

# Public Document Pack



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PUBLIC

To: Members of Improvement and Scrutiny Committee - Resources

Wednesday, 14 July 2021

Dear Councillor,

Please attend a meeting of the **Improvement and Scrutiny Committee - Resources** to be held at **2.00 pm** on **Thursday, 22 July 2021** in The Council Chamber County Hall, Matlock, DE4 3AG, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink that reads 'Helen E. Barrington'.

**Helen Barrington**  
**Director of Legal and Democratic Services**

## **AGENDA**

### **PART I - NON-EXEMPT ITEMS**

1. Apologies for Absence  
To receive apologies for absence (if any)
2. Declarations of Interest  
To receive declarations of interest (if any)
3. Minutes (Pages 1 - 6)

To receive the non-exempt minutes of the meeting of the Improvement and Scrutiny Committee – Resources held on 4 March 2021

4. Public Questions (30 minute maximum in total) (Pages 7 - 8)

(Questions may be submitted to be answered by the Scrutiny Committee, or Council officers who are attending the meeting as witnesses, on any item that is within the scope of the Committee. Please see the procedure for the submission of questions attached)

5. Report of the Director of Finance and ICT on Financial Resilience in Local Authorities (Pages 9 - 22)

6. Work Programme Discussion

7. Exclusion of the Public

To move that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 4 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

**PART II - EXEMPT ITEMS**

8. Minutes (Pages 23 - 26)

To receive the exempt minutes of the meeting of the Improvement and Scrutiny Committee – Resources held on 4 March 2021

**MINUTES** of a meeting of the **IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES** held via MS Teams on 4 March 2021**PRESENT**

Councillor T A Kemp (in the Chair)

Councillors N Barker, B Bingham, J Boulton, C Moesby, C Short, J Twigg, M Wall and G Wharmby.

**01/21** **MINUTES RESOLVED** that the minutes of the meeting of the Improvement and Scrutiny Committee – Resources held on 10 December 2020 be confirmed as a correct record.

**02/21** **PUBLIC QUESTIONS** There were no public questions.

**03/21** **GOVERNANCE AND FINANCIAL SUSTAINABILITY** Peter Handford, Director of Finance and ICT attended the meeting and provided members with a presentation on Governance and Financial Sustainability.

He reminded members of the key elements of the statutory framework and the officer mechanisms for protecting good governance.

He gave details of the Core local Governance Framework including the role of the Section 151 Officer, and details of both internal and external checks and balances and examples of financial stresses that had occurred within other authorities.

Also detailed was financial demand and cost pressures and the effects of Covid -19. Funding uncertainty remained one of the key concerns.

The Medium term outlook showed the following:

- Services to be delivered on a stable financial footing;
- Demand pressure for social care had potential to release significant savings;
- Pandemic had slowed down the savings programme;
- Additional social care grant funding must continue; and
- Council tax increases provided base budget to support delivery of services

Mr Handford agreed to circulate his presentation to the committee.

Members made a number of comments and asked questions which were duly noted or answered by Mr Handford, who confirmed that he would keep members updated moving forward.

The Chairman thanked Mr Handford for his update.

**RESOLVED** to note the presentation on Governance and Financial Sustainability

**04/21**      **CHANNEL SHIFT PROGRAMME PROGRESS** Emma Crapper, Director of Organisation, Development and Policy and Julie Odams, Assistant Director Communications and Customers, attended the meeting and provided an update on the council's Channel Shift programme, its current position, next steps and makes recommendations for the Committee's further involvement.

The Channel Shift programme began in September 2019 with the clear objectives of:

- Achieving a significant proportion of Derbyshire's residents engaging, communicating and transacting with the Council through a single online portal, significantly improving the resident experience.
- Achieving a 'single view' of the customer, improving their experience of the council and our 'one council' response.
- Delivering significant organisation efficiencies in terms of processes, feedback response, service improvement, reporting and data use.

Significant work had taken place to understand the scope of the programme, its potential impacts and benefits, the level of investment required both financially and in terms of officer time, and to create a Channel Shift strategy.

This work led to a significant broadening of the scope of the project to create a cross-council programme, delivering the above plus enabling a revised approach to complaints and resident feedback (as reported to Resources I&S in September 2020) and introducing a new booking and events system to the organisation. This expansion, also including the introduction of a Customer Relationship Management (CRM) system to the council and associated investment was approved by Cabinet in March 2020.

The Channel Shift programme would provide a number of benefits for both residents and the organisation and were detailed in the report.

The programme contained three main elements: The Introduction of a Customer Relationship Management system; the Creation of a new complaints and resident feedback approach, as reported to the Committee in September 2020; and the introduction of a new booking and events system.

