



Derby City Council

COUNCIL CABINET **22 January 2014**

Appendix 3

Report of the Cabinet Member for Business,
Finance and Democracy

General Fund Revenue Budget 2014/15

SUMMARY

- 1.1 This report sets out proposals resulting from the Coalition Government grant budget settlement to recommend to Council a net budget requirement of £217,929,416 in 2014/15.
- 1.2 The report also sets out budget proposals for 2015/16 and 2016/17 as part of the Council's Medium Term Financial Plan - MTFP.
- 1.3 The Council has outlined permanent cuts requirements of £78.9m over three years to meet rising costs, maintain priority services and invest for the future. These cuts total £28.0m in 2014/15, £30.0m in 2015/16 and £20.9m in 2016/17. These cuts will be delivered from a combination of efficiencies, income generation, staff post reductions and changes to services.
- 1.4 Each section of the report deals with the various elements that require consideration before a final decision is reached. These key areas are:
 - the budget process leading up to these proposals (Section 4)
 - the resources available to the Council, including council tax and the local government finance settlement (Section 5)
 - the budget proposals for 2014/15, how they have changed since proposals were released for consultation and details of the key changes by Directorate (Section 6)
 - the budget forecasts for 2015/16 and 2016/17 (Section 7)
 - details of the impact assessments carried out on the Council's budget proposals (Section 8)
 - an explanation of the links between the budget proposals and the Council's corporate outcomes (Section 9)
 - the Council's reserves position (Section 10)
 - the communication and consultation process including feedback (Section 11)
 - the management of budget risks (Section 12).
- 1.5 A separate report providing details of the latest estimated outturn position for 2013/14 as at Quarter 2, and the treatment of variances, was presented to Cabinet on 06 November 2013. The 2013/14 budgets used in this report have been restated to reflect all movements of budgets between Directorates approved during 2013/14 to date and to reflect the changes in the Local Government finance arrangements to enable more meaningful comparison.

- 1.6 The Council's provisional grant settlement from central government for 2014/15 is expected to be £113.486m, including revenue support grant of £62.080m, and £12.913m in top-up grant under the Business Rates Retention funding scheme for Local Government, to supplement anticipated retained business rates of £38.493m. A number of other corporate grants are also expected in 2014/15 including a Public Health Grant of £15.784m; an Education Services Grant of £4.076m; and grant of £5.264m for Social Care and Benefit Health Reforms. New Homes Bonus funding of £3.486m is also anticipated. Further details of all grants anticipated to be received by the Council are provided in Appendix 3.
- 1.7 Included in the appendices is summarised budget information that, together with the text of the report, constitutes the full budget proposal.

RECOMMENDATIONS

To recommend to Council the following ...

- 2.1 To approve a budget requirement for Derby City Council for 2014/15 of £217,929,416 subject to confirmation of the final Local Government Settlement expected in February 2014 and finalisation of the Council's Council Tax for 2014/15 which will be presented to Full Council in March 2014 for approval.
- 2.2 To approve for 2014/15 the directorate revenue budget estimates and the net use of reserves of £1.835m (0.84% of the budget) in 2014/15 summarised in Appendix 4a of this report.
- 2.3 To approve the measures proposed to manage budget risks in 2014/15 and in future years, including the deliverability of identified cuts, levels of service and inflation forecasts as set out in Section 12.
- 2.4 To approve the commencement of appropriate procurement procedures to support the specific budget proposals listed in appendices 5 and 6.
- 2.5 To approve the immediate implementation of detailed cuts proposals for 2014/15 and 2015/16 subject to the completion and consideration, where relevant, of any further consultation exercises, equality impact assessments and assessments under Section 17 of the Crime and Disorder Act 1998.
- 2.6 To note the changes made to the budget cuts proposals as a result of feedback from the consultation process, detailed in paragraph 11.4.

2.7 To approve within this total of £217,929,416:

	£
Net service estimates of:	
Adults, Health and Housing	73,285,000
Chief Executives	3,199,000
Children and Young People	38,199,000
Neighbourhoods	48,926,000
Resources	23,006,000
Corporate and Contingency Budgets	32,149,416
Net adjustment for one-off Corporate redundancy costs	1,000,000
	219,764,416
Appropriations to/from reserves (figures in brackets are appropriations from reserves):	
Service reserves	(155,000)
Corporate reserves	(1,680,000)
	217,929,416

2.8 To note the calculation of the Council's Tax Base for the year 2014/15 as 62,419.06 equivalent band D properties, subject to approval as a separate agenda item to this meeting, in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012).

2.9 To note the calculation of the following amounts for the year 2014/15 in accordance with Sections 33 (1) of the Local Government Finance Act 1992, as revised under Schedule 5 of the Localism Act 2011, and for these figures to be taken forward and confirmed at Council in March 2014 as part of the Council Tax setting report.

- a. £570,138,519 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e).
- b. (£352,209,103) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
- c. £217,929,416 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. £145,159,403 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, business rates top-up grant, revenue support grant, and additional corporate government grants

e. £1,165.83 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 2.8 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	777.22	E	1,424.90
B	906.76	F	1,683.98
C	1,036.29	G	1,943.05
D	1,165.83	H	2,331.66

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.

- 2.10 To note that details of the precepts to the Council for Derbyshire Police Authority and Derbyshire Fire Authority, in accordance with Section 40 of the Local Government Finance Act 1992, will be presented to Council in March 2014.
- 2.11 To note that the Council Tax to be set for 2014/15, being the aggregate of the amount calculated by the Council at Appendix 2 and the precepts issued by the Council's major precepting authorities, in accordance with Section 30 of the Act, will be presented to Council in March 2014.
- 2.12 To note the revenue budget plans for 2015/16 and 2016/17 set out in section 7 of this report.
- 2.13 To note the feedback from the budget consultation detailed in appendices 7 to 11 and approve the Council Cabinet responses to consultation recommendations.
- 2.14 To note that the Council will hold a Schools Forum meeting on 23 January 2014, this will directly inform the draft 2014/15 Schools Budget. A report will therefore be presented to Cabinet in February 2014 for review and comment.

REASONS FOR RECOMMENDATIONS

- 3.1 The Council has a legal obligation to set a balanced budget for 2014/15, as prescribed in the Local Government Finance Act 1992 and associated Regulations.
- 3.2 The 2014/15 to 2016/17 budget proposals included within this report provide the resources framework for the delivery of Council priorities over the next three years.

SUPPORTING INFORMATION

4. The Budget Process

- 4.1 The budget strategy approved by Council in August 2013 outlined a number of key principles which would be applied and explored during the budget development stage prior to consultation. These were:
- intending to raise council tax by up to 2% (or the relevant referendum threshold) in order to protect, as far as possible, services for the most vulnerable
 - reviewing at what level we provide statutory services
 - exploring all service delivery models
 - taking steps to manage demand, identify need and stop services as necessary
 - determining the broad capital strategy for the Council to support the delivery of core priorities
 - working with our partners to determine the appropriate customer pathways across partner organisations and establish financial savings across the public sector.
- 4.2 A series of Council Cabinet and Chief Officer Group meetings were held during the Summer and Autumn 2013 to challenge existing base budgets and scrutinise budget savings and pressures. These meeting were followed by more in depth Budget Challenge meetings led by the Leader of the Council. Cabinet Members and Strategic Directors then presented a series of budget proposals for consultation.
- 4.3 The Council carried out a detailed consultation exercise between 05 November 2013 and 16 December 2013 with Councillors, key stakeholder groups, members of the public, Trade Unions and the business community. Further details of the consultation process and feedback are included in Section 11 and Appendices 7 to 11 of this report.
- 4.4 There have been a number of key developments in the budget strategy since September 2013 including:
- Indicative pressures and savings outlined in the previous budget process have been fully reviewed. These proposals were previously consulted on as part of the prior year's budget process and therefore are not detailed again within this document.
 - Inflation factors have been reviewed and applied to relevant budget headings, which equate to approximately £14.5m over the three years (including a 1% pay award per annum).
 - Confirmation and amendment to the borrowing requirements to support the

capital programme, providing key service and transformation programmes.

- An estimated reduction of up to 350 full time equivalents (FTEs) is required to deliver the savings in 2014/15.
- Reserves have been scrutinised to highlight any uncommitted balances. The remaining uncommitted balances at 31 March 2014 are estimated to be approximately £7.1m, which is required to maintain an appropriate level of general reserves relative to the Council's net budget requirement, and also to support any significant budget risks in future years.

4.5 After taking into account all of the above changes and adjustments since the Council's three year revenue budget strategy was agreed by Council in August 2013, this report shows a balanced revenue budget position across the three year period 2014/15 to 2016/17. This is reliant on the delivery of permanent savings amounting to £28.0m by 2014/15 and a further £30.0m in 2015/16 and £20.9m in 2016/17.

4.6 Table 1 below summarises the final revisions that have been made to the 2014/15 to 2016/17 budget after receiving feedback from our consultation process:

Table 1 Final changes to 2014/15 to 2016/17 budget since receiving feedback from our consultation process and financial settlement

Change (cumulative)	2014/15 £000's	2015/16 £000's	2016/17 £000's
Budget Requirement at Consultation	216,639	205,008	195,844
Effect of previous years changes	0	640	2,030
Movement in use of reserves including Council Tax collection fund estimates	579	0	0
Transfer of collection fund (NDR) surplus to reserves	71	0	0
Removal of H&CT subsidy admin grant pressure	(152)	0	0
Increase to TM budget to fund capital receipt shortfall	189	0	0
Deferred Savings	251	(251)	0
Additional corporate contingency	352	0	0
Change in savings to find	0	1,641	14
Revised Budget Requirement	217,929	207,038	197,888
Funding Available at Consultation	216,639	205,008	195,844
Change to funding from provisional settlement	889	2,202	2,220
Change to estimate in collection fund (Ctax)	500	0	0
Change in Ctax base	(170)	(172)	(176)
Change in estimate in collection fund (NDR)	71	0	0
Revised Funding Available	217,929	207,038	197,888

5. Resources Available

5.1 The Council's net revenue budget, which supports Directorate services, is funded from Government grants, Business Rates and Council Tax income (which is paid by

residential householders in the City).

