

MINUTES of the meeting of the **DERBYSHIRE COUNTY COUNCIL**
held on 2 October 2013 at County Hall, Matlock

PRESENT

Councillor Mrs Janet A Hill (In the Chair)

Councillors D Allen, S A Bambrick, Mrs G Birkin, Mrs S L Blank, Mrs M W Booth, A Botham, S Brittain, W Burrows, K Buttery, Mrs D W E Charles, Mrs L M Chilton, D Collins, Mrs C M Cox, J A Coyle, R Davison, J E Dixon, P Dunn, S J Ellis, M Ford, S Freeborn, K Gillott, D T Greenhalgh, Mrs C A Hart, Ms Julie A Hill, Mrs J M Innes, P Jones, T A Kemp, Mrs K D Lauro, A I Lewer, D W Lomax, M V Longden, S Marshall-Clarke, W Major, D McGregor, R R Mihaly, C R Moesby, K P Morgan, C E Neill, J R Owen, Mrs J E Patten, Mrs I Ratcliffe, B Ridgway, P J Smith, T Southerd, S A Spencer, Mrs M Stockdale, Mrs J S Street, Mrs J A Twigg, Ms A Western, D A Williams and B Wright.

58/13 APOLOGIES FOR ABSENCE Apologies for absence were submitted on behalf of Councillors Mrs E Atkins, Mrs C Bisknell, S J Bradford, J Frudd, R L Hosker, B Lewis, R A Parkinson, M Tomlinson, D Walton, D J Wilcox, Ms E Wilcox and J G Williams.

59/13 DECLARATIONS OF INTEREST There were no declarations of interest.

60/13 CHAIR'S ANNOUNCEMENTS The following announcements were made:-

(i) The meeting's proceedings were being filmed and would appear on the DCC website.

(ii) Presentation of awards –

The Chair made a presentation to Elizabeth Neville and Ackvinder Bains of the Cultural and Community Services Department as the Council's Libraries and Heritage Division had been awarded the 2013 National Acquisitions Group Award for Excellence for the launch of their e-book service.

The Chair made a presentation to Liz Ewbank, Project Manager in Design Services and Christopher Betts, Service Manager at the

Oakland Centre, Swadlincote which had been awarded a Gold Standard from Stirling University's Dementia Services Development Centre.

61/13 MINUTES OF THE PREVIOUS MEETING On the motion of Councillor Mrs Janet A Hill, duly seconded,

RESOLVED that the minutes of the meeting of Council held on 24 July 2013 be confirmed.

62/13 REPORT OF THE LEADER OF THE COUNCIL

Councillor Ms A Western, Leader of the Council, reported on recent issues for the council, in particular starting to address the challenges that were facing Derbyshire as a result of the further budget cuts facing the Council. There had been significant progress with the D2N2 Local Enterprise Partnership in terms of delivering for the economy of Derbyshire. The Leader had been working with other partners, and District Councils in particular, to look at how we could share services in order to secure efficiencies. There had recently been a seminar with health representatives across Derbyshire to start to move forward on the integration of Health and Social Care. Meetings had also taken place with voluntary sector organisations to outline to them the scale of the budget problems facing the council.

63/13 PUBLIC QUESTIONS

Question to Councillor Ms A Western from Mr P Bretts.

At the outset of the new administration taking control at Derbyshire County Council in May 2013, Cabinet Members were awarded a pay rise of £3,000 per person. In view of the recent announcement you have made about the austerity-driven measures you are proposing which include wide-ranging service cuts, an estimated 1,600 job cuts, increased charges and a reduction in care thresholds, will the Leader now also be proposing a new financial package for all elected Councillors and will you provide a breakdown of all the remunerative packages currently enjoyed by said Councillors with suggested savings, to include some or all of the following:

- figures costing out a new "slimline" Cabinet with posts absorbed thus saving on the expense of some single responsibility roles currently being held;
- figures showing the removal of the £3,000 extra salary "perk" granted to Cabinet members
- figures to show a "root and branch" revision of all Councillors' allowances and expenses, to include austerity cuts to be made in the

areas of travel, members' basic allowances and special responsibility allowances, telephone and computer allowances
- figures to show what cuts will be made to the DCC hospitality budget.

Councillor Western responded as follows:-

I welcome his question because it gives me an opportunity to present the full picture on Members' allowances rather than the partial information that has been circulating in some quarters within the County Council and externally.

The full picture is this. There has been a reorganisation of the way the political structure works in Derbyshire, and we will see later on in some of the reports we deal with why that was necessary.

The situation is this. If we take the Schedule of Allowances that came to this Council in May and if we look at that, there are two significant changes in that. One is around allowances for the Chair and Vice Chair of the Pensions and Investment Committee. Previously they were two separate committees. We have brought those together. The Derbyshire Pension Fund is one of the biggest pension funds in the country. It has £3b of investments as well, so it is a significant fund to oversee and manage and it is a significant job to do that and requires some specialist knowledge. I think it is entirely appropriate that the Chair and Vice Chair of that committee should have some recognition for the task that they are undertaking.

It is also the case that those allowances are charged to the Pension Fund rather than a cost to the Derbyshire Council taxpayer and, again, that is entirely in line with the way that the staff who administer the Pension Fund and manage it and the independent advisers who come to advise on investments, their costs are all charged to the Pension Fund. Those two allowances are quite rightly charged to the Pension Fund rather than to the taxpayer directly. That is the first thing.

The second thing is, we have reinstated the Health Scrutiny Committee, which was abolished under the previous administration. It is clear, I think, to most of the residents of Derbyshire, that the NHS is facing an impending crisis. Huge concern was demonstrated in Manchester at the weekend. As well as that, this Council has taken on significant new responsibilities for health. Public Health now sits within the Local Authority, as opposed to being in the NHS, and the Health and Wellbeing Board has moved from Shadow form into a fully fledged Board. There is the imperative that we have talked about before about integrating Health and Social Care.

