



Special Cabinet

Date **Wednesday 22 January 2014**
Time **10.00 am**
Venue **Committee Room 2, County Hall, Durham**

Part A

**Items during which the press and public are welcome to attend -
members of the public can ask questions with the Chairman's
agreement**

1. Declarations of interest

Key Decision:

2. Medium Term Financial Plan 2014/15 to 2016/17 (MTFP (4)) and 2014/15 Budget - Joint Report of Corporate Director, Resources and Assistant Chief Executive [Key Decision: Corp/R/13/02] (Pages 1 - 50)

Ordinary Decisions:

3. Implications for Durham County Council of the Government's policy programme - Report of Assistant Chief Executive (Pages 51 - 78)
4. Revised equality policy and approach - Report of Assistant Chief Executive (Pages 79 - 86)
5. Annual Report of the Director of Public Health - Report of Corporate Director, Children and Adults Services (Pages 87 - 94)
6. NHS and Public Health Reform - Report of Corporate Director, Children and Adults Services (Pages 95 - 106)
7. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.
8. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

**Items during which it is considered the meeting will not be open to the
public (consideration of exempt or confidential information)**

9. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
14 January 2014

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors J Brown, N Foster, L Hovvels, O Johnson, M Nicholls, M Plews, B Stephens and E Tomlinson

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Cabinet**22 January 2014****Medium Term Financial Plan 2014/15 to 2016/17 (MTFP (4)) and 2014/15 Budget****Key Decision Number Corp/R/13/02**

Report of Corporate Management Team**Joint Report of Don McLure, Corporate Director Resources and Lorraine O'Donnell, Assistant Chief Executive****Councillor Alan Napier, Cabinet Portfolio Holder for Finance****Councillor Simon Henig, Leader of the Council**

Purpose of the Report

- 1 To provide Cabinet with an update on Medium Term Financial Plan MTFP (4) 2014/15 to 2016/17 and 2014/15 Budget following the Government's Local Government Finance Settlement announcement on 18 December and feedback from the budget consultation process that ended on 7 December 2013.

Executive Summary

- 2 MTFP (1) – (3) and reports to date on the development of MTFP (4) track the impact of continuing austerity on Durham County Council. The Council is on track to have delivered spending reductions of £113.9m since 2011/12 by the end of this financial year. This level of Government funding reduction is unprecedented.
- 3 Despite reducing spending so significantly, a similar target remains to be delivered over the next 3 years. Prior to receiving the settlement, the Council forecast that total savings would reach £223 million by 2017.
- 4 The financial settlement was received on 18 December and details of this are presented within the report. The main points are:
 - (i) the settlement confirms that there will be significant reductions in Government funding which are broadly in line with the funding reductions forecast by the Council;
 - (ii) although there has been a positive response to the Council and local government's response to the consultation on New Homes Bonus, overall the settlement does not contain changes requested by the sector;
 - (iii) it is still apparent that deprived areas will continue to see higher levels of funding reductions for both 2014/15 and 2015/16;

- (iv) there remains, even at this late stage in the process, information that is needed to finalise and set the council's budget. For example details on specific grants and information relating to the Council Tax Referendum Limits are still awaited at the time of writing. The council needs to complete the development of MTFP (4) with the risk that this information could mean late changes are required.
- 5 The council undertook innovative and wide ranging consultation on the MTFP throughout October to early December. Building on our expertise on participatory budgeting (PB), all 14 Area Action Partnerships (AAPs) conducted a PB event (or events in the case of Mid Durham). Over ten thousand people voted at the PB events with more than 3,000 giving the council their views on the MTFP and 1,300 taking part in a board game based exercise designed to glean spending priorities through group discussion.
- 6 The key findings of the consultation were:
- (i) members of the public found it hard to identify the required level of savings that the council needs to deliver;
 - (ii) across all of the different methodologies, there was little consensus on which services to 'protect' in relative terms;
 - (iii) there was considerable consensus on the services from which to take more savings. However, on their own, these would not be sufficient to meet the level of savings required;
 - (iv) there was a rich level of intelligence from the group exercise work;
 - (v) there was support from the focus groups for a council tax rise of up to 2% but very little support for a rise in excess of this level.
- 7 Despite the difficulties posed by these unprecedented funding reductions on top of unavoidable budget pressures such as inflation pressures, the budget proposals for 2014/15 include a number significant investments, aligned to the core priorities of the Council and the outcome of the public and stakeholder consultation:
- (i) the Council has decided to extend the current Local Council Tax Support Scheme for a further year into 2014/15. This will continue to protect 33,557 Working Age Council Tax Claimants that would otherwise have to start paying a proportion of their council tax due to the Government's abolition of the national Council Tax Benefit scheme in April 2013
 - (ii) prudential borrowing of £2m per annum is included in MTFP (4) to supplement our forecasts of capital grant and capital receipts. This investment will provide the capacity to maintain a significant programme of investments in capital schemes in line with the Council's priority of regeneration, economic development and job creation. Schemes include highways infrastructure, investment in school buildings and investment in town centres. Full details of the Council's capital programme will be provided in the Cabinet report on 12 February 2014;

- (iii) a £1.3m increase in the Winter Maintenance Budget is included in 2014/15. This will provide increased financial resilience in order to keep our highways and other roads open during inclement weather conditions;
 - (iv) protection is afforded to the Benefits Service which has faced a further Government grant cut of £0.5m. This will enable the Council to continue paying the 65,000 housing and Council Tax Support Scheme claimants their entitlements to benefit promptly.
- 8 The council's strategy of the past 3 years has been to protect frontline services as far as possible and the proposals for 2014/15 and beyond are in line with that strategy, though it will become increasingly difficult to maintain this over time. This report summarises the main proposals at this stage, how these are in line with the overall strategy and have been shaped by residents' views with an initial high level analysis of the equality impacts.
- 9 Unlike in previous years it has not been possible to establish high level proposals for the entire period covered by the MTFP. This is because the scale of savings required, coming on top of those already delivered and proposed for 2014/15, presents a much greater challenge than before. It is also the case that there is greater uncertainty over the medium term. The government's spending round covered the period to 2015/16 only, in advance of the general election in 2015. There is also much uncertainty about public health and social care funding in the medium term. It is anticipated that clarity on these major issues will emerge over the course of the next financial year and shape the development of MTFP (5).
- 10 The council's original estimate of 1,950 reductions to posts by the end of 2014/15 is still expected to be accurate. Further work will be carried out during the development of MTFP (5) to estimate a revised figure up to 2016/17.
- 11 Clearly the late receipt of the financial settlement means that we have a short timeframe in which to complete the required next steps:
- (i) implications of the specific grants and Council Tax Referendum Limits which we are still waiting to receive confirmation of;
 - (ii) to finalise the equality impact assessments for the 2014/15 proposals;
 - (iii) to consult our strategic partners on the proposals presented in Appendix 4 to supplement the public consultation process;
 - (iv) to receive comment and consider recommendations from Overview and Scrutiny.

Background

- 12 The MTFP(4) update report to Cabinet on 18 December 2013 identified the council faced £223m of savings across the period 2011 to 2017. Although the council would have delivered £113.9m of the required savings by the end of 2013/14, there was still £63.6m of savings to be identified to balance MTFP(4).

- 13 The Local Government Finance Settlement was awaited at that time. It was hoped that the Government would have responded to the significant concerns raised by many local authorities during the settlement consultation process in relation to the unfair distribution of funding reductions.
- 14 It was reported that an additional report would be brought to Cabinet on 22 January which would provide a full analysis of the MTFP(4) consultation process and a full list of the 2014/15 savings.

Provisional Local Government Finance Settlement

- 15 The provisional Local Government Finance Settlement was published on 18 December 2013. The final position will be confirmed on 15 January 2014. The settlement included provisional figures for both 2014/15 and 2015/16.
- 16 The Government has made some concessions in 2014/15 by reducing the New Homes Bonus top slice by £100m, but has not made any changes in response to our consultation feedback to reduce the scale of other unnecessary holdbacks in 2014/15 and recognise our view that the distribution of government grant cuts is unfair. The Government is pressing ahead with their funding system that Durham County Council believes is fundamentally flawed because it fails to fairly distribute grant approved by parliament to meet the cost pressures of providing statutory services and significantly disadvantages the most deprived areas of the country.
- 17 In relation to the Council Tax Referendum limits for 2014/15, the Government has delayed making an announcement until after 15 January 2014 and has indicated that it will listen to representation on setting the threshold at a limit lower than the current 2%. In addition, the Government has announced that any Council Tax freeze grant for 2014/15 and 2015/16 will be built into base budgets in 2016/17 and beyond allaying any concerns that this funding would be lost in the future.

2014/15 Settlement

- 18 The settlement included details of core grants e.g. Revenue Support Grant and Business Rates 'Top Up' Grant. In addition confirmation was received in relation to revenue and capital specific grants. Table 1 overleaf provides details of our core grants for 2014/15 which shows a slightly better off position when compared to forecasts by £82k:

Table 1: Core grants for 2014/15

Grant Stream	2013/14 Allocation £m	2014/15 Allocation £m	Variance £m	MTFP (4) Model £m	Variance £m
Revenue Support Grant	167.162	138.617	(28.545)	(32.031)	3.486
2013/14 Council Tax Freeze Grant	2.033	0.000	(2.033)	0.000	(2.033)
Business Rate RPI Increase (set at 2% rather than 3.2%)	52.985	54.045	1.060	1.700	(0.640)
Business Rates Top Up Grant (set at 2% rather than 3.2%)	58.223	59.357	1.134	1.900	(0.766)
Settlement Funding Assessment Adjustment – grant in lieu of lost income from RPI business rates increase	0.000	1.204	1.204	0.000	1.204
New Homes Bonus (NHB)	4.799	6.783	1.984	1.850	0.134
NHB Top Slice Reimbursement	0.943	0.390	(0.553)	0.750	(1.303)
Total Core Funding	286.145	260.396	(25.749)	(25.831)	0.082

19 The main issues to note are as follows:

- after including the 2014/15 increase in the New Homes Bonus (NHB), core grants have reduced by £25.749m;
- the 2013/14 Council Tax Freeze grant of £2.033m has been absorbed into RSG which is a positive outcome;
- the top slice from the national RSG quantum to finance the NHB has been reduced by £100m. This is reflected in the reduction in the NHB Top Slice reimbursement grant of £0.553m when compared to our allocation last year. We were forecasting an increase of £0.75m to £1.693m so we are £1.3m worse off when compared to forecast;
- the Government's changes to the 2013/14 Council Tax Freeze Grant and the NHB have resulted in a £28.545m reduction in RSG which is £3.486m lower than our forecasted cut of £32.031m;
- Business Rates payable by all business ratepayers will increase by 2% in 2014/15 whilst the Business Rates Top Up Grant has also increased by 2% rather than the 3.2% forecast. The increase should have been 3.2% in line with retail price index inflation as at September 2013; however the government has capped the increase to 2% as a concession to business rate payers. This has resulted in a reduction in our funding forecast of £1.406m;
- to compensate local authorities for the loss of business rates income due to the Government's decision to cap the 2014/15 increase in business rates to 2%, a new 'Settlement Funding Assessment Adjustment' funding stream of £1.204m has been introduced;
- overall the actual reduction in core funding for 2014/15 is £82k better than forecast.

- 20 Specific grants confirmed at this stage are detailed in Appendix 2. The main issues of note are detailed below:
- The Public Health Grant has increased by £1.247m to £45.78m in line with our forecasts, which has been built into our base budget forecasts for 2014/15;
 - NHS Funding has increased by £2.834m to £12.936m in line with our forecasts;
 - The Housing Benefit Administration Grant has reduced by £0.506m. This reduction is included in the MTFP (4) Model as a base budget pressure in 2014/15.

2015/16 Provisional Settlement

- 21 In the Local Government Finance Settlement consultation in July 2013, the Council, the Association of Association of North East Councils (ANEC) and the Special Interest Group of Municipal Authorities (SIGOMA) responded strongly in relation to the unfair nature of past and future settlements. Clear evidence was provided that demonstrated how deprived local authorities had faced greater funding reductions since 2011/12 when compared to more affluent areas and were to continue to do so until at least 2015/16. Although it was always unlikely that the 2014/15 settlement would be changed it was hoped that the Government would acknowledge the feedback and amend the methodology for the 2015/16 settlement figures. The recommendation from ANEC and SIGOMA was that the Government should use their own spending power calculations but with every local authority receiving the same percentage reduction.
- 22 Unfortunately the Government has chosen not to adjust the 2015/16 settlement and to highlight the impact on a range of local authorities, Tables 2 and 3 overleaf provides a comparison of both Revenue Support Grant and Spending Power reductions for 2014/15 and 2015/16. Spending Power includes RSG, NHB, Council Tax Freeze Grants, Public Health Grant and NHS Funding, even though a high proportion of the NHS funding will be the responsibility of the Clinical Commissioning Groups and not the Council. Unfortunately, some specific grants such as Housing Benefit Administration Grant which is also being reduced are excluded, which masks the real reduction in funding.

Table 2: Revenue Support Grant Reduction Variations 2014/15 and 2015/16

	Revenue Support Grant				
	2013/14	2014/15	2015/16	Reductions	
	£m	£m	£m	£m	%
National Average	15,175	12,672	9,233	5,942	39.2
Durham	167.162	138.677	98.665	68.497	41.0
ANEC	921.615	765.351	548.512	373.103	40.5
Surrey	151.169	133.435	108.976	42.193	27.9
Buckinghamshire	58.443	52.622	41.494	16.949	29.0
Wokingham	18.543	15.648	12.448	6.095	32.9

Table 3: Spending Power Variations - 2014/15 and 2015/16

	2014/15	2015/16	Cumulative
	%	%	%
National Average	-2.9	-1.8	-4.7
Durham	-3.7	-2.6	-6.3
ANEC	-4.1	-3.4	-7.5
Surrey	+0.2	+2.8	+3.0
Buckinghamshire	+0.1	+2.4	+2.5
Wokingham	+0.3	+3.0	+3.3

23 Tables 2 and 3 above highlight the marked difference between individual local authorities. These variations also mirror the position for the period 2011/12 to 2013/14. The RSG reductions for Durham and ANEC are higher than the national average and significantly higher than areas such as Surrey. The cumulative Spending Power reduction for Durham for 2014/15 and 2015/16 is **6.3%** which is **1.6%** higher than the national average with the ANEC average reduction being **7.5%**. These reductions are stark when compared with the increase in Spending Power for more affluent areas such as Surrey **+3.0%** and Buckinghamshire **+2.5%**.

24 The provisional settlement figures for 2015/16 as follows:

Table 4: Provisional Settlement Figures

Funding Stream	2014/15 Allocation £m	2015/16 Allocation £m	Variance £m	MTEP (4) Model £m	Variance £m
Revenue Support Grant	138.617	98.605	(40.012)	(39.713)	(0.299)
Business Rates	54.045	55.545	1.500	1.500	-
Business Rates Top Up Grant	59.357	60.995	1.638	1.700	(0.062)
Total	252.019	215.145	(36.874)	(36.513)	(0.361)

25 The main issues to note are as follows:

- Government funding is forecast to reduce by £36.874m.
- The increase in Business Rates income and Business Rates Top Up Grant relates to the forecast level of the Retail Price Index (RPI) of 2.8%.
- The provisional settlement is slightly worse than forecast. The loss of funding is £0.361m greater than forecast.

26 Provisional specific grant allocations are detailed in Appendix 2. The main issues of note are as follows:

- The Government has withdrawn funding in relation to Local Welfare provision. The funding of £1.9m was introduced to replace the Social Fund which was previously administered by the Department for Works and Pensions (DWP). The funding is utilised for crisis loans and for providing financial support for vulnerable people in need.
- The Government has withdrawn the Local Council Tax Support Scheme New Burdens Grant (£0.267m). This withdrawal was expected.

27 Overall, the reductions in the Council's Settlement Funding Assessment (SFA) for 2014/15 and 2015/16 compared to 2013/14 are detailed below:

Table 5: Settlement Funding Assessment

Funding Stream	2013/14	2014/15		2015/16		Cumulative Variance	
	£m	£m	Variance	£m	Variance	£m	%
Revenue Support Grant	167.162	138.617	(28.545)	98.605	(40.012)	(68.557)	(41.0)
Business Rates	52.985	54.045	1.060	55.545	1.500	2.560	4.8
Business Rates Top Up Grant	58.223	59.357	1.134	60.995	1.638	2.772	4.8
SFA	278.370	252.019	26.351	215.145	36.874	63.225	(22.7)

28 The main issues to note are as follows:

- RSG will reduce by 41% across 2014/15 and 2015/16;
- these reductions in RSG are partially offset by the inflationary increases (RPI) in Business Rates and Business Rates Top Up Grant;
- overall, the SFA will reduce by 22.7% between 2013/14 and 2015/16.

2014/15 Budget

- 29 The previous MTFP(4) report to Cabinet on 18 December 2013 indicated a balanced budget position for 2014/15 with a £63.6m savings shortfall in 2015/16 to 2016/17.
- 30 Over the 2011 to 2017 period, total forecasted savings of £223m would need to be delivered. Since the December report, the following adjustments have been made to the 2014/15 budget as detailed overleaf:

(i) **Provisional Local Government Finance Settlement**

A number of variations in Government Grant from the previous forecasts have been announced. This report has detailed that overall the position is **£82k** better than previously forecast.

(ii) **Winter Highways and Footpaths Maintenance**

In light of the recent year's expenditure on winter maintenance and the continued support from the public to protect this budget, an analysis has been completed to determine the budget required for a 'normal' winter. This exercise has highlighted that the budget would need to be increased by £1.3m to ensure there is sufficient budget provision. With this in mind, it is recommended that the budget be increased by **£1.3m**.

(iii) **Pension Fund**

The Triennial Review of the Pension Fund is being finalised with the latest indication being that the deficit on the Pension Fund has reduced from £418m to £333m since 2010. At the same time, however, the actuary is recommending that the employer's contribution rate for each employee in the pension fund should increase in 2014/15 from 13.1% of pay to 13.8% of pay. Taking these two variables together, the annual contribution to the Pension Fund will reduce in 2014/15 by £0.7m when compared to 2013/14. The current figure in the MTFP (4) model for 2014/15 is a £0.3m increase resulting in an overall £1.0m benefit in the model when compared to the previous model in the Cabinet Report of 18 December 2013.

(iv) **NHS Social Care Funding**

A re-assessment of funding available from the updated health funding position has identified that an additional £0.25m is available to support the 2014/15 budget.

(v) **Charging for Garden Waste**

The 2014/15 saving plans, originally included the introduction of charging for Garden Waste collections from April 2014. After further consideration, it is now felt to be more practical that implementation should be in April 2015 subject to the consideration of consultation findings. This has required a reduction of the forecast saving in 2014/15 of £0.933m with a corresponding increase in the saving for

2015/16. General Reserves of £0.933m will be utilised on a one off basis to balance the 2014/15 budget.

- 31 A major facet of the budget strategy is to utilise cash limit reserves and earmarked reserves to delay the impact of budget pressures or to smooth the pace at which savings are implemented. At the present time, the forecast for the utilisation of reserves to support the 2014/15 is as detailed below:

Table 6: Utilisation of Reserves

Reserve	Utilisation	Amount £m
Demographic Reserve	Delay impact of budget pressure within Adult Social Care	3.150
Equal Pay Reserve	Delay the impact of budget pressure in relation to the cost of the implementation of Single Status	3.475
Cash Limit Reserve	Enable the delay in the implementation of MTFP savings	1.828
General Reserve	Enable the implementation of Green Waste charging to begin in April 2015	0.933
Procurement Reserve	To smooth the achieving target savings from Procurement review	0.104
TOTAL		9.490

- 32 Having taken all of these amendments into account there is a balanced budget position for 2014/15. This balanced budget is predicated upon the following:

- (i) A Council Tax increase of 2%; and
- (ii) savings being agreed of £23.025m as outlined in Appendix 4.

Medium Term Financial Plan 2014/15 to 2016/17 - MTFP (4)

- 33 Having updated the MTFP (4) model (attached at Appendix 3) especially in relation to the provisional finance settlement for 2015/16, the savings shortfall for the MTFP (4) period is currently as follows:

Table 7: Savings Shortfall

	Savings Shortfall £m
2014/15	0
2015/16	16.396
2016/17	47.712
Total	64.108

- 34 Taking into account all of the amendments in MTFP (4), the forecasted savings target for the period 2011 to 2017 is now £224m.

Consultation

- 35 The Council has a strong track record of involving the public in setting its budget. A major prioritisation exercise was conducted in late 2010 which identified the areas of spend that the public most wanted to see protected from cuts and those which the public prioritised for cuts. This strongly influenced the MTFP for the period 2011 to the present. For example, the public's number one priority of winter maintenance was protected completely from any budget reductions. The council took a lesser percentage cut from adult social care and increased spending on child protection. At the other extreme, proportionally more savings have so far been delivered from management and support services in line with the public's wishes.
- 36 The Council asked the public to vote on a scale of one to ten on how we had managed the spending reductions at the end of 2012. Overall the most common score was eight for people involved in AAPs (where ten is the best score) whilst it was seven for the general public. This suggests that the council has been successful in taking the public with us to date. In addition to the overall budget strategy, AAPs and partners have been widely consulted on individual budget savings on changes such as to refuse collection and library opening hours.
- 37 Recognising that Participatory Budgeting (PB) events attract a wide range of people including families, children and young people as well as older people, the council decided to use PB events to consult on the next phase of savings. Whilst the first public consultation on the budget in 2010 covered the original £123m savings to be delivered over the four years to March 2015, as set out earlier in this report, we now face further substantial savings to March 2017. It is therefore timely to ask the public their priorities once again.
- 38 The 2013 consultation built on our experience to ensure we developed a better understanding of residents' views about the financial pressures we face over the coming years. The council's task was to create and implement an engagement process that reflects the debates and the difficult decisions that need to be taken by this council.
- 39 Because of the scale of savings required and the complex range of services the council delivers, the primary means of consultation was designed to comprise deliberative focus groups held at the 14 AAP PB events.
- 40 10,693 people cast their votes for local projects in our most recent PB exercise held as part of the autumn AAP forum events. Almost 1,300 of forum event attendees also took part in one of the 270 budget consultation sessions that took place there.
- 41 Since not everyone has time to attend specific local events, there was also the opportunity for residents to take part through either paper based, or an on-line self-completion questionnaire. Paper based surveys were handed out to people attending the forum events and resulted in 2,074 responses. The online questionnaire was promoted through the council's consultation webpages and received 517 responses.

