



**Joint Meeting of Overview and Scrutiny Management Board  
And Corporate Issues Overview and Scrutiny Committee**

**Date**        **Thursday 26 January 2017**  
**Time**        **9.30 am**  
**Venue**       **Committee Room 2, County Hall, Durham**

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**Business**

**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. Apologies.
2. Substitute Members.
3. Minutes of the meeting held 25 November 2016 (Pages 3 - 8)
4. Declarations of Interest, if any.
5. Medium Term Financial Plan (7), Council Plan, Service Plans 2017/18 - 2019/20 and 2017/18 Budget (Pages 9 - 52)  
Joint Report of the Corporate Director Resources and Director of Transformation and Partnerships.
6. Quarter 2 2016/17 Performance Management Report (Pages 53 - 68)  
Report of the Director of Transformation and Partnerships.
7. Customer Feedback: Complaints, Compliments and Suggestions 2016/17 - Quarter 2 (Pages 69 - 82)  
Report of the Corporate Director Regeneration and Local Services.
8. Quarter 2 September 2016: Forecast of Revenue and Capital Outturn 2016/17 (Pages 83 - 96)
  - (i) Report of the Corporate Director Resources
  - (ii) Report of the Director of Transformation and Partnerships

9. Customer Relationship Management System Review - Report and Recommendations (Pages 97 - 120)  
Report of the Director of Transformation and Partnerships.
10. 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  
18 January 2017

To: **The Members of the Corporate Issues Overview and Scrutiny Committee**

Councillor J Armstrong (Chairman)  
Councillor P Stradling (Vice-Chairman)

Councillors E Adam, A Batey, R Bell, H Bennett, J Blakey, D Boyes, K Corrigan, R Crute, B Graham, K Henig, J Hillary, A Hopgood, P Lawton, J Lethbridge, T Nearney, M Nicholls, C Potts, L Pounder, J Robinson, A Shield, M Simmons, W Stelling, J Turnbull and S Wilson

**Faith Communities Representatives:**  
Mrs M Elliott

**Parent Governor Representatives:**  
Mr R Patel

**Other Members:**  
Councillors J Alvey, B Armstrong, G Bleasdale, J Carr, P Crathorne, E Huntington, N Martin, J Rowlandson, J Shuttleworth, L Taylor, A Turner, M Wilkes and R Young

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**DURHAM COUNTY COUNCIL**

**CORPORATE ISSUES OVERVIEW AND SCRUTINY COMMITTEE**

At a Joint Meeting of **Corporate Issues Overview and Scrutiny Committee** and **Overview and Scrutiny Management Board** held in Committee Room 2, County Hall, Durham on **Friday 25 November 2016 at 9.30 am**

**Present:**

**Councillor J Lethbridge (Chairman)**

**Members of the Committee:**

Councillors E Adam, R Bell, H Bennett, J Blakey, J Carr, P Crathorne, R Crute, B Graham, A Hopgood, E Huntington, T Nearney, M Nicholls, L Pounder, J Rowlandson, M Simmons, P Stradling, L Taylor and J Turnbull

**1 Apologies**

Apologies for absence were received from Councillors J Alvey, B Armstrong, J Armstrong, L Armstrong, K Henig, J Hillary, N Martin, A Turner, M Wilkes and S Wilson.

**2 Substitute Members**

There were no substitutes.

**3 Minutes of the meetings held on:-**

The minutes of the meetings held on 27 September and 10 October 2016 were confirmed as a correct record and signed by the Chairman.

Matters arising:

27 September 2016 – the Head of Planning and Performance advised that in relation to page 4 of the minutes and the query raised by Councillor Wilkes regarding software licences, advised that the Head of ICT Services would be invited to attend a future meeting.

10 October 2016 – The Head of Planning and Performance in referring to page 8, item 8, paragraph 4 of the minutes advised that the query regarding employee turnover raised by Councillor Hillary would be updated upon under quarterly performance reporting.

Further discussion took place regarding page 8, item 8, paragraph 3 regarding the deadline for the submission of Neighbourhood budget applications and the timing and impact of Purdah. It was agreed that an email should be sent to all members reminding them of the cut off date for applications.

#### **4 Declarations of Interest, if any**

There were no declarations of interest.

#### **5 Medium Term Financial Plan (7) Update**

The Committee considered a joint report of the Corporate Director Resources and Director of Transformation and Partnerships which provided an update on the development of the 2017/18 budget, the Medium Term Financial Plan (MTFP(7)) and the MTFP consultation. The Head of Finance (Corporate Finance and HR) also provided a verbal update on the Autumn Statement (for copy see file of Minutes).

The Head of Finance (Corporate Finance and HR) presented the report highlighting key amendments to the MTFP(7) model including; Business Rates/ Top Up Grant Retail Price Index (RPI) increase, Council Tax Base increase, Children Services Base Budget pressures and Adult Wellbeing and Health Savings Plans. He further advised that the savings requirement was forecasted to be £39m in order to balance the budget and this would be realised through savings options and utilising funds held within the Budget Support Reserve.

Moving on, he provided an update on MTFP(7) – 2017/18 to 2019/20 advising that some savings had already been agreed however could be subject to change depending on the impact of the Autumn Statement and public consultation responses.

With regard to the council's reserves position, it was reported that reserves were forecast to reduce in 2016/17 and would be a regular occurrence in future years. With regard to Earmarked Reserves it was noted that all three 'Corporate Reserves' were also likely to be fully utilised within the next five years.

The Head of Planning and Performance then provided an overview of the council budget consultation 2017-18. She advised that the consultation period had now ended and analysis of results was ongoing.

Councillor Hopgood commented that there was a need to take care in future years' consultations that the framing of questions regarding larger or smaller savings was fully contextualised by including information on the savings which had already been made in each area. Further savings falling in the areas where larger savings had already been made may not be achievable.

Councillor Stradling encouraged members to rely on the good judgement of Cabinet in considering the consultation results and of course taking into account any areas where savings would be deemed unachievable. Councillor Crute added that he agreed with the comments made by Councillor Hopgood.

Councillor Rowlandson in referencing the 450 youth consultees asked whether the different questions posed to that group would skew the results. It was noted that additional care should be taken in the methodology of the analysis to ensure it was robust and to set out any limitations, in particular when bringing together the responses from the full survey with those from the easy read versions designed for specific groups.

Councillor Crathorne asked what the exact total of reserves held by the council was. In response the Head of Finance (Corporate Finance and HR) advised that £234.5m was the total level of reserves held.

Councillor Bell commented that given the rise in Looked After Children (LAC) he queried whether this would result in an external budget pressure. In response the Head of Finance (Corporate Finance) advised that although there were more children in care the county had below than average number of LAC. With regard to the additional pressures facing Children's Services, members considered that the effect of austerity on children and families was a key factor in increased referrals.

The Head of Corporate Finance (Financial Services) proceeded to update members on key issues arising from the Chancellor's Autumn Statement.

He advised that the statement was published on 23 November 2016 and provided further insight into the state of the national finances and also the forecast impact of Brexit. The Chancellor of the Exchequer announced that government borrowing over the period 2016/17 to 2020/21 would be £122billion higher than was forecast at the March 2016 Budget. This was as a result of the impact of Brexit (£58billion), the impact of new infrastructure investment (£23billion) and due to the economy generally not performing as well as had been expected (£41billion).

It was reported that rather than creating a national budget surplus in 2019/20 as forecast in the March 2016 Budget, the national budget would still have a £21billion deficit in 2020/21. This raises the possibility that austerity for public services could continue beyond 2020/21.

In relation to local government it was noted that there had not been any announcement in terms of additional funding for social care and this was disappointing given the extreme pressures on local authorities for both adult and children social care. In addition no news had been received in relation to New Homes Bonus and the Education Support Grant. However it was expected that further clarity will become available when the Council receives the finance settlement in mid-December 2016.

One piece of good news received, was the approved increase of 30 pence per hour in the National Living Wage, which reduced forecasted budget pressures faced by the Council in 17/18. It was however noted that the council still had a relatively low pay culture.

Further detail was provided regarding the National Productivity Investment Fund which provided additional funding for housing infrastructure, digital infrastructure, transport and local growth. It was however not known at this stage whether the council would benefit from any of the above funding streams.

Councillor Bell raised a query with regard to the Revenue Support Grant and asked whether this was agreed for the 4 year term. In response the Head of Corporate Finance (Corporate Finance and HR) advised that the government had issued a statement of intent which would secure the funding for the 4 year period.

Further discussion ensued regarding Better Care Funding and members commented on the importance of keeping a close eye on the Government commitment to the stated level of funding.

Finally members agreed credit should be given to officers on the way the report was presented and the ongoing work in developing the MTFP. The committee agreed that the Council deserves credit on the handling of austerity measures, especially in relation to the use of reserves.

**Resolved:**

- (i) That the updated amendments to MTFP(7) model attached at Appendix 2 be noted.
- (ii) That the forecast increase in the utilisation of Budget Support Reserve in 2017/18 from £8.2 million to £13.2 million to balance the budget be noted.
- (iii) That the increase in the requirement to identify additional savings to £34.387m for 2018/19 and 2019/20 be noted.
- (iv) Note the forecast end of year position on reserves and note the likelihood of utilisation of the Corporate reserves over the next five years be noted.
- (v) That the information in relation to MTFP(7) Consultation be noted.
- (vi) That a response to Cabinet be prepared upon the development of MTFP(7) in line with comments made by members at the joint meeting.

**6 Report of the Council's use of powers under the Regulation of Investigatory Powers Act 2000 - Quarter 2 2016/17**

The Committee considered a report of the Head of Legal and Democratic Services which informed members about the Council's use of powers under the Regulation of Investigatory Powers Act 2000 ('RIPA') during period 1 July 2016 until 30 September 2016 (Quarter 2) to ensure that it is being used consistently with the Council's policy and that the policy remains fit for purpose (for copy see file of Minutes).

The Legal Manager Governance and Elections provided a summary of activity for the quarter including outcomes following surveillance. She further advised that the council was due an inspection next year and with such increased information would be brought forward to Corporate Issues for consideration.

Mrs M Elliott, added that as a former magistrate it was good to see the work undertaken by the council in this regard.

**Resolved:**

That the content of the report be noted and that members agree that RIPA is being used consistently with the Council's policy and that the policy remains fit for purpose.

**7 (Former) Children and Adults Services Statutory Representations Report 2015/16**

The Committee considered a joint report of the Interim Corporate Director, Children and Young People's Services and the Interim Corporate Director, Adults and Health Services which provided an overview of statutory representations relating to children's and adults

social care services during the period 1 April 2015 – 31 March 2016 (for copy see file of Minutes).

Councillor Nicholls added that he wished to congratulate staff on their efforts and appreciated that that they were working as well as they could under the difficult circumstances.

Councillor Huntington added that although there had been a rise in complaints she was pleased to learn that work was being undertaken to encourage and empower young people to report issues themselves and have their say on issues affecting them.

**Resolved:**

That the contents of the Annual Statutory Representations Report be noted.

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

Light Touch Review – CRM

The Overview and Scrutiny Support Officer, with the agreement of the Chair provided a brief summary of progress made by the Light Touch Review Group in relation to CRM. It was noted that the final report with recommendations would be considered by the relevant Cabinet Portfolio Holder early next year following sign off by Corporate Issues Overview and Scrutiny.

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**Joint Corporate Issues  
Overview and Scrutiny Committee and  
Overview and Scrutiny Management Board**



**26<sup>th</sup> January 2017**

**Medium Term Financial Plan (7)**

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**Report of Lorraine O'Donnell, Assistant Chief Executive**

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**Purpose of the Report**

- 1 To provide Members of the Corporate Issues Overview and Scrutiny Committee (CIOSC) and Overview and Scrutiny Management Board (OSMB) with a summary of the Cabinet report of 14<sup>th</sup> December 2016 relating to the Medium Term Financial Plan 7 (MTFP 7).

**Background**

- 2 In 2016, Overview and Scrutiny Management Board (OSMB) requested that CIOSC take the lead in scrutinising MTFP proposals, with members of OSMB i.e. Chairs and Vice-chairs and minority party leaders invited to attend. Initial discussions were held at a joint CIOSC/OSMB meeting in September 2016 on the initial MTFP report. A second scrutiny discussion was held on 25<sup>th</sup> November to consider:
  - a) the updated MTFP (7) model
  - b) the consultation process
  - c) verbal update on the Autumn Statement.
- 3 This next scrutiny session is focused on the 14<sup>th</sup> December Cabinet Report (attached at Appendix 2), which provides a further update on the Autumn Statement, the full budget consultation results, and the latest MTFP model.
- 4 The detailed report includes information on:
  - a) the Autumn Statement
  - b) National Budget deficit
  - c) Autumn Budget
  - d) Welfare
  - e) Insurance Premium Tax
  - f) National Insurance
  - g) Grammar Schools Capital
  - h) National Living Wage
  - i) National Productivity Investment Fund
  - j) 2017/18 Budget and Savings
  - k) Budget Consultation Process
  - l) Other engagement, including scrutiny committee feedback
  - m) Proposed approach to the development of the Council Plan and Service Plans
  - n) Equality Impact Assessments.

- 5 The Executive Summary highlights the current financial challenges faced by the Council and the Head of Corporate Finance will be in attendance to present and respond to Member questions.
- 6 The feedback from the initial scrutiny considerations was fed into the Cabinet report and is set out at paragraphs 83-89.

### Updated timetable for Scrutiny Involvement

- 7 Scrutiny Members are being involved as follows:

Date	Action
27 September 2016	Special Joint meeting of Corporate Issues Scrutiny Committee and Overview and Scrutiny Management Board consider the Cabinet report of 20 <sup>th</sup> July 2016.
25 November 2016	Special Joint Corporate Issues Scrutiny Committee and Overview and Scrutiny Management Board consider the updated MTFP model, consultation process, and Autumn Statement headlines.
26 January 2017	Corporate Issues Scrutiny Committee (joint with Overview and Scrutiny Management Board) consider the Cabinet report of 14 <sup>th</sup> December 2016.
13 February 2017	Overview and Scrutiny Management Board (joint with Corporate Issues Scrutiny Committee) consider the Cabinet report of 8 <sup>th</sup> February 2017.

### Recommendation

- 8 Members are asked to:
  - a) consider the content of the Cabinet report, and provide any additional scrutiny comments at this stage;
  - b) note the date for the final Scrutiny discussion.

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 Email: Jenny.haworth@durham.gov.uk

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## **Appendix 1: Implications**

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### **Finance**

Financial implications are identified within Appendix 1 of the Cabinet report of 14<sup>th</sup> December 2016

### **Staffing**

Staffing implications are identified within Appendix 1 of the Cabinet report of 14<sup>th</sup> December 2016

### **Risk**

Risk implications are identified within Appendix 1 of the Cabinet report of 14<sup>th</sup> December 2016

### **Equality and Diversity / Public Sector Equality Duty**

Equality considerations are built into the approach to developing MTFP(7) as a key element of the process.

### **Accommodation**

None

### **Crime and Disorder**

None

### **Human Rights**

Any Human Rights issues will be considered for any detailed MTFP(7) and Council Plan proposals as they are developed and decisions made to take these forward.

### **Consultation**

The report includes information on the consultation process.

### **Procurement**

None

### **Disability Issues**

All requirements will be considered as part of the equality process followed as part of MTFP(7) planning.

### **Legal Implications**

None

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**Cabinet**

**14 December 2016**

**Medium Term Financial Plan (7), Council Plan, Service Plans 2017/18-2019/20 and 2017/18 Budget**

**CORP/R/16/02**



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**Report of Corporate Management Team**

**John Hewitt, Corporate Director Resources**

**Lorraine O'Donnell, Director of Transformation and Partnerships**

**Councillor Alan Napier, Cabinet Portfolio Holder for Finance**

**Councillor Simon Henig, Leader of the Council**

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**Purpose of the Report**

- 1 To provide an update on the development of the 2017/18 budget and the Medium Term Financial Plan (MTFP(7)) reflecting upon the content of the Chancellor of the Exchequer's Autumn Statement Review published on 23 November 2016. To also provide an update on the development of the Council Plan and Service Plans.

**Executive Summary**

- 2 The MTFP(7) report to Cabinet on 20 July 2016 provided initial details in relation to the 2017/18 budget and financial planning across the MTFP(7) period 2017/18 to 2019/20. At that time it was forecast that additional savings of £64.1million would be required to balance the budget over the 2017/18 to 2019/20 period. To aid planning and consultation the 20 July 2016 Cabinet report included details of £29.1million of 2017/18 savings. If these savings were subsequently approved, £8.2million of the Budget Support Reserve (BSR) would be required to balance the 2017/18 budget.
- 3 At the time of the 20 July 2016 MTFP(7) Cabinet report it was unclear what impact Brexit would have upon the national finances although it was hoped that the Government would honour the four year local government finance settlement published in February 2016 and secured via the submission of the Council's Efficiency Plan in October 2016.
- 4 The Chancellor of the Exchequer's Autumn Statement was published on 23 November 2016 and provides further insight into the state of the national finances and also the forecast impact of Brexit. The Chancellor of the Exchequer announced that government borrowing over the period 2016/17 to

2020/21 would be £122billion higher than was forecast at the March 2016 Budget. This is as a result of the impact of Brexit (£58billion), the impact of new infrastructure investment (£23billion) and due to the economy generally not performing as well as had been expected (£41billion).

- 5 Rather than creating a national budget surplus in 2019/20 as forecast in the March 2016 Budget the national budget will still be have a £21billion deficit in 2020/21. This raises the possibility that austerity for public services could continue beyond 2020/21.
- 6 In relation to local government it was disappointing that there was no announcement in terms of additional funding for social care. Local government is facing extreme demand pressures for both adult and children social care and it was hoped that the Chancellor of the Exchequer would look to address this in some way. The approved increase of 30 pence per hour in the National Living Wage reduces forecast budget pressures faced by the Council but other than that there were no announcements which would significant influence MTFP(7) planning.
- 7 The Autumn Statement does not provide granular detail of the settlement for individual local authorities. It is expected that further clarity will become available when the Council receives the finance settlement in mid-December 2016.
- 8 In addition to the analysis of the impact of the Autumn Statement announcements upon the Council further assurance has been carried out into the deliverability of the £29.1million of savings detailed in the 20 July 2016 Cabinet report. Consideration has also been given into responses to the budget consultation process. Having considered all of the information available the planned savings for 2017/18 have reduced to £20.7million.
- 9 The budget consultation ran from 6 September to 7 October 2016 and sought views on the Council's approach to budget reductions to date; whether the service priorities identified in 2013 continued to be relevant; and our proposals for 2017/18. In total, the council engaged over 3,000 people and received 1,919 responses; 1,469 being from a generic questionnaire. Overall, almost two-thirds of respondents (63%) stated the approach to making future savings is a reasonable way to go forward in 2017/18.
- 10 Further analysis has also been carried out into all elements of the MTFP(7) model. This has resulted in the total savings required over the 2017/18 to 2019/20 period increasing from the previously reported £64.1million to £65.1million. The total savings required by the Council across the period 2011/12 to 2019/20 is now forecast to be £251million.
- 11 At this stage it is forecast that the contribution required from the BSR in 2017/18 will need to increase from the previously reported £8.2million to £19.1million. This position could still change based upon the content of the Local Government Finance Settlement. If the settlement significantly changes the forecast there may be a requirement to provide Cabinet with a further

MTFP(7) report in January 2017. Otherwise the detail of the settlement will be included in the MTFP(7) report to Cabinet on 8 February 2017.

## **Background**

- 12 The 20 July 2016 report to Cabinet provided an update on the 2017/18 Budget and MTFP(7). Significant additional savings of £64.1million were required to balance the budget across the 2017/18 to 2019/20 period. This was forecast to result in total savings across the 2011/12 to 2019/20 period being £250million.
- 13 Since that time the Chancellor of the Exchequer has published the Autumn Statement on 23 November 2016. This report analyses the likely impact upon local government and the Council resulting from the Autumn Statement whilst also updating MTFP(7) planning resulting from the outcome of the Budget Consultation process and from updates in a broad range of budget assumptions.
- 14 These findings have resulted in amendments to both the 2017/18 budget but also to savings requirements across the MTFP(7) period 2017/18 to 2019/20.

## **Autumn Statement**

- 15 The Chancellor of the Exchequers Autumn Statement published on 23 November 2016 did not contain any specific announcements in relation to local government finance. No new funding reductions in Revenue Support Grant were announced which was very much in line with the Government's December 2015 offer of a four year finance settlement for local government. The Chancellor of the Exchequer did however announce a significant deterioration in the national finances which could result in austerity stretching well into the next Parliament.
- 16 It was hoped that after significant lobbying that additional funding would be announced for social care. Unfortunately no such announcement was forthcoming. The following Autumn Statement announcements however are of particular note:

## **National Budget Deficit**

- 17 The previous Chancellor of the Exchequer had forecast that the national finances were on a firm footing and that increased taxation income and significant public sector funding reductions would result in the national budget being in surplus by 2019/20. The current Chancellor of the Exchequer however has announced that there is still forecast to be a £21billion deficit in 2020/21. This could result in austerity continuing well into the next Parliament.
- 18 Overall borrowing across the 2016/17 to 2020/21 period will be £122billion higher than the forecast in the March 2016 Budget. This is as a result of the impact of Brexit (£58billion), the impact of new infrastructure investment (£23billion) and due to the economy generally not performing as well as had been previously expected (£41billion).

- 19 The Government's Efficiency Review announced in the March 2016 Budget which was to identify £3.5 billion of further savings will not report until the autumn of 2017. This review may result in additional funding reductions in specific grants received by the Council.

### **Autumn Budget**

- 20 The March 2017 Budget will be the last foreseeable spring budget. In the future there will be an Autumn Budget starting in the autumn of 2017 which will provide additional time for the introduction of any new taxation or spending decisions in the following financial year.

### **Welfare**

- 21 It was hoped that some of the significant reductions in planned welfare changes would be delayed or reversed. There was an announcement that the Universal Credit 'taper rate' would be reduced from 65% to 63% at which benefits are withdrawn from people when they start work but overall this will be a marginal benefit when considered against the welfare reductions announced previously which will go ahead as planned.

### **Insurance Premium Tax**

- 22 This tax will increase again from 10% to 12%. This will increase costs to the council of a forecast £30,000.

