Chief Officers continuing to work to reduce overspending it is

proposed that Council agree to net off overspending and underspending in 2006/7 as a general principle and to remove the right to carry forward except in exceptional circumstances. This will be reviewed in light of the actual outturn report in July 2007.

- 7.4 The outturn is further complicated by the equal pay settlements. Originally, the Council had endorsed seeking of capitalisation approvals from the Government. In total, the Council sought £6.9m in this way to spread the costs over a number of years. The Government has confirmed it is only in a position to approve capitalisation of 57% of the amount requested by each authority. For Derby this amounts to £3.9m. It is proposed that the Council utilise the borrowing approval up to this amount in 2006/7 funded over seven years. Any remaining payment will be met from the earmarked reserve for single status job evaluation.

8. Corporate reserves

- 8.1 Appendix 8 provides a statement of the available corporate reserves and to how the budget plans draw upon them during 2007/8 to 2009/10.
- 8.2 The budgeted spending funded from these reserves is included with the gross budget proposals set out in the report.
- 8.3 The General Reserve has to date been maintained at around 2% of the budget requirement, including schools budgets. With increased risks and uncertainties with the budget it seems prudent to continue with the sort of levels previously maintained.
- 8.4 Following a review of reserves it is proposed to top up the Council's modernisation fund by £1m to £1.4m at 31 March 2007. The purpose is to enable the Council to support business cases for change through pump priming and advanced funding. Combined with access to the repayable pump priming fund and unsupported prudential borrowing, this provides a range of choices for the Council to show late change. For the three year budget strategy these funds will be available in particular to:
- a. support the introduction of a range of environmental measures flowing from the Council's climate change action plan, once approved
 - b. continue to support modernisation of new working arrangements from the Building on Excellence Programme including the promotion of joint service provision both within the Council and with partners
 - c. support business cases for corporate efficiency and procurement initiatives where future ongoing savings can be delivered.
- 8.5 A summary of the reserves position is shown at Table 6 below.

Table 6 – Summary of corporate reserves

Corporate Reserves	31/3/07 £m	31/3/08 £m	31/3/09 £m	31/3/10 £m
General reserve	5.9	6.2	6.5	6.8
Held for defined purpose:				
Treasury Management	3.5	3.5	3.0	3.5
Trading Services	0.8	0.8	0.8	0.8
Job evaluation	1.0	1.9	0	0
Pump priming fund	0	0.2	0.4	0.5
Corporate modernisation fund	1.4	1.2	1.2	1.2
LPSA	1.7	0.8	0.8	0.8
Car park income	0.8	0.8	0.8	0.8
Total	9.2	9.2	7.0	7.6
Uncommitted corporate reserve	4.3	1.2	1.4	1.1
Total reserves	19.4	16.6	14.9	15.5

- 8.6 It should be noted the schemes being funded by LPSA reward funding will cease at the end of 2007/8 and chief officers and partners will need to draw up exit strategies or proposals for mainstreaming from 2008/9.

9. Consultation

- 9.1 A programme of consultation was undertaken around both the Council's corporate plan and budget proposals. A 143 page detailed document was made available, supported by a smaller summary booklet and PowerPoint slides. This was disseminated at meetings and made available through the Council's website. The main components of the formal consultation events were:
- special meetings of the Council's Overview and Scrutiny Commissions. Appendix 6 summarises the recommendations of the Commissions and any response to them
 - Area Panel meetings where the Leader or a Cabinet Member was able to answer any queries regarding the corporate plan or budget
 - stakeholder meetings targeting specific groups including employees, younger and older people, the disabled community and diversity groups
 - the statutory meetings with representatives and non domestic ratepayers, business and partners. The minutes of this meeting are attached at Appendix 7.
- 9.2 For the Area Panels and stakeholder meetings, attendees were encouraged to complete a questionnaire. This was also available through the Council's website. In total 269 people completed these. The main conclusions to be drawn from these responses were ...

- Broad support for the Council's priorities with perhaps most questioning around the priority to create a 21st Century city centre. In contrast the Youth Forum strongly endorsed this as a top priority as did the business community.
- Proposals to improve the city centre met with mixed views with broad support for increased investment with concerns expressed about the potential loss of green space, particularly on Cathedral Green. There were also some concerns about the level of priority to refurbish the Council House and ongoing comments about the Quad development.
- There was shared concerns about the pressure of an ageing population on the Council's budget with particular comments on needing to provide quality home care.
- Whilst there was broad support of the Council seeking to make savings, people did not like seeing jobs or services affected. Priority service areas from the feedback appear to be adult social care, adult education, street cleansing and waste collection. CCTV and the Tourist Information Centre. A joint meeting of the Older People's Forum and Disability Forum also strongly supported the needs of elderly and disabled people's services with the emphasis on allowing people to remain active for as long as possible.
- There was very little comment of feedback on the questionnaire or in meetings regarding the level of council tax. The exception to this being some comments regarding the effect of council tax increases on those with fixed incomes.

9.3 As a result of the consultation response, the Cabinet is proposing to:

- enter into more detailed consultation on the next phases of the Public Realm Strategy
- better explain the physical condition of the Council House and its need for refurbishment
- to continue with free home care charging
- to withdraw proposals to close the Tourist Information Centre on Winter Sundays
- to withdraw proposals to charge for disabled badges.

10. **Management of budget risks**

- 10.1 The budget proposals in this report represent the estimates position of the Council's revenue position for 2007/8 and beyond. The actual pressures will inevitably change as new factors give rise to different financial consequences.
- 10.2 The position reported over the three years shows a fully balanced budget position, prior to further commitment from 2008/9 and 2009/10 on the public realm/accommodation strategy. This position however reflects assumptions about resources, inflation, service demand and the deliverability of savings. The budget is also modelled on a level of council tax at 5% which will be the subject of political discussion over time.

10.3 It is therefore crucial that the Council takes a view on these risks and makes sure contingencies and reserves are set aside. In relation to general risks ...

- The forecast of resources is not certain due to the impending comprehensive spending review and the effect of grant damping on the resources allocated to Derby. The estimates included here are considered to be at the lower end of expectations given this uncertainty.
- The amount attributed to services includes a best estimate of service inflation and pressures. However, it is necessary to include as yet unallocated contingencies in the budget to deal with this. Therefore:
 - in 2007/8 there is a £800k contingency for pay awards above 2.5% and £750k for other inflations /pressures
 - in each of 2008/9 and 2009/10 there is a general contingency of £1.6m per annum provided for pay awards above 2.5%, service inflation and other pressures
 - the Council holds general reserves of 2% of the net budget including schools.
- Savings are included for 2007/8 on the basis that they will be delivered. No contingency is set aside for the non-delivery. It will therefore be crucial to monitor delivery during 2007/8, extremely closely. Monitoring reports submitted to cabinet member meetings in 2007/8 will require specific references to the delivery of savings against targets. For 2008/9 and 2009/10, planning for implementation of the savings in the consultation budget and incorporate into the forward budgets in this paper should take place at the earliest opportunity and wherever possible should be implemented early.

10.4 In relation to specific budget risks, the Council has an effective risk budget approach already in place which identified risk budgets are reported quarterly to Cabinet with more frequent reporting at management team level.

10.5 The main issues which need to be monitored are ...

- Job evaluation and equal pay issues. We have an ongoing budget of £2.5 million to meet ongoing costs and hold earmarked reserves to assist funding equal pay liabilities and any protection arrangements. The most significant equal pay risks have already been resolved in 2006/7.
- Budget monitoring during 2006/7 have identified, common to most other councils the following service budget risk areas:
 - Home Care
 - Children looked after
 - Special school placements
 - Car parking income
 - Treasury management.

Special attention will be given to these budgets in 2007/8.

- Budgets are generally built on the assumption that specific grants will be ongoing and therefore core service delivery and improvement capacity often depends on them. Services need to develop appropriate exit strategies should external funds be discontinued beyond 2008/9.

