

# ITEM 7



## COUNCIL CABINET 20 February 2006

Report of the Director of Corporate and Adult Social Services

### **Recommendations of the Overview and Scrutiny Commissions on the draft revenue Budget 2007/08-2009/10**

#### **RECOMMENDATION**

- |    |   |
|----|---|
| 1. | That Council Cabinet consider the recommendations of the Overview and Scrutiny Commissions that are set out in the reports that form the Appendices to this report. |
|----|---|

#### **SUPPORTING INFORMATION**

##### **Background**

- 2.1 The budget proposals for 2007/08 to 2009/10 set out in the detailed Revenue Budget Consultation Document that was issued to members on 9 January were considered by the Overview and Scrutiny Commissions at their meetings in January 2007.
- 2.2 The recommendations of the Commissions and their comments on the draft Revenue Budget are set out in reports that form the Appendices to this report.

##### **Issue(s)**

- 2.3 The issues identified by the Overview and Scrutiny Commissions are outlined in reports that form the Appendices to this report.

##### **Conclusions and Recommendations of the Commissions**

- 2.4 The conclusions and recommendations of the Commissions and the reasons for those recommendations are as set out in the reports that form the Appendices to this report.

##### **Recommendations**

- 2.5 That Council Cabinet considers the recommendations of the Overview and Scrutiny Commissions on proposals contained in the draft revenue Budget 2007/08-2009/10.

## Reasons for the Commission's Recommendations

- 2.6 For the reasons set out in the reports that form the Appendices to this report.

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<b>Background papers:</b>	Background Papers - None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Scrutiny Management Commission Appendix 3 – Adult Services and Health Commission Appendix 4 – Children and Young People Commission Appendix 5 – Community Commission Appendix 6 – Environment Commission

## Appendix 1

### IMPLICATIONS

#### Financial

1. None arising from this report.

#### Legal

2. None arising from this report.

#### Personnel

3. None arising from this report.

#### Equalities impact

4. The budget proposals that are the subject of the Commission's recommendations have the potential to impact on all Derby people.

#### Corporate Priorities

5. This report has the potential to link with all the Council's Corporate Priorities

## Appendix 2 – Recommendations of the Scrutiny Management Commission



**COUNCIL CABINET**  
**20 February 2007**

Report of the Chair of the Scrutiny Management Commission

### **Recommendations of the Scrutiny Management Commission on the draft revenue Budget 2007/08-2009/10**

#### **RECOMMENDATION**

1. That Council Cabinet adopt the recommendations of the Scrutiny Management Commission that are listed in paragraph 2.6 of this report of this report.

#### **SUPPORTING INFORMATION**

##### **Background**

- 2.1 The budget proposals for 2007/08 to 2009/10 set out in the detailed Revenue Budget Consultation Document that was issued to members on 9 January were considered by the Scrutiny Management Commission at its meeting on 30 January 2007.

##### **Issue(s)**

- 2.2 The Commission recognised the constraints under which the budget proposals had been developed and the need to achieve savings whilst still addressing the budget pressures that had been identified.
- 2.3 Members were however concerned that the proposed reduction in the opening hours of the Tourist Information Unit might have a detrimental effect at a time when strenuous efforts were being made to promote Derby.
- 2.4 It was also suggested that provision should be made in the budget for the development of a Travel Plan for the Council as it was thought that this would be of benefit in tackling climate change and reducing the Council's carbon emissions.

##### **Conclusions of the Commission**

- 2.5 The Commission concluded that it would be beneficial to the Council and Derby people if the proposed reduction in Tourist Information Unit opening hours was reviewed and if provision were made in the budget for the development of a Travel Plan for the Council.

## **Recommendations of the Commission**

2.6 The Commission recommends that Council Cabinet:

1. Review the proposals to reduce the opening hours of the Tourist Information Unit
2. Make provision in the budget for the development of a Travel Plan for the Council

## **Reasons for the Commission's Recommendations**

2.8 The reasons for the Commission's recommendations are that:

1. There are concerns that reducing the opening hours of the Tourist Information Unit would impact adversely on the promotion of Derby
2. The development of a Travel Plan for the Council would be of benefit in tackling climate change and reducing the Council's carbon emissions

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<b>Background papers:</b>	Background Papers - None
<b>List of appendices:</b>	Appendix 1 – Implications

## **Appendix 1**

### **IMPLICATIONS**

#### **Financial**

1. None arising from this report.

#### **Legal**

2. None arising from this report.

#### **Personnel**

3. None arising from this report.

#### **Equalities impact**

4. The budget proposals that are the subject of the Commission's recommendations have the potential to impact on all Derby people.

