

Time Commenced – 18:00
Time Finished – 19:46

Executive Scrutiny Board

07 January 2020

Present: Councillor Anderson (Chair)
Councillors Ashburner, Care, Cooper, Hudson, Pattison, Peatfield,
Shanker, Testro

In attendance: Councillors Atwall, Lind, Naitta, Skelton, Willoughby
Councillor Barker – Cabinet Member for Governance and Licensing
Councillor M Holmes – Deputy Leader of the Council and Cabinet
Member for Regeneration and Public Protection
Councillor Roulstone – Cabinet Member for Finance and Procurement
Councillor Webb – Cabinet Member for Adults, Health and Housing
Councillor Williams – Cabinet Member for Children and Young People
Councillor Wood – Cabinet Member for Leisure, Culture and Tourism
Pauline Anderson – Director of Learning and Skills
Kirsty McMillan – Director of Integration and Direct Services (Adults)
Steven Mason – Democratic Services Officer
Toni Nash – Head of Finance Organisation and Governance
Rachel North – Strategic Director of Communities and Place
Simon Riley – Director of Financial Services
Paul Simpson – Strategic Director of Corporate Resources
Andy Smith – Strategic Director of People Services
Elly Tomlinson – Principal Accountant

62/19 Apologies for Absence

Apologies for absence were received from Councillor Eldret.

63/19 Late Items

There were none.

64/19 Declarations of Interest

There were none.

65/19 Budget Proposals 2020/21

The Board considered a report of the Strategic Director of Corporate Resources, allowing scrutiny members to consider the 2020/21 Budget Proposals.

The Strategic Director for Corporate Resources introduced the item and wished to place on record his thanks to all the colleagues and Councillors who had helped to shape the budget report.

It was reported that the Council was legally required to set a balanced budget for the next financial year, by 11th March 2020. It was also reported that following a period of consultation, Council Cabinet would recommend a budget to Full Council on 27 February 2020.

Members noted that the MTFP included a proposal for consultation of a 3.99% increase in the City's share of the Council Tax for 2020/21. It was also noted that this incorporated a core increase of 1.99% and a further 2% for the social care levy. It was reported that this levy would possibly be available for future years but was not currently factored in for the second and third years of the MTFP. It was also reported that indicative Council Tax increases for 2021/22 and 2022/23 of 1.99% had been forecast.

It was noted that the Chancellor had outlined his budget for 2020/21 on 4 September 2019 and that the announcements had detailed a 4.3% real term increase for 2020/21 for Local Government. It was also noted that the Government had announced that the spending review delivered the largest real growth in day-to-day departmental spending for 15 years.

It was reported that over the MTFP period, an additional £20.7m was being invested into services from Government funding and maximising the flexibility to levy Council Tax at the maximum permitted level.

The Strategic Director of People Services outlined the headline revenue savings proposals and pressures for the People's Directorate, including:

Adults & Public Health

- Provision for increased demand for Adult Services, £1.255m in 2020/21 and a further £2m by 2022/23. This reflects increases in the adult population aged over 85 and the number of adults with severe or chronic learning and/or physical disabilities supported by social care. It is expected that the success of Adult Social Care in managing demand in recent years will mean that these relatively small increases in the commissioning budget will be sufficient to meet new demand and dependency pressures in this area.
- Funding £0.3m Livewell investment within the base budget.

Children's Services

- Additional £2.006m Children's Agency Placements - Looked After Children (LAC) placements. There was significant growth in 2018/19 and the first

quarter of 2019/20 in the number of LAC and Unaccompanied Asylum Seeker Children (UASC). This now appears to have plateaued with encouraging signs that demand can be managed within this increased budget envelope through the intervention programmes in place.

- Additional budget to meet a £0.750m increase in demand for home to school transport for children with special educational needs and disabilities.

Members questioned the increase in the home to school budget. It was reported that this was due to high numbers of young people with Educational Health Care Plans and that the numbers were disproportionately high in Derby.

It was reported that transformational activity continued to help manage or stabilise demand and improve outcomes for vulnerable adults and children within the City that required support. It was also reported that the MTFP proposals built on the change programmes approved by Council in February 2019 including:

Adults & Public Health:

- Review of younger adults care packages - c 300 adult care packages are to be reviewed, which may benefit from adopting an asset based approach to meeting eligible needs (£0.500m).
- Restructure and targeting of the Carelink service (£0.100m).

