

Cabinet

16 January 2013



Medium Term Financial Plan (3), Council Plan and Service Plans 2013/14 – 2016/17

Key Decision CORP/A/10/12/1

Report of Corporate Management Team

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Purpose of the Report

- 1 To provide an update on the following:
 - (i) The Local Government Finance Settlement and its impact upon the 2013/14 Budget and Medium Term Financial Plan for 2013/14 – 2016/17 (MTFP 3)
 - (ii) MTFP 3 Consultation
 - (iii) Council Plan and Service Plans
 - (iv) Equality Impact Assessments

Executive Summary

- 2 Although the core elements of the 2013/14 and 2014/15 Local Government Finance Settlement were received on 19 December 2012, effective planning of the 2013/14 Budget and MTFP 3 continues to be difficult due to:
 - (i) A range of key funding streams are yet to be announced;
 - (ii) Financial data from the Department for Communities and Local Government continues to be revised due to arithmetical funding allocation errors being identified.
- 3 The Government has revised their plans in some areas after receiving feedback from the Business Rate Review (BRR) consultation period, with the sums 'top sliced' from budgets for the New Homes Bonus, Academy Schools and Business Rate 'Safety Net' Protection reducing. Disappointingly, the outcome of the consultation has resulted in no changes however being made in the following areas which impact adversely upon the council.
 - (i) **Damping** – in 2013/14 the council will still contribute £9.3 million to the national damping arrangements in order to protect some other councils. It is now expected that these proposed damping arrangements will remain 'frozen' at this level until at least 2020, by which time the council will have lost over £65 million of funding than the

previous 'needs' based grant calculations would have paid to the council.

- (ii) **Capitalisation 'Top Slice' from Government Funding** – although the Government have agreed to allow councils to fund equal pay, back payments from capital receipts from 2012/13 there is still to be a £100 million 'top slice' from the national local government funding control totals to allow some councils to spread out the cost over several years to pay for these equal pay costs where they are unable to afford to fund in the year they occur. At the present time the council does not qualify under the government's capitalisation process due to the council's prudent level of financial reserves. The council is therefore losing an estimated £1.1 million of funding from this process which will not be recovered.
- (iii) **Academy School 'Top Slice' from Government Funding** – although the sum top sliced from council budgets nationally has reduced from the forecasted £1.22 billion to £1.03 billion, this sum still has a detrimental impact on the council due to the government's methodology for reimbursing all councils having a disproportionate impact in some areas across the country.

- 4 The Government's 2013/14 and 2014/15 methodology for funding cuts generally appear to be having an inconsistent impact in some local authority areas across the country. Across 2013/14 and 2014/15, the average 'spending power' reduction in the country is 5.5% whereas the reduction for the council is 6.0% and the average for the twelve Association of North East Councils (ANEC) being 6.4%. This compares to Surrey County Council where the spending power reduction for 2013/14 and 2014/15 is only 1.5%. In addition Surrey County Council continues to receive £60 million from the national damping arrangements.
- 5 Although the Government reports a 4.6% reduction in the council's 'spending power' for 2014/15, the council's Start Up Funding Assessment within the new Business Rates Retention scheme actually reduces by 10.4%.
- 6 An estimated funding position for the council has been developed which would indicate that the settlement for 2013/14 and 2014/15 is broadly in line with expectations, with the 2013/14 settlement being £2.4 million better than forecast and the 2014/15 settlement being £1.9 million worse than forecast.
- 7 To balance the 2013/14 budget at this stage where we are still awaiting further financial information, it is forecast that savings of £20.9 million will be necessary. Savings of £27.9 million will be required in total to balance the 2014/15 forecasted budget. Over the MTFP 3 period savings of £96.8 million are required in total, bringing the total savings since the 2010 Comprehensive Spending Review (CSR) until 2016/17 being £189.8 million with this figure expected to exceed £200 million by the end of 2017/18.
- 8 The council will continue to face increasingly significant challenges in balancing budgets across the MTFP period and beyond with £53.1 million of savings still to be identified across the 2014/15 to 2016/17 period at this stage. The MTFP 3 Model at appendix 3 forecasts a balanced budget for 2013/14.

- 9 An extensive consultation process led to over 1500 people giving their views on how the council has managed spending reductions so far, the impact that the reductions have had to date and ideas for making further reductions in the future. The main findings are:
- (i) a high level of satisfaction with how the council has managed a difficult process so far. On a scale of 1 to 10, with 10 being excellent, the mean score from AAP forums was 7, and 6.2 from the citizens' panel. The most common score given by AAPs was 8 and 7 for the citizens' panel.
 - (ii) a greater awareness amongst the public of central government cuts rather than the council's financial situation and how it is responding locally;
 - (iii) 40% of respondents felt the move to alternate weekly refuse/recycling collections was positive compared to 12% who felt it had a negative impact;
 - (iv) The largest response to some of the largest changes that have been implemented to date was 'no impact'. However net negative impact was largest for changes to contracted bus services and home to school transport;
 - (v) Suggestions and comments for managing further spending reductions fell into four categories: how we manage the reductions with a strong desire for combined public involvement; improving financial efficiencies; council structures and service delivery; and specific service changes and improvements.

Background

- 10 The MTFP report to Cabinet on the 19 December 2012 provided details of the following:
- (i) The announcement of a Council Tax Freeze Grant for 2013/14. The grant would be payable to any local authority which did not increase Council Tax in 2013/14 with the sum payable being the equivalent of a 1% increase in Council Tax. The grant has been guaranteed for 2013/14 and 2014/15 only at this stage.
 - (ii) How the Government had reduced the Council Tax referendum level for council tax increases from the previous level of 3.5% to 2%.
 - (iii) The Chancellor of the Exchequer's Autumn Statement of 5 December 2012 confirmed an additional 2% funding cut for local authorities in 2014/15 and also confirmed that cuts in the public sector were forecast to continue until at least 2017/18.
 - (iv) Based upon the forecast of funding cuts and planned savings in 2013/14 there was confidence that a balanced budget for 2013/14 could be set.
 - (v) The longer term forecasted position had worsened with total savings for the period 2011-2018 forecast to exceed £200 million and savings yet to be identified across MTFP (3) from 2014/15 to 2016/17 totalling around £53 million.

- (vi) How the Local Government Finance Settlement was expected to be announced on 19 December 2012 with the details and impact of this to be reported to Cabinet on 16 January 2013.

Local Government Finance Settlement

- 11 The Department for Communities and Local Government (DCLG) did actually announce the core elements of the finance settlement for both 2013/14 and 2014/15 on 19 December. At this stage, there are still some key elements of the settlement to be confirmed as detailed below:-
- (i) Public Health funding – the Department of Health (DoH) have confirmed that the funding allocation to local authorities should be announced on 11 January 2013. The expectation is that funding levels will be allocated for 2013/14 and 2014/15 which will be helpful for financial planning purposes.
 - (ii) Early Intervention Grant (EIG) – the Department for Education (DfE) is yet to confirm allocations to local authorities from the £150 million top sliced from the national local government funding control total. The EIG previously funded a range of services including Sure Start, Children’s Centres, Connexions and two year old nursery placements.
 - (iii) Local Authority Central Spend Equivalent Grant (LACSEG) – the DfE have confirmed that they will announce allocations of the new Education Services Grant in “late January”. The Education Services Grant is created by top slicing from the Council’s budget the estimated cost of providing specified support services to schools. The funding is transferred to the DfE who distribute the funding back to academy schools and local authorities on a per pupil basis. This is seen as a key funding stream for academy schools.
 - (iv) New Homes Bonus Top Slice – the DCLG have confirmed that they will confirm during January the sum which will be reimbursed to local authorities from the £300 million top sliced nationally to finance the 2013/14 New Homes Bonus. It is expected that circa £75 million will be reimbursed nationally and our estimated share for County Durham in 2013/14 is £0.9 million.
 - (v) Capitalisation/Safety Net Top Slice – the DCLG have top sliced £100 million nationally for Capitalisation and £25 million nationally for the Business Rate Safety Net to protect those councils who end up collecting over 7.5% less than forecasted business rates income. Confirmation on whether any sum will be reimbursed will not be received until after the end of the 2013/14 financial year. It is prudent to assume that no funds will be reimbursed to County Durham from this source at this stage.
- 12 Although all of the necessary financial information has not yet been received, it is possible to provide an estimate of what the overall impact of the settlement has had on the 2013/14 Budget and MTFP 3.
- 13 Previous reports to Cabinet have detailed the fundamental change in how local authorities are to be funded in the future via the Business Rate Retention (BRR) Scheme. The finance settlement has confirmed the following:

- (i) Local authorities will retain 50% of the business rates collected locally which is to be known as 'the local share'.
- (ii) Local authorities will be responsible for the funding of all successful rateable value appeals by businesses, including backdated amounts.
- (iii) The BRR safety net is set at 7.5% of the funding baseline.
- (iv) A number of former specific grants along with the funding associated with the Local Council Tax Support Scheme (LCTSS) have been absorbed into the BRR from 1 April 2013.