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Background papers:

None

List of appendices:

Appendix 1 – Implications

Appendix 2 – Council tax calculation 2007/8

Appendix 3 – Revenue Budget Summary 2007/8

Appendix 4a – Summary of Revenue Budget changes by portfolio 2007/8

Appendix 4b – Summary of Revenue Budget changes by portfolio 2008/9

Appendix 4c – Summary of Revenue Budget changes by portfolio 2009/10

Appendix 5 – Revenue Budget Summary by Department 2007/8

Appendix 6 – Overview and Scrutiny Commissions Recommendations

Appendix 7 – Minutes of the statutory meetings

Appendix 8a and 8b – Corporate Reserves

Appendix 9 – Revenue Budget Monitoring Position 2006/7

IMPLICATIONS

Financial

1. As described in the report.

Legal

- 2.1 The Council is obliged to set a balanced budget for 2007/8. 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. 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. 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.

Corporate priorities

5. The close relationship between the budget and corporate priorities is made clear in the report.

Council Tax Statutory Calculation 2007/08

Derby City Council Budget Requirement 2007/08	R	162,999,000
Revenue Support Grant 2007/08 excluding prior year amendments		(13,271,538)
National Non Domestic Rates (NNDR) 2007/08 - share of distributable amount		(79,081,683)
Collection Fund Surplus - Council Tax		(83,373)
	P	<u>(92,436,594)</u>
Tax Yield	R-P	70,562,406
Taxbase for Tax Setting (Band D Equivalent)	T	69,560.06
Basic Amount of Council Tax (2 dp)		<u>1,014.41</u>

Band	Proportion of Band D Cost	Cost per Band £
<i>Band A - (Disabled)</i>	5/9	563.56
Band A	6/9	676.27
Band B	7/9	788.99
Band C	8/9	901.70
Band D	9/9	1,014.41
Band E	11/9	1,239.83
Band F	13/9	1,465.26
Band G	15/9	1,690.68
Band H	18/9	2,028.82

Council Tax 2006/07 Band D	966.66
Unadjusted Increase Band D (2dp)	47.75
Unadjusted Increase Band D %	4.9397%

Summary Revenue Budget 2007/08

Latest Approved Budget 2006/07	SERVICE ACTIVITY	Controllable Expenditure		Gross Expenditure 2007/08	Controllable Income		Gross Income 2007/08	Net Controllable Departmental Budget 2007/08
		Employees	Running Costs		Grant Income	Other Income		
£000's		£000's	£000's	£000's	£000's	£000's	£000's	£000's
33,853	Children and Young People	38,528	162,696	201,224	(143,990)	(23,202)	(167,192)	34,032
19,896	Environmental Services	29,372	42,699	72,071	(681)	(51,188)	(51,869)	20,202
18,157	Regeneration and Community	16,220	19,740	35,960	(440)	(16,856)	(17,296)	18,664
9,257	Resources and Housing	10,887	16,215	27,102	(13,208)	(4,340)	(17,548)	9,554
55,274	Corporate and Adult Social Services	33,983	54,076	88,059	(5,685)	(24,953)	(30,638)	57,421
	Corporate Budgets							
1,729	Corporate and Adult Social Services	512	1,457	1,969	-	(18)	(18)	1,951
14,124	Resources and Housing	3,414	95,008	98,422	(64,593)	(16,719)	(81,312)	17,110
3,527	Regeneration and Community	8	3,501	3,509	-	-	-	3,509
	Add:							
856	Cross department contingencies	1,550	1,700	3,250	-	-	-	3,250
156,673	Departmental Total Budget	134,474	397,092	531,566	(228,597)	(137,276)	(365,873)	165,693
(536)	Appropriations to/from reserves:							
(702)	Service Reserves							(205)
111	Corporste Reserves							(2,615)
	Pump Priming fund							126
155,546	Total General Fund Budget Requirement							162,999

SUMMARY OF REVENUE BUDGET CHANGES BY PORTFOLIO 2007/08

BUDGET AT APPROVED CASH LIMIT	Enforcement £'000	Corporate Policy £'002	PPMED £'000	P&T £'000	C&YP Non Schools Block £'002	L&DS £'002	Adult £'002	NSC&H £'002	CS&E-Gvmnt £'002	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Controllable Base Budget	2,495	25,561	8,692	9,609	32,597	24,147	46,685	3,658	3,199		-1,097	155,546
Add/less Service Transfers	0	0	0	0	7	0	50	0	0	0	0	57
Add/Less one-off adjustments from previous year	0	1,451	-26	-261	0	-10	0	0	0	0	-1,016	138
Add/Less other base adjustments	-17	171	-33	0	0	-340	72	0	0	0	0	-147
Adjusted Base Budget	2,478	27,183	8,633	9,348	32,604	23,797	46,807	3,658	3,199	0	-2,113	155,594
Add approved inflation	54	165	408	478	969	1,032	1,607	96	85	800	0	5,694
Add total corporate approved developments and pressures	0	1,350	200	275	0	247	500	0	0	2,450	0	5,022
Less total savings target proposals	-80	-776	-233	-343	-1,111	-580	-1,551	-263	-86	0	0	-5,023
BUDGET AT APPROVED CASH LIMIT	2,452	27,922	9,008	9,758	32,462	24,496	47,363	3,491	3,198	3,250	-2,113	161,287

OTHER BUDGET CHANGES	Enforcement £'000	Corporate Policy £'002	PPMED £'002	P&T £'002	C&YP Non Schools Block £'002	L&DS £'002	Adult £'002	NSC&H £'002	CS&E-Gvmnt £'002	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Other pressures identified		265	523	300	1,106	171	1,791	278				4,434
Funded by:												
Additional savings			-172	-312	-792		-637	-228				-2,141
Use of corporate reserves to fund one-off pressures		-42	-106	0	-75	-146	-162	-50				-581
Net other budget changes	0	223	245	-12	239	25	992	0	0	0	0	1,712

TOTAL BUDGET	Enforcement £'000	Corporate Policy £'002	PPMED £'002	P&T £'002	C&YP Non Schools Block £'002	L&DS £'002	Adult £'002	NSC&H £'002	CS&E-Gvmnt £'002	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Total Budget before additional use of reserves	2,452	28,187	9,359	9,746	32,776	24,667	48,517	3,541	3,198	3,250	-2,113	163,580
Less Additional Use of Reserves	0	-42	-106	0	-75	-146	-162	-50	0	0	0	-581
Budget Requirement 2007/08	2,452	28,145	9,253	9,746	32,701	24,521	48,355	3,491	3,198	3,250	-2,113	162,999

Resources at 5% tax increase	162,999
Gap	0

Reserves	
Planned	-2,113
Additional	-581
Total	-2,694

SUMMARY OF REVENUE BUDGET CHANGES BY PORTFOLIO 2008/09

BUDGET AT APPROVED CASH LIMIT	Enforcement £'000	Corporate Policy £'000	PPMED £'000	P&T £'003	C&YP Non Schools Block £'002	L&DS £'000	Adult £'004	NSC&H £'004	CS&E-Gvmnt £'004	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Controllable Base Budget	2,452	28,187	9,359	9,746	32,776	24,667	48,517	3,541	3,198	3,250	-2,694	162,999
Add/less Service Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Add/Less one-off adjustments from previous year	0	-822	-671	0	-75	-141	-152	-50	0	0	2,479	568
Add/Less other base adjustments	-87	284	0	0	-87	-123	-35	0	0	0	0	-48
Adjusted Base Budget	2,365	27,649	8,688	9,746	32,614	24,403	48,330	3,491	3,198	3,250	-215	163,519
Add approved inflation	40	167	448	290	964	1,042	1,625	98	95	1,600	0	6,369
Add total corporate approved developments and pressures	0	0	0	23	0	0	0	150	0	5,000	0	5,173
Less savings target proposals	-80	-604	-266	-264	-849	-609	-1,500	-23	-14	0	0	-4,209
BUDGET AT APPROVED CASH LIMIT	2,325	27,212	8,870	9,795	32,729	24,836	48,455	3,716	3,279	9,850	-215	170,852

