



Derby City Council

COUNCIL CABINET
15 February 2017

Report of the Cabinet Member for Strategy and Policy

ITEM 6

General Fund Revenue Budget 2017/18 – 2019/20

SUMMARY

- 1.1 This report sets out proposals resulting from the Government's finance settlement to recommend to Council a net budget requirement of £214,978,416 in 2017/18.
- 1.2 The report also sets out budget proposals for 2018/19 and 2019/20 as part of the Council's Medium Term Financial Plan - MTFP.
- 1.3 The Council has outlined permanent savings requirements of £28.4m over three years to address the impact of funding reductions, meet rising costs, maintain priority services and invest for the future. These savings total £14.0m in 2017/18, £10.7m in 2018/19 and £3.7m in 2019/20. The Council is intending to use reserves to smooth the impact on budgets which will help ensure the budget can be delivered in a managed way.
- 1.4 The Council's 2018/19 budget position includes a £965,000 contribution to reserves to provide funding for corporate priorities listed in paragraph 5.12.
- 1.5 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)
 - directorate summaries (Section 6)
 - details of the impact assessments carried out on the Council's budget proposals (Section 7)
 - Council's corporate outcomes (Section 8)
 - use of reserves (Section 9)
 - the communication and consultation process including feedback (Section 10)
 - the management of budget risks (Section 11)
 - future outlook (Section 12)
- 1.6 A separate report providing details of the latest estimated outturn position for 2016/17 as at Quarter 2 and the treatment of variances was presented to Cabinet on 9 November 2016. The 2016/17 budgets used in this report have been restated to reflect all movements of budgets between Directorates approved during 2016/17 to date and to reflect the changes in the Local Government finance arrangements to

enable more meaningful comparison.

- 1.7 The 2017/18 budget shows an £4.247m (1.94%) decrease over the 2016/17 budget, which includes a number of significant movements:
- Revenue Support Grant has been reduced by £9.4m
 - Specific Grants have decreased by £1.2m.
 - Council Tax increase of 4.99% (of which 3% relates to a social care precept) which when considered with growth in the tax base will positively affect the 2017/18 budget position by £5.9m.
- 1.8 Further details of funding anticipated to be received by the Council are provided in Appendix 3.
- 1.9 Although the Government have announced a provisional three year settlement for 2017/18 to 2019/20 further clarification is still required for 2018/19 and 2019/20.
- 1.10 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 2017/18 of £214,978,416 subject to confirmation of the final Local Government Settlement expected in February 2017 and finalisation of the Council's Council Tax for 2017/18 which will be presented to Full Council in March 2017 for approval and with due regard to the outcome of the Equality Impact Assessment update which is available on Derby City Council's website .
- 2.2 To approve the directorate revenue budget estimates and the use of reserves of £5.982m (1.37% of the budget) summarised in Appendix 4 of this report.
- 2.3 To approve the measures proposed to manage budget risks in 2017/18 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 11.
- 2.4 To approve the commencement of appropriate procurement procedures to support the specific budget proposals listed in appendix 5.
- 2.5 To approve the immediate implementation of detailed savings proposals included in appendix 5 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 savings proposals as a result of feedback from the consultation process, detailed in paragraph 10.4.

2.7 To approve within this total of £214,978,416:

	£000's
Net service estimates of:	
People Services	141,826
Communities and Place	41,051
Organisation and Governance	37,369
	<hr/> 220,246
Appropriations to/from reserves (figures in brackets are appropriations from reserves):	
Corporate reserves	(5,268)
	<hr/> 214,978

2.8 To note the calculation of the Council's Tax Base for the year 2017/18 as 66,574.07 equivalent band D properties, included in a separate report in January's Cabinet Meeting, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012/2914).

2.9 To note the calculation of the following amounts for the year 2017/18 in accordance with Sections 31A (1) of the Local Government Finance Act 1992, as amended by the Localism Act 2011, and for these figures to be taken forward and confirmed at Council in March 2017 as part of the Council Tax setting report.

- | | |
|-------------------|--|
| a. £655,386,025 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f). |
| b. (£440,884,858) | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) and (d) of the Act. |
| c. £86,424,460 | as Council Tax 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 31A(4) of the Act. |
| d. £1,298.17 | as the basic amount of its Council Tax for the year, being the amount at (c) above, divided by the amount at 4.1 below, calculated by the Council, in accordance with Section 31B of the act. |

e. for the following Valuation Bands:

	£		£
A	865.45	E	1,586.65
B	1,009.69	F	1,875.13
C	1,153.93	G	2,163.62
D	1,298.17	H	2,596.34

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 (d) 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 and Crime Commissioner and Derbyshire Fire Authority, in accordance with Section 40 of the Local Government Finance Act 1992, will be presented to Council in March 2017.
- 2.11 To note that the Council Tax to be set for 2017/18 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 2017.
- 2.12 To note the revenue budget plans for 2018/19 and 2019/20 set out in section 5 of this report.
- 2.13 To note the feedback from the budget consultation detailed in appendix 12 and approve the Council Cabinet responses to consultation recommendations.
- 2.14 To delegate approval to the Director of Finance to make necessary adjustments in order to balance the budget when the final settlement and the NNDR1 business rates retention are confirmed.

REASONS FOR RECOMMENDATIONS

- 3.1 The Council has a legal obligation to set a balanced budget for 2017/18, as prescribed

in the Local Government Finance Act 1992 and associated Regulations.

- 3.2 The 2017/18 to 2019/20 budget proposals included within this report provides the resources framework for the delivery of Council priorities over the next three years.



Derby City Council

COUNCIL CABINET **15 February 2017**

Report of the Chief Finance Officer

SUPPORTING INFORMATION

4. The Budget Process

- 4.1 The budget strategy approved by Council in November 2016 outlined a number of key principles which would be applied and explored during the budget development stage prior to consultation. These were:
- A draft proposal to raise council tax by 3.99% in order to protect, as far as possible, services for the most vulnerable. Last year the government introduced the option to charge an additional levy on council tax by authorities with social care responsibilities. The strategy applied an additional 2% levy, over the 2% threshold, to shorten the gap in the rising cost of social care.
 - The Delivering Differently programme will support services to develop and implement new and innovative service delivery models with the primary aim of delivering savings. A number of areas are being investigated including the Delivering Differently Programme to identify future savings.
 - Significant savings have been delivered from the Council's Treasury Management function and these will continue to be investigated to identify further prudent savings. The Council has substantial sums both borrowed and invested and therefore continually monitors the associated risks and opportunities. The review of Treasury Management will continue including debt profiling opportunities, arising from changes in market conditions, and the level of provision made to repay maturing debt.
 - The Council already works with other authorities, public sector, NHS and private organisations on a range of activities. Opportunities to work more closely with these organisations to achieve shared outcomes, share costs and expertise and generate efficiencies will continue to be pursued.
 - Despite the financial constraints experienced in recent years and the position forecast in the medium term the strategy highlighted two priority developments, the development of a new swimming venue and to maintain the city's streets, parks and open spaces to acceptable standards and provide a safe and attractive environment for communities across the city.
 - The strategy included investigating 'Crowd Funding' where appropriate to support the delivery of community identified priorities and initiatives

- The financial landscape facing the Council continues to be challenging due to the forecast cuts in Government funding and increasing local demographic pressures. The Council will endeavour to close the current funding gap by delivering existing savings and continuing to identify new efficiencies. Where additional savings and reductions are required the Council will continue to look for ways to protect the statutory services it delivers to the most vulnerable members of the community.
- 4.2 A series of Budget Challenge meetings were held between the Leader of the Council and appropriate Cabinet Members and Chief Officers during the Summer and Autumn of 2016 to challenge base budgets, scrutinise budget savings, pressures and financing.
- 4.3 The Council carried out a detailed consultation exercise between 12 December 2016 and 9 January 2017 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 appendix 9. The consultation document can be found on the council's website.
- 4.4 There have been a number of key developments in the budget strategy since November 2016 including:
 - Further increase Council Tax by an additional 1% in 2017/18 and 2018/19 with no precept for Social Care in 2019/20.
 - An estimated reduction of up to 99 full time equivalents (FTEs) is required to deliver the savings in 2017/18.
 - Reserves have been reviewed. Further information on the Council's reserves is included in a separate report on this agenda.
- 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 November 2016, this report shows a balanced revenue budget position for the three years from 2017/18 to 2019/20. This is reliant on the delivery of permanent savings amounting to £14.0m by 2017/18 and a further £10.7m in 2018/19 and £3.7m in 2019/20.

- 4.6 Table 1 below summarises the final revisions that have been made to the 2017/18 to 2019/20 budget after receiving feedback from our consultation process and receipt of the provisional financial settlement.

Table 1 Final changes to 2017/18 to 2019/20

Change (cumulative)	2017/18 £000's	2018/19 £000's	2019/20 £000's
Budget Requirement at Consultation (restated)	214,500	214,855	218,220
Deferred Savings (Paragraph 10.4)	680	639	(1,319)
Savings/Pressures adjustments (Paragraph 10.5)	(174)	(269)	536
Change in use of Reserves	(28)	283	876
Contribution to Reserves		965	
Revised Budget Requirement	214,978	216,473	218,313
Funding Available at Consultation (restated)	214,500	214,855	218,220
Change to funding assumptions	(345)	(118)	119
Change in Council Tax Income	823	1,736	(26)
Revised Funding Available	214,978	216,473	218,313

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 2017/18 budget is based on a starting position of the latest 2016/17 budget. Base budget adjustments, to reflect the full year effect of changes approved in the existing budget strategy, along with further pressures and savings that have been identified to deliver a balanced budget.
- 5.3 From 1 April 2013, the Council 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 only includes firm figures for 2017/18. Whilst indicative figures for 2018/19 and 2019/20 have been received these will be dependent on further review. For budget planning purposes we have modelled future years on a continuing trajectory of reductions in line with the latest information provided by central government. The government offer of a confirmed 4 year settlement will continue to be investigated as information becomes available.
- 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

£22.1m between 2016/17 and 2019/20, including reductions of £9.4m in 2017/18, £6.3m in 2018/19 and £6.4m in 2019/20.

