



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

Friday, 9 January 2026

Report of the Director of Finance

Budget Savings Proposals 2026-27 to 2030/31 and Update to Medium Term Financial Plan

(Cabinet Member for Council Efficiency (DOGE))

1. Divisions Affected

1.1 County-wide

2. Key Decision

2.1 This is a key decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned (this is currently defined as £500,000) and it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

3.1 This report is asking Cabinet:

- a) To note the financial context and approach to budget setting for 2026-27 as set out in the report.
- b) To note the pressures that have been included in the draft budget for 2026-27.
- c) To note possible options in respect of budget savings proposals for the 2026-27 Financial Year.

- d) To note the updated position of the Council's Medium Term Financial Forecast.
- e) To refer these proposals to Resources Scrutiny Committee to be considered at its meeting on the 14 January 2026; and
- f) To note that, where the proposed savings and efficiencies do not progress, alternative savings will need to be found in order to meet the Council's legal obligations to set a balanced budget.

4. Information and Analysis

- 4.1 The 2025-26 budget was set in the context of continuing economic uncertainty, albeit with levels of inflation falling from those seen in previous years. Following a period of high inflation and a cost-of-living crisis, and continuing increased demand for Council services, particularly in respect of social care, the Council faced significant cost and demand pressures. Budget proposals approved for 2025-26 included significant savings requirements across all departments, funding of only essential or unavoidable service pressures, limited use of reserves and an increase in Council Tax.
- 4.2 During 2025-26 the Council's financial position has remained challenging, with the continuing demand pressures and cost pressures in Children's Social Care and to a lesser extent in Adult Social Care. The Quarter 2 revenue monitoring forecast year-end position is that there will be an overspend of £26.105m (15% of the budget) for Children's Social Care. Adult Social Care is also forecasting a net overspend of £4.887m (1% of the budget). However, the forecast overspend is largely offset by a forecast underspend of £26.553m (35%) against the Corporate Budgets.
- 4.3 In the Council's budget report (12 February 2025) the Section 151 Officer's statement on the robustness of the budget estimates for 2025-26 in summary was that whilst the Council maintains an adequate level of General Reserve, further in-year budget overspends and failure to achieve the level of budget savings required in order to balance the budget would see the balance of the General Reserve substantially depleted and lead to issues around financial sustainability that would require urgent, radical savings rather than the planned process that minimises the impacts of reductions as far as possible.

Cost and demand pressures

- 4.4 The Council continues to face significant budget pressures as a result of pay and price inflation and rising demand for services as result of demographic shifts. In particular these pressures continue to drive the

forecast overspend Children's Social Care and Education Services in 2025-26 and to a lesser extent at the moment in Adult Social Care. The consequence of the upward trend of these pressures is that there will be additional budget requirements in 2026-27. Further details can be found in the Quarter 2 Performance and Budget Monitoring Report presented to Council on 10 December 2025 and are summarised below.

- Demand for Children's Services continues to increase, alongside increases in cost. Even with the current mitigation measures in place the forecast overspend for 2025-26 is still £26.105m.
- The most recent forecast position for the Adult Care portfolio is a net overspend of £4.887m for 2025-26. Again, the service is looking at ways to mitigate the overspend.
- All Council services are implementing initiatives to transform how they operate to improve sustainability, but this cannot address the pressures of ongoing increases to the national living wage and increases in demand.

4.5 The Council has historically held a level of general fund and earmarked reserves that allowed some financial flexibility and the ability to invest in priority areas. However, these reserve levels have reduced in recent years, as a result of both planned and unplanned use of reserves to address significant revenue budget pressures. The use of reserves to support the ongoing revenue budget pressures is not sustainable and must be limited to one-off investments or to support the delivery of improvements and efficiencies.

Budget Approach

4.6 The budget preparation process is ongoing and has been undertaken through extensive engagement with all departments, and ongoing review and scrutiny of draft budget pressure bids and potential savings proposals by the Executive Directors, Director of Finance and Lead Members.