### **National Insurance**

- 23 The Government has announced a harmonisation as to when employers and employees start paying national insurance. It is forecast that this could result in some additional costs for employers. We are awaiting further detail on this to enable us to accurately forecast if there will be a financial impact upon the Council.

### **Grammar Schools Capital**

- 24 There were no new announcements for any additional capital investment for schools other than an annual budget of £50 million of capital investment in grammar schools.

### **National Living Wage (NLW)**

- 25 In 2015 the Government announced the introduction of a NLW. The NLW for 2016/17 is £7.20 per hour with the aspiration that the NLW would move towards a target of 60% of median wages by 2020. At that point this was forecast to be £9.35 per hour. The forecasts in MTFP(7) planning have been that there would be annual 60 pence per hour increases in the NLW to reach the £9.35 per hour target.



- 26 The Low Pay Commission has published a report which has updated forecasts for the NLW. These forecasts have been impacted by the continuing expectation of a stagnation in wage levels, especially over the next three to four years resulting from the depressed levels of economic growth due to Brexit. This has resulted in the Low Pay Commission recommending a 30 pence per hour increase in NLW for 2017/18 with a forecast 35 pence to 40 pence increase for the period up to 2020/21.
- 27 The impact upon the budget of the NLW have been revised in MTFP(7) to reflect the forecast NLW increases. The revised forecast budget pressures in MTFP(7) relating to NLW are as follows:

	£
2017/18	3,500,000
2018/19	5,000,000
2019/20	5,500,000

### **National Productivity Investment Fund**

- 28 The Chancellor of the Exchequer announced an additional £23billion of borrowing over the current parliamentary period to invest in infrastructure. The additional funding will be targeted towards transport, housing, science and digital. It is impossible to identify at this stage if the Council will benefit from any new funding streams although here may be some opportunities in the following areas:

**(i) Transport Funding - £1.3billion**

An extra £1.3billion will be spent on improving the road network with £220million for 'pinch points'. Further details are expected over the coming weeks which may indicate if any additional funding will be forthcoming or how any bidding process will be organised.

**(ii) Housing Infrastructure - £2.3billion**

This funding will be allocated to local government on a competitive basis and will provide targeted investment to unlock new private housing building where housing need is greatest. It is concerning that this requirement may result in the majority of funding being targeted to the south and south east.

**(iii) Digital Infrastructure - £1billion**

The additional funding will finance an investment of £740million in 5G and the further roll out of fibre connections. This investment may offer further opportunities to build upon the success of Digital Durham.

**(iv) Local Growth Fund - £556million**

This is the allocation to the North of England. The allocation to the North East LEP is still to be confirmed which will significantly influence which Durham schemes will be approved.

- 29 Although any additional capital investment is welcome the Council will await confirmation of what share of the national funding is allocated or awarded to Durham.
- 30 The Council will now await the Local Government Finance Settlement. Based upon the four year finance settlement it is not expected that the forecast reductions Revenue Support Grant will change but announcements on the following will have a significant impact upon MTFP(7):
- (i) Better Care Fund
  - (ii) New Homes Bonus
  - (iii) Education Services Grant
  - (iv) Social Care Precept Level
  - (v) Impact of Business Rate Rateable Value Revaluation

**2017/18 Budget**

- 31 Subsequent to the 20 July 2016 MTFP(7) Cabinet report the following updates are required to the 2017/18 budget model as a result of updated financial information. These adjustments are in addition to the amendments relating to the National Living Wage detailed earlier in the report. The revised MTFP(7) model has been attached at Appendix 2.

**(i) Town and Parish Council Revenue Support Grant (RSG) adjustment**

The Council receives funding in relation to the loss of council tax income due to the introduction of the Local Council Tax Reduction Scheme which is payable to Town and Parish Councils. This funding reduces each year as the County Council's RSG reduces. The forecast sums to deduct in this regard have been adjusted to reflect the latest County Council RSG reductions.

**(ii) Business Rates/Top Up Grant Retail Price Index (RPI) increase**

Business Rates and Top Up Grant are increased every year based upon the previous September's RPI increase. The forecast of the September 2016 RPI in the 20 July Cabinet report was 1.5%. The actual has now been reported and is 2%. The MTFP(7) model has

been updated accordingly with additional resource of £583,000 being available to support the 2017/18 budget. The balance of inflation receivable between Business Rates and Top Up grant will be reviewed once the impact of revaluation of Business Rate rateable values is confirmed. This is expected as part of the Local Government Finance Settlement.

**(iii) Council Tax Base Increase**

The Council benefits from any growth in the tax base. Growth is mainly due to more properties being built and assumptions made with regards to discounts and exemptions and in particular forecasts of the impact of the Local Council Tax Reduction Scheme. The 2017/18 forecast increase in tax base included in the report to Cabinet on 20 July 2016 was a £750,000 increase. No increase was assumed in the Business Rate tax base due to concerns in relation to the impact of business rate appeals and the revaluation of rateable values.

The tax base for Council Tax 2017/18 is based upon the position at the end of September 2016 and is reported to government via the CTB1 return. Cabinet received a report on 16 November 2016 providing details of the revised tax base for Council Tax for 2017/18. This report detailed that the increase in the tax base for 2017/18 will be £2.4million.

The figures in the MTFP(7) model for the Council Tax generated annually from percentage increases have also been updated to reflect the revised baseline position due to the increase in tax base.

At this stage additional analysis is being carried out in relation to the Business Rate tax base especially in relation to the impact of appeals and the recent revaluation of all rateable values.

**(iv) Concessionary Fares**

A £100,000 base budget pressure was previously included for 2017/18. The Q2 Forecast of Outturn report to Cabinet on 16 November 2016 references however a £390,000 2016/17 underspend in this budget. On that basis there is confidence that this base budget pressure can be removed as a 2017/18 base budget pressure.

**(v) Pension Fund Auto Enrolment**

It was previously forecast that the cost of the second phase of Pension Fund Auto Enrolment would be £1.1million across 2017/18 and 2018/19. Based upon the forecast increase in Employers Pension Contributions and the levels of auto enrolment from phase one of the process it is forecast that the costs are likely to be £1.2million.

**(vi) Medical Examiners**

The requirement for the Council to take responsibility for the production of death certificates was expected to be implemented from April 2017. It is now expected that it is more likely to be implemented from either October 2017 or April 2018.

**(vii) Children and Young People Services Base Budget Pressures**

The Q2 Forecast of Outturn report to Cabinet on 16 November 2016 references significant budget pressures in Children and Young People Services relating to additional numbers of children requiring care and the increased number of children's social workers required to manage this increase in demand. The budget overspend in year for 2016/17 is presently forecast to be circa £3million. The MTFP(7) model for 2017/18 has been updated to reflect the full year impact of this budget pressure with a sum of £4.2million included to reflect the increase in the base budget required for care placements and additional social workers.

**(viii) Adults and Health – Impact of Winterbourne**

The NHS is looking to transfer a number of mental health / learning disability clients from NHS funded institutional care into community placements. Some of these clients are expected to come with dowry funding of up to a maximum of £150,000 per annum, though the receipt of this dowry funding is not certain. Some clients have a package of care which costs significantly in excess of £150,000. It is forecast that if the dowry funding is forthcoming the additional cost of these packages of care could be as follows:

<b>Year</b>	<b>£</b>
2017/18	1,760,000
2018/19	350,000
2019/20	365,000

Adults and Health Services are robustly challenging Health colleagues on this issue, which has also been raised with colleagues in SIGOMA as this is a national issue, though the impacts are different across each locality.

**(ix) Deprivation of Liberty (DoLS)**

The Government provided grant funding to support costs in 2015/16 but this funding was withdrawn in 2016/17 with underspends utilised to cover the shortfall. In total Adults and Health Services are forecasting a base budget pressure of £709,000 which includes the provision of additional legal support.

**(x) Business Support 2016/17 MTFP Saving**

The Transformation Programme is planning to deliver significant savings within business support services and through the use of IT systems and revised work processes. With this in mind the planned savings for 2016/17 through a review of business support functions have now been incorporated into this programme and will be delivered as part of the wider savings that will be identified from the programme. That said work is still ongoing to unitise where we can and by the end of the year communications and marketing will be brought together into a single team.

**2017/18 Savings**

- 32 The 20 July 2016 MTFP(7) Cabinet report detailed that £37.3million of savings were required in 2017/18 to balance the budget. At that time £29.1million of savings were detailed to be part of the Budget Consultation process. To balance the budget £8.2million of the BSR would have to be utilised.
- 33 Additional assurance has been carried out in relation to the provisional 2017/18 savings plans and feedback has been considered from the Budget consultation process. It is now recommended that the savings to be progressed for 2017/18 will be £20.7million. The detail of these savings is attached at Appendix 3. The amendment to savings plans reflects the assurance work carried out to assess deliverability of and whether they could be fully achieved in 2017/18. On that basis some savings will be partially delivered in 2018/19 and beyond.
- 34 The reduction in the savings for 2017/18 along with the additional budget pressures detailed in this report has increased the requirement to utilise the BSR. The utilisation of the BSR will increase from the previously forecast £8.2million to £19.1million. The residual balance in the BSR will be as follows:

	<b>£m</b>
Opening Balance	30.0
Less Utilisation	
2016/17	(1.6)
2017/18	(19.1)
<b>Residual Balance</b>	<b>9.3</b>

- 35 The residual balance of £9.3million will be available to support the MTFP in future years.

## MTFP (7) 2017/18 to 2019/20 Update

- 36 MTFP(7) covers a three year period to 2019/20 in line with the agreed financial settlement provided by the Government in February 2016. A letter was received from the minister for Local Government on 16 November 2016, confirming that the Council had been successful in securing the four year settlement based upon the submission of an Efficiency Plan. The minister confirmed that 'barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year'.
- 37 The MTFP(7) model has continued to be revised based upon changes to base budget assumptions and amendments to savings plans. The major amendments are in line with those detailed previously in relation to 2017/18 e.g. sums available from forecast council tax increases and from the impact of pension fund auto enrolment. The model has also been amended to reflect savings plans being delivered in 2018/19 and 2019/20. The revised MTFP(7) model is attached at Appendix 2.
- 38 The additional savings required to balance the budget in addition to those already agreed to be delivered in 2018/19 and 2019/20 are detailed below:

Year	£m
2018/19	27.5
2019/20	9.2
<b>TOTAL</b>	<b>36.7</b>

- 39 Service Groupings will continue to work over the coming months to identify the savings required to meet the £36.7million of savings required. It is expected that savings generated via the Transformation Programme will contribute to the £36.7million savings shortfall.

## Budget Consultation Process

- 40 The 2017/18 budget consultation ran from 6 September to 7 October 2016 and sought views on the Council's approach to budget reductions to date; whether the service priorities identified in 2013 continued to be relevant; our proposals for 2017/18 and what can individuals, communities and other local organisations do to help us meet this challenge.
- 41 As with previous years, the Council worked with existing networks and partnerships including the AAPs. In addition, to encourage wider participation; the council ran a roadshow in key locations across the county including supermarkets, leisure centres, customer access points, markets and agricultural shows as well as attending a wide range of community meetings and events throughout the county.

- 42 This approach enabled the Council to engage with over 3,000 people, of which over 1,900 gave their views. The table below details participation figures.

<b>Meetings and Events</b>	<b>No of people in attendance or talked to</b>	<b>No of completed forms</b>
<b>Generic Questionnaire</b>		
14 AAP Board meetings	544	299
74 meetings with communities including toddler groups, AAP task groups, parish councils, coffee mornings and luncheon groups	1,275	493
3 youth groups	73	39
15 roadshow events in key places across the county	1,022	297
Posted/misc.	-	66
<b>Total paper surveys</b>	-	<b>1,194</b>
Online responses	-	275
<b>Total participating in events</b>	<b>2,914</b>	<b>1,469</b>
<b>Easy Read Questionnaires</b>		
Five meetings with people with learning disabilities and physical disabilities	40	40
One event with school children	421	410
<b>Overall Total</b>	<b>3,375</b>	<b>1,919</b>

- 43 The table also includes additional targeted consultation with over 450 people to include the views of people which are unlikely to be captured by the generic questionnaire. This included people with disabilities, children and young people. In these circumstances the questionnaire was adapted into easy read versions to meet needs and is therefore recorded and reported separately.
- 44 A questionnaire was used as a key method of gathering responses and was available at all events as well as online. In total, as indicated above the Council received 1,919 responses; 1,469 being from the generic questionnaire.
- 45 Discussions were also held with partner organisations and networks including County Durham Partnership, the Local Council's Working Group and the Voluntary and Community Sector Working Group, the Armed Forces Forum and the County Durham Faiths Network. Feedback from the discussions is captured in this report and participants were encouraged to complete the questionnaire.

- 46 The consultation was promoted via the County Durham News, social media and partner networks.
- 47 The outcomes from across the consultation have been recorded and analysed and key messages are identified below.

### **Key Messages**

- 48 Overall, almost two-thirds of respondents (63%) stated our approach to making future savings is a reasonable way to go forward in 2017/18.
- 49 Overall the majority of respondents were aware of the size of savings the council has made recently; however results from wider engagement activities indicate awareness amongst the general public may be lower compared to those engaged in partnership meetings and online responses.
- 50 Overall, around half of respondents have not noticed changes to council services. Where changes have been noticed respondents were more likely to identify service deterioration, most commonly among highly-visible environmental type services.
- 51 Overall respondents scored our approach to making savings at 6 based on a scale of 1 to 10, where 1 = poor and 10 = excellent.
- 52 There was a high level of agreement for continuing to prioritise certain services for smaller or larger savings with between 68% - 85% of respondents agreeing with existing priorities as identified in the 2013 consultation. The exception to this was subsidised bus travel where less than half of all participants (48%) said it should continue to be prioritised for larger savings. However, although some suggestions were received, there were no clear themes emerging for additional services that should have smaller or larger reductions.
- 53 Analysis of results by protected characteristics yielded just a few key findings specifically from people with a disability and with younger respondents. Proportionately more disabled people (70%) said they were aware that over the last five years the council have made savings of more than £180 million compared with people without a disability (55%). The under 25s were least aware (22%) of the amount of savings made compared with the 25 - 64 (59%) and 65+ (60%) age groups.
- 54 Partner organisations expressed concern about the impact of leaving the EU on funding, the disproportionate impact of government policies on Durham and the need to continue to provide preventative services as they prove cost effective and help to avoid shunting of costs.



- 55 The targeted work with people with learning and physical disabilities told us that 94% felt our approach to making future savings is a reasonable way to go forward in 2017/18. Their views about services in the past five years mirrored that of the generic questionnaire with 57% stating that services had either stayed the same or improved. Similarly, this group fully agreed that subsidised bus travel should not continue to make a higher saving.
- 56 The targeted work with children mirrored the responses from the generic questionnaire. The exceptions being; a higher proportion of respondents felt we should not make larger savings from the range of back office functions (between 53% and 61%) and 55% stated we should continue to make larger savings from subsidised bus travel.
- 57 A more detailed explanation of the consultation results is provided in the following sections and full response tables are provided in Appendix 4.

### Detailed Consultation Outcomes

- 58 Just over half (56%) of all 1,469 respondents indicated they were aware that we have made savings of more than £180million.
- 59 Half of respondents (50%) said that over a five-year period council services have stayed the same. Although (43%) of respondents felt council services had got worse.

	Count	%
<b>Improved</b>	95	<b>6.8</b>
<b>Unchanged</b>	696	<b>49.7</b>
<b>Got worse</b>	608	<b>43.5</b>
<b>TOTAL</b>	<b>1,399</b>	<b>100</b>

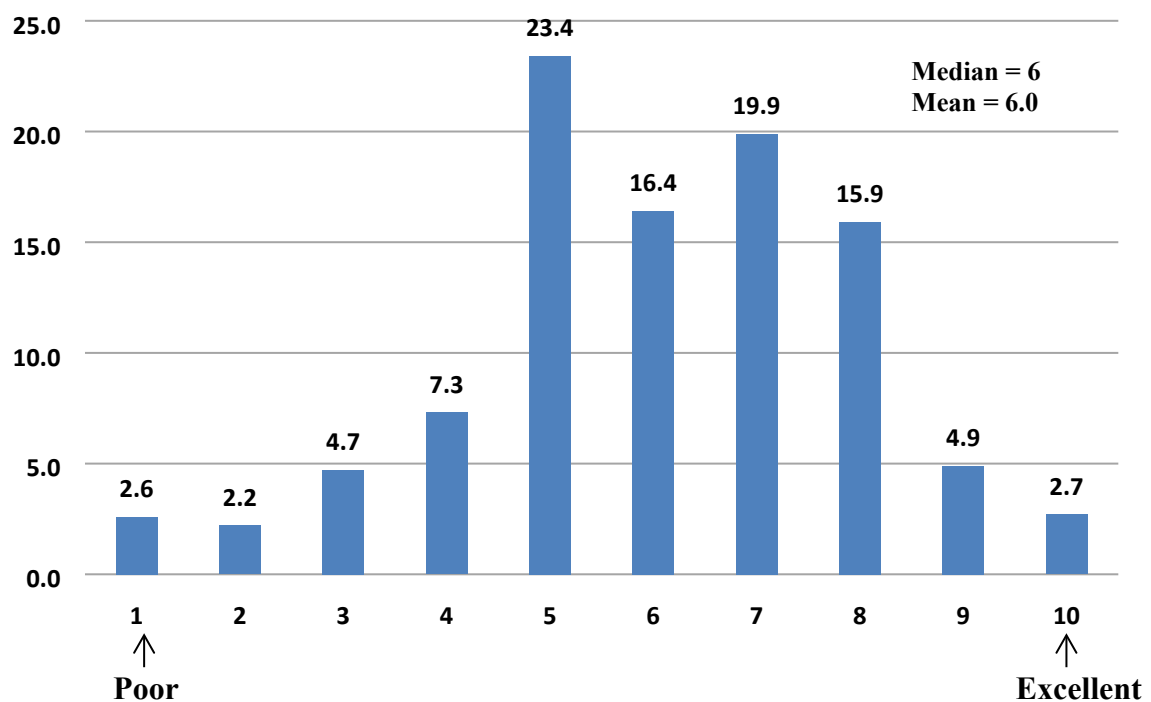
- 60 Around 39% of respondents indicated how services had changed. Most commonly included were reduced service levels or poorer response times. (this comment was made from around 9% of all respondents).
- 61 Respondents also identified changes to a range of highly-visible environmental services such as:
- (i) Changes to waste and recycling services (including moves to fortnightly collections, charging for garden waste collection, reduced hours at household waste recycling centres and increased fly-tipping (7% of all respondents)
  - (ii) poorer street cleanliness generally (6% of all respondents)
  - (iii) less grounds maintenance, reduced grass-cutting, verges not maintained (5% of all respondents)
  - (iv) poor highway and footpath maintenance, more potholes, low quality road repairs (5% of all respondents)
  - (v) new street lighting poorer quality (4% of all respondents).

62 The above comments relate to universal services and comprise of around 40% of all comments received. Other comments related to a range of user specific services and provision and include:

- (i) Less provision for older people such as care homes or day centres (4% of all respondents)
- (ii) Reduced investment in communities, facilities and services (3% of all respondents)
- (iii) Fewer children’s centres and activities for children and families (3% of all respondents)
- (iv) Reduction in library opening hours, less library service investment/books (2% of all respondents).

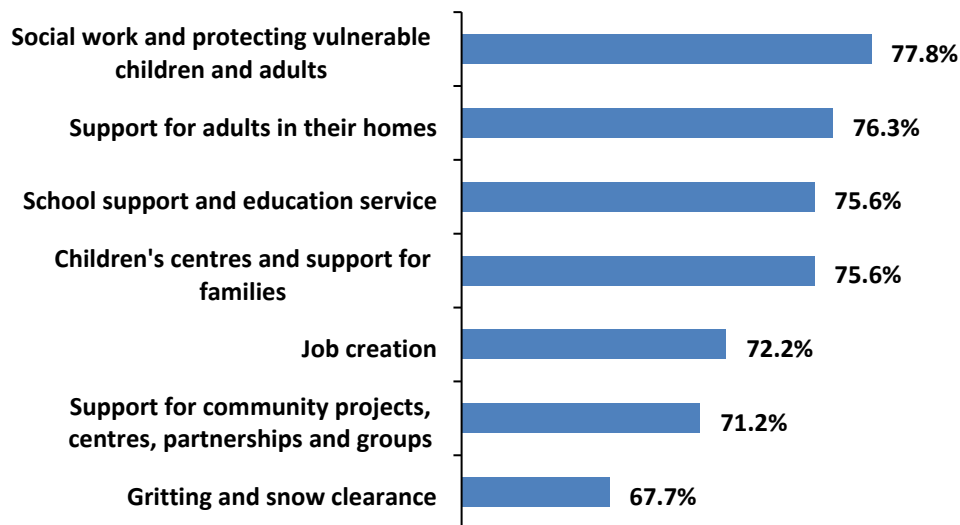
63 Participants were also asked to rate (on a scale of 1 to 10) the council’s approach to making savings. Overall over 80% of respondents scored the council’s approach at a score of five or higher.

**Chart 1 Rating of the council’s approach to making future savings**

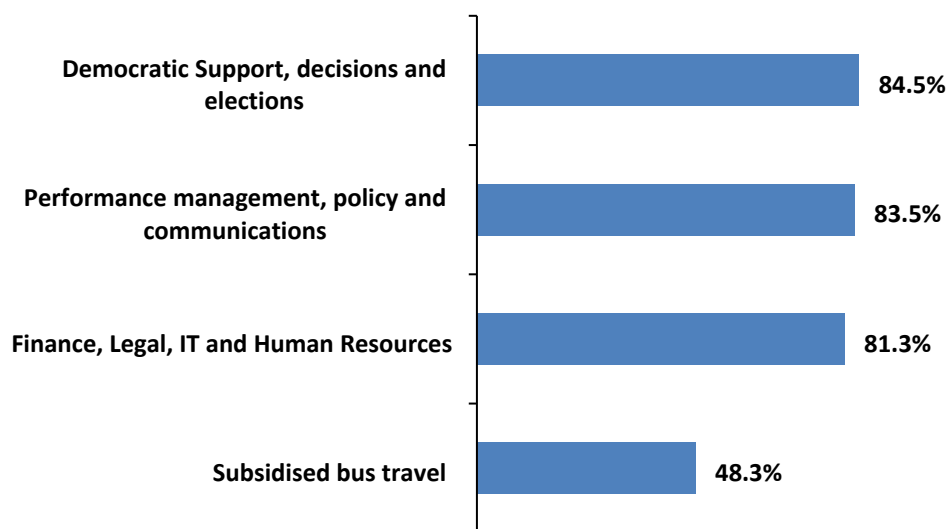


64 There was a high level of agreement for continuing to prioritise certain services for smaller or larger savings with between 68% - 85% of respondents agreeing with existing priorities. The exception to this was subsidised bus travel where less than half of all participants (48%) said it should continue to be prioritised for larger savings.