- 5.2 The 2014/15 budget is based on a starting position of the latest 2013/14 budget. Base budget adjustments, to reflect the full year effect of changes approved in the existing budget strategy, along with further pressures and savings have been identified to deliver a balanced budget.
- 5.3 From 1 April 2013, the Council now retains 49% of Business Rates collected, and receives both a Top-Up Grant and a Revenue Support Grant from Government. The Council's Top-Up Grant has been fixed for 7 years and is increased annually by RPI, but the Revenue Support Grant continues to be subject to significant reductions.
- 5.4 The latest financial settlement received by the Council in December 2013 included figures for 2014/15 and 2015/16. For budget planning purposes we have modelled the 2016/17 positions on a continuing trajectory of reductions in line with the latest information provided by central government.
- 5.5 There are a number of funding changes included in this report as summarised below:
- The Revenue Support Grant provided by government is expected to reduce by £42.946m between 2013/14 and 2016/17, including reductions of £13.715m in 2014/15, and £17.834m and £11.397m in 2015/16 and 2016/17 respectively.
 - We have assumed Council Tax increases of 1.85% in 2014/15, and 1.86% in 2015/16 and 2016/17, which equates to approximately £1.2m each year.
 - The Council Tax base estimates built into the budget add approximately a further £1.0m of funding in 2014/15 and £0.2m in each of the remaining two years. This is based on the forecast increase in the number of occupied domestic properties over the three years.
 - The New Homes Bonus Grant, which is based on the increase in domestic properties in Derby, is anticipated to continue. The funding we will receive from this grant in 2014/15 will be £3.486m with an estimated further £0.3m in each of 2015/16 and 2016/17.
- 5.6 Table 2 shows the level of funding and changes between financial years from 2013/14 to 2016/17, along with Council Tax setting assumptions.

Table 2 Resources Available 2013/14 to 2016/17

		2013/14 (restated) £m		2014/15 £m	Change %	2015/16 £m	Change %	2016/17 £m	Change %
Revenue Support Grant	A	(75.795)		(62.080)	(18.1)	(44.246)	(28.7)	(32.849)	(25.8)

Business Rates Top Up Grant	B	(12.667)	(12.913)	1.9	(13.270)	2.8	(13.694)	3.2
Retained Business Rates	C	(37.758)	(38.493)	1.9	(39.555)	2.8	(40.821)	3.2
Other Specific Grants	D	(26.678)	(31.602)	18.5	(35.609)	12.7	(34.543)	(3.0)
Council Tax – Band D (£)		1,144.63	1,165.83	1.9	1,187.46	1.9	1,209.52	1.9
Gross Taxbase for Tax Setting		63,203	64,020	1.3	64,225	0.3	64,430	0.3
Collection Rate Assumed		97.5%	97.5%	0.0	97.5%	0.0	97.5	0.0
Net Taxbase for Tax Setting		61,623	62,419	1.3	62,619	0.3	62,819	0.3
Council Tax Requirement	E	(70.535)	(72.770)	3.2	(74.358)	2.2	(75.981)	2.2
Collection Fund (Surplus) / Deficit	F	0.473	(0.071)	(115.0)	0	(100.0)	0	0.0
Resources Available (A+B+C+D+E+F)		(222.960)	(217.929)	2.3	(207.038)	5.0	(197.888)	4.4

- 5.7 Council Tax is calculated by reference to Band D with for example Band A being 6/9 (two thirds) of Band D, and Band H being 18/9 (double) of Band D. Band A is by far the most common Band in Derby. Police and Fire increases will be added once the Council has been notified of these values.
- 5.8 Paragraph 2.9(f) shows the planned Council Tax by band for Derby City Council services before the inclusion of increases relating to Derbyshire Police and Fire Authorities who calculate their own Council Taxes in addition to these. Derby City Council's statutory Council Tax calculation for 2014/15 is shown in Appendix 2.
- 5.9 The Council's calculated Council Tax, plus the Derbyshire Police and Fire Authority amounts, will be presented to the Council in March 2014 as part of the Council Tax setting report, in accordance with section 33 (1) of the Local Government Finance Act 1992.

6. Budget proposals for 2014/15

- 6.1 The summary 2014/15 budgets for each service directorate are set out in Appendix 4a to this report.
- 6.2 Table 3 below summarises the budget changes proposed to the 2013/14 base budget to arrive at the revenue budget for 2014/15.

Table 3 Summary Revenue Budget Position for 2014/15 compared to 2013/14

	£'000s	% reduction
2013/14 Adjusted net Budget (before one-off use of reserves)	223,707	
Add Inflation	4,832	
Add Pressures	18,271	
Less Permanent Savings	(28,046)	
Plus Adjustments for temporary redundancy costs	1,000	
2014/15 Net Budget	219,764	(1.78%) of 2013/14 net budget
Less Use of Reserves	(1,835)	
Proposed Budget Requirement 2014/15	217,929	(2.58%) of 2013/14 budget requirement

- 6.3 Details of service budget strategies and key proposals for each Directorate are outlined below:

Adults, Health and Housing

- 6.4 The Adults, Health and Housing - AHH - Directorate is a significant and complex service area for the Council, providing both statutory and non-statutory services. The Housing service covers strategic and operational housing functions, including Supporting People (housing-related support) services and Derby Advice. The Housing and Advice service offers a wide spectrum of services ranging from homelessness prevention to benefits advice. From April 2013, the Directorate also now hosts the Public Health function.
- 6.5 Adult social care - ASC - offers support services to vulnerable adults, as well as information and advice about social care to the general public and to people who fund their own support. Specifically, adult social care supports older people as the

single largest group of individuals, and also adults of working age with physical, mental health and learning disability support needs. The overall aim of the adult social care service is to support and protect vulnerable individuals to maximise their well-being and independence to enhance their quality of life.

- 6.6 The total net budget for the Directorate in 2013/14 amounted to £77.349m. The Directorate will find total savings of £9.291m during 2014/15 which equates to 12.0% of net controllable budget. This is in addition to the £7.345m savings currently being made in 2013/14.
- 6.7 Adult social care budgets are under severe pressure nationally and locally. The demand for services is increasing as a result of longer life expectancy for groups of vulnerable people. In particular, older people and adults of working age with learning disability are living longer. These service areas account for over 75% of the adult social care budget. Budget pressures of £7.764m have therefore been added to the budget from 2014/15 to 2016/17, including pressures of £3.828m in 2014/15.
- 6.8 The strategy adopted aims to protect services for the most vulnerable people in our communities, through protecting statutory services and focussing reductions in discretionary areas of expenditure. The Directorate is also maximising the use of new technology and finding more efficient ways of working to deliver similar levels of service with less funding. However, in some areas of activity, the Council will have to do less.
- 6.9 The Directorate's savings will largely be delivered through the Directorate Transformation Programme and comprise of management savings, cost and efficiency measures, income generation, service prioritisation and service redesign. The areas affected cover the whole of the directorate and are not confined to any single service or function.

Chief Executive's Office

- 6.10 The Chief Executive's Office delivers the core strategic services covering Policy, Research and Engagement, Performance and Improvement and Communication along with Economic Development and Regeneration. The Chief Executive's Office takes the lead role in coordinating and programme management of the 'one Derby, one council' – ODOC – innovation programme.
- 6.11 The total net budget for the Chief Executive's Office in 2013/14 amounted to £3.474m. The Chief Executive's Office will find total savings of £0.275m over the next three years which equates to 7.9% of the net controllable budget. This is in addition to the £0.585m savings currently being made in 2013/14.
- 6.12 Savings for 2014/15 will primarily be delivered through the restructuring of services as well as reductions to non-staffing budgets. Using the enablers being applied through the ODOC programme will help achieve the efficiencies needed to deliver the required savings targets.

Children and Young People

- 6.13 The Children and Young People's (CYP) Directorate is a significant and complex service area for the Council, providing mainly statutory services to children and their families. The services include covering the provision of education and learning in Derby schools (and sometimes outside of Derby where specialist provision is required), specialist support including special educational needs and disabled children, safeguarding of the most vulnerable and the associated regulatory duties.
- 6.14 The total gross budget for the Directorate in 2013/14 is in excess of £220 million, however a vast proportion of that is funded by specific ring fenced grants. The Dedicated Schools Grant – DSG – accounts for approximately £192 million and supports direct funding to schools. The national funding reforms on Schools Budgets require approval of Schools Forum for all uses of DSG funding. Details of the draft Schools budget for 2014/15 will be presented to Cabinet in February 2014.
- 6.15 The total net budget for the CYP Directorate in 2013/14, excluding DSG, was £40.675m. The Directorate has identified £3.378m worth of savings in 2014/15 which represents 8.3% of the net budget for the Directorate. This is in addition to the £5.565m savings currently being made in 2013/14.
- 6.16 Children's budgets are under severe pressure nationally and locally. The demand for services are increasing as a result of national safeguarding cases and increasing referral rates relating to high level need services for families. Increases in numbers of children with autism and complex learning needs have increased demands on specialist learning, care and health services. The creation of academies and the associated reductions in funding also impacts on CYP services.
- 6.17 The Council is funding £0.624m and £0.920m of pressures across CYP services in 2014/15 and 2015/16 respectively in recognition of the upward pressure on demand in these areas. The Council is keen to protect services for the most vulnerable children and their families and takes its safeguarding and corporate parenting responsibilities very seriously (where children are placed in the care of the Council).
- 6.18 The CYP Directorate continues to maintain its commitment to improving educational attainment, safeguarding vulnerable children and young people, and narrowing the gap. In order to tackle the reduction in resources available, the proposals are based on the following principles:
- protection of statutory services for the most vulnerable
 - integration of services within the Council and with others to achieve economies of scale, management efficiencies and the release of expensive and under-used buildings
 - a continued focus on early intervention and prevention in order to support children and families earlier and to reduce the requirement for more expensive crisis or specialist services where possible
 - changing the way services are provided through a transformation programme, in order to improve effectiveness and efficiency
 - reviewing decision-making to promote independence.

Neighbourhoods

- 6.19 The Neighbourhoods Directorate includes a wide range of diverse services that

contribute to the quality of life for all residents within the city. The directorate has responsibility for strategic plans covering Planning, Transport, Highways, Health and Safety and Waste Management, but also provides direct services in Leisure, Arts, Culture, Libraries, Waste Collection, Street Cleansing, Grounds Maintenance, Highway Maintenance and Regulatory Services.

