

CABINET MEETING – 21 OCTOBER 2015

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Proposals for Budget Consultation 2016/2017

Author(s):

Interim Head of Paid Service and Assistant Chief Executive

Purpose of Report:

To propose the consultation strategy for the Budget 2016/2017 and the Local Council Tax Support Scheme to help guide and inform the preparation of the Budget for 2016/2017.

Description of Decision:

Cabinet is recommended to approve the consultation strategy for the Budget 2016/2017 and Local Council Tax Support Scheme as set out in this report and refer it to 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 Privacy Sustainability Crime and Disorder

Is the Decision consistent with the Council's co-operative values? Yes

Is this a "Key Decision" as defined in the Constitution? No

Is it included in the 28 day Notice of Decisions? No

Cabinet – 21st October 2015

Proposals for Budget Consultation 2016/2017

Report of the Interim Head of Paid Service and Assistant Chief Executive

1. Purpose of Report

- 1.1 To propose the consultation strategy for the Budget 2016/2017 and the Local Council Tax Support Scheme to help guide and inform the preparation of the Budget for 2016/2017.

2. Description of Decision

- 2.1 To approve the consultation strategy for the Budget 2016/2017 and Local Council Tax Support Scheme 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 2016/2017 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 including consultation in relation to major strategies, satisfaction surveys and project specific consultation. The purpose of the budget consultation with residents and stakeholder groups is to ascertain a richer and more in depth understanding of peoples' views which will be used to help guide and inform the annual budget setting process.
- 3.3 Through this process employees, residents and other stakeholders can expect the council to:
 - Provide the facts on the financial challenge facing the council and the hard decisions that will be required to be taken;
 - Recognise what is important to our communities and work in partnership to identify ways we can reduce the impact of the changes being proposed;
 - As proposals are developed work closely with our most vulnerable residents to help them understand what changes to services may mean for them

- Communicate with employees in advance of any final decisions, to highlight the impact of the proposals on their employment.

4. Community Consultation

- 4.1 The Department for Communities and Local Government published Revised Best Value Statutory guidance in March 2015. The guidance states as it did in the previous September 2011 guidance 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’*.
- 4.2 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 continues to reduce and there is greater need to fulfil the council’s Community Leadership role.

5. Budget and Council Tax Consultation

- 5.1 Central Government published guidance in 2002 entitled ‘The ‘Council Tax Consultation: Guidelines for Local Authorities’. This 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.
- 5.2 There are numerous options set out in the 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:
- Community workshops and community panels;
 - Quantitative surveys;
 - Budget conferences / public meetings;
 - Interactive websites;
 - Focus groups / forums;
 - Referenda.
- 5.3 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.
- 5.4 Additionally the Public Sector Equality Duty 2011 requires public authorities, in the exercise of their functions, to have ‘due regard’ to the three aims of the Duty:
- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
 - Foster good relations between people who share a protected characteristic and those who do not share it.
- 5.5 This encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people’s needs. The Equality Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
 - Taking steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people.
 - Encouraging people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.
- 5.6 Although the legislation does not state how the duty must be met, public authorities must have an adequate evidence base to demonstrate that they have gathered and considered adequate intelligence to allow them to pay ‘due regard’ to the aims of the Public Sector Equality Duty. In a large organisation like the council it is important that we can do this in a standardised and systematic way that provides evidence to defend any potential legal challenge. The way we do this in the council is through Equality Analysis.

6. Local Council Tax Support Scheme

- 6.1 The Local Council Tax Support Scheme was introduced from April 2013 and is currently in its third year of operation. The locally adopted scheme was reviewed for 2015/2016 and subject to consultation prior to approval by Cabinet in January 2015.
- 6.2 As part of the preparations for the Budget 2016/2017 a review of the scheme is to be undertaken taking into account the impact of welfare

reforms. It is proposed that depending upon the scale of the changes (if any) arising from the review should be consulted upon in tandem with the 2016/2017 Budget consultation. The proposed consultation approach set out in this Report therefore combines consultation on the Budget 2016/2017 and the Local Council Tax Support Scheme proposals.

7. Proposed Consultation Arrangements

- 7.1 The proposed arrangements have been refreshed to build on the successful arrangements of previous years which incorporate the council's Community Leadership approach:

Consultation – Non Budget Specific

- 7.2 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 including 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

- 7.3 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.
- 7.4 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

- 7.5 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.