- 42 The emphasis on a more qualitative approach was developed by reviewing the council's previous experience of budget consultation. More quantitative exercises, such as surveys, can provide a more effective means of involving larger numbers of residents but are limited in the scope of complexity that can be presented and the council's budget is complex. Table 8 lists some of the strengths and weaknesses of a qualitative approach. Overall, the group exercises were intended to give residents an opportunity to take part in an open, meaningful debate reflecting the financial challenges the council faces over the next few years.

Table 8: Strengths and Weaknesses of a qualitative approach

Strengths	Weaknesses
<ul style="list-style-type: none"> • Better reflects budget decision making process. • Encourages consensus building through debate and negotiation of individual's preferences. • Can involve deeper discussion of more complex issues and ideas can be discussed. • Facilitator can ensure participants understand exercise and answer any queries. • Anyone can take part that wants to (i.e. doesn't require a statistically accurate random sample of residents) 	<ul style="list-style-type: none"> • Results which may not be representative of wider public. • Can exclude those not able to attend AAP events

- 43 The activity itself was designed to be a simplified version of the budget setting process. The council's £400m net expenditure budget was set out in 32 discrete service sectors presented around an activity board. The 32 services varied in size ranging from Residential and Nursing Care for Adults, with a budget of around £58m, to Welfare Rights and Advice, with a budget of around £1m. Participants were provided with plain English service descriptions as well as information on the potential impacts removing funding from a service would have.
- 44 Group activities typically took up to eight residents around 30-40 minutes to complete. Participants were challenged to reduce service budgets saving a total £100m of spend to achieve a balanced budget. The exercise was divided into two stages: participants were asked to apply red and green dots to services to indicate their individual preferences for larger and smaller

reductions. After this initial phase, staff from the council's finance section aggregated participants' individual preferences and calculated how much savings have been suggested. At this point the vast majority of groups (92%) had not achieved £100m savings. The average saving for all groups at this stage was £93.4m.

- 45 The second stage enabled groups to discuss and negotiate their individual preferences with the aim of achieving the target savings. As the debate progressed the group were updated on their progress towards making the £100m target to encourage the development and evaluation of priorities. At the end of the session 59% (160 out of 270 groups) had achieved the target savings (or at least £97m worth of savings). The total average savings for all groups at the end of the session was £96.8m. Following these discussions all participants were also offered the choice of increasing Council Tax to meet any deficit in their budget. It should be noted for comparison that the few people who completed the paper based survey managed to achieve the target level of savings required.
- 46 Feedback about the groups was very positive. The activity has proved popular with residents with 97% of participants feeling that this is a good way to involve local people in decision making. Very high proportions of respondents felt this activity was clear and easy to understand (98%) and easy to use (99%). Almost everyone felt their views had been listened to (97%) and the vast majority of people who took part (92%) felt they had enough time to complete the activity. Around 14% of respondents would have liked more information about the services involved to help their decision making but this does not appear to have affected the high levels of satisfaction reported by participants. Facilitators at the events noted that many participants recognised this was a difficult and challenging task faced by councils in making these funding reductions.
- 47 In order to provide further evidence for Members the consultation process included analysis of responses by equality characteristic and further targeted work with some equality groups. Response rates to the formal consultation show that:
- Gender – overall more females (57.7%) than males (42.3%) took part, though more males (53.3%) than females (46.7%) completed the online version.
 - Age – overall most responses were received from those aged 35 – 74 with the highest number of responses (19.4%) from those aged 55-64 years.
 - Disability – the breakdown of response rates across all three consultation methods was similar with around 10-12% from disabled people and 88-90% from non-disabled people.
 - Race – 1.3% of responses were Black and ethnic minority people.
 - Religion – the majority of response came from Christians (72.1%) with 26.1% from those with no religion or belief and 1.8% from other religions and beliefs.
 - Sexual orientation – almost 3% of responses were from lesbian, gay or bisexual people.

- 48 Using PB ensured that large numbers of residents were involved in local decision making but this did not, however, provide complete coverage. In order to ensure further participation in the process other groups were engaged through specific targeted events. The Disability Partnership were encouraged to take part in the consultation and targeted sessions were held with school children, older people and people with learning disabilities through the Pathways service. All results have been taken into account in developing the following key messages and commentary about this consultation.

Key Messages

- AAP forum events were held between October and December and proved very popular with residents. Over ten thousand people attended in total making this the largest public engagement exercise ever held in County Durham. Almost 1,300 of event attendees took part in one of the 270 budget consultation sessions that took place across the 14 AAPs.
- This year there was a greater emphasis on a more qualitative approach intended to give residents more of an opportunity to take part in an open, meaningful debate reflecting the financial challenges the council faces over the next few years.
- Over half (59%) achieved the £100m savings target (based on those that achieved at least £97m in savings). Despite failing to achieve the target savings, the remaining 110 groups tended to prioritise similar services for both protection and larger reductions. The key difference in determining whether the savings target was met seemed to be the difference in the extent to which groups were prepared to protect services. For example 83% of groups that **did not achieve** the target savings prioritised social work and protecting vulnerable children and adults by applying lower reductions. The equivalent percentage for those groups that did achieve the savings was lower at 62%. This pattern was similar across all services prioritised for lower reductions within the group exercises.
- Through the course of the discussion priorities changed. After initial discussions more than a third of all choices were lower reductions protecting budgets. (At this stage, for those groups that achieved the target savings at the end of the exercise, the average savings was £90.3m.) However, by the end of the sessions this proportion fell and the proportion of higher reductions increased by an equivalent amount. The proportion of standard choices stayed the same. This shift in prioritisation enabled these groups to achieve the required savings. In other words, people who initially wanted to protect certain services, when faced with the levels of saving targets somewhat reluctantly changed their priorities.
- Anecdotally, staff who facilitated the focus groups noted that groups took the exercise seriously and found it very challenging to actually reach the required

savings. The most frequent comments from participants, throughout the whole consultation exercise reflected the views that services for vulnerable people should be protected and savings should be sought from 'back office' and other non-essential services. These views are in part reflected in how residents prioritised services.

- Overall, results across the three methods, focus groups, online and paper based, showed some consistencies but also key differences. In both the online and the paper based methods no services were prioritised for lower reductions by a majority of respondents (i.e. more than 50%), whereas the focus group method prioritised seven services for smaller reductions using the same majority threshold. There was much more agreement about services that should be prioritised for larger reductions.
- There was a high degree of consensus about which services should be prioritised for larger reductions. The following services were the only four most frequently prioritised for larger reductions across all three methods of engagement:
 - **Finance, Legal, IT & Human Resources**
 - **Performance management, policy & communications**
 - **Democratic Support - decisions & elections**
 - **Subsidised bus travel**
- Even if it were possible to eliminate these services entirely the savings achieved would only be just over half the required amount (£54m) and some level of back office service is of course required to allow the authority to function.
- Four other services were very close to having a majority across all three methods:
 - **Grass cutting, trees and flower beds**
 - **Maintenance of council buildings**
 - **Planning services**
 - **Borrowing for New Developments**
- However, only the group exercises provided a large enough consensus to protect services by applying a smaller reduction. The following services were prioritised for smaller reductions, by a majority of focus groups:
 - **Job creation**
 - **Social work and protecting vulnerable children and adults**
 - **Support for adults in their homes**
 - **School support and education services**
 - **Support for community projects, centres, partnerships & groups**

- **Gritting & snow clearance**
 - **Children's Centres & support for families**
- There was little support for an increase in Council Tax of more than 2%. However, around two thirds of the group exercise felt that an increase of up to 2% would be acceptable.

Discussion of findings

- 49 This year's budget consultation provided a challenge for residents as well as an opportunity to share their views about how to prioritise our services. The challenge for residents was to tell us about their priorities whilst balancing the council's budget achieving around £100m of savings.
- 50 Overall, results across the three methods, focus groups, online and paper based, showed some consistencies but also key differences. In both the online and the paper based methods no services were prioritised for lower reductions by a majority of respondents (i.e. more than 50%), whereas the focus group method prioritised seven services.
- 51 There was much more agreement about services that should be prioritised for larger reductions. Finance, Legal, IT and Human Resources was most frequently chosen for larger cuts regardless of method of engagement (84% of group exercises, 72% of paper based respondents and 69% of online respondents). Three other services were prioritised for larger reductions by more than 50% of groups or respondents across all three methods. These were; Performance management, policy & communications, Democratic Support - decisions & elections and Subsidised bus travel. Table 9 provides a breakdown of participants' priorities across all three methods of engagement. Services in bold were prioritised across all three methods.

Table 9: Most frequently prioritised services across different methods

Method	Most frequently prioritised for smaller reductions (more than 50% of groups/respondents)	Most frequently prioritised for larger reductions (more than 50% groups/respondents)
Group exercises	<ul style="list-style-type: none"> ● Job creation ● Social work and protecting vulnerable children and adults ● Support for adults in their homes ● School support and education services ● Support for community projects, centres, partnerships & groups ● Gritting & snow clearance ● Children's Centres & support for families 	<ul style="list-style-type: none"> ● Finance, Legal, IT & Human Resources ● Planning Services ● Maintenance of council buildings ● Grass cutting, trees & flower beds ● Subsidised bus travel ● Performance management, policy & communications ● Democratic Support - decisions & elections ● Borrowing for new developments

Method	Most frequently prioritised for smaller reductions (more than 50% of groups/respondents)	Most frequently prioritised for larger reductions (more than 50% groups/respondents)
		<ul style="list-style-type: none"> • Collection, disposal & recycling of waste
Online		<ul style="list-style-type: none"> • Finance, Legal, IT & Human Resources • Performance management, policy & communications • Democratic Support - decisions & elections • Subsidised bus travel • Support for community projects, centres, partnerships & groups
Paper		<ul style="list-style-type: none"> • Finance, Legal, IT & Human Resources • Democratic Support - decisions & elections • Performance management, policy & communications • Maintenance of council buildings • Planning Services • Subsidised bus travel

52 Over half (59%) of groups achieved the £100m savings target (based on those that achieved at least £97m in savings). Despite failing to achieve the target savings, the remaining 110 groups tended to prioritise similar services for both protection and larger reductions. The key difference in determining whether the savings target was met seemed to be the difference in the extent to which groups were prepared to protect services. For example 83% of groups that **did not achieve** the target savings prioritised Social work and protecting vulnerable children and adults by applying lower reductions. The equivalent percentage for those groups that did achieve the savings was lower at 62%. This pattern was similar across all services prioritised for lower reductions. A breakdown of all results from focus groups, paper based and online methods is available in Appendix 5.

53 There were, however, a small number of services where the overall prioritisation outcome differed depending on whether the group achieved the savings target. For example almost two-thirds (62%) of groups that **did not achieve** the savings target prioritised Residential and Nursing Care for Adults for a smaller reduction. However those groups that achieved the savings target reached the opposite conclusion with almost half (46%) choosing a larger reduction (Table 10). This is an indication that participants' initial priorities were altered by the scale of the savings required.

Table 10: Variation in Prioritisation of Residential and Nursing Care for Adults

	Larger Reduction	Standard 25% cut	Smaller Reduction
Groups achieving less than £97m	9%	29%	62%
Groups achieving more than £97m	46%	33%	21%

- 54 Two further services, Fostering, Adoption and Children’s Homes and Day Centres and Support Activities for Adults, showed a similar, though less pronounced, difference.
- 55 Collectively, a clear majority of the groups that achieved at least £97m savings agreed to prioritise the following services for higher and lower reductions. It should be noted that there was more consensus about which services should be cut by more than 25% than those that should be cut by less. There were some differences in prioritisations across the different methods employed but there were many common aspects to the results. Below is a list of those services that were prioritised for larger and smaller reductions, along with an indication of the strength of feeling across different methods of engagement.
- 56 **Services with Larger Reductions** – where a majority of groups (more than 50%), that achieved the £100m savings target, said that a specific service should have a larger reduction.
- **Finance, Legal, IT & Human Resources** were the services prioritised for larger reductions most commonly (by 84% of groups). This view was supported online (69%) and paper based (72%) versions.
 - Slightly more than three quarters (74%) of groups felt **planning services** should take larger reductions. This view was supported by large numbers of respondents paper based (56%) exercise, though marginally not a majority, in the online method (49%).
 - Almost three quarters of groups (73%) said that the budget for the **maintenance of council buildings** should face a larger reduction. This view was supported by large numbers of respondents in the online (49%) and paper based (58%) versions.
 - **Grass cutting, trees and flower beds** was identified for larger cuts by more than seven out of ten groups (71%). This view was supported by large numbers of respondents to the online (49%) and paper (50%) based methods.
 - Almost two-thirds of groups (63%) said that **Subsidised bus travel** should face larger reductions. A view supported across other methods (62% online and 55% paper based).
 - Almost two-thirds of groups (63%) said that **Performance Management, Policy and Communications** should face larger reductions. A view similarly reflected across other methods (66% online and 60% paper based).

- **Democratic Support – decisions and elections** was prioritised for larger reductions by over half of all groups (63%) and a majority of online and paper (both 62%) respondents.
- **Borrowing for New Developments** was prioritised for larger reductions by over half of all groups (57%) a view similarly supported by online (46%) and paper (49%) methods.
- **Collection, disposal and recycling of waste** was prioritised for larger reductions by a narrow majority of all groups (51%). There was less support for this view amongst online (30%) and paper based (25%) respondents.

57 **Services with Smaller Reductions** – where a majority of groups (more than 50%), that achieved the £100m savings target, said that a specific service should have a smaller reduction

- **Job creation** was protected from larger cuts by almost two-thirds of groups (63%) but support for this view was less strong in online (38%) and paper based (31%) methods where a narrow majority of respondents favoured a standard reduction.
- **Social work and protecting vulnerable children and adults** was protected from larger reductions by the majority of groups at AAP events (62%). However, a majority of paper based respondents (56%) and online respondents (53%) said this service should have a standard reduction.
- Services that provide **support for adults in their homes** tended to be protected from larger budget reductions especially by those participating in the group exercises (61%). The proportion of groups targeting this service for higher reductions tended to be relatively low (8%). However, a majority of respondents to the online (51%) and paper based (54%) methods preferred a standard reduction for this service.
- **Gritting and snow clearance** was also protected by a majority of groups (56%) with some support for this point of view amongst online (34%) and paper based (32%).
- Over half of groups (61%) prioritised **school support and education services** for lower reductions with much less support for this view from respondents to the online (17%) and paper based (28%).
- Over half of groups (56%) prioritised **support for community projects, centres, partnerships & groups** for lower reductions but support was much lower amongst paper based (21%) and particularly online respondents where a majority (50%) favoured a larger cut. This particular result reflects the context within which the budget consultation events were held. Many people taking part in these sessions were there to support community projects through the participatory budgeting exercises.

- Just over half of groups (53%) prioritised **Children's Centres & support for families** for lower reductions. There was much less support for this view amongst online (12%) and paper based (18%) respondents, where the majority designated this service for a standard reduction. Both these methods indicated a preference for a standard reduction.

- 58 Generally, in terms of prioritising larger reductions, there was little geographic variation between exercises held in different parts of the county. Events at just three AAPs (Chester-le-Street, East Durham Rural and Teesdale) identified three additional service areas targeted for higher reductions: these were Residential Care for Adults, Collection and disposal of waste and recycling and Arts, Museums and Theatres. However priorities for smaller reductions showed much more variation. Six AAPs identified additional priorities. Most commonly these were Roads, footpaths, traffic & lighting and Sports, parks and play areas.
- 59 Generally there were many similarities in outcomes across the whole exercise; however groups' views were split about some services. For example, although 40% groups said Libraries should be protected from larger reductions, a sizeable minority of one in three groups (31%) said the opposite, that Libraries should be targeted for higher reductions. A further example of mixed views is Day Centres and support activities for adults. Less than half of groups 43% decided that this service should be cut by the standard 25%. However the remaining 57% of groups were split evenly amongst higher (29%) and lower (28%) reductions.
- 60 Targeted work with under-represented groups again shows similar trends but also some key differences. These sessions involved younger people, through events at four secondary schools and a youth forum, the council's Learning Disability Parliament and older people at a day centre in Spennymoor.
- 61 Overall these groups were much more likely to protect a relatively high proportion of services from larger cuts, meaning overall savings targets were not achieved by many. The specific services protected were similar to those identified through AAP group exercise (see Appendix 5) with only support for community projects, centres, partnerships & groups and support for adults in their homes not protected from the largest reductions.
- 62 Again these groups prioritised similar services for higher reductions including Democratic Support, Finance, Legal, IT and Human Resources, Performance Management, Policy and Communications and Subsidised Bus Travel (Appendix 5).

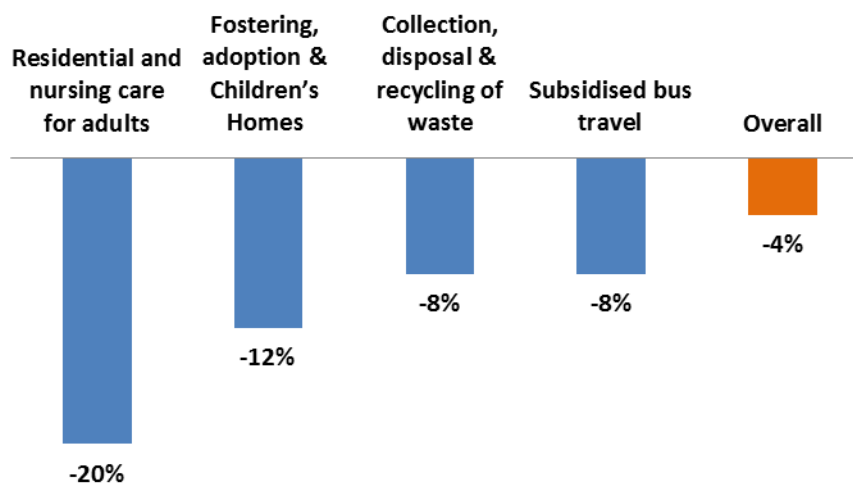
Reaching Decisions through Debate

- 63 Within their discussions about priorities it is clear that participants have made some difficult choices. Of those groups that achieved the £100m target there was a small but measureable shift in how groups prioritised services over the course of the session. These 160 groups made over 4,300 choices in total, deciding whether each of the 32 services should have a higher, standard or lower reduction.

64 After initial discussions more than a third (34%) of all decisions were lower reductions protecting budgets. (At this stage the average saving amongst these groups was £90.3m.) However, by the end of the sessions this proportion fell to 30%. Conversely the proportion of higher reductions increased from 31% to 35% enabling these groups to achieve savings overall and the proportion of standard choices stayed the same at around 35%. This shift in prioritisation enabled these groups to achieve the required savings.

65 However for certain services this shift in prioritisation was much greater. For example, the largest shift was in how groups prioritised Residential and nursing care for adults. Initially almost half of these groups (41%) said this service should be protected from larger reductions with the majority of groups prioritising this for a lower reduction. However by the time priorities were finalised many groups' views had shifted to conclude that this service would not be protected with almost a quarter of groups shifting their lower reduction designation to a standard or higher reduction in even proportions. (Fig 1).

Figure 1 Change in extent to which groups protected services between initial discussions and final decisions



66 Part of the reason for this shift reflects the level of sophistication within the groups' decision making process. One of the most frequent comments from participants, throughout the whole consultation exercise was that services for vulnerable people should be protected and savings should be sought from 'back office' services. However, the group process acutely illustrated to participants that, if certain services are to be protected with smaller reductions the further savings made to 'back office' services will not be sufficient to balance the budget. This meant that groups had to re-evaluate their initial priorities to achieve the savings required.

67 For example, many groups felt initially that both Residential Care and Support for adults in their homes were key priorities, with many recognising the links between these services. Through the course of their deliberations, groups that achieved the savings target were more likely to retain the protection on Support for adults in their homes but re-prioritise Residential Care for either a standard or, in some cases a higher reduction.

- 68 Similar shifts in view, albeit less common were also found in the following: Fostering, Subsidised Bus Travel and Collection and disposal of waste and recycling. However, it should be noted that sizeable proportions of respondents wanted to retain protection for these services (including Residential Care) illustrating the difficulties in reaching a clear consensus and balancing a budget.
- 69 In addition to the priority results participants were also invited to provide comment about some of the reasons why they made their decisions. Many residents took this opportunity and took the time to explain what they felt was important and why. The themes discussed are similar to those communicated in previous budget consultation exercises. Table 11 has a breakdown of these comments.

Table 11: Comments about decisions made

Broad Category of Comment	Number	%
Protect basic needs and support services for vulnerable people	515	29%
Avoid waste and increase efficiency	470	26%
Reduce Councillor and staffing costs	324	18%
Work with the community	150	8%
Fairness	88	5%
Charges	78	4%
Other	181	10%
Total Comments	1806	100%

- 70 Overall there was a strong focus on the need to protect those services that provide support for basic needs and wellbeing. More than a quarter of all comments received (29%) reflected this sentiment. Responses also identified specific vulnerable groups including: elderly people, children, women affected by violence, people with disabilities and people with mental health and wellbeing needs. Furthermore some respondents also felt it was important to protect essential services in rural areas.
- 71 A similar proportion of comments (26%) reflected the views that savings should be sought by increasing efficiency and avoiding waste. Respondents felt this could be achieved through better monitoring of spending, cutting down on unnecessary expenditure.
- 72 Almost a fifth of comments (18%) reflected the view that greater savings should be targeted at back office services, but also felt that all services could be made to be more efficient by avoiding waste. A high proportion of commenters felt that senior staffing and councillor costs could be reduced.

Public views on setting Council Tax

- 73 Following the budget consultation exercise participants were asked to consider increasing council tax to help offset the size of the savings required. Within the group exercises there was little support for a rise of over 2%. Less than one in seven participants (13%) actively voted for this option. The

majority of online and paper based respondents also shared this view preferring no rise of over 2% in Council Tax.