4.7 Existing revenue budgets, current expenditure and forecast expenditure pressures, savings and efficiencies have been subject to extensive review and scrutiny in budget challenge meetings. Delivery of savings during 2025-26 has been subject to close scrutiny and monitoring by the project management office, and this will continue throughout 2026-27.

Budget Assumptions

4.8 On 20 November 2025, Ministry of Housing, Communities & Local Government (MHCLG) issued a Local Government Finance Policy Statement which set out its policy intention for funding local government

for the period 2026-27 to 2028/29. The policy statement included announcements related to the Fair Funding Review which the Government has developed since its inception to office.

- 4.9 The Fair Funding Review is a significant change to the funding structure of local government; it consolidates a large number of grants into core funding and seeks to rebase a Council's overall funding level against an assessment of the need for funding. The settlement is over three years which provides some certainty to medium term funding levels and includes a protection mechanism to feed changes into each Councils core funding over the course of the three-year settlement.
- 4.10 At the Budget on 26 November 2025, the Chancellor announced that there would be changes to the business rates system and that there would be a further three multipliers introduced alongside the two there are currently. There would also be transitional arrangements for businesses. Local authorities will be reimbursed by the government for the cost of these relief arrangements. This is being implemented from April 2026 as a measure to help businesses along with a revaluation of business properties this will have an impact on the business rates income the County Council will receive.
- 4.11 The MHCLG policy statement issued in November 2025 contained no proposals to change the level above which Council tax increases must be subject to referendum (5% increase).
- 4.12 The proposed funding formula used to calculate Council income levels includes protections for changes in funding through mechanisms such as funding floors, however these mechanisms assume full take up of Council tax flexibility. The future modelling contained within the Medium-Term financial Plan, shown later in this document, assumes an ongoing 4.99% increase to Council Tax.
- 4.13 Total forecast available recurrent funding for 2026-27 is £837.828m. With the one-off use of reserves of £0.186m the total funding for 2026-27 is £838.013m (see table in paragraph 4.17 below). This is based on the Autumn Budget 2025, the MHCLG Local Government Finance Policy Statement 2025 and the provisional 2026-27 Local Government Finance Settlement in December 2025.
- 4.14 The provisional 2026-27 Local Government Finance Settlement was published on 17 December 2025 and the key point to note is that the Council, being a rural shire county has suffered as a result of the reforms to the settlement that have been introduced. In order to maintain funding levels there will be a need to set increases in Council

Tax at the maximum permitted level (without invoking a referendum). The provisional settlement is still being assessed for the implications on the Council's finances. If further information is made available that changes the Council's proposals for 2026-27 these will be reflected in the Council's budget to be considered by Cabinet later in January.

- 4.15 The final funding figures will not be available until late January or early February and will be determined by the Final Local Government Finance Settlement, and Council Tax and Business Rate information which will be finalised by Districts and Boroughs in January. Key assumptions underpinning this funding forecast include:
- Total Council Tax increase of 4.99%, reflecting a 2.99% general increase and 2% Adult Social Care Precept.
 - Growth in the Council Tax Base (number of properties) of 1.6%, based on average base growth from previous years, and a small overall surplus on Council Tax Collection in 2025-26. Actual Council Tax Base and surplus or deficit figures will not be confirmed by districts and boroughs until mid-January 2026.
 - Service specific grants will be rolled up into Revenue Support Grant.
- 4.16 The total forecast budget requirement for 2026-27 is built up following extensive engagement with all departments and reflects current known and forecast expenditure pressures and additional income. Key assumptions and items within net pressures for 2026-27 include:
- An estimate of the additional budget required to meet the cost of the pay award in 2026-27 based on average increases of 3.5% for all grades. The gross cost of this pressure is £9.868m.
 - There will be eleven funding streams consolidated directly into the non-ringfenced Revenue Support Grant. There will also be twelve funding streams consolidated into four new, ringfenced grants.
 - The full year effect of savings proposals of £12.375m which were put forward and approved as part of the Council Budget for 2025-26.
 - Cost and demand pressures in Adult Social Care and Health of £14.679m which reflect underlying cost and demand pressures in 2025-26 along with forecast increases to demand for services and expected uplifts on care contract fees driven by increases to the national living wage and to the employer national insurance costs.
 - Net cost and demand pressures in Children's Services consist of £25.095m of existing ongoing pressures and £3.296m of new ongoing pressure relating to existing cost and demand pressures due to growing numbers of children in care, increased complexity of

