Scottish Parliament
Local Government and Regeneration Committee
Developing new ways of delivering services – Local Authority Saving Plans

Questions:

1. Can you describe the approach that your local authority has taken to both short-term and long-term budget planning since the onset of the financial crisis? For example, has your local authority taken a “zero-based” approach, or has it set out a range of options for savings? Please supply any relevant supporting documentation, for example copies of any budget planning exercises etc.

2. Can you describe the consultation that your local authority undertook on your budget plans, both with stakeholders, and the general public?

3. How have the outcomes of your consultation fed into and influenced your budget plans?

4. What involvement has there been from external consultants/advisers in your budget planning, and what influence has this involvement had on your final plans?

Highland Council responses:

1. To date the Council has used a multi-year, medium-term approach to its budget planning, with budgets typically developed for 2 or 3 forward years. This has allowed the Council to plan ahead in relation to the actions necessary to deliver savings in the challenging financial environment faced by the public sector.

The Council’s approach has been largely based upon a ‘roll forward budget’ approach, based on prior year budget levels as the starting point for the following years budget, rather than a ‘zero based budget’ (ZBB) approach. Where appropriate, ZBB has been used in targeted areas, e.g. for newly developed services.

To develop a range of saving proposals for consideration, the Council’s strategy has been to use a multi-layered approach, with savings proposals developed at both service and corporate level. To support the delivery of efficiency savings across the organisation, and to develop new ways of working, the Council has a Corporate Improvement Programme (CIP). The CIP has a dedicated team of staff which is focused on a range of projects to deliver savings of c£18m to date (2010/11 – 2012/13). Projects taken forward by the CIP include; asset management, review of business support, income generation, procurement, transport, customer contact transformation, and mobile and flexible working.
Following the recent agreement of the Council's budget for 2013/14 and 2014/15, the Council is now committed to developing a longer-term 5 year approach to its revenue budget, to address the period beyond 2014/15.

The Council has recognised that there are a number of advantages to taking a multi-year and longer-term approach:-

- Opportunity to more closely integrate financial planning with the Council's programme of priorities (political programme);
- Potential to consider more strategic reviews of services and how they are delivered;
- More of an alignment between the timescales of revenue and capital plans;
- Increased time to plan and implement savings relating to future years;
- Greater certainty for the Council, its Services, and service users and stakeholders;

Information on the Council's budget relating to 2013/14 and 2014/15 is available from the agenda of the Council meeting in the weblink below.


2. The Council undertook an extensive budget consultation exercise during 2012, to inform the budget decisions made in relation to 2013/14 and 2014/15.


The consultation exercise took the format of:-

- 12 consultation events across Highland;
- Meetings with stakeholders such as Unions and Highland Youth Voice;
- Meetings with specific groups such as Sight Action and the Highland Users Group;
- Feedback via email, postal and online surveys;
- Comments on a Budget Blog;
- Survey distributed to the Citizens Panel of 2,300 residents.

The consultation process was concluded at the end of October 2012, with feedback analysed and fed into the budget planning processes over the

Information on the budget consultation process, and details of the consultation feedback, is available on the following link.

3. Through the various formats of consultation described above, the process has provided both qualitative and quantitative analysis. Details of the summarised responses and analysis are included within the weblink above.

The outcomes of the budget consultation process have informed the budget plans in a number of ways.

- The process has identified those saving proposals which had a significant majority of support from respondents, and which have therefore gone forward for agreement by the Council on 7 February 2013. E.g. the question “Would you be supportive of your Council providing more services through the Post Office or other local outlets?” received a 92% “Yes” responses from the Citizens Panel. The Council’s agreed budget includes a saving proposal relating to Customer Contract Transformation.

- The process has identified those savings proposals which raised majority concerns from a wide spectrum of respondents, and as a result were not ultimately put forward as saving proposals for 2013/14 – 2014/15. The most notable example was a proposed saving from reducing the school day by 30 minutes each day. The proposal had significant volumes of feedback e.g. 801 citizen panel responses, and a number of qualitative responses in terms of areas of concern in relation to impact.

- The process has identified comments in relation to savings proposed, which may lead to revised or amended proposals considered for future years budgets. Even where concerns were raised, the capturing of comments and qualitative responses has identified ways in which revised proposals could potentially see greater levels of support in future consultations if alternative approach were considered. Interestingly, the school day proposal features again in this category. While it had a high volume of comments, the majority being against the proposal as it was described, it also had a significant number of positive comments, with many respondents suggesting the proposal may have been of merit if alternative models could be considered e.g. utilising the time for additional sports and activities, or finishing school at lunchtime on one day per week.
• The process has allowed respondents to put forward their own ideas for savings, in addition to the proposals which were included within the consultation.

4. The Council has not made significant use of professional advisors in relation to the Council’s budget planning process, preferring instead to maximise use of in-house skills where it can. The Council’s budget consultation was undertaken in-house, using only existing staff resources, and seeking to rely on technology where appropriate to make the process as efficient as possible e.g. the budget blog and online surveys. Further evidence of this in-house approach is evidenced by the CIP team described earlier, using existing staff expertise and knowledge, supplemented by project management and other relevant training, to create a dedicated in-house team to develop change and efficiency savings. External advice has only been used where particular specialisms could only be resourced externally e.g. specialist information technology support relating to I.T. system developments.