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**Introduction**

This year’s budget consultation took place through December 2009 and January 2010.

The public consultation was based around an on-line and paper questionnaire, which was available to members of the public throughout libraries across the county. It was publicised through local media.

Following the in-depth consultation undertaken in 2008/09, the purpose of the consultation was to build on this work and provide opportunity to look at broad headlines and confirm priorities.

This report sets out the findings, illustrating participants’ views on the priority spending areas.

It also builds on the finding of last year’s budget consultation exercise.

The report is divided into the following sections:-

- Headlines from the 2008-09 budget consultation
- Headlines for Priority Spending
- 2010/11 Budget Consultation
- Key themes
- Consultation with councillors, schools & trade unions
- Recommendations

**Headlines from the 2008-09 budget consultation**

A series of 15 focus groups took place across the county during October 2008. Participants were made up of a mix of people, reflecting the diversity of Gloucestershire’s communities.

For each of the 9 dilemmas there were informed debates, which have given us a range of opinions. Key to note that there wasn’t any particular themes that were attributable to any one group, although there was a considerable amount of diversity in the groups.

Key points to note are:-

- Although the impact of the recession was not a specific dilemma within the focus groups, participants recognised that this is an increasing concern for them and their families,

- Although we have gathered the opinions of in the region of 150 people, for most of the debates there wasn’t consensus for how to resolve the dilemmas,

- Participants would be happier with our decisions if we justified them and communicated them effectively,
- There is a considerable amount of consistency between this year’s consultation and the previous two years.

**Headlines for Priority Spending**

Spending priorities and views on changes to council tax levels from 2008:

**Top 5 Spending priorities**
1. Care for older people
2. Care for people with mental health needs
3. Support / care for people with physical disabilities
4. Support / care for children & families
5. Support / care for people with learning disabilities

**Services ranked in order of importance**
- Care for older people
- Support / care for children in need of protection
- Care for people with mental health needs
- Primary schools
- Early years services

**Levels of agreement on changes to council tax levels**
Top two most popular views are conflicting:-
- Services should be maintained at current levels and I’m prepared to pay
- I cannot afford to pay increased council tax

**Priorities for funding for schools**
- Primary schools
- Secondary schools
- Early years

**2010/11 Budget Consultation**

**Consultation with residents**

The public consultation began on 16 December and ran until 16 January. It was based around an on-line questionnaire and a paper version, which was available throughout libraries across the county.

The questionnaire focused on 3 principal areas:-

- Seeking people’s views on council tax levels and service charges,
- The extent to which people agree that our priorities are still the right ones for the council,
- Which services are priority and which are the services where we could consider spending less.
In addition, there was opportunity for participants to tell us of any other priorities that they thought we ought to be considering.

**Key themes**

The results of this year’s consultation should not be looked at in isolation. Their value is found in looking at them in the context of previous years. A smaller scale exercise means that results are only an indication of the views of people in Gloucestershire.

- The results indicate that public views have not shifted. Our priority areas should still be providing care and support for vulnerable people and services for children and young people.

- There is a clear indication from the results that the county council’s priorities are still broadly supported.

- Unsurprisingly, there is little support for service reduction.

- There is not clear consensus on whether keeping council tax low should be a priority.

**Consultation with councillors, schools & trade unions**

The proposed budget was considered through the council’s scrutiny process, with a detailed response from the Council and Budget Priorities Task Group. The Task Group’s response included concerns about the increasing cost of high demands in children and adult social care, the ongoing Building our Future programme, the cost of road repairs, flood alleviation and the benefits of Putting People First. The full report, including Cabinet’s response, is attached at appendix 2.

The consultation also included the following:

- Trade Unions and professional associations (appendix 1),

- Staff, via internal communication channels,

- Schools, via the schools forum, open meetings and head teacher groups. (Appendix 3)

Generally the results of this consultation showed agreement with the proposed budget for 2009-10.