- 74 As part of the discussions within focus groups, a supplemental question was asked about whether participants would support an increase of less than 2%. A majority of these participants (66%) voted for an increase in Council Tax of less than 2%.

MTFP Strategy

- 75 The strategy the council has deployed to date has been to seek savings from management, support services, efficiencies and increase income from fees and charges to minimise the impact of reductions on frontline services.
- 76 Throughout the period covered by the MTFP (1) through to MTFP (4), the amount of savings required has risen from £123 million to £224 million. It is clear that it will become increasingly difficult to protect frontline services.
- 77 To date the council has implemented the agreed strategy very effectively:
- £113.9m savings will have been delivered by the end of 2013/14.
 - Savings have been delivered on time, or in some areas ahead of time. This is critical since slippage would mean that the council would have to deliver higher savings over time;
 - 64% of savings to date have been from non-frontline services, exceeding our initial aspiration that at least half would be from non-frontline services;
 - By the midpoint of 2013/14, the number of employees earning over £40K had been reduced by 29%. This is to reduce management costs.
 - Proportionally more than 3 times as many manager posts have been removed than frontline staff;
 - Whilst income from fees and charges has been increased, this has not taken us to a position of having the highest levels of fees and charges in the region or nationally which is important given the socio-economic make-up of the county;
 - 1,520 posts have been removed to date which is in line with the original projections of 1,950 posts by the end of 2014/15. Our management of change policies and HR support have ensured that this degree of change has been managed effectively.
- 78 The importance of delivering savings early if practicable cannot be over emphasised. The generation of reserves in the form of cash limits has been essential in ensuring delivery of the savings enabling a 'smoothing' of implementation from year to year.
- 79 In general, the fact that the council has been highly accurate in forecasting the level of savings required, has developed strong plans and robustly managed implementation including high volumes of consultation and communication

has put us in as strong a position as possible to meet the continued and enhanced challenges.

80 The council's existing MTFP strategy accords well with the priorities identified by the public. For example:

- (a) Protecting basic needs and support service for vulnerable people: although the scale of Government spending reductions is such that all MTFPs including MTFP (4) have identified unavoidable impact on vulnerable people, the council works hard with partners to minimise this impact. In MTFP (4) support has been included to protect working age people on low incomes through council tax support scheme and the identification of other support to help mitigate the impact on vulnerable people. Work with health partners continues to help ensure that health and social care funds are maximised and every proposal with the potential to impact on vulnerable people is subject to an assessment to identify likely impacts and mitigate these as far as possible;
- (b) Avoid waste and increase efficiency: the council has a good track record of increasing efficiency since local government reorganisation. This includes rationalisation of council buildings, IT systems and changes such as the move to alternate weekly refuse collections. All employees have the ability to suggest ideas that could reduce waste and improve efficiency and several, value for money reviews have been successfully implemented. The council benchmarks itself against other organisations. The fact that 64% of savings to date have been from non-frontline services is testament to successes in increasing efficiency.
- (c) Reduce councillor and staffing costs: councillor costs were significantly reduced at LGR with associated support costs also reduced. The reduction in staffing of 1,950 posts by the end of 14/15 is a significant reduction in staffing costs. Proportionally more reductions have been made in management than frontline costs.
- (d) Work with the community: the council is a forerunner in asset transfer, having successfully transferred leisure centres and working towards the transfer of community buildings. The council has recognised the need for investment in resources to work with the community to achieve successful outcomes in this area and shares the public's view that there is scope to continue this in the future. The commitment to public consultation throughout the development of successive MTFPs is also evidence of strong desire to work with the public.
- (e) Fairness: the council continues to lobby the Government on the unfairness of the geographical distribution of Government cuts. There is more independent evidence that councils serving deprived areas have faced and are facing the largest cuts. The council is committed to carrying out impact assessment on its policy changes, including those arising from austerity, to identify how reductions can be made in a fair way.
- (f) Charges: the council has addressed some of its financial challenges through increasing charges. However it is also acknowledged that it

would not be appropriate to aim for the highest charges possible given the income levels of the majority of residents.

- 81 It is clear that austerity will continue over the lifetime of the three years of this medium term financial plan. Where the savings targets were declining year on year from the huge reduction of £66 million in 2011/12, we now face several years where the targets are growing year on year. Obviously, the fact that each year's reduction is on top of those of previous years leading to a cumulative £224m since 2011/12 up to 2016/17 means that we face a considerable financial challenge.
- 82 In addition, local government generally is facing more uncertainty about future funding and absorbing more risks from central government.
- 83 Increased risk arises from several sources:
- Under the Local Council Tax Reduction Scheme, national risk arising from any increased numbers of benefits claimants has been transferred in the case of council tax support to local authorities. The risk is greater for authorities like Durham that serve deprived areas and have weaker economic performance than the national average;
 - Business Rates Retention was introduced to incentivise local authorities to focus on economic regeneration. This has always been the top priority for the Council. Unfortunately, the changes again shift risk once managed nationally to local authorities if there is a downturn in the local economy and local business rate yield reduces;
 - Welfare reform carries increased financial risk to the Council in areas such as homelessness and housing. Similarly council tax may become more difficult to collect, creating increased financial pressure;
 - Ongoing Council Tax capping restrictions – the MTFP is predicated on a 2% Council Tax increase; any Government imposed percentage reduction in this cap will create a pressure of circa £800k per 0.5% reduction;
 - Forecasts for public health and social care allocations are not known for the period covered by MTFP4. Similarly, it is not known whether the national health formula review will have a knock on effect on health and social care budgets. The future of the Dilnot review is not yet clear but has financial implications for one of the Council's largest budgets;
 - Normal risks such as price and pay inflation beyond MTFP forecasts obviously still apply.
- 84 Since clarity is expected to emerge throughout 2015, outline savings plans have yet to be fully developed beyond 2014/15. As soon as MTFP (4) is completed, work will begin on MTFP (5).

Saving Proposals for 2014/15

- 85 A list of the saving proposals for 2014/15 is presented at Appendix 4. These are summarised for each service grouping in the next sections of the report.

- 86 The strong focus on planning means that many of the proposals that affect frontline services are already subject to detailed consultation in order to shape how the savings can be delivered. These include:
- (i) Street lighting
 - (ii) Charging for garden waste
 - (iii) Residential care
 - (iv) Lunchtime school crossing patrols
 - (v) Care Connect
 - (vi) Customer Access Points

Assistant Chief Executive's

- 87 Spending reductions of £3.4m have been achieved over the course of MTFP (1) – (3). A further reduction of £0.41m is required in 2014/15.
- 88 The savings made to date have been made through reviewing each of the services within the Service Grouping to identify how to work more efficiently whilst continuing to provide support to the Council through a period of considerable change.
- 89 The service grouping has met increased demands for service arising for example from welfare reforms, programme management of significant policy changes and freedom of information requests within a much reduced resource base.
- 90 Much of the service grouping's savings have been realised through reduction of management and support services. All of the savings proposed for 2014/15 will come from non-frontline services and include further savings from management, AAP and partnership administration and non-staff budgets within the Civil Contingencies Unit.
- 91 Frontline services mainly comprise AAP and member budgets. These have had a lower percentage reduction than the overall reduction for the service grouping and the council as a whole. Total budgets available for AAPs and members will not be altered in 2014/15. To achieve this, it will be necessary to move £840K from the council's revenue budget to the capital programme.
- 92 Higher reductions have been made and proposed in performance management, policy and communications in line with the consultation findings.

Children and Adults Service

- 93 Spending reductions of over £51m have been achieved over the course of MTFP (1) – (3). A further reduction of £12.4 million is required in 2014/15.
- 94 The service has been impacted by a significant amount of change both internally and externally during the last few years. External factors include ageing demographics, NHS changes, social care reform, changes in funding

for schools and new inspection frameworks for children's social care and schools.

- 95 By bringing together the old Children and Adults Service Groupings into a new single Service Grouping, savings have been made in management and support services and further savings have been identified in these areas for 2014/15.
- 96 Further efficiency savings have been made in supporting people to live independently (through the further development of re-ablement services), reviewing transport commissioning, including home to school transport, consistency in the application of eligibility criteria, creation of integrated teams including some with the health service and through better procurement of services.
- 97 Given the nature of the service grouping, the 2014/15 proposals comprise those that affect frontline services as well as significant savings from management, support and other efficiencies such as those resulting from effective commissioning and value for money reviews of services.
- 98 Some of the 2014/15 proposals that affect frontline services are savings arising from policy changes made in previous years. This includes home to school transport, review of social care charging and a review of day care.
- 99 Consultation has already begun on the review of residential care and changes have been agreed to non-assessed services which in 2014/15 relates to the care connect service.
- 100 Whilst it is clear that savings proposals in this area affect vulnerable people, all efforts are being made to minimise impact as far as possible in line with the views expressed by the public. This involves reviewing and changing operating models and working practices.

Neighbourhood Services

- 101 Spending reductions of £18.1m have been achieved over the course of MTFP (1) – (3). A further £3.1m is required in 2014/15.
- 102 The service has been able to make significant savings through the integration of services following the creation of the unitary council in 2009. Examples include the reviews of waste collection and leisure services. The latter has also seen the community take over the running of leisure centres which has enabled service levels to be maintained as far as possible.
- 103 Other savings which have been made reducing the impact upon front line services include reviewing grounds maintenance, rationalising the Council's fleet of vehicles, savings in procurement and reductions in management and support services.
- 104 Proposals for 2014/15 continue to prioritise savings from non-frontline services. However, given the nature of the service, some impact on frontline services has been identified.

- 105 Most of the 14/15 proposals that arise from changes made in previous years relate to back office support, restructures and reductions in supplies and services and do not affect front line services.
- 106 In addition, early planning means that some of the proposals have already been or are currently subject to consultation. This includes lunchtime school crossing patrols and street lighting.
- 107 The proposals include implementing charging for garden waste from April 2015, subject to the consideration of consultation results.
- 108 The proposals align with the results of consultation. Higher levels of savings have been achieved for waste disposal through a renegotiation of the waste contracts. Spending on winter maintenance will increase.

Regeneration and Economic Development

- 109 Spending reductions of £5.9m have been achieved over the course of MTFP (1) – (3). A further £1.1m is required in 2014/15.
- 110 Front line service provision was heavily affected by the removal of the Working Neighbourhoods Fund and LEGI which reduced the advice and support available to unemployed people and those looking to start a new business in an economic recession. The Government's deletion of these Areas Based Grants occurred in 2011/12.
- 111 The service has undergone a full restructure which has meant that the majority of savings to date have come through management, support services and efficiency measures. The service has also been able to increase revenues through planning fees, bus fares and parking enforcement.
- 112 For 2014/15 all of the savings proposed will be delivered from non-frontline services including further restructuring, reductions in supplies and services and the costs of CCTV provision.
- 113 The consultation in 2010 and again in 2013 identified job prospects as a priority and whilst there has been a significant reduction in the government funding available for this activity the service grouping has sought to continue to support this area as far as possible. The consultation this year has identified planning services as an area to reduce and the service will be implementing a new planning system this year which will reduce costs in this area as well as improving service provision.

Resources

- 114 Spending reductions of £7.9m have been achieved over the course of MTFP (1) – (3). A further £2.9m is required in 2014/15.
- 115 Given the nature of the service grouping, nearly all of the savings made are in management and support service costs including the unitisation of Finance and HR. The service has also benefited from new technologies including financial management, revenues and benefits and HR systems.

- 116 The proposed savings for 2014/15 will continue to be made in the areas where savings have been made previously together with an increase in income through the provision of ICT services to external bodies. There will be an impact on frontline services as the Revenues and Benefits service will be reviewed.
- 117 The Service Grouping is also planning to deliver on behalf of the Council a number of corporate savings in 2014/15 including savings in procurement, photocopying and printing and through the unitisation of Health and Safety.
- 118 The council has consistently prioritised higher savings targets from Resources in line with the views of the public.

Workforce Considerations

- 119 The council's original estimate of 1,950 reductions to posts by the end of 2014/15 is still expected to be accurate. Further work will be carried out during the development of MTFP (5) to estimate a revised figure for 2016/17.
- 120 In achieving this, the council has ensured that a proactive approach has been established in relation to managing the workforce changes in order to take all possible steps to avoid compulsory redundancy, and minimise the impact on the workforce. Managers are given HR support to enable them to take a strategic approach towards planning the change that is aimed at forecasting employee turnover, keeping posts vacant where these arise in anticipation of change, and seeking volunteers for early retirement and voluntary redundancy on an ongoing basis.
- 121 In addition, the way that work is organised is reviewed by service groupings to ensure that systems and processes maximises the capacity of the remaining employees to deliver the services as changes are implemented.
- 122 These actions have ensured that wherever possible, service reductions are planned well in advance of commencing the exercises, employees are able to consider their personal positions and volunteer for ER/VR prior to the start of the exercise should they wish to, thereby enabling, in a number of situations, the retention of sustainable employment in the County for those who wish to remain in the workplace.

Equality Impact Assessments

- 123 Members will be aware that decisions are subject to legal requirements under the Equality Act 2010. The public sector equality duty (PSED) requires decision makers to consider evidence of equality impacts and mitigating actions in order to demonstrate due regard to the following three aims:
- (i) eliminate unlawful discrimination, harassment and victimisation;
 - (ii) advance equality of opportunity; and
 - (iii) foster good relations between those who share a protected characteristic and those who do not.

- 124 This legal duty is discharged through the council's equality impact assessment (EIA) process. EIAs form an essential part of the decision making process in relation to savings proposals. Building them in to the MTFP process supports decisions and ensures that these are both fair and lawful. The aims of the assessments are to:
- (i) identify any disproportionate impact on service users or employees based on their protected characteristics of age, gender (including pregnancy, maternity and transgender), disability, race, religion or belief and sexual orientation;
 - (ii) identify any mitigating actions which can be taken to reduce negative impact where possible, and;
 - (iii) ensure that the council avoids unlawful discrimination as a result of any decisions made.
- 125 The Equality and Human Rights Commission (EHRC) has issued guidance (Using the equality duties to make fair financial decisions: A guide for decision makers, 2010) which states that "equality duties do not prevent you from making difficult decisions such as reorganisations and relocations, redundancies and service reductions, nor do they stop you making decisions which may affect one group more than the other. What the equality duties do is enable you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of your community."
- 126 The guidance also states that it is important "to remember that potential impact is not just about numbers. Evidence of a serious impact that may affect a small number of individuals is just as important as a potential impact affecting many people".
- 127 A number of local authorities have been successfully challenged under the process of judicial review where the courts have found them to be in breach of the public sector equality duty for decisions they have taken regarding financial savings.
- 128 The council's EIA process therefore requires services to consider the equality impacts of each MTFP proposal and provide an equality impact assessment to show the potential for negative impacts on any of the protected characteristics along with mitigating actions to remove or reduce the impact. This process is aligned to the decision making programme so where a proposal is subject to consultation or further consideration the EIA will be developed in parallel ahead of the final decision point. In practice this means that Members will see a number of EIAs with different levels of detail, some of the newer proposals subject to further decisions will have an initial screening which contains less detail than ongoing savings from previous years where more evidence is available.
- 129 A number of successful judicial reviews reinforced the need for robust consideration of the public sector equality duties and the impact on protected characteristics in the decision making process. Members must take full account of the duties and accompanying evidence when considering the MTFP proposals.

Initial Summary of Equality Impacts

- 130 The Cabinet report on 12 February 2014 will also include a section summarising the key equality impacts across all MTFP proposals. Initial responses from services suggest that the likely impacts are in relation to age, disability and gender with little or no evidence of impact on transgender, religion or belief, race and sexual orientation. The main potential impacts relate to changes in service delivery through eligibility, location and availability; increased costs and charges; staffing reductions and restructures. Whilst some proposals relate to specific services there are also impacts from general changes, for example increased charges or costs potentially impact on age, disability and gender as there is evidence that some of these groups are more likely to be unemployed, work part-time or be on lower incomes.
- 131 Initial EIAs have been developed and are currently being finalised. Printed copies of these EIAs will be placed in the Cabinet Office and the Members' Resource Centre after the Cabinet meeting on 22 January 2014 so that they are available to all Members ahead of the Cabinet meeting on 12 February 2014.

Consultation

- 132 Work has been done to ensure that the public consultation on the budget was representative. The equality breakdown of those participating in the consultation is detailed in paragraph 45. This was generally balanced although a shortfall in responses from young people was identified. Public consultation events and the online survey were therefore supplemented with specific exercises carried out with secondary school pupils. An evaluation of the responses from people with protected characteristics shows that their opinions are generally similar to those of the wider group although there was a tendency for them to propose a greater number of services for protection from higher reductions (see paragraphs 58-60).
- 133 Further consultation with key stakeholder groups including organisations that make up the County Durham Partnership as well as town and parish councils and voluntary and community sector organisations will include questions on the impacts of budget proposals on people with protected characteristics.

Next Steps

- 134 This report has summarised the considerable amount of work which has been necessary to develop MTFP (4) so far. This includes building on the firm foundations of MTFP (1) – (3), accurate forecasting, coping with ever-later settlement information, extensive consultation and of course ensuring that plans are actually implemented on time.
- 135 The next steps in completing MTFP (4) are:
- (a) to consult with strategic partners on the proposals and approach outlined in this report;
 - (b) to invite comment and consultation from Overview and Scrutiny;

- (c) to update the report as outstanding information required to set the budget is received by Government;
 - (d) to complete the EIAs.
- 136 Further consultation, to complement that undertaken with the public is proposed with strategic County Durham Partnership partners, local councils and the voluntary sector through the board and respective working groups.
- 137 Non-executive members are a key group who have been engaged in the development of this year's MTFP, through a series of scrutiny meetings and member seminars. In July 2013, Overview and Scrutiny Management Board (OSMB) considered the first MTFP (4) cabinet report and requested that Corporate Issues Overview and Scrutiny Committee (CIOSC) take a lead in scrutinising MTFP (4) proposals, with members of OSMB (chairs/vice chairs and minority parties) invited to attend. The following sessions have been held:
- 25 July CIOSC scrutiny of July MTFP (4) Cabinet report
 - 19 September CIOSC consideration of the MTFP consultation process
 - September – drop in meetings for CIOSC members to be briefed on the detail of the MTFP consultation process
 - 14 October CIOSC scrutiny of the October MTFP (4) Cabinet report
 - 22 October all members invited to 2 seminars to consider the MTFP and Council Plan for 2014/15 – 2016/17.
- 138 Two further scrutiny sessions are planned for members to comment on the MTFP, consultation results and the 2014/15 savings proposals and linked equality impact assessments, as follows:
- 27 January special CIOSC (plus OSMB chairs/vice chairs and minority parties) to consider January MTFP Cabinet report
 - 17 February OSMB to consider final February MTFP Cabinet report, prior to County Council on 25 February.

Conclusion

- 139 The council continues to plan effectively to ensure the delivery of the MTFP Planning processes continue to be supported by consultation on both the MTFP and on individual savings plans. This process ensures that the views of the public are taken into account when developing overarching savings strategies and also the delivery of individual savings.
- 140 This effective planning process is set against a background of late and delayed information being received from Government. The Autumn Statement is received in early December with the Finance Settlement then being received in the week before Christmas. Specific grant information can be received any time up to the end of March. The late receipt of settlement information causes significant difficulties in planning effectively with the late receipt of confirmation of the Council Tax Referendum Limit for 2014/15 (likely to be mid-February) being an example of the very difficult position faced by the council.

- 141 Notwithstanding the problems identified above, the council is able to develop a balanced budget for 2014/15 which enables investment in council priorities and a savings strategy which is in line with the public's MTFP consultation responses.
- 142 There can be no doubt however that the council will face greater challenges in the future with the need to identify additional savings of £64.1m in 2015/16 to 2016/17 and the likelihood of additional savings beyond this period.

Recommendations and reasons

- 143 Cabinet is asked to:
- (a) note the budget and medium term financial plan update in relation to the provisional Local Government Finance Settlement announced on 18 December 2013;
 - (b) note that the Government has not adjusted the methodology for applying funding reductions in the light of consultation responses;
 - (c) agree the savings proposals for 2014/15 in Appendix 4 are finalised including finalisation of the equality impact assessments;
 - (d) note the estimated £64.1m savings shortfall for the period 2015/16 to 2016/17;
 - (e) agree to consult Overview and Scrutiny and strategic partners in the manner proposed in the report.

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Appendix 1: Implications

Finance – The report highlights a balanced budget position for 2014/15 and a £64.1m shortfall over the 2015/16 – 2016/17 period.

Staffing - It is expected that further employee post reductions will be required over the Medium Term Financial Plan period 2014/15 to 2016/17.

Risk – Risk will continue to be assessed throughout the budget/MTFP process.

Equality and Diversity / Public Sector Equality Duty – All MTFP proposals are being developed alongside consideration of the equalities implications, in line with the Equalities Act 2010 and the public sector equality duty, which require decision makers to consider evidence of equality impacts and mitigating actions. This report includes a high level summary of the process being used, with individual impact assessments for proposals to be made available to all members ahead of the February Cabinet and Council meetings. The MTFP consultation also included consideration of the equalities profile of consultation respondees, and how the responses varied for different groups, in particular younger people and disabled people.

Accommodation - None

Crime and Disorder - None

Human Rights – Any Human Rights issues will be considered for any detailed MTFP (4) and Council Plan proposals as they are developed and decisions made to take these forward. There are no Human Rights implications from the information within this report.

Consultation – The report contains full detail of the outcome of the MTFP (4) consultation process.

Procurement - None

Disability Issues – All requirements will be considered as part of the equalities considerations outlined within the main body of the report.