**Chart 2 Do you think we should continue to prioritise smaller savings for the areas below?**



**Chart 3 Do you think we should continue to target larger savings for the areas below?**



65 More than one in ten respondents suggested other council services that could be considered for a smaller or larger reduction to their budget. However, these suggestions cover a wide variety of services and no clear insights emerge. For example, 20 comments were received about applying larger reductions to grounds maintenance budgets (including grass cutting, trees and flower beds) which was the most commonly coded emerging theme. However, these 20 comments were from less than 2% of all respondents and conversely 21 comments were received indicating that these same budgets should receive smaller reductions.

66 Overall, almost two-thirds of respondents (63%) stated our approach to making future savings is a reasonable way to go forward in 2017/18.

- 67 Around one in 10 people (10%) provided some reasoning as to why they did not agree that our approach is a reasonable way forward. Again a wide variety of responses were received, most commonly comments included, suggestions to cut management (2%), too difficult to determine a view (2%), improving efficiency, (1%), focus on increasing income (1%) and consider the long term impacts of savings such as cost shunting and the need to support more preventative services (1%).
- 68 We also provided a specific list of activities which participants could indicate their support. More than two in three respondents (68%) overall said they were prepared to 'Bin it right' whereas four in ten said they would be prepared to work with local groups to take over the running of a local facility or service.

**Chart 4 Looking at the suggestions in the leaflet that would help meet the savings, which would you be willing to support?**



- 69 The final question provided an opportunity for respondents to contribute their ideas for how residents, communities or other local organisations could help us meet future savings. Around one in six respondents (16%) took this opportunity and again a wide variety of comments were received. In many cases, respondents used this as an opportunity to comment on ways in which the council could continue to make further savings. The most common response proposed was cutting wages and expenses of councillors (5% of total participants).

## Variations Resulting from the Different Engagement Methods

- 70 The wider approach adopted this year achieved a relatively good response in terms of numbers and range of participants. There were some differences in answers depending on the method of engagement used. This was particularly noticeable when comparing online responses to those received from the wider engagement.
- 71 Generic questionnaire responses, where possible, were categorised into three response types. These were:
- (i) Stakeholder meetings
  - (ii) Wider engagement meetings and events
  - (iii) Online questionnaires
- 72 It is worth noting there are 375 responses ('Other' in the below table) which were not able to be allocated to a category. The table below has a full breakdown of questionnaire responses across all response types.

	<b>Questionnaires received</b>	<b>%</b>
<b>Stakeholder event</b>	259	18
<b>Wider engagement event</b>	560	38
<b>Online</b>	275	19
<b>Other</b>	375	26
<b>TOTAL</b>	<b>1,469</b>	<b>100</b>

- 73 Generally, participants in the wider engagement activities have a lower level of general awareness about the Council's approach and budget reductions to date. Just 41% of respondents from the wider engagement type activities were aware of the level of savings that the council has made over the last five years. This is likely to be indicative of these respondents being less involved with the council generally. Anecdotally, staff delivering the wider engagement activities said that many respondents at these events would not have otherwise taken part in this consultation.
- 74 Other differences were noticeable in certain questions with respect to online respondents. This group tended to be less positive about both the council's previous approach to making savings (online respondents rated the council's approach at an average of five out of ten compared to six out of ten for all respondents) as well as the approach for 2017/18 where around two in five respondents said they agreed with our stated approach.

## **Analysis of Results by Equality Groups**

- 75 Questionnaires were received from all of the protected groups and were broadly representative of the county's population. Overall slightly more women (57%) participated than men and this is a reflection of the disproportionately higher proportion of female participants who took part in the stakeholder and wider engagement events, on-line, the results were more evenly split with 51% male and 49% female.
- 76 Engagement with disabled people was encouraging with an overall rate of 14% which is broadly comparable to 2011 Census data which states 18% of the county's population are limited in carrying out day-to-day activities. When adding the targeted consultation participation figure of 40, this further increases the representativeness of disabled people. A range of age groups took part on the consultation with the largest group of participants (67%) from the working age population (18 - 64 years) which is comparable to census data on age.
- 77 However, 29% of respondents were from the 65+ age group which is disproportionately higher than the 20% county-wide population. Around 1% of participants were Black, Asian and Minority Ethnic. Respondents from the remaining protected groups were representative of the population with 4% from the lesbian, gay and bisexual population, 28% having no religion or belief, 69% were Christian and the remaining 3.1% had other religions or beliefs.

## **Engagement with Partnerships and other Stakeholders**

- 78 Discussions were held with a range of organisations through existing partnerships and network meetings. These included; the County Durham Partnership, the Local Council's Working Group, the Voluntary and Community Sector Working Group, and the Armed Forces Forum. Local Councils were also invited to participate through the questionnaire and some hosted discussions through the wider engagement meetings and events.
- 79 Feedback included:
- (i) It is important to continue with the approach of providing preventative services as it is more cost effective than the costs of addressing issues further down the line.
  - (ii) Continuing changes to government policy is not always favourable to County Durham in terms of impact on finance and service delivery.
  - (iii) The VCS organisations are likely to be impacted by the proposed reduction in Members' Neighbourhood Budgets by £2,600. Therefore it was important that to mitigate this, the AAPs will make every effort to maximize external match funding.

- (iv) Concern about the impact of leaving the EU on funding expected such as the European Social Investment Funding (ESIF), in particular the allocation for the North East Local Enterprise Partnership which contained a sum of £130million ring-fenced for County Durham as a Transition Area.

### **Engagement with People from Protected Characteristic Groups**

80 Additional targeted consultation was held with both people with physical and learning disabilities and children and young people. In both cases, the format of the questionnaire was altered to suit the needs of the audience. Due to the different format and for ease of analysis, these responses are detailed in the following two sections.

81 **People with physical and learning disabilities:** Consultation was held with 40 people who have moderate to severe learning disabilities by the People's Parliament staff team. The team considered the questionnaire and developed an easy read version for this group. The consultation was delivered in group sessions with five sample groups from different parts of the county and through different service providers. A summary of their responses is provided below.

- (i) 53% of respondents said they did not know that the council had had to make savings of over £180million over the past five year. When asked if during that time council services have either; improved, stayed the same or got worse; 57% said that they had either stayed the same or improved. The changes they noted included that individual care has improved for some people but for some it has been less positive.
- (ii) Participants were also asked to rate (on a scale of 1 to 10) the council's approach to making savings. Overall, the median rating for all respondents was 9, considerably higher than for those completing the questionnaire.
- (iii) There was a high degree of agreement for continuing to prioritise certain services for both smaller and larger savings. The exception to this was subsidised bus travel where all participants 100% said it should not continue to be targeted for larger savings.
- (iv) The majority of respondents (94%) stated our approach to making future savings is a reasonable way to go forward.

82 **Children and young people:** East Durham Rural Corridor AAP in conjunction with Investors in Children set up a consultation session in Sedgfield School to capture the views of children. Due to the time constraints and their experience of working with children, an easy read, graphical version was developed for this target group. 421 children took part and completed responses which are summarised below.

- (i) 69% of respondents said they did not know that the council had had to make savings of over £180million over the past five years. They were asked if they had noticed any changes and 60% said they had not. Of those who had, only 28 went on to give further details. Given the low numbers who responded to this question, no real analysis could be made.
- (ii) Again with this group there was a high degree of agreement for continuing to prioritise certain services for a smaller savings. However, only 39% felt we should continue to make smaller savings from Support for Community Projects, Centres and Partnerships. When asked if we should continue to make larger savings from some services; 55% felt we should continue to make larger savings from subsidised bus travel. A higher proportion of respondents felt we should not continue to make larger savings from; Performance Management Policy and Communications (61%), Democratic Support, Decisions and Elections (53%), and Finance, legal, IT and Resources (60%).

### **Scrutiny Committee Feedback**

- 83 Scrutiny Members have met twice so far to consider ongoing work to prepare MTFP(7). A joint special meeting of Corporate Issues Scrutiny Committee and Overview and Scrutiny Management Board was held on 27 September 2016 to consider the July Cabinet report on MTFP(7). At this meeting, Members commented that it was a long gap to the next planned Scrutiny session in late January. Members requested that an additional meeting be held to consider the updates to the MTFP position in relation to recent Cabinet decisions, to receive headline information on the Chancellor's Autumn Statement, and to provide comments to feed into the December Cabinet's consideration of MTFP(7) savings.
- 84 The second Scrutiny meeting was held on 25 November 2016, and Members considered the updated MTFP(7) model, the associated consultation process, the Council's reserves position and a verbal update on the Autumn Statement.
- 85 Overall, Members of the Committee agreed that they wished to give credit to staff on the way the report was presented and the ongoing work in developing the MTFP. The Committee agreed that the Council deserves credit on the handling of austerity measures, including with regard to reserves.
- 86 Members also agreed that there had been a good and robust MTFP consultation process, but made suggestions in two key areas:
- (i) Firstly Members agreed that there is a need to take care in future years' consultations that the framing of questions regarding larger or smaller savings was fully contextualised by including information on the savings which have already been taken in each area. The concern here was whether further savings falling in the areas where larger savings have already been made were achievable. The need to rely on the good



judgement of Cabinet in considering the consultation results in such areas was also highlighted.

- (ii) Secondly in analysing this year's results, that care is taken in the methodology to ensure it is robust and to set out any limitations as part of the analysis, in particular when bringing together the responses from the full survey with those from the easy read versions designed for specific groups.

87 Turning to the MTFP model, Members made comments in a number of areas. With regard to the additional pressures facing Children's Services, Members considered that the effects of austerity on children and families is a key factor which drives increased referrals. Members stressed the importance of making sure that we are looking after children.

88 In considering the detail of the MTFP model, Members also commented on the Better Care Fund, and the importance of keeping a close eye on the Government commitment to the stated level of funding.

89 Finally, Members commented on the really good assessment of the position that had been provided, and again thanked officers for their work. The next stage of the scrutiny process will be consideration of this December Cabinet report at the Corporate Issues Overview and Scrutiny meeting on 26 January 2017. Members of Overview and Scrutiny Management Board and leaders of all political groups will also be invited to attend.

### **Proposed Approach to the Development of the Council Plan and Service Plans**

90 In the 20 July 2016 Cabinet report, Members agreed that the Council Plan will be reviewed to sharpen its format and content, with member input via Corporate Issues Overview and Scrutiny.

91 This review work has now been included in the Council's developing Transformation Programme, led by the Director of Transformation and Partnerships. As part of the Transformation Programme, a more fundamental review of corporate planning is underway to ensure that plans drive activity in the most cost-effective way, by radically streamlining existing processes.

92 An update on the Transformation Programme is proposed for Overview and Scrutiny Management Board in January, to ensure scrutiny input into the emerging plans. In the meantime the existing three year Council Plan will roll forward until a new corporate planning framework is agreed.

### **Equality Impact Assessment**

93 Consideration of equality analysis and impacts is an essential element that members must consider in approving the savings plans at Appendix 3. This section updates members on the outcomes of the equality impact assessment of the MTFP(7).

- 94 The aim of the assessments is to:
- (i) Identify any disproportionate impact on service users or staff based on the protected characteristics of age, gender (including pregnancy/maternity and transgender), disability, race, religion or belief and sexual orientation.
  - (ii) Identify any mitigation actions which can be taken to reduce negative impact where possible.
  - (iii) Ensure that we avoid unlawful discrimination as a result of MTFP decisions.
- 95 As in previous years, equality impact assessments are being considered throughout the decision-making process, alongside the development of MTFP(7). This is required to support MTFP process decisions which are both fair and lawful. The process is in line with the Equality Act 2010 which, amongst other things, makes discrimination unlawful in relation to the protected characteristics listed above and requires us to make reasonable adjustments for disabled people.
- 96 In addition, the public sector equality duty requires us to pay 'due regard' to the need to:
- (i) Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited under the Act;
  - (ii) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (iii) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 97 All of the savings options presented at Appendix 3 have been subject to initial equalities impact screenings or full impact assessments where applicable. Some are existing assessments from previous years where there is a residual saving or a continuation of a savings proposal. Some are new and a number of proposals do not require an assessment, for example those involving savings in supplies and services.
- 98 A number of successful judicial reviews have 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.
- 99 Throughout the period of MTFP planning through to setting the MTFP(7) budget in February 2017, the equality impact assessments for all savings proposals will continue to be reviewed and updated. Where appropriate, the results of consultation will be fed into the assessments, and all assessments will be updated as further information becomes available. Final assessments will be considered in the decision-making process. In terms of the ongoing programme of budget decisions the Council has taken steps to ensure that impact assessments:

- (i) Are built in at the formative stages so that they form an integral part of developing proposals with sufficient time for completion ahead of decision-making.
- (ii) Are based on relevant evidence, including consultation where appropriate, to provide a robust assessment.
- (iii) Objectively consider any negative impacts and alternatives or mitigation actions so that they support fair and lawful decision making.
- (iv) Are closely linked to the wider MTFP decision-making process.
- (v) Build on previous assessments to provide an ongoing picture of cumulative impact.

### Impact Assessments for 2017/18 Savings Proposals

100 A total of 25 screenings and assessments are available for Members to inform the decision making at this stage. The documentation has been made available for Members via the Member Support Team ahead of this Cabinet meeting. These proposals have been re-organised to reflect the emergent corporate structure.

<b>Service Grouping</b>	<b>Number of Equality Impact Assessments Completed</b>
Transformation and Partnerships	2
Adults and Health Services	5
Children and Young Peoples Services	5
Regeneration and Local Services	7
Resources	6

101 Proposals include potential service user impacts across age, gender and disability. Individual equality screenings will continue to be updated to reflect further information as consultation on proposals progress. They will also be updated to include mitigating actions in relation to any potential impacts at the final decision point. In addition, staffing reviews have potential impacts across all protected characteristics. Fair treatment of staff will be ensured through agreed corporate HR procedures contained within the Change Management Toolkit.

102 Specific potential impacts of MTFP(7) savings proposals are summarised by service below.

- (i) Transformation and Partnerships' proposals reflect a continuation of staffing review and a proposal to reduce Members' Locality Funding for projects and activities. This includes a greater emphasis on matched funded to mitigate the reduction and funding of local community projects will continue in line with local priorities leading to no disproportionate impact on groups with protected characteristics.

- (ii) The majority of savings proposals from Adults and Health Services reflect a continuation of previous years' savings, albeit some with new elements. The effective use of eligibility criteria will continue to deliver savings and ensures equitable treatment for adult social care users such as older people and those with a disability.
- (iii) A review non-assessed services affects non-statutory, community-based support which provides services for a range of vulnerable users supporting individuals to remain in their communities as long as possible. This review may lead to reductions in service funding but is not expected to affect service users across any of the protected characteristics.
- (iv) The second phase of a service review of remaining in-house adult care services has the potential to disproportionately affect older adults, women and adults with a disability. The proposal involves achieving savings through new ways of working, including potential revisions to service delivery models, which may affect staff in terms of working patterns and reductions in contracted hours. However, the changes to the operating models are not anticipated to affect the level of service provided.
- (v) A number of Children and Young People Service's proposals affect services provided for children and young people and have the potential to impact women as primary carers. Again, these changes largely reflect a continuation of previous years' savings, with further savings from the Youth Support Review and Review of Home to School/College Transport policies. Further changes to Children's Services and Education Services have the potential to impact a variety of services for children and young people with a disability, including direct payments for care, again with potential impacts for families with disabled children and women as primary carers. EIAs will continue to be updated as proposals develop.
- (vi) Proposals for Regeneration and Local Services include proposals affecting the former Neighbourhood Services and Regeneration and Economic Development Services. These savings are unchanged from the July MTFP update. These savings reflect service and staffing reviews across a variety of functions including a review of the fleet service and workshops, administration arrangements in business support, Customer Access Points and Contact Centres and Clean and Green. The aim of these reviews is to reduce staffing costs and supplies and services budgets whilst minimising the service impact.
- (vii) The Council's change management toolkit will be followed to ensure fair treatment for staff, and impact assessments will be updated as proposals develop. Further savings from previous proposals include an increase of £5 a year to the Garden Waste charge, a change which has the potential to affect those with a disability who may not be able to use an alternative means of disposing of this waste and may therefore have

to pay the cost of receiving this service. Ongoing savings for 2017/18 are being delivered by the Street Lighting Energy Reduction Project which has included full risk assessments to inform final decision making and is showing no evidence of disproportionate equalities impact.

- (viii) Proposals also include a review of staffing arrangements and minor changes to opening hours for Killhope Museum and a review of libraries supplies and services. In these cases changes are relatively minor and not likely to result in any significant disproportionate impact on groups or service users.
- (ix) These REAL proposals include a review of all former Regeneration and Economic Development (RED) staffing areas leading to a reduction in core staffing costs. While the aim of these reviews is to achieve savings through natural turnover, ER/VR and minimal recruitment, impacts on service delivery will be monitored and the impact assessment updated throughout decision making process. Again the Council's change management toolkit will be followed to ensure fair treatment.
- (x) Further staffing reviews are proposed in Resources, affecting support services such as HR, Financial Services, Legal and Democratic Services and Internal Audit. Again these proposals remain unchanged since the July MTFP Cabinet update. These staffing reviews are not anticipated to have negative impacts on service delivery or specific groups or communities and will follow the Council's change management toolkit to ensure fair treatment.
- (xi) A restructure in the Revenues and Benefits service will prioritise rationalisation of management and supervision layers and redesigning the processes. A further part of this proposal is to reduce the funding paid to the Citizens Advice County Durham for the provision of advice services. Overall these changes have the potential to affect service users with a wide range of protected characteristics but this proposal will seek to minimise impacts on service delivery. There is a potential positive impact for service users of Citizens Advice services as it is intended that the new contract will increase provision of telephone advice. The Impact Assessment will be updated as proposals develop to detail specific impacts and mitigations.

## **Recommendations and Reasons**

103 Cabinet is asked to:

- (i) Note the overview of the Chancellor of the Exchequer's Autumn Statement and the impact upon local government.

- (ii) Note that at this stage there is significant uncertainty in terms of the impact upon the council. Further clarity will be received when the council receives the full detail of the Local Government Finance Settlement, which is expected to be received in mid-December.
- (iii) Note the adjustments to the 2017/18 Budget including the revised savings to be delivered of £20.7million which will result in the requirement to utilise £19.1million of the Budget Support Reserve.
- (iv) Note that savings required across the 2011/12 to 2019/20 period will now be circa £251million.
- (v) Note that the council will need to identify and approve additional savings of £36.7million during 2018/19 and 2019/20 to balance the budget.
- (vi) Note the output from the MTFP(7) budget consultation process and utilise the information when considering budget setting across the MTFP(7) period.
- (vii) Note the work completed and ongoing work required in terms of Equality Impact Assessments to support the delivery of MTFP Savings plans.
- (iii) Note the view of Corporate Issues Overview and Scrutiny Committee.

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	<b>Jenny Haworth</b>	<b>Tel: 03000 267801</b>

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## **Appendix 1: Implications**

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**Finance** – Analysis of the Autumn Statement would indicate that RSG reductions across the MTFP(7) period will remain in line with the current four year settlement. Savings plans of £20.7million are recommended for 2017/18 which will result in the utilisation of £19.1million of the BSR to balance the budget. Additional savings will be required of £36.7million during 2018/19 and 2019/20 to balance the budget

**Staffing** – The savings required across the MTFP(7) period will have an impact upon employees. HR processes will be followed at all times to provide support wherever possible.

**Risk** – Risks will continue to be assessed at all stages of development of MTFP(7). It is expected that further clarity will be provided upon response of the Local Government Finance Settlement. It is recognised that for the future the outcome of the review into 100% Business Rate Retention will need to be fully assessed in terms of impact upon the council.

**Equality and Diversity/ Public Sector Equality Duty** – The report details the process followed.

**Accommodation** – None

**Crime and Disorder** – None

**Human Rights** – Any human rights issues will be considered for any detailed MTFP (6) and Council Plan proposals as they are developed and decisions made to take these forward.