Any specific issues that were raised in the consultation, but are not directly related to the proposals, are being answered separately.
Recommendations

This year’s results are only an indication of public views. As we have done in the past and are currently doing now with consultation exercises such as that on the Local Transport Plan 3, before making the most signification decisions on service changes, it is recommended that we engage the public fully and enable the opportunity for providing informed views.
Appendix 1

Trades Union and Professional Organisations Consultation on the Budget

13th January 2010

Present:

Cabinet members: Cllrs Hall, McLain, Hawthorne, McMillan, Theodoulou.

Representatives: Patricia McKay, ATL;
                  Martin Ballard, NAHT;
                  Roger Hunt, GMB;
                  John Wade, NASUWT;
                  Mike Tully FBU.

Officers: Stephen Wood, Group Director, Business Management
          Nick Lerry, Principal HR Advisor
          Alison Wantenaar, Democratic Services Officer

Apologies: Cllrs Dare, McMillan, Waddington, Hicks, Noble; Fran Gabaldoni, HR.

Cllr Hall opened the meeting. She confirmed that the meeting was part of a county-wide consultation that commenced in December and will end on 1st February 2010.

Question 1 Mike Tully FBU
New Fire Stations will open in 2 years time but under current budgets there will be insufficient manpower to staff them. The FBU wished to take this opportunity to alert the County Council to the need for 8 further fire fighters – bringing the total form 128 to 136 - to enable the proper staffing of the new stations. This translated as £300,000 per annum. Insufficient staffing could cause equipment to be mothballed.

Response – Cllr Will Windsor-Clive
Cllr Windsor-Clive replied that he was not aware of these figures and would need time to look at them. He enquired of the union’s view on rota change.

Mike Tully
Proposed rota changes (duty system) were being considered. 22 brigades out of 24 had rejected this proposal, and the two that had accepted them were both large urban services and one had recorded an extreme overtime bill making the change more, not less, costly. There was a skills gap across the service. Also recent work by Audit Commission demonstrated that he service had a good record re: sickness absence, quite different from anecdotal reporting. Evidence should be available in two months’ time.

Cllr Will Windsor-Clive
Cllr Windsor-Clive responded that the duty system had been sold to him with extra training. It was noted that the increased staffing cost might be the lower risk solution. He requested Mike Tully contact him so further dialogue could take place.
Question 2 Roger Hunt GMB
Efficiencies in staffing levels will increase stress on those in post. There is a view that partnership working and changes to commissioning will lead to short term savings. More work is then placed with outside companies and the ability to do the work internally is lost, and over time the work costs more. Examples in ICT, Legal Services and HR. The union would prefer to see efficiencies achieved through sharing services with other authorities rather than losing expertise to the private sector. Important that any investment in ICT is undertaken ensuring systems are compatible with partners. GMB would like details on contracted employees, consultants and agency staff – showing where employed, for how long and at what cost.

Response – Cllr Ray Theodoulou
Cllr Theodoulou accepted that generically the view was correct; the Council was moving to be less of an employer and more of a commissioner. Whenever work was contracted out the decision would have been supported by a business case. The Council strived for good value and competitive pricing. There could be difficulties where the number of suppliers tendering dropped to one or two.

Cllr Mark Hawthorne
Cllr Hawthorne acknowledged that this was a difficult time for everyone; it was important to acknowledge that the current rate of spend was unsustainable and that the authority could be bankrupt if it did not seek new ways of working. However, it was likely that the demands made on the local authority would increase, not decrease.

Response – R Hunt GMB
The Union was not opposed to change, but felt the authority could improve its approach. The proposed 0.5% pay increase was not realistic.

Question 3 M Ballard NAHT
Considering efficiency savings, what was to be proposed regarding schools and the relative costs per pupil, where some provide education at £2,500 per head and others (small schools) £6,500?

Response Cllr Jackie Hall
Cllr Hall confirmed that this matter was on the Schools Forum agenda. The matter, including the funding formula, was under review led by Phil Budgell, ex DCSF. It was acknowledged that the County was one of the worst funded authorities and that there was little scope for increased funding. Schools Forum would be considering options including federation and amalgamation of schools. With regard to clawback of excess funding, after a poor first year all schools now understood what they needed to do. It did not help the county’s case when schools accrue large surplus balances. However, schools needed some reserves and did not want to be in deficit. Governors and head teachers must plan for the long term.