- We have assumed Council Tax increases of 4.99% in 2017/18 and 2018/19 and 1.99% in 2019/20.
- The Business Rate estimates are based on the rateable values (RV) of business properties in the city. Increase in the city RV and the multiplier rate is estimated to generate an additional £1.4m in 2017/18.
- The allocation of the New Homes Bonus -NHB Grants determined by the number of new domestic properties built. However, despite anticipated housing growth, funding is forecast to decrease in future years because the Government is reducing the amount of funding available. We have provisionally been allocated £3.078m for 2017/18 and forecast reductions of £0.824m and £0.091m in the following two years respectively. The impact of NHB has been worsened by the provisional settlement.
- Public Health funding is expected to reduce by £1.514m between 2016/17 and 2019/20, including reductions of £0.500 in 2017/18, £0.514m in 2018/19 and £0.500m in 2019/20.

- 5.6 Council Tax is calculated by reference to Band D, with 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.
- 5.7 Paragraph 2.9(e) 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 2017/18 is shown in Appendix 2.
- 5.8 The Council's calculated Council Tax, plus the Derbyshire Police and Fire Authority amounts, will be presented to the Council in March 2017 as part of the Council Tax setting report, in accordance with section 33 (1) of the Local Government Finance Act 1992.
- 5.9 Table 2 below summarises the budget changes proposed to the 2015/16 base budget to arrive at the revenue budgets for 2017/18, 2018/19 and 2019/20.

Table 2 Summary Revenue Budget Position for 2017/18 to 2019/20.

	2017/18	2018/19	2019/20
	£'000s	£'000s	£'000s
Adjusted net opening Budget (before one-off use of reserves)	223,387	220,246	216,222
Add Inflation	2,634	2,658	2,724
Add Pressures	8,241	3,961	3,066
Less Permanent Savings	(14,016)	(10,643)	(3,699)
Net Budget	220,246	216,222	218,313

Less Use of Reserves	(5,268)	(714)	0
Add Contribution to Reserves		965	
Proposed Budget Requirement	214,978	216,473	218,313

- 5.10 Directorates and Cabinet Members should plan on the basis that the budget totals included here for 2018/19 and 2019/20 will be their working budget totals for those years and, therefore, it is very important that the savings proposals within the budget totals are implemented at the earliest opportunity.
- 5.11 The 2017/18 to 2019/20 budgets includes the planned use of £5.982m reserves to smooth the impact of required budget reductions. This enables reductions in budget to be delivered in a managed way.
- 5.12 To support the Culture across the city, the Council will allocate £1.5m from the current Assembly Rooms reserve and create a 'Cultural Sustainability Reserve'. It will also allocate £250,000 from the Assembly Rooms reserve to create a 'Cultural Charter' reserve.

The 2018/19 budget position includes a contribution to reserve of £965,000 to:

- reimburse the Assembly Rooms reserve by £750,000, which will continue to support our City Centre Masterplan
- allocate £90,000 towards supporting our City libraries, should they transfer to be community managed
- Allocate £125,000 to develop a Crowd Funder reserve to support community projects

6. Directorate Summaries

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

People Services

- 6.2 The People Services Directorate was formed on 1st September 2015 and brings together Children and Young People Services and Adults and Health. The Directorate is a significant and complex service area for the Council, providing mainly statutory services to the people of Derby. 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 services to looked after children and care leavers, special educational needs and disabled children services, safeguarding of the most vulnerable children and adults and the associated regulatory duties.

Adult Social Care offers support services to vulnerable adults as well as information and advice about social care to the general public more broadly and to people who

fund their own support. Specifically, adults' social care supports older people as the single largest group of individuals and also adults of working age with physical and mental health services. Public Health commission a range of services including most sexual health services and services aimed at reducing drug and alcohol misuse.

6.3 The overall aim of the Directorate is to:

- Ensure that children achieve their full potential in school.
- Safeguard vulnerable children and adults at risk of harm.
- To provide information and advice that enables people to make positive choices about their own well-being and avoid the need for statutory support.
- Provide time-limited interventions to help people through a crisis and recover their independence.
- To empower people with long term care needs to exercise choice and control over their support to maximise their independence and enhance their quality of life.
- The assessment and monitoring of the health of communities and populations to identify health problems and priorities.
- The formulation of public policies designed to solve identified local health problems and priorities.
- To assure that all populations have access to appropriate and cost-effective care, including health promotion and disease prevention services.
- To work in partnership and co-operate with other organisations and bodies to achieve positive outcomes for children and adults.

6.4 The Directorate faces significant challenges within the current Medium Term Financial Plan; national reductions in local government funding in the context of increasing demographic demands on services. The most significant are:

- An aging adult population where costs of adult social care continue to rise. The population profile of Derby City is changing with the overall population growth between 2015 and 2018 predicted to be 2.2%. Indeed, one quarter of the adult population of Derby will be aged 65 or over by the year 2030.
- The implementation of the Children and Families Act and the Care Act are the significant pieces of new legislation in our sector. This legislation modernises multiple statutes covering the Council's duties for supporting the wellbeing and social care needs of the citizens of Derby. We are moving into a new era in our thinking on how to best meet wellbeing and social care needs of our citizens, underpinned by the new legislation. The new requirements present the biggest challenge to People Services than any other in recent times.

- Unaccompanied asylum seeking children and their dispersal.
- National recruitment and retention issues of the social care workforce.
- The implications of moving to a fully academised education system and the associated reductions in funding for Council.

6.5 The Directorate is currently in the midst of a Council wide transformation programme; looking at delivering substantial efficiencies by reviewing the way that it delivers services. The Directorate is transforming its front line services which will focus on integration and early intervention; ensuring services are as efficient as possible with a focus on early support where needed. The Directorate's "customer journey" model is in place and it places an emphasis on:

- Giving good advice and information upfront so people with social care, health or housing needs, whether self-funded or state supported, can make informed decisions about the choices available to them.
- Promoting people's well-being through programmes that address smoking, obesity and excess drinking.
- Making increasing use of new technology to promote access to information, keep people safe, support people to manage their long term condition better and help our staff make more efficient use of their time.
- Making the most of people's own natural support networks and helping them build networks if they do not naturally have them.
- Developing and supporting communities to be strong and more resilient.
- Supporting people into work or closer to the world of work if that is their aspiration.
- Prevention, enablement and rehabilitation – giving people the skills to live as independently as possible and /or getting back on their feet as soon as possible after a crisis; preventing homelessness by early intervention.
- Promoting personal budgets as the mechanism by which people will access their long term care and support.
- Supporting carers and recognising carers have support needs in their own right.
- Working in partnership with residents, community groups, the faith sector, other public sector organisation and businesses to achieve the above.

- 6.6 The Council is keen to protect services for the most vulnerable adults, children and their families and takes its safeguarding and corporate parenting responsibilities very seriously (where children are placed in the care of the Council).

Our approach to managing budget pressures and the need for savings is to:

- (i) Continue to invest in prevention, early intervention and enablement.
- (ii) Reviewing decision-making to promote independence.
- (iii) Sustain service levels by changing models of service.
- (iv) Use effective procurement.
- (v) Restructuring service functions and maximise integration with other agencies where we believe it is the right thing to do.

Communities and Place

- 6.7 The Communities and Place 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, Housing, 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, Community and Regulatory services, and works closely with Derby Homes, the Council's arms length housing management organisation, delivering our housing management responsibilities.
- 6.8 The total net controllable budget for the directorate in 2016/17 is £42.912m. If the current approved budget and the new proposals for the next three years are approved then the directorate will be looking to achieve £3.441m of savings in 2017/18.
- 6.9 In developing the 2017/18 to 2019/20 proposals, the directorate has reviewed the previously approved savings, considering whether they are still achievable, and whether there are any where the saving should come forward or be put back in relation to its deliverability. These changes are set out later in the document
- 6.10 Members have indicated two priority areas as part of the future budget, the provision of funding to deliver a new swimming pool and the reassessment of services that contribute to the street scene and community safety, including street cleansing, environmental enforcement, minimising weeds, grass cutting highway verges and parks, community safety, cohesion and integration services. To reflect these priorities a range of changes are proposed to the already approved budget, with some additional funding being identified too.
- 6.11 In other areas the directorate is continuing to prioritise areas of statutory responsibility, and consider what really are the statutory minimum requirements. In doing so we have continued to ensure that efficiency is maximised, bureaucracy is removed and frontline services are protected as far as possible.

- 6.12 Further work will also be carried on to look at different ways of delivering services, looking at the commercialisation of more areas of our work to generate surpluses. We are also starting a project to establish a crowd funding website, where we are aiming to work closely with the voluntary and private sector to maximise the benefits of this type of fund raising for our communities.
- 6.13 We also continue to work at a regional and sub-level with the public sector and other local authorities in particular. The development of the Derby-Nottingham Metro Strategy is leading us to identify a whole range of opportunities to deliver services in a different way, looking to bring benefits to the Council's themselves as well as the local communities.
- 6.14 The budget proposals include new revenue opportunities around fees and charges which will be set having regard to market rates.
- 6.15 As in all budget processes, prioritisation is a key requirement. Within Communities and Place this prioritisation reflects the need to deliver statutory services and also seeks to protect frontline services as far as possible. Services continue to develop and minimise costs through increased efficiency and transformation.