OTHER BUDGET CHANGES	Enforcement £'002	Corporate Policy £'002	PPMED £'004	P&T £'005	C&YP Non Schools Block £'002	L&DS £'004	Adult £'004	NSC&H £'004	CS&E-Gvmnt £'004	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Other pressures Identified			-93	267	-29	146	0	0				291
Funded by:												
Additional savings			-3	0	-183		0	0				-186
Use of corporate reserves to fund one-off pressures			0	0	0		0					0
Net other budget changes	0	0	-96	267	-212	146	0	0	0	0	0	105

TOTAL BUDGET	Enforcement £'000	Corporate Policy £'002	PPMED £'002	P&T £'002	C&YP Non Schools Block £'002	L&DS £'002	Adult £'002	NSC&H £'002	CS&E-Gvmnt £'002	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Total Budget before additional use of reserves	2,325	27,212	8,774	10,062	32,517	24,982	48,455	3,716	3,279	9,850	-215	170,957
Less Additional Use of Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Budget Requirement 2008/09	2,325	27,212	8,774	10,062	32,517	24,982	48,455	3,716	3,279	9,850	-215	170,957

Resources at 5% tax increase	168,937
Gap	2,020

Reserves	
Planned	-215
Additional	0
Total	-215

SUMMARY OF REVENUE BUDGET CHANGES BY PORTFOLIO 2009/10

BUDGET AT APPROVED CASH LIMIT	Enforcement £'000	Corporate Policy £'000	PPMED £'000	P&T £'000	C&YP Non Schools Block £'000	L&DS £'000	Adult £'000	NSC&H £'000	CS&E-Gvmnt £'000	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Controllable Base Budget	2,325	27,212	8,774	10,062	32,517	24,982	48,455	3,716	3,279	9,850	-215	170,957
Add/less Service Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Add/Less one-off adjustments from previous year	0	0	-10	0	0	5	0	0	0	0	5	0
Add/Less other base adjustments	0	42	0	0	0	-42	0	0	0	0	0	0
Adjusted Base Budget	2,325	27,254	8,764	10,062	32,517	24,945	48,455	3,716	3,279	9,850	-210	170,957
Add approved inflation	40	170	495	402	998	1,080	1,641	101	99	1,600	0	6,626
Total corporate approved developments and pressures	0	0	0	0	0	0	0	0	0	3,000	0	3,000
Total savings target proposals	-80	-552	-264	-308	-441	-627	-1,500	-50	-175	0	0	-3,997
BUDGET AT APPROVED CASH LIMIT	2,285	26,872	8,995	10,156	33,074	25,398	48,596	3,767	3,203	14,450	-210	176,586

OTHER BUDGET CHANGES	Enforcement £'000	Corporate Policy £'000	PPMED £'000	P&T £'000	C&YP Non Schools Block £'000	L&DS £'000	Adult £'000	NSC&H £'000	CS&E-Gvmnt £'006	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Total other pressures			2	357	165	62	0	0				586
Funded by:												
Total additional savings			-2	-138	-89		-60	0				-289
Use of corporate reserves to fund one-off pressures			0	0	0		0				0	0
Net other budget changes	0	0	0	219	76	62	-60	0	0	0	0	297

TOTAL BUDGET	Enforcement £'000	Corporate Policy £'002	PPMED £'002	P&T £'002	C&YP Non Schools Block £'002	L&DS £'002	Adult £'002	NSC&H £'002	CS&E-Gvmnt £'002	Other Unallocated £'000	Planned Use of Reserves £000	Budget Requirement £'000
Total Budget before additional use of reserves	2,285	26,872	8,995	10,375	33,150	25,460	48,536	3,767	3,203	14,450	-210	176,883
Less Additional Use of Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Budget Requirement 2009/10	2,285	26,872	8,995	10,375	33,150	25,460	48,536	3,767	3,203	14,450	-210	176,883

Resources at 5% tax increase	175,209
Overall Gap by 2009/10	1,674
Gap reduction on 2008/09	-346

Reserves	
Planned	-210
Additional	0
Total	-210

Revenue Budgets 2007/08
Children and Young People's Department

SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2007/08
	£000's	£000's	£000's	£000's	£000's
Delegated School Funding					
Individual Schools Budget	-	132,114	(6,549)	-	125,565
Learning					
Inclusion	1,224	1,848	-	(2,156)	916
Learning Development	121	188	-	(399)	(90)
Primary Learning	604	68	-	-	672
Secondary Learning	273	151	-	(186)	238
Pupil Referral Unit & Behaviour Support	2,985	582	-	(457)	3,110
Adult Learning	1,977	453	-	(2,889)	(459)
Performance & Commissioning					
Assessment & Commissioning	408	76	-	-	484
Children's Quality Assurance	605	321	-	(90)	836
Home To School Transport	218	2,706	-	-	2,924
Partnership, Performance & Participation	885	327	-	(962)	250
Recoupment/Independent Special School Fees	29	3,460	-	(1,432)	2,057
Locality Services					
LAA Funding Streams/General Sure Start Grant	4,227	2,608	-	(6,688)	147
Early Years & Childcare	793	2,306	-	(613)	2,486
Education Welfare	598	118	-	(273)	443
Family Support	1,797	915	-	(40)	2,672
ICS Area 1	127	38	-	(29)	136
Reception & Hospital Services	1,180	165	-	-	1,345
Youth Service	1,834	675	-	(708)	1,801
Specialist Services					
Agency Placements	-	4,744	-	(1,155)	3,589
Assessment & Care Planning	2,427	484	-	(45)	2,866
Fostering & Adoption	1,093	3,888	-	(619)	4,362
Integrated Disabled Children's Service	1,845	563	-	(1,154)	1,254
Other Specialist Services	986	932	-	(452)	1,466
Residential & Leaving Care	3,460	(57)	-	(299)	3,104
SEN Services	1,848	236	-	(319)	1,765
Standards Fund	11	1,440	(910)	-	541
Strategic Support					
Admissions & Awards	294	76	-	(52)	318
Asset Management	228	108	-	-	336
Communication & Customer Support	314	206	-	(45)	475
Finance	820	33	-	(408)	445
ICT	567	300	-	(361)	506
Management Team	672	87	-	(4)	755
Other Strategic Services	(68)	287	-	-	219
Personnel	905	32	-	(543)	394
Voluntary Early Retirement	1,664	-	-	-	1,664
Workforce Learning & Development	1,122	162	-	(824)	460
Catering	-	40	(44)	-	(4)
Central Staff Cover	455	16	-	-	471
Less Dedicated Schools Grant Budget	-	-	(136,487)	-	(136,487)
Total	38,528	162,696	(143,990)	(23,202)	34,032

Revenue Budgets 2007/08
Environmental Services Department

SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2007/08
	£000's	£000's	£000's	£000's	£000's
Trading Services	18,598	22,776	-	(43,955)	(2,581)
Cemeteries and Crematorium					
Crematorium	219	436	-	(1,247)	(592)
Cemeteries	120	80	-	(229)	(29)
Maintenance- Disused Burial Grounds	-	2	-	-	2
Management, Finance and Administration					
London Road - Trading Services	888	220	-	-	1,108
Stores Road - Trading Services	639	40	-	-	679
Derby Parks	284	19	-	(27)	276
Parks					
Golf Client	7	3	-	(286)	(276)
City Centre Horticultural Features	-	3	-	(38)	(35)
Osmaston Park	15	-	-	(15)	-
Garden Allotments	11	19	-	(19)	11
Landscape Client	261	15	-	(135)	141
Arboretum Park	106	65	-	(16)	155
Grounds Maintenance Client	309	22	-	(87)	244
Outdoor Amenities (Parks)	893	707	-	(638)	962
Grounds Maintenance Contracts	-	3,083	-	(390)	2,693
Environmental Health and Trading Standards					
Hackney Carriages	201	27	-	(276)	(48)
Licensing	109	15	-	(155)	(31)
Abandoned Vehicles	44	47	-	(93)	(2)
Air Quality Management Areas	26	20	-	-	46
Pest Control	84	45	(9)	(97)	23
Dog Control	89	63	-	(6)	146
Pollution Control	251	9	-	(34)	226
General	279	15	-	-	294
EHTS Management and Administration	207	72	-	(3)	276
Health and Safety	307	13	-	(1)	319
Commercial	387	13	-	(13)	387
Trading Standards	709	59	-	(21)	747
Waste Services					
Refuse Collection - Client	111	2,693	-	(46)	2,758
Waste Disposal	108	4,612	-	-	4,720
Street Cleansing Client	128	1,965	-	(1)	2,092
Conveniences	19	414	-	(3)	430
Recycling	96	306	-	(284)	118
Recycling Plan	128	3,134	(341)	(546)	2,375
NEAT Project	13	-	-	-	13
Trading Surplus Retained	-	(180)	-	-	(180)
Sport and Leisure					
Grants	-	30	-	-	30
Marketing and Administration	315	168	-	(65)	418
Community and Play	115	102	-	(22)	195
Sports Development	430	43	(178)	(15)	280
Sports Centres	2,866	1,524	(153)	(2,425)	1,812
Total	29,372	42,699	(681)	(51,188)	20,202