Question 4 M Ballard NAHT
The cost of ICT suites in schools could be a six-figure sum before equipping; now it was possible to fund mobile provision (laptop computer on trolley) out of capital funding. Would this affect decisions? Also, would the Council be consulting on school closures?

Response Cllr Jackie Hall
Cllr Hall replied that there were issues regarding prescriptive funding pots and the definition of revenue vs capital. She confirmed that there would be consultation regarding Bishops’ College and Vale of Berkeley College.

Response Cllr P McLain
Cllr McLain commented that, with regard to the National Challenge schools, it would be very helpful if all other schools put forward their point of view during consultation period.

Question 5 Mike Tully FBU
Would all new schools be fitted with sprinklers?

Response Cllr Jackie Hall
Cllr Hall confirmed that sprinklers had been fitted during work carried out at Severn Vale, and also would be for the Academy in Cheltenham. She was aware that the work at Rednock School had fallen between two pieces of legislation and sprinklers had not been fitted there.

Meeting ended 12.50pm
1. PURPOSE

To report the findings of the task group, including consideration of the Cabinet’s response to the group’s Interim Report (Appendix 1) and the Medium Term Financial Strategy (MTFS).

2. REPORT

2.1 Whilst the task group welcomes the commitments made by the Cabinet in its response to the interim report and within the MTFS, there remain areas of concern:

a) Building Our Future (BOF)

The task group recognises the administration’s commitment to transforming the council in order to meet the financial challenges ahead. However, it is disappointing that BOF is only projected to achieve £0.5m savings during 2009/10 compared to a budget of £2.5m.

Response

We agree. However it is worth pointing out that :-

- The latest projection is for BOF to achieve c.£1.4m of benefits in 2009/10
- in the same financial year BOF has over achieved its planned benefits (£12.9m vs. a target of £9.7m)
- the shortfall in actual benefits is more than made up by an agreement that, in this financial year, Directorates could retain other identified benefits to assist with offsetting the 2009/10 forecast overspend
- even if slower than anticipated many of the identified benefits will become actual in 2010/11
Given the importance of the BOF programme to both the 2010/11 budget and the council as a whole, the task group is seeking assurance that the fundamental changes and related cost savings required can and will be achieved:

Response

We remain confident that the BOF team, along with Cabinet, the Executive and management of the Council have the commitment tools and facilities to secure the desired results.

Specific concern surrounds the following areas:

i) The lack of detail about the £12.7m BOF savings target for 2010/11 (including the £2m under recovery in 2009/10). For instance, which services will be affected most by the voluntary early retirement scheme that forms the bulk of “Organisation and Culture – Phase 1” savings for 2010/11? What effect will “vacancy management” have on front line services? The Council needs to be clear and open with members, staff and service users on what the savings are and how they will change front line services.

Response

We understand that neither vacancy management nor Voluntary Early Retirement (VER) will have any significant impact on services in any Directorate. VER alone will achieve about 60% of the benefits target for Phase 1 of the Council’s re-structuring. The remainder will come from vacancies, redeployment and planned redundancies. Directorate teams are now working on the plans that will see the remainder of the Phase 1 benefits achieved and will seek to minimise service impacts in bringing these plans together.

ii) In light of the budget shortfall of 2009/10 the task group has identified a risk that projected savings for 2010/11 ascribed to BOF may not be met. This risk should be recognised in the 2010/11 budget and the MTFS, including detail on the reliability of the forecasted savings and the ability of the Council to deliver these benefits.

Response

For 2010/11 benefits derived from BOF work are being written in to Directorates budgets and the MTFS. The BOF team have already applied a weighting to the activity that will yield the benefits and will work alongside Directorates to ensure delivery.
iii) The task group believes the change programme is not making rapid enough progress. For example, members believe a projected saving of £800k on procurement is not sufficiently ambitious. Members hope to see a root and branch review of the structure, culture and activities of the Council.

