

CABINET MEETING – 9th October 2013

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Proposals for Budget Consultation 2014/2015

Author(s):

Chief Executive and Executive Director of Commercial and Corporate Services

Purpose of Report:

To propose the budget consultation strategy and framework to inform the preparation of the Budget for 2014/2015.

Description of Decision:

Cabinet is recommended to approve the budget consultation strategy and framework as set out in this report and refer it to the Scrutiny Committee for consideration.

Is the decision consistent with the Budget/Policy Framework? *Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To comply with the constitutional requirements taking account of central government guidance.

Alternative options to be considered and recommended to be rejected:

There are no alternative options recommended.

Impacts analysed:

Equality Y Privacy N/A Sustainability N/A Crime and Disorder N/A

<p>Is this a “Key Decision” as defined in the Constitution? No</p> <p>Is it included in the 28 Day Notice of Decisions? No</p>	<p>Scrutiny Committee</p>
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Cabinet - 9th October 2013

Proposals for Budget Consultation 2014/2015

Report of the Chief Executive and Executive Director Commercial and Corporate Services

1. Purpose of Report

- 1.1 To propose the budget consultation strategy and framework to inform the preparation of the Budget for 2014/2015.

2. Description of Decision

- 2.1 To approve the budget consultation strategy and framework as set out in this report and refer it to Scrutiny Committee for consideration.

3. Introduction and Background

- 3.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. This report sets out proposals for budget consultation as part of the 2014/2015 budget process.
- 3.2 For a number of years the Council has recognised consultation as an important part of planning and delivering services that meet peoples' needs. Consultation by the City Council is already very wide-ranging and intensive. Examples range from:
 - consultation in relation to major strategies such as recent consultations on the Carers Strategy;
 - satisfaction surveys such as the Residents Survey;
 - project specific consultation.

Community Empowerment

- 3.3 The Government published Best Value Statutory guidance in September 2011. The guidance states that authorities have a duty to consult representatives of council tax payers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in any area within which the authority carries out functions. Authorities should include local voluntary and community organisations and small businesses in such consultation. This should

apply at all stages of the commissioning cycle, including when considering the decommissioning of services.

- 3.4 This demonstrates the need for involvement of local residents and voluntary and community sector and other partners in the budget setting process to shape what is best for Sunderland. This is increasingly important as support from government into the City reduces and there is greater need to fulfil the Council's Community Leadership role.

Budget and Council Tax Consultation

- 3.5 Central Government highlighted the need for Local Authorities to establish the views of local taxpayers before they take budget decisions with the publication of guidance in 2002 on conducting budget and council tax consultation.
- 3.6 The 'Council Tax Consultation: Guidelines for Local Authorities' sets out the issues that local authorities should consider when designing their own individual approach to council tax consultation and identifies different methodologies and approaches which might be taken. The following suggested approach draws on this guidance as well as the strong track record and experience of the Council in this context and changing environment.
- 3.7 It should be noted that the Council remains the ultimate decision making body regardless of the valuable consultation undertaken in relation to budget setting. The process of consultation is about providing Members with more information in order to help them to come to an informed judgement when making budget decisions.

4. Government Guidance on Council Tax Consultation

- 4.1 There are numerous options set out in the Government guidance for developing a dialogue with the public and stakeholders on budget matters. This is simply a menu of methodologies available. The approaches set out are:
- Surveys of citizens panel members e.g. in Sunderland, Community Spirit;
 - Community workshops;
 - Quantitative surveys;
 - Budget conferences / public meetings;
 - Interactive websites;
 - Focus groups / forums;
 - Referenda.

4.2 The guidance recommends against relying solely on a single methodology to ensure that a full range of public opinion can be tested and suggests adopting a staged approach to consultation:

- Initial stage – this should be early in the budget setting process and involve discussions about priorities for different services;
- Later stage – this should take place later in the budget setting process once a firmer picture of the financial position is known. This will consider in more detail specific issues, spending priorities and impact on Council Tax levels.

5. Proposed Arrangements

5.1 The proposed arrangements have been refreshed to build on the successful arrangements of previous years which are already extensive and involve:

Consultation – Non Budget Specific

5.2 Whilst not budget specific, there are numerous other wide ranging consultations that take place which help to inform the priorities included in the budget consultation process. The Corporate Consultation Strategy seeks to streamline and make maximum use of consultation undertaken including the Resident's Survey, service review specific consultation, and scheme level specific consultation. These are all taken into account and used intelligently to help inform the resource allocation process.