Children's Services

- Social impact bonds - these are a different way of providing services since payments are made on the basis of clear outcomes being achieved rather than traditional methods of how the council funds or commissions services. Derby has been working closely with Nottingham City and Nottinghamshire County Councils in developing a joint approach, with a clear focus on developing a social impact bond approach for children in care and on the edge of coming into care – an area that has one of the most significant impacts on council budgets. These efficiencies will be delivered by reducing the cost of care (£1.024m).
- Remodelling of the service model for the provider of fostering and residential provision for children in care. This programme is demonstrating real success in securing foster placements within the City; providing increased stability for our looked after children and reducing expensive out of City placements. Further benefits are planned to accrue from the remodelling of residential provision (£0.400m).

Members questioned why Derbyshire County Council was not involved in the Social Impact Bonds approach. It was reported that it had been Derbyshire County Council's decision.

In relation to the restructure of the Carelink service, Members asked whether income generation was being considered. It was confirmed that this was being considered but that the restructure was also about creating resilience in the service.

The Strategic Director of Communities and Place outlined the revenue savings proposals and pressures for the Communities and Place Directorate.

Members noted that there was continued implementation of change programmes initiated in previous years and agreed at Council in February 2019. It was also noted that the Directorate had also responded to a projected £2.2m increase in the cost of waste collection and disposal. It was reported that there were external demand pressures and market led pressures, especially in the area of waste collection and disposal.

Members noted that other headlines included:

- Museums management fee £0.250m
- Sovereign car park loss of income due to development of Castleward primary school. £0.150m
- Enterprise for Education (E4E) on going funding £0.100m
- Concessionary fares £0.100m.

Members asked whether the £2.2m increase in the cost of waste collection and disposal was due, in part, to the Sinfin waste treatment plant. It was confirmed that this was the case.

It was reported that transformation activity continued through the re-provisioning of services and the targeting of services direct to communities. It was also reported that service efficiencies were being sought with minimal impact on front line service delivery and adoption of a more commercial approach.

It was noted that headlines in respect of new proposed savings and income proposals included:

- Implementation of new staffing structures within Public Protection and Street Pride (£0.204m).
- Parking efficiencies – introduction of more electronic means of parking payments alongside additional enforcement (£0.211m).
- Library transformation programme (£0.047m).
- City growth and regeneration efficiencies and income generation (£0.078m).

Members welcomed the commercial approach being taken.

Members questioned the proposals in relation to Land, Flood and Drainage – Staff Efficiencies. It was confirmed that the whole service was being remodelled to increase resilience and generate income. It was also reported that one of the aims was to bring part of the service (low level prevention) in-house.

The Strategic Director of Corporate Resources outlined the revenue savings proposals and pressures for the Corporate Resources Directorate.

It was reported that the MTFP factored into the budget provision for the treasury management implications of the revised capital programme, resulting from proposals for additional investment in highways infrastructure and the substitution of borrowing

instead of reserves in respect of the A52 project in order to provide financial resilience in respect of reserves.

It was also reported that in February 2019, Council approved an ambitious capital programme to deliver significant benefits to residents and businesses in Derby over the MTFP period and that this programme, along with new investment in highways and provision for additional borrowing in future years linked to the emerging capital strategy, had been factored into the MTFP.

Members noted that the MTFP had also been updated with the potential net impact of the tri-annual pension review administered by Derbyshire County Council. The headlines were outlined, including:

- Corporate revenue contingency budget - this is a corporate contingency budget to hold for emerging in year pressures across the council of £1.279m.
- Prudential borrowing linked to capital programme - treasury management flexibility to fund emerging priorities for example highways maintenance £3.398m.
- Estimated pensions increase following the triennial review £1.503m.

Members questioned the substitution of borrowing for the use of reserves. It was reported that the Council was in a good position in relation to its level of borrowing and that it was important that there was financial resilience in respect of reserves.

It was reported that the directorate continued to make significant savings on contract management arrangements; income generation and improved management of the Council's property estate and that other savings would be delivered across the organisation through the Change Derby Programme. The headlines were reported, including:

- Planned closure of Queens Leisure Centre upon opening of the new swimming facility resulting in savings in property management costs (£0.225m)
- Contract efficiencies - multi-functional device reduction & cost/copy savings - reduction in print management contract (£0.050m)
- Document Management Centre (DMC) reduction in postage costs (£0.100m)
- Bringing trade union facility time into line with our comparator councils (£0.040m)
- Change Derby – development of a commercialisation approach and ethos to maximise income, maximise capacity and to understand costs of service delivery. Early opportunities in respect of property investment within the City are being explored alongside review of street pride tradeable services (£0.250m).

Members discussed the proposed changes to Trade Union facility time.

Members wished their thanks to all officers involved, for all of their hard work, to be recorded.

Resolved:

1. to note the report; and
2. to agree that the thanks of the Board to all officers involved, for all of their hard work, be recorded.

MINUTES END