Organisation and Governance

- 6.16 The Organisation and Governance Directorate is managed by the Chief Executive with a focus on ensuring robust corporate governance arrangements for the Council. The Directorate manages:
- Frontline Services – Revenues, Benefit and Customer Services.
 - Finance, Procurement and Exchequer services.
 - HR, Legal, Democratic, Governance & Risk and Audit services.
 - Strategic Services including Communications and Performance.
 - Information Services including the Council's Digital Strategy.
 - Business Support and Facilities Management.
 - Treasury Management – Debt and Investments.
- 6.17 The net budget for the Directorate for 2017/18 is £37.069m, some of which are fixed costs.
- 6.18 The services within this Directorate have made significant savings since 2010 as part of the Council's one Derby transformation programme and subsequent Delivering Differently programme. Further service savings will be delivered through service redesign, such as the Information Systems (IS) review, treasury management review and staffing efficiencies.
- 6.19 Derby City Council set a three year budget in 2016/17. For budget planning purposes the Directorate has reviewed these assumptions and established further savings options required to balance the MTFP over the next three years.
- 6.20 In the medium term the Directorate will need to reconfigure to meet the demands it faces but within the level of resources it will have at its disposal. A number of

alternative service delivery models are being explored.

7. Budget Equality Impact Assessments

- 7.1 The Council has to ensure it pays due regard to the Public Sector Equality Duty during 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 - the Council completes Equality Impact Assessments – EIA's. These EIA's follow the guidance drafted by the Equality and Human Rights Commission.
- 7.2 The Council has completed an initial budget EIA which is available on Derby City Council's website and subsequently undertook a detailed screening process of all pressures and savings proposals identified as part of the 2017/18 budget setting process. This screening focused on both financial and service factors to determine whether specific equality impact assessments required. For the financial assessment a significance level of £200,000 as a nominal figure. Any proposals which reached this threshold were considered to establish if an EIA was required 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.
- 7.3 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 equality 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.
- 7.4 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. Options to find alternative provision to support service change will continue to be explored.
- 7.5 As part of the EIA the Council invited a number of advisors from the Derby Diversity Forum and Voices in Action – our young people's consultation group - to challenge the process. This group carried out an overarching review of the 2017/18 savings proposals. This exercise led to recommendations being raised by the group, including identifying where they felt specific equality impact assessments were needed. In addition, the group intends to be part of some of the individual equality impact assessments to flag up any negative impact on equality groups and work out acceptable mitigating equality actions to reduce the impact.
- 7.6 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.

- 7.7 The Council has undertaken 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. Actions to mitigate specific risks arising from the assessments will form part of the detailed implementation plans.

8. Delivery of Corporate Outcomes

- 8.1 The Council's proposed priorities are based on Derby's 15 year vision – 'Derby 2030: A safe, strong and ambitious city'. We will continue to work closely with partners in the City to develop and achieve this vision.
- 8.2 Considerations of the Council's priorities 'safe, strong, ambitious and resilient' are reflected in the budget proposals included in this document. Over the next few months we will review and update the Council Plan in line with the budget proposals and wider strategies/plans.

9. Use of Reserves

- 9.1 The 2017/18 to 2019/20 budgets includes the planned use of £5.982m reserves. The Council agreed in previous year's proposals to use and establish a £10.144m reserve to support the MTFP. It is anticipated that it is still appropriate to use this level of reserves to smooth the reduction in Council budgets
- 9.2 The General Reserve of £7.143m has been maintained at around 3% of the budget requirement, including schools budgets (as at 31 March 2017). 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.

10. Communication and Consultation

- 10.1 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.
- 10.2 This year's process included ...

- a. Special meeting of the Council's Overview and Scrutiny. Appendix 6 summarises the recommendations of the Boards and the Cabinet's response

to them.

- b. Meetings including representatives from Business Ratepayers to young people through 'Voices in Action'. Details of these meetings are included in appendices 7 and 8.
- c. Publishing of all relevant budget proposal information on the Council's website.

10.3 A summary of feedback of responses from the public is included in appendix 9. The Council will continue to speak to interested parties and the public and business community to mitigate the impact of the savings which have to be applied. These conversations will be on-going.

10.4 Following consultation Cabinet have agreed changes to the Council's budget proposals for 2017/18 to 2019/20.

The following changes defer savings for one year whilst proposals are reviewed.

- £80,000 in the B line travel subsidy saving from 2017/18 to 2018/19.
- £400,000 in Staffing efficiencies from 2018/19 to 2019/20.
- £319,000 in delay in ending the neighbourhood management function from 2018/19 to 2019/20.

The following changes defer savings for two years whilst proposals are reviewed and more information is received.

- £600,000 in the Education Services Grant service reductions from 2017/18 to 2019/20.

10.5 During the consultation period proposed savings and pressures have been confirmed arising in some adjustments and updates:

- Increased Care Demographic pressure totalling £397,000 across the MTFP.
- Reduced Dedicated Services grant pressure of £1,000,000 to zero - which has been removed pending further information and clarification, however this is not without risk.
- Increased borrowing costs of £343,000 across the MTFP to reflect increased Minimum Revenue Provision – MRP requirement for borrowing.
- Increased inflation costs of £285,000 across the MTFP following further detailed calculations.
- An increased pressure across the MTFP of £200,000 to ensure asset valuation assurance.
- A reduction in pressure of £217,000 to reflect revised pension adjustment calculations.
- A saving of £65,000 from further staffing efficiencies in 2019/20.

10.6 The following changes have materialised in funding:

- Increased funding re: the Adult Social Care precept resulting in additional funding in 2017/18 and 2018/19.
- General changes in the settlement funding anticipated resulting in further funding cuts of £533,000 across the MTFP.

11. Management of Budget Risks

- 11.1 The budget proposals in this report represent the Council's estimated revenue position for 2017/18 to 2019/20. The identified pressures will inevitably change as new factors give rise to different financial consequences in the course of time.
- 11.2 The forecast budget for 2018/19 and 2019/20 highlights the significant levels of savings required to balance the budget in the medium term.
- 11.3 Although the 2017/18 spending review was a provisional three year settlement further clarification is still required for 2018/19 and 2019/20. Future levels of government funding will be dependent on the spending review taking place in the autumn of 2017.
- 11.4 The budget is also modelled on a level of Council Tax increase for 2018/19 and 2019/20 of 4.99% and 1.99% respectively which may change.
- 11.5 It is therefore very important that the Council takes a view on the risks detailed below and makes sure 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.
- 11.6 In previous years the Council has maintained unallocated contingency budgets to mitigate budget risks, these contingencies were removed as part of the 2015/16 budget setting process. To ensure the Council has an effective risk budget approach the budget risk reserve now includes an allowance to meet budget uncertainties. The level of reserves will ensure that funds are available to meet in year pressures until permanent solutions can be identified in the subsequent budget process.

Specific Risks

- 11.7 There are a number of specific risks associated with the planned budget.
- 11.8 **Staffing Savings** – The further reduction in staffing levels in 2017/18 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.
- 11.9 **Service Savings** – with a significant volume of savings required in 2017/18 there is a risk of slippage through unforeseen delays and the timing of savings delivery. Plans within Directorates need to be managed robustly in order to limit the requirement to call on reserves.
- 11.10 **Income** – the budget is supported by extensive external income and services therefore need to continually develop creative plans to ensure that this level of income is sustained. Several service areas have included proposals within the MTFP to increase income which further increases this risk.

- 11.11 **Council Tax** – collection rates in Derby are forecast at 98.2% and this will need to be continually monitored. The budget also includes a level of known and assumed growth in the Council Tax base for 2017/18, 2018/19 and 2019/20, which is not without risk.
- 11.12 **Contingencies** – the Council no longer hold unallocated contingencies which remove the ability to permanently respond to emerging pressures.
- 11.13 **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.
- 11.14 **Redundancy Payments** – It is anticipated that we have set aside sufficient to finance the required one-off payments for 2017/18, however the actual impact is only known when specific details come forward.
- 11.15 **Reserves** – The balance of using and holding reserves is a risk regularly reviewed.
- 11.16 **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 regular basis.
- 11.17 **Delivering Differently** – There is a reliance on future savings being identified through Transformation and Delivering Differently. The Council is confident that these can be achieved but this is not without risk.
- 11.18 **Inflation** – Inflation is currently low due to the current economic climate, the inflation assumptions included in the MTFP assume this trend will continue. Levels of inflation will continue to be monitored to assess the level of risk exposure, and how any such risks could be addressed within existing budgets.
- 11.19 **Retained Business Rates** – Since the introduction of retained business rates on 1 April 2013 the Council has been liable for 49% of appeals. Large appeals cause fluctuations in level of income the Council collects. The current provision is £8.0m

Further Opportunities and Risks

- 11.20 There are a number of areas of finance yet to be announced by government which may affect the Council's MTFP for 2017/18 to 2019/20:
- Final Financial Settlement 2017/18: The Council received its provisional financial settlement for 2017/18 in December 2016. The final confirmed settlement is not expected to be received until February 2017. This final settlement may vary from the provisional figures provided, but these changes are not expected to be significant.
 - Better Care Funding for 2017/18 and 2018/19 has been announced however there remains some uncertainty beyond then.