Legal Implications - None

APPENDIX 2

SPECIFIC GRANTS 2014/15 AND 2015/16

SPECIFIC GRANT	2013/14	2014/15	Variance	2015/16	Variance
	£m	£m	£m	£m	£m
Community Rights to Challenge	0.017	0.017	0.000	0.000	-0.017
Fraud Funding (New)	0.000	N/K		N/K	
Discretionary Housing Payment	0.883	N/K		N/K	
Local Welfare Provision	1.928	1.900	-0.028	0.000	-1.900
Special Needs Grant (new)	0.000	N/K		N/K	
Adoption Grant	1.453	N/K		N/K	
Extended Free Rights to Transport	1.373	1.086	-0.287	N/K	
Free School Meals (new)	0.000	N/K		N/K	
Public Health	44.533	45.780	1.247	N/K	
NHS Funding	10.102	12.936	2.834	N/K	
Local Reform and Community	0.494	0.510	0.016	0.510	0.000
Inshore Fisheries	0.014	0.014	0.000	0.014	0.000
Local Lead Flood Authorities	0.070	0.070	0.000	0.047	-0.023
LCTSS New Burdens	0.350	0.267	-0.083	0.000	-0.267
Housing Benefit Administration	4.597	4.091	-0.506	N/K	

APPENDIX 3			
Medium Term Financial Plan (MTFP4) 2014/15 - 2016/17 Model			
	2014/15	2015/16	2016/17
		£'000	£'000
Government Funding			
Revenue Support Grant (RSG) Reduction	28,545	40,012	30,000
Council Tax Freeze Grant - 2013/14 grant transferred into RSG	2,033	0	0
Town and Parish Council RSG Adjustment for LCTSS funding	-238	-305	0
Education Services Grant Reduction	0	1,900	0
Business Rates - RPI increase (14/15 Actual 2% - then est of 2.8%)	-1,060	-1,500	0
Top Up Grant - RPI increase (14/15 Actual 2% - then est of 2.8%)	-1,134	-1,600	0
Settlement Funding Assessment Adjustment	-1,204	0	0
New Homes Bonus	-1,984	0	0
New Homes Bonus - Re-imburement of Top Slice (Est)	553	0	0
Other Funding Sources			
Council Tax Increase (2% each year from 2014/15)	-3,290	-3,355	-3,422
Council Tax Base - Additional Yield	-1,080	0	0
Business Rate Tax Base - Additional Yield	-2,194	0	0
NHS Social Care Funding	-3,050	-7,000	0
Use of General Reserve to cover revised implementation date for 'Charging for Garden Waste' scheme to 2015/16	-933	0	0
Estimated Variance in Resource Base	14,964	28,152	26,578
Pay inflation (1% - 1% - 1.5%)	1,950	2,000	2,900
Price Inflation (1% - 1.5% - 1.5%)	1,475	2,150	2,100
Corporate Risk Contingency Budget	0	-2,300	-1,000
Base Budget Pressures			
Carbon Reduction Commitment - 'Carbon Tax'	370	0	0
Expiry of four year Disturbance Allowances payments following LGR	-220	0	0
Employer National Insurance increase due to State Pension changes	0	0	5,100
Single Status Implementation	0	0	4,500
Council Housing - if 'Large Scale Voluntary Transfer' goes ahead	0	3,550	0
Additional Employer Pension Contributions	-700	700	900
Concessionary Fares	0	400	400
Energy Price Increases	200	500	500
Insurance Claims	1,000	0	0
Winter Maintenance - Highways and Footpaths	1,300	0	0
Housing Benefit Admin Grant Reduction	500	0	0
Community Building running costs	-180	0	0
Delay in realising Leisure/Culture Saving	616	0	-616
CAS Demographic and Hyper Inflationary Pressures	1,000	1,000	1,000
Use of Earmarked/Cash Limit Reserve in CAS	-1,000	-200	3,350
Community Governance Reviews	0	-50	0
Prudential Borrowing to fund new Capital Projects	2,000	2,000	2,000
Capital Financing for current programme	-250	1,500	0
TOTAL PRESSURES	8,061	11,250	21,134
SUM TO BE MET FROM SAVINGS	23,025	39,402	47,712
Savings			
Savings (subject to approval)	-22,079	-7,073	0
Mitigating Savings for delay in Leisure/Culture Saving	-616	0	0
Business Rate Retention - Discretionary Rate Relief Adjustment	-330	0	0
Implementation of Charging for Garden Waste scheme	0	-933	0
Additional Savings Target	0	-15,000	0
TOTAL SAVINGS	-23,025	-23,006	0
DEFICIT	0	16,396	47,712

MTFP BUDGET SAVING 2014/2015

ASSISTANT CHIEF EXECUTIVE

Saving Ref	Description	2014/2015
		£
ACE3	Management Review within ACE	300,300
ACE9	Review Partnership Support	35,745
ACE14	Review of the Civil Contingencies Unit	4,439
ACE25.1	Use of cash limit	69,992
TOTAL ACE		410,476

CHILDREN AND ADULTS SERVICE

Saving Ref	Title	2014/2015
		£
CAS1	Review of in-house social care provision	890,000
CAS2	Eligibility criteria - consistent and effective use of existing criteria and reablement	1,875,000
CAS3	Review adult social care charging	500,000
CAS4	Savings resulting from purchasing new stairlifts with extended warranties	40,000
CAS5	Management and support services, staffing restructures and service reviews/rationalisation	5,773,826
CAS6	Review of all non-statutory services	1,105,000
CAS7	Music Service to become self financing	91,000
CAS8	Outdoor education	60,000
CAS9	Review of Children's Care Services	1,208,439
CAS10	Review home to school / college transport policies	1,300,000
CAS11	Cash limit use of and adjustment for previous years use of cash limit	-413,415
TOTAL CAS		12,429,850

NEIGHBOURHOODS SERVICE

REF	NAME	2014/2015
		£
NS1	Review of Sport and Leisure	100,000
NS3	Structural reviews and more efficient ways of working	1,298,572
NS4	Review of Grounds and Countryside Maintenance	195,602
NS5	Waste Collection Savings	103,500
NS6	Waste Disposal Savings	95,200
NS11	Review of Technical Services / School Crossing Patrols / Street Lighting	684,974
NS17	Additional income from review of charges including charging for garden waste	200,139
NS24	Review of Heritage and Culture	283,500
NS25	Review of Library Service	327,626
NS29	Cash limit use of and adjustment for previous years use of cash limit	-138,750
TOTAL NEIGHBOURHOODS		3,150,363

REGENERATION AND ECONOMIC DEVELOPMENT SERVICE

REF	NAME	2014/2015
		£
RED1	Restructure in RED - this includes all service teams within the Service Grouping	294,630
RED2	Reduction in Supplies and Services - Economic Development (a reduction in all areas of expenditure in line with restructure). In addition the levels of consultancy support will reduce as external grants have reduced.	248,625
RED4	Reduction in Supplies and Services - Transport (a reduction in all areas of expenditure in line with restructure)	57,500
RED8	Income Generation - Planning - review existing and new areas of charging	16,000
RED9	Income Generation - Transport - review existing and new areas of charging	50,000
RED13	CCTV (Reduction in costs following review of CCTV provision)	30,000
RED14	Review of supplies & services Across Red Service Grouping	166,000
RES1	Assets disaggregation (former Estates team)	114,249
RES3	Assets disaggregation (former Planning and Investment team)	115,130
TOTAL RED		1,092,134

RESOURCES

REF	NAME	2014/2015
		£
RES2	Reduction in supplies and services and other non-staffing budgets through efficiencies – Corporate Procurement	85,405
RES13	Reduction in supplies and services and other non-staffing budgets through efficiencies – Legal and Democratic Services	343,995
RES14	Restructure of HR Service	283,482
RES16	Service rationalisation of ICT Services	826,824
RES19	Restructure of Revenues and Benefits Service	465,000
RES20	Reduction in supplies and services and other non-staffing budgets through efficiencies – Corporate Finance	106,999
RES21	Service rationalisation of Audit and Risk	40,000
RES22	Court Cost Fee Income – Summons and Liability Costs Recovered – Financial Services	383,000
RES24	Use of cash limit	358,000
TOTAL RESOURCES		2,892,705

CORPORATE

Saving Ref	Description	2014/2015
		£
COR5	Members Budgets - Revenue to Capital Switch	840,000
COR6	Procurement Rebates - NEPO Savings	250,000
COR7	Strategic Highways - Switch of function from RED to NS	50,000
COR8	Replacement of Desk Top Printers with MFD	250,000
COR9	Procurement Reviews	536,000
COR9a	Procurement Reserve	104,000
COR10	Unitisation of Health & Safety	50,000
COR11	Office Closure over Christmas	24,000
TOTAL CORPORATE		2,104,000

MTFP BUDGET SAVING 2014/2015

Saving	Description	2014/2015
ACE	TOTAL ASSISTANT CHIEF EXECUTIVES SAVINGS	410,476
CAS	TOTAL CHILDREN AND ADULTS SERVICES SAVINGS	12,429,850
NS	TOTAL NEIGHBOURHOOD SERVICES SAVINGS	3,150,363
RED	TOTAL REGENERATION & ECONOMIC DEVELOPMENT SAVINGS	1,092,134
RES	TOTAL RESOURCES SAVINGS	2,892,705
TOTAL MTFP SAVINGS (ALL SERVICE GROUPINGS)		19,975,528
COR	TOTAL CORPORATE SAVINGS	2,104,000
TOTAL MTFP SAVINGS (INC CORPORATE SERVICES)		22,079,528

Consultation - Appendix 5

Group Exercises (270 Groups) - All

Priority	Service	Higher	Standard	Lower
Lower Reductions	Social work and protecting vulnerable children and adults	4%	27%	69%
	Support for adults in their homes	10%	24%	65%
	Job creation	13%	25%	62%
	School support and education services	14%	24%	61%
	Children's Centres & support for families	10%	35%	56%
	Gritting & snow clearance	10%	34%	56%
	Support for community projects, centres, partnerships & groups	16%	33%	51%
	Sports, parks & play areas	19%	34%	47%
	Fostering, adoption & Children's Homes	15%	40%	45%
	Day Centres & support activities for adults	17%	41%	42%
	Roads, footpaths, traffic & lighting	22%	37%	41%
	Residential and nursing care for adults	31%	31%	37%
	Libraries	32%	33%	35%
Standard Reductions	Youth offending & youth support work	14%	44%	42%
	Services to keep people safe	13%	47%	40%
	School crossings & road safety training	16%	50%	34%
	Welfare Rights & advice	22%	47%	31%
	Housing advice & homelessness support	33%	36%	31%
	Environment, health & consumer protection	27%	54%	19%
	Street cleaning	33%	43%	23%
	Council tax Collection and Benefit Payments	32%	53%	15%
	Customer contact – face to face, telephones and webmail	41%	49%	10%
Higher Reductions	Arts, museums & theatres	47%	31%	21%
	Collection, disposal & recycling of waste	49%	31%	20%
	Subsidised bus travel	53%	24%	23%
	Borrowing for new developments	57%	32%	11%
	Performance management, policy & communications	66%	31%	3%
	Democratic Support - decisions & elections	66%	27%	7%
	Grass cutting, trees & flower beds	70%	21%	9%
	Maintenance of council buildings	75%	21%	4%
	Planning Services	76%	19%	6%
	Finance, Legal, IT & Human Resources	83%	12%	5%

Groups that achieved at least £97m worth of savings - (160 Groups)

Priority	Service	Higher	Standard	Lower
Lower Reductions	Job creation	10%	27%	63%
	Social work and protecting vulnerable children and adults	1%	36%	62%
	Support for adults in their homes	8%	31%	61%
	School support and education services	13%	26%	61%
	Support for community projects, centres, partnerships & groups	19%	25%	56%
	Gritting & snow clearance	10%	34%	56%
	Children's Centres & support for families	11%	36%	53%
	Sports, parks & play areas	19%	34%	47%
	Roads, footpaths, traffic & lighting	24%	36%	40%
	Libraries	32%	33%	36%
Standard Reductions	Youth offending & youth support work	14%	44%	41%
	Services to keep people safe	12%	52%	36%
	Fostering, adoption & Children's Homes	17%	44%	39%
	School crossings & road safety training	17%	50%	33%
	Welfare Rights & advice	22%	48%	30%
	Day Centres & support activities for adults	25%	43%	32%
	Environment, health & consumer protection	20%	57%	23%
	Street cleaning	31%	49%	20%
	Council tax Collection and Benefit Payments	34%	53%	13%
	Customer contact – face to face, telephones and webmail	36%	52%	13%
Higher Reductions	Housing advice & homelessness support	36%	35%	29%
	Residential and nursing care for adults	39%	37%	24%
	Arts, museums & theatres	46%	32%	22%
	Collection, disposal & recycling of waste	51%	30%	19%
	Borrowing for new developments	57%	30%	13%
	Democratic Support - decisions & elections	63%	30%	7%
	Performance management, policy & communications	63%	34%	3%
	Subsidised bus travel	66%	21%	13%
	Grass cutting, trees & flower beds	71%	20%	9%
	Maintenance of council buildings	73%	22%	4%
	Planning Services	74%	21%	5%
	Finance, Legal, IT & Human Resources	84%	12%	4%

Groups that achieved at less than £97m worth of savings (110 groups)

Priority	Service	Higher	Standard	Lower
Lower Reductions	Social work and protecting vulnerable children and adults	3%	15%	83%
	Support for adults in their homes	5%	16%	78%
	Residential and nursing care for adults	9%	29%	62%
	Children's Centres & support for families	7%	31%	62%
	School support and education services	15%	24%	61%
	Job creation	14%	26%	60%
	Fostering, adoption & Children's Homes	6%	35%	58%
	Gritting & snow clearance	11%	32%	57%
	Day Centres & support activities for adults	6%	39%	55%
	Sports, parks & play areas	22%	30%	48%
	Youth offending & youth support work	14%	43%	44%
	Roads, footpaths, traffic & lighting	19%	40%	41%
Standard Reductions	Support for community projects, centres, partnerships & groups	11%	45%	45%
	Services to keep people safe	11%	46%	43%
	School crossings & road safety training	17%	48%	35%
	Welfare Rights & advice	23%	45%	32%
	Housing advice & homelessness support	27%	37%	35%
	Environment, health & consumer protection	33%	52%	15%
	Council tax Collection and Benefit Payments	34%	51%	15%
Higher Reductions	Subsidised bus travel	35%	31%	34%
	Libraries	36%	32%	32%
	Street cleaning	40%	35%	25%
	Collection, disposal & recycling of waste	43%	36%	21%
	Arts, museums & theatres	49%	30%	21%
	Customer contact – face to face, telephones and webmail	53%	43%	5%
	Borrowing for new developments	59%	30%	11%
	Democratic Support - decisions & elections	74%	20%	6%
	Grass cutting, trees & flower beds	75%	20%	5%
	Performance management, policy & communications	75%	21%	4%
	Maintenance of council buildings	80%	17%	3%
	Planning Services	81%	15%	5%
Finance, Legal, IT & Human Resources	84%	11%	5%	

Paper Results (1536 Respondents) – All

Priority	Service	Higher	Standard	Lower
Lower Reductions	Residential and nursing care for adults	9%	32%	58%
	Support for adults in their homes	9%	35%	56%
	Social work and protecting vulnerable children and adults	9%	37%	54%
	Gritting & snow clearance	11%	42%	47%
	Job creation	14%	41%	45%
Standard Reductions	School support and education services	13%	44%	43%
	Services to keep people safe	13%	47%	40%
	Fostering, adoption & Children's Homes	12%	50%	38%
	Children's Centres & support for families	13%	48%	38%
	School crossings & road safety training	16%	50%	34%
	Roads, footpaths, traffic & lighting	14%	54%	31%
	Support for community projects, centres, partnerships & groups	20%	46%	34%
	Sports, parks & play areas	18%	51%	31%
	Youth offending & youth support work	18%	51%	31%
	Libraries	18%	51%	30%
	Day Centres & support activities for adults	17%	54%	29%
	Collection, disposal & recycling of waste	17%	58%	25%
	Street cleaning	17%	59%	24%
	Housing advice & homelessness support	20%	55%	24%
	Welfare Rights & advice	24%	51%	25%
	Council tax Collection and Benefit Payments	28%	50%	22%
	Environment, health & consumer protection	27%	54%	19%
	Arts, museums & theatres	34%	45%	22%
	Subsidised bus travel	38%	40%	22%
	Customer contact – face to face, telephones and webmail	40%	45%	15%
Grass cutting, trees & flower beds	42%	44%	14%	
Higher Reductions	Borrowing for new developments	47%	38%	15%
	Planning Services	48%	41%	11%
	Maintenance of council buildings	48%	39%	13%
	Democratic Support - decisions & elections	55%	34%	11%
	Performance management, policy & communications	56%	34%	10%
	Finance, Legal, IT & Human Resources	59%	30%	12%

Paper Results (494 Respondents) – Those achieving at least £97m worth of savings

Priority	Service	Higher	Standard	Lower
Standard Reductions	Gritting & snow clearance	16%	53%	31%
	Job creation	23%	45%	32%
	Social work and protecting vulnerable children and adults	19%	56%	25%
	School support and education services	23%	49%	28%
	Support for adults in their homes	21%	54%	25%
	Services to keep people safe	22%	56%	21%
	Roads, footpaths, traffic & lighting	23%	55%	22%
	Residential and nursing care for adults	23%	57%	20%
	School crossings & road safety training	23%	57%	20%
	Sports, parks & play areas	26%	53%	20%
	Libraries	27%	53%	20%
	Children's Centres & support for families	25%	57%	18%
	Street cleaning	22%	64%	14%
	Youth offending & youth support work	27%	54%	19%
	Support for community projects, centres, partnerships & groups	31%	48%	21%
	Fostering, adoption & Children's Homes	25%	61%	14%
	Collection, disposal & recycling of waste	25%	62%	13%
	Welfare Rights & advice	33%	51%	16%
	Day Centres & support activities for adults	30%	59%	10%
	Arts, museums & theatres	40%	41%	19%
Higher Reductions	Council tax Collection and Benefit Payments	36%	54%	11%
	Housing advice & homelessness support	36%	56%	8%
	Environment, health & consumer protection	37%	54%	9%
	Borrowing for new developments	49%	38%	13%
	Customer contact – face to face, telephones and webmail	50%	41%	10%
	Grass cutting, trees & flower beds	50%	42%	8%
	Subsidised bus travel	55%	34%	11%
	Planning Services	56%	35%	9%
	Maintenance of council buildings	58%	35%	7%
	Performance management, policy & communications	60%	32%	8%
Democratic Support - decisions & elections	62%	30%	8%	
Finance, Legal, IT & Human Resources	72%	20%	8%	

Online Results (384 Respondents) – All

Priority	Service	Higher	Standard	Lower
Standard Reductions	Support for adults in their homes	10%	46%	44%
	Social work and protecting vulnerable children and adults	11%	50%	38%
	Gritting & snow clearance	7%	59%	35%
	Residential and nursing care for adults	22%	45%	33%
	Roads, footpaths, traffic & lighting	18%	53%	29%
	Fostering, adoption & Children's Homes	17%	56%	27%
	Sports, parks & play areas	29%	49%	22%
	Collection, disposal & recycling of waste	28%	50%	22%
	Job creation	23%	56%	21%
	School support and education services	27%	53%	20%
	Services to keep people safe	16%	66%	17%
	Youth offending & youth support work	26%	57%	17%
	Libraries	36%	47%	17%
	Street cleaning	19%	65%	16%
	Day Centres & support activities for adults	25%	59%	16%
	Children's Centres & support for families	26%	59%	15%
	School crossings & road safety training	22%	64%	14%
	Welfare Rights & advice	36%	51%	13%
	Arts, museums & theatres	42%	46%	12%
	Housing advice & homelessness support	32%	57%	11%
	Council tax Collection and Benefit Payments	23%	66%	11%
	Environment, health & consumer protection	27%	63%	10%
	Customer contact – face to face, telephones and webmail	35%	56%	9%
Borrowing for new developments	44%	50%	7%	
Higher Reductions	Maintenance of council buildings	47%	45%	8%
	Grass cutting, trees & flower beds	47%	43%	10%
	Support for community projects, centres, partnerships & groups	48%	37%	15%
	Planning Services	48%	45%	7%
	Subsidised bus travel	59%	26%	15%
	Democratic Support - decisions & elections	60%	38%	3%
	Performance management, policy & communications	64%	32%	4%
	Finance, Legal, IT & Human Resources	65%	32%	3%

Online Results (333 Respondents) – Those achieving at least £97m worth of savings

Priority	Service	Higher	Standard	Lower
Standard Reductions	Support for adults in their homes	12%	51%	38%
	Gritting & snow clearance	7%	60%	34%
	Social work and protecting vulnerable children and adults	13%	53%	33%
	Roads, footpaths, traffic & lighting	19%	53%	28%
	Residential and nursing care for adults	25%	50%	25%
	Fostering, adoption & Children's Homes	20%	59%	22%
	Collection, disposal & recycling of waste	30%	50%	20%
	Sports, parks & play areas	29%	51%	20%
	Job creation	24%	56%	20%
	School support and education services	30%	54%	17%
	Services to keep people safe	18%	65%	17%
	Libraries	37%	47%	16%
	Street cleaning	18%	67%	16%
	Youth offending & youth support work	29%	56%	15%
	Welfare Rights & advice	38%	50%	13%
	Day Centres & support activities for adults	27%	61%	12%
	Children's Centres & support for families	28%	59%	12%
	School crossings & road safety training	23%	65%	12%
	Arts, museums & theatres	43%	45%	11%
	Council tax Collection and Benefit Payments	24%	66%	11%
	Environment, health & consumer protection	29%	63%	9%
	Customer contact – face to face, telephones and webmail	35%	56%	8%
	Housing advice & homelessness support	35%	57%	8%
	Borrowing for new developments	46%	49%	5%
Higher Reductions	Maintenance of council buildings	49%	45%	6%
	Grass cutting, trees & flower beds	49%	44%	8%
	Planning Services	49%	44%	7%
	Support for community projects, centres, partnerships & groups	50%	36%	14%
	Subsidised bus travel	62%	26%	12%
	Democratic Support - decisions & elections	62%	36%	2%
	Performance management, policy & communications	66%	31%	3%
	Finance, Legal, IT & Human Resources	69%	30%	2%

Cabinet

22 January 2014

**Implications for Durham County Council
of the Government's policy programme**


**Report of Corporate Management Team
Lorraine O'Donnell, Assistant Chief Executive
Councillor Simon Henig, Leader of the Council**

Purpose of the Report

- 1 On 11 September 2013, Cabinet considered the most recent report on the implications of the Government's policy programme. This report provides Cabinet with an update on the major policy developments and announcements since then and analyses the implications for the council and County Durham.