- 6.20 The total net controllable budget for the Directorate in 2013/14 was £52.256m. The Directorate will find total savings of £6.242m in 2014/15 which equates to 11.9% of the net controllable budget. This is in addition to the £4.513m savings currently being made in 2013/14.
- 6.21 The budget proposals include new revenue opportunities around fees and charges which will be set having regard to the regional average. The Council will continue to drive investment into Leisure and Cultural facilities and this year will see the completion of the Multi-sports Arena. This represents a major investment into the infrastructure of Derby and will help the City bring in new business, visitors and therefore contributes to the economic regeneration of the City as well as improving the health and wellbeing of Derby residents.
- 6.22 The Neighbourhood budget as proposed will ensure that statutory services are delivered and by focusing savings on back office costs, efficiency and discretionary services we have ensured that services will continue to support the quality of life for all in Derby. Whilst there are impacts on some services these have been minimised by prioritising services, minimising bureaucracy, and reviewing how we provide services in order to give value for money.
- 6.23 The Neighbourhoods Directorate has amended one of the proposed budget changes during consultation, totalling £53,000. The saving will now be delivered through efficiencies within the Concessionary Fares budget rather than reviewing the lease/grants of cultural partners

Resources

- 6.24 The Resources Directorate is largely made up of support services and corporate core functions. In addition the Council's frontline revenue, benefits and customer services functions are managed by this Directorate.
- 6.25 The net Resources budget for 2013/14 was £24.885m. For 2014/15 the Directorate has identified £2.924m worth of savings which represents 11.75% of the net budget for the Directorate. This is in addition to the £1.861m savings currently being made in 2013/14. Some of this has been achieved through the transformation programme and the delivery of efficiencies. However, given the scale of savings required, it is inevitable that in some areas the Council has had to accept a reduction in the level of service delivered
- 6.26 It is important that whilst delivering the required savings, the Directorate ensures that the statutory, legal and core priority responsibilities are maintained. In addition, the Directorate is key to supporting the Council wide delivery of savings through the HR, Customer Services, ICT, Legal and Democratic Services and Finance and Procurement Departments.

- 6.27 The Directorate is playing a key role helping to transform the Council's services. This includes upgrading our ICT infrastructure and network, implementing new systems to achieve greater customer service and efficiencies (e.g. a new customer management system) through to making efficiencies in the way that we process information and support frontline services.
- 6.28 A number of pressures have been approved for corporate support within the Directorate, including investment in the implementation of our Electronic Document Record Management programme which will generate significant efficiencies in the way the council does business.

Corporate Budgets and Contingencies

- 6.29 Corporate budgets are a combination of cross directorate contingencies, treasury management and other key budgets. Contingency budgets are held to ensure we have adequate coverage to support key risks and eventualities facing the Council. The Council has considered the contingencies it holds to determine an appropriate level to meet the specific risks and future uncertainties facing the Council. The outcomes of this review are discussed further in the Report on the Robustness of Estimates and on the Adequacy of Reserves 2014/15 also included on the agenda for this meeting.
- 6.30 Corporate savings consist of a number of cross-directorate savings proposals; including efficiencies from a review of contracts, procurement category plans and e-services, and reviewing the future shape of the Council. These schemes are currently held at a cross-Directorate level whilst Directorates develop detailed plans to identify how these savings will be delivered within individual service areas.
- 6.31 There are several increases on corporate budgets. These are:
- planned movements in borrowing costs to support the capital programme
 - increase in the employer's pension contribution rate per person due to the distribution of historic costs over a reduced number of staff.
 - Increased costs of maintenance and support of the Council ICT systems
 - Implementation of the Council's Pay and Reward programme to ensure equality in terms and conditions of employment. This cost will be redistributed to Directorate budgets upon implementation
 - Technical adjustment for the transfer of services formerly funded from the Dedicated Schools Grant due to pressures in relation to special educational needs

Some of these budgets will be distributed to Directorates during the relevant financial year, subject to Cabinet approval, as details of specific spending requirements are clarified.

7. 2015/16 and 2016/17 budget forecasts

- 7.1 Current plans for the three years show the following balanced position for 2015/16

and 2016/17 on the basis of:

- an assumed 1.86% Council Tax increase in each year
- the delivery of £50.9m of permanent directorate savings

- 7.2 Table 4 gives a high level summary of the 2015/16 and 2016/17 budget positions. A summary revenue budget for 2015/16 and 2016/17 in a format consistent with the Council's formal resolution at directorate level is provided at Appendices 4b and 4c.

Table 4 Summary of budget from 2015/16 to 2016/17

	2015/16 £m	2016/17 £m
Opening Position	219.764	205.710
Inflation	4.624	5.000
Pressures	11.790	8.042
Savings	(29.968)	(20.864)
Adjustments for temporary redundancy costs	(500)	0
Proposed Net Budget	205.710	197.888
(Use) / Repayment of Reserves	1.328	0
Proposed Budget Requirement	207.038	197.888
Anticipated Resources	(207.038)	(197.888)
Balanced Position	0	0

- 7.3 The 1.86% Council Tax forecasts for 2015/16 and 2016/17 could change and will be the subject of further decision making as part of future years' budget processes. The actual level of resources from Council Tax in 2015/16 and 2016/17 will depend on the level of tax set for each of these years.
- 7.4 Directorates and Cabinet Members should plan on the basis that the budget totals included here for 2015/16 and 2016/17 will be their working budget totals for those years with significant further savings to be allocated and, therefore, it is very important that the savings proposals within the budget totals are implemented at the earliest opportunity.

8. Budget Impact Assessments

- 8.1 The Council has a duty to carry out an Equality Impact Assessment - EIA - to support the budget planning process, in order to understand whether the budget proposals will have an adverse impact on any particular group of people or could result in direct or indirect discrimination. This EIA follows the guidance drafted by the Equality and Human Rights Commission.
- 8.2 The Council has undertaken a detailed screening process of all pressures and savings proposals identified as part of the 2014/15 budget setting process. This screening focused on both financial and service factors to determine whether specific equality impact assessments were required. For the financial assessment a

significance level of 0.5% of total specific savings proposals was established and equates to £140,000. Any proposals which reached this threshold were considered to require an EIA from a financial perspective. Senior officers also reviewed all pressures and savings proposals, focusing on the qualitative relevance of an EIA for each proposal and identifying those where an EIA was required from a service perspective.

- 8.3 This screening process has allowed the Council to identify key pressures and savings for which an EIA is required. The level of potential risk associated with each proposal has also been considered and all high risk areas were considered to require a specific equalities impact assessment. Lower risk proposals have been considered at a Directorate-wide level. For those service areas requiring a significant review, EIAs for specific proposals are currently being developed as part of the project planning work in each case.
- 8.4 It is recognised that the impact of savings may affect certain groups disproportionately, given the scale of savings required and the level of existing budget supporting customers with a high level of need. However, the Council has considered the impact across all service areas and believes that the approach taken is fair in order to reach a balanced position. Several budget increases are proposed which mitigate some of the impact, and further options to find alternative provision to support service change have been considered.
- 8.5 As part of the EIA the Council invited a number of advisors from minority groups to challenge the process. This group carried out an overarching equalities impact assessment on the 2014/15 to 2016/17 budget as a whole. This exercise led to recommendations being raised by the group. Responses to the recommendations are included at Appendix 11 to this report.
- 8.6 The Council also has a legal obligation to carry out crime and disorder impact assessments on its budget proposals under Section 17 of the Crime and Disorder Act 1998. The Council has a legal duty to do all that it reasonably can to reduce crime and disorder in the local area and improve people's quality of life as a result. The purpose of the duty is to give a focus to how decisions on the planning and delivery of Council's core services can make a significant difference for the crime and disorder reduction agenda, including anti-social behaviour, substance misuse, and behaviour adversely affecting the environment.
- 8.7 The Council has undertaken a detailed review of all budget savings proposals to identify any which may have an impact under Section 17 of the Crime and Disorder Act 1998. The initial review has identified the areas where more detailed analysis will be required prior to implementation of the proposals. Actions to mitigate specific risks arising from the assessments will form part of the detailed implementation plans.

9. Delivery of corporate outcomes

- 9.1 The Council Plan sets out our priorities and how we will go about delivering improvements. For 2014/15, it is proposed that we will work in partnership to

achieve three 'big ambitions' and four 'local priorities'...

- As a City we want people in Derby to have an...
 - Inspiring start in life.
 - Inspiring working life.
 - Inspiring place to live.

The Derby Plan provides further information on the three big ambitions for our city and is available here - <http://www.derby.gov.uk/council-and-democracy/councillors-democracy-elections/policies-and-plans/partnership-working/>

- As a Council in partnership with our communities and through strong leadership we want to deliver good quality services that meet local needs by having...
 - Better outcomes for our communities.
 - Improved value for money for our customers.
 - More efficient and effective processes.
 - A skilled and motivated workforce.

Considerations of the Council's priorities are reflected in the budget proposals included in this document.

10. Use of Reserves

- 10.1 The 2014/15 budget includes the planned use of £1.835 reserves to achieve a balanced budget.
- 10.2 The General Reserve of £7.143m has been maintained at around 2% of the budget requirement, including schools budgets (as at 31 March 2013). With increased risks and uncertainties with the budget it is prudent to continue with these same levels as previously maintained. A separate report assessing the robustness of estimates and adequacy of reserves held by the Council is presented as a separate agenda item to this meeting.

11. Communication and consultation

- 11.1 The Council carries out consultation on its spending proposals on an on-going basis. The outcomes of many pieces of consultation have influenced what Cabinet Members and officers have put forward as proposals in this budget. Therefore, when the Council budget proposals are made public each year, maximum effort goes in to communicating the proposals. We also carry out a detailed consultation process with Councillors through the Council's Scrutiny Boards and the meetings with statutory bodies including the Trade Unions and business community.
- 11.2 This year's process included ...
 - a. Special meetings of the Council's Overview and Scrutiny Boards. Appendix 7 summarises the recommendations of the Boards and the Cabinet's response to them

- b. The statutory meetings including representatives and non-domestic ratepayers, businesses and partners. The minutes of these meetings are attached at Appendix 9a.
 - c. A media briefing about the budget proposals and the publishing of all relevant information on the Council's website.
 - d. Communication to stakeholder groups including: Trade Unions; Disabled People's, Minority Communities, Gender and Sexuality Diversity, and Derby 50+ Forums; and to young people through 'Voices in Action'. Feedback from the budget consultation meeting with Trade Unions and diversity forums is attached at Appendices 9b and 10 respectively.
- 11.3 A form was available on-line and as a hard copy for anyone wishing to give their feedback on the proposals. A summary of feedback of responses from the public is shown at Appendix 8. A proportion of responses disagree with the proposals, which is expected given the scale of the financial challenge we face. However, all points raised will be taken into consideration.
- 11.4 Following consultation Cabinet have agreed to a number of changes to the Council's budget proposals for 2014/15 to 2016/17. These changes include a permanent change of £50,000 and one-off changes of £251,000. The one-off changes reverse savings for one year until 2015/16 whilst proposals are reviewed.

Permanent Change

- Reducing the saving against the Mayoral Service from £103,000 to £53,000

One-off Changes

- £85,000 relating to recommissioning the service in relation to work with young people at risk from sexual exploitation , including an associated saving within voluntary sector grants
- £17,000 from the transfer of Darley Barn to another agent
- £114,000 relating to festive lights
- £35,000 relating to changing proposals for outdoor events.