14 To enable a comparison to be made on the impact of the finance settlement, a baseline needs to be set detailing the 2012/13 funding streams which are now part of BRR. The table below details these:

	£m	£m
2012/13 Formula Grant		
Re-distributed Business Rates	219.007	
Revenue Support Grant	<u>4.245</u>	223.252
2012/13 Specific Grants transferring into BRR		
Early Intervention Grant	24.788	
Learning and Disability Reform Grant	10.009	
Preventing Homelessness Grant	0.510	
Local Lead Floor Authorities Grant	<u>0.130</u>	
TOTAL FUNDING TRANSFERRING INTO BRR		<u>35.437</u> <u>258.689</u>

15 The total funding received in 2012/13 which will now form part of BRR is £258.689 million. As reported to Cabinet on 19 December 2012, this baseline was expected to reduce by £11.612 million in 2013/14.

16 In 2013/14 the previous funding streams are replaced by new BRR baselines and a range of new funding streams and expenditure requirements as detailed below:

(i) Business Rate Baselines

Within the new BRR Scheme, each local authority is allocated a 'Start Up Funding Assessment' (SUFA). The SUFA is initially calculated by totalling all of the funding streams within BRR, running the former needs based funding formulae and then applying 'damping' levels. The 2013/14 SUFA for the Council is £278.375 million. Within this figure the Council is still contributing £9.347 million to the national damping arrangements to protect local authorities such as Surrey County Council which is receiving £59.6 million from the damping system. At this stage no confirmation has been received from DCLG as to what will happen with the damping figures in 2014/15 and beyond, although it is understood that no further adjustments will be made until at least 2020.

Within the SUFA, each council has a Baseline Funding Level. The Baseline Funding Level for the Council has been set at £111.21 million. The Council receives the difference between the SUFA and the Baseline Funding Level as Revenue Support Grant (RSG). The RSG for the Council in 2013/14 is £167.165 million and in future years the Government will reduce this grant in particular to apply its on-going austerity cuts.

Within the Baseline Funding Level the Government have calculated a forecast of Business Rates local authorities will collect locally i.e. the 50% local share. The Government have reduced this figure to take into account that local authorities will be required to pay for all successful, backdated rateable value appeals from businesses in the future. The 2013/14 Baseline Business Rate figure for the Council is £52.985 million.

The Council will receive the difference between the Baseline Funding Level and the Baseline Business Rate figure as a 'Top Up' Grant. The 2013/14 Top Up Grant for the Council will be £58.225 million.

The table below details the key baseline elements of the new BRR Scheme for the Council.

	£m	£m
Baseline Business Rates	52.985	
Top Up Grant	58.225	
Revenue Support Grant	167.165	
START UP FUNDING ASSESSMENT		278.375

(ii) New Funding Streams

The Council will receive new funding streams in 2013/14 relating to the BRR Scheme as detailed below:-

- **Two Year Old Nursery Placement Funding in the Dedicated Schools Grant (DSG) - £5.017 million.** This funding was previously paid as part of the Early Intervention Grant but has now been transferred into the ring-fenced DSG.
- **LACSEG Reimbursement - £7.2 million (estimate).** The Government has confirmed that £9.616 million has been transferred from the Council's baseline funding to the DfE in relation to LACSEG. This sum represents the cost to the Council of providing certain levels of support to schools. The funding (Education Services Grant) is then paid back to local authorities and academies on the following basis:

Local authorities receive £15 for all pupils in their area

Local authorities/academy schools then receive £116 per pupil in their respective schools.

Based upon the above it is estimated that the Council will receive circa £7.2 million from the DfE for the Education Services Grant. This figure should be confirmed by 31 January 2013.

- **New Homes Bonus ‘Top Slice’ Reimbursement - £0.9 million (estimate).** The Government has top sliced £300 million nationally from local authority control totals to cover the cost of the 2013/14 New Homes Bonus payments. It is forecast that £225 million will be paid leaving £75 million to be reimbursed. It is forecast that the Council’s share from the estimated £75 million will be £0.9 million.

(iii) Other Adjustments

It is necessary to highlight other key adjustments that the BRR process requires in the Council’s budget to enable a fair comparison to be drawn with the 2012/13 baseline as detailed below:

- **Reduction in Council Tax due to Local Council Tax Support Scheme (LCTSS) - £37.318 million.** The LCTSS report to Cabinet on 19 December 2012 detailed the reduction in Council Tax yield due to the introduction of LCTSS. This is offset by an increase in the SUFA in recognition of the reduction.
- **LCTSS funding to be paid to Town and Parish Council - £2.333 million.** The Council receives in the SUFA a sum which reflects the impact of the LCTSS upon Town and Parish Councils. The Council agreed on 8 January 2013 to pass on this sum to Town and Parish Councils in 2013/14.
- **Two Year Olds Early Education additional statutory requirement - £2.334 million.** The Council is required to pay for the provision of additional two year old early education placements in 2013/14. This is the next phase of the continued roll out of additional placements. The cost of the roll out was previously financed from the Early Intervention Grant. Although £5.017 million of funding has been transferred into the Dedicated Schools Grant which is ring-fenced to schools, the need to fund the additional £2.334 million must still be reflected in the overall funding comparison.

17 The funding streams and budget adjustments detailed in the report enable a comparative funding position for 2013/14 to be developed. The 2013/14 baseline position for 2013/14 is detailed below:

	£m	£m
Funding streams within BRR		
Baseline Business Rates	52.985	
Top Up Grant	58.225	
Revenue Support Grant	<u>167.165</u>	
START UP FUNDING ASSESSMENT		278.375
Additional BRR Related Funding Allocations		
DSG – New Grant for Two Year Olds	5.017	
LACSEG – Education Services Grant (Estimate)	7.200	
New Homes Bonus – Top Slice Reimbursement (Est)	<u>0.900</u>	
TOTAL ADDITIONAL BRR ALLOCATIONS		13.117
Required Budget Adjustments		

	£m	£m
Reduction in Council Tax due to LCTSS	(37.318)	
LCTSS Grant paid to Town and Parish Councils	(2.333)	
Two Year Old Early Education	<u>(2.334)</u>	
TOTAL ADJUSTMENTS		(41.985)
2013/14 FUNDING BASELINE		249.507

- 18 The above calculation enables a comparison to be drawn with the 2012/13 funding baseline as detailed below:

	£m
2012/13 Funding Baseline	258.689
2013/14 Funding Baseline	249.507
ESTIMATED FUNDING REDUCTION	9.182

- 19 The comparison above would indicate that the funding reduction for 2013/14 will be £9.182 million as against the forecast of £11.612 million included in the 19 December Cabinet Report, i.e. a lower funding cut by £2.43 million.
- 20 In addition to the above, the Government have announced that the Council Tax Freeze Grant will be based upon the Council Tax base before adjustments for LCTSS. The sum included in the MTFP (3) model in the 19 December 2012 report included the adjustments to tax base for LCTSS. A 1% Council Tax Freeze Grant is forecast to be £2.033 million rather than the £1.645 million included in the December report – an increase of £0.388 million.

Other Grant Allocations

- 21 The Council will continue to receive a number of other Government grants which will be outside the BRR process. Appendix 2 provides details of these, although a number of these allocations are yet to be confirmed.

Capital Grants

- 22 A number of capital grants are also yet to be confirmed. All relate to funding streams from the DfE. The grants confirmed at this stage are as follows:

	£m
Local Transport Plan (LTP) – Core Funding	13.315
Local Transport Plan (LTP) – Additional Funding	1.836
General Social Care Funding	1.517
Two Year Old Early Education Placement	0.903

- 23 The funding detailed above, along with the funding from DfE will be utilised in developing the 2013/14 Capital Budget.

2014/15 Forecast

- 24 The Government have announced the Council's provisional 2014/15 'Top Up' and RSG allocations for 2014/15 as part of the overall finance settlement. This announcement enables the Council to forecast the funding cut for

2014/15 and compare this with the £21.9 million previously forecast and reported to Cabinet on 19 December.

25 The Top Up and RSG variations for 2014/15 are detailed below:

	£m
Revenue Support Grant Reduction	(29.232)
Top Up Grant Increase (RPI)	1.785
NET FUNDING REDUCTION	(27.447)

26 The RSG reduction detailed above includes a further £300 million top slice nationally for the New Homes Bonus which was not included in the Council's £21.9 million forecast funding reduction. To draw a fair comparison, a forecast for New Homes Bonus income should be included in 2014/15 plans. In addition, an estimate should also be included for the annual RPI increase in Business Rates. The table below builds in estimates for these additional adjustments.