It is entirely appropriate, and I think the public of Derbyshire would expect us to give the scrutiny of Health Services its due recognition, and that is why that committee was reinstated and that is why there is an allowance now for the Chair and Vice Chair of that committee, and it is in line with the priorities up there.

If you factor out those posts that are new and can be justified in the way I have just described, then you are in a situation, if you look at the figures, that what we actually put in place in May costs less than the scheme which was operating under the previous administration. I have to say that again, it will cost less than. That is not something that has been reported in the press and I do hope that can be corrected today. I have got the figures if there is anybody who chooses to look at them.

Within that overall reduction in the budget, yes, there are some responsibility allowances that have gone up, there are about 14 that have gone up, but there are an equal number, 14 again, that have come down. The majority, about 34, have stayed exactly the same, so I just want to bust this myth that we are all getting a big pay rise because that is not the case.

Where responsibility allowances have gone up, that is because there has been an increase in the responsibility, and I refer to Mr Bretts' question about a new slimline Cabinet. We have got a new slimline Cabinet, that is what we have introduced and, in terms of single responsibility roles, Cabinet members now are carrying the workload that previously two or three Cabinet members in the past undertook. That is why some positions have had an increase but, as I say, some positions have had a downgrade and overall, factoring out the other things which I have mentioned previously, there is a decrease. That is the situation as it stands.

As regards some other aspects of the question, travel allowances and subsistence allowances have been cut over the previous years where there was cross-party support for that, so those cuts have been made. Telephone and computer allowances; equipment is provided for Members but there are no financial allowances over and above that and the equipment is given so that we can do the job that we have to do.

I will say, and no doubt this will get discussed later on when we come on to this agenda item, something else that has not necessarily been reported is that the biggest single increase that has been recommended by the Panel is for the Leader of the Opposition, so that is something that we will discuss later on. I do have to say that when that increase in the allowance for the Leader of the Opposition was put in place I was, actually, the Leader of the Opposition and I refused to take that

increase in the allowance, so I personally have contributed to some of the savings of this Authority and I will continue to do so.

In relation to the hospitality budget, again we made it very clear when this new administration came in that we were not going to be pursuing business as normal. In fact, I have to say the only way that I persuaded the Chair and the Vice Chair of the Council to take those roles was by promising them that they would not have to go to Civic junkets, so we have stopped that happening and I can announce that we are currently making savings on the cost of running the Civic cars of £35,000 and we are making savings on the Civic budget of £45,000, so there are savings already being made on those budgets.

There was no supplementary question.

Question to Councillor Ms A Western from Mr R Prati

The Government has unilaterally put at risk the lives and livelihoods of Derbyshire residents by axing £157m from the County Council budget. Will Derbyshire County Council now commit to challenge this decision, using all means at its disposal to include due legal and judicial processes? Can the Council now outline what these will be and supply a time schedule?

Councillor Western responded as follows:-

Again, we have looked at this, especially in light of the additional cuts that landed on us in the summer, in terms of what ways there were to challenge that decision and Legal and Financial Officers have been looking at that very carefully.

I have to say, and I will repeat this because you missed my Leader's Report which I have just done, we are challenging that in the sense of writing to Eric Pickles and asking for a meeting. As you are probably aware, that meeting was turned down. We will continue to challenge within Derbyshire and also through the Local Government Association and County Councils Network.

In terms of a legal challenge, the information and advice I have been given is that it would be difficult if not impossible to find grounds for a legal challenge and I have been reminded, although I was not a councillor at this stage in my life, about the experience in the early 1990s of Council Tax capping when this Authority, in conjunction with others, did take a legal challenge which went to the House of Lords and it was said very clearly in the House of Lords that:

“No similar challenge has any prospect of success unless an Authority is in a position to show that the Secretary of State has acted in bad faith or for an improper motive, or can point to some failure to comply with the procedural requirements which the Act clearly spells out.”

That was the case then and I guess my advice is that it will be the same again now if we try to pursue a legal challenge. There is certainly no advice coming from the Local Government Association or anywhere else that we can pursue a legal challenge and to do so I think would be a distraction and a waste of council funds to take it through that road.

I have to say as well, because I share your sentiment about the cuts (I think we all do), a further £157m, that is on top of £70m worth of cuts that have already been made, so in total by the time we get to 2018 the people of Derbyshire will have lost a quarter of a billion pounds-worth of funding for services which has a knock-on effect into the Derbyshire economy. That is the scale of what we are dealing with.

For the legal consequences it is a double-edged sword. As much as we cannot challenge the legal decisions that have been taken, the legal consequences for this council if we do not deal with those cuts, if we do not set a legal budget, are profound for the council and for individual councillors, so that is the dilemma that councillors here today face. We have to deal with this situation in the best way that we can and there will be more of that when we discuss the Budget review later on, and I hope you can stay to hear that debate.

That is the situation as it stands and it does not appear that there is a route through for a legal challenge.

There was no supplementary question.

Question to Councillor Ms A Western from Mrs W Prati

The Government talk about preserving front-line services and safeguarding people who need extra support and yet they are taking away £157m from Derbyshire so I bring to you today a message from parents of disabled people like me and my husband that we do not accept this situation while politicians keep drawing massive salaries and expenses out of the public purse, and we are made to pay the price for a crisis we did not cause. You asked for a meeting with Eric Pickles but he had the gall to turn you down so now I ask you, will all councillors now, on a cross-party basis, commit to working for a 'Correct Deal' for Derbyshire, based upon the proper needs-led budget calculation, and supply the headings and mechanisms whereby such a budget will be calculated and presented to Government?

Councillor Western responded as follows:-

I share your anger and outrage at the situation we find ourselves in and I need to say that and keep saying that. We all find this situation completely unacceptable. Nevertheless, to answer your question, I think it is very difficult to establish a needs-led budget because there are no national standards about the services. That is the benefit of local democracy that each council should be in a position where it can determine what its own citizens and residents need and that has traditionally been the way that Local Government has worked in the past. Sadly, with the squeeze on finances it gets more and more difficult to do that and provide anything that is more than just a very emergency service.