Revenue Budgets 2007/08
Regeneration and Community department

SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2007/08
	£000's	£000's	£000's	£000's	£000's
Business Support					
Business Support Unit	933	308	-	(39)	1,202
Former Community Policy Management	82	5	-	-	87
City Development and Tourism					
Economic Development Unit	505	472	-	(304)	673
ID Centre	-	127	-	(127)	-
City Centre Management	77	2	-	(6)	73
Tourism	79	95	-	-	174
Tourist Information Centre	150	77	-	(38)	189
Planning					
Building Consultancy	732	90	-	(746)	76
Development Control	714	95	-	(903)	(94)
Plans and Policies	501	69	-	(79)	491
Environmental Sustainability	440	115	-	(110)	445
Project Riverlife	30	38	-	(3)	65
Environmental Strategy Development	91	11	-	(2)	100
Highways Maintenance and Street Lighting	834	5,661	-	(90)	6,405
Engineering Design					
Engineering and Design Services	1,344	411	-	(1,168)	587
Highways Property Administration	-	11	-	(55)	(44)
Traffic and Transportation					
Transportation and Special Projects	1,175	4,303	-	(3,323)	2,155
Traffic	1,411	798	(25)	(1,272)	912
Car Parks	519	1,414	-	(4,642)	(2,709)
CCTV	-	375	-	(171)	204
Street Furniture	-	-	-	(191)	(191)
Entertainments					
Assembly Rooms and Guildhall	956	2,024	-	(2,280)	700
Arts					
Culture Management	93	5	-	-	98
Arts Development	204	91	-	(89)	206
QUAD	-	192	-	-	192
Arts Grants	-	756	-	(10)	746
Events	48	207	-	(58)	197
Museums and Art Gallery	1,301	296	-	(261)	1,336

Revenue Budgets 2007/08
Regeneration and Community department

SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2007/08
	£000's	£000's	£000's	£000's	£000's
Libraries					
Libraries Administration	405	344	-	(58)	691
Central and Branch Libraries	1,437	364	-	(234)	1,567
City Book Fund	-	469	-	-	469
Blagreaves Sub Unit	139	-	-	(124)	15
Special Services Unit	76	24	-	(3)	97
Established/Non Established Relief	311	-	-	-	311
Bookstart	9	-	-	(22)	(13)
Childrens Team	99	-	-	-	99
Other	87	31	-	(65)	53
Derby City Partnership					
Derby City Partnership	147	56	-	(110)	93
External Funding Unit	572	41	(415)	-	198
Derby Community Safety Partnership					
Derby Community Safety Partnership	364	179	-	(209)	334
Area and Neighbourhood Working	355	85	-	(64)	376
Area Panel Budgets	-	99	-	-	99
Total	16,220	19,740	(440)	(16,856)	18,664

**Revenue Budgets 2007/08
Resources Department**

SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2007/08
	£000's	£000's	£000's	£000's	£000's
Finance department management	527	7	-	(9)	525
Corporate Finance					
Accountancy and Technical Finance	1,067	21	-	(313)	775
Internal Audit	463	23	-	(106)	380
Financial Services					
Employee Payments and Tax	425	71	-	(161)	335
Business Systems	195	255	-	(110)	340
External Payments & Procurement	409	35	-	(334)	110
ICT and Performance					
Strategic Planning and Performance	371	151	-	(88)	434
IT Services	452	2,881	-	(999)	2,334
E Services	185	52	-	-	237
Building On Excellence	-	127	-	-	127
Customer Services					
Income and Post Room	345	43	-	(5)	383
Council Tax Billing	536	297	-	(416)	417
NDR Billing and Collection	79	90	-	(325)	(156)
Policy and Development	325	48	(267)	-	106
Systems and Performance	296	336	(133)	-	499
Benefits Administration	961	164	(948)	-	177
Inspection Services	372	46	(267)	-	151
Recovery of Overpayments	305	19	(245)	-	79
Derby Direct	1,016	18	(400)	-	634
Housing and Advice					
Derby Advice	505	33	-	(45)	493
Housing General Fund Account	-	1	-	-	1
Housing Services Management	182	73	-	(23)	232
Housing Options (Private)	320	289	-	(179)	430
Derby Homefinder	87	149	-	(236)	-
Homelessness Strategy	165	-	(165)	-	-
Community Care (Private)	95	53	-	(408)	(260)
Homeless Hostel	-	29	-	(26)	3
Private Sector Renewal Support Grant	733	242	-	(451)	524
Advances to Housing Associations	-	-	-	(1)	(1)
Housing Development	140	8	-	-	148
Building a Better Derwent	64	8	-	(72)	-
Shelton Lock Caravan Site	-	23	-	(33)	(10)
Supporting People Administration	267	59	(219)	-	107
Supporting People Programme	-	10,564	(10,564)	-	-
Total	10,887	16,215	(13,208)	(4,340)	9,554

Revenue Budgets 2007/08
Corporate and Adult Social Services Department

SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2007/08
	£000's	£000's	£000's	£000's	£000's
Democratic Services					
Elections Administration	73	83	-	-	156
Member Services	105	88	-	-	193
Register Office	302	55	-	(315)	42
Management and Administration	433	359	-	(222)	570
Constitutional Services	213	68	-	(11)	270
Overview & Scrutiny	236	24	-	-	260
Land Charges	204	90	-	(462)	(168)
Legal	1,226	216	-	(355)	1,087
Property Services					
Accommodation	264	1,777	-	(176)	1,865
Estates	484	474	-	(1,166)	(208)
Markets	244	1,505	-	(2,961)	(1,212)
Festivities	-	104	-	-	104
Property Maintenance	582	(26)	-	(135)	421
Quantity Surveying	191	10	-	(235)	(34)
Building Services	607	32	-	(267)	372
Architectural Services	443	25	-	(502)	(34)
Property Services Administration	347	23	-	(6)	364
Repair and Maintenance Works	-	3,788	-	-	3,788
Repair and Maintenance Fees	-	29	-	-	29
Building Cleaning Contract	-	407	-	-	407
Personnel and Equalities	1,704	326	-	(523)	1,507
Corporate Communications	159	73	-	(18)	214
Consultation and Research	315	64	-	-	379
ADULT SOCIAL SERVICES					
Older People					
Management	607	159	(12)	(3)	751
Care Management and Purchasing	2,997	269	(645)	(334)	2,287
Residential Care	3,844	17,516	(905)	(8,747)	11,708
Non Residential Services	6,232	3,682	(2,531)	(553)	6,830
Physical Or Sensory Disability					
Management	184	2	(8)	(3)	175
Care Management and Purchasing	1,435	523	(5)	(483)	1,470
Residential Care	-	1,905	(20)	(744)	1,141
Non Residential Services	540	5,260	(275)	(1,331)	4,194
Learning Disabilities					
Management	247	-	(59)	(19)	169
Care Management and Purchasing	1,302	301	-	(1,085)	518
Residential Care	1,467	7,170	(211)	(2,378)	6,048
Non Residential Services	2,053	2,758	-	(839)	3,972
Mental Health Needs					
Management	139	-	(4)	-	135
Care Management and Purchasing	1,983	134	(421)	(372)	1,324
Residential Care	-	1,896	(64)	(487)	1,345
Non Residential Services	123	617	(231)	(116)	393