	£m	£m
2014/15 Net Grant Reduction		(27.447)
Less		
2014/15 New Homes Bonus (Estimate)	1.250	
2014/15 New Homes Bonus Top Slice Reimbursement (Est)	0.750	
2014/15 RPI Increase Business Rate (Estimate)	<u>1.600</u>	
		3.600
NET REDUCTION IN FUNDING BASELINE		23.847

27 After building in the forecast additional funding for 2014/15 of £3.6 million as detailed above, it is forecast that the funding reduction for the Council in 2014/15 will be £23.847 million - £1.947 million more than previously forecast in 19 December Cabinet Report.

28 The adjustments in forecasts for 2013/14 and 2014/15 have been included in a revised MTFP (3) model at Appendix 3. A balanced budget position is forecast for 2013/14 whilst the savings shortfall has increased to £12.169 million in 2014/15 and to £52.948 million for the MTFP (3) period 2014/15 – 2016/17.

Consultation

29 This year's budget consultation builds on the on-going approach of involving local people in the council's decision making processes. The consultation provided a range of opportunities for local people to get involved and have their views heard; including AAP forums, the Citizens' Panel, forums that represent protected characteristics and an online questionnaire.

- 30 The first phase took place in November to December 2012 and sought the views of the wider community to provide direction to the council's proposals and the approach to developing budget plans. The second phase was intended to take place in January 2013 following receipt of all financial information in order to finalise proposals for MTFP3. As set out earlier in this report, full information has not yet been received. In addition to feeding back the consultation findings to date, it is intended to continue to appraise partners of progress on developing MTFP3. .

Key Questions and Methodology

- 31 During the first stage of the consultation in late 2012, a range of consultation methods were used to encourage wide participation and to gather the views of local people on three key questions.

- How well have the council managed the budget reductions to date?
- What impact these reductions have had on them personally
- How should we approach making further reductions?

Q. How well have the council managed the budget reductions to date?

- 32 The approach in seeking the public's views was to set out the ways in which the council has managed the challenging task of identifying and implementing the £93 million of reductions over the last two years. In seeking views on the council's decisions, the information accompanying the consultation set out the scale of the reductions made to date as well as explaining the key principles that have underpinned the council's approach, including:

- Protect priority services identified by the public;
- Continue to listen to the public;
- Work with local communities to develop new ways of working;
- Try to maintain a countywide presence and a wide spread of local facilities and only consider a total withdrawal of a service as a last resort;
- Protect frontline/public services.

- 33 This question was used when consulting with the AAPs as well as in the survey with the wider public and Citizens Panel.

Q. What impact these reductions have had on them personally

- 34 Feedback was sought on the impact that a number of reductions have had on the public to date. The examples selected were those that had already been implemented and had resulted in relatively large savings, potentially affecting a broad range of the community. Respondents were therefore able (in some cases) to offer a comment from first-hand experience. These included:

- Alternative weekly refuse collection;
- Review of indoor leisure facilities;
- Non-public facing services and senior management posts;
- Changes to grounds maintenance;
- Changes to contracted bus services;
- Increased fees and charges;

- Review of adult care provision to support people to live independently for longer;
- Home to school transport.

35 This question was included in the online survey as well as the survey with the Citizens' Panel. It was not included within the AAP consultation workshops as it would have been inappropriate and difficult to measure personal impact within a group discussion format.

Q. How should we approach making further reductions?

36 This open question was applied across all the consultation methods as it offered an opportunity for group discussion and individual responses on areas for reductions as well as our future approach. The accompanying information provided as part of the consultation explained that the Council projected having to identify a further £46 million of additional reductions over the term of the MTFP. It also highlighted that although outline plans were in place for 2013/14, given the financial settlement had yet to be provided at the time of the consultation, further reductions may be needed for the next financial year.

Targeted Consultation Plan

37 A consultation and communications plan was developed and monitored to ensure robust consultation. The consultation involved the following:

- Presentations and workshops at each of the 14 AAP Forum Meetings,
- Engaging the County Durham Citizens' Panel,
- An on-line questionnaire,
- Seeking views from other representative groups by encouraging views, opinions and concerns to be expressed either online or via other correspondence. This has included targeted correspondence to the Lesbian, Gay, Bisexual or Transgender Steering Group and Disability Partnership as well as an agenda item on the December 2012 meeting of the Local Council Working Group to raise awareness of the consultation, and regular briefings to the Voluntary Sector Working Group.

38 During January 2013 we will feed back and update all major stakeholders including the Police and Fire Services, CDALC, the VCS Working Group and protected characteristic groups through our regular meetings and/or targeted correspondence.

Participation

39 **The consultation process engaged over 1500 people:**

- 835 attended AAP Forums where they received a presentation and took part in round table discussions and provided feedback.
- Over 2000 members of the County Durham Citizens' Panel were invited to take part in Budget Consultation either through a web or paper based questionnaire this questionnaire was also promoted through the County Durham Website. Overall 673 residents responded.

Consultation outcomes

40 From the different methods employed, the key responses to each of the questions are as summarised below:

Q. How well have the Council managed the budget reductions to date?

- 41 Participants were asked to rank their responses on a scale of 1 to 10, with 10 being excellent.
- 42 The question about how we managed the budget reductions to date was discussed in 105 tables across the 14 AAP Forum meetings. The analysis clearly indicates a high level of satisfaction with the way the Council has managed the process. On a scale of 1 to 10, with 10 being excellent, the mean score was 7. The scores across tables ranged from 3 -10, with the most occurring score being 8.
- 43 Comments indicated a high level of appreciation with consultation and the involvement of local people in shaping decisions. A strong view was that the Council had managed the process well given the difficult circumstances and the tough decisions necessary; but that it is essential that the involvement of local people remains central to this process.
- 44 Responses from the questionnaire about how the council has managed the budget reductions gave an average score of 6.2. They were supportive of the council's approach to managing its budget reductions.
- 45 Overall participants at AAP forums were more positive than respondents to the questionnaire. The overall average of all AAP participants was seven out of ten with over 80% of returned scores between five and eight. The most commonly returned score, however, was eight with almost one in three groups returning this score (32.4%).
- 46 Questionnaire respondents were slightly less positive returning an overall average of 6.2. There was also slightly more variation in the in the questionnaire results with around 75% of responses returning a score between five and eight. One in ten groups (10.5%) at AAP forums and more than one in twenty individuals (6.2%) rated the council very highly (with a score of nine or ten) in managing budget reductions.
- 47 Charts 1 and 2 are included overleaf to provide an indication of how scores are distributed across the two exercises.