Executive Summary

- 2 Since the last report, the government has maintained its focus on driving forward on the delivery of its major policy projects, with the emphasis in policy announcements shifting from policy development to the implementation and delivery of policy reforms outlined in the first half of this parliament.
- 3 The most significant announcements since the last report to Members relate to the following, outlined in more detail below:
 - Local government finance;
 - Autumn statement;
 - Universal Credit;
 - Individual electoral registration;
 - Community budgets;
 - The Census;
 - Openness, transparency and accountability;
 - Parish councils;
 - National Industrial Strategy;
 - Witty Review of Universities and Growth;
 - National Planning Practice Guidance;
 - Planning Guidance Portal;
 - Community Infrastructure Levy;
 - Social Housing Rent Policy;
 - North East Local Enterprise Partnership (NELEP) European Strategy;
 - North East Combined Authority;
 - Rural Growth Network Pilots;
 - Regional Growth Fund Round 5;
 - NHS reform;
 - Care and support reform;
 - Integration of Health and Social Care;

- Transforming rehabilitation;
 - National curriculum reform;
 - Qualifications;
 - Special educational needs (SEN) reform;
 - Single Inspection Framework for children in need of help and protection, children looked after and care leavers;
 - Early education places.
- 4 Compared with previous policy implications reports to Cabinet, it is apparent that the government is making fewer major policy announcements compared with the initial years of this parliament. In part, this reflects the shift in policy effort from policy development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. It may also reflect a natural slowing down in policy development as the coalition partners and other political parties prepare for the forthcoming general election campaign.
- 5 Whilst local government was exempted from the immediate additional spending reductions announced in the Autumn statement, this has to be seen within the context of the two spending reductions announced earlier in the year during the spending review in June and the subsequent consultation on the local government finance settlement. In addition, spending on welfare continues to be reduced and an annual cap is to be introduced on the overall welfare budget.
- 6 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an ‘altogether better Durham’.
- 7 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government’s policy changes, which will be taken into account in the refresh of the County Durham Sustainable Community Strategy and the council plan and supporting service plans.

Background

- 8 Cabinet has considered a number of reports on government policy since the general election in 2010, the most of which on 11 September 2013. Where necessary, Cabinet has also received further policy reports on specific topics, such as changes to the NHS, health and social care and welfare reform. This report builds upon these previous briefings.

Update

- 9 The most significant policy announcements since the last report to Members in September 2013, relate to the following, which are outlined in more detail below:
- Local government finance;
 - Autumn statement;
 - Universal Credit;

- Individual electoral registration;
- Community budgets;
- The Census;
- Openness, transparency and accountability;
- Parish councils;
- National Industrial Strategy;
- Witty Review of Universities and Growth;
- National Planning Practice Guidance;
- Planning Guidance Portal;
- Community Infrastructure Levy;
- Social Housing Rent Policy;
- North East Local Enterprise Partnership (NELEP) European Strategy;
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- Rural Growth Network Pilots;
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- NHS reform;
- Care and support reform;
- Integration of Health and Social Care;
- Transforming rehabilitation;
- National curriculum reform;
- Qualifications;
- Special educational needs (SEN) reform;
- Single Inspection Framework for children in need of help and protection, children looked after and care leavers;
- Early education places.

- 10 A more detailed report on recent policy announcements in relation to welfare reform was considered by Cabinet at its meeting on 11 September 2013 and a further update will be provided to Cabinet on 12 February 2014.

Local government finance

- 11 On 18 December 2013, Cabinet received an update on the Chancellor's Autumn Statement and the anticipated position on the annual financial settlement. A further update is included in the Budget and Medium Term Financial Plan report also on the agenda for today's meeting of Cabinet.
- 12 The government announced that they would be amending the process for Business Rates Retention. The government initially published their *Business rates retention scheme: pooling prospectus* on 17 May 2013 as the Local Government Finance Act was progressing through Parliament, however due to changes that occurred through the process, the guidance document has been updated. The most significant update has been the release of the timetable and process that local authorities and the Department of Communities and Local Government (DCLG) have to follow to designate business rates pools for 2014-15. Any area which wished to create a new pool, extend or dissolve an existing pool had to notify DCLG by 31 October 2013.

- 13 As part of the suite of documents supporting the new scheme, the government held a consultation on *Business rates: new empty property technical consultation*. The consultation outcome was published on 11 September, with guidance issued to local authorities on how to administer the temporary relief scheme. Under the scheme all newly built commercial property which is completed between 1 October 2013 and 30 September 2016, will be exempt from empty property rates for the first 18 months up to set limits. As this is a temporary measure, the exemption is required to be made by the council using their discretionary relief powers, so it is for each council to decide to grant relief, but this will be reimbursed by central government.
- 14 The government indicated in the Spending Review document *Investing in Britain's future* (July, 2013) that they were considering allowing local authorities to be able to use receipts from asset sales to pay for one-off revenue costs of service reforms following request from local government. Currently, capital receipts can generally only be used for capital spending. The DCLG launched a consultation on 25 July 2013, which closed on 24 September 2013 about the level of interest for these changes from local government. The results from the consultation are yet to be released, however the document indicated that the government is minded to run the scheme as a bid process with bids being able to be submitted from 'winter 2013'.
- 15 The government has previously announced that the allowances and protections offered to pensioners under the localisation of council tax would be maintained. On 6 September 2013, the DCLG released a statement of intent in relation to the up-rate premia, allowances and non-dependent deductions for pensioners for 2014-15 onwards. The government's proposals in relation to up-rating of allowances is:
- Personal allowances in line with Pension Credit rates;
 - Most premia in line with CPI; and
 - Non-dependent deductions in line with growth in eligible council tax.
- 16 A review of the policy will take place in 2015-16 in line with legislation.
- 17 For the first year, the DCLG has published data on the collection of Council Tax on individual parishes and charter trustees. The data shows that 8,805 local precepting authorities requested that their billing authority collect council tax on their behalf in 2013-2014. £367 million of council tax was collected on their behalf (1.6% of total council tax requirement). The figures for County Durham are 108 local precepting authorities, with £9,982,466 collected from a council tax base of 104,164.
- 18 The Audit Commission published a report on 26 September 2013, *Income from charging: Using data from the VFM Profiles*. This report identified that in 2011/12, charging contributed nine per cent of single-tier or county council service expenditure, and 20 per cent for district councils, however one in three district councils and one in five London boroughs, income from charging exceeded council tax income. The Audit Commission analysis identified that in 2011/12 income from charging contributed 9.46 per cent towards service

expenditure in Durham which the Audit Commission considered to be 'average' for the similar types of authority and less than the national average for all English councils of 15.02 per cent.

Autumn statement

- 19 On 5 December 2013, the Chancellor of the Exchequer made his Autumn statement. Whilst announcing that departmental spending would be reduced by a further £1 billion a year from 2014/15 to 2016/17, he confirmed that the NHS and schools would be protected, along with local government on the basis that councils are expected to freeze council tax in 2014/15.
- 20 Other main announcements included:
- a) Local authorities will be given more flexibility to spend their capital receipts from new asset sales on the one-off costs of reforming their services. The flexibility will be capped at £200 million in total across 2015-16 and 2016-17, and will be available to local authorities via a bidding process;
 - b) The inflation increase on businesses rates will be capped at two per cent for all premises from next April;
 - c) For the next two years every retail premise in England with a rateable value of up to £50,000 will get a discount of £1,000 on their business rates;
 - d) The business rate relief scheme for small businesses will be extended for another year;
 - e) From April 2014, businesses will be allowed to retain Small Business Rate Relief for a year if they take on an additional property that would otherwise have caused them to lose the entitlement;
 - f) From April 2014 to March 2016, a new reoccupation relief will halve the rates for new occupants of vacant shops which have been empty for a year or more. The 50 per cent relief will last 18 months;
 - g) The budgets for start-up loans scheme will be increased to help 50,000 more people start their own businesses;
 - h) To tackle youth unemployment, employer National Insurance contributions are to be removed on 1.5 million jobs for young people, up to the age of 21;
 - i) Overall welfare spending is to be capped from April 2014 with the Chancellor announcing the annual cap and being held to account on performance reviews by parliament;

- j) Anyone aged 18 to 21 claiming benefits without basic English or Maths will be required to undertake training from day one or lose their entitlement. People unemployed for more than six months will be required to start a traineeship, take work experience or do a community work placement or lose benefits;
- k) An extra 30,000 student places to be created in 2014-15, with the cap on student numbers to be abolished from 2015/16;
- l) An additional 20,000 apprenticeships over the next two years;
- m) All infant pupils at state schools in England are to get free school lunches from next September, in a measure costing about £600 million a year. An extra £150 million is to be made available to update and build kitchens and dining rooms in English primary schools to enable the move;
- n) The Housing Revenue Account borrowing limit to rise by £300 million. There will be a competitive process for stock holding authorities to “bid” for part of the total £300 million increase, to fund new affordable rent housing;
- o) Councils will be encouraged to sell off the most expensive social housing and rundown urban housing estates in Manchester and Leeds and across the country to be regenerated with £1 billion in loans to encourage housing development;
- p) The publication of the government’s National Infrastructure Plan, which included investment in broadband and the acceleration of the ongoing scheme to reinforce and reconstruct Seaham Docks.

Universal Credit

- 21 On 5 December 2013, the Secretary of State for Work and Pensions advised that the timetable for the completion of transfer of benefit claimants to the new Universal Credit may slip beyond 2017. While many new claimants of work-related benefits will transfer to the new system before 2017, it is now expected that around 700,000 claimants will not. In addition, in evidence to the Commons Work and Pensions Committee on 9 December 2013, the Secretary of State advised that £40.1 million of software and computing costs has had to be written off in implementing the new system thus far.

Individual electoral register

- 22 Individual electoral registration is to be rolled out from 2014. In advance of the introduction, several evaluation pilots have taken place. The report to Cabinet on 17 July 2013, reported that the pilots have found that although the use of national data sets improves the level of data, the process was resource intensive, and unless the level of manual process could be reduced the burden may be prohibitive for some authorities.

- 23 The data from the 'dry run' study released on 23 October 2013, found that when using Department of Work and Pensions data, 78 per cent of electors matched, which was a higher percentage than achieved in previous pilots. It is anticipated that local matching will add a further seven per cent.
- 24 The government's analysis of underrepresented groups has concluded the multiplicity and diversity of under-registered groups mean that a range of approaches are needed to increase their registration rates.
- 25 Of the groups identified as underrepresented, young people and people in social housing are of particular concern. In response to this, on 6 August 2013, the government launched an innovation fund for community organisations of £4.2 million for schemes that would increase registration.
- 26 On 31 October 2013, the government released the breakdown of funding for local authorities for the transfer to the new electoral register. Although local authorities have been expected to fund the switch to Individual Electoral Registration (IER) from their existing elections budgets, the government has acknowledged that such an important change means there will be extra costs involved. Durham County Council has been allocated £135,990, although the council has queried the amount as we believe there has been an error in the calculation.

Community budgets

- 27 The government's approach to community budgets has developed into two distinct strands: 'whole place' community budgets and neighbourhood budgets, now referred to as 'our place' neighbourhood budgets.
- 28 Under the whole place strand, the government has supported the development of a network of local and national-level officials to support the wider adoption of community budgets across the country. Local authorities from nine specific areas are involved in the network. No local authorities from the North East are directly involved however, the council and other north east authorities have been asked to contribute via the Association of North East Councils.
- 29 Alongside the creation of the transformation network, the government announced a £9.2 million 'Transformation Challenge Award' fund to support local authorities that are radically overhauling and are at the cutting edge of innovation of service delivery.
- 30 One hundred and forty bids were received from local authorities and on 9 October 2013 the government confirmed that the following authorities would be funded:
- Bournemouth BC, Dorset CC and Poole BC - £750,000 for health and social care integration;

- East Sussex and Surrey CCs and county fire services - £750,000 for back office shared services;
- Kingston upon Thames RBC and Richmond upon Thames LBC - £500,000 to establish a children's services company to provide services for the two councils, with the possibility of provision for other local authorities;
- South Norfolk Council, Broadland DC, Norwich City Council, King's Lynn and West Norfolk BC - £500,000 to develop existing shared building control so it can be offered to a dozen more councils;
- East Riding of Yorkshire Council - £482,000 for integrated services for health and wellbeing;
- Cheshire West & Cheshire Council, Cheshire East Council, Warrington BC, Cheshire police, fire and probation services - £420,000 for crime reduction;
- Worcestershire CC - £400,000 to pay for half of the consultancy fees to set up a joint property vehicle for the Worcestershire Capital Asset Partnership;
- South Holland DC and Breckland DC - £385,000 to improve IT for the two councils who already share a number of services;
- Cherwell DC, South Northamptonshire DC and Stratford-on-Avon DC - £366,932 to extend Cherwell and South Northamptonshire's existing shared services to Stratford;
- Bath & Northeast Somerset Council - £300,000 to use public service data in coproduction of services with health, justice and other public service;
- Greater Manchester and Cumbria authorities - £292,000 for shared electoral service;
- High Peak BC and Staffordshire Moorlands DC - Extend existing sharing arrangement to new shared services;
- Swindon BC - £190,000 to develop 'One Swindon' strategy for large scale public service reform;
- Babergh DC and Mid Suffolk DC - £166,900 to extend existing sharing arrangement to other areas.

31 The county council was unsuccessful with the two bids it submitted: a partnership submission with Sunderland City Council to support the integration of a shared ICT service between the two authorities; and the development of a local area coordination (LAC) service model within Adult Social Care.

- 32 It has been reported that there will be a second round in 2015, which may have an increased funding pot of £100 million available.
- 33 Under the 'our place' strand, on 2 August 2013, the government announced its intention to expand the number of 'Our Place!' neighbourhood budget pilots. Currently there are 12 pilot areas and the Department for Communities and Local Government is looking to include another 100 areas and to develop a 'network of champions' from all sectors to provide support and advice.
- 34 Officers from the council have held preliminary meetings with DCLG to learn more about the scheme and to discuss potential interest in the council's Area Action Partnerships as an effective model for neighbourhood-level community engagement and delivery.

The Census

- 35 Following the 2011 Census, the Office for National Statistics (ONS) is reviewing how improvements in technology and in government data offer opportunities to either modernise the existing census process, or to develop an alternative census method that reuses existing data already held within government. Between September and December 2013, the ONS consulted on two potential options for carrying out the census in the future:
- a) An online census once a decade: This option would provide a range of outputs every 10 years across a wide range of topics. As in 2011 it would be compulsory, and would offer a high degree of continuity with previous censuses. Data would be collected at very small area level (output areas) and small population groups, giving a single, high quality snapshot of the nation. A survey covering around one per cent of the population would be used to adjust for those who did not respond, as per previous censuses. This approach would be to conduct an online census, however, other methods of responding would be made available;
 - b) A census using administrative data and surveys: This method would rely on utilising administrative data held by a number of government departments to produce an annual estimate of the population in local areas, supported by annual compulsory surveys of a small sample of households (the paper suggests a survey of one per cent of households to adjust for those who are not included in administrative data, plus a second survey of around four per cent of households to provide information about characteristics such as ethnicity). This method would provide statistics every year on key aspects of the population and housing stock and in due course, small area statistics at electoral ward level.
- 36 The council responded to the consultation, expressing a qualified preference for the online census once a decade as the better of the two options proposed.

- 37 This was based on concerns that the alternative ‘administrative’ option could lead to a reduction in data quality and the loss of local data on characteristics which many local authorities use to build detailed pictures of need in their local areas and to target resources to tackle need and inequalities more effectively.

Openness, transparency and accountability

- 38 On 29 September 2013, the Department for Communities and Local Government published Openness and transparency on personal interests: guidance for councillors.
- 39 This guide gives basic practical information to councillors about how to be open and transparent about their personal interests. It is designed to help councillors, including parish councillors, following the new standards arrangements that have been introduced by the Localism Act 2011.
- 40 The document has been revised to include a requirement for councillors to specifically register union memberships. In addition, a council’s own code of conduct, guided by the seven principles of public life, should now specify a requirement to register personal trade union interests.
- 41 On 25 November 2013, the government issued a consultation on *Future of local audit: consultation on secondary legislation*, in anticipation of the enactment of the Local Audit and Accountability Bill, currently before Parliament. The Bill proposes abolishing the Audit Commission and introducing new local audit arrangements.
- 42 Of particular note is a proposal to bring forward the timetable for the publication of final accounts of local authorities by no later than 30 September each year. In part, this reflects the performance of some local authorities which publish their final accounts considerably earlier than others and also the government’s desire to bring local authority reporting into line with other parts of the public sector and to enable the government to bring forward the publication of its Whole of Government Accounts, which include local government finance.

Parish councils

- 43 On 9 September 2013 the government published the outcome of its consultation on the discussion paper, *Making it easier to set up new town and parish councils*. This included three options for reforming the process:
- a) Amending existing guidance – this option proposed that a number of changes to the existing system be made by amending the statutory guidance issued by the Secretary of State. Local authorities would have to have regard to the guidance in carrying out community governance reviews:

- b) Changing the law (including doing so after amending guidance) – this option proposed changing the threshold of signatures required for a petition to trigger a community governance review; limiting the scope for the local authority’s consideration of the issues in a community governance review; and shortening the timetable for the community governance review, and linking the timetable to the electoral cycle more clearly:
- c) Making it easier for neighbourhood forums to start the process for creating a new parish council – this option proposed that a neighbourhood forum which had completed a neighbourhood plan could submit an application to trigger a community governance review, rather than having to submit a petition with the required number of signatures. For areas without a designated neighbourhood forum the existing process of a petition would remain.

44 While there was general consensus towards the government’s overarching approach, respondents’ preferences were evenly distributed across the three options.

45 The government has consequently decided to:

- a) change the law to limit the time for a community governance review to 12 months from the receipt of a valid petition in all cases;
- b) reduce the number of signatures needed on a petition for a community governance review to 7.5 per cent of the local area population (higher for local areas with smaller electorates, in line with the current arrangement);
- c) introduce changes to make it easier for neighbourhood forums to start the process for setting up new parish councils. This would require that the forum has produced a neighbourhood plan which has been passed by a referendum of the local electorate before it can trigger a community governance review. While a forum would have the right to initiate a governance review, the review would itself test public support and the decision on the review would remain with the local authority;
- d) amend guidance to address the interpretation of the concepts of ‘effectiveness’ and ‘convenience’ in a community governance review and give weight to the perspective of the community in the interpretation of these concepts;
- e) amend guidance to recommend that the local authority sets out how the process can fit with the electoral cycle;
- f) amend guidance to recommend that local authorities have an appropriate internal review process on request, but not seek to establish a right of appeal for campaigners.

- 46 The government will shortly commence the legislative reform order process with the intention of implementing changes to the current system for setting up new parish councils within the next 12 months.
- 47 On 14 October 2013, the government extended the power to submit proposals under the Sustainable Communities Act 2007 to town and parish councils. The Act allows local authorities to identify barriers to social, economic and environmental improvements in their area and to ask the government to remove them. Barriers could be in legislation or guidance or they may be the result of established practice. The government hopes that extending the power to town and parish councils will encourage them to engage with the local community, asking for their ideas about how the community can be improved.

National Industrial Strategy

- 48 In September 2012, the Secretary of State for Business Innovation and Skills, Vince Cable, gave a speech about the government's Industrial Strategy which aims to improve business finance, investment in businesses, and Government procurement to provide more business opportunities. In June 2013, the government produced a document *entitled Investing in Britain's Future*, which set out more detail and reiterated the projects that the government would support, including investment in the Hitachi rail project at Newton Aycliffe.
- 49 The government's Industrial Strategy also recognised that the government has a role in supporting the development of unique or 'comparative' economic strengths of different parts of the UK. In this respect, the government identified that it needs to support the development of specific key sectors and emerging technologies that are inherent in specific locations across the country. During the summer and autumn of 2013, a number of strategies and action plans were produced for these individual sectors which provide an overview of relevant evidence and how the government will support them. The strategies provide a platform for the development of Strategic Economic Plans by Local Enterprise Partnerships, as well as economic plans for local authority areas and sub-regional partnerships.

Witty Review of Universities and Growth

- 50 In spring 2013 the Government commissioned Sir Andrew Witty to undertake a review of the way universities support economic growth. The findings of the review were published in October 2013 and its over-arching conclusion is that the government needs to simplify complex funding streams and help universities take a greater role in delivering economic growth.
- 51 It also focuses on the comparative strengths of regions and universities, identifying that the North East region has comparative strengths in the automotive, life sciences, education, and construction sectors. It also identifies the specific sector and technological strengths of universities in the UK, recognising that Durham University has comparative strengths in offshore wind, satellites, advanced materials / nano-technology, oil and gas, and energy storage. As with the Industrial Strategy, this evidence provides a

basis for diversifying economic activities from those in other parts of the UK via local, sub-regional, and regional strategies.

National Planning Practice Guidance

- 52 The Department for Communities and Local Government published the 'national planning practice guidance' for public testing and comment. The Beta site has now closed but the draft guidance material is still available. Existing guidance will not be cancelled until the new planning practice guidance is published in its final form, which is expected shortly. Items which the new guidance will cover include: advertisements; air quality; assessment of housing and economic needs; land availability; climate change; historic environment; design; the duty to cooperate; vitality of town centres, flood risk and coastal change; minerals; natural environment; noise; open space; rural housing; travel plans and water supply and quality.

Planning Guidance Portal

- 53 Between August and October 2013, the government held a consultation on an online [Planning Practice Guidance Portal](#) which brings together a range of resources in line with the government's new planning system. The consultation has now closed but the website is still live while the government responds to the consultation feedback and users will also be able to provide feedback once the portal is officially launched in the coming months

Community Infrastructure Levy (CIL)

- 54 The County Durham Plan includes proposals for the introduction of CILs in different parts of the county, where certain types of development will pay for additional or new community infrastructure. Following the government's consultation on further reforms to CIL in spring 2013, it issued its response in November 2013 which will be developed into regulations and updated guidance in January 2014. The proposed changes include a number of changes to when and how CILs are charged and paid and a relief for 'self build' properties.
- 55 In August, the Planning Advisory Service published a summary of the different CIL rates that have been set across the country, highlighting considerable variations, from £575 per square metre on the Thames waterfront in Wandsworth and £30 per sq metre in Bristol. The findings, as well as additional consultation on the Pre-Submission Draft of the County Durham Plan during autumn 2013, are being used to establish the appropriate rates in the county.

