

Agenda Item No 5(d)

DERBYSHIRE COUNTY COUNCIL

CABINET

24 January 2017

Report of the Chief Executive and the Director of Finance

BUDGET CONSULTATION RESULTS
(STRATEGIC POLICY, ECONOMIC DEVELOPMENT AND BUDGET)

1 Purpose of the Report

To enable Cabinet to consider the outcome of the Council's budget consultation exercises in formulating its budgetary proposals to Full Council regarding the Revenue Budget for 2017-18.

This report should be read alongside the following reports to this Cabinet Meeting: the Budget Monitoring Position for 2016-17; the Revenue Budget Report 2017-18, the Capital Budget Report for 2017-18; the Reserves Position Report and the Five Year Financial Plan Report.

2 Information and Analysis

The Council has, for a number of years, undertaken a variety of consultation exercises, using a range of methods, in the preparation of its annual revenue budget. However, recently, as part of the significant budget cuts required, the Council has enhanced the value of the consultation exercises by using alternative approaches.

Online Consultation

The Council's online budget consultation went live on 23 November 2016 and ran for six weeks. Participation was encouraged using social media, media releases, an e-mail to 1,100 Citizens' Panel members and features on the Council's internal and external websites and in the employee newsletter.

By the closing date of 4 January 2017, 391 completed submissions had been received. Last year the Council received approximately 900 responses when the Council used the same online model, in preparation of the 2016-17 budget.

There was a good spread of responses across all age groups. Of the 87% of respondents who disclosed demographic data, 25% were aged between 45 and 54, making it the most common age group of those taking part. A further

44% of respondents were almost equally split between the 35 to 44 and 55 to 64 age groups. The remaining 31% was almost equally split between the under 35 and over 65 age groups. Of the 87% of respondents registering demographic data, 54% were male. This compares to data from the Office for National Statistics (ONS) where males comprise 49% of the Derbyshire population.

Of the total respondents who specified ethnicity, 90.1% were White British, 4.1% were White Other, 2.3% were Asian, 1.2% were Mixed ethnicity, 0.3% were Black Other and 2.0% specified Other (not listed). This compares to ONS Derbyshire population data from the 2011 census, which is the latest available, where 95.8% of the population were White British, 1.6% were White/Other, 1.0% were Mixed White/Other, 1.0% were Asian, 0.2% were Black and 0.4% were of other ethnicity.

A total of 54 respondents (14%) identified themselves as having a disability. This compares to 20% of the population who are covered by the Equality Act.

The proportion of responses received from non-Council internet addresses is the same as last year (41% of all replies originated from Council internet addresses; 2016-17: 41%).

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

- Children's Services
- Adult Social Care
- Health and Communities
- Highways Transport and Infrastructure
- 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 consultation model explained to participants that the cuts described in the budget consultation showed how the Council could potentially balance its budget in 2017-18 but that no decisions had yet been made. The consultation also contained illustrative consequences of the spending decisions made by participants.

It was explained in the consultation that Cabinet Members will consider consultation responses alongside any legal and contractual reasons why the Council must continue to provide particular services, before firm proposals are drawn-up and that further consultations will be held, when local people will get the chance to have their say about individual proposals before final decisions are made.

Before the online budget consultation went live, the Government had clearly indicated that councils should help to fund greater demands on their adult social care budgets by continuing to raise Council Tax over and above the 2% usually permitted, specifically to help protect some adult social care services. The Council has assumed in the consultation that it will raise 2% for Adult Social Care in 2017-18. It was explained in the consultation that the Council Tax increase resulting from the online budget consultation was in addition to this assumed 2% increase for Adult Social Care.

Whilst the consultation was live, the Government confirmed that authorities will be able to increase this additional amount for adult social care to 3% in each of the next two years but that the increase must be no more than 6% in total over the three year period 2017-18 to 2019-20. Therefore, authorities have the choice of continuing with the option of up to a 2% increase in each of the next three years.

The views of local people were as follows:

- Increase Council Tax by an average of an additional 2.8%, on top of the assumed 2% increase specifically for Adult Social Care, with 51% selecting an increase of 4% or higher.
- Cut all service area budgets (although not every respondent chose to do this).
- Reduce expenditure on democratic representation and “back-office” functions the most in percentage terms.
- Achieve the majority of the cuts by cutting the Adult Social Care and Children’s Services budgets, although these service areas were cut the least in percentage terms.
- Make efficiency savings by selling off local buildings.
- Buy more from cheaper large suppliers rather than pay more for the same goods and services to support local businesses.
- Invest money now to bring in income in the future.
- Make no adjustment to departmental budgets for inflation.
- Award a possible pay increase to Council staff paid more than the Living Wage.
- Increase all fees and charges by 5%.

A detailed Analysis of Results from the Online Consultation is given in Appendix One to this Report.

Paper Questionnaire

To promote participation amongst residents who are less familiar with, or have no internet access, around 1,000 copies of a paper consultation questionnaire were distributed to libraries across Derbyshire in November 2016, with a closing date of 23 December 2016. The questionnaire had two sections. The first section asked people to consider how much of an increase in Council Tax

they would be prepared to accept, on top of the assumed 2% specifically for Adult Social Care, with possible selections ranging from no additional increase, to increasing Council Tax by an additional 5%. The second section covered budget priorities and asked how the respondent would spend an imaginary £100 on Council services, which were divided into 20 categories. Information to show how the £100 is currently spent was included.

A freepost address was used to encourage participation. 38 responses were received. The average age of respondents supplying demographic information was 64 and 31% identified themselves as having a disability. The views of respondents were as follows:

- Increase Council Tax by an average of an additional 3.6%, on top of the assumed 2% increase specifically for Adult Social Care, with 73% selecting an additional increase of 3% or higher.
- On average, increase expenditure on Children's Services by around 9%, cut expenditure on Adult Social Care by 2% and cut expenditure on Highways, Transport and Infrastructure by 10%. Health and Communities expenditure was increased by an average of 33% but this represents just £3 of the imaginary £100 spent on Council services and resulted from an increase in expenditure on libraries and heritage including museums, archives and arts from £2 to £3.

Other Consultation

The Council's Constitution provides that the Improvement and Scrutiny Committee should also be notified of the budget proposals. The Director of Finance presented details of the Five Year Financial Plan to the Committee in September 2016. A number of issues were discussed and there was a clearer understanding of the financial context in which the Council would be operating over the next few years.

In addition, the Local Government Finance Act 1992 requires local authorities to consult representatives of business ratepayers in their area about the budget proposals for each financial year. A meeting with representatives of Derbyshire and Nottinghamshire Chamber of Commerce and the Federation of Small Businesses was held on 16 January 2017 and a verbal update will be provided at this meeting.