#### **Corporate Objectives, Values and Priorities**

5. This report has the potential to link with all the Council's Corporate Priorities

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

### **Adult Services and Health Commission**

The Commission considered the Draft Revenue Budget proposals 2007/08 at their 22 January 2007 meeting and made the following recommendations:

1. The Council Cabinet should reconsider its proposal to introduce charges to the Blue Badge scheme

#### **Reasons for Recommendation**

The draft revenue budget for 2007/08 includes a proposal to make a charge on the blue badge scheme. The charge would be set around £2.0 per badge in accordance with national guidelines and is expected to raise a net income of £10,000 for 2007/08. In discussing this proposal, Commission Members felt that the administrative costs associated with collecting the charge was likely to be high in proportion to the income it is expected to generate. Members were also of the view that Blue Badges are provided to cars that carry registered blind, older and disabled people who have severe walking difficulties to enable them to park closer to shops and other facilities. Introducing a charge on the blue badges will mainly affect older and disabled people, many of whom are amongst the most economically deprived members of the city.

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

#### **Reasons for Recommendation**

The Commission was informed that for the third year running, the Council has been unsuccessful in its bid to secure government funding for extra care provision in the city. Members were informed that it is becoming increasingly more expensive to provide 24/7 care to people with high level needs in their own home than caring for people in a group setting where the equivalent number of carers may look after six or seven service users. The principles of extra care enable people to live independently in their homes whilst allowing carers to provide care in group settings. The Commission offered its support to secure Government funding and establish an extra care village in the city.

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.

#### **Reasons for Recommendation**

The Commission was mindful that services users generally have a good understanding of their personal care needs and how these could be met. Some people with high level needs are happy to go into residential homes whilst others prefer to live independently and have their care needs met in their own home. Members recommended that Council respect service users' wishes and offer placements in care homes if this meets their needs and is what they want, even though this may not be in line with the national policy of encouraging people to remain independent in their own homes.

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.

#### **Reasons for Recommendation**

The Commission was informed by the Corporate Director for Children and Young People's Services that the Adult Learning budget is a self contained and consists primarily of funding from the Learning and Skills Council and supplemented by learner fees. No financial details were available as the adult learning year runs from 1 August to 31 July and the LSC had not yet announced their funding allocation for Derby City Council. It was anticipated that the LSC will conduct its consultation on the budget over the next few months and make its allocation for Derby. This will in turn enable the Council Cabinet set course fees for the 2007/08.

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.

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

### **Report from the Children and Young People Commission held 15 January 2007.**

#### **Lets Talk Budget – Revenue**

##### **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.

##### **Reasons for recommendation**

The level of fostering fees was not referred to in the budget Document, as no change to current policy was planned other than applying inflation. However, this issue has been a continuing concern to the new and previous scrutiny commissions. Most recently this was expressed in Recommendation 12 of the new Commission's topic review on Looked After Children: "The Council must complete the move to Fostering Network-recommended allowances". This was an extract from the response to that topic review which was also on the agenda of the 23 January meeting that considered the budget:

2.4 "One recommendation, 12, is partially accepted but is not achievable in the financial year 2007 – 08. This refers to our alignment of fostering allowances with fostering networks recommended levels. Currently our allowance levels are within the Governments indicative level for fostering allowances excepting our allowances for children under two years of age. Our allowance levels for teenagers are now slightly above these indicative rates. It is our intention to review again our allowance structure and use the increase planned for 2007 – 08 to address this. It remains a Council commitment to improve allowances and fees paid to our foster carers as resources permit"

It was therefore pleasing for the Commission to hear from the Corporate Director for Children and Young People that a marginally above-inflation increase is proposed, weighted toward the care of younger children. Although modest it is in the right 'direction-of-travel' and signals to the foster carers the Council's commitment to achieving the Government's recommended rates.

## **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.

### **Reasons for recommendation**

There was a concern that there may be occasions when the Council's, another organisation's – or wider stakeholders' - interests are to access time limited funding and that, in order to unlock those opportunities, applicants may use forms of words that suggest the City Council will or may take over the funding in the longer term. Without express permission from the Corporate Director of Resources and Housing that should not happen, as it compounds the pressures on the revenue budget and/or creates false expectations.

Having a properly thought out exit strategy is essential. In 2003 the topic review *Social Inclusion and the Physical Environment* had recommended: '[rec. 21] Council Cabinet should require that an agreed exit strategy be in place before the commencement of time-limited area funding'. This logic applies equally to external funding of a city-wide nature.

## **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.

### **Reasons for recommendation**

Derby's Youth Service has been rated as one of the best six in the country. The Commission recognise that it has not been required to find its full 3.5% savings for this year. However, the Commission do wish to register the importance of the Youth Service in serving the young people of Derby well and preventing or diverting some individuals from an adulthood of anti-social behaviour or criminality. Therefore funding the Youth Service can be characterised as spending-to-save.

## **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.

### **Reason for recommendation**



From 2008 funding for Connexions will be routed through the Council but the details have not yet been made known by Whitehall.

## Appendix 5 – Recommendations of the Community Commission

Reports from the Community Commission held 15 January 2007.

### Let's Talk Budget – Revenue

#### Recommendation

That Council Cabinet takes account of the views of the Commission on each of the following points:

**1 a 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.

**1 b 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.

**1 c 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.

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.