Rating the council in managing budget process

Chart 1 AAP responses

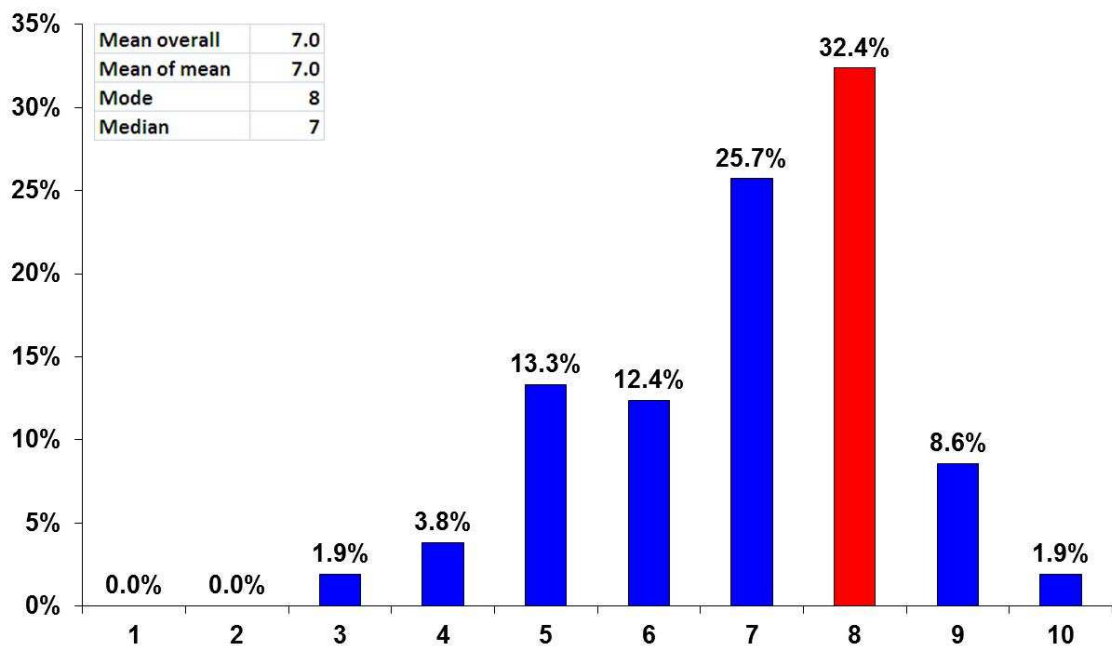
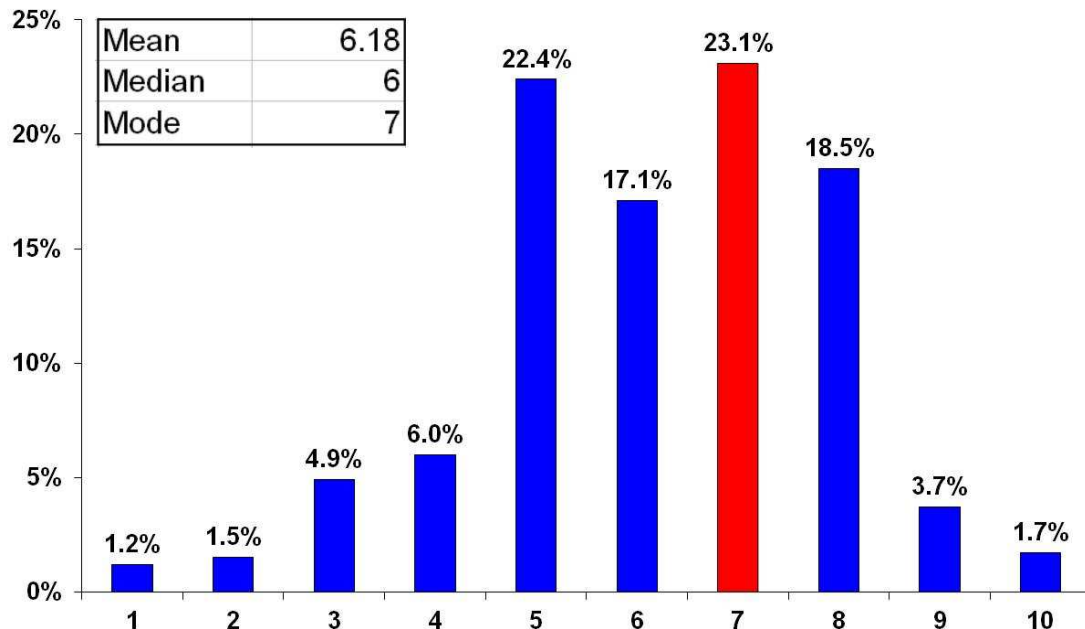


Chart 2 Questionnaire responses



Q. Do you have any comments or suggestions to help us manage further budget reductions?

48 This question was designed to help us identify how best to make future savings. There was a wide and varied range of views for managing future

reductions. As part of the analysis, these were categorised in four broad areas and are detailed fully in Appendix 4.

The most recurring suggestion under each category is listed below.

(i) Managing the approach to reductions:

Responses reflected a strong appreciation of the in-depth, on-going engagement and consultation of local people in shaping decisions. A recurring theme was to seek opportunities for collaborative working and sharing resources across sectors including the community and voluntary sector, Local Councils, other North East councils and the private sector.

(ii) Improving Financial Efficiencies

Increasing effective management was viewed as very important and focused in particular on procurement and reviewing council land and property. This included reviewing the use of accommodation, selling council assets and better management of council premises in terms of energy efficiency and usage. Attention focused on the monitoring of procurement and ensuring that all contracts are efficient and represent value for money.

(iii) Council Structures and Service Delivery

Suggestions under this heading covered references to both staff and elected members where respondents felt that the Council should continue to review staffing at all levels and minimise associated costs, whilst remembering that re-structures can be costly.

(iv) Service Specific changes and improvements:

There was a wide range of suggestions for reviews and savings across services. These included: transport, environmental services (waste, recycling) and street lighting.

Q. What impact these reductions have had on them personally?

49 The surveys asked participants to tell us what impact the reductions have had on them personally. The main findings were that:

- there is a greater awareness of central governments cuts on local government rather than being aware of the council's financial situation and how it is responding locally.
- 40% of respondents felt the move to alternate weekly refuse/recycling collections was positive compared to 12% who felt it had a negative impact. The remainder felt there had been no impact.
- With regard to the impact of the changes that have been implemented to date, the largest response for each service area included in the questionnaire was 'no impact'. For example 72.3% had not been impacted by the 'increased fees and charges'. Notwithstanding the fact that the largest response was 'no impact' negative impact outweighed positive for all areas except alternate weekly collection. Net negative impact was most pronounced for contracted bus services and home to school transport.

Conclusions from Consultation

- 50 The key findings from the consultation responses to date indicate that the public feel the Council has managed the difficult process of making budget reductions well. The level of satisfaction with our approach increases for those members of the public who have been involved in AAPs. This perhaps is unsurprising given that AAP Forums have played a key role in the Council's budget setting process since their inception, so their knowledge and understanding of the process is greater. They have also played a major role in consultations relating to specific services and policies during the past few years.
- 51 Whilst suggestions have been made to improve our future approach, such as building on our partnership approach and sharing of resources, the overwhelming response was to carry on engaging the public in our decision making process. This supports our current approach of consultation and on-going engagement using a wide range of methods and groups including those representing protected characteristic groups, residents groups, local Councils and user/focus groups.
- 52 With regard to the impact of the changes that have been implemented to date, the largest response for each service area included in the questionnaire was 'no impact'. This finding reflects positively on the approach the Council has taken to minimise impact on frontline services.
- 53 It is clear that many of the suggestions made through the consultation process have already been actioned with savings delivered as a result. In the next report on the MTFP, a section will be included on the actions taken to date and how the suggestions can be incorporated in future plans. As with all consultations, feedback will be provided via the Council's website under the 'You Said, We Did' section and through briefings with partners.

Council Plan and Service Plans

- 54 The Council Plan is the overarching high level plan for the County Council. It covers the same four year time period as the Medium Term Financial Plan and it is updated annually. It links closely with our financial planning framework and in broad terms sets out how we will consider our corporate priorities for change and the key actions we will take in support of delivering the longer term goals in the Sustainable Community Strategy (2010- 2030) and the Council's own change agenda. It is underpinned by a series of service plans at a service grouping level which provides more detailed information on the actions we are taking to deliver the Council's priorities and the priorities within each service.
- 55 Since Cabinet considered the report on the Medium-Term Financial Plan, Council Plan and service plans on 10 October 2012 and members' seminars held in the same month, the following amendments have been made to the objectives and outcomes framework around which the Council Plan and service plans and our performance measures and actions are designed:

(i) Altogether Healthier

- Consultation on the Joint Health and Wellbeing Strategy has been held and the results analysed and the final strategy has been published. As a result of this, the three objectives for

Altogether Healthier have been streamlined for the reader
Reduce health inequalities and early deaths

- Improve the quality of life, independence and care and support of people with long-term conditions
- Improve mental health and wellbeing of the population

Separate outcomes to reduce obesity (under *Reduce health inequalities and early deaths*) and increase physical exercise and participation in sport and leisure (under *Improve mental health and wellbeing*) have been created. A separate outcome to reduce excess winter deaths has been created under *Reduce health inequalities and early deaths*.

(ii) Altogether Safer

The annual Safe Durham Partnership strategic assessment of crime and disorder in County Durham has been carried out and is currently being analysed. This may result in further amendments to the priorities set out under Altogether Safer.

(iii) Altogether Better Council

Three small amendments have been made to the new framework of outcomes under Altogether Better Council being:

- The outcome around partnerships has been amended to *Effective partnership working* to reflect the wider context of partnerships whether it be with other public sector agencies, the voluntary and community sector, the private sector or with legal vehicles set up by the council such as trusts and arms-length management organisations.
- The outcome around welfare reform has been amended to *The effects of the welfare reform agenda are effectively managed*. This is to reflect a larger agenda than provision of advice and assistance
- The outcome around the workforce has been amended to *Employee and member wellbeing* to take into account members as well as officers which will be particularly important in an election year.

- 56 For the 6 February 2013 Cabinet report, a full version of the Council Plan will be presented for consideration by Cabinet prior to it progressing to Council for approval.

Equality and Diversity

- 57 Equalities impacts are being considered throughout the decision making process on MTFP (3) proposals as part of our legal duties under the public sector equality duty of the Equalities Act 2010. Equality impact assessment (EIA) screenings are being completed for new proposals and existing EIAs are being updated where necessary for previous savings which have a residual or additional amount in 2013/14. The EIAs will be available in the Cabinet Office and the Members Resource Centre from 1st February 2013 ahead of the Cabinet meeting and a summary of the key impacts will also be included in the Cabinet report to ensure that equalities considerations inform the decisions on MTFP (3). We will continue to ensure that full EIAs inform final decision-making on implementing MTFP savings where any further or

delegated decisions are made following the Cabinet meeting on 6th February 2013.