Social Housing Rent Policy

- 56 In October 2013, the government launched a consultation on the document *Rents for Social Housing from 2015-16*. The main proposals are to move from annual increases in weekly rents of RPI + 0.5 percentage points (+ up to £2 for social rents), which is the formula the council uses for council house

rents, to increases of CPI + 1 percentage point. This will remove (from 1 April 2015) the flexibility available to landlords to increase weekly social rents each year by an additional £2. The changes will also make it clear that rent policy does not apply where a social tenant household has an income above £60,000 a year. The overall implication is that rent increases will be lower, and more stable, for those households earning less than £60,000 a year. The consultation closed on 24 December 2013.

North East Local Enterprise Partnership (NELEP) European Strategy

57 In late October 2013, NELEP published its draft European Strategy for a month-long public consultation. The plan was developed based on evidence that had been commissioned earlier in 2013, under the five themes of innovation, business growth, low carbon, inclusive growth, and education and skills (table 1). It also includes a breakdown of the proposed investment of European funds in County Durham.

Table 1: proposed investment of European funding in County Durham

Thematic objective	Total
European Regional Development Fund (ERDF)	
Innovation	£22m
Information and Communication Technology	*
Small and Medium-sized Enterprises	£45m
Low Carbon	£14m
Climate Change Adaptation	£2.3m
Environmental Protection	£2.3m
Sustainable Transport	£8.5m
European Social Fund (ESF)	
Employment	£10m
Social Inclusion	£8m
Skills	£22m

* European Agricultural Fund for Rural Development will be used to improve rural access to broadband.

- 58 The strategy requests that the government considers a unique calculation for apportioning funding to County Durham to support economic growth and attract investment. As a transition region, County Durham's allocation is €157 million (£134 million) and rather than the usual apportionment of 60 per cent ERDF, 40 per cent ESF, the strategy asks for a split of 70:30, so that the county receives more ERDF funding to use on the themes set out above. The county is due to receive an additional €9 million from the Youth Employment Initiative; therefore, it is considered that there will still be a considerable resource to support skills, social inclusion, and employment projects.

North East Combined Authority

- 59 In early November 2013, a public consultation was launched on the proposal to create a Combined Authority for the seven local authorities in County Durham, Northumberland, and Tyne and Wear. Known as the 'North East Leadership Board', it is anticipated that the new legally independent body will be launched on 1 April 2014 to lead the collaboration of local authorities on transport and economic growth. The over-arching aim is to accelerate strategic programmes and projects in the area that support economic growth.
- 60 It will collect economic intelligence to establish strategies for investing both funding that is devolved from the government and inward investment. It will also coordinate the management of traffic networks, major transport schemes, and bus services. The consultation closed on 2 January 2014 and Cabinet considered the council's response to the consultation at its meeting of 18 December 2013.

Rural Growth Network Pilots

- 61 The North East Rural Growth Network Pilot covers the rural parts of County Durham, Northumberland and Gateshead and has secured £3.2 million of investment. It is one of five national pilots and works closely with Defra to implement innovative solutions to rural economic growth. Managed by North East Farming and Rural Advisory Network NEFRAN which also takes the lead on regional rural policy on behalf of NELEP, plans are progressing to provide new business workspace in the Durham Dales. Five rural economic development officers have also been appointed in County Durham to support rural businesses and entrepreneurs, and an officer has been appointed to work across rural parts of the North East to improve broadband demand and take-up.

Regional Growth Fund Round 5

- 62 In October 2013, the fifth round of the Regional Growth Fund opened, with the government inviting applications from businesses seeking investment of over £1 million. In this round, the government is making £300 million available and is inviting both programme and project bids, but is specifically looking for businesses seeking capital investments. Local authorities and Local Enterprise Partnerships are not eligible to apply, and any bids must be able to match the government's investment, at least. The closing date for bids was 9 December 2013.

NHS reform

- 63 Members received a comprehensive briefing on progress with NHS reforms at the meeting of Cabinet on 9 October 2013 and a more detailed update is also being considered at today's meeting of Cabinet.
- 64 Since then, NHS England has published its Call to Action on the future of the NHS setting out the need for the NHS to change the way it approaches health and support. The Call to Action marks the start of an extensive consultation process, including engagement with health and wellbeing boards, the public, patients, health service and other staff, and town hall meetings to encourage an inclusive discussion. The engagement will be patient and public-centred through hundreds of local, regional and national events, as well as through online and digital resources. It will produce meaningful views, data and information that CCGs can use to develop three to five commissioning plans setting out their commitments to patients and how services will improve. This information will also be used by NHS England to shape its direct commissioning responsibilities in primary care and specialised commissioning.

Care and support reform

- 65 The draft Care Bill, introduced to Parliament in 2013, is currently progressing through the Parliamentary system.
- 66 The government has established a partnership with the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) to support implementation of the Care Bill from April 2015. The Care and Support Programme and Implementation Board will provide assurance that all organisations involved in the implementation of the Care Bill have the necessary plans in place to deliver on their requirements.

Integration of Health and Social Care

- 67 The government has an ambitious plan for care and support to be better integrated with health care through the effective capture and flow of information. Clear guidance will be provided for local authorities and suppliers for the crucial changes to IT systems which the care and support reforms require. National standards will be developed where necessary to support local delivery and promote interoperability and align this work with other levers to encourage local informatics progress, including the Integration Transformation Fund (now known as the Better Care Fund) and Integration Pioneers.
- 68 The Better Care Fund (BCF) is a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities. Plans for the use of the pooled monies will need to be developed jointly by Clinical Commissioning Groups and local authorities and signed off by each of these parties and the local

Health and Wellbeing Board by March 2014. In 2015/16, the £3.8 billion BCF will be created from the following:

- £1.9 billion NHS funding;
- £1.9 billion NHS funding in 2014/15 that is allocated across the health and wider care system.

- 69 The Spending Review agreed that £1 billion of the £3.8 billion will be performance related, with half paid on 1 April 2015 (which is likely to be based on performance in the previous year) and half paid in the second half of 2015/16 (which could be based on in year performance). To access the BCF, each locality will be asked to develop a local plan by March 2014, which will need to set out how the pooled funding will be used and the ways in which the national and local targets attached to the performance-related £1 billion will be met.
- 70 On 18 December 2013, the government confirmed the social care funding allocations for the council in the Local Government Finance Settlement covering the period 2014/15 and 2015/16. In 2014/15, the social care funding allocation has been confirmed as £39.193 million, with an indicative BCF allocation for 2015/16 of £43.735 million.

Transforming Rehabilitation

- 71 The rehabilitation programme will transform the way offenders are managed in the community to achieve a reduction in the rate of re-offending whilst continuing to protect the public.
- 72 The key aspects of the reforms are:
- a) a new public sector National Probation Service will be created, working to protect the public and building upon the expertise and professionalism which are already in place;
 - b) for the first time in recent history, every offender released from custody will receive statutory supervision and rehabilitation in the community;
 - c) a nationwide 'through the prison gate' resettlement service will be put in place, meaning most offenders are given continuous support by one provider from custody into the community;
 - d) the market will be opened up to a diverse range of new rehabilitation providers in the public, voluntary and private sectors, at the local as well as national level.
- 73 New payment incentives for market providers to focus relentlessly on reforming offenders will be introduced, giving providers flexibility to do what

works and freedom from bureaucracy, but only paying them in full for real reductions in reoffending.

National Curriculum Reform

- 74 In September 2013, the Secretary of State for Education published the new national curriculum framework following a series of public consultations. In reviewing the national curriculum the government has sought to give all children, regardless of their background, access to a high-quality curriculum, benchmarked against the best-performing nations in the world.
- 75 The majority of the new national curriculum will come into force from September 2014, so schools have a year to prepare to teach it. All maintained primary and secondary schools must teach this national curriculum to all year groups from September 2014. From September 2015, the new national curriculum for English, mathematics and science will come into force for years 2 and 6; English, mathematics and science for key stage 4 will be phased in from September 2015.
- 76 The government believes that headteachers and their staff are best-placed to decide what training and resources are needed to support excellent teaching of the new curriculum in their schools. As a result, there will be no central, national roll-out of identical training packages.

Qualifications

- 77 The government is currently analysing feedback from the consultations on GCSE reform which closed in September 2013. The consultations looked at subject content, assessment and regulatory requirements. Teaching of new GCSEs for English and maths will start in 2015, with other subjects starting in 2016. New A levels in most of the key subjects will be available from 2015; with maths and language A levels available from 2016. January exams for AS and A levels will be abolished from September 2013.
- 78 The government will ensure that all young people study and achieve in English and mathematics, ideally to GCSE A*-C, by the age of 19. Those who have not achieved a C or better in GCSE maths or English by the time they finish secondary school, will be required to continue to study the subjects in post-16 education until they get these qualifications. In this situation, although they will ideally continue to study GCSEs, they may take other qualifications – including functional skills and free-standing mathematics qualifications accredited by Ofqual – as a stepping stone to GCSE study. This will become a condition of funding for colleges from 2014.

Special Educational Needs (SEN) Reform

- 79 The draft Children and Families Bill is proposing to bring together pre- and post-16 support for children and young people with special educational needs and learning difficulties into a single, birth-25 system. In September 2013, Edward Timpson, Parliamentary Under Secretary of State for Children and

Families wrote to all Directors of Children's Services outlining the funding available to local authorities to support them with the implementation of SEN reforms from September 2014. Funding will be provided to local authorities from October 2013 for 2013/14.

- 80 The Department for Education and the Department of Health is currently seeking views on a new SEN code of practice and replacing SEN statements (for schools) and learning difficulty assessments (for young people in further education and training) with single 0 to 25 education, health and care plans. In addition, the government is also consulting on the timetable for transition to the new system, which will be phased in from September 2014.

Single Inspection Framework for children in need of help and protection, children looked after and care leavers

- 81 Announced by Ofsted in September 2013, and coming into effect from November 2013, the framework brings together into one inspection: child protection; services for looked after children and care leavers; and local authority fostering and adoption services.
- 82 Inspectors will make three key judgements in the single inspection:
- the experiences and progress of children who need help and protection;
 - the experiences and progress of children looked after and achieving permanent homes and families for them;
 - leadership, management and governance.
- 83 If a local authority is judged 'inadequate' in any of these three critical areas, it will automatically be judged 'inadequate' overall. These inspections will be delivered in all local authorities in England over a three-year period. During that time, Ofsted will be working closely with partner inspectorates to establish the additional criteria required to evaluate and judge the contribution of health, police, probation and prison services in the help, care and protection of children and young people. This work will inform the development of a joint inspection of child protection and safeguarding arrangements to be led by Ofsted from 2015. These criteria will be subject to consultation during 2014.

Early Education Places

- 84 In September 2010, all three and four year olds became entitled to 15 hours a week of state-funded early education and 96 per cent take up some or all of their entitlement (95 per cent in County Durham).
- 85 From September 2013, all looked after 2 year olds and 2 year olds from families who meet the criteria for free school meals (approximately 130,000 children in England) will also be entitled to 15 hours a week of early education. From September 2014, the number of early learning places for two year olds will be extended further, to around 260,000 children.

Consultations

- 86 Since the last report to Cabinet in September, the government has opened 78 consultations and calls for evidence. Appendix 2 details the consultations and calls for evidence which are currently open (as at 18 December 2013).

Implications

- 87 The government's policy proposals have many implications for the county and the council, its role and function and the way it works with and relates to local communities and strategic partners. Below, we provide a commentary against the strategic themes of the Council Plan and County Durham Sustainable Community Strategy.

Altogether better council

- 88 The council continues to monitor, anticipate and responds to changes in local government finance. Cabinet received a report on the latest position on 18 December 2013 and a further update is included in the report on the Medium Term Financial Plan elsewhere on the agenda for today's meeting of Cabinet.
- 89 The decision announced in the Autumn Statement to exempt local government from the further reductions in departmental spending over the next three years is welcome, however it should be considered within the context of the spending reductions announced in the spending review in June and the subsequent consultation on the local government finance settlement. The exemption is also based on a government expectation that councils freeze council tax in 2014/15.
- 90 The Institute of Fiscal Studies (IFS) has also suggested that a number of the allowances and concessions announced in the Autumn statement are not funded beyond 2015 and that the government will need to make further savings elsewhere in order to sustain them. It suggests that the pace of reductions in public service spending will accelerate from 2.3 per cent a year between 2011 and March 2016 to 3.7 per cent a year until early 2019 in order to meet the Chancellor's target of reducing borrowing such that the country achieves a small cash surplus by 2018/19.
- 91 The proposal to issue temporary rates relief for newly built commercial property and the various announcements on business rates in the Autumn statement are welcome as they offer the council potential incentives to encourage and facilitate commercial property development in the county and the occupation of empty premises, particularly in town centres. It is understood that these initiatives will be fully funded by government to the tune of £1.1 billion.
- 92 Of particular note is the government's decision not to top slice £330 million from the New Homes Bonus to fund Local Growth Fund investment by local enterprise partnerships in 2015/16. This was a key issue for local government in its response to the technical consultation on the New Homes Bonus, and in

fact was the principal announcement in the Secretary of State's letter to local government on the main implications of the Autumn statement for the sector.

- 93 With regard to the pooling of Business Rates, this is not something which the council is currently exploring within the context of the two sub-regional Local Enterprise Partnerships in the North East region.
- 94 The consultation on allowing capital receipts to be used to fund the one-off revenue costs of service reforms is of particular interest, given the on-going pressure on revenue spending and the continuing need to review, reform and restructure service delivery models in the county. It should be noted however that ability to do so, will be subject to a competitive bidding process as opposed to a funding mechanism which is generally available.
- 95 The same applies to the increased borrowing limit on the Housing Revenue Account – councils will need to bid for a share of the £300 million increase in the ability to borrow to finance house building and improvements.
- 96 At its meeting of 4 December 2013, Full Council agreed the continuation of the council's current Local Council Tax Support Scheme into 2014/15. Given that the government intends to review the up-rating of allowances and non-dependent deductions in local council tax support schemes in 2015/16, the council will need to monitor the review and respond to any new regulations and guidance when developing its own scheme in subsequent years.
- 97 The Audit Commission analysis of local authority income from charging, identified that in 2011/12 income from charging contributed 9.46 per cent towards service expenditure in Durham which the Audit Commission considered to be 'average' for the similar types of authority and less than the national average for all English councils of 15.02 per cent. The level of income from charges had increased compared with the previous year, which reflected the pressure on council finances following the 2010 Emergency Budget and Comprehensive Spending Review and the council's medium term financial strategy.
- 98 The increase in funding to support the introduction of Individual Electoral Registration in 2014 is welcome as it is imperative that the council maintains the integrity of the electoral register and encourages as many people as possible to register to vote, in the run-up to the general election in 2015 and the next council elections in 2017. The council has however queried the amount allocated as it appears to be based on a significant under-estimation of the number of new electors added to the roll in the county between 2010/11 and 2011/12.
- 99 Whilst it was disappointing that the council's two bids for Transformation Challenge funding were unsuccessful, Members may wish to note that the council is helping to inform the development of community budgeting policy via the Association of North East Councils (ANEC) and has had positive preliminary discussions with the DCLG regarding the area action partnerships and the extension of the 'One Place!' neighbourhood budget pilots.

- 100 The consultation regarding the future of the Census is of particular interest given the importance of census statistical data for strategic and service planning in the county. The council responded to the government consultation and also contributed to the response from ANEC.
- 101 Although the outcome of the consultation is awaited, it has to be seen within the context of a general diminishing of access to local data. Of particular concern is the potential loss of local data on characteristics derived from the census if the ONS opts to rely on existing government data sources instead. Such data helps local authorities to build a picture of the inequalities between local areas, which in turn helps councils to target and use resources more effectively to meet local population needs.
- 102 The outcome of the consultation on new local audit arrangements is awaited. Whilst no specific date was proposed for the earlier publication of final accounts by local authorities, the implication in the consultation paper is that the government is looking towards publication before the traditional summer recess, as opposed to by 30 September each year, as currently required.
- 103 The government acknowledged that local authorities would need to make significant changes to their systems and processes to move the publication date forward and as such proposed that they would be given at least 12 months notice before the beginning of the first year to which any new timetable would apply.

Altogether wealthier

- 104 The council and County Durham Economic Partnership (CDEP) are continuing to support and inform the development of the NELEP European Structural and Investment (ESI) Strategy. Considerable discussions have taken place to review the allocation apportionment of resources and its implications. It is strongly felt that County Durham requires a 70:30 split of ERDF and ESF to enable the delivery of economic infrastructure in the county. The draft Strategy notes the CDEP Board as an advisory panel, due to Durham's transition area status, which is an important recognition which will help to ensure that within future governance arrangements the county can make strong recommendations for investment in Durham. NELEP is currently consulting on the draft ESI Strategy and the CDEP (supported by the council) is submitting a response supporting the need for the 70:30 split within Durham and emphasising the need for CDEP to continue to be recognised as the strategic and management lead for the Durham transitional programme. Through the CDEP, partners are informing the development of potential areas for intervention and types of activities that could be supported through EU structural funds. Key thematic workstreams are being led by partners to consider areas such as youth unemployment, digital innovation, higher level skills and business support.
- 105 If approved, the North East Leadership Board (Combined Authority) would have responsibility for a number of transport functions that were previously undertaken by Durham and Northumberland, including the preparation of Local Transport Plans and bus strategies, powers to make a Quality

Partnership Scheme or Quality Contract Scheme, and making joint ticketing schemes. However, a number of operational transport functions would be devolved to Northumberland and Durham to enable local delivery arrangements to continue during a period of transition. These include information provision, infrastructure delivery, procurement of subsidised bus services, and concessionary travel.

- 106 As stated above, the council responded to the consultation to create the North East Leadership Board and discussions are currently taking place in anticipation that the combined authority will be agreed. Councillor Henig has been appointed as the new chair of the shadow North East Leadership Board, which as well as working with the North East Local Enterprise Partnership on an area wide approach to key strategic issues, would also oversee the transition to new statutory body.
- 107 The council is continuing to work with and support the development of the North East Local Enterprise Partnership's Strategic Economic Plan to ensure that we make the most of any available opportunities presented and ensure that the County's priorities and ambitions are reflected within the Plan.
- 108 The council will continue to work with Durham University to boost economic growth and consider any recommendations of the Witty Review. There are opportunities through the European investment planning to continue working in partnership to boost economic growth. In addition, Business Durham is continuing to work with Durham SMEs to stimulate growth, develop key business sectors and are supporting the development of an Innovation Framework which is being led by NELEP.
- 109 The council responded to the consultation on the new National Planning Practice Guidance and supported the need for reduced complexity. The new guidance is expected to be launched nationally before the end of 2013. However, it must be noted that the guidance does not involve any changes to the national policy set out in the National Planning Framework. The council will continue to promote the use of the guidance through the planning guidance portal.
- 110 Considerable discussions have taken place with partners as part of the wider County Durham Plan pre-submission draft to consider the detail and implications of the Community Infrastructure Levy (CIL) in the county. The council is committed to establishing appropriate rates and balance the use of CIL for new community infrastructure where it is needed.

Altogether healthier

- 111 The Care Bill is part of the move towards integrating health and social care, which will have major implications for the county. The Bill aims to ensure there is person-centred, coordinated and continuous care and support, which is tailored to the needs and preferences of the individual, their carer and family. In order to do this, it emphasises a whole system approach to integration, which will need to include primary care, community health, social care, the acute sector and wider partners such as the voluntary sector and

housing providers. Joint local decision making and planning will be crucial to the delivery of integrated care for people and a more joined up use of resources locally.

Altogether safer

- 112 The transforming rehabilitation programme aims to reform local delivery of probation services. However, the timetable for implementation of the changes is tight and a number of detailed policy aspects are still to be resolved. There is consequently a concern that if the reforms are poorly managed or lead to fragmented offender management services, there could be a rise in reoffending and subsequently crime rates.

Altogether better for children and young people

- 113 The government has stated that it is necessary to introduce a curriculum and qualifications that give individual schools and teachers greater freedom to teach in the way they know works and that ensure that all pupils acquire a core of essential knowledge in English, mathematics and sciences.
- 114 Subject to the passage of the Children and Families Bill, local authorities, early education providers, schools, colleges, health bodies and those who work with them will have legal duties to identify children and young people with special educational needs (SEN), assess their needs and provide support to them and their families.
- 115 The council is working with partners to ensure that implementation of the SEND reforms is joined up and plans are in place to meet the new requirements.
- 116 The confirmation in the Autumn statement that free school meals are to be introduced for infant school children in state schools is welcome, although this is one of the initiatives that the Institute for Fiscal Studies has claimed is not funded beyond 2015/16.

Altogether greener

- 117 There have been no major policy announcements against the altogether greener theme since the last report to Members in September 2013.

Implications for partnership working

- 118 Given the scope, scale and pace of government reforms, it is imperative that the council continues to work with partners to ensure that we work together to achieve the aims of the sustainable community strategy. This is particularly so in relation to stimulating economic growth and job creation, policing and community safety and health and social care, given the significant and profound nature of reforms in these areas and the emergence of new partners, with which the council will want to work.

- 119 The County Durham Partnership considers these policy implications reports alongside Cabinet and Corporate Issues Overview and Scrutiny Committee, and will take into consideration emerging government policy and legislation in developing the new sustainable community strategy for the county, which is due to be considered by Cabinet on 19 March 2014.

Conclusions

- 120 Compared with previous policy implications reports to Cabinet, it is apparent that the government is making fewer major policy announcements compared with the initial years of this parliament. In part, this reflects the shift in policy effort from policy development, reform and legislation seen in the first few years to the subsequent implementation of those reforms. It may also reflect a natural slowing down in policy development as the coalition partners and other political parties prepare for the forthcoming general election campaign.
- 121 Of particular note is the government decision to continue with its strategy of austerity measures as outlined in the Chancellor's Autumn statement. While local government has been exempted from the immediate additional spending reductions, this should be seen within the context of other recent spending reductions and the reduction in spending on welfare, which will now be subject to an annual cap on the overall welfare budget.
- 122 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an 'altogether better Durham'.
- 123 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government's policy changes, which will be taken into account in the refresh of the County Durham Sustainable Community Strategy and the council plan and supporting service plans.