The savings above have all been deferred for 1 year until 2015/16 whilst proposals are reviewed.

These changes are reflected in the detailed breakdown of savings proposals presented at Appendix 6.

12. Management of Budget Risks

- 12.1 The budget proposals in this report represent the Council's estimated revenue position for 2014/15 to 2016/17. The identified pressures will inevitably change as new factors give rise to different financial consequences in the course of time.

- 12.2 The reported budget over the three years shows a fully balanced position. It however reflects assumptions about resources inflation, service demand and the deliverability of significant levels of savings.
- 12.3 The level of Government funding for 2015/16 and 2016/17 is uncertain pending further announcements from government. The budget is also modelled on a level of Council Tax increase from 2015/16 of 1.86% which could change, as the Council Tax charges are not being approved at this stage.
- 12.4 It is therefore very important that the Council takes a view on the risks detailed below and makes sure contingencies and reserves are set aside to address these. In relation to general risks the amount attributed to services includes a best estimate of service inflation and pressures. It is necessary to include as yet unallocated contingencies in the budget to deal with this.
- 12.5 In relation to specific budget risks, the Council has an effective risk budget approach in place where identified risk budgets are reported quarterly to Cabinet with more frequent reporting to the Chief Officer Group and at directorate management team level.

Specific Risks

- 12.6 There are a number of specific risks associated with the planned budget. These are noted below.
- 12.7 **Staffing Savings** – The further reduction in staffing levels in 2014/15 will inevitably have an impact on service response which will need to be managed closely. To manage staff savings vacancy control will be considered in the first instance, and voluntary redundancy wherever possible
- 12.8 **Service Savings** – with a significant volume of savings required in 2014/15 there is a risk of slippage through unforeseen delays and the timing of savings delivery. This has been mitigated in part through the proposal to set a budget in January 2014. A one-off budget risk reserve is currently available in the estimated reserves position, along with a permanent risk budget to help manage this risk further. Plans within Directorates need to be managed robustly in order to limit the requirement to use these contingency budgets.
- 12.9 **Income** – the budget is supported by over £100m of external income and services therefore need to continually develop creative plans to ensure that this level of income is sustained.
- 12.10 **Council Tax** – collection rates in Derby are forecast at 97.5% although this will need to be continually monitored. The budget also includes a level of known and assumed growth in the Council Tax base for 2014/15, 2015/16 and 2016/17.
- 12.11 **Contingencies** – the Council continues to hold contingency budgets to provide adequate cover for future planned needs and unforeseen eventualities. These budgets are the best estimate of financial need at this stage and will continue to be monitored during 2014/15.

- 12.12 **Pensions** – given the range of changes to the future workforce profile, market performance and potential changes to the scheme this remains as a key risk.
- 12.13 **Pay and Reward** – the budget includes funding for the implementation of the Council’s new Pay and Reward strategy. The level of funding set aside continues to be a risk until we have more certainty.
- 12.14 **Redundancy Payments** – forecast future redundancy payments are based on information gathered during the previous programme. We anticipate that we have set aside sufficient to finance the required one-off payments for 2014/15, however the actual impact is only known when specific details come forward.
- 12.15 **Reserves** – We anticipate using £1.835m of committed reserves to achieve a balanced budget in 2014/15.
- 12.16 **Treasury Management** – the current financial climate impacts on our borrowing and investment strategies, which support the revenue budget and capital programmes. We continue to monitor these on a daily basis.
- 12.17 **Cross-Directorate Savings** – the extent to which savings are becoming increasingly difficult to identify and deliver is a significant risk. Future savings will be heavily reliant upon a rationalisation of services which the Council continues to directly fund.

Opportunities

- 12.18 There are a number of areas of finance yet to be announced which may support the Council’s MTFP for 2014/15 to 2016/17:
- Final Financial Settlement 2014/15: The Council received its provisional financial settlement for 2014/15 in December 2013. The final confirmed settlement is not expected to be received until February 2014. This final settlement may vary from the provisional figures provided, but these changes are not expected to be significant.

13. Revenue Budget Position as at 22 January 2014

- 13.1 The current budget proposals show a balanced revenue budget position for 2014/15 to 2016/17. With a legal requirement to set a balanced budget for 2014/15 this position is reliant upon delivering permanent savings of £28.0m during 2014/15 and the Council will face significant challenges in ensuring that these targets are met.

<h2>OTHER OPTIONS CONSIDERED</h2>

- 14.1 Not Applicable

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Martyn Marples (Director of Finance and Procurement) n/a Roger Kershaw (Strategic Director of Resources and s151 Officer) n/a
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For more information contact: Background papers: List of appendices:	Budget consultation documents and strategy reports Appendix 1 – Implications Appendix 2 – Council tax calculation 2014/15 Appendix 3 – Changes to Grant funding 2014/15 – 2016/17 Appendix 4a – Revenue Budget Summary 2014/15 Appendix 4b – Revenue Budget Summary 2015/16 Appendix 4c – Revenue Budget Summary 2016/17 Appendix 5 – Schedule of Budget Pressures Appendix 6 – Schedule of Budget Savings Appendix 7 – Overview and Scrutiny Budget Consultation: Schedule of Recommendations Appendix 8 – Feedback from Public Consultation Appendix 9 – Minutes of the public budget consultation meetings Appendix 10 – Minutes of the statutory meeting with Corporate Joint Committee Appendix 11 – Budget-wide Equality Impact Assessment Group Feedback
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IMPLICATIONS

Financial and Value for Money

- 1.1 As described in the report.

Legal

- 2.1 The Council is obliged to set a balanced budget for 2014/15. It must calculate the Council Tax for the City Council's own budget requirement in accordance with the methodology detailed in Sections 33 (1) of the Local Government Finance Act 1992. 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.

Personnel

- 3.1 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

- 4.1 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.
- 4.2 A budget-wide Equality Impact Assessment has been carried out in conjunction with a panel of advisors from minority groups.

Health and Safety

- 5.1 A review of all budget savings proposals to identify any which may have an impact under section 17 of the Crime and Disorder Act 1998 has been carried out and specific detailed assessments will be included within the planning work for any relevant savings

Environmental Sustainability

- 6.1 None directly arising

Asset Management

- 7.1 The revenue budget includes borrowing costs to support funding for the Council's capital programme. Individual savings proposals may also impact on the Council's asset management. These are explained more fully in appendices 5 and 6 and in the Capital Programme report also presented to this meeting.

Risk Management

- 8.1 As described in Section 12 of the report.

Corporate objectives and priorities for change

- 9.1 There is a close relationship between the budget and the Council's corporate outcomes. Further details are provided in section 9 of this report.

COUNCIL TAX STATUTORY CALCULATON 2014/15

Derby City Council Budget Requirement 2014/15	R	£217,929,416
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Retained Business Rates		£38,492,654
Business Rates Top Up Grant		£12,913,315
Revenue Support Grant		£62,080,001
Collection Fund Deficit – NDR		£71,204
Other Specific Grants		£31,602,229
	P	£145,159,403

Council Tax Requirement	C= R-P	£72,770,013
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Tax Base for Tax Setting (Band D)	T	62,419.06
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Basic Amount of Council Tax	C / T	£1,165.83
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Derby

Band A – (Disabled)	5/9	647.68
Band A	6/9	777.22
Band B	7/9	906.76
Band C	8/9	1,036.29
Band D	9/9	1,165.83
Band E	11/9	1,424.90
Band F	13/9	1,683.98
Band G	15/9	1,943.05
Band H	18/9	2,331.66

Council Tax 2013/14	£1,144.63
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Unadjusted Increase Band D	£1,165.83
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Unadjusted % Increase Band D	1.85%
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CHANGES TO GRANT FUNDING 2014/15

	2014/15 STATEMENT			
	Final Settlement 2013/14 £m	Provisional Settlement 2014/15 £m	Difference	
			£m	%
<u>START UP FUNDING</u>				
Revenue Support Grant	75.795	62.080		
Retained Business Rates	37.758	38.493		
Business Rates Top-Up Grant	12.667	12.913		
REVENUE SUPPORT GRANT & BUSINESS RATES	126.220	113.486	(12.733)	(10.1%)
<u>SPECIFIC GRANTS</u>				
- Public Health Grant	13.167	15.784		
- Education Services Grant	3.701	4.076		
- Housing and Council Tax Subsidy Admin Grant	1.878	1.712		
- NHS Social Care and Benefit Health Reform Grant	4.111	5.264		
- New Homes Bonus	2.544	3.310		
- Redistribution of New Homes Bonus Top-Slice	0.432	0.176		
- Lead Local Flood Grant	0.051	0.051		
- Extended Rights to Free Travel	0.304	0.117		
- Social Fund Administration Grant	0.208	0.191		
- Local Reform and Community Voices Grant	0.201	0.207		
- Council Tax Support Grant	0.169	0.151		
- Community Rights Grants	0.017	0.017		
- SFA s31 grant for business rates cap	0.000	0.546		
Total Specific Grants	26.783	31.602	4.819	18.0%
REVENUE SUPPORT GRANT, BUSINESS RATES & SPECIFIC GRANTS	153.003	145.088	(7.915)	(5.2%)
<u>COUNCIL TAX</u>				
Council Tax Requirement	70.535	72.770		
Prior Year Collection Fund Surplus / (Deficit)	-0.473	0.071		
Council Tax	70.062	72.841	2.779	4.0%
Revenue Spending Power	223.065	217.929	(5.136)	(2.3%)

Appendix 4a

Overall Summary By Directorate – Revenue Budget 2014/2015

SERVICE ACTIVITY	Restated Controllable 2013/14 Base Budget £000's	Budget Changes			Controllable 2014/15 Budget £000's
		Inflation £000's	Pressures £000's	Savings £000's	
Adults, Health and Housing	77,349	1,399	3,828	(9,291)	73,285
Chief Executive's Office	3,474	0	0	(275)	3,199
Children and Young People	40,675	278	624	(3,378)	38,199
Neighbourhoods	52,256	2,066	846	(6,242)	48,926
Resources	24,885	194	851	(2,924)	23,006
Corporate Budgets and Contingencies	25,068	895	12,122	(5,936)	32,149
Net Budget	223,707	4,832	18,271	(28,046)	218,764
Adjustments for temporary redundancy costs	410				1,000
Total Net Budget	224,117				219,764
Less transfer with reserves:					
From service reserves	(170)				(155)
From corporate reserves	(882)				(1,680)
Net Budget Requirement	223,065				217,929
Funded By:					
Retained Business Rates	(37,758)				(38,493)
Business Rates Top Up Grants	(12,667)				(12,913)
Revenue Support Grant	(75,795)				(62,080)
Income raised from Council Tax	(70,535)				(72,770)
Prior Year Collection Fund (Surplus) or Deficit	473				(71)
Specific Grants	(26,783)				(31,602)
Total Resources	(223,065)				(217,929)