- 11.21 The current budget proposals show a balanced revenue budget position for 2017/18 to 2019/20. With a legal requirement to set a balanced budget for 2017/18 this position is reliant upon delivering permanent savings of £14m during 2017/18 and the Council will face significant challenges in ensuring that these targets are met. The future outlook remains uncertain. The impact of moving to a 100% retained business rates system by 2020/21 is still being developed nationally. In all formula changes there are winners and losers across local authorities and this remains a concern.

12 Future Outlook

- 12.1 Brexit brings uncertainty to the National financial outlook as a whole, which could have significant impact on both the Councils funding, but also spending. The Medium Term Financial Plan will be updated as certainty arises.
- 12.2 Pressures and inflation are predicted to continue to increase beyond 2019/20 whilst funding continues to fall. Early indications are that a further £10m of savings will be required in 2020/21 and 2021/22.

OTHER OPTIONS CONSIDERED

- 13.1 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)	Janie Berry (Director of Governance and Monitoring Officer) Toni Nash(Head of Finance) Janie Berry (Director of Governance and Monitoring Officer) n/a Martyn Marples (Director of Finance and s151 Officer), Jill Craig (Director Of Digital Services) Ann Webster (Equality and Diversity Lead)
For more information contact: Background papers: List of appendices:	Elly Tomlinson (Principal Accountant Organisation and Governance) Budget consultation documents and strategy reports Appendix 1 – Implications Appendix 2 – Council tax statutory calculation 2017/18 Appendix 3 – Changes to Grant funding 2017/18 Appendix 4a – Revenue Budget Summary 2017/18 Appendix 4b – Revenue Budget Summary 2018/19 Appendix 4c – Revenue Budget Summary 2019/20 Appendix 5 – Schedule of Budget Pressures and Savings Appendix 6 – Corporate Scrutiny and Governance Board Budget Consultation: Schedule of Recommendations Appendix 7 – Non Domestic Rates Budget Consultation Minutes Appendix 8 – Extract from Voices in Action Minutes Appendix 9 – Consultation feedback

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 2017/18. 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.
- 2.3 Pursuant to section 149 Equality Act 2010, the Council must , as part of exercising its functions, including decision making, have due regard to
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act,
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Section 4 Equality Act 2010 prescribes protected characteristics as:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

All Members of the Council must, as part of their individual and collective decision making responsibilities, have full consideration of, and due regards to, the contents of the Equality Impact Assessment relating to the budget proposals contained within this Report.

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.

IT

- 4.1 None directly arising.

Equalities Impact

- 5.1 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.
- 5.2 A budget-wide Equality Impact Assessment has been carried out in conjunction with a panel of advisors from Derby Diversity Forum and Older People's Forum.
- 5.3 It is imperative to complete the Pay and Reward Review to ensure an equality proof job evaluation scheme.

Health and Safety

- 6.1 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

- 7.1 None directly arising

Property and Asset Management

- 8.1 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 appendix 5 and in the Capital Programme report also presented to this meeting.

Risk Management

- 9.1 As described in Section 11 of the report.

Corporate objectives and priorities for change

- 10.1 There is a close relationship between the budget and the Council's corporate outcomes. Further details are provided in section 8 of this report.

Appendix 2

COUNCIL TAX STATUTORY CALCULATION 2017/18

Derby City Council Budget Requirement 2017/18	R	£214,978,416
Retained Business Rates		£44,591,600
Business Rates Top Up Grant		£15,291,016
Revenue Support Grant		£25,203,407
Collection Fund Surplus		£114,000
New Better Care Fund		£831,861
Other Specific Grants		£42,522,082
	P	£128,553,966
Council Tax Requirement	C= R-P	£86,424,450
Tax Base for Tax Setting (Band D)	T	66,574.07
Basic Amount of Council Tax	C / T	£1,298.17
Derby		
Band A – (Disabled)	5/9	721.21
Band A	6/9	865.45
Band B	7/9	1,009.69
Band C	8/9	1,153.93
Band D	9/9	1,298.17
Band E	11/9	1,586.65
Band F	13/9	1,875.13
Band G	15/9	2,163.62
Band H	18/9	2,596.34
Council Tax 2016/17		£1,236.47
Unadjusted Increase Band D		£61.70
Unadjusted % Increase Band D		4.99%

CHANGES TO GRANT FUNDING 2017/18

	2017/18 STATEMENT			
	Final	Final	Difference	
	2016/17	2017/18	£m	%
	£m	£m		
<u>REVENUE SUPPORT GRANT, TOP UP AND BUSINESS RATES</u>				
Revenue Support Grant	34.616	25.203		
Retained Business Rates	45.250	44.592		
Business Rates Top-Up Grant	13.270	15.291		
Prior Year Business Rates Collection Fund Surplus / (Deficit)	(0.174)	(0.592)		
REVENUE SUPPORT GRANT & BUSINESS RATES	92.962	84.494	(8.468)	(9.1%)
<u>SPECIFIC GRANTS</u>				
- Public Health Grant	20.266	19.766		
- Education Services Grant	2.789	1.431		
- Housing and Council Tax Subsidy Admin Grant	1.335	1.299		
- Better Care Fund	11.105	11.322		
- New Homes Bonus	4.653	3.078		
- Redistribution of New Homes Bonus Top-Slice	0.126	0		
- Independent Living Fund	1.175	1.136		
- Extended Rights to Free Travel	0.083	0.083		
- Local Reform and Community Voices Grant	0.116	0.087		
- SFA s31 grant business rates cap, SBRR, Retail Relief	1.920	2.193		
- Troubled Families	0.959	0.960		
- New Better Care Funding	0	0.832		
- Adult Social Care Support Grant	0	1.154		
- Lead Local Flood	0	13		
- Treasury Assumptions on Growth in NHB	0	0		
Total Specific Grants	44.527	43.354		
REVENUE SUPPORT GRANT, BUSINESS RATES & SPECIFIC GRANTS	137.489	127.848	(9.641)	(7.0%)
<u>-COUNCIL TAX</u>				
Council Tax Requirement	80.541	86.424		
Prior Year Collection Fund Surplus / (Deficit)	1.195	0.706		
Council Tax	81.736	87.130	5.394	6.6%
Total Resources	219.225	214.978	4.247	1.9%

Overall Summary by Directorate - Revenue Budget 2017/18

Appendix 4a

SERVICE ACTIVITY	Controllable 2016/17 Base Budget £000's	BudgetChanges			Controllable 2017/18 Budget £000's
		Inflation	Pressures	Savings	
		£000's	£000's	£000's	
People Services	139,697	1,949	5,385	(5,205)	141,826
Communities and Place	42,912	512	1,368	(3,441)	41,351
Organisation and Governance	40,778	173	1,488	(5,370)	37,069
Total Directorate Budgets	223,387	2,634	8,241	(14,016)	220,246
Less transfer (from) / to reserves: From corporate reserves	(4,162)				(5,268)
NET BUDGET REQUIREMENT	219,225				214,978
Funded By:					
Retained Business Rates	(45,250)				(44,592)
Business Rates Top Up Grant	(13,270)				(15,291)
Revenue Support Grant	(34,616)				(25,203)
Collection fund (surplus)/deficit	(1,021)				(114)
Income raised from Council Tax	(80,541)				(86,424)
Other Specific Grants	(44,527)				(43,354)
TOTAL RESOURCES	(219,225)				(214,978)

Appendix 4b

SERVICE ACTIVITY	Controllable 2017/18 Base Budget £000's	BudgetChanges			Controllable 2018/19 Budget £000's
		Inflation	Pressures	Savings	
		£000's	£000's	£000's	
People Services	141,826	1,975	2,373	(3,161)	143,013
Communities and Place	41,051	510	450	(4,553)	37,458
Organisation and Governance	37,369	173	1,138	(2,929)	35,751
Total Directorate Budgets	220,246	2,658	3,961	(10,643)	216,222
Less transfer (from) / to reserves:					
From corporate reserves	(5,268)				(714)
To corporate reserves	0				965
NET BUDGET REQUIREMENT	214,978				216,473
Funded By:					
Retained Business Rates	(44,592)				(46,248)
Business Rates Top Up Grant	(15,291)				(15,783)
Revenue Support Grant	(25,203)				(18,898)
Collection fund (surplus)/deficit	(114)				0
Income raised from Council Tax	(86,424)				(91,555)
Other Specific Grants	(43,354)				(43,989)
TOTAL RESOURCES	(214,978)				(216,473)

Overall Summary by Directorate Revenue Budget 2019/20 Revenue Budget 2018/19

Appendix 4c

SERVICE ACTIVITY	Controllable 2018/19 Base Budget £000's	Budget Changes			Controllable 2019/20 Budget £000's
		Inflation	Pressures	Savings	
		£000's	£000's	£000's	
People Services	143,013	2,031	2,612	(400)	147,256
Communities and Place	37,458	520	350	(1,790)	36,538
Organisation and Governance	35,751	173	104	(1,509)	34,519
Total Directorate Budgets	216,222	2,724	3,066	(3,699)	218,313
Less transfer (from) / to reserves:					
From corporate reserves	(714)				0
To corporate reserves	965				0
NET BUDGET REQUIREMENT	216,473				218,313
Funded By:					
Retained Business Rates	(46,248)				(48,116)
Business Rates Top Up Grant	(15,783)				(16,344)
Revenue Support Grant	(18,898)				(12,524)
Collection fund (surplus)/deficit	0				
Income raised from Council Tax	(91,555)				(94,211)
Other Specific Grants	(43,989)				(47,118)
TOTAL RESOURCES	(216,473)				(218,313)