Subsequent to the Commission meeting this information was provided to its members:

It is rare to find actual legislation that prescribes the frequency of equipment testing. Instead both the HSE and the professional Institution of Electrical Engineers provide good practice guidance. These distinguish between different types of equipment, its use and its location. It was acknowledged by the responsible Council section that the current practice regarding equipment testing is a compromise involving a twelve month test of all items. This means

some items are being tested more frequently than necessary while others are not tested as often as guidance recommends. The reasons for this are:

- All new electrical items should be tested before being put into use because it cannot be assumed something straight out of the box is safe to use *and* in order to establish base test data for the item in new condition for comparison with later test results. Most equipment is IT based and would best be tested by CAPITA as part of the supply price. All other equipment can be reported through to maintenance for testing before use,
- .... but this is often not complied with, so over time there is a build up of new(ish) items that have never been checked and the existence of which have not been notified.
- Items are tested where they are first found and are logged to the room where found. Office moves mean that equipment is often subsequently found in a different location from where it was last tested. It may have been damaged in the move and/or not re-installed properly so testing is again necessary
- Because the tester has to check what equipment is in each room by visiting each room while the actual time spent testing an individual item is so short, there would be little efficiency gain by checking some while omitting others.

Aspects where testing is short of the guidance are for example: public libraries and reception areas and Council equipment in members own homes.

It would appear that if there was a new willingness by departments to ensure new items are routinely logged in and tested, and records kept up to date when office moves occur, it would be possible to have different retesting frequencies appropriate to the type of equipment and its location. It would be unlikely to produce overall efficiencies though as the 'gains' would be used to improve testing where it is not currently adequate.

**1 d 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.

**1 e General comment on budget construction.** The Council has two imperatives to meet:

- to set a balanced budget, as required by law, and
- to achieve Gershon efficiency savings.

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:

- service reductions and/or above inflation price increases and/or
- above target efficiencies

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.

## Appendix 6 – Recommendations of the Environment Commission



**COUNCIL CABINET**  
**20 February 2007**

Report of the Chair of the Environment Commission

### **Recommendations of the Environment Commission on the draft revenue Budget 2007/08-2009/10**

#### **RECOMMENDATION**

1. That Council Cabinet adopt the recommendations of the Environment Commission that are listed in 2.6 and 2.7 of this report.

#### **SUPPORTING INFORMATION**

##### **Background**

- 2.1 The budget proposals for 2007/08 to 2009/10 set out in the detailed Revenue Budget Consultation Document that was issued to members on 9 January were considered by the Environment Commission at its meeting on 22 January 2007.

##### **Issue(s)**

- 2.2 The Commission recognised the constraints under which the budget proposals had been developed and the need to achieve savings whilst still addressing the budget pressures that had been identified. Members were however concerned that certain of the savings proposed would have a detrimental effect on the provision of Council services, on the ability of the Council to respond adequately to pressures and on the overall environment of the City.
- 2.3 The savings proposals that were of concern to members were:
  - The reduction in funding for the Events programme
  - The Arts grants freeze
  - The Environmental Strategy Development Staffing reductions
- 2.4 Members were also concerned to hear that funds had not been identified for the continuation of the Reading Rocket service.

## **Conclusions of the Commission**

- 2.5 The Commission concluded that it would be beneficial to the Council and Derby people if the savings proposals and actions listed in 2.3 and 2.4 were not included in the final budget. The Commission did not offer any suggestions as to where alternative savings might be found.

## **Recommendations of the Commission**

- 2.6 The Commission recommends that Council Cabinet does not seek to make savings in the areas listed below:

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)

- 2.7 The Commission also recommends that funding is identified to maintain the Reading Rocket service

## **Reasons for the Commission's Recommendations**

- 2.8 The reasons for the Commission's recommendations are listed below:

3. The Events programme – the Shopper concerts are enjoyed by the public and are an added attraction for visitors to the City
4. The Arts grant freeze – freezing the Arts grant will have a detrimental effect on small arts organisations in Derby and may ultimately reduce the scale of the arts scene in the City.
5. The Environmental Strategy Development Staffing reductions – reducing the staffing and the supplies and services costs of the Environmental Co-ordination team will reduce its ability to respond at a time when environmental issues are of high and increasing priority to the City.
6. The Reading Rocket service – this service is seen as very important to the development of basic reading skills in a sector of the population that is most in need of assistance. Consequently it is recommended that maintenance of the service is given a high priority.

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<b>Background papers:</b>	Background Papers - None
<b>List of appendices:</b>	Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

1. None arising from this report.

**Legal**

2. None arising from this report.

**Personnel**

3. None arising from this report.

**Equalities impact**

4. The budget proposals that are the subject of the Commission's recommendations have the potential to impact on all Derby people.

**Corporate Objectives, Values and Priorities**

5. This report has the potential to link with all the Council's Corporate Priorities