Revenue Budgets 2007/08
Corporate and Adult Social Services Department

SERVICE ACTIVITY	Employees	Running Costs	Grants	Income	Net Controllable Departmental Budget 2007/08
	£000's	£000's	£000's	£000's	£000's
Other Adult Client Groups					
Management	8	-	-	(3)	5
Care Management and Purchasing	18	3	-	-	21
Residential Care	-	218	(20)	(77)	121
Service Strategy & Regulation					
Policy, Planning, Performance and Resources	757	36	(79)	(15)	699
Resources and Performance Management					
Personnel	509	23	(34)	-	498
Finance	846	73	(65)	-	854
Management and Administration	127	488	(31)	(10)	574
Information	433	606	(65)	-	974
Community Grants Budget	-	843	-	-	843
Total	33,983	54,076	(5,685)	(24,953)	57,421

**Revenue Budgets 2007/08
Corporate Budgets**

SERVICE ACTIVITY	Employees £000's	Running Costs £000's	Grants £000's	Income £000's	Net Controllable Departmental Budget 2007/08 £000's
Twinning	20	23	-	(1)	42
Conduct of Elections	-	110	-	-	110
Registration of Electors	69	63	-	(3)	129
Mayoral Expenses	96	58	-	(14)	140
Derby Coroner	-	179	-	-	179
Corporate Management	327	112	-	-	439
Members Allowances	-	912	-	-	912
Sub-total Corporate and Adult Social Services	512	1,457	-	(18)	1,951
Treasury Management	-	25,074	-	(12,282)	12,792
Bank Charges	19	75	-	(13)	81
Benefit Payments	-	66,993	(64,593)	(2,402)	(2)
Car Leasing	19	133	-	(70)	82
Corporate Contingency Fund	-	-	-	-	-
Environment Agency	-	75	-	-	75
External Audit Fees	-	401	-	(48)	353
Former Transport Superannuation	368	-	-	-	368
HCI initiative	(18)	(302)	-	-	(320)
Insurance	284	1,617	-	(314)	1,587
Residual Reorganisation Costs	224	1	-	-	225
Support Services Recharge Balance	-	40	-	-	40
Transport Act 1985	36	-	-	-	36
Dedicated Schools Grant	-	-	-	(1,590)	(1,590)
LPSA1	-	567	-	-	567
LPSA2	-	334	-	-	334
Agency Corporate Savings	(18)	-	-	-	(18)
Job Evaluation	2,500	-	-	-	2,500
Sub-total Resources and Housing	3,414	69,934	(64,593)	(4,437)	4,318
Concessionary Fares	8	3,330	-	-	3,338
Emergency Planning	-	171	-	-	171
Sub-total Regeneration & Community	8	3,501	-	-	3,509
Total Corporate Budgets	3,934	99,966	(64,593)	(16,737)	22,570

CONSULTATION ON DRAFT BUDGET 2007/8 – CABINET RESPONSES

Scrutiny Management Commission	
Recommendation 1 Review the proposals to reduce the opening hours of the Tourist Information Unit.	Proposals for closure have been withdrawn.
Recommendation 2 Make provision in the budget for the development of a Travel Plan for the Council.	The travel plan will be developed in 2007/8, once Personnel resources from job evaluation can be freed up. The costs of any projects will be subject to business cases and will have access to the modernisation fund.
Recommendation 3 The Commission made no specific recommendations on the content of the Capital Programme other than to suggest it should be referred to as the '.....Capital Programme 2007/08 and Indicative Capital Programme 2009/10'.	Noted.
Adult Services and Health Commission	
Recommendation 1 The Council Cabinet should reconsider its proposal to introduce charges to the Blue Badge scheme.	This proposal has been withdrawn.
Recommendation 2 The Commission supports the continued efforts of the Council Cabinet to secure Government funding for 'Extra Care' provision in the city and meet care needs of the growing older people's population.	Agreed and noted.
Recommendation 3 The Commission reinforces the need for the Council to ensure individuals' wishes are taken into account when determining care provision whilst taking into account financial position of the Council.	Noted.
Recommendation 4 The Commission asked that it is offered the opportunity to comment details of the adult learning budget during the consultation by the LSC and setting of course fees.	Noted.

Adult Services and Health Commission	
Recommendation 5 Members were concerned about the expectations by the Government on local authorities to provide care services to the growing older people's population but without allocating additional resources. Members understood that this is a national problem and suggested lobbying the Government for increase in resources to meet the care needs of growing older people's population.	Noted.
Children and Young People Commission	
Recommendation 1 Fostering Allowances [no ref in the Revenue Budget Consultation Document] That Council Cabinet note the Commission a) was pleased to learn that, since the preparation of the Consultation Document, it is now proposed to have a marginally above-inflation increase in the rates of allowances payable to foster carers and b) will continue to monitor the Council's further progress toward achieving the Government's recommended allowance levels.	Noted.
Recommendation 2 Time Limited External Funding Derby [para 3.6 on page 133] That Cabinet a) adopt the policy that external funding applications i) must not state that mainstreaming either will or may be available upon time expiry ii) but should set out a proper exit strategy and b) this be communicated to Council staff and Partner organisations.	Noted.
Recommendation 3 Youth Service [paras 1.2 and 3.6 on page 124 and 125] That Cabinet note that the Commission recognises the achievements of the Derby Youth Service and wish to see it flourish when resource availability allows.	Noted.

Children and Young People Commission	
Recommendation 4 Connexions Derbyshire [para 2.2 penultimate bullet point, page 122] That Cabinet note the Commission wish to be consulted during the working up of proposals on commissioning for Connexions services in the future.	Noted.
Community Commission	
Recommendation 1 External Funding Unit [para 3.6 on page 133] The commentary says these small but cumulative savings “may have an adverse impact on our ability to attract external funding”. As the multiplier effect of every £ spent on the EFU is well known the Commission consider these reductions could be a false economy.	The External Funding Unit carries out accountable body work for the Council as its main function. A relatively small element of the budget is spent on seeking out external funding. The modest savings proposals put forward will not affect this work.
Recommendation 2 Area and Neighbourhood [para 3.6 on page 133] For 2008/09 and 2009/10 the savings proposed within the Regeneration and Community Department “will have an impact on the extent to which the current neighbourhood management arrangements are serviced”. [para 4.1.8 on page 88]. A corresponding comment is made by the Children and Young People Department “. Area 1 is now operating as a pilot. It will need infrastructure costs for any premises costs and ICT. Although a potential location has been determined, only one-off funding from the LAA has yet been identified and this presenting a real barrier to progress”. It has on previous occasions been explained to the Commission that the choice of a pilot area was because of the availability of funds to assist with the transition to innovative ways of working. Given that logic the Commission consider that the value of the pilot will be seriously undermined if it cannot develop as intended.	The Area and Neighbourhood agenda is a key priority for Derby City Partnership and the Local Area Agreement (LAA). The Partnership is dependant on Neighbourhood Renewal Fund (NRF) and other externally sourced funds to deliver this in priority neighbourhoods. The Government has signalled its support for ongoing support and development of the LAA in its white paper. It is hoped that following the comprehensive spending review that the funding through NRF is continued and ideally, mainstreamed to make sure these successful programmes can be made permanent.