Appendix 5

Schedule of Budget Pressures and Savings

Directorate	Pressures	2017/18	2018/19	2019/20	TOTAL
		£000	£000	£000	£000
People Services	Review of Commissioned Care Costs	1,520	1,609	1,699	4,828
People Services	Continuation of Care Act and demographic social care pressures	982	391	576	1,949
People Services	Better Care Fund - Mental Health Enablement to match funding	225	0	0	225
People Services	Removal of pressure to match revised forecast ILF grant	(59)	(27)	26	(60)
People Services	Historic DSG contribution to Council services, DFE now approving contributions on individual basis. The likelihood for continuation currently assessed as low.	400	0	0	400
People Services	Adult Social Care – Population growth and historic assessed demand	2,317	400	311	3,028
TOTAL PEOPLE SERVICES PRESSURES:		5,385	2,373	2,612	10,370
Communities and Places	Emerging waste plant pressure	241	0	0	241
Communities and Places	Revenue Property Maintenance	0	500	0	500
Communities and Places	Arena NNDR pressure	200	0	0	200
Communities and Places	Streetpride Standards	477	0	0	477
Communities and Places	Fly Tipping	150	0	0	150
Communities and Places	Leisure Services – estimated running costs of new pool	0	0	400	400
Communities and Places	Valuations assurance costs	300	(50)	(50)	200
TOTAL COMMUNITIES AND PLACES PRESSURES:		1,368	450	350	2,168

Directorate	Saving	2017/18	2018/19	2019/20	TOTAL
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Organisation and Governance	Increase resilience with Accountancy assurance	250	0	0	250
Organisation and Governance	Insurance - increased insurance premium costs, public liability costs and saving realised in other departments	0	513	0	513
Council Wide	Apprentice Levy (Levy + 50 additional apprentices)	455	325	0	780
Council Wide	Increase in pension contribution rate following triennial review	783	0	0	783
Council Wide	National Living Wage	0	0	61	61
Council Wide	Treasury Management – Effect of change on MRP for Unsupported borrowing review	0	300	43	343
TOTAL ORGANISATION AND GOVERNANCE PRESSURES:		1,488	1,138	104	2,730
TOTAL PRESSURES:		8,241	3,961	3,066	15,268

		£000	£000	£000	£000
People Services	Efficiencies in Post 16 transport	(100)	(100)	0	(200)
People Services	Expansion of commercial activities within the commissioning function	(100)	0	0	(100)
People Services	Reconfiguration of children's centres	(226)	0	0	(226)
People Services	Expansion of commercial activities across the Council	(125)	0	0	(125)
People Services	Efficiencies from reviewing residential placements for children in care	(800)	(1,200)	0	(2,000)
People Services	Remodelling of the service model for Council owned Care homes and Day Services	(209)	(200)	0	(409)
People Services	Reviewing Home First operating model to deliver efficiencies	(843)	0	0	(843)
People Services	Reviewing alternative delivery models for Housing Related Support	(1,382)	0	0	(1,382)
People Services	Refocus of provision to the Livewell service	0	(1,000)	0	(1,000)
People Services	Efficiencies in Public Health contract	0	(150)	0	(150)
People Services	Establish alternative funding streams for the in-house domestic violence service provision	(116)	(11)	0	(127)
People Services	Efficiencies in Public Health contract	(111)	0	0	(111)
People Services	Efficiencies from retendering of sexual health contract	(89)	0	0	(89)
People Services	Additional savings to cover demographic pressure to be identified within Adults Health and Housing	(104)	(500)	0	(604)
People Services	Multisystemic Therapy Service efficiencies - following contract review	(100)	0	0	(100)
People Services	Potential service reduction following cuts to the Education Services Grant and academisation of schools	(400)	0	(400)	(800)
People Services	Review of Day Centres	(500)	0	0	(500)
TOTAL PEOPLE'S SAVINGS:		(5,205)	(3,161)	(400)	(8,766)

Directorate	Saving	2017/18	2018/19	2019/20	TOTAL
		£000	£000	£000	£000
Communities and Place	Efficiencies in energy management	(20)	(44)	0	(64)
Communities and Place	Savings in property management costs as a result of Property Rationalisation programme	0	(915)	0	(915)
Communities and Place	Delivery of education campaigns to encourage recycling and composting of waste	(100)	0	0	(100)
Communities and Place	Review of parking and traffic management enforcement activities and charged parking areas	(656)	(200)	0	(856)
Communities and Place	Removal of revenue funding to support small scale reactive traffic management work	0	(100)	0	(100)
Communities and Place	Withdrawal of discounted travel concessions for young people in 2018/19, with proposal to retain an ID card with discount features	(66)	(80)	0	(146)
Communities and Place	Efficiencies in Highways and Engineering, rationalising inspectors and maintenance operatives posts	(40)	0	0	(40)
Communities and Place	Amendment to on-going revenue budget linked to new Leisure and Culture Charter funding approach	(10)	0	0	(10)
Communities and Place	Reduction in arts grants staffing resource in 2017/18. Removal of on-going annual funding to partner arts organisations in 2018/19 as part of a new approach to delivering a sustainable cultural offer for the city	(23)	(270)	0	(293)
Communities and Place	Removal of on-going annual funding to the Museums Trust in 2018/19 as part of a new approach to delivering a sustainable cultural offer for the city	0	(684)	0	(684)
Communities and Place	Strategic review of Leisure, Culture and Tourism Services including the libraries service, Derby Arena, Tourist Information Centre, Parks and Derby Live activities to consider alternative delivery models to make these services sustainable in the long term	(912)	(1,647)	(521)	(3,080)
Communities and Place	Reduce revenue support costs associated with public transport including reductions for real time information, provision of timetable and other information	(46)	0	0	(46)
Communities and Place	Additional income generation in planning services and the deletion of temporary and non-statutory posts	(76)	(113)	0	(189)
Communities and Place	Remainder of 16/17 budget saving to remove three standalone automated public conveniences	(79)	0	0	(79)

Directorate	Saving	2017/18	2018/19	2019/20	TOTAL
		£000	£000	£000	£000
Communities and Place	Review of alternative delivery models for the Derby Advice Service, to deliver this general fund saving.	(158)	0	0	(158)
Communities and Place	Removal of the base revenue funding for Economic Development and Regeneration Projects activities to be replaced by the creation and operation of a Strategic Regeneration Fund. The fund will be established with one-off monies, plus external funding and maximising fee income.	(455)	0	0	(455)
Communities and Place	Efficiencies in the management and operation of the Housing Management and Repairs services.	(300)	0	0	(300)
Communities and Place	Acquisition of new investment property stock to generate additional rental income	(400)	(500)	0	(900)
Communities and Place	Ending of the neighbourhood management functions	0	0	(319)	(319)
Communities and Place	Potential service reduction to statutory commitments following cuts to ESG and academisation process	0	0	(200)	(200)
Communities and Place	Operational review of Neighbourhood Charter services to drive efficiencies in service delivery	0	0	(750)	(750)
Communities and Place	Changes to Concessionary Fare's resulting from review of bus services which can be excluded from the scheme	(100)	0	0	(100)
TOTAL COMMUNITIES AND PLACE SAVINGS:		(3,441)	(4,553)	(1,790)	(9,784)

Directorate	Saving	2017/18	2018/19	2019/20	TOTAL
		£000	£000	£000	£000
Organisation and Governance	Ongoing Information Systems (IS) review	(241)	(283)	0	(524)
Organisation and Governance	Treasury base budget review	(1,619)	978	706	65
Organisation and Governance	ICT reversal of a one off pressure	(420)	0	0	(420)
Organisation and Governance	Continued identification of eligible HB overpayments	(500)	250	250	0
Organisation and Governance	Contribution from HRA towards historic pension deficit repayment	(250)	0	0	(250)
Organisation and Governance	Remove base local assistance budget and fund future costs from the Welfare Reform reserve	(166)	0	0	(166)
Council Wide	Staffing efficiencies	0	(636)	(2,465)	(3,101)
Council Wide	Delivering Differently programme efficiencies including: Community Led Support Registrars Pause Programme	(2,174)	(3,238)	0	(5,412)
TOTAL ORGANISATION AND GOVERNANCE SAVINGS:		(5,370)	(2,929)	(1,509)	(9,808)
TOTAL SAVINGS:		(14,016)	(10,643)	(3,699)	(28,359)

Corporate Scrutiny and Governance Board

**Recommendations from the Budget Scrutiny Meeting held on Tuesday
20 December 2016**

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 pass porting 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.