There are no national standards, and I say that particularly in relation to, for instance, Adult Care services. Derbyshire has historically had a higher standard of service than many other areas. You will know that yourself from discussions in the past and we all remember that Derbyshire was one of the last Councils to have a free home help service, for instance, and very proud of that, and we had a very low threshold for access to service and it is still, in spite of changes that have happened in the past four years, among the lower thresholds for access. Most Councils are operating at a substantial or critical level of access to service for Adult Care; Derbyshire is somewhere slightly below that at something called higher moderate. That is the history of it.

I know it is not much comfort but the standards of service in Derbyshire are at the moment still higher than in some other places, so a needs-led budget challenge calculation would not necessarily benefit Derbyshire. If it was a national criteria for needs-led budgeting I think we would find a levelling down for Derbyshire rather than a levelling up for everybody else. It would be challengeable because of this. I also quite seriously think we could do a lot of work on a needs-led budget and present it to the Government but I still do not think they would listen, so I am not proposing that we go down that route. I think it would be impossible to do and I do not think we would get the response that we would require from it.

A supplementary question was asked as follows:-

I just wondered about cross working together. I really wondered, do the Tory side actually support these cuts to disabled people and to services in general, really, because they are not little cuts are they? They are massive attacks on our services and that is not protecting people, it is persecuting them.

Councillor Western responded as follows:-

I did not pick up on that part of your original question. I think that is something that will come up in the debate later this afternoon; I do hope you can stay and listen to some of the debates that are coming. It is a question I would like to pose as well to the other Group Leaders and people generally across Derbyshire. We need to stand together to fight for what is right for the people of Derbyshire and that means saying sometimes to your own Government uncomfortable things. We did not shy away from doing that with a Labour Government when we were in control when there was a Labour Government and I think it is time for people to stand up and be counted.

There are some Conservative leaders of council right across the country now who are becoming very vocal, and again I will make reference to that later on. Locally, the Leader of Leicestershire County Council, Conservative, is speaking out about the damage that the cuts are causing there. The County Councils Network, which I referred to previously, is a collective organisation for county councils. That is Conservative-led and the leader of that organisation is the Conservative leader of Surrey County Council, and he is very outspoken about the damage that it is causing for his residents. I am sorry but if people in Surrey are feeling the pain you can be blooming sure that people in Derbyshire are and it is time that we stood together cross-party and reflected that back to the Government.

Question to Councillor Ms A Western from Mrs E Potter

With reference to the "Your Derbyshire, Your Say" consultation, please explain your reasoning behind how and why you expect a member of the public to pick which is the higher or lower priority service between Highways, Care Homes, Libraries, Youth Services, Gritting, Home Care, Country Parks, Recycling etc. and please also provide the following: a written breakdown of the methodology, to include analysis of the question fields, how demographic, population distribution, varying incomes, transport, age, gender, ethnicity, and disability factors will be weighted to produce fair, balanced results rather than random and cursory ones, details of the analytical tool being used to evaluate the findings, production, publishing, distribution, publicity, collation and analysis of survey results costs, overall employee/councillor expenses incurred, and methods for publishing results to the public, and please also clarify if this "over to you" method of governing is going to be used every time you have spending decisions to make, asking the public to tell you which services they would "save" or "not save", and using a

"panel game" ploy of giving £100 to share among services and "low priority/high priority" voting cards which is an insult and makes a mockery of local government in my opinion?

Councillor Western responded as follows:-

Just to explain the context of how this "Your Derbyshire, Your Say" consultation came about, I have made reference previously to the fact that at the end of July/beginning of August we suddenly found ourselves with £30m more cuts than we had anticipated. We were at that stage planning to go out and consult the public about the new Council Plan that is under development following the election; obviously a new council needs a new Council Plan. We had a programme of attendances at different events – community events – across the county, starting with the Bakewell Show in the first week of August. When it became clear at the very beginning of August that we had got additional cuts to contend with – and I have to say that £30m is very much, I think, the tipping point from what is – well, "manageable" is not the right word but it has shifted it on to something that is completely devastating and took away some of the flexibility that we thought we had when we were elected in May. It became apparent that, rather than going and consulting the public on the Council Plan, the more urgent issue was to consult about the budget problems that the council had imposed upon it by the Government. That is why there was a rapid shift from consulting on a Council Plan to consulting on the budget.

What we did was something that we had tried before when we had done previous budget consultations, which was an engagement exercise with people where we show them the range of council services that the County Council provides and we give them some money, monopoly money, for want of a better expression, and we ask them to look at how they would spend it. It is just about starting the conversation with people because what we found through these exercises and through other consultation is that people generally going about their business do not think about councils too much and they do not necessarily know what the County Council does and they certainly did not know about the extent of these cuts and the damage that was coming to services. It was about awareness raising so much as a technical, scientific, statistical consultation. It was about getting the message out to people about what the extent of the cuts is going to be and what the range of services are that are at risk.

That is why we did it that way and I have to say it was very well received. I have not got the exact figures with me but I can share them with you later if you like. Quite a number of people took time out from these events to come and visit the Derbyshire County Council stand

and took part in the exercise but, more importantly, stayed for ten, 15, 20 minutes and had a conversation with our staff about the council, about the services and about the cuts. It gave us some really helpful information and it did give us some indications of what people think of as high priority, and they are exactly what you would expect from Derbyshire people. They think that caring for vulnerable people is top priority, they think that growing the economy and providing jobs for young people is a priority, they think that we need to maintain the roads so we can all go about our business is a priority. They were the top three and that was fairly consistent.

It also allowed us to explain where council finance comes from in terms of some of it being Government grant and some of it being from Council Tax and some of it being from business rates, and that started a conversation with a lot of people about the level of Council Tax. It was astonishing – and again I can give you the detail if you need it – how many people would be prepared to consider a Council Tax increase and they were volunteering that information, we were not explicitly seeking it out. Again, that is an interesting aspect that we have managed to glean from the exercise.