demand and increasingly high-cost residential placements. Pressures also include continued growth in SEND related spend, including Home to School Transport, and expected inflationary pressures. Anticipated pressures in Children’s Services are net of significant planned mitigations to minimise the impact of pressures, and after the delivery of a significant programme of savings approved last year for the 2024-25 and 2025-26 financial years.

- Cost pressures in Place of £5.356m relating to Waste services contract indexation and inflation, essential depot maintenance and Ash Dieback felling costs (this is a one-off pressure of £2.000m included in the £5.356m).
- Corporate Services and Transformation cost pressures of £2.056m which reflect underlying budget shortfalls and pressures in Digital Services.
- Cost pressures in Corporate Budgets of £1.681m which relates to residual pressures of previously taken decisions to make savings i.e. rationalisation of the Council’s assets portfolio, the wind down of the Disability Design Team (DDT) throughout 2025-26 and exit the service fully at the end of March 2026 and resources required to support PFI contracts as they come to an end.

4.17 The forecast budget requirement for 2026-27, as at December 2025, before any assumptions regarding potential savings is £875.791m. This significantly exceeds expected available resources. The provisional local government finance settlement details there will be an increase in funding of £39.974m for the County Council in 2026-27, this is based on a like for like comparison of funding levels received in 2025-26. This will result in a Core Spending Power of £824.065m in 2026-27. This includes £29.401m from increasing Council Tax, with the remaining increase in funding of £10.573m from other grants included in Core Spending Power. This is shown in the table below.

	£m
2025/26 funding	784.091
2026/27 funding	824.065
Increase in funding	39.974
Breakdown of increase in funding	
Council Tax increase	29.401
Core spending power increase – other grants	10.573
Increase in funding	39.974

4.18 There is insufficient funding to meet the budget requirement resulting in a forecast budget gap of £37.777m in 2026-27. This is shown in the table below.

2026-27 Budget Requirement	£m
Base Budget Brought Forward	769.845
Full year effect of savings approved in February 2025	-12.375
Adjustment for 25-26 one-off savings included in the base budget	10.084
Provision for pay award 2026-27	9.868
Service cost pressures	64.109
Service specific grants rolled into RSG from 2026-27	27.910
Corporate budget changes	6.350
Total forecast budget requirement for 2026-27	875.791
Funding:	
Core Spending Power	824.065
Other funding (PFI grant, fees and charges, collection fund surplus and reserves)	13.948
Total Forecast Funding 2026-27 (including Use of Reserves)	838.013
Forecast budget Gap 2026-27	37.777
Operating Model Savings	-2.500
Corporate Budgets Savings	-12.900
Savings Proposals 2026-27	-22.377
Remaining Gap, after savings	0.000

4.19 The Corporate Budgets savings include the following:

- Additional non-ringfenced grant from the Government to cover the additional business rates relief that will be given to local businesses following a change in Government Policy.
- Lower level of debt charges required as levels of short-term borrowing are not anticipated to be as high as in recent years and savings in the Minimum Revenue Provision following last year's revision of the calculation for this.
- Interest and Dividend Income is forecast to be higher than currently budgeted for as a result of higher interest rates and more cash available for investment income.

5 Medium Term Financial Plan

5.1 The update to the Medium-Term Financial Plan (MTFP) has been prepared in the middle of a period of change for local government

budgets. A significant proportion of Local Authorities have found balancing their budgets to be a growing challenge. Cost and demand increases, particularly for social care (both adults and children's) services has been seen across the sector in recent years.

