

Highland Council

4 March 2010

Agenda Item	
Report No	

Budget Consultation

Report by Depute Chief Executive & Director of Finance

Summary

Highland Council, on 11 February, noted that budget consultation proposals would be considered by the Council in March. This report sets out the proposed approach to the budget consultation exercise.

1. Introduction

- 1.1 The revenue budget for 2010/11 was agreed by the Council on 11 February. While that report set out a range of savings now agreed for 2011/12 and 2012/13, it highlighted a considerable budget gap remained across those two years, estimated at £36m.
- 1.2 Recent comments by the Accounts Commission on the 2009 Audit Overview Report, sets in context the challenges faced by Council's in the wake of the economic downturn.

"...the scale of the budget challenge they face means councils need to take urgent action. It is essential that they continue to develop and implement plans to cope with the tough times ahead, including thinking radically about service design and delivery."
- 1.3 Given the difficult financial prospects for local government over the next few years, and the level of savings the Council is likely to be faced with, the Council agreed to consult on budget proposals for 2011/12 and 2012/13, prior to the proposals being considered by the Council in the Autumn of 2010.
- 1.4 This report sets out the proposed approach to the budget consultation exercise.
- 1.5 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome Agreement.

2. Purpose of Consultation

2.1 The purpose of the budget consultation exercise will be to:-

- Seeks views from the public and other stakeholders, on a range of specific budget proposals the Council may be asked to consider in Autumn 2010.
- Seek views on the more strategic matters the Council is considering in relation to the budget, for example the education provision/school estate review and the waste collection strategy.
- Ask the consultees for any areas where they feel budget savings could or should be made.
- Raise awareness of the financial challenges facing the Council and actions that may be necessary to address that.

3. Format of Consultation

3.1 A consultation document will be produced to support the exercise. This document will set out:-

- The financial context facing the Council, including the level of savings the Council thinks will have to be made over the next two years.
- Information on what the Council currently spends its budget on.
- The types of strategic review the Council is conducting or considering in major service areas e.g.
 - Corporate Improvement Programme to improve efficiency and effectiveness (including procurement, asset management and business support along with other projects).
 - Review of management costs.
 - Reduction in travel and subsistence costs.
 - Business case review for 5 new care homes.
 - Review of education provision/school estate.
 - Review of waste collection strategy.
- A range of specific saving proposals the Council may be asked to consider in Autumn 2010.
- Any other relevant supporting information.
- The format of response sought, including questions to be asked of consultees.

- 3.2 As a working draft, the enclosed **annex 1** sets out a list of saving proposals that may feature in the consultation document. This list represents those savings identified by Services as part of the 2010/11 budget exercise, over and above those agreed by the Council to date. Some further refinement to proposals, and incorporate of further information where appropriate, will take place before finalised.
- 3.3 The consultation document will be hosted on the Council website, with consideration given to availability/distribution through other mediums where appropriate. It is not intended to print mass copies of the document, or utilise newspaper advertising or supplements, to minimise the costs of the consultation.
- 3.4 Consultees will be asked to provide comments via email, or in writing. Consideration will be given to a dedicated email address for responses. Ward Forum meetings will also be used to discuss the consultation and receive feedback.
- 3.5 The Council has agreed that a Citizen Panel be established to support consultation on a range of matters, including the budget. Given the time necessary to recruit and establish the panel, it will not be possible to use the panel for this initial budget consultation. It is expected that once up and running, the panel will be used for future budget consultations.

4. Questions to be asked

- 4.1 While the Council could use a 'blank sheet' approach, i.e. leave the consultees to determine the format and content of their response, there are benefits in providing a structure to the expected response, to aid analysis and collation.
- 4.2 A range of questions could be considered, to provide a structure to the response, while still leaving the consultee as much freedom as possible to give their views. The questions could also provide a useful structure for discussion at Ward Forum meetings.
- 4.3 Some example questions that could be included are set out below.
- (1) Are there any other areas of the Council, not reflected in the enclosed proposals, where you feel the Council could or should make savings? If so please provide details.
 - (2) Are there any comments you wish to make about the strategic reviews the Council is conducting.
- 4.4 The final structure of the document and questions will be prepared over the coming weeks, prior to formal launch of the consultation.

5. Next Steps and Timetable

- 5.1 Following the Council meeting, the consultation document will be prepared and incorporated on the Council website. The target date for this task is mid to end March.

- 5.2 The Council will then arrange for a press release, media coverage, posters in Service Points, etc as a means of promoting the consultation.
- 5.3 The first Ward Forum to be asked for views on the consultation will be the North West and Central Sutherland Ward Forum on 27th March.
- 5.4 Discussion at further Ward Forum meetings during April and May will also take place, with the consultation exercise estimated to conclude June 2010.

Recommendation

Members are asked to consider this report and agree the budget consultation approach and timetable.