Recommendations

- 124 Members are recommended to note the contents of this report and the actions taken to anticipate and respond to the government's reforms.

Background papers

[Cabinet, 11 September 2013, Implications for Durham County Council of the Government's policy programme](#)

[Cabinet, 11 September 2013, Welfare reform update and review of Local Council Tax Support Scheme](#)

Contact: Kevin Edworthy Tel: 03000 268045

Appendix 1: Implications

Finance – Local government is to be exempted from the further reductions in departmental spending over the next three years on the basis that councils are expected to freeze council tax in 2014/15. The government decision against top slicing the New Homes Bonus to fund the Local Growth Fund, assures the sector that £330 million will not be re-directed elsewhere. The various business rates initiatives will be fully funded by the government to the tune of £1.1 billion. The ability to use capital receipts to fund one-off revenue costs and to increase Housing Revenue Account borrowing to fund housing developments and improvements will be subject to competitive bidding processes.

Staffing – No specific implications have been identified.

Risk – Individual assessments of the risks associated with specific policy proposals are undertaken as a matter of course in council project planning and management.

Equality and Diversity – Equality impact assessments will be undertaken on individual policy proposals the council develops in response to the government's reforms.

Accommodation – No specific implications have been identified.

Crime and Disorder – Text.

Human Rights – No specific implications have been identified.

Consultation – No specific implications have been identified.

Procurement – No specific implications have been identified.

Disability Discrimination Act – No specific implications have been identified.

Legal Implications – A number of the government policy changes outlined above, place new statutory duties on the council and change the regulatory framework in which it operates. The council considers the legal implications of all decisions it takes.

Appendix 2: : Government current consultations and calls for evidence

Consultation	Government Department	Closing date
Open consultation: Maximum speed limit for tractors on public roads	Department for Transport	30/01/2014
Open consultation: Agricultural weight limits for trailers and combinations	Department for Transport	30/01/2014
Healthwatch England: the way forward	Healthwatch	10/03/2014
No less than 'good' for children's homes demands Ofsted	Ofsted	21/02/2014
Open consultation: Public service pensions regulations 2014: record keeping and miscellaneous amendments	Department for Work and Pensions	17/02/2014
Open consultation: Local authority parking strategies	Department for Communities and Local Government	14/02/2014
Open consultation: Checking and Challenging your Rateable Value	Department for Communities and Local Government	03/03/2014
Open consultation: National road and rail networks: draft national policy statement	Department for Transport	26/02/2014

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Cabinet

22 January 2014

Revised equality policy and approach



Report of Corporate Management Team

Report of Lorraine O'Donnell, Assistant Chief Executive

Councillor Simon Henig, Leader

Purpose of the Report

1. The report provides information on the revised equality policy (Appendix 2) and the streamlined corporate approach to equality planning and performance management.

Background

2. The Equality Act 2010 replaced previous equality legislation which contained a number of specific requirements for local authorities, these covered policies, action planning, equality impact assessment, monitoring and reporting processes. Though we are still required to meet responsibilities under the Act and the public sector equality duty, the Equality Act is now less prescriptive in relation to policies and procedures than the previous legislation. In response we have reviewed our equality policies and our approach to equality planning in order to maintain our commitment in a cost effective manner.

Equality policy - current position

3. There are four policies in the equality 'suite' – an overarching equality policy which is supplemented by specific policies on gender, disability and race. This reflected the legal requirements of previous legislation which meant we were obliged to have the three supplementary policies in place.
4. The Equality Act does not include specific policy requirements, this has allowed us to review our position and streamline the existing cumbersome range of documents whilst still meeting our legal responsibilities. The existing policies also incorporate some practical and procedural guidance which, although helpful, is not actual policy information so our review considered how to make this information more readily available to employees.

Revised policy

5. The aim of the review was to update the policy and provide a clear, concise message which would:
 - a) be understood by all employees, Members and the general public;
 - b) meet our current legal obligations in a single document;
 - c) be 'future proofed' against changes to legislation by removing specific detailed references and minimise the costs of further reviews.

6. The revised policy is a simplified and streamlined commitment to treating people fairly, with respect and dignity whilst complying with our legal responsibilities. The policy will apply to every elected member, employee, volunteer or organisation representing the authority through contractual or commissioning arrangements. There are a number of key commitments relating to service delivery, employment and working with others. These commitments are linked to and supported by the current equality objectives which are part of our public sector equality duty.

Equality planning and performance management

7. Alongside we have also streamlined our approach to action planning and performance management. Previously we were required to produce and publish an equality scheme which included a three year action plan, this changed in 2012 under the new public sector equality duty which requires us to publish an annual equality analysis and equality objectives every four years. As a result 2012/13 was a transition period between the final year of our Single Equality Scheme and publication of the new equality objectives.
8. Our equality aims and objectives, published in April 2012, were based on evidence from local and national statistics as well as previous consultation activities.

The three equality aims and nine underpinning objectives are:

Aim 1 – Provide high quality accessible services to all

- Understand the needs of County Durham's diverse communities
- Ensure equal access to council services
- Improve services to meet diverse customer needs

Aim 2 – Be a diverse organisation

- Provide strong leadership in relation to equality and diversity
- Recruit and retain a diverse workforce
- Promote equality and diversity through working practices

Aim 3 – Work with others to promote equality countywide

- Work effectively with underrepresented communities
- Work effectively with partners
- Integrate equality and diversity through commissioning and procurement

9. The equality objectives maintain our overarching focus whilst allowing Services to identify relevant and proportionate actions which are monitored and reported through the performance management framework. We have now consolidated our approach by building all equality actions into the Council and Service plans which embeds our approach to equalities into our corporate processes. This provides a more efficient way of managing actions and monitoring performance so that they are no longer published separately or seen as an additional burden.
10. Members may wish to note that Cabinet will consider the latest draft Council Plan and Service Plans on 19th March 2014, which will incorporate equality related actions. Our annual equality reports are available on the County Council website.

Recommendations

11. Cabinet are asked to

- approve the revised equality policy, and
- note the streamlined approach to equality planning and performance management.

Contact: Kay Winter Tel: 2680020

Appendix 1: Implications

Finance – No additional budget requirements.

Staffing – No additional staffing requirements. Policy governs staff behaviour.

Risk – Updated policy continues to mitigate risk of legal challenge.

Equality and Diversity / Public Sector Equality Duty – Policy and approach to action planning relate directly to Equality Act 2010 and PSED requirements.

Accommodation – N/A

Crime and Disorder – N/A

Human Rights – Not specifically covered in the policy but equality issues are linked to Human Rights.

Consultation – None required, this is an update rather than introduction of new policy or objectives.

Procurement – N/A

Disability Issues – Disability is a protected characteristic covered by the policy and there are specific actions included in Service Plans.

Legal Implications – The policy relates to the Equality Act 2010, it will provide evidence in case of legal challenge and includes responsibilities for staff, Members and those providing services on behalf of the authority. Equality objectives are required under the Equality Act 2010.

Durham County Council Equality and Diversity Policy

Policy statement

Durham County Council is committed to promoting equality of opportunity, valuing diversity and ensuring discrimination, harassment or victimisation is not tolerated.

Our policy is to treat people fairly, with respect and dignity. We also comply with legal requirements in relation to age, disability, gender, pregnancy and maternity, marriage and civil partnership, gender reassignment, race, religion or belief and sexual orientation.

We believe that everyone in County Durham deserves excellent public services which take account of their needs and circumstances. As an employer, service provider, partner and community leader we will ensure that all communities have opportunities to access our services, be involved in decision making and be part of our workforce.

Equality and diversity is more than just meeting our legal obligations, we will take action to improve our policies and everyday practice.

Responsibilities

Our policy applies to every elected member, employee, volunteer and any other person or organisation employed by the council to work or to deliver services on its behalf. This includes contractual and commissioning arrangements. The policy applies to all work-related situations including social events and the use of electronic communications or social media.

It is the individual's responsibility to:

- treat others fairly, with dignity and respect,
- follow council policies and procedures,
- ensure documentation, information and activity is lawful,
- consider reasonable adjustments and other requirements relating to disabled people,
- challenge discrimination and unfair treatment, reporting it where appropriate, and
- attend relevant training and ask for advice where necessary.

All actions, which are intentionally contrary to this policy, will be dealt with under the appropriate disciplinary procedure.

Our commitment

To support our corporate policy and commitment, we will:

- Treat all individuals with dignity and respect.
- Value diversity.
- Encourage participation in decision making and take account of consultation responses.
- Take action on any form of discrimination or complaints of unfair treatment.
- Comply with equality law and learn from good practice in other organisations.
- Regularly monitor, assess and consult on the impact of our policies, services and functions to ensure they are fair and reflect people's varied needs.
- Monitor and review our equality objectives which are supported in the Council plan and Service plans.

Demonstrating our commitment to equality and diversity

We will ensure that elected members and employees are made aware of this policy through our induction, training and corporate communications. We will take actions to advance equality in service delivery, employment and working with others.

Service delivery

We are committed to providing accessible and appropriate services to meet the needs of all our service users.

When we deliver or commission services we will:

- Develop flexible and responsive services within the resources available.
- Adapt services and make reasonable adjustments where appropriate.
- Improve access to council premises.
- Make our information accessible by offering alternative formats, interpretation and sign language services where necessary.
- Monitor take up of services and take appropriate action to eliminate barriers
- Include equality actions in our Council and Service plans.
- Consult and involve all sections of the community to ensure their needs are considered.
- Ensure equal access to the Council's complaints procedure.
- Evaluate and monitor the impact of our policies, services and functions on communities.

Employment

We are committed to being a fair and supportive employer, and we will monitor our employment practices to ensure fair representation and treatment.

As an employer we will:

- Treat all employees fairly, with dignity and respect at all times.
- Ensure fair recruitment processes which encourage applications from all groups in the community.
- Provide a safe and accessible working environment, creating a culture which is free from discrimination, harassment, bullying and victimisation.
- Provide fair and transparent pay, reward and employment conditions.
- Promote work-life balance and opportunities to work flexibly.
- Make reasonable adjustments in line with our legal duties.
- Monitor employment procedures to avoid unlawful discrimination and ensure consistent treatment.
- Ensure that all employees have fair and equal access to learning and development opportunities to ensure that the workforce is equipped with the necessary skills.

Working with others

As a large public sector organisation we will use our influence and work together with other key partners and the local community to:

- Develop understanding of the communities we serve.
- Ensure effective communication with the local community.
- Encourage all members of the community to participate in decision making.
- Use feedback from communities to help shape future plans, decisions and policies.
- Encourage, develop and participate in joint working.
- Share information, experience and examples of good practice on equality with other public, private, voluntary and community organisations.

- Use our influence and purchasing power to encourage good equality practice in other organisations.
- Provide opportunities for residents to come together through cultural, sporting and other community activities.

Complaints procedures

There are a number of ways to report equality issues or complaints:

- Employees can raise issues informally with their line manager or Head of Service. Formal complaints should follow the grievance procedure.
- Councillors can report issues through the member officer protocol or the code of conduct depending on the nature of the complaint.
- Members of the public can use the corporate and statutory complaints procedures.

We will take prompt action to investigate any complaints.

Anyone who has complained will not be treated unfavourably or victimised. However, if a complaint is found to be malicious this will be dealt with under the appropriate disciplinary procedure.

Cabinet

22 January 2014



Annual Report of the Director of Public Health

Report of Corporate Management Team

Rachael Shimmin, Corporate Director of Children & Adults Services

Anna Lynch, Director of Public Health, County Durham

Councillor Lucy Hovvells, Cabinet Portfolio Holder for Safer and Healthier Communities

Purpose of the Report

1. This report asks Cabinet to receive the 2012/13 annual report of the Director of Public Health for County Durham. This is the first annual report produced under the new NHS arrangements which transferred some public health functions to local authorities.

Background

2. Under the Health & Social Care Act 2012, one of the statutory requirements of each Director of Public Health is to produce an annual report about the health of the local population. The relevant local authority has a duty to publish the report. The government has not specified what the annual report might contain and has made it clear that this is a decision for individual Directors of Public Health to determine.
3. It is important to note that most data and information on the health status of the communities in County Durham is detailed in the Joint Strategic Needs Assessment available on the Council's website. Further information on public health programmes can also be found in the public health business plan and the joint health & wellbeing strategy. Detailed information on health protection issues for County Durham residents is contained in a Public Health England report – *Protecting the population of the North East from communicable diseases and other hazards – Annual Report 2012/13*. This is available on request.
4. The 2012/13 annual report focuses on reducing health inequalities and what action needs to be taken by a range of organisations, in the short, medium and long term to tackle the persistent and pervasive health inequalities suffered by some of the communities in the county. Importantly, the report informs commissioning plans, service developments and the assessment of needs. The future direction of early years' services and the integration of public health across council services will be informed by the report.
5. The key messages from the report are detailed in Appendix 2 and include four actions for elected members. These are:
 - Support making every contact count is a key aspect of Durham County Council's work to address health inequalities. The aim of making every contact count is to

use each contact with a member of the community or service user, to offer brief advice about staying healthy. It should be part of a transformative and aspirational agenda of organisational development, engaging key people at all levels to deliver health and wellbeing as part of business as usual.

- Make smoking history. Use your contacts to lobby for plain packaging, know where the stop smoking services are and encourage members of the public to use them. Support firm action to reduce illegal tobacco sales from social housing and the prosecution of shop sellers flouting the age rules on sale of tobacco. Support efforts to ensure children in the looked after system are supported not to take up smoking or to stop.
- Make use of the change4life campaign in your community to promote all aspects of health and wellbeing. Particularly support the message to be active, support a sustainable and healthy food system, and promote safe alcohol drinking.
- Work at a grass roots level within constituencies to encourage the take up of health checks opportunities. Create health checks events at a time and place likely to attract those who are vulnerable and aged 40-75 (check4life).

6. The annual report will be uploaded onto the council website and hard copies provided to a range of organisations and individuals including the County Durham clinical commissioning groups, NHS England, third sector organisations, foundation trusts, Public Health England, North of England Commissioning service etc. In addition, copies will be made available to the members library, to individual members (where requested), Cabinet, Overview & Scrutiny Committees and officers.

Recommendations

7. Cabinet is requested to:
 - a. Receive the 2012/13 annual report of the Director of Public Health, County Durham and note the key messages
 - b. Note that the report is used to inform commissioning plans, service developments and assessment of need to support a range of funding bids, particularly by third sector organisations

Background Papers

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Appendix 1: Implications

Finance

The publication of the report is funded by the ring fenced public health grant.

Staffing

No impact

Risk

No impact

Equality and Diversity / Public Sector Equality Duty

No impact

Accommodation

No impact

Crime and Disorder

No impact

Human Rights

No impact

Consultation

This is the independent report of the Director of Public Health and is not subject to consultation

Procurement

No impact but should inform council commissioning plans in relation to services that impact on the health of the population

Disability Issues

No impact

Legal Implications

No impact

Appendix 2

KEY MESSAGES

Chapter 1: Measuring health inequalities in County Durham

- Health inequalities exist between County Durham and England.
- The health of County Durham's population has improved significantly over recent years, but still remains worse than the national average.
- Levels of deprivation are higher, and life expectancy is lower, than England. Life expectancy has improved locally over time, but has not caught up with the national average.
- Mortality rates from the major causes of death have fallen significantly over time, in many cases faster than nationally, but they remain significantly higher than England.
- Of the 32 indicators in the 2013 County Durham Health Profile (Association of Public Health Observatories):
 - eight indicators were significantly worse than England and had not improved from the previous reporting period (see table 6).
 - Twelve indicators were significantly worse than the England average and had improved from the previous reporting period.

Chapter 2: Actions that impact in the short term through primary care and clinical commissioning groups

- Population health has always been an important element of primary care. However, there has been the tension in general practice between treating those who are unwell, managing patients who are at a high risk of becoming unwell and giving sufficient attention to the general population to improve their health and wellbeing to prevent them becoming unwell.
- There is a growing consensus around the view that general practice could do more to improve health and wellbeing in its population.
- There is increasing evidence demonstrating the importance of primary health care as the most efficient way of delivering evidence-based, cost-effective programmes that address the leading risk factors for ill health. They can prevent and better manage long-term conditions through lifestyle interventions.
- There are a number of current factors suggesting that the time is right for general practice to take on a greater responsibility for population health.
- General practice can make a significant contribution to addressing health inequalities in a number of different ways. The challenge is to find effective ways of integrating the role of GPs and primary care teams with public health interventions that will make a difference to narrowing health inequalities on a population scale.

Chapter 3: Actions that impact in the medium term through public health commissioning

Alcohol

- To reduce alcohol related harm we need to make it less affordable, less available and restrict how it is advertised.
- Ensure a systematic approach to the delivery of screening and brief interventions to ensure that those who are drinking at harmful levels can be identified early and supported to reduce their levels of drinking. Those people who are possibly dependent need to be able to access treatment.
- Increase the focus on recovery and support to enable people to stay successfully free of alcohol.

Breastfeeding

- Breastfeeding is best for the first year of life.
- Investing in supporting women to breastfeed will improve the quality of life for women and their children.
- Low breastfeeding rates lead to an increased incidence of illness that has a significant cost to the health service.

Cancer

The keys for saving potentially 200 lives a year in County Durham are:

- Increasing community knowledge and support
- Engaging primary care and supporting better access to diagnostic tests.
- Speeding up diagnostic services and reporting of test results back to primary care.

Childhood obesity

- One out of every four children at reception age and four out of every ten children at year six in County Durham is either overweight or obese.
- Schools, working in partnership with public health, can influence and support children and their families to promote healthy weight in County Durham.
- Elected members and their communities have a role to play in improving lifestyles in County Durham.

Heart and circulatory (cardiovascular) disease

- The NHS Health Check programme has been taken up by every GP practice in County Durham and has been in place for nearly 5 years.
- The community based Check4Life programme is expanding to reach population groups less likely to attend their GP practice for a health check.
- The wide variation in the number of health checks carried out by GP practices could be contributing to a widening of health inequalities caused by CVD.
- There needs to be a greater emphasis on risk communication and take up of lifestyle interventions as result of a health check.

Mental health and wellbeing

- Positive mental health is central to all other health-related choices. It is a crucial aspect of the county council's new responsibility for wellbeing.
- Mental illness affects a high proportion of the population and is closely related to inequalities.
- Work to promote mental health and wellbeing requires a population wide approach as well as work targeted to those who are most vulnerable.

Physical activity and obesity in adults

- Obesity is considered the most widespread threat to health and wellbeing and can reduce life expectancy on average by nine years, through premature death.
- Diabetes is the condition that is set to increase the most as obesity prevalence increases. Up to 10% of hospital budgets is spent on type 2 diabetes. Drug costs for people with type 2 diabetes is estimated to account for about 7% of the total NHS drugs budget.
- Being physically active has been described as a wonder drug by medical officers and is one of the most important things people of all ages, sizes, and shapes can do to improve their health.

Sexual health

- The general rise in STI diagnoses demonstrates that tackling sexually transmitted infections continues to be a public health priority.
- The diagnostic rate for Chlamydia needs to be monitored in relation to screening criteria and local screening practice.
- A screening pilot for Gonorrhoea will be undertaken to determine population prevalence in the region.
- Raising awareness of HIV and access to services is essential to prevention, early intervention and better health outcomes.

Teenage pregnancy

- The success made in reducing teenage conceptions should be acknowledged, however, County Durham remains significantly worse than the national average.
- The momentum should be maintained and work continued to improve the outcomes for young people within the county that will reduce teenage conception rates.

Tobacco

- Smoking remains the single biggest preventable cause of premature death in the UK today. It is the single biggest cause of inequalities in death rates between the people in the most and least deprived areas. The vision is to make smoking history in County Durham with a focus on the protection of children.
- An ambition to reduce smoking prevalence in County Durham to 5% by 2030 (20.9% 2012).
- Tobacco control should be delivered within an infrastructure that supports national policy and incorporates regional and local delivery, with engagement from a range of key partners.

Unhealthy behaviours and health inequalities: a joined up approach

- Wellness services can provide support to people to live well, by addressing the factors that influence their health and wellbeing. It builds their capacity to be independent, resilient and maintain good health.
- Wellness services could help to achieve public health transformation by moving away from the commissioning of single issue health improvement services to more integrated approaches.
- Diminishing budgets mean that economies of scale need to be found.

Chapter 4: Actions that impact in the longer term through preventative work to address the social determinants of health.

Building on assets

- Communities with greater social capital have greater participation, involvement and control over local issues.
- The asset based approach values the skills, knowledge, capacity, connections and potential of the community.
- Asset based approaches are not intended to replace investment in public services, but rather to complement them.

Capacity building in the community

- Volunteering is a way of engaging people in their local communities and improving social capital.
- Evidence suggests that volunteering can bring a range of health benefits including positive wellbeing.

Capacity building in the workforce

- The move of public health to local government brings opportunities to develop the wider public health workforce.
- Making every contact count puts the prevention of health problems and opportunities for good health at the heart of every local contact.

Housing

- There is a long recognition of the association between housing conditions and physical and mental ill health.
- The relationship between the broad range of specific elements that can affect health outcomes is complex.
- It is difficult to isolate, modify and assess the health impact of housing conditions because they will often coexist with other forms of deprivation.

Income maximisation

- Tackling general inequalities such as poverty is the best means of tackling health inequalities.
- Increasing income of the poorest will lead to improvements in health and life expectancy.
- Increasing the uptake of benefits in entitled groups is one way of achieving this.

Integrated planning: the environment, food and obesity

- Local planning has potential to positively influence the design of neighbourhoods and sustainable communities.
- Integrated planning can lead to positive changes in local council policies that favour health or strike a balance between health and planning.