In terms of recent progress the programme had gone through a significant procurement process, one of the largest the council had undertaken, and had established a preferred supplier for the required software systems. Contract negotiations were currently underway.

In terms of the Customer relationship management system, the programme phases had been established with 71 officers having been involved in preparing services to be made available to residents through the new systems and 25 services either currently being reviewed or having recently completed their reviews.

Whilst there will inevitably be changes to the planned programme as new opportunities arise, currently it was planned to make 208 council services available through the CRM system in the three phases of the programme, with this being complete by December 2022. Past this date, the CRM system will be embedded in the council's 'business as usual' approach and would continue to develop and offer new opportunities to residents.

### **Complaints and resident feedback**

Work was currently underway to:

- Implement the new software system (subject to contract negotiations, as the system is part of the wider CRM)
- Understand the council's 'as is' processes in detail
- Ensure statutory compliance of new system and processes
- Establish new reporting processes, focusing on statutory compliance and Local Government Ombudsman best practice initially
- Work with staff to develop the new approach and ensure they fully trained to use the new system
- Introduce continuous improvement processes to ensure complaints and feedback and learnt from and changes are made to the way the council operates where needed.

Following the above, which was aimed to be in place in the summer 2021, integration with Freedom of Information and Subject Access Requests would be explored.

### **Booking and events system**

The system will improve how the council arranges events and how residents book on to them, will enable online payments for event

attendance and will significantly improve how both staff and residents book rooms in county council properties.

Work was currently underway to:

- Implement the new software system (subject to contract negotiations, as the system was part of the wider CRM)
- Train staff and communicate the changes internally and externally.

As mentioned above, final contract negotiations are currently underway with the preferred supplier. Whilst these take place, significant work is underway with colleagues across departments to prepare services to go on to the new systems.

Once a contract was agreed there was a significant period of working with the supplier to develop the system to the Councils requirements, to train staff and to make the services available to residents through the Derbyshire County Council website. This stage would also involve detailed analysis of the benefit opportunities on a service by service basis to ensure the council achieves return on its investment.

The Committee was asked to provide ongoing challenge and support through:

- Receiving regular progress reports on the Channel Shift programme;
- Supporting the 'resident voice' work, ensuring that the needs and voice of Derbyshire's people are truly embedded in the project as it developed; and
- Paying particular attention to the development and implementation of the complaints and resident feedback approach, ensuring that improvements are delivered and receiving regular updates.

Members made a number of comments and asked questions which were duly noted or answered.

The Chairman thanked the officers for their update

**RESOLVED (1)** to note the progress of the Channel Shift programme;

(2) to receive regular reports on the programme's progress, paying particular attention to the complaints and resident feedback approach; and

(3) to support the 'resident voice' work, noting progress and recommending ways in which the needs of Derbyshire's residents could be truly represented

**05/21**      **EXCLUSION OF THE PUBLIC FROM THE MEETING**  
**RESOLVED** that under Section 100(a)(4) of the Local Government Act 1972

the public be excluded from the meeting for the following item of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 4 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

**SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING**

1. People Strategy Update (Contains information relating to any consultation or negotiations, or contemplated consultation or negotiations in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority)

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## **Procedure for Public Questions at Improvement and Scrutiny Committee meetings**

Members of the public who are on the Derbyshire County Council register of electors, or are Derbyshire County Council tax payers or non-domestic tax payers, may ask questions of the Improvement and Scrutiny Committees, or witnesses who are attending the meeting of the Committee. The maximum period of time for questions by the public at a Committee meeting shall be 30 minutes in total.

### **Order of Questions**

Questions will be asked in the order they were received in accordance with the Notice of Questions requirements, except that the Chairman may group together similar questions.

### **Notice of Questions**

A question may only be asked if notice has been given by delivering it in writing or by email to the Director of Legal Services no later than 12noon three working days before the Committee meeting (i.e. 12 noon on a Wednesday when the Committee meets on the following Monday). The notice must give the name and address of the questioner and the name of the person to whom the question is to be put.

Questions may be emailed to [democratic.services@derbyshire.gov.uk](mailto:democratic.services@derbyshire.gov.uk)

### **Number of Questions**

At any one meeting no person may submit more than one question, and no more than one such question may be asked on behalf of one organisation about a single topic.

### **Scope of Questions**

The Director of Legal Services may reject a question if it:

- Exceeds 200 words in length;
- is not about a matter for which the Committee has a responsibility, or does not affect Derbyshire;
- is defamatory, frivolous or offensive;
- is substantially the same as a question which has been put at a meeting of the Committee in the past six months; or
- requires the disclosure of confidential or exempt information.