Community Commission	
<p>Recommendation 3 Health and Safety – General - The Commission shared the concern of Cllr Roberts that some health and safety measures, like Portable Appliance Testing, are perhaps being conducted with greater frequency than required by legislation.</p> <p>The possibility of savings is not restricted to electrical equipment and we should request a review of all the most expensive H & S checks as to their need. This to optimise the return versus cost aspect of the exercise.</p>	<p>A review of health and safety priorities is to be conducted as part of introducing a comprehensive health and safety system for the Council.</p> <p>Any opportunity to redirect funds to higher priorities will be explored during the review.</p>
<p>Recommendation 4 Maintenance and Repairs – General - The budget summary shows [top table on page 6]: Repairs and Maintenance – general reduction in planned maintenance of £40k for 2007/08, £127k for 2008/09 and £79k for 2009/10. These are of course cumulative and would have the result that in 2009/10 and every subsequent year the Council would be spending £246k less per year than now on planned maintenance. Added to which [two lines above in the table] is the reduction by £50k per year starting 2008/09 of the spend on cyclical painting. The Youth Service [top table on page 8] is also to have a £5k reduction in its repairs and maintenance budgets. The Commission consider all reductions in maintenance to be false economies that can only compound the deterioration in the quality of Council assets.</p>	<p>The solution, long term to spending on repairs is to develop and implement the Council's Asset Management Plan. This will help us rationalise assets and invest in those needed for the future. The logic then is that the demand for day to day and emergency repairs would diminish. To that effect the level of investment in the capital programme in repairs and the asset management plan is increasing significantly. The revenue budget needs to be considered alongside these proposals.</p>

Community Commission	
<p>Recommendation 5 General comment on budget construction. The Council has two imperatives to meet:</p> <ul style="list-style-type: none"> • to set a balanced budget, as required by law, and • to achieve Gershon efficiency savings. <p>Departments have been required to achieve a 10% expenditure reduction over the next three years, with 3.5% in 2007/08. The Budget consultation papers do not directly refer to Gershon but the logical result of delivering the annual requirement of 2.5% efficiencies should be to leave only 1% further savings, for 2007/08, to be found from a combination of:</p> <ul style="list-style-type: none"> • service reductions and/or above inflation price increases and/or • above target efficiencies <p>In fact, most of the savings being proposed involve reductions in service levels, like reducing the opening hours of the Tourist Information Centre, or price increases above inflation, as with meals-on-wheels, or introducing new charges, as for Blue Badges. While these will clearly contribute to achieving a balanced budget, they do not contribute to the achievement of Gershon efficiencies. The Commission consider this to be matter of concern.</p>	<p>The Gershon Efficiencies are set at 2.5%, but only 50% of these need be cashable budget savings. The remainder are expressed as non-cashable savings to capture productivity increases at same cost.</p> <p>To date the Council has exceeded its Gershon targets. The savings proposals do include cashable efficiencies but also savings which affect service levels.</p> <p>The priority will be on maximising efficiency savings on an ongoing basis but that requires ever increasing examination of the Council's already low cost base.</p>
<p>Recommendation 6 That Council Cabinet</p> <p>a. note that the Community Commission welcomed the Council's continuing support for Disabled Facilities Grants</p>	<p>Noted.</p>

Community Commission	
b. note the Commission was concerned that some of the people most in need of the housing renewal grants and other schemes of assistance would not know to apply and <i>recommend</i> that more sophisticated, targeted information be produced	Noted.
c. be asked to <i>agree</i> i) that a key policy aim should be to develop an Extra Care Village in the City and ii) to take steps to identify an appropriate site	Noted.
Environment Commission	
Recommendation 1 The Commission recommends that Council Cabinet does not seek to make savings in the areas listed below: <ol style="list-style-type: none"> 1. The reduction in funding for the Events programme (£4k for Shopper performances) 2. The Arts grants freeze (£21k) 3. The Environmental Strategy Development Staffing reductions (£11k) 	Noted.
Recommendation 2 The Commission also recommends that funding is identified to maintain the Reading Rocket service.	Noted.

DERBY CITY COUNCIL

**NOTES OF A MEETING WITH REPRESENTATIVES OF NON-DOMESTIC
RATEPAYERS AND THE BUSINESS COMMUNITY AND PARTNERS**

**HELD 29 JANUARY 2007 AT 2PM AT THE COUNCIL HOUSE,
CORPORATION STREET, DERBY**

Present: Representing Derby City Council

Councillor Dave Roberts
Paul Dransfield – Director of Resources

Representing Non-Domestic Ratepayers and the Business
Community and Partners

Roger Hill – Federation of Small Businesses
Carolyn Spencer – Federation of Small Businesses
John Cadwallader – Derby CityScape
Emma Eaton – Derby Hospitals NHS Foundation Trust
Helen Osler – Derby City Partnership
Bobby Thandi – Derbyshire Police Authority
George Cowcher – Derbyshire and Nottinghamshire Chamber of
Commerce
John Forkin - Marketing Derby

1 Introduction

Councillor Roberts welcomed representatives to the meeting and introduced the representatives from the City Council. The Director of Resources explained that the Council Cabinet would be meeting on 20 February 2007, to make recommendations to the City Council about setting the budget for the 2007/08 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 Director of Resources explained the Council's priorities and budget for 2007/08 onwards revenue budget timetable. The Director of Resources also gave a brief outline of the capital programme.

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:

George Cowcher stated that Members from the Derbyshire and Nottinghamshire Chamber of Commerce were pleased with the strategy agreed at Council

Cabinet on 1 August 2006. Pay was an important component of the labour market and the Council were taking leadership in relation to this issue. Learning and achievement were key issues for employers and they were pleased that this was a key area for the Council. The City centre needed to keep up and be competitive with other cities. A request was made that if a work place parking levy was ever proposed that the Chamber be consulted.

Carolyn Spencer from the Federation of Small Businesses stated that transport was part of their lobbying agenda for the year and that they would like to be involved in any talks with the Council on this issue.

Roger Hill from the Federation of Small Businesses asked about compensation for disruption to businesses

- The Director of Resources indicated that these issues could be looked at either through the planning process itself, through temporary adjustments to rateable values if justified or in extreme cases through hardship relief for ratepayers. On Council led schemes the intention was to reduce disruption as much as possible

John Cadwallader – Derby Cityscape welcomed the strategy brought forward and the potential for investors in the City, Derby had a good size market and the public realm would help to improve things particularly the route from the station to the City centre.

4. Conclusion

The Director of Resources reported that written responses would be considered by Council Cabinet at its meeting on 20 February 2007. Councillor Roberts thanked the representatives and the businesses and partner representatives for attending the meeting. The meeting closed at 2.40pm.

MINUTES END

UNCOMMITTED AND GENERAL CORPORATE RESERVES

General Corporate Reserve									
Reserve	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000	Changes 2009/10 £000	Balance 31 March 2010 £000
General Reserve (5% of budget requirement)	5,767	153	5,920	260	6,180	280	6,460	300	6,760

Corporate Reserves Held for Defined Uses									
Reserve	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000	Changes 2009/10 £000	Balance 31 March 2009 £000
Treasury Management Commutation reserve	2,861	0	2,861	0	2,861	0	2,861		2,861
Other Treasury Management reserves	695	0	695	0	695	-458	237	458	695
Total Treasury Management reserves	3,556	0	3,556	0	3,556	-458	3,098	458	3,556
Trading Services reserve	1,000	-218	782	0	782	0	782		782
Job Evaluation	759	276	1,035	825	1,860	-1,860	0		0
Pump Priming Fund - Existing Budgeted Commitments	528	111	639	126	765	0	765		765
approved use for Decriminalised Parking Enforcement	-105	-228	-333	127	-206	127	-79	79	0
approved use for Jayex signboard	-55	55	0	0	0	0	0		0
Friargate Studios	-69	-151	-220	-59	-279	21	-258	18	-240
Environmental Services schemes 20 February 2007 Cabinet	0	-110	-110	22	-88	22	-66	22	-44
Net Pump Priming Reserve	299	-323	-24	216	192	170	362	119	481
Corporate Modernisation Fund	999	0	999	0	999	0	999		999
Less budgeted approved use:	0								
Head of Procurement	-62	-8	-70		-70	0	-70		-70
Transport Coordinator Post	-21	-44	-65	0	-65	0	-65		-65
Accommodation Strategy	-62	-18	-80	0	-80	0	-80		-80
Building on Excellence / Change Management	-42	-15	-57	0	-57	0	-57		-57
Financial Systems Strategy	-99	-1	-100	0	-100	0	-100		-100
Silk Mill Refurbishment	0	0	0	-150	-150	0	-150		-150
CSP Growth and Mainstreaming	-100	0	-100	0	-100	0	-100		-100
Big City Screen- 20 February 2007 Cabinet	0	0	0	-34	-34	-34	-68	-34	-102
East Street	0	-100	-100	0	-100	0	-100		-100
Top-up from LPSA reserve	0	1,000	1,000	0	1,000	0	1,000		1,000
Net Corporate Investment Fund	613	814	1,427	-184	1,243	-34	1,209	-34	1,175
LPSA									
LPSA1 reward funding	2,132	2,042	4,174	0	4,174	0	4,174		4,174
LPSA1 scheme support	-308	-567	-875	-567	-1,442	0	-1,442		-1,442
LPSA2 scheme support	-76	-700	-776	-334	-1,110	0	-1,110		-1,110
LPSA1 pump priming grant late adjustment	188	0	188	0	188	0	188		188
Net LPSA Reserve	1,936	775	2,711	-901	1,810	0	1,810	0	1,810
Less to Corporate Modernisation Fund	0	-1,000	-1,000		-1,000	0	-1,000		-1,000
Car Park Income reserve	0	750	750	0	750	0	750		750
Total	8,163	1,074	9,237	-44	9,193	-2,182	7,011	543	7,554