I have to say that the results show that when people are presented with the services and once they know it is Derbyshire County Council that provides those services, they were very eager to tell our staff how highly they rate all of those services and they do not want to see any of them cut, and neither do we, but that is the dilemma we are in.

I have to say I do not think that method works online. We have translated that now on to an online questionnaire and I do not think it works so well, I think it is too complicated. We have agreed in the last week or so that we are going to change that now and re-format that so it is something that is much more user friendly online and starts to look ahead to next year's budget as well.

It is not about “over to you”. I think we have all been critics of consultation processes in the past, or the lack of them and I think it is imperative if we are going to get through these difficult years that the people in Derbyshire know about what is happening, they understand the scale of it and they work with us to help us through it. I am not so arrogant, and certainly the Labour Group is not so arrogant, that we will be imposing cuts without any consultation. We need to hear from people and this is the way we are going about it. It is not “over to you”, we are not passing the buck back to the people of Derbyshire, they have elected us to do a job and that is the job that we will do, but we will do it by listening to people first.

There was no supplementary question.

Question to Councillor Ms A Western from Mr I Potter

How will the public's responses in the "Let's Collude with the Government's Highway Robbery and Tell Us Which of Your Derbyshire Services You Don't Mind Us Axing" survey be used to determine the decision making and outcome for services, what extent are consultations like this intended to advise and dictate DCC actions, and also what costed methods are being employed in your to ensure an equal level of response is gained in all parts of the county, in light of the fact that previous "consultations" have been criticised as not fit for purpose because they have attracted such a poor take-up such as the Street Lighting survey which attracted less than 1000 responses throughout the whole of Derbyshire, and also, do you not feel that it is necessary in order to ensure a really robust survey is done that it is therefore essential to do a more extended survey using more pro-active methods where a more wide ranging selection of residents are given surveys in person e.g. in DCC venues such as Care Homes and Sure Start centres and also door to door delivery in all parts of the County which would then ensure more robust and fair coverage?

Councillor Western responded as follows:-

To a large extent I have covered this in the answers to the previous questions. I just would like to comment on the first sentence. I can assure you, we are not colluding with the Government, we are shouting loud and clear about what we think about this Government's strategy and the way that it is unfairly targeting Local Government for the worst of the cuts. You will have seen some of the things that have been reported on that and I will not go over them again, but collusion is not what we are doing.

Neither are we asking people to tell us which services you do not mind us axing. As I said, people value the services they get and they do not want any of those to be axed, and nor should they. I was asked on Radio Sheffield recently about a comment made by one of the South Yorkshire council leaders who said people need to lower their expectations. I find that really sad. We live in, what is it, the seventh wealthiest nation on earth and we have built up a strong network of local services and people are being asked to lower their expectations. I find that really quite depressing.

We are not taking that line. What we are intending to do – and again, if you stay, you will hear how we intend to go about it – we are looking to try and work with partners to deliver services in different ways and if we

do that together we should be able to get a more modern, streamlined service that provides what people need but does it in a more cost-effective way, and more of that later.

As I said, the purpose of the consultation exercises was to raise public awareness about the scale of the problem. There will now, obviously, be further consultation exercises at different levels. I think there is a need to engage people still in that general discussion about the scale of the cuts, why they are happening, where they are likely to fall, as well as specific consultations that will have to start on some specific service cuts. We will, I think, have to start that consultation pretty quickly. Some of those consultations run for the next six months or so but, again, there are opportunities there for people to express their views on particular services as well as on the generality.

There will be information in council publications and I am hoping very much that we can change the format of the council publications so it is more user friendly. There will be information on the website and there will be public meetings as well.

There was no supplementary question.

Question to Councillor Ms A Western from Mrs W Phillips

In view of the announcements in the Derby Telegraph over the last few days of the wide-ranging service cuts, downgrades, increases in charges and an estimated 1600 job cuts, why has DCC spent further money on a "cuts consultation" and a "consultation" that is apparently still on going, but that gives no guidance as to how the public's responses will affect the outcome for services in Derbyshire, and where decisions seem already to have been made judging by the newspaper reports, so, if it is not already too late and if it is not already a "done deal", can you please identify the social, demographic, economic and electoral indices in each geographical area of the county that will determine whether to maintain, cut or downgrade a service as listed under the headings given to the Derby Telegraph in its report of 25th September 2013?

Councillor Western responded as follows:-

The report in the Derby Telegraph followed on from a press conference that was held here last week that, again, was an attempt to get across to the public of Derbyshire the scale of the problems. I do not think it is a surprise that people in Derbyshire do not understand the scale of the problems, they have had four years of an administration previously telling them there was no problem and that these were not cuts, they

were efficiencies, or rationalisations or what have you. We have got a huge job to do to get the reality of the situation across to the public so that is why that press conference was held and the Derby Telegraph did report fully on that.

What I also have to tell you is that we are really up against it as a new administration because whereas other councils up and down the land have seen the writing on the wall and they started three, four years ago to change the way their councils operated and to do some of the things I have already indicated, this council did not, so we are now in a position where we are having to restructure, re-modernise and rethink the way we deliver at the same time as the cuts are coming into full effect.

It seems as if we have got little choice. What we are determined to do, though, is to try and build in a little bit of time so we can start this process of redesigning and re-engineering services (and more of that later) and we have in effect this year bought ourselves a little bit of time and, again, that will hopefully become clear when we have the budget debate.

I have said before and I will say it again for the benefit of doubt, we think the position that this council and other councils are in is completely unpalatable, it is completely unjustifiable. The extent to which the Government is targeting local councils and the services we provide is unfair. It is much more draconian cuts on Local Government than it is on the rest of the public sector. It is more severe in English local government than it is in Scotland, Wales and Northern Ireland because those services are run through different Government Departments, so there is an equity issue that the Government does not seem willing to acknowledge or address and we will keep making that point. The Derby Telegraph report was based on the report that is in the papers today and we will be going through that debate in a little while.