A special budget meeting between the Council and the trade unions was also held on 12 January 2017 and their comments will be reported at this meeting.

3 Financial Considerations

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

4 Legal Considerations

Members are invited to have regard to the advice contained in the Revenue Budget Report.

5 Equality and Diversity Considerations

In 2015 the Council developed a draft Community Impact Assessment that made an initial assessment of the potential impact of budget cuts to 2015-16. The assessment draws on Equality Impact Assessments, consultations and the wider contextual information available, including business cases for each budget proposal. This work is updated on a regular basis, more recently to include new and revised budget cut proposals and provides an overview of people and places where budget cuts proposals may have a negative impact, including those where the cumulative effect might be greatest. Geographical mapping of both proposed and implemented budget cuts, where appropriate, also supports this work which provides the foundations for the necessary programme of detailed Equality Impact Assessments. This ensures that decisions are informed by the fullest understanding of their effect on people and communities, as well as highlighting those groups which may need to be consulted on proposals as they emerge.

6 Other Considerations

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

7 Background Papers

Papers held in Technical Section, Room 137, County Hall.

8 Key Decision

No.

9 Officers' Recommendation

That the views of the consultation respondents are taken into account by Cabinet in formulating its proposals to Full Council regarding the Revenue Budget for 2017-18.

IAN STEPHENSON

Chief Executive

PETER HANDFORD

Director of Finance

APPENDIX ONE

ONLINE BUDGET CONSULTATION

Analysis of Results

2017-18

CORPORATE FINANCE

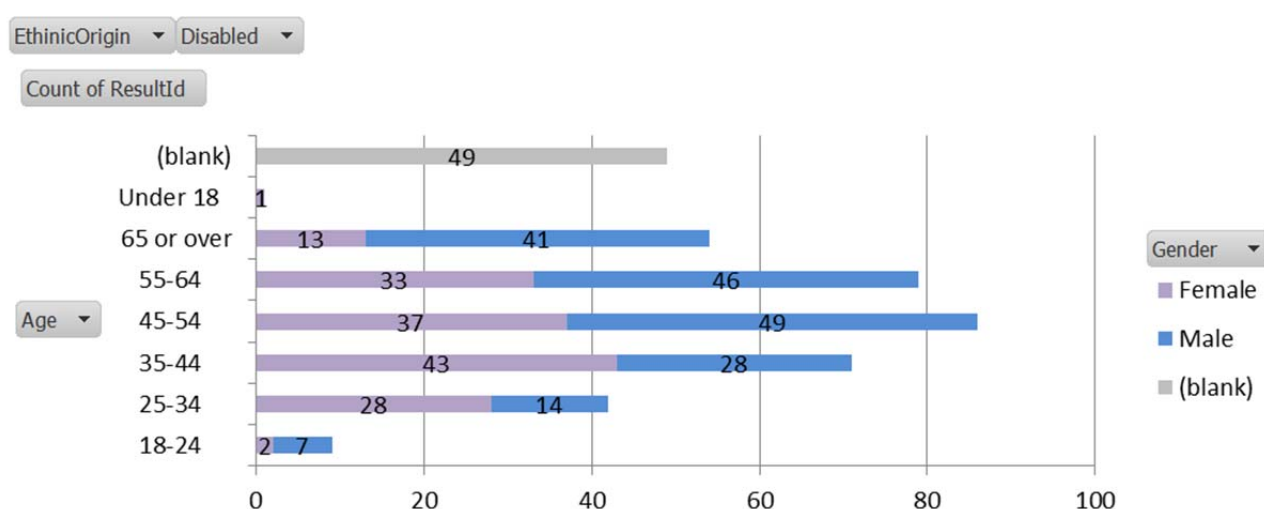
Online Budget Consultation Analysis of Results 2017-18

1. Executive Summary

The Council's online budget consultation went live on 23 November 2016 and ran for six weeks, in accordance with the Council's Constitution. By the closing date of 4 January 2017, 391 completed submissions had been received. Last year the Council received approximately 900 responses when the Council used the same online model, in preparation of the 2016-17 budget.

There was a good spread of responses across all age groups. Of the 87% of respondents who disclosed demographic data, 25% were aged between 45 and 54, making it the most common age group of those taking part. A further 44% of respondents were almost equally split between the 35 to 44 and 55 to 64 age groups. The remaining 31% was almost equally split between the under 35 and over 65 age groups.

Figure 1: Age and Gender of Respondents



The proportion of responses received from non-Council internet addresses is the same as last year (41% of all replies originated from Council internet addresses; 2016-17: 41%). It is unlikely that all respondents registering Council IP addresses actually work for the Council because public users of the Council's computers, in libraries and at other locations, are also recorded by the consultation under these IP addresses.

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

- Children's Services
- Adult Social Care

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- Health and Communities
- Highways Transport and Infrastructure
- 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 consultation model explained to participants that the cuts described in the budget consultation showed how the Council could potentially balance its budget in 2017-18 but that no decisions had yet been made. This report contains illustrative consequences of the spending decisions made by participants which were used in the consultation.

It was explained in the consultation that Cabinet Members will consider consultation responses alongside any legal and contractual reasons why the Council must continue to provide particular services, before firm proposals are drawn-up and that further consultations will be held, when local people will get the chance to have their say about individual proposals before final decisions are made.

Before the online budget consultation went live, the Government had clearly indicated that councils should help to fund greater demands on their adult social care budgets by continuing to raise Council Tax over and above the 2% usually permitted, specifically to help protect some adult social care services. The Council has assumed in the consultation that it will raise 2% for Adult Social Care in 2017-18. It was explained in the consultation that the Council Tax increase resulting from the online budget consultation was in addition to this assumed 2% increase for Adult Social Care.

Whilst the consultation was live, the Government confirmed that authorities will be able to increase this additional amount for adult social care to 3% in each of the next two years but that the increase must be no more than 6% in total over the three year period 2017-18 to 2019-20. Therefore, authorities have the choice of continuing with the option of up to a 2% increase in each of the next three years.

The views of local people were as follows:

- Increase Council Tax by an average of an additional 2.8%, on top of the assumed 2% increase specifically for Adult Social Care, with 51% selecting an increase of 4% or higher.
- Cut all service area budgets (although not every respondent chose to do this).

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- Reduce expenditure on democratic representation and “back-office” functions the most in percentage terms.
- Achieve the majority of the cuts by cutting the Adult Social Care and Children’s Services budgets, although these service areas were cut the least in percentage terms.
- Make efficiency savings by selling off local buildings.
- Buy more from cheaper large suppliers rather than pay more for the same goods and services to support local businesses.
- Invest money now to bring in income in the future.
- Make no adjustment to departmental budgets for inflation.
- Award a possible pay increase to Council staff paid more than the Living Wage.
- Increase all fees and charges by 5%.