## **Submitting Questions at the Meeting**

Questions received by the deadline (see **Notice of Question** section above) will be shared with the respondent with the request for a written response to be provided by 5pm on the last working day before the meeting (i.e. 5pm on Friday before the meeting on Monday). A schedule of questions and responses will be produced and made available 30 minutes prior to the meeting (from Democratic Services Officers in the meeting room).

It will not be necessary for the questions and responses to be read out at the meeting, however, the Chairman will refer to the questions and responses and invite each questioner to put forward a supplementary question.

## **Supplementary Question**

Anyone who has put a question to the meeting may also put one supplementary question without notice to the person who has replied to his/her original question. A supplementary question must arise directly out of the original question or the reply. The Chairman may reject a supplementary question on any of the grounds detailed in the **Scope of Questions** section above.

## **Written Answers**

The time allocated for questions by the public at each meeting will be 30 minutes. This period may be extended at the discretion of the Chairman. Any questions not answered at the end of the time allocated for questions by the public will be answered in writing. Any question that cannot be dealt with during public question time because of the non-attendance of the person to whom it was to be put, will be dealt with by a written answer.



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**IMPROVEMENT AND SCRUTINY COMMITTEE - RESOURCES**

**22 July 2021**

**Report of the Director of Finance & ICT**

**Financial Resilience in Local Authorities**

**1. Purpose**

- 1.1 To provide the Improvement and Scrutiny Committee – Resources with details of the challenges faced by local authorities in ensuring financial sustainability.

**2. Information and Analysis**

- 2.1 The information in the slides provides Members with details of financial resilience in the local government sector. Concerns have been expressed regarding the future funding of local authorities, with the position exacerbated by the financial challenges generated for local authorities by the Covid-19 pandemic.
- 2.2 The presentation provides Members with background to the significant issues faced by local authorities, highlighting the funding gap experienced by the sector in the last decade, the financial pressures of the Covid-19 pandemic and the uncertainties and risk faced over the short and medium-term.

**3. Alternative Options Considered**

- 3.1 N/A

#### **4. Implications**

4.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

#### **5. Consultation**

5.1 N/A

#### **6. Background Papers**

6.1 N/A

#### **7. Appendices**

7.1 Appendix 1 – Implications.

7.2 Appendix 2 – Presentation – ‘Financial Resilience in Local Authorities’

#### **8. Recommendation(s)**

That Committee:

a) notes the financial challenges faced by local authorities.

#### **9. Reasons for Recommendation(s)**

9.1 To support the Committee in understanding financial resilience in the local government sector.

**Report Author: Paul Stone**

**Contact details: [paul.stone2@derbyshire.gov.uk](mailto:paul.stone2@derbyshire.gov.uk)**

**Implications**

**Financial**

1.1 N/A

**Legal**

2.1 N/A

**Human Resources**

3.1 N/A

**Information Technology**

4.1 N/A

**Equalities Impact**

5.1 N/A

**Corporate objectives and priorities for change**

6.1 N/A

**Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

7.1 N/A

# Financial Resilience in Local Authorities

Peter Handford  
Director of Finance & ICT

# Background

- Substantial reductions in grant funding
- Fall in Spending Power
- Situation worsened by Covid-19 pandemic
- Section 114 Notices

# Funding Gap Nationally

- £8bn by 2025
- Rise in demand on services between 2011 and 2018
  - Looked after children grown by 11%
  - Population in need aged 65 or over 14%
  - Unintentionally homeless 34%



# Covid-19

- Number of grants allocated to local authorities
- Severe financial challenges include
  - Cashflow problems
  - Lost revenue arising from the restrictions on travel and economic activity

# Financial Stress on Individual Authorities

- Northamptonshire County Council
- London Borough of Croydon
- Slough Borough Council
- Public Interest Reports
  - Nottingham City Council
  - York City Council

# Uncertainties and Risks

- Service pressures
- Achievement of savings
- Economic climate
- Spending Reviews
- Fair Funding and Business Rates Reviews
- Public Health Grant
- Devolution
- Brexit
- Covid-19 costs

# Local Context

- Setting a balanced budget
- Revenue Outturn 2020-21
- Five Year Financial Plan
- Reserve Balances

# Mitigations

- Robust procedures and processes to support budget setting, monitoring and medium-term financial planning
- Unqualified opinion on the Council's Statement of Accounts and Value for Money Conclusion
- Financial Management Code
- Experienced officers

# Summary

- Funding gap
- Covid-19 created financial uncertainty
- Uncertainties and risks
- Multi-year settlement to support financial planning
- Strong financial management practices and procedures are embedded

# Questions



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