Appendix 4b

Overall Summary By Directorate – Revenue Budget 2015/2016

SERVICE ACTIVITY	Controllable 2014/15 Base Budget £000's	Budget Changes			Controllable 2015/16 Budget £000's
		Inflation £000's	Pressures £000's	Savings £000's	
Adults, Health and Housing	73,285	1,426	2,511	(1,659)	75,563
Chief Executive's Office	3,199	46	0	(132)	3,113
Children and Young People	38,199	974	920	(52)	40,041
Neighbourhoods	48,926	1,224	0	(3,004)	47,146
Resources	23,006	492	150	(1,587)	22,061
Corporate Budgets and Contingencies	32,149	462	8,209	0	40,820
Net Budget	218,764	4,624	11,790	(6,434)	228,744
Adjustments for temporary redundancy costs	1,000				500
Saving through further rationalisation of services	0				(23,534)
Total Net Budget	219,764				205,710
Less transfer with reserves:					
From service reserves	(155)				(40)
From corporate reserves	(1,680)				1,368
Net Budget Requirement	217,929				207,038
Funded By:					
Retained Business Rates	(38,493)				(39,555)
Business Rates Top Up Grants	(12,913)				(13,270)
Revenue Support Grant	(62,080)				(44,246)
Income raised from Council Tax	(72,770)				(74,358)
Prior Year Collection Fund (Surplus) or Deficit	(71)				0
Specific Grants	(31,602)				(35,609)
Total Resources	(217,929)				(207,038)

Appendix 4c

Overall Summary By Directorate – Revenue Budget 2016/2017

SERVICE ACTIVITY	Controllable 2015/16 Base Budget £000's	Budget Changes			Controllable 2016/17 Budget £000's
		Inflation £000's	Pressures £000's	Savings £000's	
Adults, Health and Housing	75,563	1,534	1,425	0	78,522
Chief Executive's Office	3,113	44	0	0	3,157
Children and Young People	40,041	1,003	0	0	41,044
Neighbourhoods	47,146	1,229	0	0	48,375
Resources	22,011	479	(50)	0	22,440
Corporate Budgets and Contingencies	40,870	711	6,667	0	48,248
Net Budget	228,744	5,000	8,042	0	241,786
Adjustments for temporary redundancy costs	500				500
	(23,534)				(44,398)
Total Net Budget	205,710				197,888
Less transfer with reserves:					
From service reserves	(40)				0
From corporate reserves	1,368				0
Net Budget Requirement	207,038				197,888
Funded By:					
Retained Business Rates	(39,555)				(40,821)
Business Rates Top Up Grants	(13,270)				(13,694)
Revenue Support Grant	(44,246)				(32,849)
Income raised from Council Tax	(74,358)				(75,981)
Prior Year Collection Fund (Surplus) or Deficit	0				0
Specific Grants:	(35,609)				(34,543)
Total Resources	(207,038)				(197,888)

Appendix 5

Schedule of Budget Pressures

Directorate	Proposed Change	£000's			
		2014/15	2015/16	2016/17	Total
AHH	Directorate Wide Existing Pressures	1,274	935	0	2,209
AHH	New Burdens associated with Public Health National Correction to Funding Allocation	1,300	0	0	1,300
AHH	New Burdens associated with Independent Living Fund Grant	0	865	0	865
AHH	Ashlea savings no longer deliverable	135	0	0	135
AHH	Increase in Older Peoples Residential care costs	0	136	804	940
AHH	Increase in Older Peoples Homecare costs	0	81	0	81
AHH	Children moving from Children and Young People to Adult services	0	317	444	761
AHH	Maintaining Fairer Access to Care Services eligible needs of Younger Adults	840	0	0	840
AHH	Continuation of Shared Lives Project	80	0	0	80
AHH	Fewer new awards of NHS Continuing Health Care funding	199	177	177	553

Directorate	Proposed Change	£000's			
		2014/15	2015/16	2016/17	Total
Total Adults, Health and Housing Pressures		3,828	2,511	1,425	7,764
CYP	Directorate Wide Existing Pressures	(276)	0	0	(276)
CYP	New Burdens associated with Troubled Families Grant	0	460	0	460
CYP	New Burdens associated with Collaboration & Efficiency Fund Grant	0	460	0	460
CYP	Increase in transport costs relating to children with complex needs	500	0	0	500
CYP	Review of the Kinship Care Policy following recent court judgements	250	0	0	250
CYP	Support to new arrivals and their families who have no recourse to public funds	150	0	0	150
Total Children and Young People Pressures		624	920	0	1,544
NBH	Directorate Wide Existing Pressures	126	0	0	126
NBH	Waste – loss of income and disposal costs	300	0	0	300
NBH	Engineering Income Target Pressure	200	0	0	200
NBH	Street lighting including Carbon Reduction Commitment liability	220	0	0	220
Total Neighbourhoods Pressures		846	0	0	846
RES	Directorate Wide Existing Pressures	265	200	0	465
RES	On-going implementation costs of EDRMS	100	0	0	100
RES	Increased cost of new HR system maintenance	75	0	0	75
RES	Implement new Serco service contract	100	(50)	(50)	0

Directorate	Proposed Change	£000's			
		2014/15	2015/16	2016/17	Total
RES	CTB Payments relating to prior years	311	0	0	311
Total Resources Pressures		851	150	(50)	951
CORP	Existing Corporate Pressures	6,098	2,390	0	8,488
CORP	Maintenance and upgrades to Council House systems and technology enablers	375	0	0	375
CORP	Dual running costs of new Social Care system and system support	85	(85)	0	0
CORP	Maintaining the existing level of service to manage customer contacts	0	404	0	404
CORP	Implementation of Pay and Reward	3,375	1,500	0	4,875
CORP	Proposed Capital Programme	189	0	2,667	2,856
CORP	Transfer of services formerly funded from the Dedicated Schools Grant due to pressures in relation to special educational needs	2,000	0	0	2,000
CORP	Future Years Estimated Pressures not yet Specifically Identified	0	4,000	4,000	8,000
Total Corporate Pressures		12,122	8,209	6,667	26,998
TOTAL PRESSURES		18,271	11,790	8,042	38,103

Appendix 6

Schedule of Budget Savings

Directorate	Proposed Change	2014/15 £000
AHH	Directorate Wide Existing Savings	(6,858)
AHH	Carelink Service - Increase to Charges.	(150)
AHH	Care Home Charges - Increase to Full Cost.	(70)
AHH	Tenancy Support to people with learning disabilities - Change to service model.	(90)
AHH	Healthwatch funding reduction	(100)
AHH	End Transforming Social Care Funding Specific Budget.	(209)
AHH	Contract renegotiation savings on sexually transmitted infections and pregnancy testing. Chlamydia screening and testing service efficiency.	(150)
AHH	End service contracts for specialist sexual health promotion services.	(201)
AHH	Refocus free oral emergency contraception to under 18's available via pharmacy outlets only	(79)
AHH	Redesign the delivery of the national health check programme currently delivered through local GP practices.	(151)
AHH	Deliver efficiencies in the b-You healthy lifestyle change programme.	(100)
AHH	Pharmacy Services - efficiencies in the b-You programme re nicotine replacement therapy, and redesign programme re smoking cessation and tobacco and alcohol enforcement.	(105)
AHH	Drug & Alcohol service efficiencies through redesign, retender and cost reduction.	(600)
AHH	Redesign Targeted Adolescent and Mental Health Services commissioned through Public Health to the core assessment service, with the broader service developed as a sold service.	(50)
AHH	Efficiencies in Public Health staffing and overheads.	(378)
Total Adults, Health and Housing Savings		(9,291)
CEO	Directorate Wide Existing Savings	(249)

Directorate	Proposed Change	2014/15 £000
CEO	Increase income in regeneration and strategic services	(26)
Total Chief Executive's Office Savings		(275)
CYP	Directorate Wide Existing Savings	(3,026)
CYP	Charging families for voluntary accommodation of children	(10)
CYP	Explore the potential for negotiating schools contribution to Derby's Safeguarding Board	(30)
CYP	Youth Offending Service - review model and seek efficiencies within the service	(100)
CYP	Reduction in Voluntary Sector Grants	(112)
CYP	A review of services jointly provided with Health for the Integrated Disabled Children's Service	(100)
Total Children and Young People Savings		(3,378)
NBH	Directorate Wide Existing Savings	(4,913)
NBH	Increase in Bereavement Services income	(50)
NBH	Corporate H&S reductions	(121)
NBH	b-You growth plan to generate income	(15)
NBH	Integrate Cycle Derby into existing transport services	(35)
NBH	Increase parking charges	(100)
NBH	Increase Trade Waste Income	(50)
NBH	Stop refuse collection over Christmas from December 2014	(100)
NBH	Carry out programme of replacing planted areas with shrubberies to reduce maintenance costs	(30)
NBH	Reduce highway verge grass cutting to 6 occasions per annum, whilst enabling residents to manage their own neighbourhood	(60)
NBH	Reduce tree work to urgent works only and cease new tree planting (unless externally funded), whilst enabling residents to manage their own neighbourhood	(60)
NBH	Gradual reduction in miscellaneous grounds maintenance work.	(30)
NBH	Reduce street cleansing standards and frequencies in all areas of the city and generate £100k of	(360)

Directorate	Proposed Change	2014/15 £000
	additional income.	
NBH	Street lighting efficiencies	(33)
NBH	Review winter road salting, prioritising the most important routes for treatment out of hours, only treating others in working hours.	(22)
NBH	Reduce the highway asset management plan budget by 50%.	(60)
NBH	Reduce funding for b-You with corresponding reduction in targets, outcomes and staffing levels (one off)	(150)
NBH	Savings within Concessionary Fares budget	(53)
Total Neighbourhoods Savings		(6,242)
RES	Directorate Wide Existing Savings	(1,754)
RES	Transfer routine court bundle copy functions to Business Support	(160)
RES	Staff savings within Legal Services	(90)
RES	Income generation for legal clerks	(10)
RES	Reduction in staffing levels and associated costs within Electoral Services	(25)
RES	Re-design Mayoral Functions	(53)
RES	Rationalisation of printers and photocopiers across the council	(80)
RES	Remove ICT consultancy and course fee budgets	(15)
RES	ICT software and maintenance savings	(80)
RES	Re-align Hardship Fund through use of reserves	(200)
RES	Re-align Local Assistance scheme through use of reserves	(457)
Total Resources Savings		(2,924)
CORP	Existing Permanent Corporate Savings	(3,098)
CORP	Reduced borrowing from changes to the capital programme	(1,154)

