

CABINET MEETING – 9th September 2009

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Proposals for Budget Consultation 2010/2011

Author(s):

Chief Executive and Director of Financial Resources

Purpose of Report:

To propose the budget consultation strategy and framework to inform the preparation of the Budget for 2010/2011.

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 Management 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.

Is this a “Key Decision” as defined in the Constitution?

No

Is it included in the Forward Plan?

No

Relevant Scrutiny Committee:

Management

Cabinet - 9th September 2009

Proposals for Budget Consultation 2010/2011

Report of the Chief Executive and Director of Financial Resources

1. Purpose of Report

- 1.1 To propose the budget consultation strategy and framework to inform the preparation of the Budget for 2010/2011.

2. Description of Decision

- 2.1 To approve the budget consultation strategy and framework as set out in this report and refer it to the Management 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 2010/2011 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;
 - in depth satisfaction surveys such as the Annual Residents Survey;
 - project specific consultation e.g. the plans for the new River Wear Bridge.

Comprehensive Area Assessment

- 3.3 The Comprehensive Area Assessment for the Use of Resources 2009 Key Lines of Enquiry for the 'Managing Finances' element seeks evidence of engagement with stakeholders and local people in the financial planning process. For example a level 3 'Performing Well' Council will meet the following test:

'The Council involves external stakeholders in the financial planning process'

'The council consults local people and communities effectively on significant spending decisions.....The council can demonstrate involvement of local people in setting priorities with examples of how feedback is taken account of in its plans.'

Community Empowerment

- 3.4 The Local Government and Involvement in Health Act 2007 introduced the new 'duty to involve' which came into force on 1st April 2009. The new duty seeks to ensure people have greater opportunities to have their say. The duty requires authorities to take appropriate steps to involve representatives of local persons in the exercise of any of their functions where they consider it appropriate to do so.

The Duty to Involve is included within the statutory guidance 'Creating Strong, Safe and Prosperous Communities' (published in July 2008) which sets out guidance on how to involve representatives of local persons.

- 3.5 In addition the Government published 'Giving More People A Say In Local Spending: Participatory Budgeting - A National Strategy' in September 2008. This strategy sets out the government's aim of working towards their ambition for Participatory Budgeting to be used in every local authority area by 2012.
- 3.6 In July 2009 the Council undertook an IDeA peer challenge in order to assess its performance in relation to 'Community Empowerment'. Feedback from the challenge exercise is awaited and will be reported to Cabinet in due course. However it is anticipated the feedback will include recommendations on areas where the Council might further develop its current practices. At this stage it is envisaged that one such area for further development may be in relation to Participatory Budgeting. Research is currently being undertaken as to what techniques might be employed and for what purposes. In addition, following the peer challenge exercise, the IDeA will facilitate the council's access to, and learning from, current best practice elsewhere. This research will be used to inform proposals for consideration of Members.

Budget and Council Tax Consultation

- 3.7 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.
- 3.8 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.

3.9 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 and there is not in any sense a requirement to pursue most, or all of them (to do so would be impractical and wasteful of resources). 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 current arrangements for undertaking budget consultation 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 annual MORI survey, service review specific consultation, and lower level scheme 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 is provided in October / November on the emerging budget resource position, the spending pressures faced by the Council, the provisional priorities which may attract additional funding together with an indication of the impact on services and on council tax provided an informed judgement can be made.
- 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 increases 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 October / November and again in January. Issues covered at these meetings include the overall budget position, but also the Children's Services specific issues e.g. Dedicated Schools Grant implications, other specific grants, and spending pressures.

Citizens' Panel

- 5.6 A postal self-completion questionnaire survey is undertaken in October / November of Community Spirit to ascertain views of our citizens panel on strategic priorities. This includes questions around relative spending priorities. An explanatory booklet setting out the background to local government finance called 'Working Out the Council's Budget' accompanies the questionnaire. For the 2010/2011 Budget Consultation process consideration will be given to ways of increasing participation in the survey by 18-34 year olds, which was an underrepresented group in the Budget Consultation for 2009/2010.