Recommendations and reasons

58 Cabinet are asked:

- (i) To note the impact of the Local Government Finance Settlement on the 2013/14 Budget and upon MTFP (3)
- (ii) To note the forecast balance budget position for 2013/14.
- (iii) To note the revised MTFP (3) savings shortfall for the period 2014/15 to 2016/17 of £53.1 million.
- (iv) To note the updated position on the development of the Council Plan and Service Plans.
- (v) To note the findings of the MTFP consultation and the proposal to feed back to participants on how the findings are being used to develop MTFP3.
- (vi) To note the update in relation to Equality Impact Assessments.

Background papers

Contact: Jeff Garfoot Tel: 03000 261946

Appendix 1: Implications

Finance – The report identifies a forecast balanced budget for 2013/14. The report highlights a £53.1 million budget shortfall for the period 2014/15–2016/17. Government funding reductions for 2013/14 and 2014/15 when taken together are overall broadly in line with forecasts.

Staffing – The savings proposals within the MTFP (3) and any additional savings identified will impact upon existing employees as the number of jobs across the Council will reduce. Due HR processes will need to be followed.

Risk – Risks continue to be assessed with analysis building upon risks assessments in previous MTFP (3) reports.

Equality and Diversity/Public Sector Equality Duty – Equalities considerations are built into the proposed approach to developing the MTFP (3), Council Plan and Service Plans, 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 (3) and Council Plan proposals as they are developed and decisions made to take these forward. There are no Human Rights implications from the information within this report.

Consultation – Details of the consultation undertaken and the findings are detailed in the report.

Procurement – None.

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

Legal Implications – None.

Appendix 2: 2013/14 Specific Grants/Additional Funding

Specific Grant/Funding Stream	2013/14 Amount £m	Comment
Local Reform and Community Voices	0.494	This is an amalgam of former Council and NHS funding streams
Local Lead Flood Authorities	0.070	The Council formerly received £0.2 million. A sum of £0.13 million has been included in BRR.
LCTSS Transition	1.031	This sum was detailed in the 19 December LCTSS Cabinet report and is required to balance the 10% reduction in LCTSS funding.
Housing Benefit Admin Grant	4.596	The Council receives this funding to administer Housing Benefits on behalf of the Government. The grant has reduced by £0.245 million.
LCTSS New Burdens	0.352	This sum is payable to cover additional costs relating to the new requirement for the Council to administer the LCTSS Scheme locally.
Community Right to Bid/Challenge	0.016	This sum is paid to enable the Council to administer the new Community Right to Bid/ Challenge process.
Social Care – NHS Funding	2.713	The additional funding is paid to local authorities from the NHS to cover the statutory costs associated with the Social Care White Paper and to aid further integration with the NHS.

Social Fund – Core	1.592	The new grant is to cover the Council's new responsibility for the Social Fund.
Social Fund – Admin	0.336	This new grant provides funding for the Council to administer the new Social Fund.
Public Health	tbc	The grant allocation is expected to be confirmed in early January. The funding will be ring-fenced for Public Health.
Early Intervention Grant (EIG)	tbc	The Council expects to receive a proportion of the £150 million top sliced nationally from the EIG budget.
Extended Transport	tbc	In 2012/13 the Council received £1.543 million. DfE have not confirmed the allocation for £2013/14.
Community Safety	tbc	In 2012/13 the Council received £0.396 million. This funding is now controlled by the Police Commissioner. Confirmation is awaited on allocations for 2013/14.

Appendix 3: Medium Term Financial Plan (MTFP3) 2013/14 – 2016/17 Model

	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Overall Government Grant Reductions	9,182	0	15,600	9,530
Revenue Support Grant Reduction	0	29,232	0	0
Council Tax Freeze Grant for 13/14 at 1%	-2,033	0	2,033	0
Council Tax Increase (2% each year from 2014/15)	0	-3,290	-3,355	-3,422
Impact of CTax Freeze Grant for 12/13 Being One Off	4,989	0	0	0
PCT Social Care Funding	0	0	5,900	0
New Homes Bonus	-2,248	-1,250	0	0
New Homes Bonus - Re-imbursement of Top Slice (Est)	0	-750	0	0
Top Up Grant - RPI increase (Estimated 3%)	0	-1,785	0	0
Business Rates - RPI increase (Estimated 3%)	0	-1,600	0	0
Use of Earmarked/Cash Limit Reserve in CAS	0	-1,000	2,300	850
Estimated Variance in Resource Base	9,890	19,557	22,478	6,958
Pay inflation (1% - 1% - 1.5% - 1.5%)	1,908	1,851	2,746	2,746
Price Inflation (2.5% - 1.0% - 1.5% - 1.5% - Waste Contract at RPI from 1 June 2013)	3,087	1,475	2,137	2,137
Corporate Risk Contingency Budget	475	-1,000	-1,300	-1,075
Base Budget Pressures				
Landfill Tax up to 31 May 2013	171	0	0	0
Highways Operations Trading Surplus Adjustment	600	0	0	0
Carbon Reduction Commitment - 'Carbon Tax'	100	280	0	0
Disturbance Allowances re Accommodation Strategy	0	-220	0	0
Additional Employer Pension Contributions	1,300	1,100	1,000	1,000
Concessionary Fares	0	400	400	400
Energy Price Increases	0	500	500	500
Community Building running costs	0	-180	0	0
Housing Benefit Lost Admin Grant	0	-100	-100	0
AWH Demographic and Hyper Inflationary Pressures	1,000	1,000	1,000	1,000
Community Governance Reviews	-50	0	-50	0
Prudential Borrowing to fund new Capital Projects	2,000	2,000	2,000	2,000
Capital Financing for current programme	1,250	1,250	1,500	0
Investment Income	-865	0	0	0
TOTAL PRESSURES	10,976	8,356	9,833	8,708
SUM TO BE MET FROM SAVINGS	20,866	27,913	32,311	15,666
Savings				
MTFP 3 Savings	-20,866	-15,744	-7,073	0
TOTAL SAVINGS	-20,866	-15,744	-7,073	0
Surplus(-)/Deficit	0	12,169	25,238	15,666

SHORTFALL 14/15 - 16/17

53,073

Appendix 4: Medium Term Financial Plan Consultation Feedback

This year's budget consultation builds on the on-going approach to involve local people in our decision making processes. The consultation provided a range of opportunities for local people to get involved and have their views heard; including AAP forums, the Citizens' Panel, forums that represent protected characteristics and an online questionnaire.

The first phase took place in November to December 2012 and sought the views of the wider community to provide direction to the Council's proposals and the approach to developing budget plans. This Appendix details the consultation participation and outcomes across all methods of engagement.

Key Questions and Methodology

A range of consultation methods were used to encourage wide participation and to gather the views of local people on three key questions.

Q. How we have managed the budget reductions to date?

Our approach in seeking the public's views was to set out the ways in which the council has managed the challenging task of identifying and implementing the £93 million of reductions over the last two years. In seeking views on our decisions, the information accompanying the consultation set out the scale of the reductions made to date as well as explaining the key principles that have underpinned the communities approach, including;

- Protect priority services identified by the public,
- Continue to listen to the public,
- Work with local communities to develop new ways of working,
- Try to maintain a countywide presence and a wide spread of local facilities and only consider a total withdrawal of a service as a last resort,
- Protect frontline/public services.

This question was used when consulting with the AAPs as well as the survey with the wider public and Citizens Panel.

Q. What impact these reductions have had on them personally?

We sought feedback on the impact that a number of reductions have had on the public to date. The examples selected had already been implemented and had resulted in relatively large savings, potentially affecting a broad range of the community. Respondents were therefore able (in some cases) to offer a comment from first-hand experience. These included:

- Alternative weekly refuse collection.
- Review of indoor leisure facilities.
- Non-public facing services and senior management posts.
- Changes to grounds maintenance.
- Changes to contracted bus services.
- Increased fees and charges.
- Review of adult care provision to support people to live independently for longer.
- Home to school transport.

This question was included in the online and Citizens' Panel survey but not within the AAP consultation workshops as it would have been inappropriate and difficult to measure personal impact within a group discussion format.

Q. How we should approach making further reductions?

This open question was applied across all the consultation methods as it offered an opportunity for group discussion and individual responses on areas for reductions as well as our future approach. The accompanying information provided as part of the consultation explained that the Council projected having to identify a further £46 million of additional reductions over the term of the MTFP. It also highlighted that although outline plans were in place for 2013/14, given the financial settlement had yet to be provided at the time of the consultation, further reductions may be needed for the next financial year.