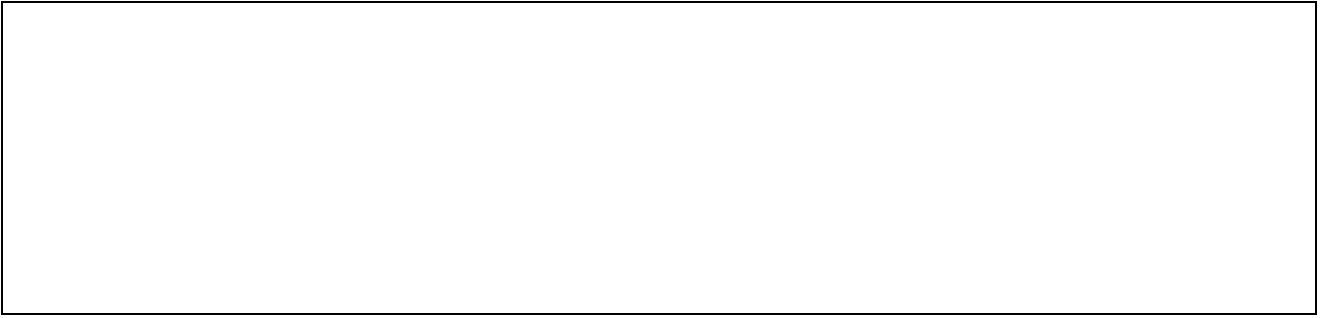
The Chief Executive informed the Board that the programme currently includes an allocation for site feasibility work for the new swimming pool, which could be subject to change. It was also reported that the programme includes a number of proposed capital schemes that are currently unfunded and therefore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



DERBY CITY COUNCIL

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

HELD 16 DECEMBER 2016 AT COUNCIL HOUSE, CORPORATION STREET, DERBY

Present: Representing Derby City Council

Martyn Marples - Director of Finance

Representing Non-Domestic Ratepayers and the Business Community and Partners

Chris Hobson – East Midlands Chamber
Simon Allsop – Derbyshire Fire and Rescue Service

1 Introduction

Martyn Marples (Director of Finance) gave a presentation on the budget position.

He explained that Council Cabinet would be meeting on 8 February 2017, to make recommendations to the City Council about setting the budget for the three financial years, 2016/17, 2017/18 and 2018/19. 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 Director of Finance explained the Council's priorities and budget for 2017/18 onwards revenue budget timetable. It was noted that over a three year period a total of £28m savings needed to be made.

3 Comments from the Meeting

Comments were invited from those present, both on the budget consultation document which was available before hand and on the information presented at the meeting. The substance of these and the replies given were:

Simon Allsop asked if there had been an announcement of further funding for schools. Martyn Marples was not aware of any but would check.

Simon Allsop asked what the biggest issue was in relation to business rates. Martyn Marples reported that it was the NHS Trust deal.

Chris Hobson stated that in respect of the Apprentice Levy businesses were expecting to train people at the top end of the organisations initially. Simon Allsop explained how the Apprentice Levy affected the fire and rescue service.

Capital Programme, there remained a gap of £7mk which would be addressed as part of the budget consultation.

Simon Allsop asked when there would be a response from the Government in relation to infrastructure in the region. The autumn statement had given some information but more was awaited. Consideration needed to be given particularly to housing. Once the flood defences were built in the city, some land would be opened up for both commercial and housing development. Chris Hobson stated that the Government had not explained how the housing money would need to be used.

Simon Allsop asked about regional funding and joint working with other cities. Martyn Marples explained that the metro strategy was still a possibility and that the Council was working with other major cities in the region to get the best deals for the area. One of the issues was that the region had not had a devolution deal.

Chris Hobson referred to the HS2 development at Toton. The Boroughs of Erewash and Broxtowe needed to be fully involved in the development of the project.

Simon Allsop asked about the recent trade delegation visits to China. It was noted that on the second trip a Memorandum of Understanding had been signed but that it would take a while to get everything in place.

Chris Hobson asked if consideration had been given to other ways of leveraging finance into the council for example parking levy. Martyn Marples explained that parking levy was not currently being considered. It was noted that in 2020 the area would keep 100% of business rates. Consideration would need to be given to how this would be apportioned.

Martyn Marples asked if there was anything else the council could do to engage with businesses. Chris Hobson stated that investment in the street scene was of benefit for both the council and businesses. Businesses would need to demonstrate their value to the local area beyond what they do as a business.

Simon Allsop asked about cuts to the voluntary sector. Martyn Marples explained that the cuts were implemented previously but that the council was working with the voluntary sector to channel service provision through the voluntary sector where possible.

4. Conclusion

The Director of Finance reported that the consultation was open on the Council website and that responses would be considered by Council Cabinet at its meeting on 8 February 2017 and thanked the representatives and the businesses and partner representatives for attending the meeting.

MINUTES END

Appendix 8

Extract from Notes from Voices in Action Youth Council Meeting


Monday 9 January 2017

Who was there?

Voices in Action Members	Adele Styles – Co-ordinator	Philip Hutchinson Youth Mayor – Chair Kirsty Glover – Vice Chair	Kelly Smith - facilitating
Millie Adler – facilitating	Skye Mcarthur - facilitating	Philip Edwards – signing in/taxis	Taxis - Thomas
Guests: <ul style="list-style-type: none">• Adrian McNaney (Commissioning and Partnerships Officer)• Jodie Smith (Commissioning Project Officer)• Martyn Marples (Director of Finance)• Hazel Lymbery (Director of Specialist Services)• Andy Smith (Director of People's Services)			

What we talked about

2.	Budget Consultation
	Martyn Marples gave a presentation about the savings and pressures on Peoples Services and Communities and Place. There was an open discussion with the young people about their thoughts and ideas for the budget.

	 <p>Voices in action - Budget Consultation :</p> <p>Young people were asked:</p> <ol style="list-style-type: none"> 1. Do you think Council Tax should be put up to fund Adult Social Care? 2. Is there anything else you think is a good or bad idea? <p>Q1:</p> <ul style="list-style-type: none"> • It was an equal split 12 young people were in favour of and 12 young people against raising Council Tax to fund Adult Social Care. <p>Key themes:</p> <ul style="list-style-type: none"> • Schools/Academies • B - Line • Swimming pool • Volunteering/community involvement • Communication to manage people's expectations • Reducing services not cutting services completely. <p>Please see appendix 2 for full details.</p>
Action	<ul style="list-style-type: none"> • Martyn to feedback results of consultation.

Appendix 2

Comments Relating to:			
People	Community's and Place	Capital	Other ideas
If cuts to the discretionary services are made, improve the statutory services rather than just maintaining them.	B Line: will this be cut?	Can the costs of building the new pool be reduced at all?	Reducing services not cutting services completely.
Prevent schools from becoming academies and keep more money within local authorities for education services.	Street scene initiative: is there any way to get the community to take responsibility for the maintenance of their local area? This would reduce costs: all people will want their local community to look and feel clean and well	Can't we improve the existing old pools instead of building a new pool and save that money?	

	maintained. Derby Homes used to run street cleaning volunteer group.		
	<p>Suggest a minimum service provided by the Council, with the community picking up the rest. Suggest using incentives to get local communities to look after their local area.</p> <p>Community management - need to learn from the mistakes of the past and make sure people know about these schemes so that they know how to get involved.</p>	<p>If the pool can't generate enough return for us, why should we spend the money on it? Why not spend it on our existing facilities?</p>	
	<p>Can we tax particular areas more, such as the cathedral quarter businesses paying an extra business rates? Is crowd funding something we can explore?</p>	<p>How are you going to make sure that people use the pool and keep the money coming in when people are already operating under restricted budgets?</p>	
	<p>Encourage children to get involved in street cleaning.</p>	<p>Build a golf course instead of a swimming pool.</p>	
	<p>Can't we use CCTV to catch people who fly tip?</p>	<p>Has there been any interest in sponsorship deals to help the swimming pool?</p>	

	<p>Hello, I am a young person who has been a part of Voices In Action for four years. I am aware that you are planning to cut the B line from the young people's services and I'd like to address the importance of having this necessity in our lives. More young people each year are experiencing poverty, and the B line allows them to have reduced fares on buses and in shops, and a library card as opposed to using the internet because they do not have access to a computer/laptop at home. I rely on my B line an awful lot as I am certain others do. Having a B line creates less strain on parents/guardians, meaning they do not have to push further to find that extra pound, which could go towards their next meal or another essential. Last year, a young man who attends Voices in Action meetings (currently the Youth Mayor) managed to extend the service for an extra 12 months. I hope to do the same.</p>		
	<p>Plea to manage older people's expectations with changes to how they can use their concessionary travel card.</p>		

Appendix 9

FEEDBACK FROM PUBLIC CONSULTATION and CABINET RESPONSE

1. Background and Methodology

This appendix sets out the findings from the public budget consultation exercise undertaken to inform the 2017 - 2020 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
- At an event was also held with the Voices in Action group.

By the close of the consultation period, the Council had received 39 completed questionnaires from both online and paper responses. In addition there were 66 emails received directly to the Corporate Finance address.

2. Summary

The principle finding of the Budget Consultation was that 18 respondents (49%) disagree with the proposals for Communities and Place with 20 respondents (53%) who disagree with the proposals for People’s Services. For Organisation and Governance, 17 respondents (45%) disagree with the proposals. 18 respondents (49%) disagree with the capital proposals.

In total there were 42 comments made. These comments did not contain any stand out themes to allow any categorisation to be made.

As part of the consultation, comments were received by email. 1 of the emails referred to Allestree Park with proposals on managing this, with 65 emails from young people expressing concern about b-line card being removed.

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.