Online Budget Consultation Analysis of Results 2017-18

2. Background

Introduction

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

- Children's Services
- Adult Social Care
- Health and Communities
- Highways Transport and Infrastructure
- 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 aim of the consultation was to discover residents' and employees' views about where the Council should cut its budget to address budget pressures which mean that budget cuts of £109m are predicted to be required over the five year period to 2021, in addition to £170m of cuts the Council has already made since 2010. The Council used a consultation tool, called You Choose, which local authorities can use for free.

As participants change the consultation model, it calculates how these changes affect the Council's budget and future Council Tax. When the participant believes they have completed their selections, the consultation model displays the Council Tax increase or decrease that would be required to balance the books, along with the service delivery consequences of the choices made, at which point there is a chance for the participant to revise their earlier decisions.

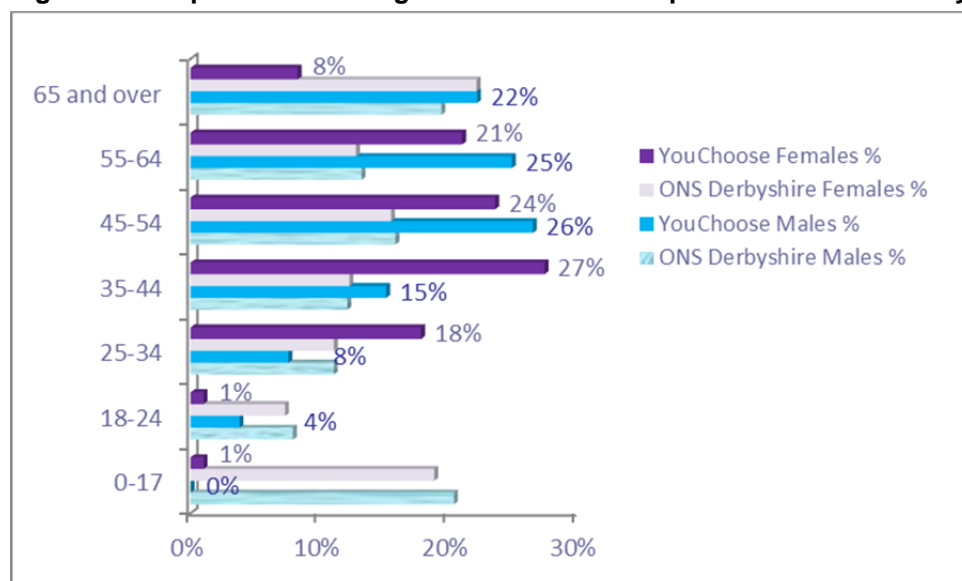
Participation was encouraged using social media, media releases, an e-mail to 1,100 Citizens' Panel members and features on the Council's internal and external websites and in the employee newsletter.

Are the results representative?

Figure 2 below compares the age and gender profile of respondents to the 2015 population estimates for the county, published by the Office of National Statistics ("ONS") in June 2016.

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Figure 2: Comparison of the Age and Gender of Respondents to ONS Derbyshire Data



Of the 87% of respondents registering demographic data, 54% were male. This compares to data from ONS where males comprise 49% of the Derbyshire population¹.

90.1% of respondents specifying ethnicity were White British, 4.1% were White Other, 2.3% were Asian, 1.2% were Mixed ethnicity, 0.3% were Black Other and 2.0% specified Other (not listed). This compares to ONS Derbyshire population data from the 2011 census, which is the latest available, where 95.8% of the population were White British, 1.6% were White/Other, 1.0% were Mixed White/Other, 1.0% were Asian, 0.2% were Black African and 0.4% were of other ethnicity.

54 respondents (14%) identified themselves as having a disability. This compares to 20% of the population that are covered by the Equality Act².

41% of all responses originated from Council IP addresses (2016-17: 41%). It is unlikely that all respondents registering Council IP addresses actually work for the Council because public users of the Council's computers, in libraries and at other locations, are also recorded in the consultation under these IP addresses.

Results

The results of the budget consultation, which the Council considers to be representative of the Derbyshire population, are detailed below.

¹ Registrar General's 2015 mid-year estimates, ONS, Crown Copyright, June 2016.

² Family Resources Survey - Disability Prevalence Estimates 2014-15, June 2016.

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3. Council Tax

Before the online budget consultation went live, the Government had clearly indicated that councils should help to fund greater demands on their adult social care budgets by continuing to raise Council Tax over and above the 2% usually permitted, specifically to help protect some adult social care services. The Council has assumed in the consultation that it will raise 2% for Adult Social Care in 2017-18. It was explained in the consultation that the Council Tax increase resulting from the online budget consultation was in addition to this assumed 2% increase for Adult Social Care.

Whilst the consultation was live, the Government confirmed that authorities will be able to increase this additional amount for adult social care to 3% in each of the next two years but that the increase must be no more than 6% in total over the three year period 2017-18 to 2019-20. Therefore, authorities have the choice of continuing with the option of up to a 2% increase in each of the next three years.

The average Council Tax increase which resulted from the budget consultation was an additional 2.8%, on top of the assumed 2% increase specifically for Adult Social Care, with the remaining budget pressures being met by further expenditure cuts, efficiencies and income generation.

Participants were advised that an additional increase of over 2% would probably mean that the Council would need to obtain the agreement of the people of Derbyshire in a referendum.

It is therefore interesting that the average Council Tax additional increase arising from the consultation was in excess of 2% and that 51% of respondents chose an additional increase in Council Tax of 4% or more.

On average, male and female respondents' selections resulted in the same Council Tax increase (2.9% female, 2.9% male, 1.7% no demographic data submitted).

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4. Children's Services

Introduction

The views of residents were sought in relation to how funding of the following areas of Children's Services should be changed in 2017-18:

- foster carers and homes for children unable to live at home;
- providing good schools and education;
- supporting children, young people and families at an early stage;
- supporting disabled children and their families;
- transport from home to school; and
- working with children at risk of harm.

Children's Services Choices

355 of 391 respondents (91%) made changes to Children's Services funding. On average, respondents chose a reduction in the budget for Children's Services and Education from £84.6m to £80.8m. This equates to an average saving of £3.8m and a reduction of 4.5%.