- 5.2 A significant element of expenditure increases experienced by Derbyshire County Council relates to children in care and placement costs. This reflects a national trend where children's social care spending is projected to reach £15.5bn in 2025-26, residential care costs have nearly doubled in five years, nationally averaging £318,400 (March 2024) per child per year.
- 5.3 These trends place significant pressure on the future MTFP, given rising demand, inflation and market scarcity challenges.
- 5.4 In addition, the costs related to certain parts of the education budget, including SEND and the High Needs Block of the Dedicated Schools Grant (DSG) are significant, and have proved a challenge to manage within allocated resources.
- 5.5 The MTFP for 2026-27 includes an estimate of the potential growth of care home fees in Adult Social Care and Health, a cost that is impacted by the growth in the National Living Wage. The modelling used is based on estimates produced by the Low Pay Commission.

Current UK fiscal context

- 5.6 UK inflation (CPI) stood at 3.6% in October 2025, a small decrease of 0.2% from September 2025, with a projection to slow to 3.2% by March 2026. The Bank of England forecasts it to fall back to the 2% target in the medium term, although it recognises there are risks around the assumed fall in the impact of second-round effects.
- 5.7 In its November report, the Bank of England Monetary Policy committee indicated that pay growth and service price inflation had eased and that and that overall risks over the medium term were more balanced.
- 5.8 The Bank of England's November 2025 baseline forecast for quarter 4 real GDP is for growth slowly increasing from 1.4% in Q4 2025 to 1.8% in Q4 2028.

Local Government Finance Reform (Fair Funding Review)

- 5.9 In 2024 the Government announced its intention to introduce reforms to the mechanism and calculations used to allocate funding to local

authorities. The Government has since issued information through a series of consultations, with the final funding figures confirmed as part of the 2026-27 local government finance settlement.

- 5.10 The Government issued its finance policy statement on the 20 November 2025.
- 5.11 The Government announced it will introduce a multi-year settlement for local authority funding from 2026-27. Over this period it proposes to introduce the changes through a transitional approach over the three-year period to assist local authorities to plan for the changes.
- 5.12 It is useful to consider the cumulative impact of funding (or expenditure) changes. A decision made in year one of the plan which impacts on the ongoing base, either revenue or cost, will flow through the entire MTFP. Hence a reduction in income of £4m in year one, could impact the spend across the MTFP by over £20m, with consequential impact on the Council's financial resources.
- 5.13 The MTFP does not include any impact of, or any changes related to, proposals for local government reorganisation.

Derbyshire County Council funding

- 5.14 The Council receives a wide variety of funding to deliver its services. Total forecast funding for 2026-27 is £838.013m, of which:
- £467.806m is from council tax
 - £155.787m is from business rates (including top-up grant)
 - £200.472m is revenue support grant and other grants
 - £10.504m is a PFI grant
 - £0.500m is the Collection Fund Surplus
 - £2.759m is from the inflation increases in fees and charges
 - £0.186m use of reserves
- 5.15 The majority of the Council's income derives from Council Tax, therefore the MTFP is very vulnerable to the assumptions on the future levels of this income stream, notably on future Council Tax increases and underlying changes in the Council tax base.
- 5.16 The Government has consolidated some of the grants received by the Council to reduce the burden of reporting and administering them, this is part of the fair funding review.

Sensitivity Analysis

- 5.17 A one percent increase in Council Tax is equivalent to circa £5m income.

Updated Medium Term Financial Plan

- 5.18 The Medium-Term Financial Plan (MTFP) that was presented to Council on 12 February 2025 has been updated for all known changes and the assumptions used in proposals for setting the Budget for 2026-27 have been projected forward. Whilst the 2026-27 budget is presented as a balanced budget based on approval of savings, it can be seen that in the following years of the MTFP there are significant gaps.
- 5.19 It should be noted that the MTFP shows that, on current projections further savings will be required to be found over the course of the 3 year financial settlement to ensure the budget is balanced.