Directorate	Proposed Change	2014/15 £000
CORP	Reduction in Contingency Budgets	(1,684)
Total Corporate Savings		(5,936)
TOTAL SAVINGS		(28,046)

Overview and Scrutiny Budget Consultation: Schedule of Recommendations

Board	Recommendation	Response from Cabinet
Adults and Public Health Board	To recommend that the Health and Wellbeing Board works closely with partner organisations and co-ordinates discussions on budget savings proposals to enable better spend on key areas and achieve better outputs and outcomes for local residents.	Cabinet recognises the importance of the Health and Well Being Board and will ensure that the funding and budget discussions continue to be on the agenda.
Children and Young People Board	To recommend a commissioning framework be developed for the sexual exploitation service as it is important to ensure that the right service provision is provided in a timely manner for service users and staff training standards are maintained. Cost savings should not proceed until such a time that a commissioned service is in place.	Cabinet have reflected on concerns regarding this service and have maintained budgets for 2014/15 whilst options for 2015/16 are developed.
Children and Young People Board	To recommend that Corporate Parenting responsibilities must be taken seriously throughout the Council. It is recommended that foster carer recruitment is prioritised on the home page of the Council's website and through search engines.	The foster carer recruitment initiative has been prioritised on the website home page.
Planning, Housing & Leisure Board	To recommend that officers pursue alternative options for funding festive lighting and investigate examples of good practice, including the contribution by local businesses to festive lighting in Normanton and Spondon.	Each of these recommendations will be considered as the proposal is developed.
Planning, Housing & Leisure Board	To request a report back to the Board on the future options for the sponsorship of festive lighting.	A report will be prepared and presented.
Corporate Scrutiny and	To request a breakdown of costs of equipment, energy usage and staffing costs from the Strategic Director of	Agreed.

Climate Change	Neighbourhoods to be emailed to Board members.	
Corporate Scrutiny and Climate Change	To request that Council Cabinet investigate if it is feasible to make savings through leaving some festive lighting in situ in some parts of the city where it is appropriate.	This will be considered as the proposal is developed.

FEEDBACK FROM PUBLIC CONSULTATION

1. Background and Methodology

This appendix sets out the findings from the public budget consultation exercise undertaken to inform the 2014/15 – 2016/17 budget setting process.

To ensure the consultation was inclusive residents living, working or with an interest in the consultation could take part in a variety of ways:

- An online survey made available on the council website and available on the PC's in the council house for anyone wanting to take part.
- A PDF version of the survey available to print off of the website and return freepost
- A paper survey made available in all libraries across the city, in the Council House receptions and through neighbourhood forums.
- At 2 events held in December 2013, where people were invited to take part in focus groups and a question and answer session.

By the close of the consultation period, the Council had received 451 individual comments on the budget proposals. Comments were received via completed paper or online questionnaires or from direct mail.

2 petitions were received regarding the budget proposals. One petition, received highlighting concerns on the proposed withdrawal of the funding for safe and sound Derby with 64 signatures and a second received from Derbyshire Positive Support, with 147 written signatures sent directly to the council house and 168 signatures received through an online petition.

2. Summary

The majority of respondents disagreed with the proposals contained in the Revenue Budget Proposals 2014/15 – 2016/17 document. As in previous years, this response was expected given the on-going financial challenges currently faced by the Council.

The response to the consultation was dominated by comments about safe and sound a service provided to support children with who have been or who are at risk of sexual exploitation. However, it needs to be noted that these reductions in service were consulted on in the budget document for 2013-14 and were not in fact included in the current budget consultation for 2014-15. However given the large response to this, these comments are noted in this report. Other areas of comments were around the redesign of the Mayoral function, as well as comments about reductions in grant funding to organisations supporting vulnerable people delivered by the Adults, Health and Housing and Children and Young People's directorates. These concerns were received both in regard to specific proposals and as general comments.

The most common themes arising from the comments made by respondents to the consultation were:

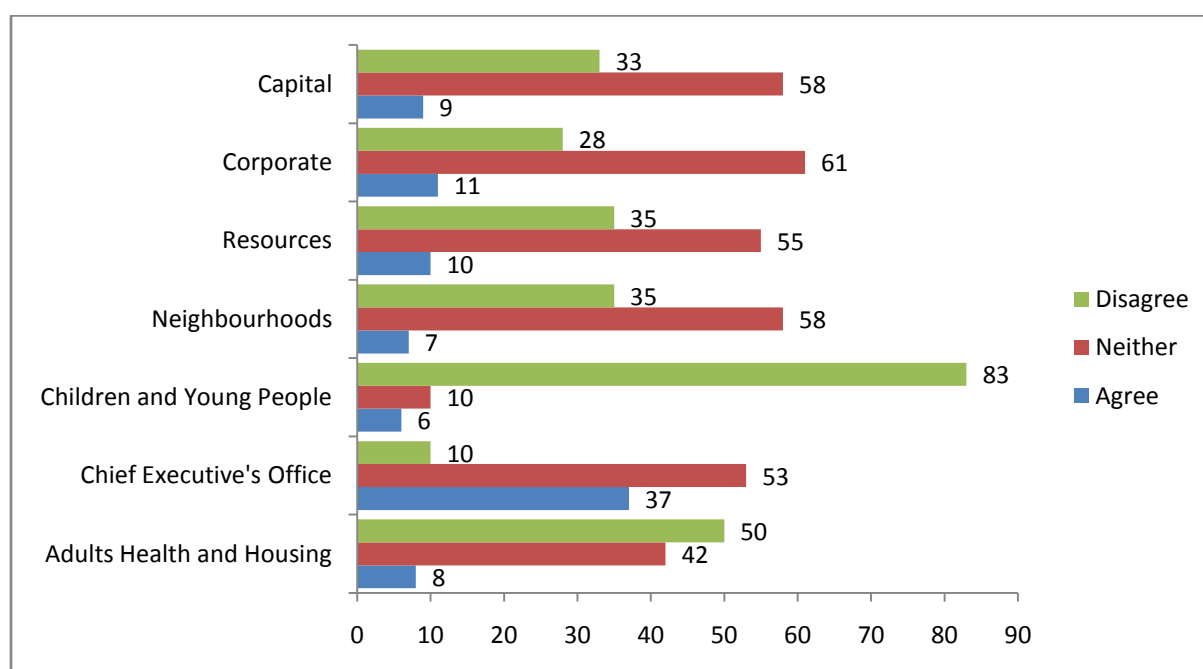
- Proposals to reduce funding to Safe and Sound
- Proposals to redesign the Mayoral Functions
- Proposals to remove funding from Derbyshire Positive Support
- Cuts to funding for voluntary sector organisations

3. Key Findings

The survey asked respondents the degree to which they agree or disagree with the budget proposals for each of the Council's directorates and corporate budgets as set out in the document. In addition it asked if they had any comments to make about the budget proposals overall.

Figure 1 shows, by directorate, the percentage of respondents who agreed or disagreed with the proposals. The highest level of disagreement was for the proposals regarding the Children and Young People's directorate where 83% of respondents stated they disagree.

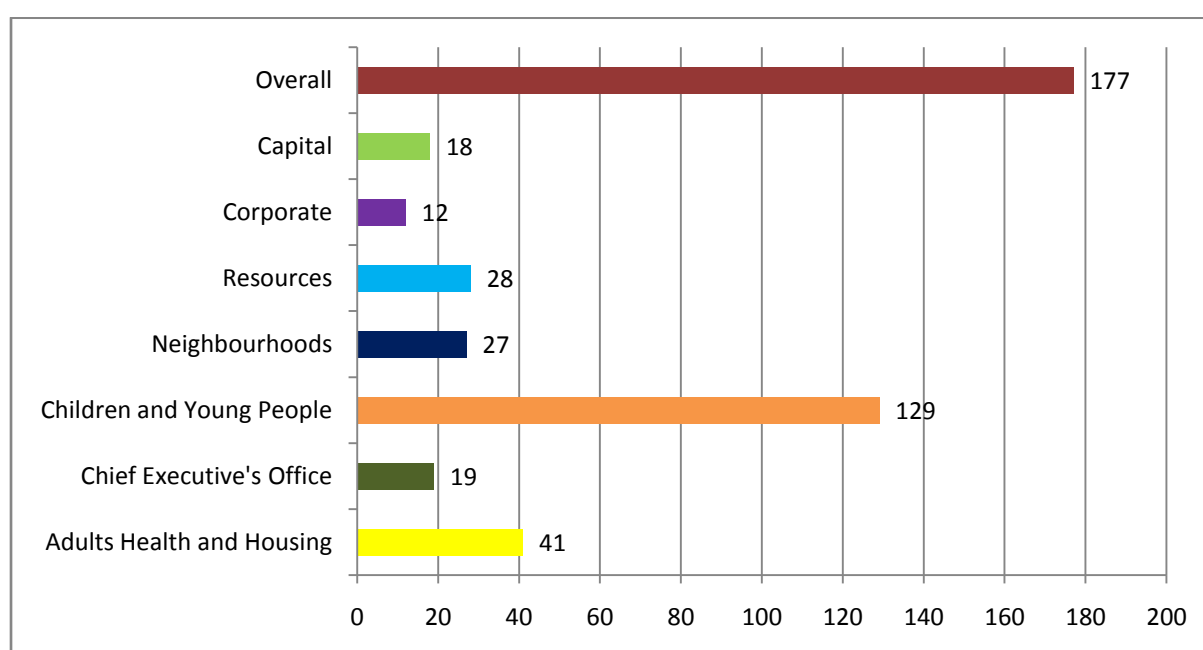
Figure 1: Percentage of respondents who agree /disagree with the directorate and corporate budget proposals.



Source: Qa Research. 188 online and postal completions

Respondents were also invited to comment on the proposed changes outlined for each directorate. Comments from 451 separate respondents were received. The number of respondents varied considerably by directorate, ranging from 19 for the Chief Executive's Office to 129 for Children and Young People directorate (see Figure 2).

Figure 2: Number of respondents by directorate.



Source: Qa Research. All comments made

In addition to the survey, the consultation exercise the Council received written responses about the proposals to redesign the mayoral function, letters supporting safe and sound and support letters pertaining to Derbyshire Positive Support. A petition with 64 signatures was received in support of safe and sound and a petition in support of Derbyshire Positive Support with 147 written signatures and 168 online signatures. Details of the petition on Derbyshire Positive Support were received after the closing date of 16 December 2013.