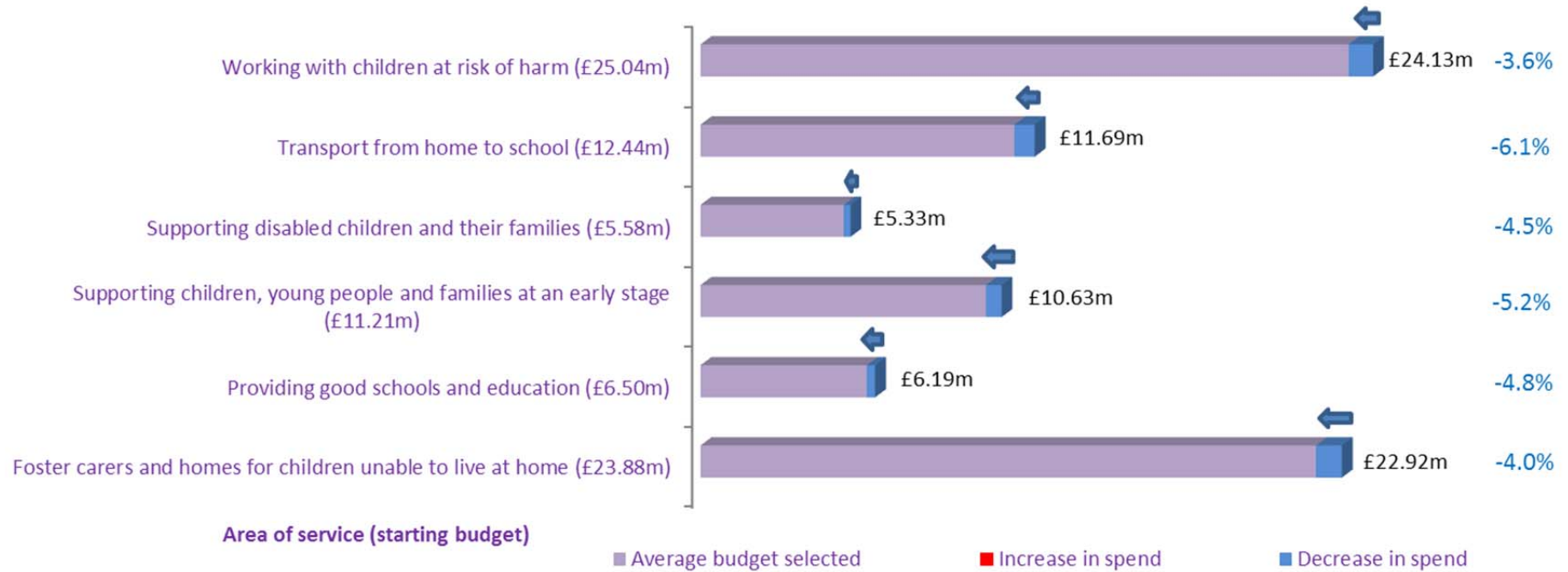
Of those respondents declaring demographic data, females and males reduced spending by a similar amount.

Higher than average reductions were selected by the 45 to 54 age group (5.0%); lower than average reductions were selected by the 18 to 24 age group (1.9%) and the over 65 age group (4.0%).

A graphical representation of the results is detailed in Figure 3. The Children's Services category which was cut most as a proportion of the original budget was transport from home to school (6.1% cut). The categories of working with children at risk of harm (3.6% cut) and foster carers and homes for children unable to live at home (4.0% cut) were cut least.

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Figure 3: Children's Services Choices



**Online Budget Consultation
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Possible Consequences of Budget Choices Detailed in the Model

- Fewer social workers would be able to respond to children in need of help and protection. There would be longer response times and fewer children and families would be supported.
- For children unable to live at home the Council would be less able to meet each child's needs. The Council would be in danger of not meeting its statutory responsibility to keep children and young people safe from harm.
- Some additional children's centres and family support teams would become part-time in areas where there is the lowest demand for services. There would be a waiting list for support and the thresholds for becoming eligible for help would have to be increased.
- A reduction in the number of educational psychologists would increase waiting times for assessment for an additional educational need or it would increase the threshold for pupils that would be offered this assessment.
- The financial support for children attending schools because of educational needs would be reviewed and could be replaced by a grant to parents to take on the responsibility.

Online Budget Consultation Analysis of Results 2017-18

5. Adult Social Care

Introduction

The views of residents were sought in relation to how funding of the following areas of Adult Social Care should be changed in 2017-18:

- care home placements;
- day care (including transport);
- home care (including direct payments);
- housing related support;
- preventative services;
- professional support and assessment;
- support services.

Adult Social Care Choices

94% of participants made changes to Adult Social Care funding. On average, respondents chose a reduction in the budget for Adult Social Care funding from £209.5m to £199.6m. This equates to an average saving of £9.9m and a reduction of 4.7%.

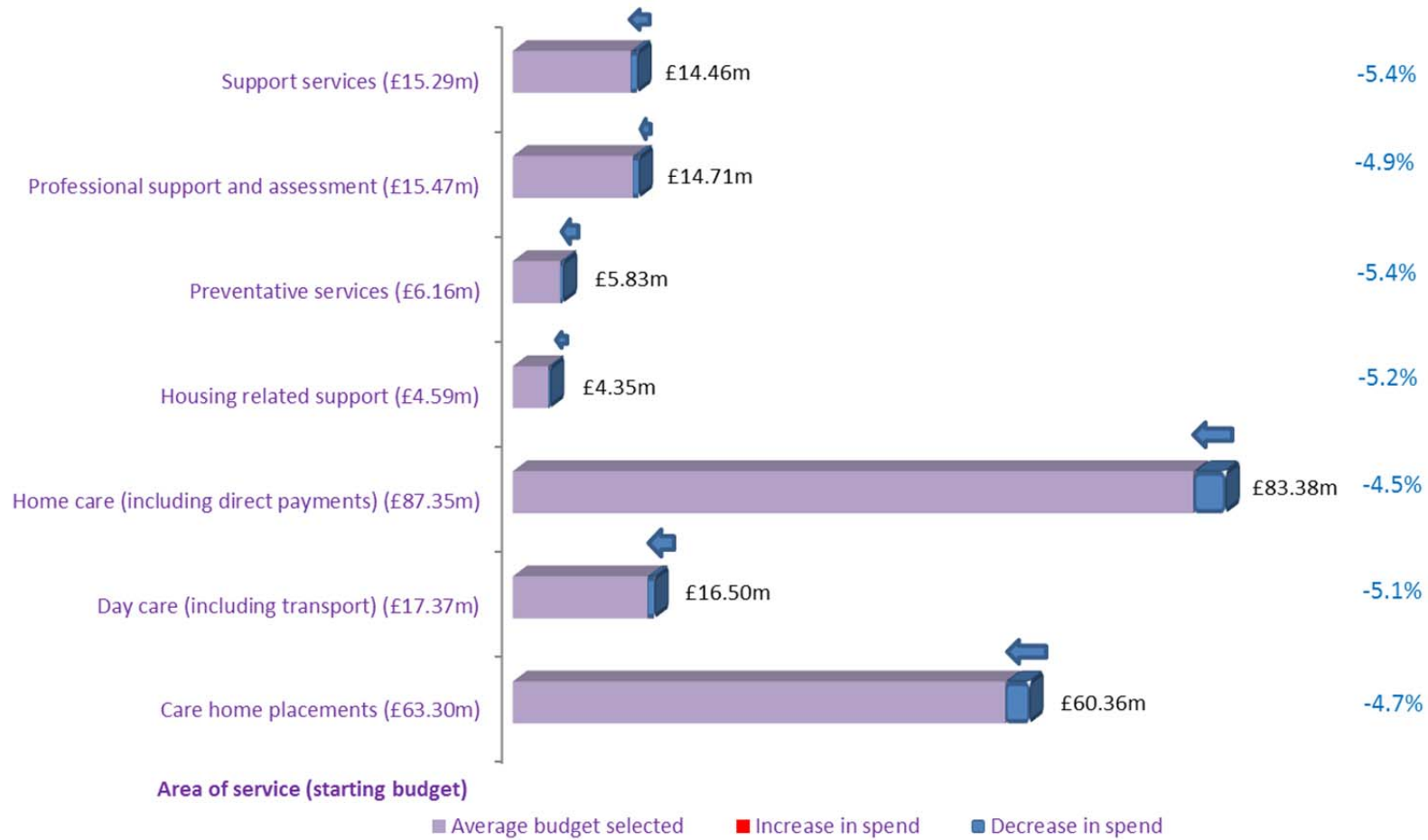
Of those respondents declaring demographic data, females chose a lower average reduction in expenditure (4.3%) than males (4.8%).