5.20 The assumptions used are shown in the table below.

Assumptions used in updating the MTFP	
Business Rates	As provided in the Provisional Local Government Finance Settlement 2026-27 to 2028-29
Top-Up (Business Rates)	As provided in the Provisional Local Government Finance Settlement 2026-27 to 2028-29
Revenue Support Grant	As provided in the Provisional Local Government Finance Settlement 2026-27 to 2028-29
General Grant	No increase has been assumed for future years
PFI Grant	Fixed grant until 2029 when it will change as the first contract ends. Expenditure & Grant match so zero impact on revenue.
Council Tax	Assumes 4.99% per annum CT band increase 2025-2030 plus 1.6% per annum increase in CT base (property numbers)
Fees and Charges Inflation	Assumes 2% per annum growth 2025-2030
Pay award	Assumes 3.5% flat rate increase for 2026-27 onwards.
Pressures and savings	Best estimates of likely pressures and savings over the 5 years based on intelligence now.

5.21 The MTFP has been drafted and is shown below. Please note the 2025-26 budget information has not been restated to take into account of grants that have been including in Core Spending Power in 2026-27. This results in 2025-26 total funding and budgeted expenditure being lower. This is because certain grants have been included in the costs of services which results in a lower net cost of service.

DRAFT MTFP 2026/27 TO 2030/31						
Restricted	2025-26 Budget £m	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m	2030-31 £m
FUNDING						
Business Rates & Government Grants						
Business Rates	24.864	25.321	25.788	26.263	26.749	27.284
Top-Up	102.945	130.466	133.572	136.312	139.038	141.819
Revenue Support Grant	19.164	144.349	186.571	185.925	185.925	185.925
Other Grants	170.523	56.123	12.041	10.563	10.563	10.563
New Homes Bonus	0.823	0.000	0.000	0.000	0.000	0.000
Council Tax	438.405	467.806	499.205	532.734	567.599	605.457
Total of Core Spending Power		824.065	857.177	891.797	929.874	971.048
Collection Fund Surplus	2.617	0.500	0.500	0.500	0.500	0.500
PFI Grant	10.504	10.504	10.504	10.504	10.504	10.504
Fees and Charges Income Inflation	0.000	2.759	2.814	2.871	2.928	2.987
TOTAL RECURRENT FUNDING	769.845	837.828	870.995	905.672	943.806	985.039
Use of Reserves	3.319	0.186	0.601	0.060	2.527	0.000
TOTAL FUNDING	773.164	838.013	871.596	905.732	946.333	985.039
EXPENDITURE:						
Base Budget	769.845	769.845	840.801	883.882	943.820	998.497
Pay Award (incl NLW)	0.000	9.868	10.202	10.566	10.924	11.319
Service specific contract inflation	0.000	22.845	19.323	19.832	19.623	20.170
Debt Charges	0.000	3.225	3.250	2.750	2.500	2.500
TOTAL ON-GOING BASE BUDGET	769.845	805.783	873.576	917.030	976.867	1,032.486
Items for consideration:						
Prior Year Pressures and Savings						
Prior year ongoing Service Pressures	0.000	3.663	8.671	7.959	8.078	8.200
Prior year ongoing Corporate Pressures	0.000	3.125	4.250	3.375	4.657	0.800
Prior year ongoing Budget Savings	0.000	-12.375	-6.509	-0.192	-0.020	-0.020
Adjustment to base for 25/26 one-off savings	0.000	10.084	0.000	0.000	0.000	0.000
New Ongoing Service Pressures						
ASC	0.000	1.247	0.100	7.600	0.100	0.100
Children's Services	0.000	25.095	0.000	0.000	0.000	0.000
Children's Services (new)	0.000	3.296	6.765	8.048	8.815	9.699
CST	0.000	1.786	0.000	0.000	0.000	0.000
Corporate	0.000	1.531	0.000	0.000	0.000	0.000
Service cost pressure due to removal of service	0.000	27.910	0.000	0.000	0.000	0.000
New Ongoing Savings						
ASC	0.000	-4.985	-0.023	0.000	0.000	0.000
CST	0.000	-2.400	0.000	0.000	0.000	0.000
Place	0.000	-1.759	-0.448	0.000	0.000	0.000
Corporate	0.000	-5.800	0.000	0.000	0.000	0.000
Operating Model Savings	0.000	-2.500	-2.500	0.000	0.000	0.000
Corporate Budgets Savings	0.000	-12.900	0.000	0.000	0.000	0.000
TOTAL ON-GOING BASE BUDGET	769.845	840.801	883.882	943.820	998.497	1,051.265
One-off Expenditure & Savings:						
One-off Pressures	0.000	2.420	0.090	0.000	0.000	0.000
One-off carry forwards from 24/25	3.319	0.000	0.000	0.000	0.000	0.000
One-off Savings	0.000	-7.433	0.000	0.000	0.000	0.000
One-off Revenue Support (elections in 2029/30)	0.000	2.226	0.601	0.060	2.527	0.000
	3.319	-2.787	0.691	0.060	2.527	0.000
Further Budget Savings Required/Use of Reserves	-0.000	0.000	-12.977	-38.148	-54.690	-66.226
TOTAL EXPENDITURE	773.164	838.013	871.596	905.732	946.333	985.039