**Consultation** – The approach and output from the Budget consultation process are detailed in the report.

**Procurement** – None

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

**Legal Implications** – None

<b>Medium Term Financial Plan - MTFP (7) 2017/18 - 2019/20 Model</b>			
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	£'000	£'000	£'000
<b>Government Funding</b>			
Government RSG Funding Reduction	21,140	14,140	14,240
Reduction in Public Health Grant	1,263	1,363	1,363
Reduction in Education Services Grant	2,500	1,800	0
Reduction in Benefit Admin Grant	300	300	300
Town and Parish Council RSG Adjustment	-280	-39	-99
Business Rates - RPI increase (2%/2%/2%)	-1,093	-1,110	-1,130
Top Up Grant - RPI increase (2%/2%/2%)	-1,240	-1,270	-1,300
Better Care Fund	-2,400	-11,000	-9,700
<b>Other Funding Sources</b>			
Council Tax Increase (1.99% per annum)	-3,730	-3,890	-4,060
Council Tax Adult Social Care Precept (2% increase)	-3,760	-3,910	-4,090
New Homes Bonus - Reduction from 2017/18 onwards	2,000	2,000	2,000
Council Tax/Business Rate Tax Base net increase	-2,400	-1,000	-1,000
<b>Estimated Variance in Resource Base</b>	<b>12,300</b>	<b>-2,616</b>	<b>-3,476</b>
Pay inflation (1% - 1.5% - 1.5%)	2,200	3,100	3,000
Price Inflation (1.5% - 1.5% - 1.5%)	2,400	2,300	2,200
Reduction of Corporate Risk Contingency Budget	-2,000	0	0
<b>Base Budget Pressures</b>			
Costs Associated with National Living Wage	3,500	5,000	5,500
Additional Employer Pension Contributions	5,000	800	800
Energy Price Increases	250	250	250
Concessionary Fares	0	100	100
Pension Fund Auto Enrolment - Employer Contributions	600	600	0
Apprentice Levy	1,200	0	0
Microsoft Licences	0	500	0
Medical Examiner	50	50	0
Adults Demographic Pressures	1,000	1,000	1,000
Adults - Winterbourne	1,760	350	365
Adults - Deprivation of Liberty	709	0	0
Childrens - Home To School Transport	1,500	0	0
Childrens - Demographics	2,735	500	500
Childrens - Social Work Posts	1,384	0	0
Delay in achieving 2016/17 Bus. Support Unitisation saving	1,050	0	0
Prudential Borrowing to fund new Capital Projects	0	1,000	2,000
<b>TOTAL PRESSURES</b>	<b>23,338</b>	<b>15,550</b>	<b>15,715</b>
<b>SUM REQUIRED TO BALANCE BUDGET</b>	<b>35,638</b>	<b>12,934</b>	<b>12,239</b>
<b>Savings Plans</b>	-20,738	-4,555	-3,036
<b>Savings to be Identified/agreed</b>	0	-27,518	-9,203
<b>Adjustment for use of BSR in previous year</b>	1,622	19,139	0
<b>Adjustment for use of Collection Fund Surplus in 2016/17</b>	2,617	0	0
<b>Utilisation of Budget Support Reserve (BSR)</b>	-19,139	0	0
<b>TOTAL SAVINGS REQUIRED</b>	<b>-35,638</b>	<b>-12,934</b>	<b>-12,239</b>



## All Service Groupings 2017/18 MTFP Savings

Savings Reference	Saving	Amount	Saving Detail
<b>ACE22</b>	Transformation and Partnership Service Review	£649,393	Restructure across Transformation and Partnerships including management and support staff and reduction in non-staffing budgets including supplies and services.
<b>ACE25</b>	Review of AAPs	£330,000	Reduce the Members Neighbourhood Budget by £2,600 per member
<b>Transformation and Partnerships</b>		<b>£979,393</b>	
<b>CAS01.03</b>	Review direct provision of remaining in-house services	£1,238,000	A strategic review has been undertaken to look at a range of options for the future delivery of those adult care services currently provided by the adult services in-house provider, County Durham Care and Support (CDCS). The implementation of a 'mixed economy' model for the future delivery of adult care in-house services was approved at Cabinet in September 2016. The saving available in 2017/18 has been adjusted based upon a review of deliverability.
<b>CAS02.01</b>	Eligibility criteria - consistent and effective use of existing criteria	£2,325,000	Continuation of effective use of eligibility criteria for adults – Update to be provided
<b>CAS03.01</b>	Increased charging income in respect of adult care provision	£333,000	This saving will be achieved through the implementation of a new adult social care charging policy (approved at Cabinet in September 2016 and implemented from October 2016). This is year 2 of the policy
<b>CAS05.01</b>	Planning and Service Strategy restructure - management and support efficiencies and reduction of posts	£1,140,045	Significant staffing and non-staffing reductions throughout the service covering planning, performance, IT systems development, policy, partnership support, quality assurance, training and development, marketing, business support.

<b>Savings Reference</b>	<b>Saving</b>	<b>Amount</b>	<b>Saving Detail</b>
<b>CAS05.05</b>	Integrated commissioning	£679,568	Savings will be made through a more integrated approach to commissioning, including a review of service level contracts and staffing and non-staffing costs.
<b>CAS05.10</b>	Review of transport provision	£250,000	The saving will reflect a change in the way transport is procured, as the number of people who attend building-based day care will reduce.
<b>CAS06.01</b>	Review of non-assessed services	£247,000	There is a range of community-based prevention services which support individuals; this piece of work will review all commissioned services and the signposting and linkages into non-commissioned services. In previous years, savings have been achieved through a review of non-assessed services as follows: 2013/14 - £2,591,000, 2014/15 - £1,105,000 , 2016/17 - £3,816,996
<b>NS33.03</b>	Review of Environmental Health and Consumer Protection	£140,000	This saving will be made through reductions in the premises, supplies and services budget.
<b>Adult &amp; Health Services</b>		<b>£6,352,613</b>	
<b>CAS05.15</b>	Youth support	£750,000	A review of the council's youth service is being conducted and is expected to deliver a more targeted approach to youth support. This is in addition to the savings outlined for 2016/17 of £250,000. Consultation for this saving commenced in February 2016.
<b>CAS05.16</b>	Review of Education Services	£1,801,500	Review of staffing and non-staffing costs covering the following teams: progression and learning, school places and admissions, special educational needs & disabilities and support and development. Non-staffing savings include reductions in activity budgets, for example, the Young People and School Health and progression and learning activities budgets, pension liabilities and increasing income targets.
<b>CAS05.21</b>	Income generation and efficiencies (Children's Services)	£100,000	Savings and income to be achieved through efficiencies resulting from collaborative working on a regional basis for adoption services with partner organisations.

<b>Savings Reference</b>	<b>Saving</b>	<b>Amount</b>	<b>Saving Detail</b>
<b>CAS05.22</b>	Transformational change in Children's Services	£963,914	Rationalising accommodation and making more use of mobile / flexible working, skill mixing within teams, reduction in senior management, cost and volume of services for children with a disability and efficiencies achieved through the Children's Social Care Innovation Project to integrate early help, assessment intervention, focusing on family support.
<b>CAS10.0</b>	Review home to school / college transport policies	£295,000	Review of non-statutory home to school / college transport provision through the removal of automatic entitlement for: Year 10 / 11 exam movers (non-statutory) Post 16 unable to travel independently because no public transport (non-statutory) Post 16 unable to travel independently due to Special Educational Needs and Disability (non-statutory) This is the second year effect of the review.
<b>CAS11.0</b>	Use of cash limit reserve	£819,000	Cash limit reserves are being used in 2017/18 to defer savings until 2018/19.
<b>Children &amp; Young Peoples Services</b>		<b>£4,729,414</b>	
<b>NS03.80</b>	Review of Administrative Arrangements	£236,400	Review the administration arrangements in business support. This will be achieved by staffing reductions, reducing spare budgeted hours, centralisation of services and reducing the supplies and services budget.
<b>NS03.81</b>	Review of Fleet and Workshop	£130,000	Review of fleet workshop maintenance facilities and relocation of some garage services to Meadowfield.
<b>NS03.86</b>	Review of Building and Facilities Services	£359,000	Reduction in repairs and maintenance, building and cleaning budgets and increased catering income. Also the reduction in Neighbourhood Services managed buildings will result in savings in the business rates and utilities budgets.
<b>NS03.89</b>	Invest to Save Efficiencies	£359,000	A revenue budget was used to fund a number of projects in Direct Services and Street Lighting Energy Efficiency on an invest to save basis. As these projects are now complete the budget is no longer required.

Savings Reference	Saving	Amount	Saving Detail
			Investment into improving Leisure Centres at Peterlee and Seaham, along with a re-tendering of the operating contract will enable a reduction in the current subsidy. Further savings will come from the outsourcing of cinema and catering at the Gala Theatre. In 17/18 this saving will be modest but grow thereafter.
<b>NS04.05</b>	Service efficiencies in Clean & Green and Neighbourhood Protection	£319,000	Proposals include a mini-restructure within Clean and Green and further review of grounds maintenance, minimising visible impact, an overachievement from the Clean and Green income budget and a reduction in safer communities initiatives budget which supports partnership working to resolve local community issues.
<b>NS06.05</b>	Review of Garden Waste Charges & Closed Landfill Site Operations	£315,000	Additional income will be generated through an increase in garden waste charging in 2017/18 from £20 to £25 per year along with a review of environmental monitoring budgets and contract payments around closed landfill sites giving improved contract rates and reduced leachate disposal volumes through improved management practices.
<b>NS11.20</b>	Street Lighting Energy Reduction Project	£400,000	Continuation of savings in energy and maintenance costs from the Street Lighting Energy Reduction Project.
<b>NS24.06</b>	Service Efficiencies in Libraries & Museums	£210,000	Review of staffing and changes to operational arrangements relating to Killhope Museum.  An additional proposal will produce savings from the supplies and services and buildings aspects of the library service. It would also have a staffing element where vacancies arise and staffing hours could be reduced without impact on opening hours.
<b>NS32.01</b>	Review of Customer Access Points/Contact Centres	£150,000	Reduce resources within both the customer access point (CAP) and the contact centre environments. No reduction in CAP opening hours or impact on appointments is anticipated and the impact on telephony performance standards will be manageable.
<b>RED01</b>	Staffing Reductions in RED	£1,800,000	The RED Service grouping will undertake a review of all service areas with reductions in core staffing costs as follows: *Review of Policy and Project Management *Reduction sustainability, climate change and landscape design costs

Savings Reference	Saving	Amount	Saving Detail
			<p>*A review of area based regeneration services</p> <p>*Review of business support functions with a view to ensuring they are self-financing</p> <p>*A proportionate reduction in staffing across all other areas of the Service Group</p>
<b>RED14</b>	Review of Supplies and Services across RED	£482,202	Review of income and potential commercialisation of services as well as a proportionate reduction in supplies across the RED service grouping.
<b>Regeneration and Local Services</b>		<b>£4,760,602</b>	
<b>RES07</b>	Human Resourcing Staffing Rationalisation	£648,422	<p>A fundamental service review that will result in HR services being delivered in a significantly different way – options include:</p> <p>* Staffing Restructures</p> <p>* Relevant technology platforms and online developments to support managers, rather than face to face provision/support</p> <p>* Risk assessment/prioritisation of provision of all HR services</p>
<b>RES13</b>	Restructure of Legal & Democratic Services	£372,305	A restructure of Legal & Democratic Services which will need to consider how work demands and statutory duties will be met.
<b>RES15</b>	Corporate Finance / Financial Services and Support Services	£193,469	Savings available from generation of additional income and reduction in supplies and services budgets
<b>RES16</b>	ICT - Review of Service Delivery	£698,342	<p>Reviewing and restructuring the technology and maintenance contracts within ICT to reduce the ongoing revenue costs whilst still providing the same or a better level of service.</p> <p>Combining functions to reduce the management structure in addition to fundamentally changing the way the service is structured to ensure that it can operate in a flexible way for future service delivery to customers.</p>
<b>RES19</b>	Financial Services – Review /Restructuring Revenues and Benefits	£1,138,708	Review / Restructuring of Revenues and Benefits (focusing on management savings), Housing Benefit processing efficiencies, e-enablement of service provision and review of Advice Service Provision.

<b>Savings Reference</b>	<b>Saving</b>	<b>Amount</b>	<b>Saving Detail</b>
<b>RES21</b>	Internal Audit and Risk Staffing rationalisation	£164,615	Restructure of Internal Audit and Risk function
<b>Resources</b>		<b>£3,215,861</b>	
<b>COR29</b>	Concessionary Fares	£200,000	Saving available based upon current forecast of the volume of activity and based upon renegotiated contract prices
<b>COR23</b>	Dividends	£200,000	It is forecast that the budget for income generated in the form of dividend from council ownership in companies can be increased.
<b>COR32</b>	Insurances	£300,000	Analysis of recent years claims experience has indicated that the Insurance budget can be reduced.
<b>Corporate</b>		<b>£700,000</b>	
17/18 Organisational <b>TOTAL</b>		<b>£20,737,883</b>	

### 2016 Budget Consultation generic questionnaire results

**Q1. Were you aware that over the last five years we have made savings of more than £180 million?**

	Count	Percentage
Yes	810	55.7
No	645	44.3
<b>Total responses</b>	1,455	-

**Q2. In your view, during this period, have council services:**

	Count	Percentage
Improved	95	6.8
Stayed the same	696	49.7
Got worse	608	43.5
<b>Total responses</b>	1,399	-

**Q2a. Please specify how they have changed.**

	Comments		People
	Count	%	%
Service level reduced/fewer staff/staff over-stretched/slower or poorer response/minimal services	125	12.7%	8.5%
Charges for garden and special waste, fortnightly collections, reduced hours at HWRC increased dumping fly-tipping	98	9.9%	6.7%
Less street cleaning, litter collection and poorer environment	89	9.0%	6.1%
Grass cutting, flower beds suffering, grass cuttings left, countryside sites and verges not maintained	80	8.1%	5.4%
Poor highways and footpaths, potholes, road repairs, patching, gullies blocked - flood risk	69	7.0%	4.7%
Less provision for elderly, older people, care homes, day centres	58	5.9%	3.9%
More efficient, leaner, reduced wastage, improved service, more business like	58	5.9%	3.9%
New lighting poorer quality, safety issues	54	5.5%	3.7%
Reduced investment in communities, facilities and services	43	4.4%	2.9%
Less children's centres and activities for children and families	39	4.0%	2.7%
Reduction in library opening hours, less library service investment/books etc. library closure	32	3.2%	2.2%
<b>Other (18 issues each representing less than 3% of total responses)</b>	<b>241</b>	<b>24.4%</b>	<b>16.4%</b>
<b>Total number of responses made (respondents could provide more than one comment)</b>	<b>986</b>	<b>-</b>	<b>-</b>

**Q3. Having read the leaflet, what do you think of our approach so far:**

<b>Scale</b>	<b>Count</b>	<b>Percentage</b>
<b>1 (Poor)</b>	36	<b>2.6</b>
<b>2</b>	31	<b>2.2</b>
<b>3</b>	65	<b>4.7</b>
<b>4</b>	101	<b>7.3</b>
<b>5</b>	325	<b>23.4</b>
<b>6</b>	228	<b>16.4</b>
<b>7</b>	276	<b>19.9</b>
<b>8</b>	220	<b>15.9</b>
<b>9</b>	68	<b>4.9</b>
<b>10 (Excellent)</b>	38	<b>2.7</b>
<b>Total responses</b>	1388	-

**Q4. Do you think we should continue to prioritise smaller savings for the areas below?**

	<b>Total responses</b>	<b>Yes</b>		<b>No</b>	
	<b>Count</b>	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
<b>Children's centres and support for families</b>	1,344	1,016	<b>75.6</b>	328	<b>24.4</b>
<b>Gritting and snow clearance</b>	1,369	927	<b>67.7</b>	442	<b>32.3</b>
<b>Job creation</b>	1,340	968	<b>72.2</b>	372	<b>27.8</b>
<b>School support and education service</b>	1,341	1,014	<b>75.6</b>	327	<b>24.4</b>
<b>Social work and protecting vulnerable children and adults</b>	1,371	1,066	<b>77.8</b>	305	<b>22.2</b>
<b>Support for adults in their homes</b>	1,353	1,032	<b>76.3</b>	321	<b>23.7</b>
<b>Support for community projects, centres, partnerships and groups</b>	1,359	968	<b>71.2</b>	391	<b>28.8</b>



**Q5. Do you think we should continue to target larger savings for the areas below?**

	Total responses	Yes		No	
	Count	Count	%	Count	%
Democratic Support, decisions and elections	1,346	1,137	84.5	209	15.5
Finance, Legal, IT and Human Resources	1,323	1,075	81.3	248	18.7
Performance management, policy and communications	1,324	1,105	83.5	219	16.5
Subsidised bus travel	1,346	650	48.3	696	51.7

**Q6i. If you think any other council services should receive smaller reductions, please specify.**

	Comments		People
	Count	%	%
Maintaining roads, footpaths and lighting	26	8.4%	1.8%
Social work and protecting vulnerable children and adults	23	7.4%	1.6%
Grass cutting, trees and flower beds	21	6.8%	1.4%
Subsidised bus travel	20	6.5%	1.4%
Sports, parks and play areas	19	6.1%	1.3%
Collection, disposal and recycling of waste	18	5.8%	1.2%
Libraries	17	5.5%	1.2%
Support for community centres, projects, partnerships and groups	16	5.2%	1.1%
Youth offending and youth support work	13	4.2%	0.9%
Children's centres and support for families	11	3.6%	0.7%
Other (22 service areas each representing less than 3.5% of total responses)	125	40.5%	8.5%
<b>Total number of responses made</b>			
(respondents could provide more than one comment)			
	309	-	-

**Q6ii. If you think any other council services should receive larger reductions, please specify.**

	Comments		People
	Count	%	%
Culture	20	8.1%	1.4%
Grass cutting, trees and flower beds	20	8.1%	1.4%
Democratic Support, decisions and elections	18	7.3%	1.2%
Libraries	17	6.9%	1.2%

Maintenance of council buildings	15	6.1%	1.0%
Support for community centres, projects, partnerships and groups	14	5.7%	1.0%
Performance management, policy and communications	13	5.3%	0.9%
Finance, Legal, IT and Human Resources	12	4.9%	0.8%
Collection, disposal and recycling of waste	11	4.5%	0.7%
Job creation	11	4.5%	0.7%
Other (22 service areas each representing less than 4.5% of total responses)	95	38.6%	6.5%
<b>Total number of responses made</b>			
<b>(respondents could provide more than one comment)</b>			
	246	-	-

**Q7. Having read about the savings approach for 2017/18 in the leaflet, do you think this is a reasonable way to go forward?**

	Count	Percentage
Yes	860	63.0
No	188	13.8
Don't Know	318	23.2
<b>Total Responses</b>	<b>1366</b>	<b>100.0</b>

**Q7a. If no, why?**

	<b>Comments</b>		<b>People</b>
	<b>Count</b>	<b>%</b>	<b>%</b>
Cut management	34	18.9%	2.3%
Not enough information, detail, explanation, costs, too much to take in	26	14.4%	1.8%
Be more efficient (share staff/resources across services/councils/partners)	20	11.1%	1.4%
Concentrate on increasing money brought in (charges, revenue, capital)	16	8.9%	1.1%
Consider long term impacts (shunting costs/support preventative services)	15	8.3%	1.0%
Other (9 reasons each representing less than 7.5% of total responses)	69	38.3%	4.7%
<b>Total number of responses made</b>			
<b>(respondents could provide more than one comment)</b>			
	180	-	-

**Q8. Looking at the suggestions in the leaflet that would help meet the savings, which would you be willing to support?**

	Count (Yes)	Percentage (Yes)
Access more services online	844	57.5%
Bin it right	999	68.0%
Get active	722	49.1%
Help a neighbour	813	55.3%
Help look after your neighbourhood	834	56.8%
Shop locally	864	58.8%
Volunteer for local groups and charities	736	50.1%
Work with local groups to take over the running of a local facility or service	576	39.2%
<b>Total responses</b>	<b>1,469</b>	<b>-</b>

**Q9 Do you have any other ideas of ways in which you, your community or local organisations can help us meet future savings?**

	Comments		People
	Count	%	%
Cut wages, expenses of councillors/council leader, councillor should be voluntary	76	26.4%	5.2%
Encourage, improve support and fund communities and the voluntary sector to take over council buildings and services	44	15.3%	3.0%
Get volunteers to help/unemployed to volunteer	38	13.2%	2.6%
Stop new schemes (roadworks/bus station/County Hall)	15	5.2%	1.0%
Co-locate services in one children's services, access point, library, leisure, voluntary sector, etc.	14	4.9%	1.0%
Council should invest in making communities more self-sufficient/resilient	14	4.9%	1.0%
Get town/parish councils to provide local services	11	3.8%	0.7%
Privatise/get businesses to take over services	10	3.5%	0.7%
Other (22 comments each representing less than 4% of total responses)	66	22.9%	4.5%
<b>Total number of responses made (respondents could provide more than one comment)</b>	<b>288</b>	<b>-</b>	<b>-</b>

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**Corporate Issues Overview and Scrutiny  
Committee**

**26 January 2017**



**Quarter 2 2016/17  
Performance Management Report**

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**Report of Corporate Management Team**

**Lorraine O'Donnell, Director of Transformation and Partnerships  
Councillor Simon Henig, Leader**

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**Purpose of the Report**

1. To present progress against the council's corporate performance framework for the Altogether Better Council priority theme for the second quarter of the 2016/17 financial year, covering the period July to September 2016.

**Background**

2. Work is underway to review how we present performance information in the clearest possible way. This quarter we have tightened the format of the report to make it more concise. We have included an Executive Summary which outlines key performance messages from data released this quarter. We have reviewed the Altogether themes moving from a narrative format to an at a glance, more visual style presentation of one summary page per Altogether theme which presents key data messages showing, where available, the latest position in trends and how we compare to others.
3. A more comprehensive table of all performance data is presented as usual in Appendix 3.
4. Key performance indicator progress is still reported against two indicator types which comprise of:
  - a. Key target indicators – targets are set for indicators where improvements can be measured regularly and where improvement can be actively influenced by the council and its partners; and
  - b. Key tracker indicators – performance will be tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence.
5. We will continue to look at ways to further develop the format of the report, as part of the transformation programme, to provide a clearer way of understanding how the council is performing, with the leanest possible process.

6. An outline of the ratings applied to our performance and the groups we use to compare ourselves is outlined in Appendix 2.
7. To support the complete indicator set, a guide is available which provides full details of indicator definitions and data sources for the 2016/17 corporate indicator set. This is available to view either internally from the intranet (at Councillors useful links) or can be requested from the Corporate Planning and Performance Team at [performance@durham.gov.uk](mailto:performance@durham.gov.uk).

## **Executive Summary**

### **Key performance messages from data released this quarter**

8. The Altogether Better Council theme covers a range of areas from customer services which include customer contacts, benefit processing and responding to freedom of information requests to employee wellbeing, effective use of resources and engaging with our communities through effective partnership working.
9. The council's performance in relation to the Altogether Better Council theme shows good progress continues. Data released this quarter show performance in relation to providing services to customers is good. On average we answered telephone calls from customers in 39 seconds and levels of abandoned calls remain at 6%. Processing times have improved from the dip reported last quarter and are on target for housing benefit and council tax reduction in both change of circumstances and new claims received. However fewer Freedom of Information and Environmental Information Regulations requests have been responded to within national timescale. The new corporate Customer Relationship Management implementation programme (phase 1) went live in July 2016, which gives customers a wider range of online options to contact the council.
10. Focusing on employee wellbeing, staff attendance has improved and over half of posts had no sickness absence in the rolling year ending in September 2016. However, the percentage of staff that had an appraisal has deteriorated. Oracle Business Intelligence module is now available to managers assisting them to effectively monitor both appraisals and sickness performance.
11. Collection rates for council tax and business rates continue to show good progress, which are in line with our medium term financial plan forecasts.
12. The latest position in volume trends is presented in the charts available at Appendix 4.