Sadly, there seems to be no end in sight for this and different Government Ministers have been saying in the last week or fortnight that they see these cuts continuing into the future. Again, that restricts the amount of flexibility we have got to try to deal with the problem.

There was no supplementary question.

64/13 RECEIPT OF PETITIONS No petitions had been received.

65/13 CONFIRMATION OF THE APPOINTMENT OF CHIEF EXECUTIVE The Council was asked to confirm appointment of Mr

I Stephenson to the post of Chief Executive following the recommendation of the Appointment Panel.

On the motion of Councillor Ms A Western, duly seconded,

RESOLVED to approve the appointment of Mr I Stephenson as Chief Executive.

66/13 STATEMENT OF ACCOUNTS 2012/13 The Accounts and Audit Regulations 2011 required the Director of Finance to certify the pre-audit accounts by 30 June, and the Audit Committee to approve the post audit version of the accounts before 30 September. Both of these deadlines had been achieved. The accounts had been open for public inspection.

The Full Statement of Accounts had been approved by the Audit Committee on 17 September 2013.

On the motion of Councillor A Western, duly seconded,

RESOLVED that the Statement of Accounts for 2012-13 be received.

67/13 REVISED BUDGET 2013/14 Council was asked to endorse proposals agreed by Cabinet at its meeting on 1 October 2013, for the revision to the 2013/14 Revenue Budget. The Council was facing budget reductions of approximately £157m, as identified in its Five Year Financial Plan. The achievement of such reductions required considerable consultation which would inevitably lengthen the period of time taken before the reductions could be implemented. In light of this, Cabinet had agreed on 1 October 2013, a revised Revenue Budget for 2013/14 which included a series of measures designed to help deliver the reductions required. The Revised Budget 2013/14 report which had been considered by Cabinet was presented.

Council had approved the Revenue Budget 2013/14 in February 2013 which set out proposals including pay and price increases, budget reduction targets and service pressures, together with details of the General Reserves position and medium term financial projections which assumed Council Tax increases of 2.5% in each of the four years from 2014/15 to 2017/18. In approving the budget in February, the Council froze its Council Tax for the third year running which required the budget to be balanced by increasing the savings required. The budget report identified certain reductions, but not enough to meet the increased savings target, the shortfall being met through a range of measures on the over achievement of base savings in earlier years, to

the use of previous years' underspends/General Reserves as a one-off funding source with the expectation that the base saving would need identifying later in 2013/14.

Subsequent announcements by Government affecting the 2014/15 and 2015/16 financial years in particular, had had a serious adverse effect on the Council's financing in future years, details of which were reflected in the revised Five Year Financial Plan.

The outturn for 2012/13 resulted in a contribution to the General Reserve of £4.976m, details of which were reported to Cabinet on 30 July 2013. The External Auditor had subsequently reported to the Audit Committee on 17 September with an unqualified audit report and commented favourably on the Council's ability to meet future reductions based on its robust financial standing and plans to meet future savings targets as at 31 March 2013. There had, however, been significant changes since the budget had been set.

Due to the Government failing to announce certain funding streams for 2013/14 before the budget was set in February 2013, there had been minor changes to funding levels assumed as part of the budget setting process. In addition, the district and borough Councils within the County confirmed their financial estimates for business rates yield in 2013/14 after the 6 February Council meeting and details of grant and business rates income adjustments were presented in the report. The report also detailed changes in respect of Adoption Reform Grant, Local Authority Central Spend Equivalent Grant, Extended Rights to free school transport, the Contingency Budget, the Risk Management Budget and Residential Care fees.

The Council annually planned for pressures for the years after the current budget year and the Five Year Financial Plan was updated alongside the Revenue Budget 2013/14 in February. The Plan had been amended to reflect the announcements made in the Budget 2013 and the Comprehensive Spending Review 2013. These announcements significantly increased the savings required over and above the level calculated at the time the budget and the Five Year Financial Plan were set in February. Details of the announcements made in the 2013 Comprehensive Spending Review which would impact on future funding levels were detailed in the report. Details of the revised Five Year Financial Plan were shown at Appendix 1 to the report which showed savings of £157m over the medium term were needed to balance the budget.

The Government's Technical Consultation on the Local Government Financial Settlement 2014/15 and 2015/16 showed that

reductions in mainstream funding were substantially higher than the Council had anticipated. Many local authorities would see their Revenue Support Grant reduced by up to 30% in 2015/16 which was far beyond the 10% cut which local authorities had been anticipating. The Council had responded to the consultation, expressing its dissatisfaction with the consultation and had written to the Secretary of State asking for a meeting to discuss these matters. The request had been refused. The report also detailed the current position in respect of the Financial Strategy, Council Tax Benefit Localisation, Business Rates and reserves.

As part of the budget report to Council in February 2013, the Director of Finance reported on the robustness of the estimates included in the budget and the adequacy of reserves. This was a statutory requirement and was connected to matters of risk and uncertainty and the report also emphasised the many processes and procedures which underpinned the successful budget management approach adopted by the Council. As already detailed the position had deteriorated significantly since February 2013 with the overall saving target rising from £127m to £157m.

Latest budget monitoring indicated that savings achieved in 2013/14 were under target at present by approximately £10.5m which was reflected in significant base overspends in both Adult Care and Children and Younger Adults. The position was manageable in the short-term through the use of reserves and underspends in previous years, but the impact was in effect to increase a saving target for 2014/15 to £47.201m, whilst at the same time reducing flexibility in the use of reserves in later years. It was important that progress was made against the reductions identified at Appendix 2 to the report.

