

## **Big Conversation - Service Needs Assessments and Consultations**

### **SUMMARY**

- 1.1 In his speech on 8 July 2015, the Chancellor of the Exchequer gave no indication that there would be any let-up in the scale of cuts being forced onto local government. The implications of the announcement enhance the need for the Council to act quickly in order to achieve a sustainable financial position. The Council is committed to work in partnership with its communities and businesses to maintain a city which we are proud of despite the significant government cuts, risks and challenges ahead.
- 1.2 The Council launched the 'Big Conversation' in December 2013, followed by a partnership meeting on 21 July 2014 to launch the 'Your Council, Your Money, Your Views' budget simulator to gather the views of the public and partners. Over 10,000 people took part with approximately 1,000 submitted budgets. The Big Conversation highlighted the dichotomy between the levels of service need and forecast future income the Council is likely to receive. The results indicated the services where the public felt cuts would be least detrimental.
- 1.3 The Council is predicting significant cuts for the next three years, presenting a budget gap between the level of funding we are anticipating and the future service costs. This gap needs to be closed therefore we need to consult on service needs and possible de-commissioning or commissioning at lower cost to the Council.
- 1.4 To support the delivery of a sustainable budget, a series of consultations debating the needs of the community and the way in which these needs can be met, will commence as soon as possible in order to maximise savings and input into the detailed savings proposals for 2016-19. These will be undertaken as full service consultations in line with guidance and include detailed equality impact assessments.
- 1.5 The service areas being considered are highlighted in paragraph 5.3.
- 1.6 Our Big Conversation therefore needs to enter a new phase. To kick this off an emergency preliminary meeting was convened on 13 July 2015 so that we could explain in more detail our position and what we plan to do. Phase 2 of the Big Conversation will focus on how we now interpret the findings from Phase 1 and implement them into the MTFP and Derby's 15 year vision.

### **RECOMMENDATION**

- 2.1 To agree the list of service areas to be consulted upon, outlined in paragraph 5.3 and that further consultations can commence as necessary, as outlined in paragraph 5.4.
- 2.2 To agree to delegate to the relevant Strategic Director, in conjunction with the relevant Cabinet Members, to progress a series of consultation exercises at the earliest possible opportunity, to ensure that the savings required to address the 2016/17 budget gap can be maximised.

<b>REASONS FOR RECOMMENDATION</b>
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- 3.1 To inform the budget setting process for 2016/17 onwards.

<b>SUPPORTING INFORMATION</b>
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#### **4 Big Conversation**

- 4.1 The 'Big Conversation' started a process of dialogue with the public and partner organisations to help explain the demands on the Council and the difficult financial position it was facing.
- 4.2 The main findings from the review can be seen in Appendix 3.

#### **5 Consultation Considerations**

- 5.1 In order to agree a plan for the medium term a number of services will be reviewed to establish:
- What level of need is required?
  - How should the need be met?
  - Who should provide the services to meet that need?
  - Who should pay for the services?
- 5.2 In addition to establishing the needs of our clients, the Council will consider how we facilitate other organisations and the general public to support their needs without direct Council funding. The assessment will take into consideration the holistic Derby offer including provision in the private sector.

- 5.3 The initial service areas to be considered for wider consultation, along with an indication of the minimum time required to complete the process, including identification of any relevant staffing implications, are:

#### Neighbourhoods

- Leisure centres and facilities, including the Derby Arena
- Libraries
- Museums
- Parks – including activities and day to day maintenance
- Outdoor Sports Activities
- Derby Live Cultural Offer – Guildhall Theatre, Outdoor Events, City Centre activities, outdoor markets
- Tourism Services
- Other Cultural support – QUAD, Deda, Symphonia Viva
- Regeneration projects
- Jobs, growth and economic development activities
- Neighbourhood Management and Community Safety
- Community Cohesion and Integration
- Domestic Violence Team
- Use of Community Centres
- Public conveniences
- Highway maintenance service levels
- Street cleansing levels
- Street lighting levels
- School Crossing Patrols
- New and Increased Parking Charges
- Bereavement services – increase in charges
- Cycle Derby
- Climate Change Initiatives
- CCTV

#### Adults, Health & Housing

- Care Homes
- Day Services
- Home Care
- School Nursing
- Voluntary Sector Grants
- Advice Service
- Housing Related Support
- Lifestyle Programme