## **Risk Management**

13. Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change programme and is incorporated into all significant change and improvement projects.

14. The key risks in delivering the ambitions of this priority theme and how we are managing them are:
15. *If there was to be slippage in the delivery of the agreed Medium Term Financial Plan (MTFP) savings projects, this will require further savings to be made from other areas, which may result in further service reductions and job losses.* Management consider it possible that this risk could occur, which will result in a funding shortfall, damaged reputation and reduced levels of service delivery. To mitigate the risk, a programme management approach for key projects has been established and embedded across the council. Monitoring by Corporate Management Team and Cabinet provides assurance over the implementation of the agreed MTFP savings projects. It should be recognised that this will be a significant risk for at least the next four years. (critical / possible)
16. *Ongoing Government funding cuts which now extend to at least 2019/20 will continue to have an increasing major impact on all council services.* Management consider it highly probable that this risk could occur, and to mitigate the risk, sound financial forecasting is in place based on thorough examination of the Government's red book plans. This will also be a significant risk for at least the next four years. (critical / highly probable)
17. *If we were to fail to comply with Central Government's Public Services Network Code of Connection criteria for our computer applications, this would put some of our core business processes at risk, such as revenues and benefits, which rely on secure transfer of personal data.* The Government criteria for the PSN CoCo compliance has changed again, one of the requirements being the need to submit a risk register, which was done in July 2016. (critical / possible)
18. *Major Interruption to IT service delivery.* Corporate Management Team has approved a project to provide improved ICT resilience through a robust mechanical and electrical designed solution for the council's main data centre. The improvement works, which will significantly reduce the risks from electrical and mechanical failures, are planned for completion by November 2017. (major / probable)

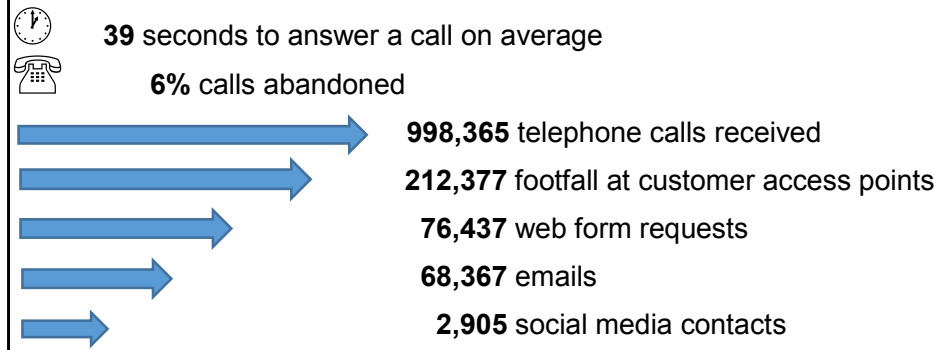
### **Key data messages by Altogether Theme**

19. The next section provides a one page summary of key data messages for the Altogether Better Council theme. The format of the Altogether theme has been revised to provide a snap shot overview aimed to ensure that key performance messages are easy to identify. The Altogether theme is supplemented by information and data relating to the complete indicator set, provided at Appendix 3.

# Altogether Better Council

## Customer Services

Between October 2015 and September 2016:



The new Customer Relationship Management software provides customers with a wider range of online options to contact the council (Phase 1 completed in July 2016)

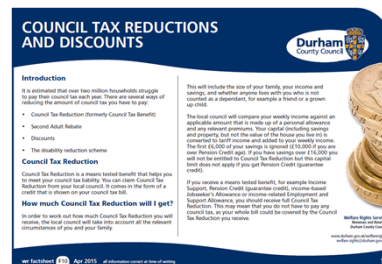
## Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests:

**70%** of responses were sent to applicants within 20 working days (target 85%) between July and September 2016

## Processing time for housing benefit (HB) and council tax reduction (CTR) (Apr – Sep 2016)

- ✓ **18.49** days – new HB claims (target 23 days)
- ✓ **19.76** days – new CTR claims (target 23 days)
- ✓ **7.39** days – HB change of circumstances claims (target 10 days)
- ✓ **7.28** days – CTR change of circumstances claims (target 10 days)

In July, Cabinet agreed the continuation of the current Local Council Tax Reduction Scheme for a further year into 2017/18, which would continue to protect all claimants in line with what their entitlement would have been under the Council Tax Benefit System.



## Employee wellbeing

For the year October 2015 – September 2016 (excluding schools)

Sickness absence per full time equivalent (FTE) improved from last year achieved target

Employees having 5 working days or less sickness

More posts with no sickness absence

**11.14 days**  
11.5 days target

**78.2%**

**56.7%**  
45.2% (Oct 2014 - Sep 2015)

**88.2%** appraisals completed (Oct 2014 – Sep 2015)

**86.6%** (92% target)

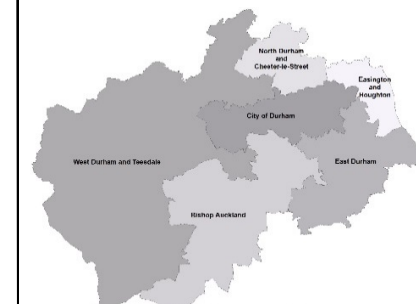
Managers receive automated email alerts when trigger points are reached

Managers are provided with real time information on appraisals and sickness via Business Intelligence module (Action completed in Sep 2016)

## Finance

- ✓ **56.9%** council tax collected (target 56.7%)
- ✓ **58.4%** business rates collected (target 58.5%)
- ! Mainly due to business rate payers exercising their right to extend instalment payments to March instead of January after a change in legislation in 2014

## Look out for



The first stage of the review of Parliamentary Constituency Boundaries has now been completed and the Commission's initial proposals for new constituency boundaries have been published.



## Recommendations and Reasons

20. That the Corporate Issues Overview and Scrutiny Committee receive the report and consider any performance issues arising there with.

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**Contact: Jenny Haworth, Head of Planning and Performance**

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Appendix 1: Implications

Appendix 2: Report Key

Appendix 3: Summary of key performance indicators

Appendix 4: Volume measures

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## Appendix 1: Implications

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**Finance** - Latest performance information is being used to inform corporate, service and financial planning.

**Staffing** - Performance against a number of relevant corporate health Performance Indicators (PIs) has been included to monitor staffing issues.

**Risk** - Reporting of significant risks and their interaction with performance is integrated into the quarterly monitoring report.

**Equality and Diversity / Public Sector Equality Duty** - Corporate health PIs are monitored as part of the performance monitoring process.

**Accommodation** - Not applicable

**Crime and Disorder** - A number of PIs and key actions relating to crime and disorder are continually monitored in partnership with Durham Constabulary.

**Human Rights** - Not applicable

**Consultation** - Not applicable

**Procurement** - Not applicable

**Disability Issues** - Employees with a disability are monitored as part of the performance monitoring process.

**Legal Implications** - Not applicable

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## Appendix 2: Report key

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### Performance Indicators:

#### Direction of travel/benchmarking

#### Performance against target

Same or better than comparable period/comparator group

**GREEN**

Meeting/Exceeding target

Worse than comparable period / comparator group (within 2% tolerance)

**AMBER**

Getting there - performance approaching target (within 2%)

Worse than comparable period / comparator group (greater than 2%)

**RED**

Performance >2% behind target

### National Benchmarking

We compare our performance to all English authorities. The number of authorities varies according to the performance indicator and functions of councils, for example educational attainment is compared to county and unitary councils however waste disposal is compared to district and unitary councils.

### North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e. County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-on-Tees, South Tyneside, Sunderland. The number of authorities also varies according to the performance indicator and functions of councils.

### Nearest Neighbour Benchmarking:

The nearest neighbour model was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA), one of the professional accountancy bodies in the UK. CIPFA has produced a list of 15 local authorities which Durham is statistically close to when you look at a number of characteristics. The 15 authorities that are in the nearest statistical neighbours group for Durham using the CIPFA model are: Barnsley, Wakefield, Doncaster, Rotherham, Wigan, Kirklees, St Helens, Calderdale, Dudley, Northumberland, Tameside, Sheffield, Gateshead, Stockton-on-Tees and Stoke-on-Trent.

We also use other neighbour groups to compare our performance. More detail of these can be requested from the Corporate Planning and Performance Team at [performance@durham.gov.uk](mailto:performance@durham.gov.uk).

### Actions:

**WHITE**

Complete (action achieved by deadline/achieved ahead of deadline)

**GREEN**

Action on track to be achieved by the deadline

**RED**

Action not achieved by the deadline/unlikely to be achieved by the deadline

## Appendix 3: Summary of Key Performance Indicators

Table 1: Key Target Indicators

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
<b>Altogether Better Council</b>											
54	NS25	Percentage of customers with an appointment at a customer access point who are seen on time	Available Q3 2016/17	NA	95	NA	New indicator	NA			
55	RES/038	Percentage all ICT service desk incidents resolved on time	94	Jul - Sep 2016	90	GREEN	94	GREEN			
56	RES/NI/181a1	Average time taken to process new housing benefit claims (days)	18.49	Jul - Sep 2016	23.00	GREEN	22.68	GREEN	24.00 Not comparable	26** Not comparable	Apr - Jun 2016
57	RES/NI/181a2	Average time taken to process new council tax reduction claims (days)	19.76	Jul - Sep 2016	23.00	GREEN	23.47	GREEN			
58	RES/NI/181b1	Average time taken to process change of circumstances for housing benefit claims (days)	7.39	Jul - Sep 2016	10.00	GREEN	10.09	GREEN	8.00 Not comparable	9** Not comparable	Apr - Jun 2016
59	RES/NI/181b2	Average time taken to process change of circumstances for council tax reduction claims (days)	7.28	Jul - Sep 2016	10.00	GREEN	9.66	GREEN			
60	RES/002	Percentage of council tax collected in-year	56.89	Apr - Sep 2016	56.70	GREEN	56.47	GREEN	97.10 Not comparable	95.96* Not comparable	2015/16

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
61	RES/003	Percentage of business rates collected in-year	58.42	Apr - Sep 2016	58.50	AMBER	58.65	AMBER	98.20 Not comparable	96.56* Not comparable	2015/16
62	RES/129	Percentage of council tax recovered for all years excluding the current year	99.48	Jul - Sep 2016	98.50	GREEN	99.02	GREEN			
63	RES/130	Percentage of business rates recovered for all years excluding the current year	99.18	Jul - Sep 2016	98.50	GREEN	99.45	AMBER			
64	REDPI 49b	Total of income and savings from solar installations on council owned buildings (£)	269,581	2015/16	242,000	GREEN	261,210	GREEN			
65	REDPI 68	Average asset rating of Display Energy Certificates in county council buildings	93.0	Jul - Sep 2016	94.0	GREEN	98.0	GREEN			
66	RES/LPI/010	Percentage of undisputed invoices paid within 30 days to our suppliers	93.1	Jul - Sep 2016	93.0	GREEN	93.6	AMBER			
67	ACE006	Percentage of Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests responded to within statutory deadlines	70	Jul - Sep 2016	85	RED	82	RED			
68	RES/LPI/012	Days / shifts lost to sickness absence – all services including school staff	9.16	Oct 2015 - Sep 2016	8.50	RED	9.85	GREEN			

Ref	PI ref	Description	Latest data	Period covered	Period target	Current performance to target	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
	012a	sickness absence – all services excluding school staff		- Sep 2016							
70	RES/011	Percentage of performance appraisals completed in current post in rolling year period (excluding schools)	86.64	Oct 2015 - Sep 2016	92.00	<b>RED</b>	88.16	<b>AMBER</b>			

**Table 2: Key Tracker Indicators**

Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
<b>Altogether Better Council</b>											
174	NS43a	Number of customer contacts - face to face	212,377	Oct 2015 - Sep 2016	205,583	NA	185,581	NA			
175	NS43b	Number of customer contacts -telephone	998,365	Oct 2015 - Sep 2016	1,004,888	NA	1,004,224	NA			
176	NS43c	Number of customer contacts - web forms	76,437	Oct 2015 - Sep 2016	82,201	NA	35,862	NA			
177	NS43d	Number of customer contacts - emails	68,367	Oct 2015 - Sep 2016	68,046	NA	33,170	NA			
178	NS43e	Number of customer contacts - social media	2,905	Oct 2015 - Sep 2016	2,733	NA	853	NA			
179	NS26	Average time taken to answer a telephone call (seconds)	39	Oct 2015 - Sep 2016	39	GREEN	39	GREEN			
180	NS20	Percentage of abandoned calls	6	Oct 2015 - Sep 2016	6	GREEN	6	GREEN			
181	RES/013	Staff aged under 25 as a percentage of post count	5.95	As at Sep 2016	5.89	NA	5.06	NA			
182	RES/014	Staff aged over 50 as a percentage of post count	40.36	As at Sep 2016	40.07	NA	40.16	NA			
183	RES/LPI/011a	Women in the top five percent of earners	53.18	As at Sep 2016	53.01	NA	52.72	NA			
184	RES/LPI/011bi	Black and minority ethnic (BME) as a percentage of post count	1.6	As at Sep 2016	1.61	NA	1.54	NA			

Page 64	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
185	RES/LPI/011ci	Staff with a recorded disability as a percentage of post count	2.85	As at Sep 2016	2.78	NA	2.82	NA			
186	RES028	Discretionary Housing Payments - value (£) for customers affected by social sector size criteria	485,402.51	Apr - Sep 2016	271,299.90	NA	286,199.40	NA			
187	RES029	Discretionary Housing Payments - value (£) for customers affected by local housing allowance reforms	248,542.42	Apr - Sep 2016	138,802.22	NA	75,008.48	NA			
188	ACE016	Percentage of children in poverty (quarterly proxy measure) <b>(Also in Altogether Better Council)</b>	22.1	As at May 2016	22.2	GREEN	22.4	GREEN	15.5	22.6*	As at May 2016
189	ACE019a	Proportion of households in fuel poverty (with both low income and high fuel costs)	12.2	2014	11.5	RED	11.5	RED	10.6	12.2*	2014
190	RES/034b	Staff - total headcount (excluding schools)	8,333	As at Sep 2016	8,462	NA	8,569	NA			
191	RES/035b	Staff - total full time equivalent (excluding schools)	6,881	As at Sep 2016	6,958	NA	7,086	NA			
192	RES/020	Percentage of time lost to sickness in rolling year (excluding schools)	4.38	Oct 2015 - Sep 2016	4.52	GREEN	4.88	GREEN			
193	RES/052	Percentage of posts with no absence in rolling year (excluding schools)	56.74	Oct 2015 - Sep 2016	51.35	GREEN	45.22	GREEN			



Ref	PI ref	Description	Latest data	Period covered	Previous period data	Performance compared to previous period	Data 12 months earlier	Performance compared to 12 months earlier	National figure	*North East figure **Nearest statistical neighbour figure	Period covered
194	RES/053	Percentage of employees having five days or less sickness per 12 month rolling period	78.17	Oct 2015 - Sep 2016	77.33	NA	New indicator	NA			
195	RES/036	Number of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) incidents reported to the Health and Safety Executive (HSE) [1] [2]	17	Jul - Sep 2016	16	NA	14	NA			

[\[1\] Data 12 months earlier amended \(final published data\)/refreshed](#)

[\[2\] Previous period data amended /refreshed / final published data](#)

Chart 1. Telephone calls via customer services

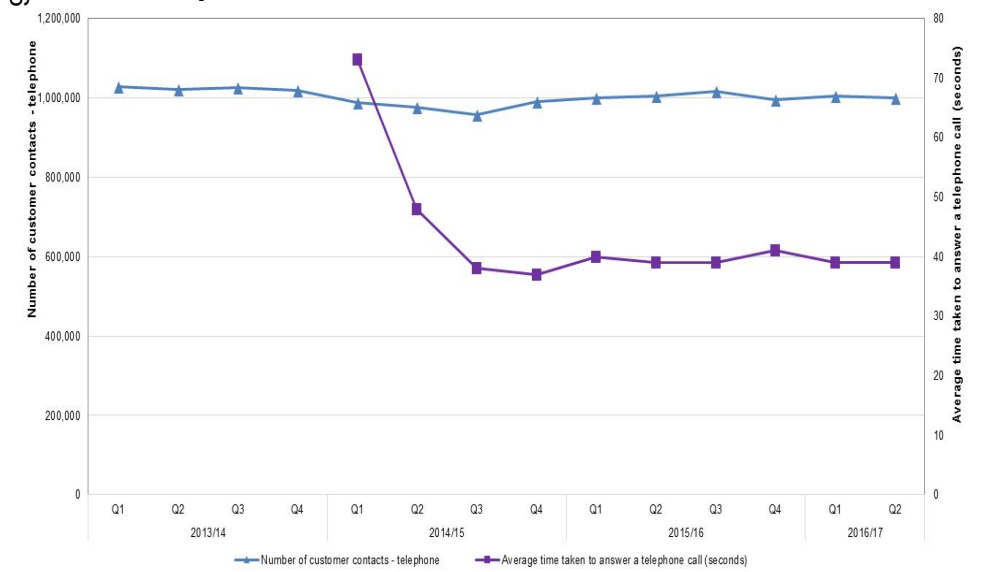


Chart 2. Face to face contacts via customer access points

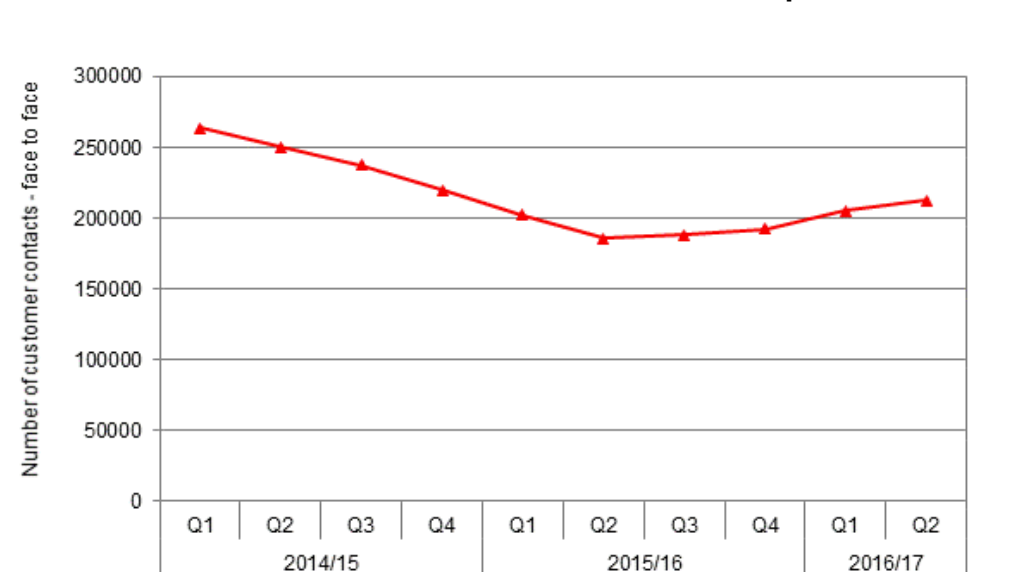


Chart 3. Housing Benefits – new claims

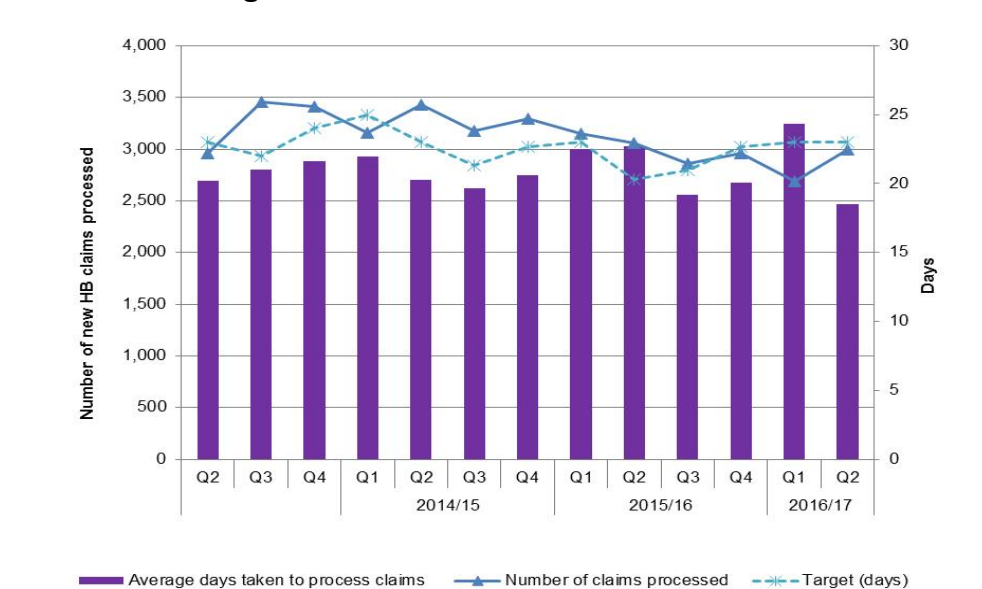
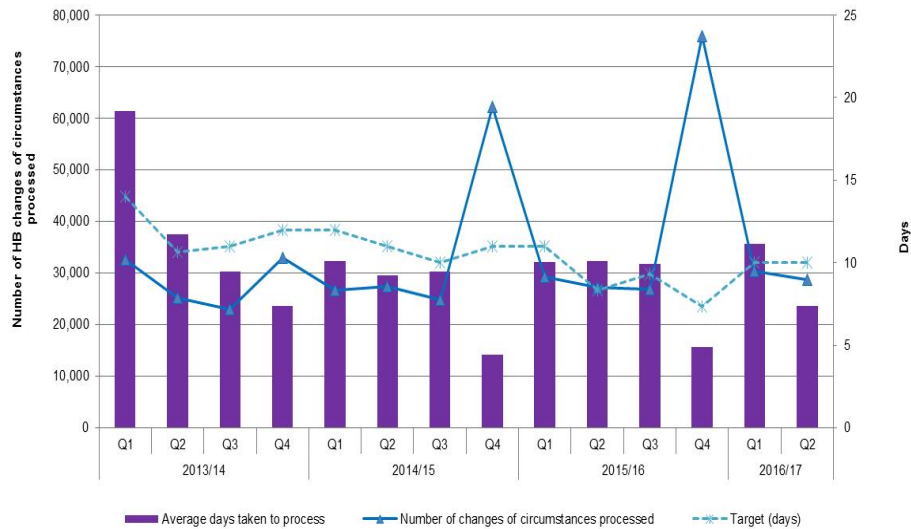