6 Consultation

- 6.1 Statutory consultation will be undertaken with business ratepayers, corresponding with representatives of the East Midlands Chamber of Commerce, the Confederation of British Industry (CBI) East Midlands and the Nottinghamshire and Derbyshire Federation of Small Businesses (FSB) on the Council's budget proposals. The Council will write to the above consultees in January in accordance with established practice.
- 6.2 There will be engagement and, where appropriate, consultation with the recognised trade unions at an early stage.
- 6.3 The Resources Scrutiny Committee - Resources will consider the budget proposals on 14 January 2026 and will feedback to Cabinet.
- 6.4 If supported, the specific savings proposals and efficiencies listed in Appendix two will be subject to full public and employee consultation where this is required, noting that all proposals will subsequently follow their own timescales dependant on the scope and content of each proposal. Equality Impact Assessments will also be undertaken where appropriate to assist Cabinet in making decisions in respect of these proposals.

7 Alternative Options Considered

- 7.1 Do nothing – The Council must by law set a balanced budget in advance of each financial year. If the Council were to do nothing it would not be able to set a balanced budget and would be in breach of its statutory duties.
- 7.2 Identify alternative savings and efficiency proposals – The proposals listed in Appendices Two and Three have been identified following a lengthy and robust process to review budgets, expenditure and options for alternative service delivery. The proposals included in this report are considered deliverable and other options have been discounted where these are not achievable or would result in the Council not meeting its statutory obligations for service delivery.
- 7.3 Use reserves to balance the budget – Reserves can only be used once and a minimum level of reserves is required to be held for emergencies and unexpected spending pressures. The use of reserves to fund recurrent budget pressures is not financially sustainable.

8 Implications

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

9 Background Papers

- 9.1 None identified

10 Appendices

- 10.1 Appendix 1 – Implications
- 10.2 Appendix 2 - Savings and efficiency proposals that are expected to require consultation
- 10.3 Appendix 3 - Savings and efficiency proposals that it is anticipated do not require consultation

11 Recommendation(s)

That Cabinet:

- a) Notes the financial context and approach to budget setting for 2026-27 as set out in the report.
- b) Notes the pressures that have been included in the Budget for 2026-27.
- c) Notes possible options in respect of budget savings proposals for the 2026-27 Financial Year.
- d) Notes the updated position of the Council's medium term Financial Forecast.
- e) Refers these proposals to Resources Scrutiny Committee to be considered at its meeting on the 14 January 2026; and
- f) Notes that, where the proposed savings and efficiencies do not progress, alternative savings will need to be found in order to meet the Council's legal obligations to set a balanced budget.

12 Reasons for Recommendation(s)

- 12.1 The Council is required by law to set a balanced budget before the beginning of each financial year. For the reasons set out in this report, the budget proposals for 2026-27 will need to include the delivery of

savings and efficiencies to ensure that the Council is able to set a balanced budget.

12.2 To enable input from the Resources and Scrutiny Committee before the decision on the budget is made at full Council.

13 Is it necessary to waive the call-in period?

13.1 No

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Implications

Financial

- 1.1 These are the subject of the report. The Council is legally required to set a balanced budget in advance of the beginning of each financial year. In the context of the significant cost and demand pressures set out above, together with reducing levels of reserves, the Council must identify and deliver a significant programme of savings and efficiencies during 2026-27 and beyond.

