

THE BUDGET CONSULTATION PROCESS

1. The Executive will undertake an extensive consultation process between 14 October and January 2012 on the attached draft budget proposals. Cabinet Members are keen to listen to new ideas and to receive feedback on the proposals to help to finalise the Executive's budget to be recommended to Full Council in February 2012.

Financial Context

2. The Council is planning to spend more than £500M in delivering hundreds of services to residents in 2012/13
3. These services range from the obvious, visible services such as street cleaning and repairs, housing, waste collection, care of vulnerable children and adults, libraries, leisure centres and schools, through to the less visible, but equally important, such as trading standards, environmental health, tourism and business support.
4. The Council is funded in a number of ways. It receives grant from central Government, it raises money by people using certain services such as planning and licensing and it must fill the gap by raising council tax or reducing the cost of services. The financial landscape is tough and likely to remain so for some time. It means the amount of money the council is able to raise through services has fallen while the pressures on its finances are considerable and growing. For example; the council expects to spend extra money on care for older people, people with learning disabilities and young children over the coming year. To make matters worse Government Grant is reducing further.
5. The forecast funding position for 2012/13 is that there is an initial shortfall in the budget of just over £15.2M. More detail is provided in Appendix 3 which deals with the financial position. This is based on delivering the same service levels in 2012/13 as in the current year, ensuring pressures and risks and adequately provided for and by raising Council Tax by 2.5%,
6. To balance the books and pay for all the things we are required to do some tough choices will have to be made. Staff and Councillors have been working throughout the year to identify opportunities to be more efficient, to make savings and to raise income to close the overall gap. New efficiency savings totalling more than £9.1M for 2012/13 that will not directly impact on residents' services have been identified. These savings bring the total efficiency savings made by the Council over the last four years to more than £36M and include items such as:
 - Savings from reduced management across the Organisation totalling almost £1.0M
 - Savings in the provision of the Early Years Service of almost £0.5M achieved from merging management and increasing multi-agency use of sites.
 - Efficiencies in the delivery of the Supporting People programme which it is hoped will deliver up to £1.3M.

- Through the development of a commissioning and quality assurance service incorporating a range of teams and joint service specifications with the Isle of Wight we will deliver savings of more than £0.6M within Children's Services and Learning
 - Efficiencies from the new Highways Strategic Partnership of £0.3M
7. However, even after allowing for these efficiency savings there is still a gap of more than £6.1M that needs to be closed. The Council is therefore also proposing, subject to consultation with the Trade Unions, that the current redundancy scheme be replaced with a more affordable scheme which will save £1.0M.
 8. This leaves £5.1M still to be found through a combination of increases in fees and charges or service reductions. The draft budget proposals include ideas to increase income which will yield £0.8M and also some service reductions which will deliver £2.9M of savings. Where cuts have to be made the council will try to ensure they have the least impact on the most vulnerable in our society. Over the coming months, Cabinet Members will continue to explore with Directorate Management teams and partners, including Capita, other ideas for savings and efficiencies that could contribute to the 2012/13 budget position.
 9. The development of the budget is important work as the council wants to keep the council tax increase as low as possible, whilst still continuing to improve services, in what are very difficult financial times.

Consultation Process and Methodology

10. The Executive intends to undertake a range of consultation activities to work with all organisations affected by the proposals, as well as consulting with the public on the draft budget proposals. The Executive is keen to hear residents' views on their priorities for services, what they think of the proposed investment in services and the council tax level.
11. The consultation will involve the publication of information on the City Council web site. In addition, stakeholders and Partners will be offered face to face meetings with Cabinet Members if required, as will staff through the usual Trade Union process, in order to supplement existing internal communication channels.
12. The local media will also be briefed on the overall process and specific proposals, and will be updated as and when required throughout the process.
13. Formal meetings will be held on an ongoing basis with the Trade Unions, starting with a meeting on the day of publication of the draft budget (14 October 2011) in order to receive direct feedback on the Executive's proposals.
14. Organisations directly affected by the budget proposals will be contacted and invited to meetings with Cabinet Members for further discussion, and to consider alternatives or any new ideas.
15. There will be feedback opportunities for all residents either through the web site or by post. Additional information will be available for staff to access through normal internal channels.

16. The Overview and Scrutiny Management Committee will also be invited to consider the engagement of Scrutiny Panels in this process and all council members are welcome to make their comments in advance of the budget setting meeting in the new year.
17. The formal minimum 90 statutory consultation on savings proposals which impact on staff commenced on the 14 October. A meeting was held with the recognised Trade Unions to launch the consultation, and they have been invited to provide feedback and to contribute to the consultation. They have also been invited to a consultation meeting every fortnight through out the consultation period.
18. In addition to the main consultation launch meeting held on the 14 October, individual briefing sessions were also held on the same day for all staff groups who are impacted by potential redundancies. The Council will ensure that for each individual saving proposal there is a meaningful consultation process undertaken during the consultation period.
19. This year again presents significant challenges for the council. However, the Executive has spent a great deal of time protecting priority service areas and has sought to minimise impact on residents and businesses. Cabinet members are keen to seek your views on the proposals set out in this document, as well as the views of partners, voluntary organisations, staff and unions and other affected organisations. This information will used to help form the budget decision making process in early 2012.