Chart 4. Council Tax Reduction – new claims

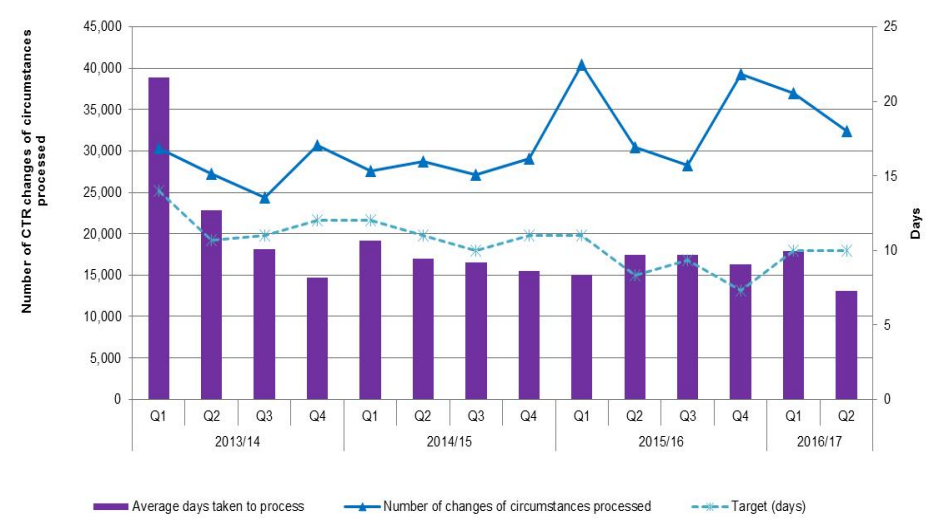


**Chart 5. Housing Benefits – changes of circumstances**



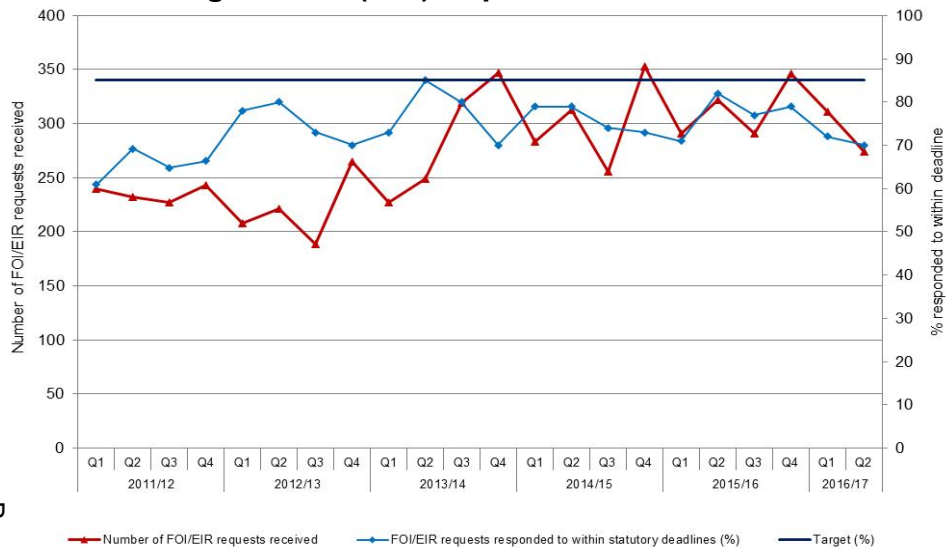
Volume data from 2015/16 is not comparable with previous data.

**Chart 6. Council Tax Reduction – changes of circumstances**



Volume data from 2015/16 is not comparable with previous data.

**Chart 7. Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests**



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**Corporate Issues Overview and  
Scrutiny Committee**

**26 January 2017**



**Customer Feedback: Complaints  
Compliments and Suggestions  
2016/17 – Quarter 2**

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**Report of Ian Thompson, Corporate Director of Regeneration  
and Local Services**

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**Purpose of the Report**

- 1 To present to Corporate Issues Overview and Scrutiny Committee (CIOSC) the Customer Feedback: Complaints, Compliments and Suggestions report for 2016/17 Quarter 2 (Full report attached at Appendix 2).

**Background**

- 2 The report in relation to the Council's performance and key issues regarding complaints, compliments and suggestions is aligned to the performance reporting mechanisms, so the implications of this customer feedback can inform scrutiny of Council performance.

**Quarter 2, 2016/17**

- 3 The full report at Appendix 2 provides a breakdown of all corporate complaints received by the Council during 2016/17 quarter 2. It summarises the Council's performance in dealing with corporate complaints, explores the themes and identifies the action we will take to not only put things right for an individual but to improve wider service provision. The report also provides positive feedback in the form of compliments across services and also suggestions from customers as to what they think we should consider to improve service provision.

**Recommendations**

- 4 Members are asked to note the information in the report.

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**Contact: Mary Readman  
E-Mail: [mary.readman@durham.gov.uk](mailto:mary.readman@durham.gov.uk)**

**Tel. 03000 268161**

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## **Appendix 1: Implications**

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### **Finance**

Financial settlements relating to LGO decisions are included in the report

### **Staffing**

Where there is an issue regarding a complaint in relation to staff misconduct or behaviour, this is handled in accordance with the appropriate HR policies

### **Risk**

Not applicable

### **Equality and Diversity**

Customer feedback data is monitored in relation to equality and diversity

### **Accommodation**

Not applicable

### **Crime and Disorder**

Not applicable

### **Human Rights**

Not applicable

### **Consultation**

Not applicable

### **Procurement**

Not applicable

### **Disability Discrimination Act**

Customer feedback data is monitored in relation to disability

### **Legal Implications**

Legal support is provided in appropriate cases

# Putting our Customers first

## Customer Feedback Report

# Complaints, compliments and suggestions

Quarter 2  
2016/17

*Altogether better*

## **Background information**

1. Customer feedback is a valuable tool. It not only helps us understand what is important to service users and what we are doing well, it can also indicate widespread issues and offer us the opportunity to put things right and improve our services.
2. Covering a range of customer feedback, this report highlights the main themes throughout quarter 2 (1 July to 30 September 2016), summarises our performance in dealing with complaints, identifies any lessons learned and states what remedial action we have taken, or plan to take, to put things right and ensure similar mistakes are avoided in the future. As feedback can also highlight opportunities for operational improvement even when the service is delivered properly, the report also includes a selection of customer suggestions and their outcomes, and an overview of comments relating to our decision making.

### **Complaints**

3. Within this document, there are 2 types of complaint. Statutory complaints which arise from our duties as a local social services authority and corporate complaints which cover all other complaints. As each complaint type is subject to its own processes and policy, they are reported separately.
4. The responsible service area deals wholly with corporate complaints in the first instance, completing the initial service review and, as far as possible, contacting customers by telephone to ensure a more personal approach.
5. Should the customer remain dissatisfied with the service response to a corporate complaint, the complaint can be forwarded to the Customer Feedback Team, to make an assessment on the escalation of that complaint. If the team feels there is no value in progressing with an independent investigation, the service user is advised to contact the Local Government Ombudsman (LGO) should they wish to pursue their complaint.
6. Independent investigation of statutory complaints is arranged by the statutory Complaints Team.

### **Summary: Quarter 2**

7. We completed initial service reviews into 450 corporate complaints; 88% of which were reported by either telephone (45%) or via our website (43%). The average time to close these complaints was just over 6 working days and 56% were upheld (partially or fully).



8. We received 50 statutory complaints, of which 94% were acknowledged within 2 working days. 37 complaints were resolved within the quarter; 36 within timescale (97%). Of the 37 complaints, 35% were upheld (partially or fully). No complaints progressed to independent investigation.
9. The Local Government Ombudsman (LGO) delivered decisions into 14 matters. Of these, 8 were upheld.
10. In addition to complaints, we also received 201 compliments, 46 suggestions and 84 comments in relation to our decision making.

## **Statutory Complaints – Children’s Services**

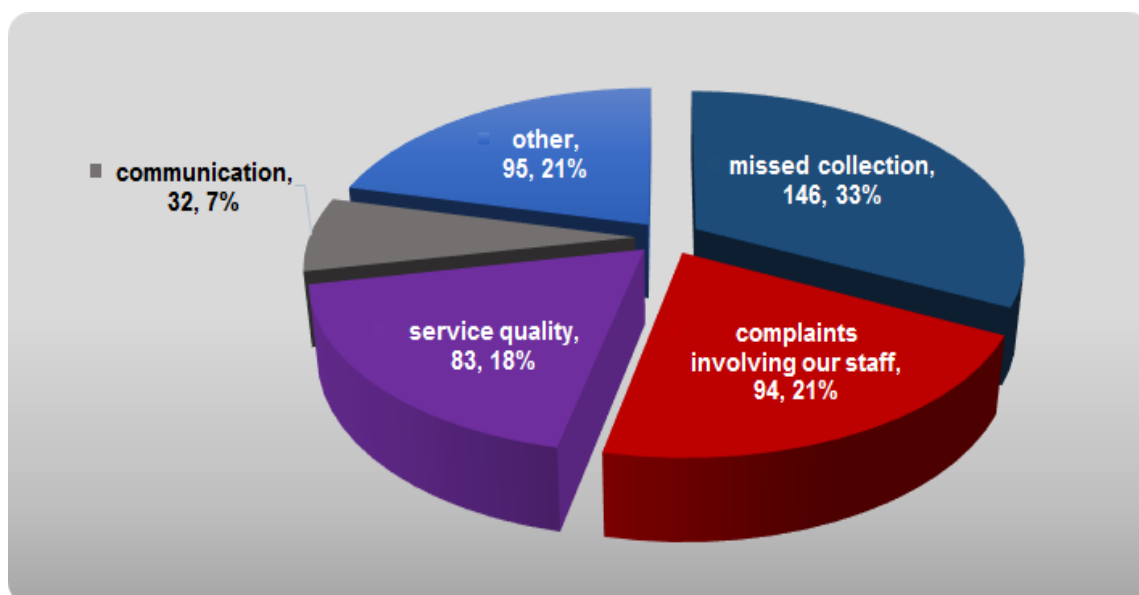
11. During quarter two, Children’s Services received 26 statutory complaints, 13% more (+3) than quarter 1 and 24% fewer (-8) than the same period last year. No complaints progressed to independent investigation during the quarter.
12. All 26 complaints were acknowledged within 2 working days of receipt.
13. 22 complaints were resolved during the quarter, 20 within their prescribed timescale. Investigations into the remaining 4 complaints are continuing and 3 remain within their target timescale. Of the resolved complaints; 14 were not upheld (64%), 3 were upheld (14%) and 5 partially upheld (23%).
14. 5 complaints were declined due to; being part of ongoing court processes (2 cases); the complainant not deemed as having sufficient interest (2 cases); and concurrent criminal proceedings (1 case).
15. During quarter 2, a number of actions were taken in response to complaints including:
  - introducing a standardised approach of giving feedback to individuals raising concerns relating to children;
  - reminding staff to share birth response plans where appropriate, e.g. with hospital staff;
  - providing staff training in relation to the impact of parental mental illness (diagnosed or undiagnosed) upon children and support staff;
  - reminding staff to inform service users of costs associated with legal advice, the need to include signposting in case files, e.g. for benefit advice, to follow up actions associated with court orders and to provide alternative contact details when staff are away from work.

## Statutory Complaints – Adult Care Services

16. During quarter 2, Adult Care received 24 statutory complaints, 9% more (+2) more than quarter 1 and 9% more (+2) than the same period last year.
17. 21 of the 24 complaints were acknowledged within 2 working days of receipt.
18. 15 complaints were resolved during the quarter, 14 within their agreed timescale. Investigations into the remaining 9 complaints are continuing. Of the 15 resolved complaints, 10 were not upheld (67%), none were upheld (0%) and 5 partially upheld (33%).
19. 1 complaint was declined as it related to matters occurring more than 1 year ago.
20. During quarter 2, a number of actions were taken in response to complaints including:
  - updating procedures to consider Independent Mental Capacity Advocate involvement in cases involving serious family conflict/discord;
  - updating guidance and staff training in relation to setting up and operating pressure mats. Improved working practices are ensuring accurate, appropriate and timely completion of all records, including sleep charts, medical administration records and incident/accident records.

## Corporate Complaints

21. Analysis of the 450 corporate complaints addressed during quarter 2 has highlighted 4 key topics which collectively make up 79% of these complaints.



## **Missed Collections**

22. 146 complaints, 33% of the total, related to missed collections; 73 kerbside refuse and recycling, 50 garden waste and 23 bulky collections.
23. A cross-service working group, comprising representatives from refuse and recycling, business support and customer services is working to reduce missed collections by reviewing operational practices, contact handling, software systems, policy and service standards as well as benchmarking.
24. When considering the number of complaints due to missed collections, it is important to note that our crews complete more than 3.2 million refuse and recycling collections, 400,000 garden waste collections and 8,000 bulky collections each quarter.

## **Complaints involving our staff**

25. 94 complaints, 21% of the total received, related to the actions of our staff; 34 to behaviour, 30 to attitude and 30 to damage caused by a lack of care and attention.
26. Of the 34 staff behaviour complaints, 21 were directed at our refuse and recycling crews for not returning bins to their collection point (15) or not clearing up dropped refuse / recycling from roads and pavements (6). 5 complaints concerned staff use of council vehicles; inconsiderate parking (1), near misses (2) or speeding (2). 4 complaints were from residents unhappy at the times staff started or finished work and the remaining 4 were concerns that staff were not fulfilling their duties to the expected standards.
27. Of the 30 staff attitude complaints, the majority (19) referred to staff being rude, aggressive or making inappropriate comments. 8 objected to our staff using foul or obscene language and the remaining 3 complainants felt our staff were unhelpful or obstructive.
28. 30 complaints alleged our staff had damaged property, either theirs or belonging to the Council, due to a lack of care and attention whilst undertaking their duties. More than two thirds related to weed killer (8), road resurfacing (8) or damage caused by our vehicles (5). The remaining complaints covered a wide variety of incidents in small numbers including, inadvertently taking items not for disposal when collecting refuse, damaging private fences or kerb stones and allowing oil drums to leak.

29. As a result of the previous discussions with Members on these issues, a Senior Manager working group is being developed in order to discuss issues in relation to customer care and addressing poor standards of behaviour. The group will also look at a quality assurance framework to support this to ensure that issues are being tackled in a consistent and fair way. The findings of this group will be reported back to Members.

### **Service quality**

30. 83 complaints, 18% of the total received, related to the quality of our service.
31. The majority, 39 complainants (47%), were concerned about the time taken to action their request or resolve their issue. 3 key areas covered more than half of these complaints; delivery of a replacement bin / completing a bin repair (12), delivery of a bin or sticker needed to participate in the garden waste collection scheme (5) and processing a benefit claim (5).
32. 22 complainants (26%) were unhappy not to have received an expected call back or update following their initial contact. Although most of the initial contact related to a submitted service request, about one third was from residents seeking reassurance to their concerns, mainly about the condition of their local environment, or requesting information.
33. 14 complainants (17%) were unhappy with the condition of their local area and felt we were not doing enough to maintain it to an appropriate standard. In instances such as these, if we feel it would be of benefit, we do consider amending our maintenance schedule.
34. 8 complainants (10%) felt the standard of our work was inadequate. Half of these complaints related to the cleanliness of council run facilities: public toilets (2), leisure centre (1), baby change in library (1).

### **Communication**

35. 32 complaints, 7% of the total received, related to communication. There were 3 main themes; being given inaccurate information (10), difficulties contacting the council (8) and not being informed of road closures or diversions (6).
36. The remaining 19% of corporate complaints related to a wide variety of issues received in smaller volumes.

## Corporate complaints subjected to independent investigation

37. During quarter 2, 28 complainants requested their complaint be escalated to the next stage. During the same period, we completed investigations into 22 complaints, of which 5 (23%) were upheld (fully or partly). The following table provides detail of upheld complaints:

Outcome	Complaint	Action to be taken
Upheld	Garden Waste Collection Service: missed collection and the difficulties experienced in obtaining a repeat collection.	For several years the customer's refuse and recycling bins have been emptied from a specific location and the customer naturally used this location for their garden waste bin. However, this location is not their identified bin collection point. A different crew collects garden waste and being unaware of this arrangement assumed the bin was 'not presented'. The Council has apologised for the time and trouble caused to the customer and confirmed with the crew. To date there have been no further missed collections
	Pollution from bitumen emulsion leaking onto the road and around a gully cover.	Council removed the pollution which did not enter the watercourse. Poor practices from the contractor have been noted and will now be monitored more closely. In the future, the contractor will remove all such material from site or store it in secure containers.
Partly upheld	Lack of intervention by the Building Control Team in relation to required remedial works at the complainant's property by the housing developer	Although no fault was found in service provision, a more robust process is to be put in place in to manage complaints about builders.
	Service received from our Planning Team	The Planning team will consider a more holistic approach involving other service teams across the council to ensure all customer queries, not only planning issues, are addressed.
	Level of service received in relation to missed refuse and recycling collections.	The Refuse and Recycling Team Leader has met with the customer and reaffirmed the Bin Collection Point and the assist list procedures to be followed. A reminder has been issued to staff dealing with garden waste enquiries to ensure that customers have read and understood the terms and conditions of the scheme.

## Complaints to the Local Government Ombudsman (LGO)

38. During quarter 2, the LGO delivered decisions in relation to 14 complaints. Conclusions were reached based on details supplied by complainants and supplemented in some instances with contextual information from Council officers.
39. The 14 complaints related to a number of service areas including planning, revenues and benefits, and adult care. No maladministration was found in 6 cases. The LGO upheld 8 complaints as detailed in the following table:

Category	Complaint	LGO's final decision
Maladministration and Injustice	Council failed to properly explain the nature of a safeguarding investigation, seek the views of the family during the investigation and communicate the outcome of the investigation in a timely way.	Although the Council properly looked into safeguarding concerns about an elderly person's care in a care home, it did not keep the family informed of its enquiries. The Council has already apologised for this, which LGO feels is a suitable remedy for that fault.
	Council failed to pay housing benefit directly to a landlord	Financial remedy of £267.04
	The Council was at fault in the way it gave building control approval for works done, partly under a Disabled Facilities Grant, and that the Council has not offered to cover the full cost of putting the work right	The Council accepts it was partly at fault in the way it issued a completion certificate for works at this property. It has offered to refund its fees and pay for some works towards putting matters right.  Financial remedy of £612 and a further payment to cover a proposed schedule of works.
	The way the Council administered Direct Payments and assessed the complainant's care needs.	Financial remedy of £100 in recognition of the uncertainty caused by the delay in reviewing the complainant's care needs.  An apology for failing to record the complainant's contacts with the Council.  The Council is to review the way officers record contacts within 3 months.

Category	Complaint	LGO's final decision
Maladministration and Injustice	Council's involvement in the care received by the complainant's mother by a care provider.	<p>The Council was at fault for not considering the complainant's version of events when it acted in response to a safeguarding alert. This led the Council to serve a letter based on an incomplete understanding of the facts, leading to avoidable distress. The Council agrees to apologise and place a statement on its records to reflect the flaws in its investigation.</p> <p>Other complaints about the Council's assessment of the needs of the complainant's mother and its response to the complainant's concerns about a care provider are not upheld</p>
	Safeguarding action taken by the Council following accusations against the complainant	<p>Financial remedy of £1,000 to the complainant for the loss of opportunity to challenge the Council's decision to remove her children and the distress caused by other faults identified.</p> <p>An additional financial remedy of £350 for time and trouble, in light of significant delays at independent investigation stage.</p> <p>The Council to place a copy of its independent investigation and LGO's final decision on the children's files and any file held about the complainant</p> <p>Since this complaint, the Council has revised the way it handles safeguarding enquiries to ensure the quality of recording decisions taken at Strategy meetings. It has also ensured information shared between the Council and the Police is improved.</p>

Category	Complaint	LGO's final decision
Maladministration and Injustice	A culvert over a watercourse behind the complainant's home is causing water to pool in the complainant's garden.	<p>Council to apologise and convene a meeting with the complainant and the landowners to consider action to minimise the impact of water pooling. Council to pay one third of the cost of any agreed solution.</p> <p>If any agreed action does not improve the situation within 3 months of implementation, the complainant will commission a land drainage survey. If a connection between water pooling and the culvert is found, the Council will refund 50% of the survey cost and contribute one third of the cost of any recommended further work.</p>
	Loss of earnings due to the Council suspending a hackney carriage licence and delaying an investigation into allegations which were later proved to be unfounded.	Financial remedy of £500

## Compliments

40. We also receive many positive comments about our staff and the services we provide, and we believe that understanding what is working well and valued is as important as knowing what is not working as well.
41. During quarter 2, we received 201 compliments, 83 in relation to social services and 118 in relation to other services. These compliments recognise not only the motivation, dedication and hard-work of our staff but also the high standard and value of the services we provide. The majority of the compliments related to satisfaction with service provision but a number of compliments conveyed thanks to specific individuals. As far as we are able, we have passed these thanks onto the individuals concerned.