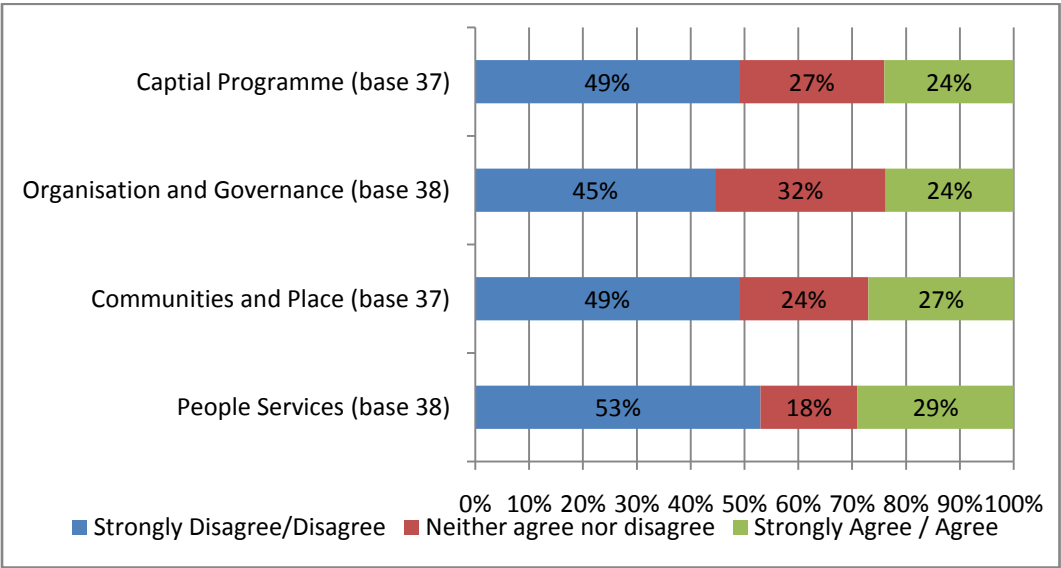


Figure 1: Percentage of respondents who agree /disagree with the directorate and capital budget proposals.

Source: Qa Research. 39 online and postal completions

Respondents were also invited to comment on the proposals for each directorate as well as the capital budget and there was an overall comments box. The number of comments can be seen in figure 2 below. There are also instances when comments about a specific issue were commented on in an open ended box that did not relate to the area the respondents were asked to comment on. (see Figure 2).

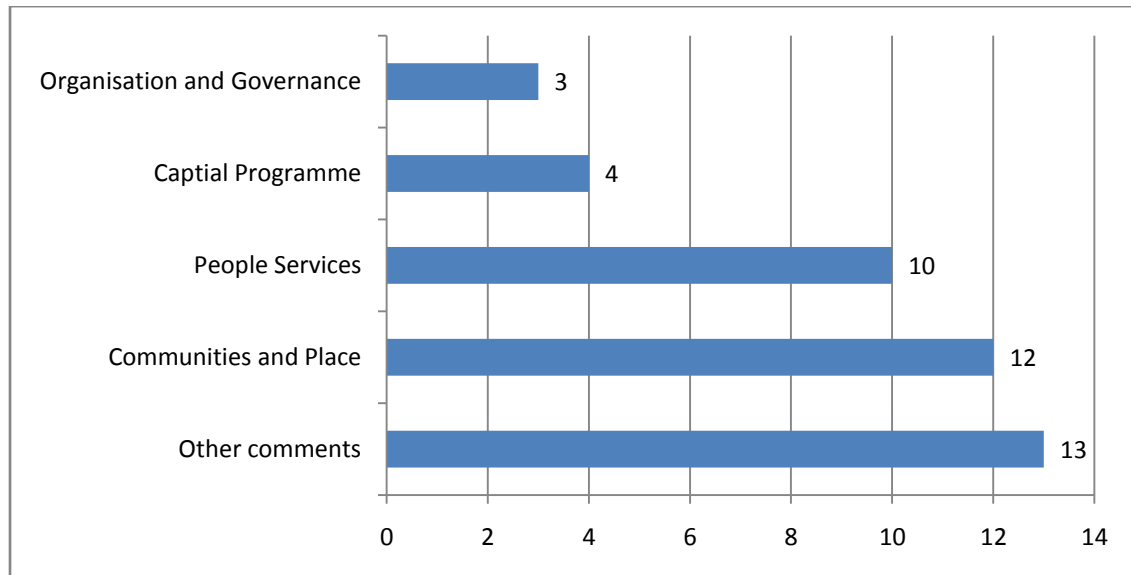


Figure 2: Number of comments received by directorate.

Source: Qa Research. All comments made

4. Analysis of Comments

Due to the number of comments received, it has not been possible to categorise comments into specific categories, only general themes. Some comments may have contained more than one theme and are therefore counted more than once.

4.1 People Services Comments

In total there were 10 comments about People Services. The main themes were around money and how the council could manage the budget.

4.2 Communities and Place

Twelve respondents made comments about Communities and Place. These were about a wide range of areas, including a number of respondents that commented on making money from tax payers with the increase of charges for parking. There were also comments on the need to keep Derby clean and tidy, with a number referring to tackling fly tipping. There were a small number of comments on improving the leisure offer in Derby.

4.3 Organisation and Governance

As there were just 3 comments referring to Organisation and Governance to themes can be concluded.

4.4 Capital Proposals

4 comments were made on the capital proposals, no real themes can be identified, but there were several differing opinions for example one stating 'stop building' and another stating 'build more council houses'.

4.5 Overall comments

The largest number of comments was made in the overall comments section. There were a mixture of comments given; one common theme was dissatisfaction with the Council due to concerns about the management and spending of the budget. There were suggestions made on how this could be improved, for example ideas on reducing the cost of contractors.

4.6 Comments from Voices in Action

Comments were made by young people at the Voices in Action group meeting in January 2017.

3 comments were made about People Services, with a main theme of better budget management, 8 comments were made about Communities and Place the same theme as the online and paper survey, the need to keep Derby tidy. With suggestions on volunteers helping to deliver services. 6 comments were about the pool with suggestions on reducing costs and reference to the money being better used elsewhere.

4.7 Email comments

Respondents also sent comments to the Corporate Finance email address. 65 emails were received from young people expressing concern at the removal of b line card. The main theme of comments from the young people were that they felt it should not be removed and that it would impact on them as the cost of travel to school would increase. The young people felt strongly as these were all sent from a group of pupils who wanted to appeal to the council about the proposals.

1 email responses was about Allestree Park, with proposals to take over the management of the park.

Appendix 1 – all comments from the consultation

People Services comments – direct comments from online and paper responses.

Extensive efforts should be made to look at each service area within People Services to see where efficiencies can be made from staff working differently

I shall not be paying Council Tax anymore. I have persisted for many years even when the Derby City Council have failed in my requests for a copy of the Contract between us, which, by Common Law, has to be produced in order for them to do business with a customer. In actual fact NO TAX is lawful and cannot be imposed on anyone with the consent of the governed. This has been lawful since 1215 when King John signed the Magna Carta. It is pointless to quote the Local Government Finance Act 1992 because it has nothing to do with the Law of the Land = COMMON LAW. Acts are not Law.

how about better managing of the money that you already have

Y should we pay for the government mistakes and the council cuts .we not responsible to pay for the care of the elderly.

Obviously the council has to do this but more savings need to be found. This isn't a core service of the council and not the reason we pay council tax. We pay council tax for the council to run the city and sadly it is failing to do that effectively at the moment which will in the long run decrease its income.

Common sense should be used to prioritise spend in this area. Areas with high crime should be targeted for enforcement activity. Housing benefit overpayments need to be recovered

You say that the plan is for total school acadamisation. Has the public been told that this is your preferred option? £800,000 will not be saved if not all schools opt to become academies.

Well, I read through it. Lots of unexplained acronyms and terms. Plenty of vague but worthy sounding statements. "Sustain service levels by changing models of service... Use effective procurement... Restructuring service functions and maximise integration with other agencies". Mostly drivel. Thanks for advising me that the "People Services Directorate" is "a people-orientated service... touching the lives of many people in the city". And I assume that "Contract Review - The multisystemic therapy service contract has now ended and the subsequent review of the service model will deliver efficiencies of (£100,000) in 2017/18" means that you didn't do a very good job the first time round but now you're doing it a bit better and shaved 100k off the price?

I don't trust any of these Labour Cllrs to make decisions on the future of Derby based on sound reasons. It's all a big con to bash the Government at every cost and take no responsibility for their own incompetence.

I think I agree - although I am not sure I altogether understand the proposals!

Council Cabinet response:

The People's Directorate continually look for new and innovative ways to make their services more efficient and cost effective.

The Council has a statutory duty to care for the elderly and therefore has to direct its resources towards the growing costs in this area.

It is the Government who have a policy of academisation, not the Council.

Thank you for your comments regarding the terminology used in the document. We try to improve on this every year.

Communities and Place – direct comments from online and paper responses.

Need enforcement on fly-tipping and other environmental issues

Double charging for waste collections (it's already paid for by council tax) has been a disaster on so many levels and should be stopped. This is a core service, should be restored and improved. The removal of recycling points has made the problem worse. Increasing parking charges gains the council money but loses businesses money thus reducing business tax take for the council. Also cutting items like Christmas lights will make the city less attractive, reduce trade and lose businesses money thus reducing business tax take for the council. Cutting events will also make the city less attractive with again the knock on trade reductions. Events should be charged for and made profitable. Leisure centres can be made profitable (many already are when the subsidises for various groups are budgeted for separately as they should be). The velodrome has been a massive success and is a credit to Derby but is closed too often and the undercharging needs to stop. Events such as the pantomime has to be taken else where, this venue used exclusively for leisure and that side built on. The city needs to bid for major cycling events. A new swimming pool would be great and as successful as the Velodrome but Moorways is the wrong place. It should be in the city centre where it will be more accessible, more profitable and will bring other trade into the city. Basically it needs to be near the Velodrome. No one benefits if it is out on a limb at Moorways and you will have to subsidise it forever.

About time council started putting the children of our city first example teaching assistants and parks

You need to get someone else to run the arena - so many hidden costs. And put capital money into revenue - we don't need more white elephants

Making the city cleaner and smarter will attract inwards investment. Parks and verges should be kept free of weeds, neatly mowed and nice flowers planted. The crowd sourcing and allowing local residents to help pay or maintain areas makes a lot of sense.