Balance of Uncommitted Corporate Reserves							
	Balance Available for 2006/7 £000	Change in Balance Available for 2007/8 £000	Balance Available for 2007/8 £000	Change in Balance Available for 2008/9 £000	Balance Available for 2008/9 £000	Change in Balance Available for 2009/10 £000	Balance Available for 2009/10 £000
Reserves Available							
NDR refunds reserve	644	0	644	0	644	0	644
Existing budget uncertainties reserve/corporate planned forecast underspend 2004/5	1,721	0	1,721	0	1,721	0	1,721
Net 2005/06 Out-turn excluding Census	936	0	936	0	936	0	936
2005/6 1% savings	863	0	863	0	863	0	863
Backdated Census - 2003/04 Settlement - Paid 05/06	2,219	0	2,219	0	2,219	0	2,219
Backdated Census - 2004/05 and 2005/06 Settlement	3,079	0	3,079	0	3,079	0	3,079
Previously Earmarked Corporate Reserves now Uncommitted	43	0	43	0	43	0	43
Supporting People return to corporate reserves	0	0	0	470	470	0	470
Less: Reserves Already Used	-2,730	-2,446	-5,176	-3,099	-8,275	-290	-8,565
Net Balance of Reserves Available for Year	6,775	-2,446	4,329	-2,629	1,700	-290	1,410
	Reserves Used in 2006/7		Reserves Used in 2007/8		Reserves Used in 2008/9		Reserves Used in 2009/10
Approved uses of Reserves							
Supporting People 2005/2006 and 2006/2007 net budget support							
Urban Regeneration Company contribution full-year effect 2005/06							
Bus Station one-off transitional costs 2005/2006 and 2006/2007	-25						
Repair and Maintenance 2005/06 revenue budget							
Repair and Maintenance 2006/07 and 2007/08 unallocated corporate reserve	-500		-565				
Public Priority Fund 2005/2006 revenue budget							
General use of reserves in 2006/07 budget including reallocated Public Priorities Fund	-568		-568				
Integrated Children's Services 2005/2006 and 2006/2007	-138						
General use of reserves in 2005/06 budget							
Maintain general reserves balances	-153		-260		-280		-300
Corporate funding of HTS transport problem (up to)	-180						
Earlier change to no board accommodation rule	-500						
Energy efficiency schemes - from NNDR refunds	-32						
Salix finance energy efficiency bid - from NNDR refunds	-100						
Proposed Additional Use							
Forecast outturn 2006/07 - assume zero excluding pay arrears	0						
BSF upfront costs - as per 20/2 Cabinet £925k in total			-925				
Waste Strategy	-250						
2007/8 budget - one-off items			-581		-10		
Contingency - insurance claims	0		-200				
Net Use of Reserves in Year	-2,446		-3,099		-290		-300
Net Balance of Reserves Unused at Year End	4,329		1,230		1,410		1,110

General Fund Revenue Budget Monitoring

Summary by department	Forecast year end (underspend)/overspend £000
Children and Young People – excluding individual school budgets	624
Corporate and Adult Social Services:	
Adult Social Services	807
Other	147
Environmental Services – non trading	0
Regeneration and Community	317
Resources and Housing	4
Corporate budgets	
Treasury management	(1,400)
Supporting People	(867)
Other	283
Net variance	(85)

Revenue Budget Monitoring Update
Children's and Young People Department

Main variances	Projected year end variance		
	£000 overspend/ (underspend)		Reason Action to contain overspends
	Nov 06 update	Forecast outturn	
Non-schools budget risk budgets			
Workforce learning and development - risk	30	144	Employment of a temporary IT trainer and increasing training demands on the ICS System resulting in the necessity to buy in more routine training.
Agency placements – risk	726	498	Children's agency residential and fostering placements greater than assumed in budget. Continue to place as many children in-house as possible, negotiate favourable rates where possible, seek planned moves of children to extended family wherever appropriate. A new post of contracts officer has been established.
Special Education Needs Transport – risk	(30)	(30)	Savings on provision of escorts for special needs children by local taxi firm, rather than by the Council.
ICT – risk	0	0	
Adult Learning – risk	0	0	Underspends from previous years are available this year only to support reducing funding. Service currently under review, significant pressures emerging for 2007/08.

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
	Nov 06 update	Forecast outturn		
Sure Start Local Programmes and Neighbourhood Nursery Initiative – risk	0	0	No variance reported as funded through Local Area Agreement. Currently £152k underspent	
Children Centres – risk	0	0	No variance reported as funded through Local Area Agreement - LAA. Currently £640k underspent but supporting £143k overspend elsewhere within the LAA.	The LAA CYP Block Management Group have agreed to release £300k to support departmental overspends on LAA related provision.
Sub Total – Non Schools Risk Budgets	726	612		
Non Schools other budgets				
Children's social care budgets	313	315	Use of agency manager covering absences. Overspend on taxi fares for CLA contact meetings, an overspend on the Intentionally Homeless budget and 238 foster care placements against a budget of 220.	Limited action possible as all aspects of this projected overspend arise from statutory requirements over which we have no choice. Foster Care placements are being carefully monitored and challenged. Agency requirement has now ceased.
Unaccompanied Asylum Seekers	56	50	Unaccompanied asylum seeker children. Total overspend currently at £120k. However there is the assumption that some of this overspend can be reduced from income available from previous years' grant claims.	Maximise grant opportunity.
Voluntary early retirements	57	38	Additional ongoing commitments approved since base budget review.	

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
	Nov 06 update	Forecast outturn		
Inclusion	(70)	(33)	Underspend on departmental restructuring.	
School Improvement	(55)	(55)	Staffing underspends and utilisation of standards fund grants to fund core activity.	
Youth Service	0	(58)	Utilisation of grants and savings on staffing.	
Partnership, Performance & Participation	0	(71)	Underspend on Information Sharing Index Grant, this is not a ring fenced grant so can be used to support existing activity.	
Family Support	0	(38)	Staffing underpends	
Other minor departmental variances	19	(93)		
Sub Total – Non Schools, Other Budgets	320	55		
Total Non Schools Budget	1046	667		
Central Schools Budget (ring-fenced and funded by grant)				
Central Schools Risk Budgets				
Recoupment / Independent Special School Fees –	400	495	High cost placements and a reduction of income from Derbyshire for placements at enhanced resource schools.	Continue to consider all out of authority placements with regard to necessity and how needs could be met locally. Regional commissioning work related

Main variances	Projected year end variance		
	£000 overspend/ (underspend)		
	Nov 06 update	Forecast outturn	Reason
			Action to contain overspends
			<p>to considering all exceptional fee increases (long term).</p> <p>Looking at returning children to Derby provision where needs could be met appropriately locally.</p> <p>Consider offering additional support to schools to meet needs rather than expensive placement out of city.</p> <p>Developing multi-agency supported packages locally for children with complex needs.</p>
Pupil Referral Unit/Behaviour Support – risk	(100)	(100)	Part-year savings on new posts.
Early Years – risk	40	(11)	The use of other grants available eradicated this overspending budget in 2006/07.
Sub Total – Central Schools Risk Budgets	340	384	
Central staff cover	41	91	Reimbursements to schools for maternity cover and trade union duties.
Early Years – Foundation Stage Payments to the Private and Voluntary Sector	0	(70)	Numbers of places generally reduced.