## Feedback relating to our policies and procedures

42. During quarter 2, we received 84 comments which consisted of objections to; our policies and procedures (63), our fees and charges (16) and being issued with an enforcement notice (5)
43. Almost 76% of objections to our policies and procedures related to waste collection (25), revenues and benefits (14) or Home to School Transport (8). The remaining 24% were in connection to many different policies and procedures in small numbers including planning, upgrading street lights with LED light fittings, required ratio of adults to children for entry to our swimming pools, closure of a bridleway.
44. The main objections to our waste policies were; not emptying / permanently removing bins due to contamination (7); not taking side waste (4); refusing to provide an additional / larger bin (3); and, landlords not being able to utilise household waste services (2). Residents also commented on our decision not to take hard plastics, having to give a vehicle registration number to obtain a waste permit, needing to leave bulky waste at a specific collection point, having to put bin out by 7am and not collecting garden waste all year.
45. Most of the comments relating to our revenues and benefits service concerned our recovery procedures; 9 customers were unhappy to receive a reminder letter about their non-payment of council tax. The other comments were objections to our action to recover housing benefit overpayments (2), subjecting all unoccupied properties to council tax (2), and dissatisfaction at receiving a letter querying the single person discount (1).
46. Home to School Transport accounted for eight comments and mostly related to situations where the pupil is not entitled to free travel under DCC's policy. Reduced provision, introduced in September 2012, was phased in with legacy rights for existing pupils so this is the first school year all secondary pupils are affected. Parents have been relying on the "concessionary spare seats" arrangements and there have been situations where it has not been possible to accommodate all requests.
47. 13 of the 16 comments relating to our fees and charges were objections to the £20 administration and delivery charge to replace a bin lost, stolen or damaged beyond repair. The remaining 3 related to the cost of gym membership, the café prices at Wharton Park and having to pay for a resident parking permit.
48. 5 residents were unhappy to have received an enforcement notice; Fixed Penalty Notice or parking fine.

## Suggestions

49. We believe suggestions are essential to the ongoing development and improvement of our services, and carefully consider all received.
50. During quarter 2, we received 46 suggestions which covered a wide range of topics.
51. Customers were struggling to identify which Park and Ride bus went to each of our sites from the numbers on the buses. Each bus now issues coloured tickets which correspond to a coloured sign at the front of the bus, e.g. the Belmont service is white.
52. Currently, customers are unable to add additional items to bulky waste collections where they have not met the maximum number of items. However, the feasibility of an online system which would allow customers to amend their collections is being investigated.
53. Not all suggestions can be implemented. 1 resident suggested adding a map to our website which showed the location of containers at our Household Waste Recycling Centres by waste type, thereby helping residents navigate the site and dispose of their waste quickly. However, we do not operate the sites directly and our waste contractor can change the location of containers, without prior notice to ourselves, in line with operational need. In addition, some waste streams are inaccessible to the public with items taken to these containers by staff on site.
54. Another resident suggested extending the garden waste collection scheme to November. However, this is not feasible due to the limited amount of garden waste produced during the winter months.

## Corporate Issues Overview and Scrutiny Committee

26 January 2017



### Resources – Quarter 2 September 2016: Forecast of Revenue and Capital Outturn 2016/17

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## Report of Corporate Director Resources

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### Purpose of the Report

1. To provide details of the forecast outturn budget position for the Resources service grouping highlighting major variances in comparison with the budget based on the position to the end of September 2016.

### Background

2. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. These budgets have subsequently been revised to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major accounts maintained by the Resources service grouping:
  - *Revenue Budget - £17.264 million (original £16.282 million)*
  - *Capital Programme – £12.495 million (original £9.026 million)*
3. The original Resources revenue budget has been revised in year to incorporate a number of budget adjustments as follows:
  - APT &C 2016/17 Pay Award from Contingency +£368,000
  - Local Council Tax Admin Grant -£46,000
  - Transfer of HR staff to ACE for Inspire People project -£95,000
  - Transfer from ACE – Chauffeur’s recharge adjustment +£5,000
  - Use of Human Resources Reserve +£57,000
  - Use of Corporate Procurement Reserve +£50,000
  - Use of Oracle Development Reserve +£144,000
  - Use of ICT Trading Account Reserve +£296,000
  - Use of ICT/HR Modern Ways of Working Reserve +£61,000
  - Use of Corporate MTFP ER/VR Reserve +£83,000
  - Use of Corporate Contingency for HR Teaching Assistants exercise +£41,000
  - Use of Corporate Contingency for Pensions Auto enrolmen costs +£18,000

The revised General Fund Budget now stands at £17.264 million.

4. The summary financial statements contained in the report cover the financial year 2016/17 and show: -
- The approved annual budget;
  - The actual income and expenditure as recorded in the Council's financial management system;
  - The variance between the annual budget and the forecast outturn;
  - For the Resources revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.
5. The service is reporting a cash limit variance (under budget) of **£1.166 million** against a revised budget of **£17.264 million**. This is an increase from the forecast under budget of £0.913 million at Quarter 1.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

**Subjective Analysis (£000's)**

Category	Annual Budget	Year To Date Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	42,101	21,079	41,330	(770)	(297)	(1,067)
Premises	6,209	163	6,197	(11)	0	(11)
Transport	710	262	615	(96)	0	(96)
Supplies and Services	16,430	9,182	16,622	193	(123)	70
Transfer Payments	0	111	111	111	(111)	0
Third Party Payments	19	(17)	19	0	0	0
Central Support and Capital	9,975	44	9,977	2	0	2
Gross Expenditure	75,443	30,824	74,872	(572)	(530)	(1,102)
Income	(57,921)	(15,013)	(57,985)	(64)	0	(64)
<b>Net Expenditure</b>	<b>17,522</b>	<b>15,811</b>	<b>16,886</b>	<b>(636)</b>	<b>(530)</b>	<b>(1,166)</b>
HB Transfer payments	173,100	97,896	173,100	0	0	0
HB Central Support and Capital	400	0	400	0	0	0
HB Income	(173,758)	(1,391)	(173,758)	0	0	0
<b>HB Net Expenditure</b>	<b>(258)</b>	<b>96,504</b>	<b>(258)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Net Expenditure</b>	<b>17,264</b>	<b>112,315</b>	<b>16,629</b>	<b>(636)</b>	<b>(530)</b>	<b>(1,166)</b>

## By Head of Service (£000's)

Category	Annual Budget	Year To Date Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Central Establishment Recharges	(16,454)	43	(16,454)	0	0	0
Corporate Finance	4,954	3,160	5,035	81	(194)	(112)
Financial Services	10,610	3,868	10,201	(409)	(21)	(430)
I.C.T. Services	9,729	4,133	9,801	72	(205)	(133)
Internal Audit and Insurance	1,231	542	1,147	(84)	0	(84)
Legal & Democratic Services	7,292	3,965	6,995	(297)	(111)	(408)
Management/ Performance	160	99	160	0	0	0
<b>Net Expenditure Excluding HB</b>	<b>17,522</b>	<b>15,811</b>	<b>16,886</b>	<b>(636)</b>	<b>(530)</b>	<b>(1,166)</b>
Housing Benefit	(258)	96,504	(258)	0	0	0
<b>Net expenditure</b>	<b>17,264</b>	<b>112,315</b>	<b>16,629</b>	<b>(636)</b>	<b>(530)</b>	<b>(1,166)</b>

7. The table below provides a brief commentary on the variances against the revised budget analysed by Head of Service. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. redundancy costs) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
Central Establishment Recharges	Central Establishment Recharges	No variances	0	0
Corporate Finance	Management	£33k underbudget on employees £7k underbudget on supplies	(40)	
	Financial Systems	£45k underbudget on employees from managing vacancies and maternity leave £8k overbudget on Supplies	(37)	
	Procurement	£18k overbudget on employees (3% staff turnover not met) £9k underbudget on supplies £1k underbudget on transport £36k overachieved income	(28)	
	Pensions	£39k overbudget on employees(3% Staff turnover not met & temporary arrangements) £8k overbudget on supplies £47k overachieved income	0	
	Strategic Finance	£12k overbudget on employees(3% Staff turnover savings not met) £21k overachieved income	(9)	
	Occupational Health	£11k overbudget on employees (3% staff turnover not met) £1k overbudget on supplies and services	12	
	Health and Safety	£18k underbudget on employees from management of vacancies £1k underbudget on supplies £2k overachieved income	(21)	

Head of Service	Service Area	Description	Year End (Under) / overbudget £000's	Year End (Under) / overbudget £000's
	Human Resources	£6k underbudget on employees £14k overbudget on supplies and services £3k underachieved income	11	(112)
Financial Services	Management	£48 underbudget on employees	(48)	(430)
	Operations & Data	£15k underbudget on employees £29k overbudget on car allowances (Disturbance) £19k overbudget on supplies and services relating to printing and postages £13k additional SLA income	20	
	Financial Management	£8k overbudget on employees £8k underbudget on supplies and services £3k underbudget on Transport £142k over achieved income (mainly SLA's)	(145)	
	Revenues and Benefits	£566k underbudget on employees from managing vacancies in advance of restructure £46k underbudget on transport £158k overbudget on supplies and services mainly due to postages, printing and telephones £350k overbudget on agency (packages) costs £153k additional grant income	(257)	
ICT	ICT Services	£164k underbudget on employees £4k underbudget on premises £70k underbudget on transport £343k underbudget on supplies and services £448k underachieved income	(133)	(133)
Internal Audit and Risk	Insurance and Risk	£6k overbudget on employees (3% staff turnover savings not met)	6	(84)
	Internal Audit	£77k underbudget on employees through close management and control of vacancies £2k underbudget on transport & supplies and services £19k overachieved income SLAs	(98)	
	Corporate Fraud	£8k overbudget on employees (3% staff turnover savings not met)	8	
Legal and Democratic Services	Corporate and Democratic Core	£95k underbudget on employees from vacancies and future MTFP savings £2k underbudget on transport £38k overbudget on supplies and services £108k overachieved income from Electoral Registration Grant	(167)	(408)
	Legal Services	£89k underbudget on employees £7k underbudget on transport £176k underbudget on supplies and services identified as future years MTFP savings £31k underachieved income	(241)	
Service Management	Service Management	No material variances		0
Benefits Payments and Subsidy	Benefits			0
<b>TOTAL</b>				<b>(1,166)</b>

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the net MTFP savings required in 2016/17 which amount to £1.493 million and early achievement of a number of MTFP savings in 2017/18.

### Capital Programme

- 10 The Resources capital programme currently comprises 22 schemes, 19 of which are managed within ICT.
- 11 The original Resources capital programme was £11.868 million and this has been revised for additions/reductions, budget transfers and budget profiling. The revised budget now stands at £12.495 million
- 12 Summary financial performance to the end of September 2016 is shown below:

	Original Annual Budget 2016/17	Revised Annual Budget 2016/17	Profiled Budget 2016/17	Actual Spend 30/09/16	Remaining Budget 2016/17
	£000	£000	£000	£000	£000
ICT Services Include Design and Print	11,162	11,789	4,716	1,213	10,576
Legal and Democratic	60	60	24	19	41
RES - Financing Resources	646	646	259	59	587
<b>Total</b>	11,868	12,495	4,999	1,291	11,204

- 13 The revised Resources capital budget is £12.495 million with a total expenditure to 30 September 2016 of £1.291 million (10.3%). A full breakdown of schemes and actual expenditure to 30 September 2016 is given in **Appendix 2**.
- 14 At year end the actual outturn performance will be compared against the revised budgets and at that time service and project managers will need to account for any budget variance.

### Recommendations:

13. Corporate Issues Overview and Scrutiny Committee is requested to note the contents of this report.

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**Contact: Azhar Rafiq, Finance Manager: Regeneration, Resources, Transformation and Partnerships**  
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## **Appendix 1: Implications**

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### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

### **Staffing**

None.

### **Risk**

None.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Accommodation**

None.

### **Crime and disorder**

None.

### **Human rights**

None.

### **Consultation**

None.

### **Procurement**

None.

### **Disability Issues**

None.

### **Legal Implications**

None.



## Appendix 2: Resources Capital Programme 2016/17

Programme	Revised Annual Budget 2016/17 £000	Profiled Budget 2016/17 £000	Actual Spend 30/09/16 £000	Remaining Budget 2016/17 £000
Archiving of obsolete systems based on non supported hardware.	200	80	-	200
Big Data	149	60	-	149
Broadband / Digital Durham	7,703	3,081	427	7,276
Code of Connection Compliance	20	8	-	20
Corporate Mail Fulfilment	4	2	-	4
Dark Fibre installations and Circuit/Microwave Upgrades	190	76	72	118
Email Upgrade	155	62	-	155
Homeworking	62	25	3	59
Learning Gateway	74	30	-	74
Mobile Device Management	360	144	-	360
Ongoing Server replacement	531	213	89	442
Replacement of Desktop ICT Equipment	1,227	490	358	869
Tribal ICT Project	174	70	165	9
Sharepoint Architecture	50	20	27	23
Tanfield Datacentre Core Switching Replacement	36	14	-	36
Tanfield Datacentre LAN Switching Replacement	408	163	23	385
Tanfield Power Upgrade	250	100	-	250
Applications and Development	25	10	-	25
Wireless Network Replacement	171	68	49	122
<b>ICT Services Include Design and Print Total</b>	<b>11,789</b>	<b>4,716</b>	<b>1,213</b>	<b>10,576</b>
RES Electronic Voting Equipment	60	24	19	41
<b>Legal and Democratic Total</b>	<b>60</b>	<b>24</b>	<b>19</b>	<b>41</b>
Migration of HR/Payroll functionality	596	239	85	511
Civica Pension Fund Administration System	50	20	(26)	76
<b>RES - Financing Resources Total</b>	<b>646</b>	<b>259</b>	<b>59</b>	<b>587</b>
<b>Grand Totals</b>	<b>12,495</b>	<b>4,999</b>	<b>1,291</b>	<b>11,204</b>

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# Corporate Issues Overview and Scrutiny Committee

26 January 2017



## Transformation and Partnerships – Quarter 2 September 2016: Forecast of Revenue and Capital Outturn 2016/17

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### Report of Finance Manager – Azhar Rafiq

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#### Purpose of the Report

1. To provide details of the forecast outturn budget position for the Transformation and Partnerships (TAP) service grouping highlighting major variances in comparison with the budget based on the position to the end of September 2016.

#### Background

2. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the ACE service grouping:

- *TAP Revenue Budget - £10.622 million (original £9.447 million)*
- *TAP Capital Programme – £5.364 million (original £5.622 million)*

3. The original TAP General Fund budget has been revised to incorporate a number of budget adjustments as follows:

- Budget increase for the pay award +£60,000
- Budget transfer from HR – Inspiring People +95,000
- Transport adjustment -£5,000
- To Modern Ways of Working Reserve -£40,000
- Use of Disabled Go Reserve +£8,000
- Use of Customer Focus Reserve +£12,000
- Use of Community Reserve +£85,000
- Use of Community Led Development Reserve +£15,000
- Use of Transformation Challenge Reserve +£294,000
- Use of AAP Reserve +£622,000
- Use of MTFP Redundancy Reserve +£29,000

The revised General Fund Budget now stands at £10.622 million.

4. The summary financial statements contained in the report cover the financial year 2016/17 and show:-
- The approved annual budget;
  - The actual income and expenditure as recorded in the Council's financial management system;
  - The variance between the annual budget and the forecast outturn;
  - For the TAP revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

### Revenue - General Fund Services

5. The service is reporting a cash limit under budget of **£22,000** against a revised budget of **£10.622 million**. This compares with the forecast cash limit under budget at Quarter 1 of £10,000.
6. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

#### Subjective Analysis £'000

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
<b>Employees</b>	6,937	3,511	7,030	93	(75)	18
<b>Premises</b>	273	74	272	(1)	0	(1)
<b>Transport</b>	50	16	51	1	0	1
<b>Supplies and Services</b>	1,703	760	2,025	322	(258)	64
<b>Agency and Contracted</b>	78	0	78	0	0	0
<b>Transfer Payments</b>	2,193	1,217	2,213	20	(20)	0
<b>Central Costs</b>	2,485	191	2,485	0	0	0
<b>GROSS EXPENDITURE</b>	<b>13,719</b>	<b>5,769</b>	<b>14,154</b>	<b>435</b>	<b>(353)</b>	<b>82</b>
<b>INCOME</b>	<b>(3,097)</b>	<b>(634)</b>	<b>(3,201)</b>	<b>(104)</b>	<b>0</b>	<b>(104)</b>
<b>NET EXPENDITURE</b>	<b>10,622</b>	<b>5,135</b>	<b>10,953</b>	<b>331</b>	<b>(353)</b>	<b>(22)</b>

#### Analysis by Head of Service £'000

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Partnership and Community Engagement	7,799	3,185	7,833	34	(20)	14
Planning and Performance	1,503	743	1,545	42	0	42
Policy and Communications	2,509	1,207	2,764	255	(333)	(78)
Central	(1,189)	0	(1,189)	0	0	0
<b>NET EXPENDITURE</b>	<b>10,622</b>	<b>5,135</b>	<b>10,953</b>	<b>331</b>	<b>(353)</b>	<b>(22)</b>

7. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / overbudget £'000s
Partnership and Community Engagement (PACE)	Area Action Partnerships, Community Buildings, PACE	£14,000 managed over budget on employees.	14
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£42,000 managed over budget the majority of which is employee related.	42
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£56,000 managed under budget on employees. £22,000 managed under budget across a range of other areas.	(78)
Central	Central Costs	No variances.	0
<b>TOTAL</b>			<b>(22)</b>

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2016/17 which amount to £0.832 million.

### Members Neighbourhoods Revenue Budget

9. Each elected member receives an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for the current year is £0.756 million. Previous years unspent allocations totalling £1.287 million are held in an earmarked reserve. At present £0.922 million of the total budget allocation of £2.043 million has been either spent or committed.
10. The Members' Initiative Fund element of this budget equates to £0.252 million based on £2,000 per elected member. At this stage of the year it is expected that this will be fully expended.

## AAP Area Budgets

11. Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £100,000; £76,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.064 million to develop projects to meet the agreed AAP priorities. Previous years unspent allocations totalling £1.997 million are held in an earmarked reserve. At this stage in the year a total of £2.193 million has either been committed or spent.

## Capital Programme

12. The TAP capital programme comprises four main schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.
13. The Transformation and Partnerships capital programme was revised at Outturn for budget rephased from 2015/16. This increased the 2016/17 budget to £5.622m. Further reports to the MOWG in 2016/17 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£5.364m**.
14. Summary financial performance to the end of September is shown below.

Service	Original Annual Budget 2016/17 £000	Revised Annual Budget 2016/17 £000	Actual Spend to 30 September £000	Remaining Budget £000
Assets in the Community	1,151	1,196	38	1,158
Area Action Partnership	434	455	197	258
Members Neighbourhoods	3,530	3,206	422	2,784
Community Facilities Crook	507	507	0	507
<b>Total</b>	<b>5,622</b>	<b>5,364</b>	<b>657</b>	<b>4,707</b>

15. Officers continue to carefully monitor capital expenditure on a monthly basis. £657,000 of actual expenditure has been incurred to date. This is 12% of the total estimated spend in the year.
16. At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

## Recommendations:

17. The committee is recommended to note the contents of the report.

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**Contact: Azhar Rafiq – Finance Manager : Regeneration, Resources,  
Transformation and Partnerships Tel: 03000 263 480**

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## **Appendix 1: Implications**

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### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn.

### **Staffing**

None.

### **Risk**

None.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Accommodation**

None.

### **Crime and disorder**

None.

### **Human rights**

None.

### **Consultation**

None.

### **Procurement**

None.

### **Disability Issues**

None.

### **Legal Implications**

None

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**Corporate Issues Overview and Scrutiny  
Committee**

**26 January 2017**

**Corporate Issues Overview and Scrutiny  
Committee – Customer Relationship  
Management System Review**



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**Report of Lorraine O'Donnell, Director of Transformation and  
Partnerships**

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**Purpose of the Report**

- 1 To present to Corporate Issues Overview and Scrutiny Committee the Customer Relationship Management System (CRM) Working Group review report.

**Background**

- 2 The Corporate Issues Overview and Scrutiny committee considers customer services performance as part of quarterly performance reports. Previous overview and scrutiny light touch reviews have been carried out on Telephony and in 2014 the Customer First Task and Finish Group carried out a light touch review on the Customer First Strategy.
- 3 In supporting the delivery of the Customer First Strategy, it was agreed to procure a new CRM system for Durham County Council.
- 4 As the CRM system supports Members in dealing with and tracking their casework and constituents' queries, it was considered appropriate that a small group be formed to enable Members to have input into the new CRM system.
- 5 At Corporate Issues OSC on 17<sup>th</sup> November, 2015, the Committee agreed to establish a small cross party task and finish group to have input into the new CRM implementation prior to its launch in 2016. The group would look to identify outcomes and make recommendations in respect of:
  - The functionality of the Council's new Customer Relationship Management System;
  - The needs of Members in what the CRM system will deliver for them in terms of service access requests, reporting mechanisms and performance/casework monitoring and tracking. In doing so, the Task and Finish Group should have access to information from other local authorities and their Members who are using the new CRM system and the benefits to those Councils and Councillors from the system;

- Post implementation monitoring of the effectiveness of the CRM system in delivering an effective mechanism to support casework and constituent queries for Members.
- 6 The review group comprised 8 members of the Corporate Issues Overview and Scrutiny Committee. Evidence was gathered over four meetings and a site visit to Northumberland County Council. The project was supported by the Head of Projects and Business Services, Neighbourhood Services; CRM Project Manager, Neighbourhood Services; Senior IT Project Manager (Web Development) and Member Support Officer, Democratic Services, Resources.
- 7 A copy of the review report is attached at Appendix 2.

### **Service Grouping Response**

- 8 The Service welcomes the continuing input to the CRM project from members of the Corporate Issues Overview and Scrutiny Committee. The new CRM system has already broken new ground in many ways, providing modern choices for customers for to contact the council, track and record their service requests and monitor progress and completion.
- 9 As of 17 January 2017 18,500 active accounts have been established on the CRM internet portal by customers wishing to transact online. Since implementation in July 2016 the system has managed over 130,000 service requests across all contact channels, with around 20% of these now coming through online.
- 10 Work remains ongoing with the systems supplier, Firmstep, along with internal colleagues in ICT, Information Management and others, to develop new functionality. Among these is the Member Portal, which seeks to bring members at Durham a high level of reporting and data availability. This work seeks to have products available to members in the summer of 2017.
- 11 Members of the team will be glad to return to the committee with an update on these issues as suggested, as well as further testing with members of the task and finish group as developments progress.

### **Recommendation**

- 12 Corporate Issues Overview and Scrutiny Committee is asked to agree the report of the Customer Relationship Management System and approve submission for consideration by the Cabinet Portfolio Holder.