Targeted Consultation Plan

A consultation and communications plan was developed and monitored to ensure robust consultation. The consultation involved the following:

- Presentations and workshops at each of the 14 AAP Forum Meetings.
- Engaging the County Durham Citizens' Panel.
- An on-line questionnaire.
- Seeking views from other representative groups by encouraging views, opinions and concerns to be expressed either online or via other correspondence. This has included targeted correspondence to the LGBT Steering Group and Disability Partnership as well as an agenda item on the December 2012 meeting of the Local Council Working Group to raise awareness of the consultation, and regular briefings to the Voluntary Sector Working Group.

During January 2013 we will feed back and update all major stakeholders including the Police and Fire Services, CDALC, the VCS Working Group and protected characteristic groups through our regular meetings and/or targeted correspondence.

Participation

- Over 1,500 people engaged in the consultation process.
- 835 attended AAP Forums where they received a presentation and took part in round table discussions and provided feedback.
- Over 2,000 members of the County Durham Citizen Panel were invited to take part in Budget Consultation, either through a web or paper based questionnaire. This questionnaire was also promoted through the County Durham Website, and overall 673 residents responded.

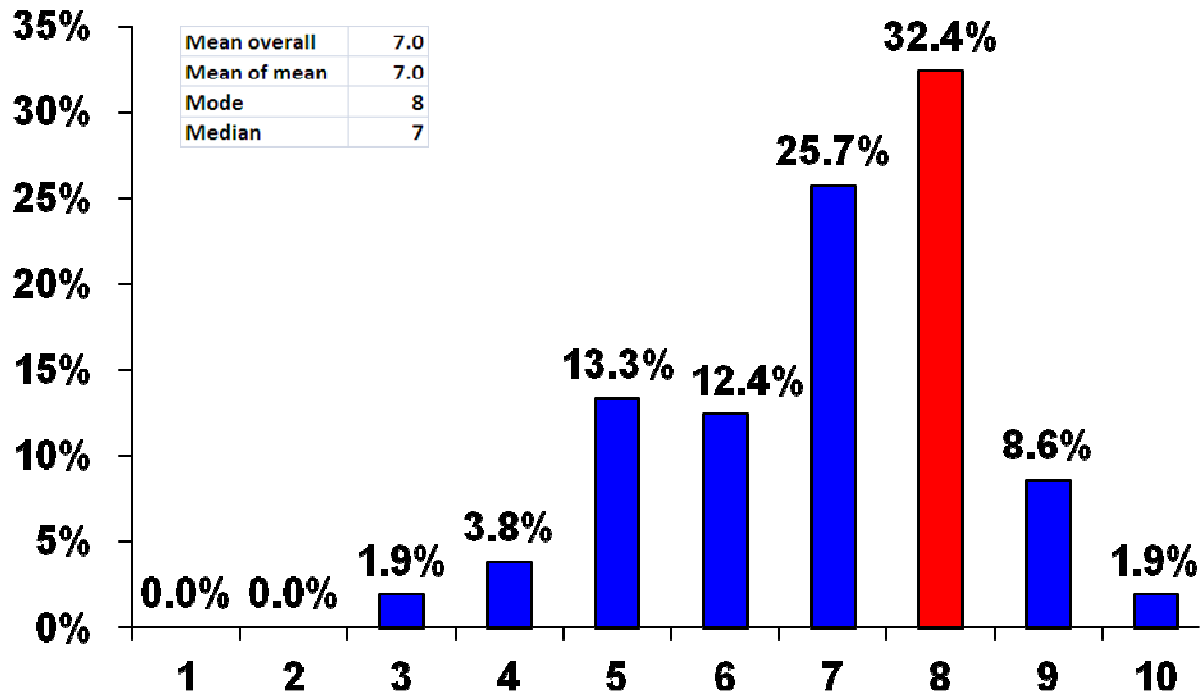
Question: Having listened to the presentation on the Council's approach to funding reductions in its services, how well do you think we have managed the process?

The analysis clearly indicates a high level of satisfaction with the way the Council has managed the process. On a scale of 1 to 10, with 10 being excellent, the mean score was 7. The scores across tables

ranged from 3 -10, with the most occurring score being 8. Please refer to the graph below.

Comments indicate an appreciation of the high level of consultation and the involvement of local people in shaping decisions.

The overwhelming view was that the Council had managed the process well given the difficult circumstances and the tough decisions necessary; but it was thought to be essential that the involvement of local people remains central to this process.



Question: Do you have any comments or suggestions to help us manage further budget reductions?

There was a wide and varied range of views for managing future reductions. These included comments on the approach and specific suggestions regarding areas to be explored to achieve greater efficiencies. For reporting purposes, these are categorised in four broad areas and are detailed in full below.

It was evident during the analysis that many of the suggestions received related to areas which have already been reviewed, implemented or are planned for future implementation. .

Table 1 details the recurring comments in response to the question requesting comments or suggestions to help us manage further budget reductions. The ranking show frequency of responses.

TABLE 1: Comments relating to suggestions for future budget reductions		
AAP ranking	Survey ranking	You Said
		Improve Financial Efficiency (raise income and Spend less)
7 5 3= - 17 -	12 11 7 14 - 17	<ul style="list-style-type: none"> • Reduce bureaucracy / paperwork / stationery / hospitality • Review Procurement to ensure Best Value • Raising income (e.g. Review of DCC land & property, sell DCC services) • Promoting business and tourism • Increase use of IT for accessing services online • Outsourcing services
		Council Structures and Service Delivery
3= 10 - 16 6 -	6 4 8 11 1 5	<ul style="list-style-type: none"> • Review top tier Management • Review structure of organisation (but stop costly restructures) • Protect local services (e.g. libraries and other local facilities) • Protect frontline services (e.g. care and bus passes) • Review of Members, allowances, number of etc. • Review staff pay and benefits
		Service Specific changes and improvements
12 11 - 13 14 15 8 - - -	2 9 16 10 - 3 12 17 15 18	<ul style="list-style-type: none"> • Street Lighting to be made more efficient • Reductions to Winter maintenance & review maintenance of highways • Review Transport - whilst protecting rural services • Improvements to Waste/ Recycling / Environmental / drains • Review Neighbourhood Warden services • Protect vulnerable: Adult Care / Young People • Reduce and review public space decorations • Review/stop County Durham News • Invest less in infrastructure • Review playgrounds
		Managing approach to reductions
1 2 9 -	17 - 11 13	<ul style="list-style-type: none"> • Effective and efficient consultation • Increased partnership working • Ensure AAP involvement / Localism / Volunteering • DCC are managing reductions well

The two columns to the left indicate the ranking of the suggestions based on frequency of responses. The first ranks results from the AAP Forums and the second column ranks results from the Citizens' Panel and Online Survey. Where a dash (-) appears, this indicates that the response was not mentioned via this method of consultation.

As part of the analysis, the views were categorised into four broad areas. The main points under each of these areas are summarised below.

1. Managing the approach to reductions

- Responses reflected a strong appreciation of the in-depth, on-going engagement and consultation of local people in shaping decisions. A recurring theme was to seek opportunities for collaborative working and sharing resources across sectors including the community and voluntary sector, Local Councils, other North East councils and the private sector.

2. Improving Financial Efficiencies

- Increasing effective management was viewed as very important and focused in particular on procurement and reviewing council land and property. This included reviewing the use of accommodation, selling council assets and better management of council premises in terms of energy efficiency and usage. Attention focused on the monitoring of procurement and ensuring that all contracts are efficient and represent value for money.

3. Council Structures and Service Delivery:

- Suggestions under this covered references to both staff and elected members. The Council should continue to review staffing at all levels and minimise associated costs, whilst remembering that re-structures can be costly.

4. Service Specific changes and improvements:

- There was a wide range of suggestions for reviews and savings across services. These included; transport, environmental services (waste, recycling) and street lighting.

AAP Youth Forums:

Altogether, 3 AAPs were able to incorporate the MTFP consultation into their work with young people, although different approaches were taken which focused on asking young people to identify their top priorities for their area. The results of these sessions were then made available to the Forum meeting, where they undertook a similar process. Altogether, 340 young people participated in these events. These AAPs include:

- 3 Towns AAP: Young people took full part in the AAP Forum meeting.
- Spennymoor AAP: A dedicated event was attended by 54 young people aged 8-15 years from 8 local schools. They took part in a range of fun activities to educate them on local issues to choose the top 3 priorities for their community which were; Children & Teenage Provision, Communications, IT & Technology and Support for Older & Vulnerable People

- Mid Durham AAP: A residents survey in this area included responses from 283 young people. They selected priority areas which were important to them and for consideration by AAP Forum.

Protected Characteristic Groups

The LGBT Steering Group members, a representative group in County Durham were asked to participate in the consultation to date.

Whilst we traditionally attend the Disability Partnership meetings in order to engage the representative organisation in consultation, the group have not met during the consultation period. We aim to undertake further targeted work during January 2013 including feedback from the consultation.