Main variances	Projected year end variance		
	£000 overspend/ (underspend)		Reason Action to contain overspends
	Nov 06 update	Forecast outturn	
Sub Total – Central Schools Other Budgets	41	21	
Total Central Schools Budget	381	405	
Net departmental forecast year-end variance (excluding LAA underspends and use of service reserves)	1427	1072	
Net departmental forecast year-end variance including LAA contribution and use of service reserves		624	

Revenue Budget Monitoring Update

Corporate and Adult Social Services

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
	Nov 06 Update	Forecast outturn		
Adult Social Services Risk Budgets				
Home support (home care and Direct Payments risk budgets)	1,292	1,900	Actual growth of 43% against budgeted nil growth in Direct Payments and pressures in home care within in-house service and independent sector Older People & Learning Disability services.	Plans to achieve budget savings and to fund growth in Direct Payments being compiled by Management Team.
Residential and nursing placements (high cost packages of care risk budgets)	(671)	(701)	Projection based on a reduction of 55 elderly placements during the year and an underspend predicted on Learning Disability budgets in line with 05/06.	
Supporting People risk budgets	76	76	There has been a cut in Supporting People funding nationally.	
Health partnerships – risk budgets	0	0	The Health Service currently contribute significantly to a wide variety of care packages and schemes provided by Adult Social Services.	
Care Management	(351)	(427)	Underspends in arising from vacancy management of social work staffing costs in Older People and Learning Disability.	
Learning Disability Day Services	(133)	(190)	Underspends in arising from vacancy management of staffing costs.	

Main variances	Projected year end variance			
Strategic Planning – Adult Social Services	48	36	£53k was removed from Planning and Partnerships' budgets as part of the Department's budget savings. No potential reductions in capacity have yet been identified within the new departments.	
No Board income	500	500	Loss of protection of No Board income on Elderly & Learning Disability residential budgets	
One-off use of corporate reserves	(500)	(500)	To fund No Board income loss as reported in September 2006 Revenue Budget Monitoring report to Cabinet	
Net (under)/overspend on other areas	85	113		
Total Adult Social Services budgets	346	807		

Revenue Budget Monitoring Update

Environmental Services – non Trading

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
	Nov 06 update	Forecast outturn		
Other Budgets				
Bereavement Services	10	69	Under achievement of adult cremation fees due to late 2005/6 decision to limit prices increases. This has meant the budget is inherently £62k overstated.	Cut back on maintenance within parks budgets to try and contain in 06/07
Parks	0	-69	Non essential maintenance not undertaken plus additional rental income from land usage.	
Waste management	(47)	0	Overspends on waste disposal at the Civic Amenity site and fridge disposal costs. Partially offset by net income from recyclable materials.	
Net departmental forecast year-end variance	(37)	0		

Revenue Budget Monitoring Update
Regeneration and Community Department

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
	Nov 06 update	Forecast outturn		
Risk Budgets				
Transport procurement including revenue support	49	20	Contract renewals are exceeding the budgeted inflation allowed from 05/06. The forecasting has been refined to reflect current contract details. Changes in expected travel patterns are the reason for the improved outturn figure between November and present.	Options to contain 06/07 overspend being investigated. Longer term viability is being reviewed by the Transport Procurement and Operations Group.
CCTV income contributions	54	54	Budgeted contribution from Castleward area businesses not being met.	Options to contain 06/07 overspend being investigated. Longer term action is being considered within the 07-10 budget planning process.
Car park income	210	189	An estimated underachievement of £74k is projected on off Street income. On Street income is showing an £115k underachievement – both figures identify a decrease in usage.	Departmental management team have received a detailed analysis of parking areas underperforming. These issues are being considered within the budget planning process for 07-10
Decriminalised parking enforcement	0	0	New operation commenced early July 2006. Net scheme influenced	Detailed monitoring as part of a focussed team of officers will continue

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
			by fine income generated and levels of staffing employed. Fine levels are currently down on anticipated figures, however running costs, including a lower level of attendants is balancing the current position	to update the position to R&C Departmental Management team
Sub-total risk budgets	313	263		
Other Budgets				
Development Control	17	46	Forecast under recovery on fees, based on activity for period April to December 2006. The number of applications has fallen by 7% over previous years	As fees are set nationally, and applications are subject to national and local economic factors there is a limited level of action that can be taken to influence outturn in relation to fees. The manager will assess alternative approaches to reduce the overall impact. Overall divisional outturn will be considered
Building Consultancy	0	48	Drop in number of applications therefore a reduction in fees from checks and inspections. This is in line with the regional trend, plus work is being lost to the private sector	The outturn is quoted as the net position after taking into account offsetting some of the shortfall against the Building Consultancy trading reserve. The trading reserve balance would be reduced to less than £10,000. Staff vacancies are being held and agency staff employed up to December 2006 have been released. Options to cover shortfall from partnership work and significant

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
				schemes is being considered
Street Furniture	0	20	Loss of income due to fewer sites across the city as a result of current development works taking place.	The identification of suitable alternative sites is ongoing
Net departmental forecast year-end variance	330	377		
Less use of service reserves		-60		
Net variance		317		

Revenue Budget Monitoring Update

Corporate Budgets

Main variances	Projected year end variance		
	£000 overspend/ (underspend)		
	Nov 06 update	Forecast outturn	Reason
			Action to contain overspends
Benefits payments	150	397	Due to decreased overpayment creation / recovery, and external audit fees.
Treasury Management	(1,300)	(1,400)	Interest rate increases and investment balances continue to be maintained at higher level.
Supporting People	(300)	(867)	Previously reported one-off underspend of £300k due to part recovery of previous years overpayments – to be returned to Corporate reserves to repay 2005/06 overspend. A further £567k underspend is now confirmed.
Insurance provisions	0	(97)	Contingency and Public Liability insurance less than budgeted for.
Other miscellaneous budgets	0	(17)	
Net forecast year-end variance	(1,450)	(1,884)	

Revenue Budget Monitoring Update

Resources and Housing

Main variances	Projected year end variance		
	£000 overspend/ (underspend)		Reason Action to contain overspends
	Nov 06 update	Forecast outturn	
Council Tax Billing and Recovery	0	100	Reduced court cost income due to reduction in number of summonses being issued
Other variances from across the department, including savings from vacant posts		(96)	
Net departmental forecast year end variances		4	

Revenue Budget Monitoring Update

Environmental Services – Trading Accounts

Main variances	Projected year end variance		
	£000 overspend/ (underspend)		
	Nov 06 update	Forecast outturn	
Risk Budgets			
Building	100	100	Tendered works for 06/07 have not achieved expected levels.
Catering	0	0	Extra funding has been secured to cover the increased food costs.
Golf	73	91	Income from season ticket holders and green fees is around £59k lower than budget as bad weather has reduced pay and play a lot in 2006/07. A knock on effect is £16k reduced income from merchandising. There is also one off IT costs from the implementation of the Torex booking system.
	173	191	
Other Budgets			
Cleaning and Caretaking	135	135	Expected to lose in 06/07 due to contracted prices being inadequate for current costs.
			Re-negotiate contracts to revise prices to cover costs.

Main variances	Projected year end variance			
	£000 overspend/ (underspend)		Reason	Action to contain overspends
Refuse Collection	-40	-40	Trade income forecasted to be above budget.	
Street Cleaning	-72	-72	Efficiencies through operations alongside NEAT projects. Agency cover for operatives off sick not 100%	
All other Trading Accounts have projected outturn variances between £20k surplus to £20k deficit	22	4		
	45	27		
Net departmental forecast year-end variance (after £280k return to General Fund)	218	218		