Citizens' Panel Focus Group workshop sessions

- 5.7 Further detailed feedback is sought from the citizens' panel in the form of budget consultation focus group workshops. The purpose of this element

- is to add to the feedback gathered from the Citizens Panel questionnaire to provide enhanced information to assist in reaching budget decisions.
- 5.8 For the 2009/2010 budget consultation process, the approach included workshops where members of the Citizens Panel were invited to attend Focus Group events held in November at four locations throughout the City. A number of locations and varying times are used in order to encourage a wider representation of attendance from across the city with sessions held at locations North of the River, South of the River, and in the Coalfields and Washington.
- 5.9 Attendance is limited by necessity to manageable numbers of Citizens Panel representatives at each group i.e. approximately 30 – 40 participants per session. However, the mixture of day and evening sessions ensures options on attendance for participants.
- 5.10 The events are arranged in two stages:
- Stage 1 provides a briefing on the financial context for the coming Budget, the purpose of the session being to enable participants to understand the broad issues facing the Council so that they can provide more informed feedback at the second stage session. This stage includes a question and answer session with senior officers which participants have indicated is a valued part of the process.
 - Stage 2 takes the form of breakout focus groups where a wide range of issues are considered and exercises undertaken designed to distil the priorities in each of the focus groups. The aim is to enable a more in depth analysis of local residents' views to be ascertained.
- 5.11 Summary feedback from the events informs the budget decision making process.
- 5.12 Very positive feedback was received from those involved in the Focus Group events in preparing the 2009/2010 revenue budget and it is proposed that this approach be repeated for the 2010/2011 budget process with minor improvements following feedback received.

Independent Advisory Groups (IAG's)

- 5.13 These citywide groups were formed to provide an opportunity for marginalized or hard to reach people in the city to contribute their views on public services and policy development. There are seven groups looking at different themes - disability, gender, BME (race), older people, younger people, LGB (lesbian, gay and bisexual) and faith.

- 5.14 As part of the 2009/2010 budget consultation process IAG members were asked to partake in the same survey as undertaken with the Citizens Panel. In addition a separate workshop session was held with representatives of the IAGs to enable further informed feedback to be gained.
- 5.15 It is proposed to further develop the involvement of the IAGs for the 2010/2011 Budget Consultation process and the IAG members will be involved in agreeing this year's approach through the Inclusive Communities Thematic Group.

Elected Members

- 5.16 As ward councillors elected members gather the views of local people and are able to feed these views into the political decision making process on priorities and council tax levels.

Partners

- 5.17 It is proposed to consult partners during October / November on the emerging budget position and specifically the service and financial context, with the overriding aim of prompting thinking as to how resources may be used more efficiently and effectively through greater collaboration across the partners to the benefit of Sunderland citizens. It is proposed that the existing governance arrangements and appropriate Board and groupings be used for this purpose.

A further consultation is proposed when the provisional budget proposals are available during January/February where the proposed priorities and impact on services can be shared.

Timetable

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

Budget Consultation 2010/2011 and Beyond

- 5.19 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 Citizens Panel survey and the focus group workshops and use this to inform the budget consultation process for 2011/2012.

5.20 Officers will continue to explore ways in which the process can be improved for future years including through exploring the potential for implementing participatory budgeting for specific budget areas as referred to at paragraphs 3.5 and 3.6.

6. Other Proposed Consultation

6.1 In accordance with the Council's stated commitment during the 2009/2010 budget setting process, it is also proposed to consult on the potential introduction of a Council Tax Discount. Proposals for the consultation are currently being developed and will include consideration of the scope including:

- What the aims and intended outcomes from the scheme should be including the socio-economic benefits;
- Who the target beneficiaries of such a scheme should be.

7. Involvement of Management Scrutiny Committee

7.1 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'. The Management 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 Management Scrutiny Committee for consideration.

8. Reasons for Decision

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

9. Alternative Options

9.1 There are no alternative options recommended.

Background Papers

Council Tax Consultation - Guidelines for Local Authorities (publication of the former ODPM June 2002)

Use of Resources 2009 – Key Lines of Enquiry (Audit Commission)

Creating Strong, Safe and Prosperous Communities (CLG – July 2008)

Giving More People A Say In Local Spending: Participatory Budgeting - A National Strategy (CLG - September 2008)

Budget Consultation – Proposed Timetable

As recommended by the government it is suggested that a two stage approach to budget and council tax consultation be continued. The timetable below is proposed:

September 2009

- Carry out analysis of existing consultation feedback and use to help inform determination of priorities to be consulted on during next stages of consultation.
- Agree approach with IAGs via the Inclusive Communities Thematic Group.

October 2009

- 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.
- During late October / early November a survey is to be undertaken using Community Spirit and Independent Advisory Groups. This will include questions around relative spending priorities.

November 2009

- In late November it is proposed to hold four budget consultation focus group workshops for representatives of the Citizens Panel using an Area based approach covering North of the River, South of the River, Coalfields and Washington.
- Workshop with Independent Advisory Groups

January 2010

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

Late January early February 2010

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

March 2010

- Feedback to the public generally on:
 - the outcomes of the budget setting process;
 - how the decision-making process was informed by the consultation.

It is proposed to communicate through Sunrise, the Council Tax Leaflet and direct to the participants of Community Spirit and through the Internet.