The over 65 age group average reduction of 3.5% was much lower than this.

A graphical representation of the results is detailed in Figure 4. On average, all Adult Social Care categories were cut by between 4.5% and 5.5%. 72% of Adult Care expenditure is spent in the service areas of home care (including direct payments) and care home placements. Reductions in both these areas were 4.5% and 4.7%, respectively. The Adult Social Care support services and preventative services were cut most as a proportion of the original budget (by 5.4%). Housing related support and day care (including transport) were also subject to higher than average cuts.

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Figure 4: Adult Social Care Choices



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Possible Consequences of Budget Choices Detailed in the Model

- The number of residential care home placements would be reduced by 100. Fewer residential places would put pressure on carers and other services including the NHS.
- Three day care centres would be closed, or the opening hours would be substantially reduced. This would have a significant effect on the health and well-being of the older and disabled people who use them.
- Home care hours provided would be reduced by 70,000 each year. This would reduce the ability of many people to remain in their own homes and live independently.
- The number of clients receiving housing related support would reduce by 450. People who would not receive a service would be at risk of losing their independence and could then have to go into residential care or hospital.
- Funding to seven voluntary organisations would cease, or funding to all 220 organisations funded by the Council would be reduced. As these organisations mainly provide services to help support carers and people with mental health problems these groups would be most affected.
- There would be fewer social workers meaning that older and disabled people will wait longer for an assessment, which could put them at risk.
- Work load for support service workers and operational staff would increase. This would reduce the ability to respond to clients, providers and other involved organisations.

Online Budget Consultation Analysis of Results 2017-18

6. Health and Communities

Introduction

The consultation sought the views of residents in relation to the funding of:

- Community safety including emergency planning;
- Libraries and heritage; and
- Trading standards.

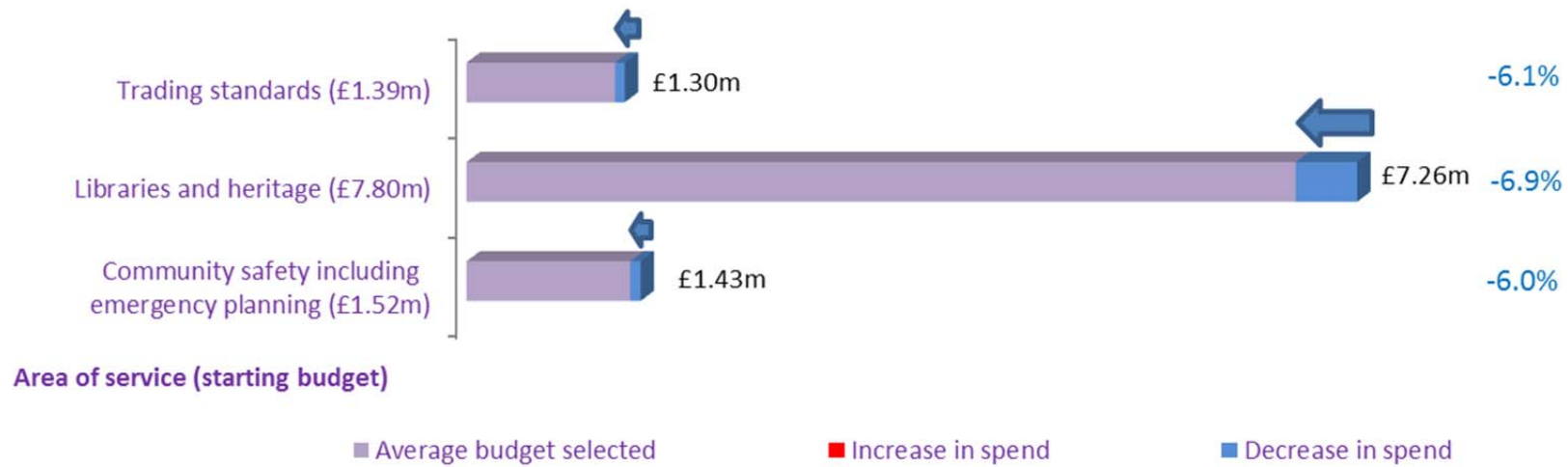
The Council also receives a grant to look after certain aspects of Public Health in Derbyshire. The money received for Public Health cannot be spent on the other areas of the Council's services and so it has been excluded from the Health and Communities spending choices available for selection in this consultation.

Health and Communities Choices

92% of respondents made changes to Health and Communities funding. On average, respondents chose a reduction in the budget for Health and Communities funding from £10.7m to £10.0m. This equates to an average saving of £0.7m and a reduction of 6.7%.

People over 65 chose to reduce spending in this area by much less than the average (by 4.1%).

A graphical representation of the results is detailed in Figure 5. On average, all Health and Communities categories were cut by between 6 and 7%. 73% of Health and Communities expenditure is spent on libraries and heritage and respondents cut this service area the most out of all Health and Communities choices (by 6.9%).

**Online Budget Consultation
Analysis of Results 2017-18****Figure 5: Health and Communities Choices**

**Online Budget Consultation
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Possible Consequences of Budget Choices Detailed in the Model

- Work to tackle perpetrators of domestic abuse would stop and there would be less support for areas experiencing high levels of crime and anti-social behaviour.
- Hours at libraries and other sites would reduce. There would be fewer new books, no mobile library and less arts support.
- A number of trading standards services would be reduced or stopped.