Significant consultation and planning timeframes were required to achieve many of these reductions. Additional delays in agreeing proposals would be a further diminution of reserves and/or require larger in-year base savings. Any significant delay would put at risk the good opinion of the External Auditors on the Council's financial management and standing and may raise concerns with Government. Cabinet was therefore asked to reaffirm the proposals for budget reductions as detailed at Appendix 2 to the report and recommend the further proposals as outlined in Appendix 3 to be considered as possible further areas for future budget reductions. Where necessary, each proposal would be subject to further detailed Member consideration and it would be necessary to comply with all statutory and good practice requirements, including all necessary consultation and development of Equality Impact Assessments in the consideration of these proposals. The cuts proposed were an essential first step to balancing the budget

over the medium term. In many cases, the next step would require further reports to Elected Members to set out how the reduction may be effected.

Further budget cuts would be required to help meet the overall shortfall currently identified over the medium-term planning period and, in addition, a range of other measures would be pursued in an attempt to help alleviate at least an element of the cuts required and to smooth out the implications over the years until 2017/18. A particular emphasis would be placed on better working with partners to achieve shared goals with key partners including Health and other local authorities, D2N2 and the voluntary sector. The measures that would be considered as part of the budget strategy over the coming years would include:

- Reduced management and overhead costs
- Asset disposal
- HR measures such as vacancy control and severance schemes
- Contract Management
- Review of the Capital Programme
- Income maximization
- Shared Service Options
- Invest to Save
- New income sources such as single local growth
- Service prioritisation
- Integrate Health and Social Care priorities

The indications from Government was that public finances would remain under pressure until the next decade and further budget reductions were likely beyond those identified in the Five Year Financial Plan. These savings were a significant first step however, there would have to be further reductions to balance the Five Year Financial Plan in the future.

Cabinet had agreed that that the revised Five Year Financial Plan be noted and approved; that the changes to funding received since the Council approved the budget in February 2013 and the uses to which it would be applied be noted and approved; that the proposals for budget reductions outlined in Appendix 2 to the report form the basis of helping to balance the Council's budget, subject to further consideration of individual proposals by Elected Members, that the possible areas for budget reductions as detailed in Appendix 3 to the report would be considered and detailed proposals brought before Members as

appropriate. Cabinet also recommended that Council endorse their decisions.

On the motion of Councillor A Western, duly seconded,

RESOLVED that Council endorses and supports the proposals agreed by Cabinet in relation to the revision to the Budget 2013/14 and to the reductions detailed in the report.

68/13 CABINET QUORUM The Council's Constitution currently provided that the quorum for a meeting of the Cabinet was five, including the Leader or Deputy Leader of the Council. A quorum of five was appropriate when the Cabinet consisted of nine Members. As Cabinet now comprised six Members, it was considered that it would be more appropriate for the quorum to be three Members, including the Leader or Deputy Leader.

On the motion of Councillor Ms A Western, duly seconded,

RESOLVED that the quorum for meetings of Cabinet be reduced to three, including the Leader or Deputy Leader.

69/13 MEMBERS' ALLOWANCES SCHEME At its meeting on 15 May 2013, the Council considered proposals for provisional Members' Allowances arrangements. The Independent Remuneration Panel had considered the provisional arrangements and had produced a report which was presented. The Council was invited to consider the provisional arrangements which were agreed on 15 May in the light of the Panel's recommendations.

The main changes brought in by the provisional arrangements and the Panel's recommendations thereon were as follows:-

- (i) Increase in the SRA payable to the Deputy Leader from 75 to 80% of the SRA.
The Panel supported this proposal.
- (ii) Enhancement of the relative percentage of the SRA to other Cabinet Members from 50 to 60% of the maximum SRA to reflect increased responsibility.
The Panel supported this proposal.
- (iii) Creation of an appropriate allowance for the Deputy Cabinet Member role.
The Panel supported this proposal.

- (iv) The establishment of a Special Responsibility Allowance (SRA) for the Chair and Vice Chair of the new Pensions and Investment Committee.
The Panel supported this proposal.
- (v) Small reduction in the SRA payable to the Chairs and Vice Chairs of the scrutiny committees.
The Panel supported this proposal.
- (vi) The adjustment of the SRA for the opposition group leader to the level before the Council meeting in April 2012.
The Panel recommended that this allowance should remain at the current level of 45% and should not be reduced.
- (vii) Removal of the SRA for the leader of the smaller opposition group.
The Panel recommended that this allowance should continue to be paid.

Independent Remuneration Panel member Professor Allen Hutchinson was present at the meeting and Members' questions were responded to.

On the motion of Councillor Ms A Western, duly seconded,

Having considered the report of the Independent Remuneration Panel the Council **RESOLVED** to approve the Members' Allowances arrangement which were provisionally agreed by the Council on 15 May with the proviso that the SRA for the Opposition Group Leader be increased to 45% of the Leader's Special Responsibility Allowance should the position holder accept the offer of a seat on Cabinet.

The Council noted the Labour Group's decision in relation to its members foregoing the 1% increase in Members' Allowances which arose from the pay increase for Council employees.

At the request of at least 5 Members, a recorded vote was taken and recorded as follows:-

For the motion (38) – Councillors D Allen, S A Bambrick, Mrs G Birkin, Mrs S L Blank, Mrs M W Booth, A Botham, S Brittain, W Burrows, Mrs D W E Charles, D Collins, J A Coyle, R Davison, J E Dixon, P Dunn, S Freeborn, K Gillott, D T Greenhalgh, Mrs Janet A Hill, Ms Julie A Hill, Mrs J M Innes, P Jones, Mrs K D Lauro, D Lomax, S Marshall-Clarke, D McGregor, R R Mihaly, C R Moesby, K P Morgan, C E Neill, J R Owen,

Mrs I Ratcliffe, B Ridgway, P J Smith, T Southerd, Mrs M Stockdale, Ms A Western, D A Williams and B Wright.

Against the motion (9) – Councillors S J Ellis, Mrs C A Hart, T A Kemp, M V Longden, W Major, Mrs J E Patten, S A Spencer, Mrs J S Street and Mrs J A Twigg.

Abstained (0)

70/13 WAIVER OF CALL-IN PROVISIONS On the motion of Councillor Ms A Western, duly seconded,

RESOLVED to note the report on the agreements to waive the call-in provisions.

