

DERBYSHIRE COUNTY COUNCIL

CABINET

24 January 2012

Report of the Chief Executive

**BUDGET CONSULTATION RESULTS
(Finance and Management)**

1. Purpose of the Report

The Council has undertaken a variety of consultation exercises, using a range of methods, in the preparation of the 2012/13 budget. The purpose of this report is to enable Members to consider the outcome of these consultations.

2. Information and Analysis

It is good and well established practice to consult local people on budget priorities and over the years the Council has used a range of different methods.

To get more detailed information the Council has, this year, used an on-line budget consultation tool "YouChoose". Participation was encouraged using media interviews throughout the county, promotion on the Council's internal and external websites, e-mails to employees and Citizens' Panel members and a walk-through demonstration at the Leadership Forum and Members' Budget Presentation events. Leaflets were also made available at Community Forums and Partnerships.

In addition, the Local Government Finance Act 1992 requires local authorities to consult representatives of non-domestic ratepayers (business ratepayers) in their area about the budget proposals for each financial year. Representatives of the Derbyshire and Nottinghamshire Chamber of Commerce and the Federation of Small Businesses were invited to a meeting.

The Constitution of the Council also requires that the appropriate Improvement and Scrutiny Committee is involved in the budget process. A series of meetings were held with the Improvement and Scrutiny Committees. The Improvement and Scrutiny Resources Committee produced a Budget Review Report which was presented to Cabinet on 13 December 2011.

Through the joint consultative machinery the views of the recognised trade unions have also been obtained.

(a) On-line Budget Consultation

The consultation went live on 3 November 2011 and 623 completed submissions were received up until 16 December 2011. At the time of production of this report, this level of response places the Council sixth highest amongst the fifty councils participating in YouChoose.

More information has been received this year from younger age categories than in previous consultations.

Local people were offered the opportunity to have their say on expenditure within seven service headings. These were:

- Children's services and education
- Adult social care
- Culture and community services
- Environment and waste
- Community safety and regeneration
- Roads and transport
- Council support and public engagement

In addition, respondents were able to choose to save money through certain efficiencies and to bring income into the Council by charging more for specified services.

The views of local people (although 56% of all replies originated from Council IP addresses) were as follows:

- Limit any rise in council tax to a maximum of 1%;
- All service areas should face cuts but the priority should be to cut "back-office" functions first, rather than "front-line" areas, if possible;
- Make efficiency savings in procurement and asset management;
- Use the smarter travel plan to save money;
- Award a pay increase of £250 to employees earning below £21,000 per annum; and
- Increase all fees and charges by 5% or more.

(b) Business Ratepayers

The main points emphasised by the representatives of business ratepayers were:

- Greater emphasis should be placed on preparing school leavers for work through focusing on improved training and skills; and
- Increased gritting of roads should be undertaken in industrial and business areas during severe weather.

(c) Improvement and Scrutiny Committee

All the Improvement and Scrutiny Committees received two presentations from the Director of Finance and the Cabinet Member for Finance and Management. A range of individual views were expressed. There was a desire to see this level of wider participation and consultation with backbench Members continue in future years. During Autumn of 2011 the Budget Review Working Group of the Improvement and Scrutiny Committee – Resources met on a number of occasions with a final report presented to Cabinet on 13 December 2011. The Group's key findings were:

- Pleased with the shift in focus to investing in preventative strategies to reduce the cost of “front-line” areas and improve outcomes for local people;
- Support the concentration on “back-office” services, including reducing management costs, to produce more savings;
- Support the use of vacancy control as a way of generating efficiency savings whilst maintaining services and protecting jobs where possible;
- Reassured by the sense of realism exhibited and the good financial management that exists which has contributed to the level of efficiencies achieved and the maintenance of services;
- Welcome the more efficient targeting of resources by the effective use of management information; and
- Recommend that the Director of Finance meets with backbench Members via the scrutiny committees when setting the budget in subsequent years.

(d) The Trade Unions

The main point notified to the Council by the trade unions was:

- A pay award of at least £250 should be made to employees earning below £21,000 per annum.

3. Financial Considerations

The outcomes of these consultations should be used to inform service planning and help determine budget priorities.

4. Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

5. Key Decision

No.

6. Call-in

Not applicable.

7. Background Papers

Held on the budget consultation files in the Technical Section of Corporate Finance and the Chief Executive's Office.

8. OFFICER'S RECOMMENDATION

That the views of the on-line consultation respondents and other consultees are taken into account in determining the revenue and capital budgets for 2012/13.

NICK HODGSON
Chief Executive