Integrated planning case study: food outlets

- Research studies have identified socially distressed neighbourhoods with poor access to healthy food as food deserts.
- Residents of poorer areas could particularly benefit from policies which aim to improve availability of healthier food options and better access to shopping facilities.
- Encourage spaces for community food growing. Planners can influence targets within the County Durham plan

Work

- Employment and the working environment have a direct impact on health.
- Steps should be taken to avoid ill health in the workplace.
- During an economic downturn, when employers' resources are stretched, engaging new work places in health programmes can prove a challenge. The support of business partnerships will be crucial in ensuring business achieve the benefits of investing in healthier workplaces.

Worklessness

- Being unemployed is bad for physical and mental health.
- Good work is good for physical and mental wellbeing.
- The longer people are out of the workplace, the harder they find it to return and the greater the impact on their health and wellbeing. Therefore early intervention services in workplaces are key.

Cabinet

22nd January 2014

NHS and Public Health Reform



Report of Corporate Management Team

Rachael Shimmin, Corporate Director of Children & Adults Services

Anna Lynch, Director of Public Health County Durham

Councillor Lucy Hovvels, Cabinet Portfolio Holder for Safer and Healthier Communities

Councillor Morris Nicholls, Cabinet Portfolio Holder for Adult Services

Councillor Ossie Johnson, Cabinet Portfolio Holder for Children & Young People's Services

Purpose of Report

1. The purpose of this report is to provide an update on recent developments related to NHS and public health reform.

Background

2. Cabinet agreed to receive quarterly update reports for a period of 12 months, from April 2013, on developments related to NHS and public health reform.
3. This report provides an update on developments since the last report presented to Cabinet on 9th October 2013.

National Developments

NHS England

4. Simon Stevens has been appointed as the new Chief Executive of NHS England. Mr Stevens who has 26 years' experience in healthcare management at frontline and national level both in England and internationally, will take over from Sir David Nicholson on 1 April 2014.
5. NHS England will work with a wide range of organisations and an external reference group to identify innovative GP groups who will lead the development of a 24/7 service (seven days a week, in and out of office hours). Innovative practices will be able to apply to a new £50m Challenge Fund to set up a pioneer programme. Pioneers will be established in every region of the country which together are expected to cover up to half a million patients. Pioneer GP groups will also test a variety of forward-thinking services to suit modern lifestyles, including greater use of Skype, email and phone consultations.

Patient Care and Safety

6. On the 19 September 2013 the Government set out plans to help prevent future failures of care and safety at NHS hospitals. In the wake of the review of standards at

Mid Staffordshire NHS Foundation Trust and subsequent Keogh Review which looked at 14 NHS Trusts with high mortality rates, 11 of those Trusts have already been placed in 'special measures'. The Health Secretary has set out a new approach to ensure progress at those NHS Trusts, which could be applied to any NHS Trust that is placed in special measures under a new, tougher inspection regime:

- NHS hospitals with the highest standards of patient care and safety will help those with problems. The high performing hospitals will enter into contracts with the NHS Trust Development Authority or Monitor to support the special measures Trusts.
- NHS Foundation Trusts placed in special measures will have their freedom to operate as an autonomous body suspended.
- NHS Trusts who aspire to become Foundation Trusts will in future no longer be able to do so unless and until they have achieved a 'good' or an 'outstanding' rating under the new Care Quality Commission inspection regime.
- More senior clinicians, as well as professionals from outside the NHS, will be recruited to manage NHS hospitals under a new fast-track leadership programme to include time at a leading business school.

7. In response to the abuse which took place at Winterbourne View Hospital, the joint improvement programme was established to help local areas fundamentally transform health and care services for people with learning disabilities or autism and behaviour that challenges. The programme is led by the Local Government Association (LGA) and NHS England, and funded by the Department of Health.

The Joint Improvement Programme Progress Report, published in October 2013, is an analysis of a questionnaire that covers all 152 health and wellbeing board areas. The report highlights areas for development which include the development of whole life course planning, improving engagement and joint working, investment in behaviour support and community based accommodation and increasing advocacy activity.

Integrated Care and Better Care Fund

8. Twenty six councils have agreed to be at the forefront of the integration of health and social care under a programme led by Labour's shadow health secretary Andy Burnham. The councils have been tasked with finding effective ways of joining up the health and social care services by developing individual models of integration and combining of existing health and social care budgets. They will have regular contact with Labour's central health team. It is not yet clear what the links will be between these councils and the 14 that were successful in their bid to become an integration pioneer under Norman Lamb's programme, which also aims to make health and social care services work together to provide better support at home and earlier treatment in the community to prevent people needing emergency care in hospital or care homes.
9. Following the announcement at the Spending Review in June of the £3.8bn monies available through the Integration Transformation Fund (renamed as the Better Care fund from December 2013), in 2015/16, further guidance has been shared with local authorities.

The £3.8bn pool brings together NHS and Local Government resources that are already committed to existing core activity. (The requirements of the fund are likely to significantly exceed existing pooled budget arrangements). Councils and Clinical Commissioning Groups (CCGs) will, therefore, have to redirect funds from these

activities to shared programmes that deliver better outcomes for individuals. This calls for a new shared approach to delivering services and setting priorities, and presents Councils and CCGs, working together through their Health and Wellbeing Board, with an opportunity to shape sustainable health and care for the foreseeable future.

An element of the funding is linked to performance and outcomes and part of the process is that an agreed integration plan is submitted to Government in accordance with the deadline. All plans are subject to NHS England and Ministerial approval.

Local plans need to be jointly agreed between the local authority and CCG's and signed off by Health and Wellbeing Boards. To assist Health and Wellbeing Boards the Local Government Association and NHS England have developed a template to use in developing, agreeing and publishing their integration plan. The deadline for the return of completed planning templates is 15th February 2014.

On 18 December 2013 the Local Government Finance Settlement covering the period 2014/15 and 2015/16 was published. Social Care funding allocation to DCC in 2014/15 has been confirmed as £39.193m, with the indicative BCF allocation of £43.735m for 2015/16.

Public Health England

10. The roll-out of a phased extension of the annual flu vaccination programme began in September 2013, with children aged two and three being invited to receive the vaccine by their GPs and a national advertising campaign being launched by Public Health England (PHE). A small number of pilot programmes have been launched offering the vaccine to four-to-ten year olds. The results of these pilots will inform the programme's further roll-out in future years to include annual vaccination of all two-to-sixteen year olds.
11. The Cold Weather Plan (CWP) for England 2013/14 was published by PHE in October 2013. It is up to each local authority and its NHS partners to consider the actions in the plan and adapt and incorporate them as appropriate. The key messages cover:
 - All local authorities, NHS commissioners and their partner organisations should consider the CWP for England 2013 and satisfy themselves that the suggested actions and the Cold Weather Alert service are understood across their locality. They should review or audit the distribution of the Cold Weather Alerts across the local health and social care systems to satisfy themselves that the alerts reach those that need to take appropriate actions.
 - The community and voluntary sector can help reduce vulnerability and support the planning and response to cold weather, particularly through identifying and engaging vulnerable people.
 - Reducing excess winter illness and death is not something that can be tackled in the winter alone. It requires a long-term strategic approach by HWBs, Directors of Public Health and commissioners to assess needs and then commission, plan and implement interventions. Action to reduce cold-related harm should be considered core business by Health and Wellbeing Boards and included in Joint Strategic Needs Assessments and Joint Health and Wellbeing Strategies.
12. PHE's 2013 Local Health Profiles were published in September 2013 and provide summary health information to support local authority members, officers and

community partners make decisions and plans for health improvement. The profiles present a set of important health indicators that show how the area compares to the national and regional average and give a snapshot overview of health for each local authority in England. The Local Health Profile for County Durham shows that performance is worse than the England average in relation to life expectancy, children living in poverty, early deaths, child obesity, teenage pregnancy, breastfeeding, smoking in pregnancy, alcohol specific hospital stays, healthy eating and smoking related deaths. County Durham is better than the England average in terms of GCSE attainment, sexually transmitted infections, road injuries/deaths, statutory homelessness, violent crime and drug misuse.

The information contained in the Local Health Profile will be considered as part of the next Joint Strategic Needs Assessment for County Durham.

13. The Health Premium Incentive Advisory Group has published an interim report, recommendations to the Advisory Committee on Resource Allocation (ACRA), regarding the public health incentive scheme which will form part of the ring-fenced public health grant to local authorities post 2015. It is expected that the final recommendations will be presented to ACRA and to the Secretary of State for Health in early 2014. The incentive scheme will be linked to progress and achievement against the Public Health Outcomes Framework.

Regional Developments

Public Health

14. Public Health England's North East branch is in the process of recruiting additional Public Health consultant posts to lead on health improvement and public health workforce issues. As the system is bedding down post transition relevant public health data flows are being established to support the public health team in the Council. The Director of Public Health, County Durham meets regularly with the centre Director to discuss ongoing operational issues.
15. Public Health England hosted a regional conference in County Durham on 14 November 2013 which focused on the National Child Measurement Programme (NCMP) and Diet and Health. The conference detailed new tools available to support delivery of the NCMP, sharing of good practice and evidence. The support needs of local authorities in relation to diet and obesity and the challenges and opportunities on promoting healthy eating and tackling obesity, were considered, to help to inform the development of local and national action plans.
16. In November Balance¹ held a regional conference in County Durham, for professionals, to learn about the latest alcohol developments. Balance continue to press for the introduction of evidence-based interventions, including a minimum unit price for alcohol, and the event to explored how the North East can work together to influence national policy while taking local evidence-based measures to reduce alcohol harm.

¹ Balance is the North East Office for Alcohol and is jointly commissioned by the 12 local authorities with Durham County Council as the lead commissioner.

Developments in County Durham

County Durham Health and Wellbeing Board

17. The Health and Wellbeing Board (HWB) met on 15th November 2013 and discussed the following reports:

The Smoke Free County Durham Tobacco Control Action Plan

18. The HWB endorsed the Smoke Free County Durham Tobacco Control Action Plan, which aims to make smoking less desirable, accessible and affordable. Locally this means improving health and reducing health inequalities by reducing the number of smokers. The Smokefree Tobacco Control Alliance for County Durham brings together partners from across the county to work together to implement action locally. It is jointly chaired by Councillor Audrey Laing, Durham County Council and Anna Lynch, Director of Public Health, County Durham.

Smoking is the biggest single contributor to the shorter life expectancy experienced locally and contributes substantially to the cardiovascular disease (CVD) and cancer incidence. Smoking is a major health inequality issue within County Durham and is an area of focus within the Joint Health and Wellbeing Strategy.

North Durham CCG and Durham Dales, Easington and Sedgefield CCG

19. A report was noted by the HWB on the North Durham CCG (NDCCG) and Durham Dales, Easington and Sedgefield CCG (DDES CCG) planning process, which feeds into the 2014/15 planning round. As a part of the NHS 'Call to Action' programme each of the CCGs within the Durham, Darlington and Tees area have agreed to work jointly with the Local NHS England Area Team utilising the North of England Commissioning Support (NECS) communication and engagement teams. They have written to key stakeholders to obtain their views on what the CCG and other health commissioners should consider in the development of their commissioning plans for 2014/15. In developing the commissioning plan the CCGs will give consideration to operating framework requirements, Integrated Transformation Funding arrangements and budget allocations.

In November NHS England and the Local Government Association (LGA) wrote to CCGs and local authorities to emphasise the importance of developing and implementing bold and transformative long-term strategies and plans for their services, to prevent financial unsustainability and decline in safety and quality of patient care. The letter stated that this long-term transformation will only be achieved through commitment to create a fully integrated service between the NHS and local government.

In light of the letter received and the need to coordinate across the Health and Wellbeing Strategy and NHS planning arrangements the 2 CCG's in County Durham have made proposals to NHS England, supported by DCC, to form a single planning unit that is coterminous with Durham County Council. The CCG's recognise the need to ensure there are effective links made with other planning units but in particular Darlington, Sunderland and North Tees and Hartlepool due to the commissioning and contractual arrangements for provider trusts and patient flows across these areas.

20. The HWB also noted a report on North Durham CCG and DDES CCG urgent care arrangements. Both CCGs have identified urgent care as a priority in their 2013/14 annual commissioning plan. Detailed winter plans for 2013/14 have been developed and agreed for County Durham. An Urgent Care Board has been established which is led by both CCGs and has responsibilities for the coordination and oversight of the winter plan across County Durham. The Urgent Care Board includes representation from Durham County Council (DCC), the Police and Fire Service. Across the health economy both CCGs are also implementing a series of commissioner visits to the emergency departments. The purpose of the visits is to review the effectiveness of services, quality and safety, patients experience and understand key issues.

There are a number of other areas of development that both CCGs are undertaking that support urgent and emergency care:

- Intermediate care – both CCGs and DCC are involved in the service developments that will support the timely discharge of patients and prevent emergency admissions by ensuring that patients have access to consistent intermediate care (short term intervention).
- GP practice variation – the purpose of practice variation is to use available data and support practices to look critically at variation such as emergency department attendances, emergency admissions and urgent care attendances. This process uses peer review and aims to change referral patterns that ensure patients access the appropriate pathway.
- Long term conditions – both CCGs are implementing a range of schemes that aim to ensure that patients with long term conditions are managed effectively in their home or in community settings to avoid emergency admissions, for example chronic obstructive pulmonary disease.

North Durham CCG has completed a review of urgent and emergency care. The evidence and information collected as part of the review has indicated that a significant number of patients currently accessing urgent care in-hours could be seen in primary care. Similarly around 30 percent of patients currently attending the emergency department in-hours could be seen in primary care. A revised model has been proposed and an outline business case is being finalised along with a service specification. In summary the key elements of the North Durham model for urgent and emergency care are to improve and develop capacity in existing services:

- Enhance the role, capacity and capability of primary care to enable patients to be seen in-hours within their local community. This includes consideration of a move towards 7 day working.
- Ensure an integrated minor and major pathway in the emergency department providing urgent and emergency care ranging from minor injury to major trauma.
- Ensure effective communication and coordination in the system through effective links with the existing 111 service to primary care and the emergency department.
- Ensure effective unplanned care transport services that are integrated within the model.

DDES CCG are currently undertaking a review of their urgent care arrangements and will be developing plans in the coming months.

The Public Mental Health Strategy

21. The HWB endorsed the Public Mental Health Strategy 2013-2017, which covers all ages and directs action for:

- Promoting mental health and wellbeing
- Preventing mental ill health
- Early identification of those at risk of mental ill-health
- Recovery from mental ill-health

The Public Mental Health Strategy for County Durham was developed by the Public Mental Health Strategy Development Group consisting of key partners, service users and carers. It is based on comprehensive identification of needs and identifying evidence based practice to promote good mental health.

This strategy aims to promote mental wellbeing and prevent the development of mental health issues. It will do this through increasing the resilience of the population in County Durham and reducing risk factors associated with poor mental health. There is a need to promote mental health and emotional well-being at individual and community level; improve the mental health and wellbeing of children and young people, and to reach out to the groups at greatest risk of poor mental health.

This work will form the basis of an overall mental health framework in County Durham.

The Winterbourne View Concordat and Action Plan

22. The HWB received an update on the Winterbourne View Concordat and Action Plan implementation in County Durham. To complete this work a project group involving DCC Commissioning colleagues, the Operations Manager for Learning Disability services, the Continuing Health Care Team and the North East Commissioning Support Unit was established in May 2013. The primary focus in relation to individuals centres on 10 people with Learning Disability on the Winterbourne register. Regarding the 10 individuals, initial plans are in place to either identify suitable placements locally or to develop new services where required. Detailed individual work is now being actioned.

The Adult Autism Strategy

23. The HWB received an update on progress of the implementation of the Adult Autism Strategy. In August 2013, Local Authorities were notified that a second self-assessment exercise was to be undertaken. Work has been carried out with partners to complete the on-line return. Areas to be addressed following the self-assessment include the following:

- The needs of older people with autism
- Strengthening the focus on employment pathways for people with autism to achieve higher levels of employment
- Engaging with partners in the Criminal Justice system to ensure that people with autism are dealt with effectively and fairly.

A local action plan will look to consolidate progress made in relation to data and needs mapping, carer and service user engagement and the development of post diagnosis

support services. Alongside that, mainstream agencies need to continue to make 'reasonable adjustments' where possible, in order to improve service access for people with autism.

Social Care funding transferring from NHS England

24. Social care funds of c. £10.1m for the 2013/14 financial year and c. £12.9m for 2014/15 are due to be transferred from NHS England to the local authority under a section 256 agreement. The HWB ratified the proposed options for use of the social care funds for 2013/14.
25. The funding will be used to support the following objectives:
 - Providing care as close to home as possible.
 - Reducing inappropriate admissions to care homes.
 - Maintaining people's independence at home and reducing unplanned admissions to hospital.
 - Providing more coordinated hospital discharge planning and avoiding readmission.

This approach seeks to improve the independence and wellbeing of our population, relieves volume and funding pressures within the acute and social care sector, fits with our developing approach to whole system change in intermediate care services and fully aligns with the strategic objectives within the Joint Health and Wellbeing Strategy.

Joint Strategic Needs Assessment / Joint Health and Wellbeing Strategy

26. A refresh of the Joint Strategic Needs Assessment (JSNA) is being undertaken in order to identify any gaps in evidence of health, social care and wellbeing needs for County Durham. The six strategic objectives in the Joint Health and Wellbeing Strategy (JHWS) have been reaffirmed by the Health and Wellbeing Board as:
 - Children and young people make healthy choices and have the best start in life
 - Reduce health inequalities and early deaths
 - Improve the quality of life, independence and care and support for people with long term conditions
 - Improve mental health and wellbeing of the population
 - Protect vulnerable people from harm
 - Support people to die in the place of their choice with the care and support that they need
27. An engagement event was hosted by the County Durham Health and Wellbeing Board on 22nd October 2013. The event was attended by 134 stakeholders from a wide range of backgrounds including local authority, NHS, voluntary and community sector, members of the public, service users, carers and patient groups. Stakeholders were invited to identify gaps in health, social care and wellbeing evidence provided in the JSNA and in the JHWS to help develop key actions to address any gaps.
28. An online feedback opportunity ran on the Durham County Council website from 22 October – 12 November 2013 to seek wider feedback.

29. From November 2013 to January 2014 presentations are being undertaken with Area Action Partnerships on the JSNA and JHWS.
30. Presentations are also being provided to Children and Young People's and Adults Wellbeing and Health Overview and Scrutiny Committees to ensure that their views on the key messages from the JSNA and the strategic actions from the JHWS have been captured.
31. Consultations have also taken place with children, including those with disabilities, through Investing in Children and an additional consultation has taken place with parents of disabled children through the Making Changes Together group.
32. The feedback to date has included a number of key areas which will need to be considered by the Health and Wellbeing Board, including:
 - Young people who self-harm
 - Young carers
 - Offender health
33. The Health and Wellbeing Board will be asked to agree the refresh of the Joint Health and Wellbeing Strategy in March 2014.
34. A report on the JSNA 2013 key messages and the JHWS refresh for 2014-17 will be presented to Cabinet on 16th April 2014.
35. Over the coming months the Health and Wellbeing Board will consider the following:
 - Better Care Fund in relation to the integration of social care and health services and associated funding
 - Clinical Commissioning Group Clear and Credible Plans
 - Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy
 - Dual Diagnosis Strategy
 - Cardiovascular Disease Strategy
 - DDES and North Durham CCG Primary Care Strategies
 - Healthy Weight Strategy

Local Healthwatch

36. Healthwatch County Durham continues to make progress in becoming established as a corporate body in the form of a Charitable Incorporated Organisation.
37. Healthwatch County Durham now has a full Board of 12 members. Board members or "governors" have been assigned a particular lead area to oversee and are attending various stakeholder committees and meetings across the County.
38. The Board are looking to develop three levels of membership to reflect level of involvement. Level 1: receiving and offering information; level 2: active involvement including volunteering and; level 3: corporate/group membership.
39. Eight public access hubs have been established countywide. These will provide a single point of contact for people to access information about health and social care services and to feed in views to inform service improvements.

Public Health

40. The annual report of the Director of Public Health has been published and due to be received by Cabinet on 15th January 2014.
41. Cabinet approved the County Durham Tobacco Action Plan and the Public Health Pledge at its meeting on 30th October 2013. These demonstrate the Council's ambition and commitment to improving the health of communities across the county. In addition, the Council is considering becoming a signatory to the Local Government Declaration on Tobacco Control, an initiative developed by Newcastle City Council and launched nationally in the House of Commons in December 2013.
42. NHS England Area Team for County Durham, Darlington and Tees Valley has established two oversight boards. One focuses on screening programmes and the second on immunisation programmes. These Boards will provide the Director of Public Health with assurance that the NHS system has robust plans, both strategic and operational and has good and effective clinical governance in place to ensure that the health of County Durham communities is adequately protected. This assurance is a statutory duty for the Council under the Health & Social Care Act 2012, discharged through the Director of Public Health.
43. The public health team has started to progress a public health transformation programme which has a large focus on a community wellbeing model both for children and adults. The approach will target communities with the greatest need, working with existing council services with a focus on reducing health inequalities in the county.

Recommendations

44. Cabinet is recommended to:
 - Accept this report and further quarterly reports on developments related to NHS and public health reform.

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Appendix 1 - Implications

Finance – There are no direct implications.

Staffing – There are no direct implications.

Risk – There are no direct implications.

Equality and Diversity / Public Sector Equality Duty – Under provisions in the Health and Social Care Act, the Secretary of State, NHS England, Local Authorities and Clinical Commissioning Groups have a duty to reduce health inequalities.

Equality Impact Assessments are carried out as part of the development of the Joint Strategic Needs Assessment and the Joint Health and Wellbeing Strategy.

Accommodation – There are no direct implications.

Crime and Disorder – The Joint Strategic Needs Assessment considers the wider determinants of health and wellbeing within a local authority's area, including crime and disorder issues and signposts to the Safe Durham Partnership Strategic Assessment.

The Director of Public Health County Durham has a role to work with the Police and Crime Commissioner to promote safer communities.

Human Rights – There are no direct implications.

Consultation – The government continues to consult with patients and professionals on NHS and public health policy.

Procurement – There are no direct implications.

Disability Discrimination Act – There are no direct implications.

Legal Implications – There are no direct implications.

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