71/13 PRESENTATION – MR A F CHARLES, DERBYSHIRE POLICE AND CRIME COMMISSIONER Mr Alan Charles, Derbyshire's Police and Crime Commissioner, attended the meeting to make a presentation which included reference to the role of the Commissioner, the setting of the Police Service budget, the objectives of the Police and Crime Plan, local governance arrangements, and the challenges facing the Police Service.

Members asked a number of questions and these were responded to by the Commissioner.

72/13 REPORT OF CABINET AND MEMBERS' QUESTIONS ON THE REPORT Councillor Ms A Western, Leader of the Council, presented a report on the decisions that had been taken at meetings on Cabinet held on 30 July and 10 September 2013. No questions on the report had been received from Members.

On the motion of Councillor Ms A Western, duly seconded,

RESOLVED that the report be noted.

73/13 COUNCILLOR QUESTIONS Question to Councillor Ms A Western from Councillor M V Longden:-

Would the Leader explain how it was the case that the press was given an early, and I assume an unapproved draft, of the budget report before the relevant opposition Elected Members were?

Councillor Western responded as follows:-

I am not entirely sure what you mean by unapproved draft. The press conference was held on Tuesday. There was a discussion with the press about the budget situation. They were given a briefing pack which contained a copy of the actual report, not a draft approved or otherwise, and Tuesday was the day that the Council report was made public. I do not really understand what the issue is other than perhaps an administrative one.

A supplementary question was asked as follows:-

Perhaps I could just refresh the Leader's memory. The press pack was released at the press conference at around 10.00am on Tuesday, the 24th. Cabinet papers generally were released half an hour later but did not include the Revenue Budget Report at 7(b) on the agenda. That Budget Report was held back for further amendments and was not published until between three and four o'clock in the afternoon.

That placed me in a position where I had to respond through the media to the announcements that were made in the press conference at ten o'clock and when I pursued a copy of the reports so that I could be briefed, I was told the best place to get them was on the Derby Telegraph website because the reports were not available. Those are the facts.

I have to say, I think this is another example of the total disregard for the democratic process that should exist within a Local Authority like this. That prevented me from responding as a Member of the Opposition.

What in a sense is even more unacceptable is to be quoted as losing 1,600 jobs in the Authority and hinting that the present base in Matlock may be disposed of in the future when not one member of staff had been consulted. I thought it was quite an interesting statement Councillor Neill made in Cabinet yesterday when he said "Anything that affects our staff, it is important that we notify the staff first." I absolutely agree with you.

I want assurances today from you, Leader – this is the question, here comes the question, well within time. I want an assurance from you today, Leader, that this conduct will not be repeated and that matters of this nature and importance will be shared with Members and where appropriate staff and their representatives before public announcements are released to the media.

Councillor Western responded as follows:-

I am not aware of a lot of what you said there. I understood that all the reports, apart from the Budget one, went out on Monday, is what I was informed, and then with this to follow. I may be wrong about that. The Budget Report was finalised on the Tuesday morning, as I understand and so I guess the questions you are addressing, and we both need to address them to officers to establish the facts, as I understood it the report was finalised on the Tuesday morning, it went to the press conference and it was released to Members on the Tuesday. The actual timings – I do not press the button, you will understand, so I do not know the exact timing.

In terms of consultation with staff and so on I absolutely agree. The officers were working flat out, that is why there were still amendments being made on the Tuesday morning. I understand that there were meetings held the previous week with representatives of the unions with the Chief Exec and other officers where they were put in the picture about the nature of this.

As far as the issue about County Hall buildings, that is speculation on the part of the press. They were asking what we were going to be doing. I went through in terms of how I have outlined it today and you will note from what I said earlier, in amongst the bit about getting the Council's house in order I talk about land and buildings and somebody mentioned this building and I said "Everything is on the table" and I said "There are no plans for the disposal of this building", but you know how the media works, so everything is on the table and it is. It has to be.

74/13 QUESTIONS ON THE FUNCTIONS OF THE DERBYSHIRE FIRE AUTHORITY

No questions had been received.

75/13 NOTICES OF MOTION

(1) Moved by Councillor K Gillott, duly seconded,

'Council opposes the £157m in cuts being imposed on this Authority by the Government. Council believes that cuts of this magnitude go too far, are unfair on the people of Derbyshire and are impossible to implement without putting vital local services at risk and harming the county's private sector economy.

Council resolves to support efforts to highlight this unfair treatment of Derbyshire along with the hardship it causes to Derbyshire families. Council will work with local groups and organisations and national bodies such as the Local Government Association and County Council Network to lobby for fairer funding for local authorities. Council believes

that if the Government fails to listen to these concerns regarding the funding given to this Authority any cuts the Council is forced to make should aim to protect those vulnerable residents and communities of this county least able to cope with the consequences of this unfair treatment.'

An amendment to Councillor Gillott's motion was moved by Councillor K P Morgan, duly seconded,

That the first sentence of the motion be amended to read –

'Council opposes the £157m in cuts being imposed over 5 years on this Authority by the Government in its attempt to control the £156bn national debt inherited from the national Labour administration when the coalition came in in 2010.'

and the word "communities" in the final sentence be replaced by the word "families".

Councillor Morgan's amendment was debated, put to the vote and declared to be lost.

Councillor Gillott's original motion was further debated and put to the vote.

RESOLVED that Council opposes the £157m in cuts being imposed on this Authority by the Government. Council believes that cuts of this magnitude go too far, are unfair on the people of Derbyshire and are impossible to implement without putting vital local services at risk and harming the county's private sector economy.

Council resolves to support efforts to highlight this unfair treatment of Derbyshire along with the hardship it causes to Derbyshire families. Council will work with local groups and organisations and national bodies such as the Local Government Association and County Council Network to lobby for fairer funding for local authorities. Council believes that if the Government fails to listen to these concerns regarding the funding given to this Authority any cuts the Council is forced to make should aim to protect those vulnerable residents and communities of this county least able to cope with the consequences of this unfair treatment.