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7. Highways Transport and Infrastructure

Introduction

The views of residents were sought in relation to how funding of the following areas of Highways Transport and Infrastructure should be changed in 2017-18:

- countryside service;
- passenger transport services;
- planning, conservation and economic regeneration;
- roads, pavements and other highway services;
- waste management; and
- winter services.

Highways Transport and Infrastructure Choices

92% of respondents made changes to Highways Transport and Infrastructure funding. On average, respondents chose to reduce funding by £3.9m (5.3%), from £73.7m to £69.8m.

Male participants chose to cut Highways Transport and Infrastructure service area categories by less than female participants (male 5.1% cut, female 5.7% cut).

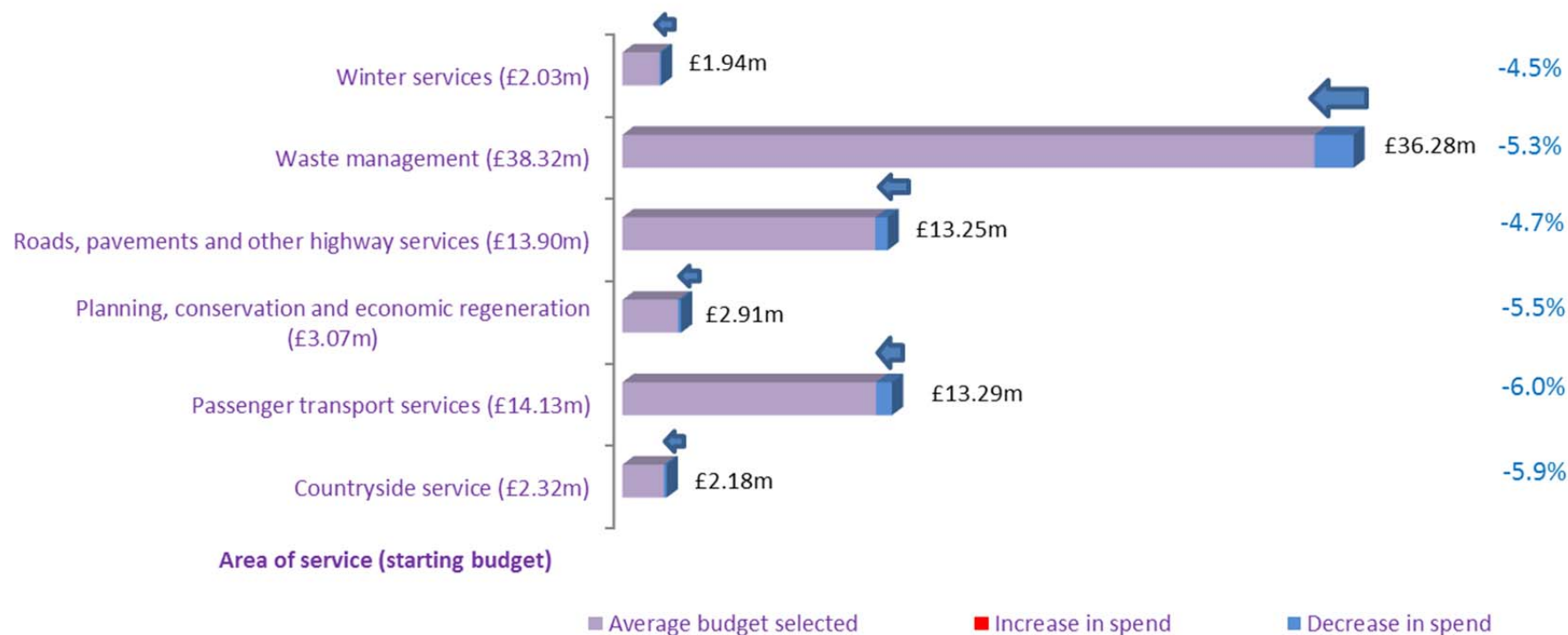
People over 65 chose to reduce spending by less than the average, in particular in respect of the passenger transport services category, which was cut by 4.8%, compared to the overall average of 6.0%.

Respondents using Council IP addresses chose to cut spending in this area by more than the average (by 5.9%).

A graphical representation of the results is detailed in Figure 6. Passenger transport services and countryside service were cut the most and winter services were cut the least.

Online Budget Consultation Analysis of Results 2017-18

Figure 6: Highways Transport and Infrastructure Choices



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Possible Consequences of Budget Choices Detailed in the Model

- Some services at major parks would stop and fewer footpaths would be treated and maintained.
- Planning, conservation and economic regeneration reduction in the ability to deliver statutory duties and economic growth.
- There would be severe reductions for many bus routes and the rural transport service.
- Reduction in the amount of money spent on road maintenance and maintaining street lights and cuts to the school crossing patrol service.
- Waste strategy work would be greatly reduced and waste minimisation work would stop.
- Some reduction in the number of roads and routes that would be gritted in winter.

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8. Council Support and Public Engagement

Introduction

The views of residents were sought in relation to how funding of the following areas of Council Support and Public Engagement should be changed in 2017-18:

- finance, human resources, information, communication and technology and other support services; and
- democratic representation.

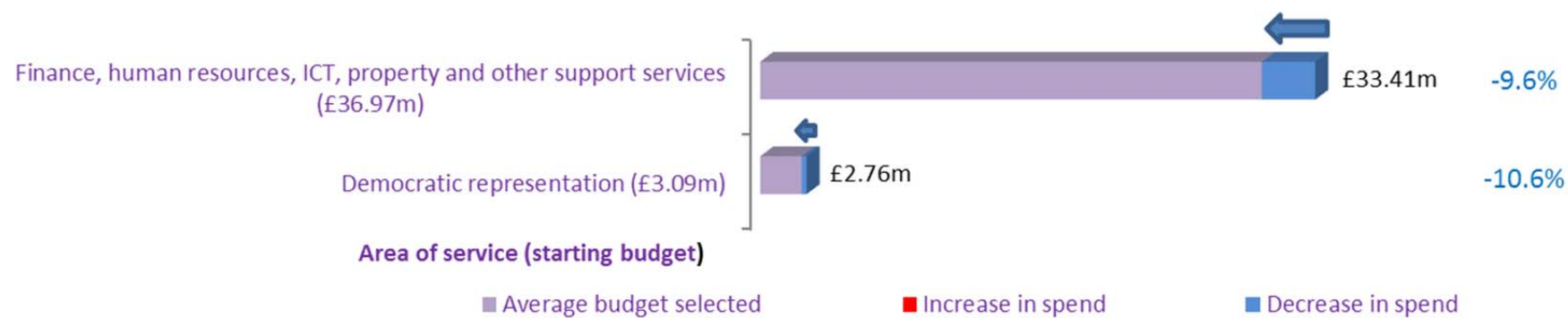
Council Support and Public Engagement Choices

This was the most popular service area for budget cuts, with 99% of respondents making changes to Council Support and Public Engagement. On average, respondents chose a reduction in funding from £40.1m to £36.2m. This equates to an average saving of £3.9m and a reduction of 9.7%, making it the service area with the highest percentage cuts.