Signature:

Designation: Depute Chief Executive & Director of Finance

Date: 24 February 2010

Ref:

Background Papers

Author: Brian Porter, Finance Manager

Author's Telephone No.: 01463 702424

Savings Proposals for Consultation 2011/12 - 2012/13
Education, Culture & Sport

Annex 1

Ref.	Activity Heading	Savings Proposal	Indicative Savings £m
1 & 3	Devolved budgets - schools	Review Secondary timetabling methods, curriculum delivery methods and review teacher entitlement formulae	1.791
8	Schools General	Review delivery of music tuition and region-wide music support	0.559
9	Schools General	Reduce the number of Quality Improvement Officers by 2	0.140
12	Schools General	Reduction in teaching absence cover funding	0.047
13	Schools General	Discontinue the peripatetic janitorial function	0.287
14	Schools General	Clothing Grant Allowance - Reduce level of award and change to "voucher" system	0.080
19	Additional Support Needs	20% reduction across Psychological Services, a 5% reduction across other specialist ASL budgets held centrally, at area level and in schools, including some reorganisation of management and administrative structures.	1.000
20	School Residences	Income generation opportunities in School Residences	0.060
22	Grants to Voluntary Organisations	Further review of support for Voluntary Organisations	0.312
23	Youth Work	Reduction in Youth Work	0.573
24	Community Learning	Further reduction in Adult Education	0.050
25	Community Facilities, Inverness and Nairn	Reduce number of Community Centres in Inverness	0.133
26	Archives	Focus provision on new Highland Archive Centre	0.183
27	Culture	Removal of the Out of Eden drama provision including the Highland wide Higher Drama course	0.195
29	Museums	Reduce museum provision by two thirds through closures or alternative provision	0.400
30	Highland Culture Fund	Removal of Highland Culture Fund and Lochaber Events budget	0.509
31	Integrated Library Service	Reduction in library provision, including ceasing the Bookstart service	0.394
32	Integrated Library Service	Library Support Unit - Reduce logistical support for libraries	0.100
33	Integrated Library Service	Cease all development of the Am Baile gaelic heritage web resources, and seek alternative resources	0.172
34	Leisure, recreation and sports development	Reduce number of swimming pools	0.380
35	Sports Development and Play	Reduce support for sports development and play through review of Council and Partner provision	0.138
36	Floral Hall, Inverness	Floral Hall - Close or find a social enterprise model to continue the operation	0.115
Total			7.618

Ref.	Activity Heading	Savings Proposal	Indicative Savings £m
9	Review of Teacher input to nurseries	Reduce in line with service rationalisation	0.100
11	Workforce Qualification Standard	Reduction in expenditure to support early years staff qualification standard, as this will largely have been met.	0.050
Total			0.150

Savings Proposals for Consultation 2011/12 - 2012/13
Social Work

Annex 1

Ref.	Activity Heading	Savings Proposal	Indicative Savings £m
15	Establish Community Health & Social Care Partnerships with NHS Highland	Move towards integrated management of health and care	0.250
16	Community Care Learning Disability Support Work provision	Review in - house support services for learning disabilities at Cradlehall, Inverness	0.035
18	Learning Disability Day Care	Review of day care facility at Beachview, Brora.	0.069
19	Learning Disability Day Care	Review learning disability day care service provision at Tigh na Drochaidh	0.020
20	Community Care Establishments	Review Raasay Day Centre	0.014
22	Care at Home	Consider tender for all home care (public sector process involving comparator - phased approach)	1.000
23	Orchard	Cease providing residential care at Orchard and downsize provision. Restrict the service to short breaks.	0.150
24	Top slice of fostering & adoption budget	Top slice of fostering & adoption budget	0.100
28	Children & Families	Overnight provision in Children's Units	0.100
31	Care Homes	Review of all LA care home provision, to ensure best value	tbc
35	Day Care	Review Older People's Day Care at Tigh na Drochaid, Portree	0.065
36	Childrens Services	Review Staffin respite unit	0.130
Total			1.933

Ref.	Activity Heading	Savings Proposal	Indicative Savings £m
16	Service	Review of overall staffing structure	0.075
18	Service	Review all income streams.	0.300
20	Roads & Community Works	Review standards of cyclic road maintenance.	0.400
21	Roads & Community Works	Review standards of grounds maintenance.	0.500
22	Roads & Community Works	Use contractors to replace seasonal staff employed on grounds maintenance.	0.050
23	Roads & Community Works	Bught Nursery - examine option to procure plant material from external providers.	0.100
24	Roads & Community Works	Review standards of street cleaning.	0.500
25	Roads & Community Works	Review provision (numbers) of public toilets.	0.200
26	Roads & Community Works	Review Pest Control function	0.095
27	Roads & Community Works	Remove budget for unadopted roads.	0.050
28	Roads & Community Works Business Support	Review the burial administration function for Inverness, Nairn, Badenoch & Strathspey Area.	0.020
32	Waste Management	Review level of grant to Social Enterprise Groups.	0.050
33	Transport & Infrastructure	Review level of service for street lighting.	0.500
34	Transport & Infrastructure	Replace external contractors with internal staff (internal transfer from Roads and Community Works to Street Lighting).	0.050
35	Transport & Infrastructure	Review levels of subsidies for public transport.	0.500
36	Transport & Infrastructure	Review level of grants to Community Transport Schemes	0.050
37	Transport & Infrastructure	Review long term arrangements for the Corran Ferry.	0.150
38	Transport & Infrastructure	Review Materials Testing Laboratory.	0.050
39	Transport & Infrastructure	Review airstrips.	0.026
40A	Environmental Health	Review staffing level for Environmental Health.	0.060
40B	Trading Standards	Review staffing level for Trading Standards.	0.060
42	Business Support	Review provision of vehicle workshops including options for amalgamation.	0.050
43	Business Support	Review provision of materials stores including options for external provision.	0.075
44	Business Support	Review business processes.	0.040

Ref.	Activity Heading	Savings Proposal	Indicative Savings £m
45	Roads & Community Works	Review temporary mortuary facilities at Glen Nevis, Fort William.	0.005
Total			3.956