4. Analysis of Online Comments and Written Responses by directorate

The comments were analysed for the key themes which were contained within them. Some comments may have contained more than one theme and are therefore counted more than once.

4.1 Adults Health and Housing

The top 4 themes that emerged from the survey around the Adults, Health and Housing directorate are shown in Table 1. The first 2 themes cover the impact of cuts on the LGBT community.

Table 1: Adults, Health and Housing directorate – main comments.

Theme	Number of Comments
Cuts would negatively impact the lives of the LGBT community	8
Specific comments on Derbyshire Friend	7
Cuts would have a negative impact on the health and well being of those who require support	7
Comments on specific charities	4

Source: Qa Research

There were several other themes covered by the remaining comments but each theme had one or two comments pertaining to it.

Adults Health and Housing - Additional Responses

Letters of support were received supporting Derbyshire Positive Support, with a petition in support of the organisation with 147 written signatures and 168 online signatures. The petition details were received after the consultation closing date.

4.2 Chief Executive's Office

Only 19 comments were made about the proposals for the Chief Executive's Office. The most frequently mentioned comment, related to respondents feeling greater cuts could be made including the wages of the Chief Executive and Senior Managers.

4.3 Children and Young People

The key themes that emerged from the survey responses around the Children and Young People's directorate budget proposals were around concerns to the funding to Safe and Sound, which dominated the comments. However, this service was not included in the proposals contained in the document. This was consulted on as part of the budget consultation which was undertaken in 2012. Worries about the removal of the counselling service and the reduction in parenting support programmes were also voiced.

The 4 most common comments accounted for the main areas of CYP responses and are shown in Table 2.

Table 2: Children and Young People's directorate - main comments.

Theme	Number of Comments
Funding for Safe and Sound should not be cut	70
The cuts unfairly target vulnerable people	30
Cutting early intervention services is short sighted and will result in more expenditure further down the line	18
Cutting and decommissioning services that help sexually abused youngsters is a bad idea	18

Source: Qa Research

Children and Young People - Additional Responses

A petition, containing 64 signatures, was received regarding the removal of funding for Safe and Sound. With letters also received in support of the service.

4.4 Neighbourhoods

The 3 key themes that emerged from the survey responses around the Neighbourhoods directorate were the proposals to cut health and safety services, and comments on how the services are being cut and shouldn't be.

Table 3: Neighbourhoods directorate – main comments

Theme	Number of Comments
Health and Safety in important and should not be cut	7
Vital frontline services are being cut too much	6
General disagreement with cuts in this area	4

Source: Qa Research

4.5 Resources

The Resources directorate received the most frequent number of comments about the proposals to redesign the Mayoral Function. Several comments were made to state that there needs to be more efficiencies made in this area.

Table 4: Resources directorate - main comments

Theme	Number of Comments
I object to the proposals to redesign the Mayoral function	17
The Council needs to continue seeking efficiencies and there could be more made in this area	7
Some of these savings could result in long term losses	7

Source: Qa Research

Resources - Additional Responses

Half a dozen letters were received in specific support to re think the proposals to redesign the Mayoral function.

4.6 Corporate Budgets

Only 12 comments were received on corporate budgets. Further comments were made in this section about the Mayoral Functions and the need to look at further reductions in this area.

4.7 Capital Programme

Feed back on capital proposals is included in the Capital budget report also included on this agenda.

4.8 General Comments

Respondents to the survey were asked if they had any further comments on the budget they would like to make. 177 comments were made (see Table 5). The majority of comments repeated the main issues identified in directorates:

Table 5: Comments on overall Budget Proposals.

Theme	Number of Comments
Disagree to cuts to organisations like Safe and Sound that help children that have been victims of sexual abuse	19
The cuts are short sighted and will create more expense in the long term	11
MPs and the Council in general should also suffer the cuts through pay cuts and increased efficiencies	7
Disagree with cuts to organisations like Derbyshire friend that offer emotional and sexual health support to the LGBT community	6
Overall the budget cuts would put the most vulnerable people at risk	5
I object to the proposals to redesign the Mayoral Function	5

Source: Qa Research

5. Budget Consultation Events

Members of the Derby 50+ Forum, Voices in Action, Disabled People's Diversity Forum, Minority Communities Diversity Forum, Gender and Sexuality Diversity Forum, Derby City Parents & Carers of Children with SEN and Disabilities Forum, Derby Learning Disability Partnership Board, the Reach Out Panel and Voluntary Sector Organisations were invited to attend one of two events held in December 2013. Members of the public were also able to attend and details of the events were published on the council website.

The events were held in the evening from 6pm to 8pm in the Council House on 3 December and 5 December 2013. The Leader of the Council Paul Bayliss, Cabinet Member for Resources Councillor Sarah Russell and Strategic Director of Resources Roger Kershaw made a presentation on the current budget pressures and savings needed and attendees were asked for their ideas on how services could be delivered in other ways.

5.1 Key Findings from Budget Consultation Events

Table 6 below outlines the main services mentioned during the discussions, comments were made about the need to continue with social care services such as support for the elderly, people with disabilities and services for families and children and support for young people.

Table 6. Services respondents feel are important.

Libraries
Lighting
Redesign of the Mayoral function
Parks
Youth Clubs
Domestic violence services

HIV services
Public Health
Social Care:
- Services for disabled people
- Services for families and children
- Services for the deaf
- Services for the elderly
- Services for young people
Dealing with housing and neighbourhood ASB

During the discussions several suggestions on ways forward to deliver services were made. Table 7 below shows the areas where respondents felt there could be a change to the way services are offered or delivered.

Table 7. Suggested ways forward in delivering services.

Charging residents outside Derby for use of services
Raising Council Tax
Funding or sponsorship from local businesses
Reducing at staffing costs
Use of the Voluntary Sector to provide services
Use of volunteering
Use the money from savings from Christmas lights elsewhere

Appendix 9

NOTES OF PUBLIC BUDGET CONSULTATION MEETINGS INCLUDING REPRESENTATIVES OF NON-DOMESTIC RATEPAYERS AND THE BUSINESS COMMUNITY AND PARTNERS

HELD 3 AND 5 DECEMBER 2013 AT COUNCIL HOUSE, CORPORATION STREET, DERBY

Present: Representing Derby City Council

Councillor Paul Bayliss
Councillor Sarah Russell
Roger Kershaw – Strategic Director of Resources

Representing Non-Domestic Ratepayers and the Business Community and Partners

Andrew Hartley – Derby College – 3 December 2013
George Cowcher – Derbyshire and Nottinghamshire Chamber of

1 Introduction

Councillors Bayliss and Russell and Roger Kershaw – Strategic Director of Resources gave a presentation on the budget

The Strategic Director of Resources explained that the Council Cabinet would be meeting on 22 January 2014, to make recommendations to the City Council about setting the budget for the 2014/15 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 Strategic Director of Resources explained the Council's priorities and budget for 2014/15 onwards revenue budget timetable. It was noted that over a three year period a total of £87m savings needed to be made.

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:

3 December 2013 -

Phil Binding – Mental Health Action - Large businesses and Community Action are key to the success of the transformation of services and they need to be involved.

Councillor Bayliss explained that there was regular dialogue with both business representatives and Community Action.

Milton Crosdale – the document circulated was very helpful, could it be sent out city wide?

Councillor Bayliss – the information is available on the website and had been sent to new outlets in the city. Derby Telegraph was going to produce a budget special. Derby Telegraph and Radio Derby had been invited to these public consultation meetings. A version of the information would be included with council tax demands.

Daisy – Voices in Action – Why was the free swimming cut? Lots of people benefited from this.

Councillor Bayliss – the budget was cut by the Government.

Alex – How much do you get from external funding?

Councillor Bayliss – £40m Derby Enterprise Growth Fund, of which, £20m to be spent on Infinity Park and the construction of T12 and £16m allocated to providing jobs in and around the Derby travel to work area. Some money gets recycled. The

Council was proud of the manufacturing in the city, and the silk mill was the first automated factory in the world.

Roger Kershaw explained that the slides in the presentation set out Government funding, in 2010 funding was £210m, in 2013, £153m, and the estimate for 2016/17 was £120m. The Council was heavily dependent upon grants.

Councillor Tittley referred to the graph showing the areas hardest hit by Government grant cuts – Derby had lost £354 per head of population since 2010.

Milton Crosdale – If you dispose of the Mayor you could open the debate for an elected Mayor and roll the Mayor and Leader be combined into one role. Peartree Road Baptist Church hosts sleepovers in the winter months can we have a poverty strategy to help these people?

Councillor Bayliss – the bedroom tax had impacted on a lot of people and assistance was required. We have food banks here in the Council House.

Councillor Russell – Anti poverty strategy is very high on the agenda. The Children and Young People Family Commission had recently been set up and was Chair by the Cabinet Member for Children and Young People. We work across the city and in partnership with the Department of Work and Pensions to get people off benefits and into work. This area is very important to me personally.

Councillor Tittley – We are very supportive of the work of churches are doing, we look at what they are doing and other faith groups and we need to work closer with these groups across the city.

Will you employ any more social workers?

Councillor Bayliss - we will continue to provide the service.

Population increases need more houses, how will you support sustainable communities?

Councillor Bayliss – We have a housing strategy and a core strategy both of which help to make communities work. Jobs, schools, infrastructure, we are making school bigger, providing roads and jobs, we are committed to getting people into work and better quality jobs.

Len Shillingford – we fail to promote ourselves in Derby, there had been three letters recently in the Derby Telegraph from people born in Derby who had moved away and were appalled by the state of the city. Could we enhance the role of the Mayor to promote the city of Derby and make it one of the top 10 cities?

Councillor Bayliss – we are not abolishing the Mayor or selling the chain, we are looking at different ways of delivering the office of the Mayor. We don't always realise what a fantastic city Derby is. Toyota is on the doorstep, 5,800 people are employed in the rail industry and we have Crown Derby based in the city. At a recent Proud of Derby event items manufactured in Derby were shown at Pride Park. We

were not completing with Nottingham and Leicester we were competing across the world.

5 December 2013 -

Ryan Walker – Voices in Action – Where services are withdrawn due to budget cut how will the skills and knowledge be passed on to community groups.

Councillor Bayliss – Alternative suppliers need to make sure service quality is delivered to a guaranteed level.

Councillor Tittley – We need to do things differently but quality will be assured.

When will you know how much budget you will have?

Councillor Bayliss – The budget will be set at the Council meeting on 29 January 2014. We do not have the settlement figure yet and we are looking at the implications of the autumn statement. There would be a freeze of business rates which would be great for businesses but would cost the Council £0.5m. New homes bonus would come to Council's rather than the LEP. Any comments would be fed into the process.