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**Contact: Stephen Gwilym Tel. 03000 268140**  
**Email: [stephen.gwilym@durham.gov.uk](mailto:stephen.gwilym@durham.gov.uk)**

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## **Appendix 1: Implications**

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**Finance – N/A**

**Staffing – N/A**

**Risk – N/A**

**Equality and Diversity / Public Sector Equality Duty – N/A**

**Accommodation – N/A**

**Crime and Disorder – N/A**

**Human Rights – N/A**

**Consultation – N/A**

**Procurement – N/A**

**Disability Issues – N/A**

**Legal Implications – N/A**

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# **Corporate Issues Overview and Scrutiny Committee**

## **Customer Relationship Management System (CRM) Review Report**

**November 2016**

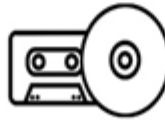
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## Foreword

Durham County Council has a proven track record in delivering high quality services to the 519,695 residents of County Durham. The Council is constantly seeking to improve the way in which its customers are able to do business with the Council and the use of Information Technology as a means to facilitate smarter ways of working and even faster responses to customer services requests is a critical factor in the Council's transformation journey.



Councillors also need to be able to respond to requests for service delivery on behalf of their constituents and their ability to ensure that the Council delivers against its agreed service standards is an essential part of their community representative role.

As part of the delivery of the Council's enhanced Customer services, the procurement of a replacement Customer Relationship Management (CRM) system was a key element of the delivery of the enhanced Customer First Strategy. As part of this work and recognising the vital role that the CRM plays in supporting Councillors, the Corporate Issues Overview and Scrutiny Committee set up a small review group to examine how the CRM system can deliver functionality to assist Members in managing their casework, including consideration of recording, tracking and monitoring of casework to service responses and performance information.

The Review group has identified some key issues around the CRM functionality, Councillor expectations and requirements of the new CRM system, the importance of training and development for all Councillors on the CRM system alongside those staff charged with delivering support to members in dealing with their constituents' casework. The Review group have made a series of recommendations which will support members through the implementation of the CRM process and into the new Council from May 2017.

I would like to thank all those who took part in the review for their time and support especially the members of the CRM project group and staff within members' support.

**Councillor John Lethbridge**  
**Chairman**  
**Corporate Issues Overview and Scrutiny Committee**



# Executive Summary

## Introduction

1. The Corporate Issues Overview and Scrutiny Committee considers customer services performance as part of quarterly performance management reports and previously carried out a light touch review on the development and implementation of the Council's Customer First Strategy.
2. A fundamental element of the delivery of the Customer First Strategy was the procurement of a new Customer Relationship Management (CRM) System for Durham County Council. Recommendation (ii) of the Customer First Task and Finish Group review report was that:
  - Cabinet monitor the implementation and benefits of the new CRM system currently being procured in supporting the delivery of the Customer First Strategy.
3. In procuring and developing a new CRM system for the County Council, the project team acknowledged the vital role that the CRM plays in supporting Councillors in dealing with and tracking their casework and constituents' queries. The Corporate Issues OSC on 17<sup>th</sup> November, 2015 agreed to establish a small cross party task and finish review group to input into the development of the new CRM system implementation prior to its launch in 2016.

## Terms of Reference

4. The purpose of the review was to examine how the CRM system can deliver functionality to assist Members in managing their casework, including consideration of recording, tracking and monitoring of casework to service responses and performance information.
5. The objectives of the review were to:
  - Assess the functionality of the Council's new CRM system and the range of services that will be integrated into/available through the CRM system;
  - Examine the operational needs of Councillors in accessing information and reporting issues/service requests on behalf of their constituents and in respect of their casework;
  - Undertake an analysis to identify what can be done to provide members with appropriate functionality and access to information;
  - Work with elected members to "road test" the Council's new CRM system post implementation and continue to monitor the effectiveness

of the CRM system as part of the periodic update of recommendations arising from this review.

6. The review group comprised 8 members of the Corporate Issues Overview and Scrutiny Committee. Evidence was gathered over four meetings and a site visit to Northumberland County Council. The project was supported by the Head of Projects and Business Services, Neighbourhood Services; CRM Project Manager, Neighbourhood Services; Senior IT Project Manager (Web Development) and Member Support Officer, Democratic Services, Resources.

### **Key Findings and Conclusions**

7. The new CRM functionality did not allow for the migration of casework from the previous CRM system although Councillors and Members support staff have had access to open cases upon transfer for a period of time.
8. The new CRM system enables a wider offer of user interface including self-serve forms, web forms and services, customer accounts, improved digital and mobile access which allows better responses to be made by front line services.
9. Councillors have queried the need for separate accounts for use as both a service user and a Councillor and whether the CRM functionality will allow this. This functionality is now being considered.
10. In view of the wide range of service request categories accessible via the CRM system and the rich source of data therefore available to management and Councillors, the review group supports the development of a "Member portal" which allows Councillors to report issues and track progress against issues, where constituents have requested support. The Portal should provide automated updates on progress and closure of issues and also to allow Councillors to access all issues reported within their electoral divisions.
11. The Member Portal should share functionality with the CRM system to allow Customers/constituents to grant access permissions to their local Councillors, possibly via a tick box within the service request forms. The review group also consider that information on appropriate service standards and performance indicators be built into CRM functionality and response/progress updates.
12. Councillors have been surveyed following the implementation of the new CRM system to assess the degree of support and training that members would wish to receive in respect of the CRM system and the proposed "Member Portal". The review group consider a member pilot to be essential to the success of the CRM/Member Portal to enable Councillor and member support officer input into the development of the system.

13. The review group welcome a member pilot in February/March 2017 which will engage a cross section of members of varying IT skills to road test the Member Portal alongside member support staff with a view to an evaluation of the system to be produced which will inform subsequent training and development programmes for Councillors following the May 2017 County Council elections. Councillors want this training to be part of the 2017 member induction training along with any planned training on IT hardware/equipment.
14. The CRM project team have confirmed that the CRM system and any Member Portal would be fully compliant with data protection and Information Governance legislation and Councillors acknowledge that safeguarding measures must be in place for information of a sensitive nature. However, Councillors have reiterated their desire for CRM and Member Portal functionality to enable customers/constituents to grant access to service requests and issues to their local Councillors.

## **Recommendations**

15. The review group having considered the findings and conclusions of the review have made the following recommendations:

### **Recommendation one**

Following the successful launch of the Council's CRM system, members support the development of a "Member Portal" facility which will enhance how Councillors deal with their constituents' casework and provide meaningful management information to Councillors on local issues within their electoral division.

### **Recommendation two**

The CRM Project Team investigates the possibility of the CRM/Member portal enabling permissions to be given to Councillors to access cases, where customer permission is given, so they can receive summary information to enable them to update their constituents/residents.

### **Recommendation three**

The CRM Project Team investigates the possibility of the CRM/Member Portal including a method for customers to give consent for details of cases/issues to be shared with their local councillor, in order to protect customers' privacy and personal data in line with data protection regulations.

### **Recommendation four**

A pilot of the Member portal take place in February/March 2017 which will engage a cross section of members of varying IT skills to road test the Member Portal alongside member support staff to give them the chance to enhance how they deal with their constituents' casework and provide meaningful management information on local issues.

**Recommendation five**

That member induction/training on the new CRM/Member portal system and its functionality be made available for all members elected in 2017, as part of their induction training, with such training to include Data Protection, Information Governance and IT Equipment functionality.

**Recommendation six**

That a systematic review of the report and progress made against recommendations should be undertaken after consideration of this report, within 9-12 months.

## MAIN REPORT

### Customer Relationship Management (CRM) System

#### Key Findings

- **No migration of data from the old CRM system to the new system although open cases were accessible upon transfer**
- **Wide offer of user interface – self serve forms, customer accounts, mobile/offline access to improve response by services;**
- **Councillors need access to CRM as both service users/residents and Councillors**
- **CRM system needs to log Service request/casework monitoring and tracking.**
- **Wide range of potential service request categories accessible via CRM – rich source of data for Management and Councillors**

16. Information Technology is becoming more important in people's lives, both at work and at home, and in the way some services are accessed and delivered. DCC's ICT Strategy details the Council's ongoing commitment to continue to deliver improved services for the people of County Durham.
17. DCC's Customer First Strategy also identifies the role ICT plays in delivering Services with:-
  - a greater and increasing demand from our customers for faster service delivery across longer opening hours and from many locations;
  - an introduction in the market of new technologies and a growth in new ways of communication such as social media, digital television and video on demand that heighten user expectations;
  - a move to greater self-service;
  - the need to demonstrate value for money, and provide Council services and more effective technology for less.
18. The Strategy also set out proposals to support the Council's approach in using technology where appropriate, by reviewing use of Customer Relationship Management (CRM) software.
19. The previous CRM system was used to record information on interactions with customers from their contact with Customer Services, although many interactions between the public and council staff do not involve the customer services team and are not managed through the CRM system.

20. When examining the functionality of the old CRM system several shortcomings were identified including:-
- An incomplete database/directory of properties across County Durham;
  - No ability to link property information contained in the Council Tax or Electoral registration IT systems to CRM;
  - Only the details of those customers who had transacted with the Council were captured by the CRM system and that was achieved by Customer services staff manually logging customer details when dealing with service requests;
  - A lack of automation built into the CRM system to log customer details or pass service requests directly to service departments and front-line staff;
  - The absence of automation added to delays in dealing with customer queries, increased the call on customer services staffing resources and adversely impacted upon the customer experience and service performance.

### **Review of the CRM provision**

21. The Council, after reviewing its CRM provision, came up with a series of proposed recommendations, including the establishment of a CRM owners group; a CRM system replacement roadmap; the alignment of CRM to the customer first strategy; and the development of a business case for CRM replacement.
22. As part of ongoing development work, the CRM owners group considered the strategic objectives for the Council in respect of its CRM provision and examined how an improved CRM infrastructure could address existing shortcomings that have been identified in respect of:
- Efficient and effective access channels;
  - Responsive and customer focused services;
  - Treating people fairly and respecting differences;
  - Creating channel shift;
  - Creating greater use of customer insight to influence and improve service design, provision and feedback;
  - Harmonising services and processes across the Council;
  - Delivering value for money.
23. It was agreed that procurement of a replacement system would be prioritised. Specialist consultants were employed to develop a business case and following a procurement exercise, Firmstep were awarded the contract and work then commenced on developing and implementing the system.

## **Replacement CRM System functionality**

24. The new CRM system provides a default customer contact system for customers in addition to providing more choice for them thus providing better customer insight and increased Value for Money (VFM).
25. The CRM provider is a leader in helping local government to build and deliver better services and had to date developed over 150 programs for local authorities across the country. The new system would be 'cloud based'. The program was updated gradually on a weekly basis and would eradicate issues that had previously been found with time consuming bulk updates.
26. The new system was a made to measure product with the aim of providing a user friendly and intuitive portal for users. The platform to be adopted by Durham County Council included the following components:-
  - Self-serve forms
  - Bespoke portal ('my account' and links to other services)
  - Mobile – offline access for staff away from their desks, allowing issues to be reported easily.
27. The new CRM product is mobile optimised and responsive to most mobile devices. Given that 55% of traffic through the council's website was accessed via a mobile or tablet device, this increased functionality is essential.
28. The system incorporates a customer passport which allowed the council to obtain rich customer data, subject to customer agreement to use of their data, which would in turn help inform future services.
29. Further details were reported in respect of open workflow and integration of other systems, however, it was noted that the system would not replace some of the core council systems such as SSID. There would be no migration of data from the existing CRM system. However, the data held on the old system will be accessible for a period of time. Any open cases at the time of transfer to the new system are viewable.
30. With regard to the development of the system it was reported that the switch off and switch on to the new system and subsequent phases were scheduled to take place between April and October 2016. Phase 1 of the project would see the introduction of 115 new webforms, changes to 52 business process, 13 new web payments, 140 service requests, 39 maps and 33 system integrations, the latter being the most complex stage of this phase.

31. Phase 4 of the deployment would involve looking at which other services could be built into the system and this would likely occur in April 2018.
32. In examining the processes involved in reporting service requests/ issues, Councillors note that once a service request is logged by either a Member or customer, an email response acknowledges receipt. This includes the service level standards, where possible, for example the number of working days it should take for the request to be completed. A further email would be sent on completion of the work.
33. The CRM system allows for anonymous complaints to be submitted online, however for a customer to be kept informed on the progress of a request, they would need to register and enter their details.
34. Initial benefits identified following the launch of the new CRM system include:-
  - A reduction in the workload of office support - services such as bulky waste collections and pest control appointments can now be made by customers online, where previously these had to be done by telephone.
  - Processes for contacting services have been re-evaluated and streamlined so that customers can be directed more quickly to the correct point of contact.
  - Customers and Members need only speak to a technical member of staff if absolutely necessary;
  - Quicker responses to issues for front line services using remote/digital technology;
  - Customer Services staff were responding well to the new system. It was felt that the new CRM had many benefits, including the reduction in work for contact centres.

## **Councillor requirements of the CRM system**

### **Key Findings**

- **Councillors support the development of a Member Portal via the CRM system to report issues, track progress against issues reported by them, provides automated updates on progress and closure of issues, and which provides real time information on issues being reported in their divisions.**
- **The system will assess customer satisfaction with the way service requests/issues are handled.**
- **Councillor access to issues reported by constituents within their divisions through the development of a tick box function.**
- **Information provided on service standards where available and to build these into CRM response/progress updates.**



35. Members were given a presentation by the Senior IT Project Manager on the reporting capabilities of the CRM system from a Councillor perspective with a view to developing a “member portal” through which they could report issues as part of their day to day casework and also access management information relating to their electoral division. Key features being considered for the development of the portal included:-

- Councillor log in with a unique user ID and password via the internet;
- Identification of service requests and issues by electoral division across a wide range of services, including those identified as being the most used via the CRM system;
- the ability to display all information which was logged by services;
- the promotion of self-serve and service request web-forms via the Council’s website to reduce telephone contact with the Council;
- the incorporation of service standards and performance indicators within the CRM system and relevant service requests;
- the ability to provide information detailing customer service satisfaction;
- instantaneous uploading of service requests by the CRM system and the updating of such requests in a timely manner, (every 24 hours).

36. Whilst the review group are encouraged with the functionality of the CRM system demonstrated to them, they have identified a number of potential additional requirements/improvements which include:-

- The need for members to be able to log issues/service requests both as an individual service user and also in their role as a County Councillor;
- The need for Councillor and member support to easily and quickly identify individual service cases;
- The system must be simple and easy to use;
- Councillors/Member support should be able to track and update service requests/cases and also obtain progress information regarding cases to allow for feedback to Customers;
- Provide management information to Councillors in respect of service performance that adds to the ability of Overview and Scrutiny Committees to identify and prioritise potential work programme issues;
- The system should allow for Service users/customers to permit Councillors to access service requests/issues and complaints should the customer agree to such permissions, possibly by way of a “notify your councillor” tick box facility upon initial reporting of an issue.

37. In considering these issues, the review group stressed the importance of Members keeping constituents updated and also to be able to consider an appropriate time to become involved in chasing requests. Key notification timelines and reporting information suggested were:
- Upon the initial logging of a service request;
    - what type of request had been made;
    - who the point of contact was;
    - when the request would be completed;
  - Notification of any delays;
  - Notification of completion.
38. Members also suggested that if they could see the age range of people who had reported service requests, it would identify who was more inclined to use the system and identify specific groups who may not be using it.
39. The review group are keen to support and explore the potential of developing a Member portal within the CRM system that will enable Councillors to report issues in connection with their casework, track progress on such matters and enable feedback to be provided to both Councillors and constituents on the issues when resolved. Councillors also want the Portal to be able to provide management information on issues across as many service areas as possible including the ability to generate summary reports and “heatmaps” for their respective electoral divisions.

#### **Recommendation one**

Following the successful launch of the Council’s CRM system, members support the development of a “Member Portal” facility which will enhance how Councillors deal with their constituents’ casework and provide meaningful management information to Councillors on local issues within their electoral division.

#### **Recommendation two**

The CRM Project Team investigates the possibility of the CRM/Member portal enabling permissions to be given to Councillors to access cases, where customer permission is given, so they can receive summary information to enable them to update their constituents/residents.

#### **Recommendation three**

The CRM Project Team investigates the possibility of the CRM/Member Portal including a method for customers to give consent for details of cases/issues to be shared with their local councillor, in order to protect customers’ privacy and personal data in line with data protection regulations.

## Support and Training for Councillors in using the CRM system

### Key Findings

- a member pilot is considered essential to the success of the CRM/Member Portal to enable Councillor and member support officer input into the development of the system;
- the pilot should take place in February/March 2017 which will engage a cross section of members of varying IT skills to road test the Member Portal alongside member support staff;
- an evaluation of the system to be produced which will inform subsequent training and development programmes for Councillors following the May 2017 County Council elections;
- Member Support input into the development of member portal and any training is critical to success of CRM use by Councillors.

40. The timeline for implementation of the “Member Portal” element of the CRM system is April 2017, and initial briefing sessions were provided for Members during summer of 2016 as well as Members’ seminars on the CRM on 15<sup>th</sup> September 2016 in County Hall.
41. Members are eager to receive training and pilot the system before implementation and are disappointed that this did not happen earlier in the process. The CRM system was launched in July 2016, and the CRM Project team have acknowledged the need to work with existing members to assess any issues with the new system and attempt to match system functionality with members’ aspirations in accessing management information relating to their divisions.
42. The review group consider a member pilot to be essential to the success of the CRM/Member Portal to enable Councillor and member support officer input into the development of the system. The review group welcome a member pilot in February/March 2017 which will engage a cross section of members of varying IT skills to road test the Member Portal alongside member support staff with a view to an evaluation of the system to be produced which will inform subsequent training and development programmes.
43. County Council Elections in May 2017 may lead to a change in Council membership and member induction/training should therefore include training on the new CRM system and its functionality.
44. In analysing the preferred method for Councillors to raise service requests/casework issues using the old CRM system, the two most

popular methods were via Member support and directly to the service. Member support officers have confirmed that most Councillors rely on and expect a high level of support in reporting, tracking, updating and providing feedback to customers/constituents in respect of service requests and casework issues.

45. The review group consider it essential that Member support staff are engaged in the development of the proposed member portal and are also provided training alongside Councillors in operating the new CRM system.
46. The Members' survey also indicates that Members require support in other areas, such as operating a laptop/tablet and website training, as well as training on data protection and FOI legislation.

#### **Recommendation four**

A pilot of the Member portal take place in February/March 2017 which will engage a cross section of members of varying IT skills to road test the Member Portal alongside member support staff to give them the chance to enhance how they deal with their constituents' casework and provide meaningful management information on local issues.

#### **Recommendation five**

That member induction/training on the new CRM/Member portal system and its functionality be made available for all members elected in 2017, as part of their induction training, with such training to include Data Protection, Information Governance and IT Equipment functionality.

## **Data Protection, Safeguarding and Information Governance**

### **Key Findings**

- The CRM system/Member portal must be fully compliant with Data Protection and Information Governance legislation;
- Data submitted by customers could be shared with their Councillor under an agreed "permissions" functionality;
- Safeguarding measures must be in place for information of a sensitive nature.

47. In considering of the development of a member portal within the new CRM system, concern has been expressed by members on whether data protection regulations would impact upon the amount and quality of the management information Councillors would have access to.
48. It has been suggested that where Councillors log an issue on behalf of a customer/constituent, they would have full access to information

regarding the issue including progress updates and sign off when completed. Data submitted by customers would have to be anonymised unless the customer agreed for the case information to be shared with their Councillor under an agreed “permissions” functionality.

49. Members have accepted the importance of safeguarding measures being in place to protect data of a sensitive nature, and it was confirmed that customers would have to register and log in with their password to access personal/sensitive data.
50. The CRM project team has confirmed that the CRM system had been developed to be fully compliant with Data Protection and Information Governance legislation.

### **Recommendation three**

The CRM Project Team investigates the possibility of the CRM/Member Portal including a method for customers to give consent for details of cases/issues to be shared with their local councillor, in order to protect customers’ privacy and personal data in line with data protection regulations.

## **Site visit to Northumberland County Council**

51. In order to benchmark against other Councils’ use of a CRM system to support Councillors in their day to day casework, the Working Group visited Northumberland County Council on 22<sup>nd</sup> September 2016, and received a demonstration of their CRM system.
52. Whilst noting that the two Councils had adopted different approaches to Councillor use of CRM systems and information – Northumberland had approached this from the member input and use viewpoint whereas Durham had procured and launched the CRM system before looking at how the system might assist Councillors in their daily casework. Members and Officers benefitted from comparing experiences between the two authorities.

## **CRM project team Councillor survey**

53. All Councillors were invited to complete a survey in September 2016 on their opinions and experience of the CRM system.
54. 26 out of 126 councillors responded to the survey with key findings of the survey including:-
  - 86% of responses said under the old CRM system they raised services requests through Member Support, with 57.7% contacting the service direct;

- 80.77% of respondents said that under the new CRM system they would raise service requests they would do this through Member Support;
- 73% of respondents would like to receive feedback from raised requests on the CRM directly by email and 50% through Member Support;
- When indicating the functions that Councillors would find the most useful in dealing with customers, 78% said track and view status updates on raised cases and 65% said to both view cases already reported and provide additional information on cases that have already been raised;
- When asked what support would you require to raise and view requests in the new CRM – 91.67% responded CRM system training; 25% PC laptop or tablet training, 12.5% responded website training;
- When asked their preferred method of training, 75% said face to face training and 25% online training;
- All respondents wanted to be able to see reporting on service requests that they had raised with 92% also wanting to be able to see issues reported within their electoral division;
- The ten most common service requests received by Councillors as identified by Councillors were – Roads/Footpaths; Dog Fouling; Tree/Hedge removal or pruning; Grass cutting, shrubs and flower beds; Flytipping; Anti-social Behaviour; Rubbish in Gardens and Yards; Street Lighting; Complaints and Missed Bins.
- In considering the format in which Councillors would like to receive such information? 72.73% asked for tables, 45.45% charts and graphs, and 27.27% heat maps.

**Recommendation six**

That a systematic review of the report and progress made against recommendations should be undertaken after consideration of this report, within 9-12 months.



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