A graphical representation of the results is detailed in Figure 7.

Online Budget Consultation Analysis of Results 2017-18

Figure 7: Expenditure on Council Support and Public Engagement



Possible Consequences of Budget Choices Detailed in the Model

- The ability to achieve statutory deadlines would be significantly compromised.
- There would be a reduction to the internal auditing the Council would be able to carry out, resulting in a greater control risk.
- Investment in collecting money owed would reduce, therefore reducing the income received.
- In-year monitoring of spend would reduce, resulting in a greater risk of costs exceeding the budget.
- The time to fix systems problems would increase significantly and would impact negatively on the delivery of services to the public. It would also take longer to replace obsolete equipment, leading to inefficiencies and lower quality services.
- New systems which would improve the quality of services provided and cut the cost of service delivery would take longer to install and benefits would be delayed.
- The effective administration and development of Human Resources transactional and payroll services would be undermined.
- Resources available to handle public requests such as Freedom of Information requests may be compromised to the level that more are refused on account of the time that would be required to complete them.
- The Council would be required to reduce the number of associations that it is a member of, resulting in a reduction to the quality and quantity of shared knowledge and data from other authorities that assist us in working more efficiently.
- Members' allowances would be reduced, which may result in a reduction to the number and standard of individuals standing for election due to personal financial loss.

9. Income

Introduction

The consultation asked respondents to choose which, if any, revenue raising scheme they supported. The options were to raise all standard charges across the Council by 2% or 5%, or to leave all standard charges the same.

Income Choices

96% of respondents decided to increase standard charges above inflation, with 66% choosing to raise all sales, fines, fees and charges by 5% or more above inflation, which would generate at least £2.9m of additional revenue.

Figure 8: Income Choices



Possible Consequences of Budget Choices Detailed in the Model

A 5% increase in standard charges above inflation would mean that the average charge for:

- a meal, desert and drink in a Secondary School would increase to £2.47 (currently £2.35);
- a meal in a Nursery, Primary or Special School would increase to £2.10 (currently £2.00);
- a day's standard fee for a late library book would increase to £0.11 (currently £0.10);
- a day's parking at a countryside site would increase to £4.62 (currently £4.40); and
- a standard rate three day hire of a DVD would increase to £3.15 (currently £3.00).

10. Efficiencies

Introduction

Respondents were asked to decide whether any, some, or all, of a number of money saving options should be implemented.

The options were for the Council to:

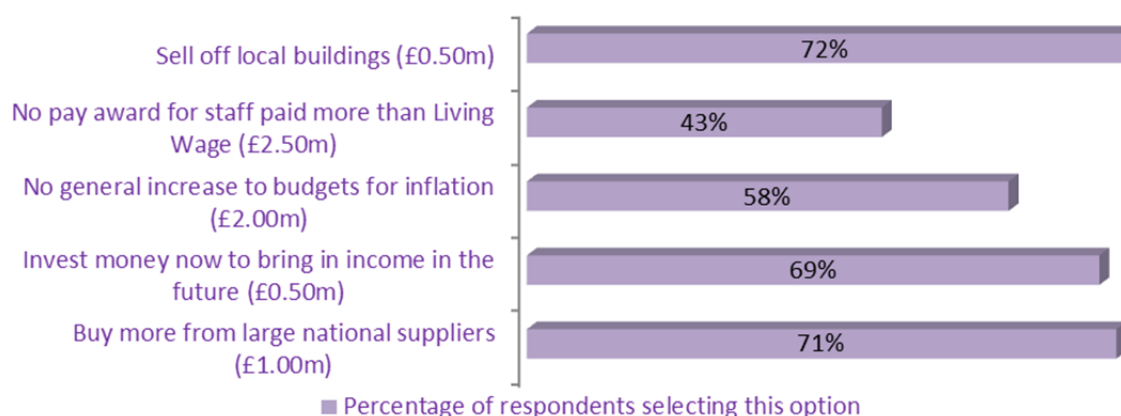
- sell off local buildings to provide money to help protect services;
- not award an increase in pay for anyone who is paid more than the Living Wage;
- make no general increase to budgets for inflation;
- enter into fewer, larger contracts with national and international suppliers at the expense of **not** investing in local business through its purchasing of goods and services; and
- invest money now to help develop new sources of income in the future, such as renewable energy.

Efficiency Choices

There was strong support for the majority of the money saving options. Approximately two thirds of respondents decided to sell off local buildings, not to increase departmental budgets for inflation, to invest money now to bring in income in the future and to buy more from large national suppliers.

Support was weaker for the saving which would be achieved by not awarding a possible pay increase to Council staff paid more than the Living Wage. 43% of respondents decided to opt for this efficiency choice. 41% of all responses originated from Council IP addresses.