Local Councils

Targeted work with Local Councils and the County Durham Association of Local Councils (CDALC), will take place during January 2013 to including sharing the feedback from the consultation. This will include sharing outcomes and responses at the January 2013 meeting of the Local Council Working Group.

Citizens' Panel and Online Consultation Response

The Citizens' Panel and online consultation closed on 28th December 2012. A total of 773 valid responses were received and processed, 353 of which were online responses and 420 postal.

Results

The questionnaire was designed to be supplementary to the more qualitative, in depth discussions, undertaken through AAP forums. Care should be taken in comparing AAP results which were gleaned from group discussions and the citizens panel/online questionnaire which are individual options. The questionnaire included more detail because the medium lends itself to more questions albeit responses are not developed through open and informed debate. The same questionnaire was used for both the web based survey promoted through the Durham County Council website and that that sent to Citizens' Panel members. The questionnaire was divided into three sections;

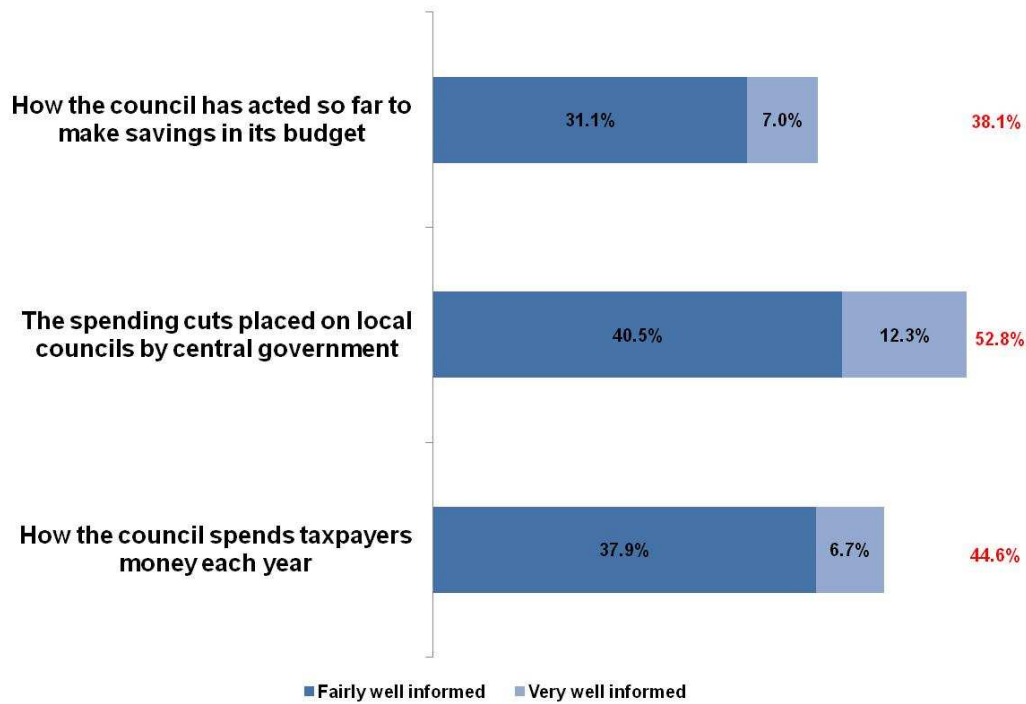
- Section A: How have we managed the budget reductions to date?
- Section B: What impact have the reductions had on you?
- Section C: Preparing for future reductions

Section A: How have we managed the budget reductions to date?

Awareness

A higher proportion of respondents said they were aware of the cuts imposed by central government rather than the council's responses locally. Over half of respondents (52.9%) felt well informed about the cuts placed on local government by central government. However, less than half felt they were well informed of how we spend that money (44.7%), and less than 40% on how we are meeting those cuts), (see Fig.1).

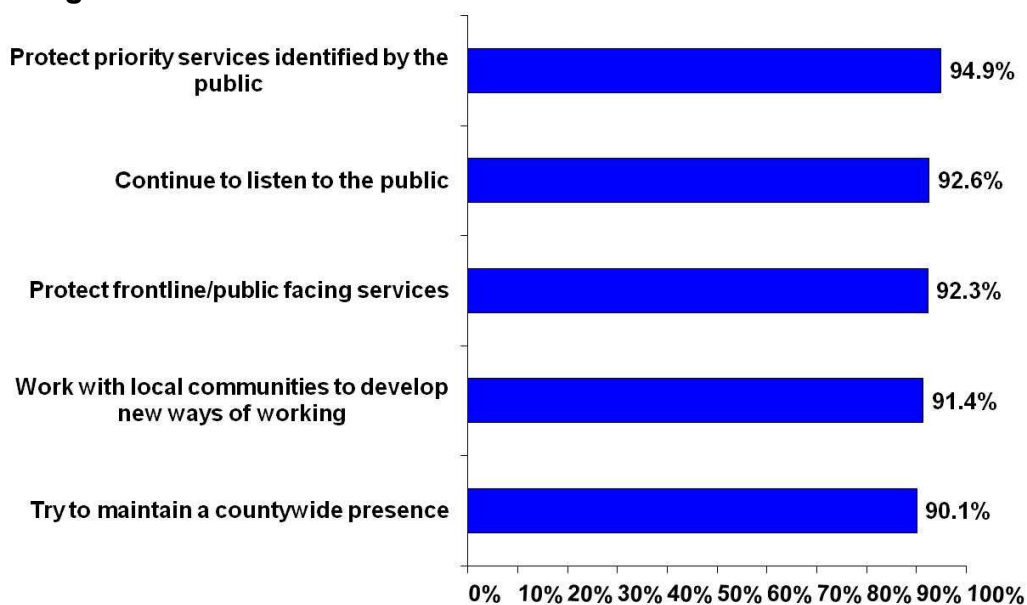
Figure 1: Knowledge of local government cuts, budgets and savings.



Approach

Broadly there were large levels of agreement with the council's approach to managing budget reductions. Over 90% of respondents supported each of the elements of the council's approach to managing the budget reductions, see Fig.2.

Figure 2: Agreement with elements of the council's approach to managing budget reductions.

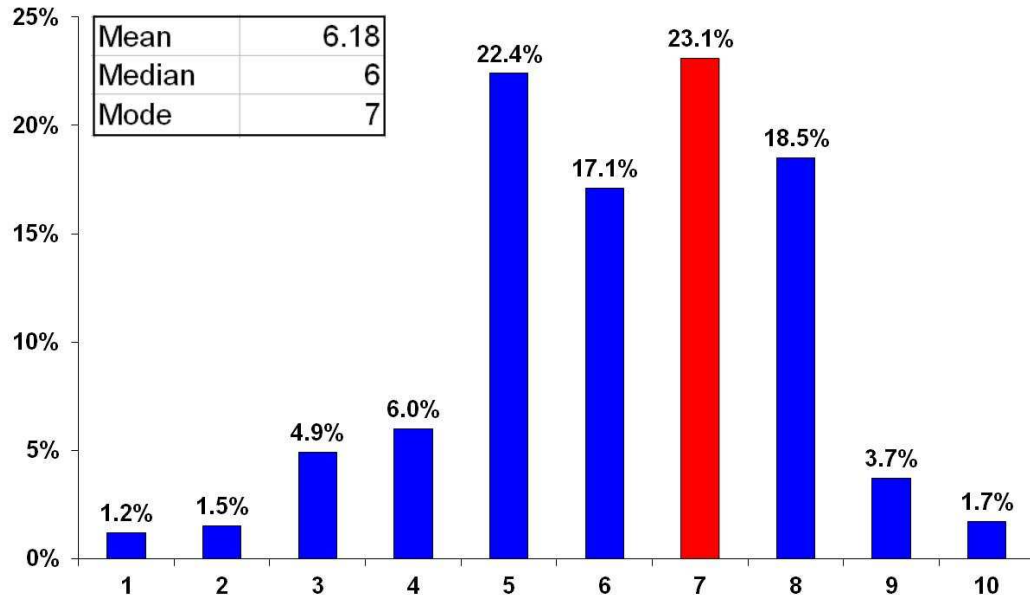


However, sentiments were strongest about continuing to listening to the public. Almost two in three respondents strongly agreed that the Council should continue to listen to the public whereas less than half (46%) strongly agreed that the council should try and maintain a countywide presence.

Application of funding reductions

Given the opportunity to rate the council's management of funding reductions more than three out of four respondents scored the council between five and eight with a mean average score of 6.18, see Fig. 3.

