

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



Report of Corporate Management Team

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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:

Year	£
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:

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

- 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
TOTAL	36.7

- 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.

Meetings and Events	No of people in attendance or talked to	No of completed forms
Generic Questionnaire		
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
Total paper surveys	-	1,194
Online responses	-	275
Total participating in events	2,914	1,469
Easy Read Questionnaires		
Five meetings with people with learning disabilities and physical disabilities	40	40
One event with school children	421	410
Overall Total	3,375	1,919

- 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	%
Improved	95	6.8
Unchanged	696	49.7
Got worse	608	43.5
TOTAL	1,399	100

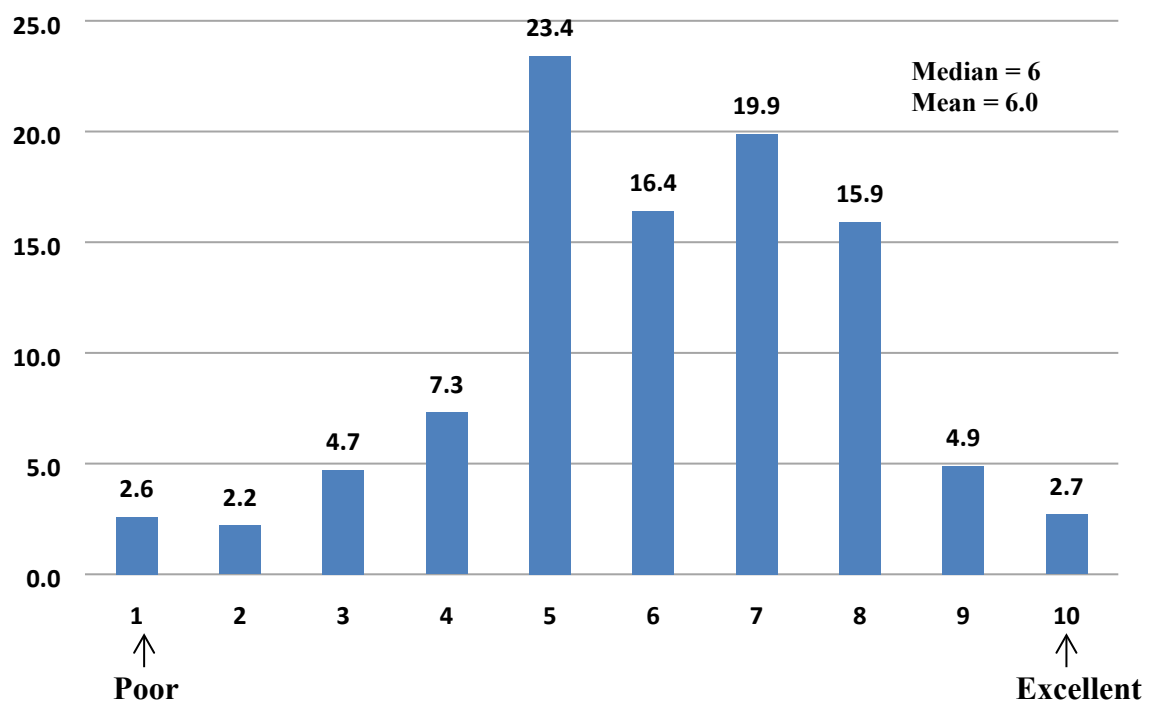
- 60 Around 39% of respondents indicated how services had changed. Most commonly included were reduced service levels or poorer response times. (this comment was made from around 9% of all respondents).
- 61 Respondents also identified changes to a range of highly-visible environmental services such 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?

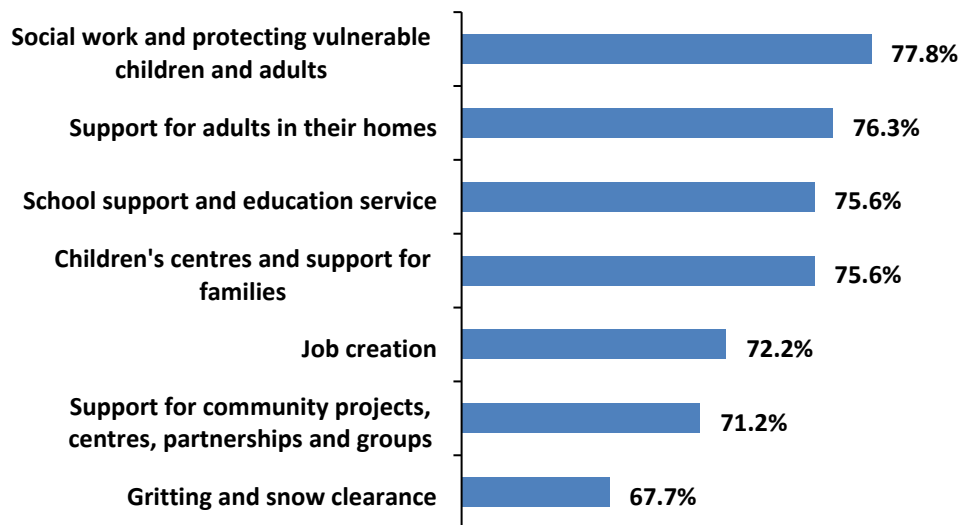
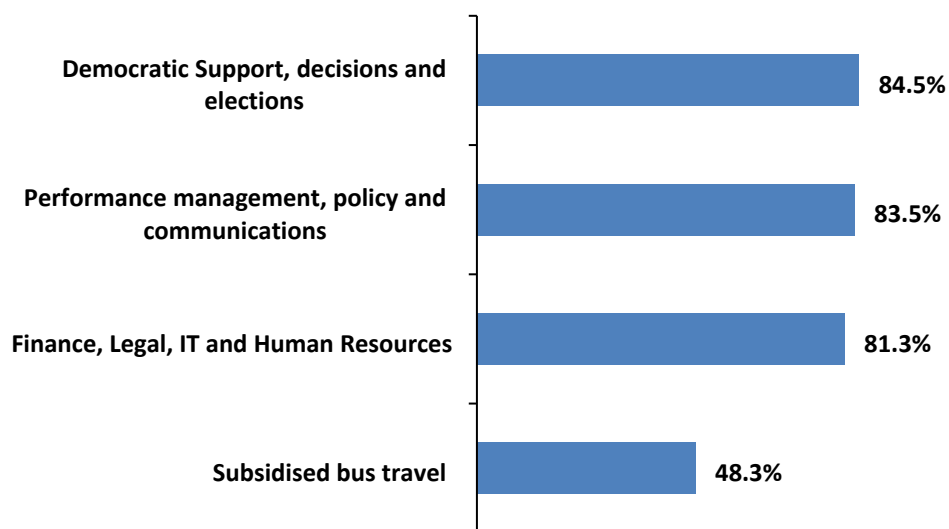