At the request of at least 5 Members, a recorded vote was taken and recorded as follows:-

For the motion (30) – Councillors D Allen, S A Bambrick, Mrs G Birkin, Mrs S L Blank, Mrs M W Booth, A Botham, S Brittain, W Burrows, D Collins, J E Dixon, P Dunn, S Freeborn, K Gillott, D T Greenhalgh, Mrs Janet A Hill, Ms Julie A Hill, Mrs J M Innes, P Jones, D McGregor, R R Mihaly, C R Moesby, C E Neill, J R Owen, Mrs I Ratcliffe, P J Smith, T Southerd, Mrs M Stockdale, Ms A Western, D A Williams and B Wright.

Against the motion (12) – Councillors K Buttery, Mrs L M Chilton, S J Ellis, Mrs C A Hart, T A Kemp, A I Lewer, M V Longden, W Major, Mrs J E Patten, S A Spencer, Mrs J S Street and J A Twigg.

Abstained (2) – Councillor D Lomax and K P Morgan.

(2) Moved by Councillor C Neill, duly seconded,

‘Council notes that:

- this Council is facing unprecedented cuts from the Lib Dem/Conservative Coalition Government, the implementation of which are putting local services at risk.
- the current economic situation was caused by irresponsible financiers who should be made to contribute to solving the problem.
- introducing the Financial Transaction Tax could generate a minimum of £20bn for the UK.

Council believes that revenues from the introduction of a Financial Transaction Tax could help repair the damage caused by cuts in public services since 2010 and Derbyshire people deserve to receive a significant proportion of that revenue.

Council resolves to write to Derbyshire MPs, the Prime Minister, Deputy Prime Minister, Leader of the Opposition, Deputy Leader of the Opposition, Chancellor and Shadow Chancellor of the Exchequer, Secretary and Shadow Secretary of State for Communities and Local Government stating this council’s support for introducing a Financial Transaction Tax and for local authorities to be the principal recipient so that they can re-invest the revenue in services for local people.’

Councillor Neill’s motion was debated and put to the vote.

RESOLVED to note that:-

- this Council is facing unprecedented cuts from the Lib Dem/Conservative Coalition Government, the implementation of which are putting local services at risk.
- the current economic situation was caused by irresponsible financiers who should be made to contribute to solving the problem.
- introducing the Financial Transaction Tax could generate a minimum of £20bn for the UK.

Council believes that revenues from the introduction of a Financial Transaction Tax could help repair the damage caused by cuts in public services since 2010 and Derbyshire people deserve to receive a significant proportion of that revenue.

Council resolves to write to Derbyshire MPs, the Prime Minister, Deputy Prime Minister, Leader of the Opposition, Deputy Leader of the Opposition, Chancellor and Shadow Chancellor of the Exchequer, Secretary and Shadow Secretary of State for Communities and Local Government stating this council's support for introducing a Financial Transaction Tax and for local authorities to be the principal recipient so that they can re-invest the revenue in services for local people.

(3) Moved by Councillor W Major, duly seconded,

'This Council will have a genuine consultation on any changes to planned Residential Care and Extra Care provision by:

- a) The Cabinet Member arranging a meeting with the Local Member before any decisions are made.
- b) The Cabinet Member arranging meetings in the local area before any decisions are made.'

Councillor Major's motion was debated and put to the vote.

RESOLVED that the Council will have a genuine consultation on any changes to planned Residential Care and Extra Care provision by:

- a) The Cabinet Member arranging a meeting with the Local Member before any decisions are made.
- b) The Cabinet Member arranging meetings in the local area before any decisions are made.

At the request of at least 5 Members, a recorded vote was taken and recorded as follows:-

For the motion (45) – Councillors D Allen, S A Bambrick, Mrs G Birkin, Mrs S L Blank, Mrs M W Booth, A Botham, S Brittain, , W Burrows, K Buttery, Mrs L Chilton, D Collins, J E Dixon, P Dunn, S Freeborn, K Gillott, D T Greenhalgh, Mrs C A Hart, Mrs Janet A Hill, Ms Julie A Hill, Mrs J M Innes, T Kemp, Mrs K D Lauro, A I Lewer, D Lomax, M V Longden, W Major, D McGregor, R R Mihaly, C R Moesby, C E Neill, J R Owen, Mrs J E Patten, Mrs I Ratcliffe, B Ridgway, P J Smith, T Southerd, S A Spencer, Mrs M Stockdale, Mrs J S Street, Mrs J A Twigg, Ms A Western, D A Williams and B Wright.

Against the motion (0)

Abstained (0)

(4) Moved by Councillor M V Longden, duly seconded,

‘We call upon this administration to support the philosophy of local determination for schools, therefore entrusting these important freedoms and decisions to schools, Governors and communities, to give them the ability to shape the future of local children and education in Derbyshire. This will continue to allow Head Teachers, Governors and the local community to take advantage of academisation should they feel this is right for their school.’

Councillor Longden’s motion was debated, put to the vote and declared to be lost.

76/13 MINUTES OF MEETINGS OF COMMITTEES AND OTHER BODIES On the motion of Councillor Mrs Janet A Hill, duly seconded,

RESOLVED that the minutes of the following meetings be received:-

- (i) Regulatory – Licensing and Appeals Committee held on 22 July and 9 September 2013.
- (ii) Regulatory – Planning Committee held on 29 July and 19 August 2013.
- (iii) Audit Committee held on 18 July 2013.
- (iv) Improvement and Scrutiny Committee – Places held on 4 September 2013.
- (v) Improvement and Scrutiny Committee – People held on 31 July 2013.
- (vi) Improvement and Scrutiny Committee - Resources held on 25 July 2013.

- (vii) Improvement and Scrutiny Committee – Health held on 15 July and 2 September 2013.
- (viii) Derbyshire Police and Crime Panel held on 18 July 2013.
- (ix) Derbyshire Fire Authority held on 20 June 2013.