

CABINET MEETING – 5 OCTOBER 2011

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Proposals for Budget Consultation 2012/2013

Author(s):

Chief Executive and 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 2012/2013.

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 - 5th October 2011

Proposals for Budget Consultation 2012/2013

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 2012/2013.

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 2012/2013 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 consultation around a new customer access strategy;
 - in depth satisfaction surveys such as the Residents Survey;
 - project specific consultation e.g. Royal Sunderland Hospital Area Parking Management Scheme.

Community Empowerment

- 3.3 The government published new Best Value Statutory guidance in September 2011. The new guidance says 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 guidance provides further commitment to the government's localism and Big Society agendas, key aspects of which are to strengthen accountability to local people and empower local communities. This further demonstrates the need for involvement of local residents and voluntary and community sector in the budget setting process to shape what is best for Sunderland.
- 3.5 In order to develop policy and approaches for engaging with and empowering local people a Corporate Communities Officer Group links with the Community Leadership Programme. The groups remit is to embed and integrate community engagement and empowerment and ensure its full value is realised.

Budget and Council Tax Consultation

- 3.6 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.
- 3.7 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.
- 3.8 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 proposed arrangements largely follow the successful arrangements of previous years with some minor amendments.
- 5.2 The current arrangements for undertaking budget consultation are already extensive and involve:

Consultation – Non Budget Specific

- 5.3 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 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

- 5.4 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 provided an informed judgement can be made.
- 5.5 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

- 5.6 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 e.g. Dedicated Schools Grant implications, other specific grants, and spending pressures.

Youth Parliament

- 5.7 Following a similar approach to that adopted for the 2011/2012 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.

Citizens' Panel

- 5.8 A postal self-completion survey is undertaken in October / November of Community Spirit to ascertain views of our citizens panel. This includes exploring views of residents about the direction of travel for services in response to the changing financial landscape.

Other City Residents

- 5.9 In addition to making the survey available to the citizens panel the survey will also be available on-line via the council's e-consultation system. Anyone signed up to the system who has registered an interest in relevant subject areas will be automatically alerted when the survey is added. It will also be promoted via the council's Facebook and Twitter pages, and Community News.
- 5.10 Employees who are residents will be made aware of the online survey and encouraged to take part.

Focus Group workshop sessions

- 5.11 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 questionnaire to provide enhanced information to assist in reaching budget decisions.
- 5.12 For the 2011/2012 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.

5.13 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.

5.14 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 small group workshops with relevant council officers

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

5.15 Summary feedback from the events informs the budget decision making process.

5.16 Very positive feedback was received from those involved in the Focus Group events in preparing the 2011/2012 revenue budget and it is proposed that this approach be repeated for the 2012/2013 budget process.

Independent Advisory Groups (IAG's) and Voluntary Sector

5.7 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.

As part of the 2011/2012 budget consultation process IAG members and the CVS (Community Voluntary Service) were asked to partake in the same survey as undertaken with the Citizens Panel. For the 2012/2013 budget, the IAGs and Voluntary Community Sector representatives will be asked to encourage completion of the survey through their networks.

- 5.8 In addition a separate workshop session was held with representatives of the IAGs and VCS to enable further informed feedback to be gained. It is proposed that a similar approach be undertaken for the 2012/2013 budget.

Elected Members

- 5.9 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.

Timetable

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

Budget Consultation 2012/2013 and Beyond

- 5.11 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 2013/2014.

6. Involvement of Management 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'. 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.

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.

Background Papers

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

Best Value Statutory Guidance - CLG September 2011

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:

October 2011

- Agree approach with IAGs via the Inclusive Communities Thematic Group.
- During late October / early November a survey is to be undertaken using Community Spirit and Independent Advisory Groups. This includes exploring views of residents about the direction of travel for services in response to the changing financial landscape.
- The survey will also be available for all residents to complete on-line through the Council's new e-consultation solution.

November 2011

- 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 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 and Community Voluntary Service.

January 2012

- 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 2012

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

March 2012

- 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 appropriate methods including the Council Tax Leaflet and direct to the participants of Community Spirit and through the Internet.