Chart 3 Do you think we should continue to target larger savings for the areas below?



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.

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

- 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.

Service Grouping	Number of Equality Impact Assessments Completed
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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Appendix 1: Implications

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

Appendix 2

Medium Term Financial Plan - MTFP (7) 2017/18 - 2019/20 Model			
	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Government Funding			
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
Other Funding Sources			
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
Estimated Variance in Resource Base	12,300	-2,616	-3,476
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
Base Budget Pressures			
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
TOTAL PRESSURES	23,338	15,550	15,715
SUM REQUIRED TO BALANCE BUDGET	35,638	12,934	12,239
Savings Plans			
Savings to be Identified/agreed	0	-27,518	-9,203
Adjustment for use of BSR in previous year	1,622	19,139	0
Adjustment for use of Collection Fund Surplus in 2016/17	2,617	0	0
Utilisation of Budget Support Reserve (BSR)	-19,139	0	0
TOTAL SAVINGS REQUIRED	-35,638	-12,934	-12,239

All Service Groupings 2017/18 MTFP Savings

Savings Reference	Saving	Amount	Saving Detail
ACE22	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.
ACE25	Review of AAPs	£330,000	Reduce the Members Neighbourhood Budget by £2,600 per member
Transformation and Partnerships		£979,393	
CAS01.03	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.
CAS02.01	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
CAS03.01	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
CAS05.01	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.

Savings Reference	Saving	Amount	Saving Detail
CAS05.05	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.
CAS05.10	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.
CAS06.01	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
NS33.03	Review of Environmental Health and Consumer Protection	£140,000	This saving will be made through reductions in the premises, supplies and services budget.
Adult & Health Services		£6,352,613	
CAS05.15	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.
CAS05.16	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.
CAS05.21	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.

Savings Reference	Saving	Amount	Saving Detail
CAS05.22	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.
CAS10.0	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.
CAS11.0	Use of cash limit reserve	£819,000	Cash limit reserves are being used in 2017/18 to defer savings until 2018/19.
Children & Young Peoples Services		£4,729,414	
NS03.80	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.
NS03.81	Review of Fleet and Workshop	£130,000	Review of fleet workshop maintenance facilities and relocation of some garage services to Meadowfield.
NS03.86	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.
NS03.89	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.
NS04.05	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.
NS06.05	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.
NS11.20	Street Lighting Energy Reduction Project	£400,000	Continuation of savings in energy and maintenance costs from the Street Lighting Energy Reduction Project.
NS24.06	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.
NS32.01	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.
RED01	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>
RED14	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.
Regeneration and Local Services		£4,760,602	
RES07	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>
RES13	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.
RES15	Corporate Finance / Financial Services and Support Services	£193,469	Savings available from generation of additional income and reduction in supplies and services budgets
RES16	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>
RES19	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.

Savings Reference	Saving	Amount	Saving Detail
RES21	Internal Audit and Risk Staffing rationalisation	£164,615	Restructure of Internal Audit and Risk function
Resources		£3,215,861	
COR29	Concessionary Fares	£200,000	Saving available based upon current forecast of the volume of activity and based upon renegotiated contract prices
COR23	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.
COR32	Insurances	£300,000	Analysis of recent years claims experience has indicated that the Insurance budget can be reduced.
Corporate		£700,000	
17/18 Organisational TOTAL		£20,737,883	

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
Total responses	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
Total responses	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%
Other (18 issues each representing less than 3% of total responses)	241	24.4%	16.4%
Total number of responses made (respondents could provide more than one comment)	986	-	-

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

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

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

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

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%
Total number of responses made			
(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%
Total number of responses made			
(respondents could provide more than one comment)			
	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
Total Responses	1366	100.0

Q7a. If no, why?

	Comments		People
	Count	%	%
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%
Total number of responses made			
(respondents could provide more than one comment)			
	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%
Total responses	1,469	-

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%
Total number of responses made (respondents could provide more than one comment)	288	-	-