We do not need plans to rake in even more money from taxpayers and proud Derby residents through even more cctv and parking fines. Today's press reports that £6,000,000 was raised through this method last year. This is the wrong way to bring people back into the heart of the city.

I am shocked at the proposal to close the museums. This is a travesty. The council must support the city's heritage and provide funding for the museum.

So, under "New Savings" we find "an additional income target of (£309,000) in 2017/18. This will include an extension of parking charge areas and CCTV enforcement areas, as well as increases in existing parking charges across the city." One, how is this increased revenue a saving? Two, how will this increased surveillance and charging encourage "Leisure, Culture and Tourism" within the city? And talking of "Leisure, Culture and Tourism" have you walked through the city centre recently? Excepting the Eagle Centre (or whatever it's called this week) it's nothing but closed shops, bookmakers, estate agents, gold shops, charity shops and fast-food establishments. Hardly something that will draw the tourists away from Lincoln, York or Oxford... "Regeneration services" - So, what's happening with Duckworth Square then?

Vote of no confidence in the pathetic leaders.

I am concerned about the likely impact on the City's Public Rights of Way Service and the funding of the Council's related statutory duties. Delivery of all leisure, culture and tourism services at nil cost to the authority does not seem to be a realistic target. How does the Council propose to promote the links between health and services aimed at encouraging healthy lifestyles? Has the Council considered the potential consequences of increasing car parking charges in terms of significantly reducing the number of people visiting and spending money in the city?

While I do not agree or disagree with the proposals as a whole I support any return of funding or increase in funding which will support improvements in the street scene due to the chronic issues Normanton, Arboretum and surrounding wards are facing. I specifically support any increase in funding linked to environmental enforcement for issues such as fly tipping.

It is important to keep Derby looking tidy - but there should be no more wasteful projects like the spot ring sculpture (whatever it's supposed to be)

Cabinet Response:

The Council is reinvesting in its 'street-scene' through a new charter. This will improve the visible impact on our streets and parks.

We will also announce a Cultural Charter as part of our budget which will support some of the concerns raised at consultation.

The City Centre Masterplan, showing how we will enhance the city offer, and the development of a Cultural Sustainability agenda, will also be announced at the budget. I am sure these will confirm that what we want in Derby is what has been raised in your questions.

Organisation and Governance – direct comments from online and paper responses.

This is all good but more need to be done. You are 10 years behind the curve on this.

The council needs strong and independent financial management and reporting. Political leaders should have no influence as they have proven to be poor in the past. Allowing community organisations to take over leisure services is a step forwards. Replacing the poor council run services with ones better targeted at users. The model works in other authorities.

You're currently looking at a 4% increase this year. Did you improve the quality of the services you provide by 4%? No. Did you increase the volume of the services you provide? No. You want 4%? My bank account pays me 0.01% interest. My salary increased this year by 0.25%. No. You identify that one of the main roles of the "Organisation & Governance Directorate" is "Balancing the budget". Do that. No increase. Divvy up what you have got. What you cannot afford to do you do not do. I cannot go to my employer and advise him that next year I'll be spending £1000 more than this year so he'll just have to raise my salary to cover it. And the fortnightly bin collection service is ridiculous. Freeze my rubbish until collection day? Cheers.

Cabinet Response:

The Council does have strong financial management, having for the second time set balanced budgets for three years. Looking at different ways of delivering services was implemented as part of our Delivering Differently programme last year.

The Council has to balance its budget from a number of sources, including Government grant, business rates and Council Tax. In order to alleviate the loss of Government grant yet sustain your important services, some of the burden falls to Council Tax payers. No less so than the extra 3% social care precept required to address massive cost and demand increases in these areas at a time when grant is reducing.

Capital Proposals – direct comments from online and paper responses.

Mainly good by lacking in detail.

Stop building! Invest in what you have and help businesses to make the evening economy thrive

In times of austerity it is good to see the council making capital investments. More council homes should be built.

Does the "Improvement and refurbishment of council offices" relate to bringing the rest of your sites up to the same spec as the shiny refurb'd council house or to further improvements to the shiny refurb'd council house? "A new swimming Pool" to replace the two that you allowed to fall into disrepair and closed?

Cabinet Response:

The proposals include investment in existing and new facilities, which are required to both maintain the building in which we provide services and help to drive economic growth in the city.

Overall comments – direct comments from online and paper responses.

Please supply more details for any increases in Council Spending which will lead to an increase in Council tax rates

Lack of control on spend. Corruption from within. Steam roll plans before consultation. This sort of thing is a lip service. If inefficiency, bad management and bad moral from within the council is fixed this is more of a proposal then these rubbish presented

How does the council go about cutting costs of outside contracts i.e. does it expect contract costs for bin collections and waste management etc. to be more efficient therefore the contractors could put in a lower price?. How much bargaining power does the council have as a lot of firm's use the council as a customer are the council ever able to dictate lower costs from contractors due to better efficiency or are the costs expected to rise every year?

The focus is too skewed away from the city itself. Making the city attractive will increase revenue and cuts here are counter productive. It should not really be a case of saving money, more a case of raising money to replace it and there doesn't seem to be enough ideas on how to do this. Council needs to think before it cuts and come up with some ideas.

More positive than previous years. The council have recognised their appalling financial management in the past. They now admit they are rubbish at running many services and will give them to a not for profit venture. (Parks and leisure). They also realise their cuts have made the city look a mess and need to tidy it up (or business just sets up in Nottingham or elsewhere).

Please support our museums

No to the 4% increase. Live within your means. So much money wasted over the years. Bucket-loads of cash spent on Normanton. Or New Normanton as it is now. Ridiculous council vanity projects - the jelly-mould ram, the horse-shoe not-fountain, the triangle council house clock, the hula-hoops and associated skid-patch, the hole in the ground from a few years back. Don't even think about trying for a double-digit increase if another council manages to get it through.

What a shambles of a council

Learn from other cities how to run a large council budget and start to put the people of Derby first- not yourselves. Stop trying to always blame government cuts. Get a full time leader of our council. Not one who does not think Derby needs a full time dedicated leader. He is an insult to the office and our city.

Can we bring the next local elections forward to this May. Get rid of this current shower.

On the surface, many (but not all) of the statements within the budget proposals seem sensible. However, much detail is lacking and it is the actual detailed implications over the next three years that will determine whether the proposals are realistic and positive for the future of the city.

Your budget consultation has no depth to it and is not written in a way that it is easily understood by members of the public.

The proposals are written like a committee report - not easy for many people to understand. Simpler language with less jargon might have helped.

Cabinet Response:

The Council continually reviews its contracts to explore efficiencies and to drive down cost and / or limit the increasing costs in the market.

We intend to ensure that our city centre become more attractive in the coming years.

Voices in Action Comments

1. People Services
Improve the statutory services if making cuts to discretionary service - do not just maintain them..
Prevent schools from becoming academies and keep more money within local authorities for education services.
Should we increase council tax to pay for adult social care? 12 in favour 12 in favour of cutting services.
2. Communities and Place
B Line: will this be cut?
Plea to manage older peoples expectations with changes to how they can use their concessionary travel card.
Street scene initiative: is there any way to get the community to take responsibility for this maintenance of their local area. This would reduce costs and all people will want their local community to look and feel clean and well maintained. Derby Homes used to run street cleaning volunteer group.
Suggest a minimum services provided by the Council and the community picking up the rest. Suggests using incentives to get local communities to look after their local area. Community management - need to learn from the mistakes of the past and make sure people know about these schemes so that people know how they can get involved.
Can we tax particular areas more (like the cathedral quarter extra business rates) - crowd funding.
Encourage children to get involved in street cleaning.
Can't we use CCTV to catch people who fly tip.
Hello, I am a young person who has been apart of the group Voices In Action for four years. I am aware that you are planning to cut the b line from the young people's services and I'd like a minute of your time to address to you the importance of having this necessity in our lives. More and more young people each year are experiencing poverty. The b line allows that individual to have a reduced fair on buses, in shops and a library card as opposed to using the internet because they do not have access to a computer/laptop at home. I personally rely on my b line an awful lot as I am certain others do. Having a b line, creates less strain on parents/guardians. It means that they do not have to push further to find that extra pound, which could simply go towards their next meal or another essential. Last year, a young man, who attends the Voices In Action meetings, who is currently the Youth Mayor managed to extend the service for an extra 12 months. I hope to do the same.
4. Capital Proposals
Can the costs of building the new pool be reduced at all?
Can't we improve the existing old pools instead of building a new pool and save that money?
If the pool can't pay us back, why should we spend the money on it? Why not spend it on our existing facilities.

How are you going to make sure that people use the pool and keep the money coming in when people are already operating under restricted budgets?
Build a golf course instead of a swimming pool.
Has there been any interest in sponsorship deals to help the swimming pool?
5. Other ideas
Reducing services not cutting services completely

Derby City Council's response:

We have noted your concerns regarding the B-line service and have deferred any changes for a further year whilst we work with you to develop the offer within the funding available.

We applaud your commitment towards communities taking responsibility for their local areas and will continue to develop this partnership and ensure that Voices in Action are included in our plans.

We are developing a crowd funding initiative which we hope will be an incredible success.

Regarding our swimming pools, thank you for your comments about improving the existing rather than building new ones. This is a conundrum because some of our facilities are 80+ years old and cost a lot to maintain. We therefore look to balance when new and existing facilities should be invested in. The proposal to build a new pool is a priority of the leadership which we believe Derby deserves.