Legal

- 2.1 The Council's Constitution contains Budget and Policy Framework Procedure Rules which must be followed when the Council sets its budget. Cabinet must propose a budget by early February to allow the Council, should it so wish, to raise objections and refer the budget proposals back to Cabinet for further consideration, allowing time to finalise the precepts before 1 March.
- 2.2 When setting the budget, the Council must be mindful of the potential impact on service users. The consultation exercises set out in section five are relevant in this respect.
- 2.3 Under section 65 of the Local Government Finance Act 1992, as a major precepting authority, the Council has a statutory duty to consult ratepayer representatives on its annual expenditure proposals, ahead of setting its budget.
- 2.4 The Council also has a statutory duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and when determining how to discharge this duty has to consult representatives of a wide range of local persons.
- 2.5 In performing these statutory duties the Council must have regard to statutory guidance issued by the Secretary of State.
- 2.6 Case law has established minimum requirements of public consultation, which are:
 - Consultation must be at a time when proposals are at a formative stage.
 - Sufficient information must be given to permit a person to "give an

- intelligent consideration and response”.
 - Adequate time must be given for consideration and response.
- 2.7 The proposals set out in Appendix 2 must be subject to appropriate consultation activities to meet the necessary legislative and constitutional requirements

Human Resources

- 3.1 Appendix 2 identifies where savings and efficiency proposals are expected to require consultation with employees, and for which the Council has a statutory responsibility to undertake collective consultation with the recognised trade unions. The actual scale and detailed composition of any workforce implications arising from business savings proposals in Appendix 2 will not become clear until the necessary consultation relevant to each proposal has concluded, and final decisions are made on individual savings proposals. Each proposal will subsequently follow their own processes and timescales, dependant on the scope and content of each proposal.
- 3.2 For proposals outlined in Appendix 3, the Council will ensure that impacted colleagues are fully engaged and individual consultation requirements are adhered to where required.
- 3.3 In accordance with the Council’s Constitution – Responsibility for Functions at Appendix 1, decisions relating to staffing are delegated to Executive Directors. Review and authorising changes to departmental structures and establishments are matters to be dealt with in conjunction with the Director of People and Organisational Change and authorising payments for employees in cases of early retirement, voluntary redundancy and compulsory redundancy must be considered in consultation with the Director of Finance and the Director of Legal and Democratic Services.
- 3.4 The Council will seek to mitigate any impact of the proposed budget savings proposals on the Council’s workforce through the continued use of workforce plans and measures such as vacancy controls, redeployment, voluntary release, etc. where necessary and in line with the provisions set out in the Council’s redundancy, redeployment and buy out of hours policy and in accordance with relevant legislation, including consultation requirements.

- 3.5 Any matters involving workforce implications will be considered as necessary in accordance with the Constitution, the Council's Policy and legislation.

Information Technology

- 4.1 The proposals set out in Appendices 2 and 3 may have implications in for the use of Information Technology. The impact of the proposals is considered as part of the delivery plan and risks assessment, supported by the programme management approach set out in section 4 of the main report.

Equalities Impact

- 5.1 Section 149 of the Equality Act 2010 imposes an obligation on Members to have due regard to protecting and promoting the welfare and interests of persons who share a relevant protected characteristic (age; disability; gender re-assignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation). Appropriate Equality Impact Assessments will need to be undertaken and considered before any decisions are made with regard to the proposals in Appendix 2.

Corporate objectives and priorities for change

- 6.1 The Council Plan values commit to spending money wisely, making best use of the resources that the Council has. The Council is committed to ensuring good financial management and compliance with applicable laws and regulations. The Council is committed to ensuring that it sets a balanced budget over the medium-term, therefore ensuring good financial management and using reserves balances to meet the costs of any unforeseeable events.

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

- 7.1 The proposals set out in Appendices 2 and 3 may have implications in other areas. The impact of the proposals is considered as part of the delivery plan and risks assessment, supported by the programme.