

DERBYSHIRE COUNTY COUNCIL

CABINET

29 January 2013

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 2013/14 budget. The purpose of this report is to enable Cabinet to consider the outcome of these consultations in formulating its budgetary proposals to the Council.

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, for a second year, used an on-line budget consultation tool "YouChoose".

Participation was encouraged using a press release, articles in Derbyshire First, Workforce and Derby Telegraph newspapers, an entry in the Members' Service Development Diary, on the Council's internal and external websites and by sending e-mails to employees and to 1,200 Citizens' Panel members. Girl Guiding Derbyshire and elected Youth Council members, each representing a secondary school, academy or special school, were contacted and encouraged to share their views and to request that friends and family do so too.

Leaflets promoting participation were also printed, which encouraged free use of library computers to access the consultation. Librarians at all Derbyshire libraries distributed 17,500 of these leaflets during a week in November 2012. During October and November 2012 the leaflets were included in letters to 3,000 members of the "50+ Forums".

This represents a significant increase in the efforts to encourage a broad spectrum of participation compared with previous years.

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. A meeting was held with representatives of the Derbyshire and Nottinghamshire Chamber of Commerce and the Federation of Small Businesses.

The Constitution of the Council also requires that the appropriate Improvement and Scrutiny Committee is involved in the budget process. A series of meetings was held with the Improvement and Scrutiny Committees. The Improvement and Scrutiny Resources Committee produced a Budget Review Report which was presented to Cabinet on 18 December 2012.

Through the joint consultative machinery the views of the recognised trade unions have been obtained. In addition, a special budget meeting between the Council and the trade unions has been scheduled for 20 January 2013 and their comments will be reported at the Cabinet meeting.

(a) On-line Budget Consultation

The consultation went live on 8 October 2012 and 595 (2012/13: 623) completed submissions were received up until 21 December 2012. Responses to council consultations are generally down on last year. However, at the time of production of this report, this level of response maintains the Council's sixth place (2012/13: sixth) amongst the 39 councils participating in YouChoose.

The wholly on-line format has once again produced more information in respect of younger age categories than previous consultations using other methods, with almost 40% of responses from people aged under 45. The number of responses from the over 65 age group also increased, being almost double the number received in respect of the consultation for the 2012/13 budget.

The focus on increasing participation across Derbyshire has meant that a greater proportion of responses this year were from non-Council IP addresses (51% of all replies originated from Council IP addresses; 2012/13: 56%). It is unlikely that all respondents registering Council IP addresses actually work for the Council because public users of the Council's PCs, in libraries and at other locations, are also recorded by YouChoose under these IP addresses.

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 were as follows:

- Limit any rise in council tax to a maximum of 2% (2012/13: 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;
- Increase departmental budgets for inflation;
- Award a pay increase to employees, in line with the Government cap; and
- Increase all fees and charges by 5% (2012/13: 6%).

A full report on the on-line budget consultation is available in Group Rooms.

(b) Business Ratepayers

The main points emphasised by the Chamber of Commerce and the Federation of Small Businesses were:

- One in five businesses has indicated that bank borrowing still cannot be obtained or is too expensive, in spite of the launch of the Funding for Lending Scheme;

- Campaigning for postponement of the business rates revaluation in 2015 is underway as the expectation is that this would lead to an increase in Derbyshire rateable values;
- Greater emphasis should be placed on preparing school leavers for work through focusing on improved training and skills and making apprenticeships widely available;
- Support should be given to infrastructure investment in houses, roads and rail, to help the growth agenda; and
- Continuation of Source Derbyshire and the roll out of Superfast Broadband is to be encouraged.

(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. The Committees were very appreciative of these visits, which meant that almost two thirds of all backbench Members were briefed and given the opportunity to participate.

During Autumn of 2012 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 18 December 2012. The Group's key findings were:

- Acknowledge the significant work the Council has undertaken to effectively manage the budget reduction requirements to date;
- Recognise the problems faced by Chief Officers in designing and delivering public services in economically challenging times;
- Underline the need to understand the rationale for the budgetary and service delivery choices that are made and to ensure these choices are consistent with the Council's stated priorities contained in the Council Plan, meeting the needs and expectations of Derbyshire residents;
- Welcome the positive impact of reducing "back-office" services to produce savings, which has in part protected services that are "front-line" in nature;

- Recognise the need to make value judgements in relation to the types of non-statutory services the Council delivers as the cumulative effect of reduced budgets is amplified by further budget reductions; that the decommissioning of some of these services will become inevitable in the expectation of further reductions in central funding;
- Recommend the protection of funding for the provision of safeguarding services;
- Recommend consideration of the assessment of the cumulative impact of capital and revenue budget reductions on the highways programme; and
- Support the continued use of vacancy control, proactive management and consideration of staffing resources.

(d) The Trade Unions

A special budget meeting between the Council and the trade unions has been scheduled for 20 January 2013 and their comments will be reported at the Cabinet meeting.

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

Is it required that call-in be waived in respect of the decisions proposed in the report? No

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 by Cabinet in formulating its proposals to the Council on the revenue and capital budgets for 2013/14.

NICK HODGSON

Chief Executive