#### Children & Young People

- Children's Centres

#### Organisation

- Electoral Cycles

- 5.4 This list is not exhaustive. Any further identified service areas not included above will be considered by the relevant Chief Officer and Cabinet Member, and consultation started as necessary.
- 5.5 The timeline for consultation is determined by the length of the process required in order to cover for minimum consultation periods, to formally review and consider the findings, formulate and agree proposals and initiate staff consultation. It is important that we commence consultations at the earliest opportunity as there is no room for slippage in addressing the budget position. Any delay whatsoever will mean that proposals subject to a consultation period longer than 4 months will not be ready for inclusion in the 2016/17 budget consultation, provisionally planned for November 2015.
- 5.6 The diagrams in Appendix 2 show the effect of commencing service consultations. The value of savings is difficult to estimate as the results of the consultation should not be pre-determined.
- 5.7 In order to ensure that the results of the consultation can be used to support the 2016/17 budget process they would need to be concluded in time to form part of the budget balancing process, likely to be around November/December 2015. This is shown by the line on the diagrams in Appendix 2. Consultations requiring a longer time period will inform the 2017/18 budget, or possibly earlier in year savings in 2016/17, but are unlikely to be applied in setting the 2016/17 budget in March 2016.
- 5.8 This report intentionally precedes the 2016-19 medium term financial strategy – MTFS – which is planned to be reported to a future Cabinet, because consultation needs to commence urgently.
- 5.9 The level of resources required to implement the series of consultation exercises is currently being confirmed and will need to be met from one-off budgets.

## OTHER OPTIONS CONSIDERED

- 5.1 Delay consultation – if we do not start the consultation now, the findings will not be ready to inform the future budget process and there is a risk in setting a sustainable budget.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Janie Berry – Director of Legal & Democratic Services    Gordon Stirling – Director of Strategic Service & Transformation Chief Officer Group
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Martyn Marples 01332 643377 e-mail <a href="mailto:martyn.marples@derby.gov.uk">martyn.marples@derby.gov.uk</a> None Appendix 1 – Implications

	Appendix 2 – Consultation Timelines Appendix 3 – Budget Simulator Key Findings
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<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The Council has a critical financial position which needs to be addressed urgently. Consultation on service levels forms part of this strategy. Funding to support the consultation process will be met from one-off budget reserves.

**Legal**

- 2.1 Under the Prudential Code established by the Local Government Act 2003, the Council is required to demonstrate the affordability of its revenue budget for the medium term.

**Personnel**

- 3.1 Will be established as part of the formal detailed consultations.

**IT**

- 4.1 Will be established as part of the formal detailed consultations.

**Equalities Impact**

- 5.1 Equality Impact Assessments will be completed as part of the formal detailed consultations.

**Health and Safety**

- 6.1 Will be established as part of the formal detailed consultations.

**Environmental Sustainability**

- 7.1 Will be established as part of the formal detailed consultations.

**Property and Asset Management**

- 8.1 Will be established as part of the formal detailed consultations.

**Risk Management**

- 9.1 Will be established as part of the formal detailed consultations.

**Corporate objectives and priorities for change**

- 10.1 These proposals support all of the Council's corporate priorities.

## APPENDIX 2

**Diagram 1 –Consultation Timelines**

		6 months	9 months	12 months	18 months
<b><u>15/16</u></b>	Apr				
	May				
	Jun	Consultation			
	Jul	Report			
	Aug				
	Sep				
	Oct				
	Nov	2016-19			
	Dec	Consultation			
	Jan				
	Feb	2016/17			
	Mar	Setting			
<b><u>16/17</u></b>	Apr				
	May				
	Jun				
	Jul				
	Aug				
	Sept				
	Oct				
	Nov	2017-20			
	Dec	Consultation			
	Jan				
	Feb	2017/18			
	Mar	Setting			



## Derby's Big Conversation – Key Findings

### Phases

The consultation was delivered in three phases:

One	Online budget simulator Interim findings report in October 2014	July 2014 – March 2015
Two	Events	July – October 2014
Three	Feedback forms	July 2014 – March 2015

### Key Results

The top five service areas receiving the largest average proposed budget decreases through the simulator were:

Cultural entertainment and events	-40.43%
City and neighbourhood partnerships	-39.65%
Museums	-35.76%
Libraries	-34.45%
Human Resources (HR)	-33.54%

Those services receiving the smallest average proposed budget decrease through the simulator were:

Children in Care fieldwork	-16.45%
Health Protection	-17.31%
Trading Standards	-17.32%
Food Safety	-18.13%
Specialist services for Children & Young People	-18.13%

### **Income, Fees and Charges/Council Tax**

Overall, there was an average increase in charges of 21%. When asked about an increase in Council Tax, there was an overall average increase of 1.60% above the planned 2% annual increase.

Bereavement Services	20.38%
Chargeable refuse collection services, excluding black and blue wheeled bin collections	20.45%
Parking	20.83%
Markets	20.89%
Leisure Facilities	21.94%
Derby Live	22.78%
<b>Income, Fees and Charges overall % change</b>	<b>21.14%</b>
Council Tax	1.60%

### **Service Delivery Alternatives**

There were general suggestions on how to deliver services differently including:

- Outsourcing
- Charging fees
- Encourage sponsorship
- Increased roles for volunteers