

Time Commenced – 18:32
Time Finished – 20:36

Corporate Scrutiny and Governance Overview and Scrutiny Board

20 December 2016

Present: Councillor Stanton (Chair)
Councillors Graves, Hassall, Hezelgrave, Jackson, J Khan,
Pegg, Poulter, Webb and Whitby

Cabinet Members in Attendance:
Councillors Banwait, Shanker, Russell and Repton

Members in Attendance:
Councillors Barker, Care, Froggatt, Nawaz, Turner; and Steve Grundy (CYP
Co-Optee)

Officers in Attendance:
Paul Robinson, Andy Smith, Martyn Marples, Janie Berry, Perveez Sadiq,
Kirsty Everson, David Gartside

Media/Press: Derby Telegraph

50/16 Apologies for Absence

Apologies for absence were received from Councillors Bayliss, Carr and Williams.

51/16 Late Items

There were no late items.

52/16 Declarations of Interest

There were no declarations of interest.

53/16 Revenue and Capital Budget Proposals 2017-20

The Board considered a report of the Director of Finance published budget proposals for 2017/18 to 2019/20.

The Chair introduced a procedure for the conduct of the meeting and explained the intention was to allow the Director of Finance to summarise the proposals and the overall budget position before taking questions from the Board. Responsible officers from each Department/Directorate would then summarise their proposals in order of the document and time for questions would be given after each of these.

The Director of Finance presented an overview of the proposals, highlighting the savings already achieved and the savings already approved for the period 2017/18 during the previous years budget consultation exercise. New savings required for the period 2017-2020 were also highlighted for the Board, as well as amendments to savings already approved.

Members queried that the Council should already be aware of the level of savings required for the forthcoming year and that there should be no unexpected budget cuts. The Director of Finance informed the Board that the Council has asked for and has received a 4-year deal so in terms of the revenue support grants (RSGs), a certain reduction in funding was expected and is in the provisional settlement, however, there are further cuts that were not expected.

It was further clarified that the Council was aware of cuts required for 16-17 to 18/19, but that the 4-year budget is a rolling budget and savings required for year 4 (now 2019-20) are new savings. The Chief Executive further commented that although the Council is plugging the budget gap caused by a reduction in the level of RSGs being received with an increase in Council Tax, the Council also has to make up the annual and uncertain costs of inflation and ensure the provision of statutory services. The Director of Finance also highlighted that changes to legislation have also impacted on the future levels of spend and savings required.

Members of the Board queried the validity of the budget consultation, including the level of detail in the budget proposals and the timescales for consultation responses. The Board was reassured that the Council is meeting its statutory requirements in demonstrating that it is setting a balanced budget over a 3-year period. It was reported that the lateness of the release of the Government's Autumn Statement and Local Government Settlement don't allow the Council sufficient time to go to consultation on budget proposals any earlier.

People Services

The Director of People Services outlined the directorate's budget position and outlined the savings already agreed for the MTFP period and the new savings and pressures identified for 2017/18.

The Director of People informed the Board that Public Health Nursing Service efficiencies would not impact on service delivery but have been negotiated through contractual efficiencies.

It was further reported that new savings identified would be achieved through the delivery of a community led support programme for Adults Services and the transformation in the delivery of Adult Day Care Services, which is being rolled out the rest of the city due to the success of the pilot scheme. Savings were also identified as a result of a move to a fully academised education system reducing the Council's financial responsibilities and through a review of the Multisystemic Therapy service contract.

Members queried the possible impact on sexual health in the city as a result of savings made through the retendering of the Sexual Health Contract, but were reassured that the integrated sexual health service is separate and the savings will not therefore impact on service delivery.

A discussion took place around the provision of Local Area Co-ordinators (LACs) across the city and it was clarified that there will not be an increase in LACs during the next financial period. It was reported however, that the expansion of LACs is a priority in the Local Sustainability Plan and any further support would likely come from this. Members again commented on the lack of detail/context in the budget document at this stage of the meeting.

The Director of People Services detailed the future pressures for the directorate including a technical budget pressure to allow for the passporting of funds for the Better Care Fund and funds for the Dedicated School Grant which are required due to a significant change in the way in which schools are funded, leading to a reduction of the DSG contribution to Council services.

The Director also highlighted expected pressures in Adult Social Care due to an increase in population, match-funding for the Independent Living Fund and increased pressures on commissioned care contracts. Pressures were also predicted through changes to the Care Act which have not yet been introduced but are expected to come in over the next year.

Members queried the 'unexpected' nature of these pressures and were informed that the figures are not new in their entirety, but that they have predicted figures which need to be completely recast annually. Members were informed that predicted figures, such as the predicted rate of inflation, are subject to change.