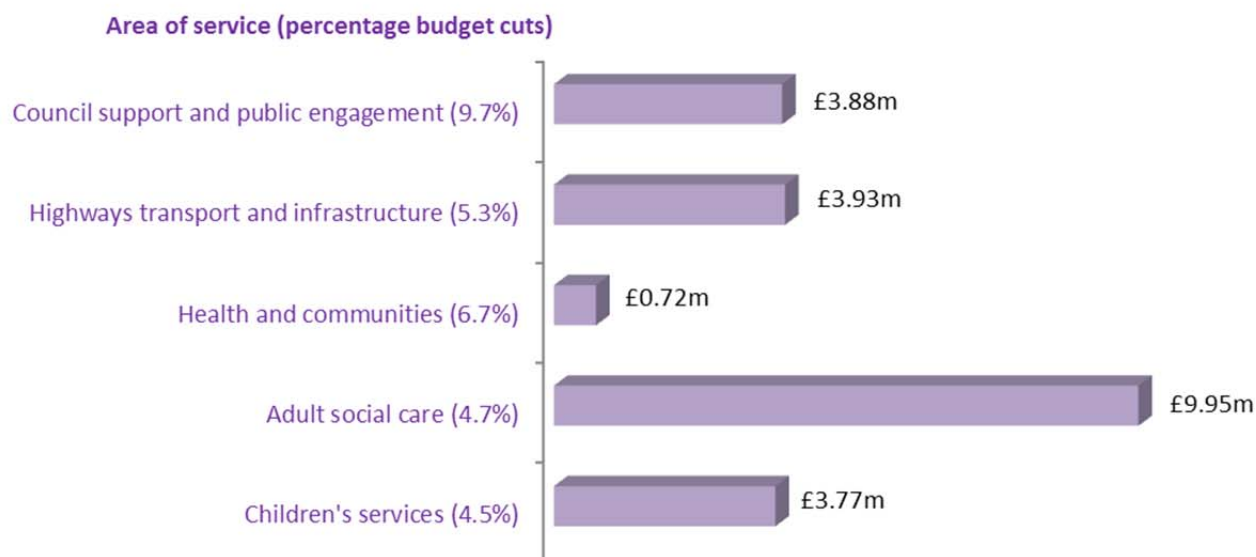
Figure 9: Efficiency Choices



11. From Where Would the Savings Come?

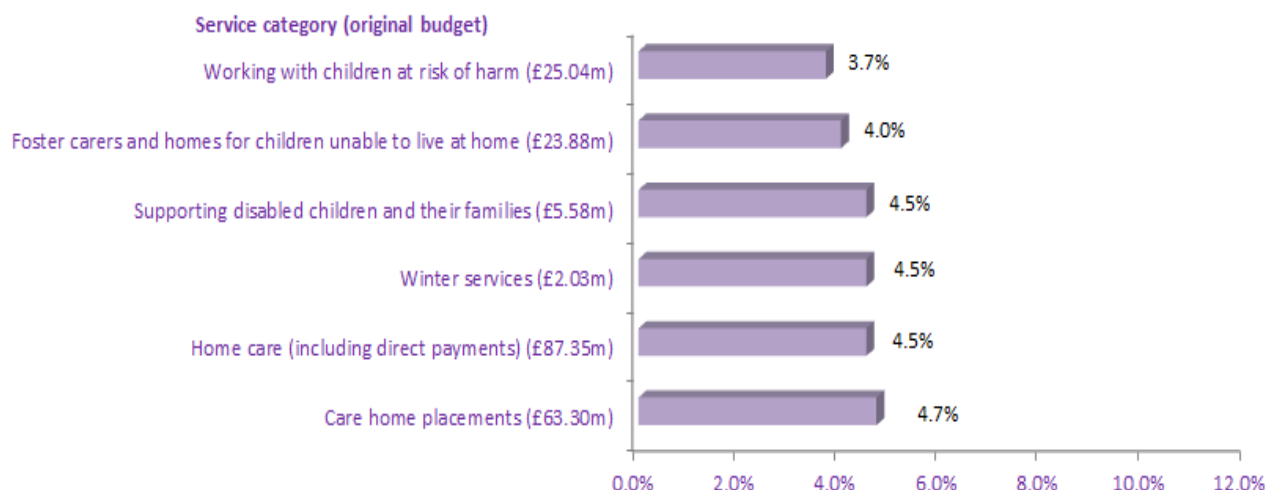
The graph below summarises the mean results from each of the service areas to readily show where the participants believe that savings should be made. These savings amount to £22.2m.

Figure 10: Average Budget Reduction in Each Service Area



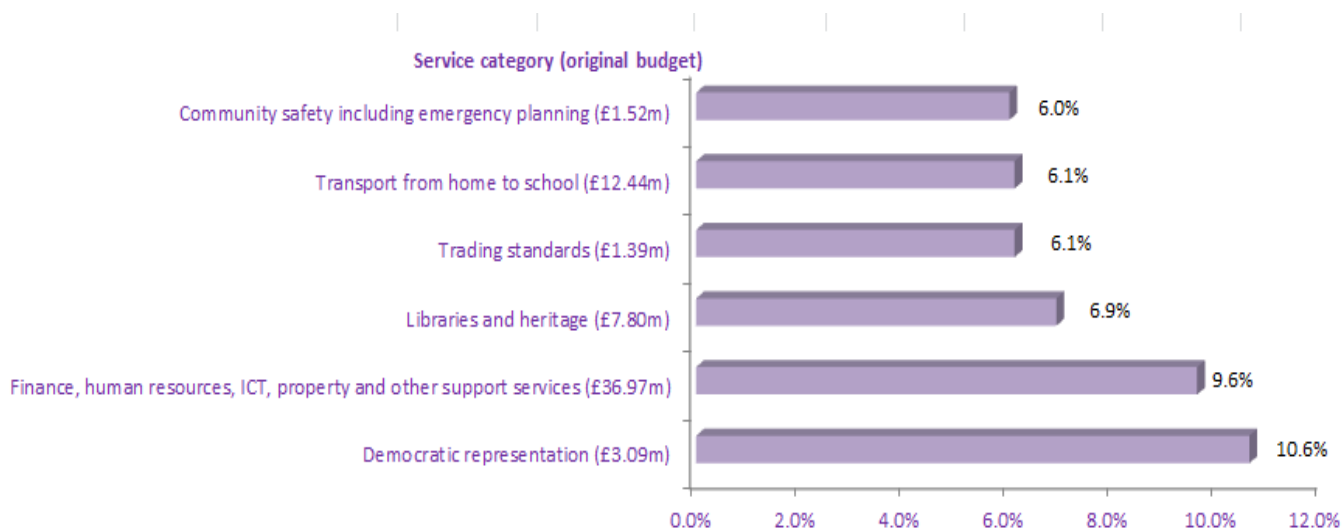
Although respondents chose to cut expenditure on Children's Services and Adult Social Care by the lowest percentage amounts, 62% of the service area savings would come from these two service areas. Highways Transport and Infrastructure and Council Support and Public Engagement each accounted for a further 18% of service area savings.

On average, the budgets of all service categories were reduced in the consultation (although not by every respondent). The graph below summarises the service categories which participants protected most from budget cuts.

Figure 11: Service Categories with the Least Average Budget Reductions

Three of the service categories which were cut least as a proportion of the original budget are in the service area of Children's Services.

The graph below summarises the service categories which participants decided should be cut most in percentage terms.

Figure 12: Service Categories with the Greatest Average Budget Reductions

All categories in Council Support and Public Engagement and in Health and Communities are included in the list of service areas which were cut most as a proportion of the original budget.

The majority of respondents believe that the remaining savings required should be made up from the implementation of increases to standard charges of at least 5% above inflation (£2.9m) and some, or all, of the efficiency savings. Respondents also chose on average to increase Council Tax by an additional 2.8%, on top of the assumed 2% increase specifically for Adult Social Care, with 51% selecting an increase of 4% or higher.

The level of cuts chosen will have a significant impact upon service delivery and the report has highlighted the consequences of these. The Council faces some tough decisions on where to cut its spending. The Derbyshire Budget Consultation has engaged with a significant number of residents and employees to give them the chance to experience how difficult it is to balance the books. The results presented in this report give these residents' and employees' views on where they think that savings can be made.