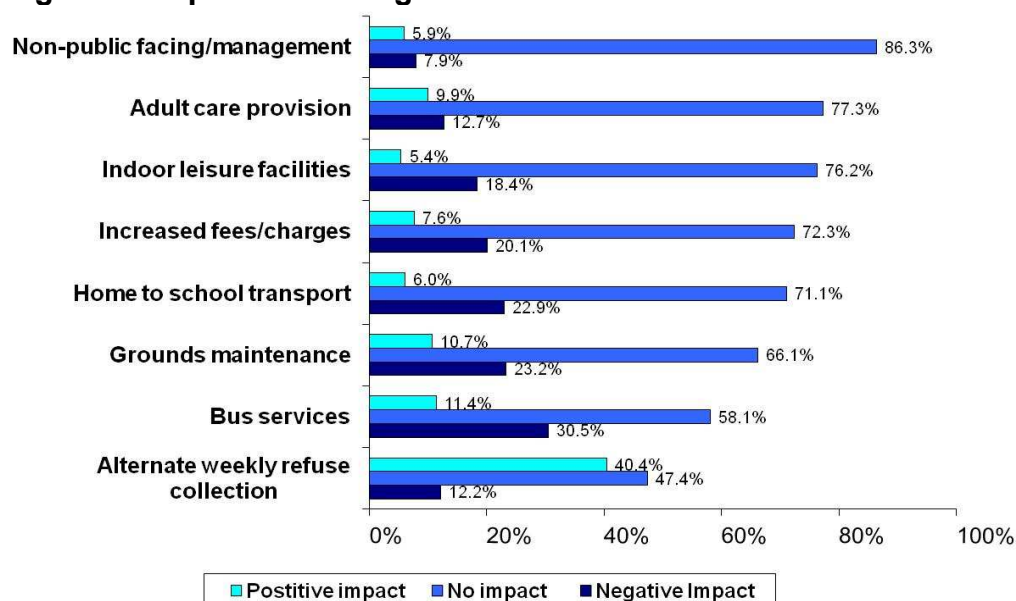
Figure 3: Satisfaction with the council's management of the process of applying funding reductions.



Section B: What impact have the reductions had on you?

Section B required respondents to outline and describe any impacts of specific changes made as a result of eight recent service reductions. A majority said all eight service reductions have had no impact on them personally. Moreover, more than a third of respondents said that alternate weekly collection had had a positive impact. All other changes had a net negative impact the largest being the changes to bus services, see Fig 4.

Figure 4: Impacts of changes



Understanding the impacts of changes

As well as asking people to rate whether the changes were positive, negative or neutral respondents were also asked to describe the impact on them. The comments provided by residents were coded in to relevant categories in order to summarise how people feel affected by these changes. The following further summarises the key messages from this exercise.

Impact of the review of non public facing services and senior management posts.

Over 85% saw no impact upon themselves from the review of non-public facing and senior management posts. The most common comment was that respondents had not noticed a difference in service levels (46.6%).

Impact of the changes to Adult Care provision

Around half of all respondents regarded themselves as Adult Care users (this may of course include care users who are family members or are potential users wishing to comment). Over three quarters of users felt no impact upon themselves and 12.7% a negative impact. 62 comments were received about these impacts, around a third of which stated that the care received was not adequate (33.9%). Conversely 12.9% of comments described the level of care received as a positive impact of the changes.

Impact of review of indoor leisure facilities

Around two thirds of respondents regarded themselves as users of sports and leisure facilities. Just under one in five users said the changes had a negative impact upon themselves but over three quarters said the changes were neutral. 123 comments were received about the changes. Most commonly respondents stated that they:

- Had not noticed any difference personally (34.1% of comments).
- The most common negative impact was described as increased travelling distance and times to access services (16.3%) and the loss of a local facility (14.6%).

Impact of the change to increased fees and charges

Just over one in five respondents said increased fees and charges have had a negative impact on them. 282 comments were received about this change. Of those making a comment the most common was that increased fees and charges have had no noticeable effect (35.8% of comments). Of those that do notice a negative impact, the most commonly mentioned fee was car parking generally.

Impact of the change to home to school transport

Just over one in three respondents described themselves as a user of the home to school service (this may of course include members of family or potential users wishing to comment) Over three quarters of users felt there has been either a positive or no impact upon themselves. Just 45 comments were received about this

change and of those stating an impact the most common impact noted is financial loss.

Impact of the changes to grounds maintenance

Nearly a quarter saw a negative impact upon themselves but two thirds did not recognise any impact. 356 comments were recorded. The most common comment was that respondents hadn't noticed any change (32.3% of comments). The most common negative issue was that the maintenance levels were poorer than previously (12.6%).

Impact of the change to contracted bus services

Around two thirds of respondents regarded themselves as a user of bus services. Almost one in three users felt a negative impact upon themselves but over half of users stated no impact at all. 267 comments were made about bus services; the most common was negative about the reduced level of service generally (25.8%). The next most common category was that bus services are satisfactory and no change has been noticed (10.4%)

Impact of the change to alternate weekly collection

Over 85% of respondents indicated a positive or no impact. There were 576 comments overall made about these impacts and the most commonly described were;

- the waste and recycling system overall seems to work better (24.8% of comments)
- Increase in the amount people are recycling (16.3%)
- The most common negative issue commented upon was the size of the bins as they quickly get full (5.4%)

Other changes and impacts

The final question in this section asked respondents to describe any other changes to services that had impacted upon them. 269 comments were received in this section with just over a third of them about concerns about reduced service (35.7%) and 13.4% about reduced local facilities. The most commonly mentioned specific service was winter maintenance with 9.7% of comments, however generally these comments described a desire to see winter maintenance protected from any future reductions.

Section C: Preparing for future reductions

In the final section respondents were asked to comment on how we manage any further budget reductions. These suggestions could include highlighting any services that respondents would want to protect or cut further but also could include suggestions for more efficient ways of working. Responses have been analysed alongside comments returned from a similar exercise undertaken with AAPs. There are key differences between the two methods of collecting feedback but overall the same framework for coding responses has been used. A full list of all categories used is provided in Table 9 below. 458 comments were coded in this section and responses have been categorised into four broad sections;

- **Improving efficiency - responses and comments suggested council-wide efficiencies.** 17.2% of all relevant comments fell into this category with the most common response suggesting that raising income is a key way of managing any future budget reductions (6.3% of all relevant comments). This was the seventh highest ranked category overall. The next most common suggestion was to review procurement with 3.5% of all comments ranking it eleventh out of all categories.
- **Council Structures and Service Delivery** – 40% of all relevant comments fell into this category with the most common responses suggesting that the council should review the number of members and their allowances (9.8%) and review the structure of the organisation (7.2%). These were the first and fourth most commonly coded comments respectively overall.
- **Service Specific changes and improvements** – 34.9% of comments overall fell into this category. Comments around making street lighting more efficient were most common. This was also the second most common suggestion overall (8.3% of all relevant comments). The next most common suggestion in this section was about protecting vulnerable groups such as those services intended for older or younger people. This was the third most common suggestion overall (7.9%).
- **Managing approach to reductions** – 7.9% of comments overall fell into this category. The most common category in this section was about increasing third sector involvement in public services including more volunteers to help deliver services. This was the fourteenth most common suggestion with 3.5% of comments overall. The fifteenth most common category of comments were complimentary to the council congratulating it on managing in difficult times (3.1%).

Table 2

Rank Overall	Number of comments	%	Section
	79	17.2%	Improve Financial Efficiency (raise income and spend less)
12	15	3.3%	Reduce bureaucracy / paperwork / stationery / hospitality
11	16	3.5%	Review Procurement to ensure Best Value
7	29	6.3%	Raising income (e.g. Review of DCC land & property, sell DCC services e.g. charge for library membership)
14	13	2.8%	Promote business and tourism
17	6	1.3%	Outsource services
	183	40.0%	Council Structures and Service Delivery
1	45	9.8%	Review of Members, allowances, number of etc.
5	31	6.8%	Review staff pay and benefits
6	30	6.6%	Review top tier Management
4	33	7.2%	Review structure of organisation (but stop costly restructures)
8	28	6.1%	Protect local services (e.g. libraries and other local facilities)
11	16	3.5%	Protect frontline services (e.g. care and bus passes)
	160	34.9%	Specific Service changes and improvements
2	38	8.3%	Street Lighting to be made more efficient
9	24	5.2%	Review Winter maintenance & maintenance of highways
16	7	1.5%	Review Transport - whilst protecting rural services
10	20	4.4%	Improvements to Waste/ Recycling / Environmental / drains
3	36	7.9%	Protect vulnerable: Adult Care / Young People
12	15	3.3%	Reduce and review public space decorations (e.g. Christmas decorations, public art and flowerbeds)
17	6	1.3%	Invest less in infrastructure
15	10	2.2%	Review/stop County Durham News
18	4	0.9%	Review playgrounds
	36	7.9%	Managing approach to reductions
17	6	1.3%	Effective and efficient consultation
11	16	3.5%	Ensure AAP involvement / Localism
13	14	3.1%	DCC are managing reductions well