Communities and Place

The Acting Director of Strategic Partnerships, Planning and Streetpride outlined the budget position for the Communities and Place Directorate. It was reported that funding to deliver a new swimming pool and a reassessment of services that contribute to the street scene and community safety (including street cleansing and environmental enforcement) were indicated as a priority in the budget proposals.

It was further reported that a reassessment of the minimum statutory provision around Housing Options and homelessness services of £142,000, and savings previously programmed in relation to School Crossing Patrols would not be achieved, however, replacement proposals for the latter were included in relation to the reduction of services included in the concessionary fares scheme.

Members were informed that economic development and regeneration services funded through a Strategic Regeneration Fund would provide further funding opportunities, and proposals also included new income targets for Parking and CCTV enforcement. It was also reported that a review of services funded from the Education Services Grant and possible alternative delivery

mechanisms for street scene services could result in further efficiency savings.

The Acting Director of Strategic Partnerships, Planning and Streetpride also outlined a number of directorate pressures included in the proposals, including: revised waste disposal costs; the setting of a revenue budget for property maintenance projects; a variance in the business rates projected for the Arena; revisions to the street scene budget; and the inclusion of an initial subsidy for the new swimming pool.

Members queried the long-term position of funding for street scene services outside of the current MTFP proposals. The Director reported that ways in which this gap could be plugged would need to be looked at during the current MTFP period. Members also queried the policy position on using Parking and CCTV enforcement for fund-raising. Officers informed that Board that the policy is use Parking and CCTV enforcement to enforce. The Director of Finance also clarified that senior officers are encouraged to find ways of making efficiency savings for year 3 of the budget during the next 2 years.

Organisation and Government

The Director of Finance outlined new savings for the Directorate included in the budget proposals, including extending the length of debt repayments and the identification of eligible Housing Benefit Overpayments for 2017/18 and 2018/19. It was also reported that reviews of the pension deficit and contributions from the Government for Discretionary Housing Payments have also resulted in the identification of potential savings. The Director of Finance also informed the Board that consideration may also need to be given to further staff efficiencies and productivity savings in 2018/19 and 2019/20.

The Director of Finance also informed the Board of additional pressures in relation to governance arrangements and increased increase and public liability costs. Council-wide pressures in relation to the Apprentice Levy, Local Government Pension Scheme and National Living Wage were also explained to the Board.

Members queried whether extended the length of debt repayments would result in transferring debt to future generations, however, the Director or Finance reassured the Board that there would be no additional cost over the remaining term of the debt and that the Council has a duty to manage it's money in the most appropriate way, and that making this saving at no additional cost was the right ting to do.

Members also questioned the rising costs of insurance for the Council and were informed that due to the claims that have been made and information contained within the public interest report, the Council is considered high risk and therefore the cost of public liability and other insurance premiums has increased.

Members queried the increase in apprenticeship levy costs and whether or not this meant an increase in the number of apprenticeships. The Director of Finance reported that the costs do not relate directly to the number of

apprenticeships, but to the training costs of having apprenticeships. Members also queried the impact of applying the National Living Wage at the lowest grades on higher grades. The Board was informed that this would result in increases rising up through the grades and would need to be looked at further for future years.

Capital Programme

The Director of Finance outlined the programme and reported that there is currently a combined £7m funding gap for 2018/19 and 2019/20. Members were informed that the programme would be further challenged before it is finalised to try and reduce this gap.

The Chief Executive informed the Board that the programme currently includes an allocation for site feasibility work for the new swimming pool, which could be subject to change. It was also reported that the programme includes a number of proposed capital schemes that are currently unfunded and therefore an exercise on prioritisation needs to be undertaken.

Members of the Board queried the level of Council Tax proposed and how much would be ring-fenced for adult social care. The Board was informed that Council Tax would be subject to a 4% increase, of which 2% would be allocated across directorates as the budget dictates and that the 2% adult social care precept would be ring-fenced for adult social care.

Following the budget discussion the Board voted on a recommendation put forward that the budget consultation document should be rewritten with more detail and the consultation period should be extended to allow the public to digest and respond to these proposals. This recommendation was not carried. An alternative recommendation was proposed to recommend that Council Cabinet agrees for a consultation exercise to be undertaken on the budget consultation process and document to seek feedback on the perceived quality of the budget consultation documents and the length and timing of the consultation period. This recommendation was agreed by the Board.

It was resolved to recommend to Council Cabinet that a consultation exercise be undertaken on the budget consultation process and budget proposals to seek feedback on the perceived quality of the budget consultation documents and the length and timing of the consultation period.

MINUTES END