Councillor Repton – I am really impressed with the enthusiasm of everyone tonight. We understand the difficulties and will keep the effects to a minimum as far as possible. The scale of the problem is massive.

Tony Walsh – Irish Association and St Patrick's Day Committee – I am disappointed that you are proposing to get rid of the Mayor's office for the sake of £103k. The mayor represents the city and projects the city economically. Please rethink.

Councillor Bayliss – there will still be a Mayor but the service is discretionary and we need to reduce costs. We need to spend money on people, there will still be a Mayor's office it will just be done differently.

Sahid – Voices in Action – How will the budget create jobs, how will inflation help poor people with necessities and will there be any actions against cuts, protests etc.

Councillor Bayliss – Job creation – the Council has bid for external funding from the Regional Growth Fund. We are spending the money to invest in business in the city. £20m will be spent on Infinity Park and the rest will be spent on businesses in the city and beyond. The Council had allocated capital funding to the Regeneration Fund to help bring business to the city and secure jobs in the city. An example was securing jobs at Balfour Beatty on Raynesway. The Council also supported Voice in Action via the Renaissance Board with coaching for interviews to make young people work ready.

Councillor Russell – The cost of inflation affects the poorest people and there is a cost of living crisis. We help do what we can by providing a Local Assistance Scheme, foodbanks, top ups for utility bills. There is a project called Derby's Working which helps people get off benefits and into work. There is a Local Authority

Mortgage Scheme to help first time buyers and a local energy switching scheme, but more needs to be done. The real answers come from central government. Fair Deal for Derby was set up to deal with unfair funding. Many people have voiced concerns about the future and it is not easy, we have a fight on our hands. We try to attract inward investment, jobs and prosperity.

Councillor Bayliss – We need to be funded fairly. The Local Government Association was campaigning for funding for need. We have had meetings with the government to talk about various funding shortfalls for example we have asked the government to fund us for the £2.6m we have to pay for bus fares. We asked for an Enterprise Zone in Sinfen to try and get businesses to relocate to Derby. We invited Hilary Benn MP - shadow Local Government MP to visit Derby a couple of weeks ago to make sure he understands the position in Derby. We make representation on funding at every opportunity.

Falicia – Voices in Action – we know there will be budget cuts but we are concerned about Children and Young People's Services – how will you deal with this?

Councillor Rawson – a lot of the Children and Young People's Services are statutory so to an extent they were more protected than other services. Where children and young people services were particularly affected was the voluntary sector, they do a fantastic job and a lot of preventable work is done, which would result in more cost in the long term, if this work was not done. We need to work with organisations and the voluntary sector to lever in additional funding that we can't access because we are a Council.

Where services had similarities and goals could there be more joined up working to save money? Could we be reassured that you are not cutting just to make savings but to improve and make services better?

Councillor Tittley – We will look at duplication and we are having discussions with the NHS about working with the primary and secondary care sectors. We have a robust audit service which we provide to other authorities in the area. We need to look at what others can offer us, or if we can generate income. We need to deliver more effectively, we have challenges and potential positive outcomes.

Alicia – Could fostering be promoted more?

Councillor Bayliss – We push as far as we can.

Councillor Rawson – We are promoting fostering and adoption as the best outcome for looked after children. We are also looking at the information provided on the website and the processes to make it more accessible and effective.

Voice in action were making a video to promote fostering and adoption.

Apart from Voices in action being here how would you target information about the budget cuts for young people? A lot of people volunteer, are there any plans to distribute information to schools so people can get involved in volunteering?

Councillor Bayliss – young people were not a drain of resources, the Council spend money on people irrespective of age. We provide information on the website and talk to lots of groups. We can't reach everyone but we try. We do what we can to a reasonable standard. Councillors are available to talk to schools, but budgets are a very dry subject, we need to make things real for people.

We acknowledge that difficult decisions need to be made. We need to keep banging the campaigning drum loudly. It is hard for us to make a difference. We need to campaign, lobby and petition government. I need to also flag the concern about the mood of Derby and different groups and neighbourhoods. Hope people keep a monitoring eye on community relations, mental health issues and reality.

Councillor Repton – It is a difficult message to get to people in the city, decision makers needed to be made aware. People could organise on line petitions about things which affect their communities.

Councillor Bayliss – I am very proud of Derby, it is a fantastic place and provides a great legacy. I will reflect on what the city had done for the world, the Silk Mill was the first automated factory in the world, it has a world renowned manufacturing centre, there is a rail manufacturing cluster employing some 5,800 people, we have Rolls Royce and the merlin engine, Crown Derby and Toyota is just down the road. We complete globally and should be very proud of the city. We can be justly proud of what the city does and it hurts me to make cuts but we have to do it.

4. Conclusion

Councillor Bayliss reported that written responses would be considered by Council Cabinet at its meeting on 22 January 2014 and thanked the representatives and the businesses and partner representatives for attending the meeting.

MINUTES END

EXTRACT FROM MINUTES OF STATUTORY MEETINGS - CORPORATE JOINT COMMITTEE 29 NOVEMBER 2012

CORPORATE JOINT COMMITTEE

26 November 2013

Present:

Employer's Representatives

Councillor Russell (Chair)	Cabinet Member for Business Finance and Democracy
Adam Wilkinson	Chief Executive
Roger Kershaw	Strategic Director of Resources
Paul Robinson	Strategic Director for Neighbourhoods
Jas Bhupal	HR Advisor
Liz Moore	Strategic HR Business Partner

Trade Union Representatives

Ian Jennison	NUT
John McCallum	UNITE
Denise Tinley	GMB
Richard Bloore	UNISON
Nicole Berrisford	UNISON
Antony Drummond	UNISON
Paul Berrisford	UNISON
David Jowett	UNISON
Andy Freeman	UNISON
Richard Bloore	UNISON
Michaela Breen	UNISON
Anne-Marie Bloore	UNISON
Sandra Price	UNISON

09/13 Apologies

Apologies for absence were received from Sue Arguile and Karen Jewell.

10/13 Late Items to be introduced by the Chair

There were no late items.

11/13 Minutes of the previous meeting

The minutes of the previous meeting held on 4 June 2013 were agreed as a correct record.

12/13 Matters arising

A Trade Union's representative requested an update on Item 05/13, Derby Workstyle Board. The Chief Executive confirmed the Capital Programme had been reviewed by the Council Cabinet in the past four weeks. Projects were discussed regarding funding to be allocated.

Several options were considered including Roman House, Beaufort Business Centre and the Council House and the scope for cost effectively refurbishing or scaling down their use. It was agreed that as many Derby City Council services as possible would use the Council House as their main base. This would be achieved by reducing the ratio of employees to desks by encouraging working from home and making greater use of the third floor. It was acknowledged that not all services could operate from the Council House as there were services across the city which required alternative facilities which could not be provided at the Council House.

A Trade Union representative questioned the Chief Executive about the future of services provided from specific properties at Perth Street and Leopold Street and how changes in management structure would effect this. The Chief Executive confirmed that the details of the plans would be provided at a later date and the Trade Unions would be updated.

Denise Tinley asked for an update on the 24 hour space and Paul Robinson advised that he was looking into the issues raised by the Trade Unions about this.

Nicole Berrisford asked for an update on the Unison office and Adam advised that this was still being reviewed.

13/13 Revenue and Capital Budget Proposals

The Strategic Director of Resources presented a report on behalf of the Chief Executive which detailed the Revenue and Capital Budget Proposals for 2014/2015 for each directorate. The committee were also informed of consultation events on 3 December and 5 December to inform the public of the complexities involved in balancing the budget for 2014/2015, to answer their questions and receive feedback.

It was noted that £29 million had to be saved to balance the budget for 2014/2015 and future reductions for 2015/2016 of £31million and 2016/2017 of £21 million giving a total of £81 million over three years. The members were told that this could be partially achieved through efficiencies such as the introduction of "Channel Shift", managing the way in which the council interacted with

customers; income generation; by identifying areas for competition within the marketplace and charging competitively for services; working with the voluntary sector and facilitating ownership; and doing things differently or not doing them at all.

The Cabinet Member for Business, Finance and Democracy reiterated Derby City Council could not be a conduit to provide all services and alternative methods had to be found, working together with other public service providers to achieve a collective outcome.

A discussion took place about the impact on statutory services following reductions in budget on discretionary services.

The Strategic Director of Resources was asked by a Trade Union member if Equality Impact Assessments had taken place as the results of these could lead to changes in budgets. The committee was informed that feedback was being captured and would be revisited as necessary. A Trade Union member experienced concerns that women, disabled people and the elderly would be disproportionately impacted by the budget proposals. The Cabinet Member for Business, Finance and Democracy stated that consultation with stakeholders would form a part of risk calculation.

MINUTES END

FEEDBACK FROM BUDGET-WIDE EQUALITY IMPACT ASSESSMENT GROUP 17 DECEMBER 2013

The Council held a meeting on 17 December 2013 with a number of advisors from minority groups to challenge the process and carry out an overarching equalities impact assessment on the 2014/15 budget as a whole. A number of recommendations were raised by the group.

Recommendation	Cabinet Response
1) The additional specific Equality Impact Assessments – EIAs – on individual savings proposals identified by the group should be completed before proposals are implemented.	The Council is committed to completing EIAs for all relevant savings proposals to ensure that any decisions made comply with anti-discrimination legislation. The Council also seeks to demonstrate its on-going commitment to recognising and celebrating diversity and equality.
2) Members of the Group have requested that they are given an opportunity to be involved in the completion of Equality Impact Assessments being undertaken as part of the implementation of individual budget saving proposals.	Diversity Forums will be given an opportunity to be involved in these assessments. Where individual have requested to be involved in specific assessments the Council will make every effort to enable this to take place.
3) The Council should consider the inter-relationships between different savings proposals when carrying out Equality Impact Assessments. Specifically, the EIA for the CYP saving to re-commission the service in relation to work with young people at risk of sexual exploitation should reflect on the changes to sexual health services proposed in the AHH savings.	Cabinet recognises this request and will ensure that stakeholders are involved in detailed consultation to make sure this happens.
4) The group has requested that additional information is provided for the following savings proposals in order to determine if a specific EIA is required: a. CYP: Transfer of Darley Barn to another agency to deliver service to avoid closure	Further details have been provided.

Recommendation	Cabinet Response
<ul style="list-style-type: none"> b. NBH: Carry out programme of replacing planted areas with shrubberies to reduce maintenance costs c. NBH: Reduce tree work to urgent only and cease new tree planting (unless externally funded), whilst enabling residents to manage their own neighbourhood d. NBH: Gradual reduction in miscellaneous grounds maintenance work e. NBH: Street light efficiencies 	