Children's Trust Advisory Network (CTAN)

- 7.6 In previous years we have provided a briefing to the Youth Parliament on the emerging budget position and discussed issues and priorities for young people which have then been taken into account as part of the

consultation process. This year the consultation will be extended to the Children's Trust Advisory Network (CTAN). CTAN is a network of children and young people aged 11 to 19 (up to 25 with learning difficulties or disabilities) who meet monthly to ensure young people's views are at the heart of decision making in Sunderland. CTAN includes the statutory Change Council (young people in care), Sunderland Youth Parliament, Sunderland Young Inspectors, City Equals (young people with learning difficulties or disabilities) and representatives from schools and youth projects across the city. CTAN will be consulted in November.

Community Consultation

7.7 Building on previous arrangements for budget consultation it is proposed that consultation with communities is done through:

- a) The production of infographics setting out the budget challenge for 2016/17 onwards. The infographics form part of the communications and will be on the council's website and will be promoted to residents who have expressed an interest in being consulted on Council matters. Alongside the infographics there will be a short survey with open questions so that we can understand what concerns people the most, what ideas they have for solutions, including where residents and other stakeholders could potentially do more.
- b) Area based workshops using established People and Place Board mechanisms in the five areas of the city. The intention is to maximise engagement with stakeholders, residents and VCS organisations. Events will also be held with each of the five Area VCS Networks, with the events also open to local residents. At all of the events the infographics will be used.
- c) Engagement will also take place with the city's Equality Forums and Independent Advisory Groups, seeking to ensure the views of people with protected characteristics are integral to the consultation process.

7.8 Participants will be encouraged to ask questions and provide feedback. Consistent with the questionnaire available through the council's online consultation system (through the website) participants will be encouraged to tell us what concerns them the most, what ideas they have for solutions, including where residents and other stakeholders could potentially do more. There will also be opportunity for people to submit comments to the council via a link the website, to e-mail or in writing to a freepost address.

Partners

7.9 The budget consultation process will include engagement with partners in various forms given the need for a citywide response to the financial challenges. Partners will be invited to direct people from their websites to the council's Information on www.sunderland.gov.uk

- 7.10 There will also be engagement with the area based People and Place Boards, which have both Elected Member and partner representation.

Elected Members

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

Employees

- 7.12 The budget consultation will include engagement with Council employees through Manager Briefings and face to face manager-led events, a link to the infographics will also be placed on the council's Hub where employees will be encouraged to provide their views.

Timetable

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

Feedback

- 7.14 Feedback from the consultation exercises in October / November will be reported to Cabinet and Scrutiny Committee to inform the budget decision-making process.
- 7.15 Feedback to the public on the outcomes of the budget setting process and how the decision-making process was informed by the consultation will be done through appropriate methods including the Council Tax Leaflet, Cabinet reports and posting on the council's website.

8. Involvement of Scrutiny Committee

- 8.1 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'. 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.

9. Reasons for Decision

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

10. Alternative Options

- 10.1 There are no alternative options recommended.

11. Impact Analysis

- 11.1 The proposed approach to budget consultation seeks to capture the views and feedback from a wide spectrum of stakeholders including those with protected characteristics and other marginalised and vulnerable groups.
- 11.2 Equality analysis of specific budget proposals will ensure 'due regard' is given to the aims of the Public Sector Equality Duty. This detailed work will be undertaken by Directorates as specific proposals are developed.

Appendix A: Budget Consultation – Proposed Timetable

The timetable below is proposed:

Mid October to Mid December 2015

The infographics will form part of the council's communication placed on the website along with an open questionnaire which links to the Council's e-consultation software. There will be specific questions depending upon the scale of the changes (if any) in relation to the Local Council Tax Support Scheme.

Commence consultation with Trade Unions, representatives of Business Rate Payers, the Schools Forum, Head Teachers, Governors, People and Place Boards, the Children's Trust Advisory Network, Equality Forums, Area VCS Networks and other partners. 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.

January 2016

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 2016

Final consultations take place with Trade Unions, representatives of Business Rate Payers, the Schools Forum, Head Teachers, Governors, People and Place Boards, the Children's Trust Advisory Network, Equality Forums and Area VCS Networks regarding the budget.

March 2016

Feedback to the public generally through appropriate methods including the council's website, Council Tax Leaflet and Cabinet reports:

- the outcomes of the budget setting process;
- how the decision-making process was informed by the consultation.