Trades Unions and Chamber of Commerce

5.3 A briefing will be provided in November on the emerging budget resource position, the spending pressures faced by the Council, and the provisional priorities together with an indication of the impact on services and on council tax.

5.4 A further consultation is undertaken on the provisional budget proposals during January/February where the priorities, impact on services, and indicative council tax position are shared. Traditionally, if a formal response is to be received to the consultation it is made at this point, prior to the final consideration of the budget by Cabinet and Council.

Schools Forum, Governors and Head Teachers

5.5 Following a similar approach to that adopted for the Trades Unions and the Chamber of Commerce, the Schools Forum, Governors Association and Head Teachers are consulted at meetings held in November and again in January. Issues covered at these meetings include the overall

budget position, but also the Children's Services specific issues including Dedicated Schools Grant implications, other specific grants, and spending pressures.

Youth Parliament

- 5.6 Following a similar approach to that adopted for the 2013/2014 budget it is proposed to provide a briefing to the Youth parliament on the emerging budget position and discuss issues and priorities for young people which will be taken into account as part of the consultation process.

Community Engagement

- 5.7 The Annual State of the City debate will be a key community engagement event to set the scene about the overall financial position facing the city and plans being taken with communities to tackle it. It is also proposed that attendees would complete a short survey to test agreement with the council's approach and feedback about priorities. The survey will be made available on line and marketed to maximise participation.

- 5.8 Building on previous arrangements for budget consultation it is proposed that enhanced engagement with communities is undertaken through the use of Area Frameworks. A budget consultation event will be held at the Civic Centre with representation drawn from each area of the city to enable the overall financial position to be communicated together with opportunity to debate plans to address it through workshops for each area. This will be supplemented by further community engagement events in each of the in each of the five areas of the city.

The aim is to enable a more in depth analysis of local residents' views to be ascertained.

- 5.9 Summary feedback from the events informs the budget decision making process.

Elected Members

- 5.10 As ward councillors elected members gather the views of local people and are able to feed these views into the budget process as appropriate.

Timetable

- 5.11 A timetable for the proposed consultation is set out at Appendix A.

Budget Consultation 2015/2016 and Beyond

- 5.12 The Council has developed its budget consultation approach over a number of years. Following this years' consultation exercise it is intended to gather feedback on the effectiveness of both the survey and community engagement events and use this to inform the budget consultation process for 2015/2016.

6. Involvement of Scrutiny Committee

In relation to the consideration of the budget, the constitution places a responsibility on the Cabinet to 'canvas the views of local stakeholders as appropriate'. Scrutiny Committee is then required to consider the process proposed and undertaken and ensure its adequacy. It is therefore proposed to refer this consultation strategy and framework to the Scrutiny Committee for consideration.

7. Reasons for Decision

To comply with the constitutional requirements taking account of central government guidance.

8. Alternative Options

There are no alternative options recommended.

9. Impact Analysis

The proposed approach to budget consultation seeks to capture the views and feedback from a wide spectrum of stakeholders including marginalised and vulnerable groups.

Impact assessments of specific budget proposals will be undertaken by Directorate as proposals are developed.

Budget Consultation – Proposed Timetable

The timetable below is proposed:

November 2013

- A survey is to be made available for all residents to complete on-line through the Council's e-consultation solution and State of the City Debate. This will explore support residents to the Councils overall approach to meeting the budget challenge and providing services in a different way.
- Commence consultation with Trade Unions, representatives of Business Rate Payers, the Schools Forum, Head Teachers, Governors, and the Sunderland Youth Parliament. Consultation covers the anticipated budget constraints and spending priorities identified in the Medium Term Financial Strategy following adoption of the budget planning framework by Cabinet.
- In late November it is proposed to hold Community Engagement events in the city.

January 2014

- Feedback from the consultation exercises in October / November will be reported to Cabinet and Scrutiny Committee to inform the budget decision-making process at that time.

Late January early February 2014

- Final consultations take place with Trades Unions, Chamber of Commerce, the Schools Forum, Headteachers, Governors, and the Youth Parliament regarding the budget.

March 2014

- Feedback to the public generally through appropriate methods including the Council Tax Leaflet and Cabinet reports:
 - the outcomes of the budget setting process;
 - how the decision-making process was informed by the consultation.