Response

Essentially we agree. However BOF has had to take the Council through difficult debates that yield far reaching and deep changes, and this takes time. Equally there are the Council’s policies and procedures to follow that, because of the scale of the changes proposed so far by BOF, have also taken some time to complete. The next stage of BOF, which is already under way, will deliver the root and branch review that the Task Group seek.

In terms of Procurement we believe £800,000 is acceptable. This is only the latest figure of a much higher Procurement savings total achieved since the introduction of GUS, and as part of the Council’s efficiency savings efforts prior to BOF.

b) Children & Young People and Community & Adult Care

Although members are pleased to see the additional investment in Adult and Children’s Services, there remain question marks over whether such investment is sufficient to meet rising demands.

Both directorates have experienced large overspends during 2009/10 and members are not yet convinced that the cause of these overspends have been properly dealt with. If longer term solutions to those underlying causes are not implemented as soon as possible current additional investment may not be adequate.

There is significant concern that the continued service and budget pressures within Children’s Services could lead to a loss of performance. It is not enough to simply invest more in services without ensuring that additional expenditure will be spent efficiently and effectively. Members believe that unnecessary and/or inefficient services may exist within the directorate, and, given the high overspend during the current year, seek assurance that additional resources will be spent effectively on protecting vulnerable children. The task group seeks assurance that there is adequate leadership and support alongside investment in order to allow the necessary changes to be made to the directorate whilst protecting and enhancing vital services.
The 2009/10 overspends for Community & Adult Care have been caused by demand led pressures due to demographic changes. These demographic changes have been known for some time. This suggests that either current budgets are insufficient to provide for these changes or the directorate is not providing value for money. Again the task group seeks reassurance that the actions proposed are adequate.

Response

C&AC's overspend in the current year is largely the result of demand increasing faster than the known and projected changes arising from an ageing population not all of which, despite improved interventions, has been able to be diverted away from long term care. For this reason our projections of demand pressures for 2010/11 have been through a wider process (than demography alone) reflecting the actual increases in recent years. These have then been reduced to reflect our opportunity to impact on this demand through the further development of more cost effective interventions, particularly relating to prevention, early intervention and alternatives to residential care, such as to ensure better value for money. This is considered to be an effective and appropriate planned response to increased demand although it will continue to be the case, as has been witnessed this year, that there will be a high risk of demand and cost pressures exceeding the resources available and thus the budget recovery plan measures introduced this year will also continue into 2010/11.

The significant cost pressures in the CYP service (external agency placements, social care teams and legal costs) are the result of a 25% increase in the number of looked after children. The investment for 2010 is being targeted through a comprehensive Improvement Programme which has been in place for the last six months. Improved management in this area has ensured that effective and efficient services are provided to these vulnerable children.

Whilst we remain confident that volumes have stabilised, any unforeseen increase will put further pressure on an already volatile budget.

c) Putting People First

Members request a statement on the quantitative and qualitative benefits expected from Putting People First, how these benefits will be achieved and what the risks of not achieving these benefits are.

Response

What are the quantitative Benefits of PPF?

- 30% of people will be offered a personal budget
• At least 3% efficiency savings year on year in line with the corporate priorities identified in the MTFS and the BOF programme

How will these benefits be achieved?
• Through the introduction of personal budgets and a new self directed support process
• Through enhanced capacity in enablement and intermediate care services
• Through the introduction of a new, streamlined adult social care system supporting and enabling the effective and efficient working of front line services

What are the qualitative Benefits of PPF?
• Enable people who want to make their own arrangements through improved access to good information and advice
• Enable people to exercise more choice and control in how they remain living at home
• Better managed demand and delivering improved outcomes for people

How will these benefits be achieved?
• Provision of an Information Portal easily accessible to citizens
• Work with partner agencies to ensure the portal is utilised to guide and support individuals in decision making
• A strategic shift towards Early Intervention and Prevention to avoid the need for longer term care and support
• Stronger and more effective partnerships and more integrated working with key partners such as Health and Housing
• Enhanced capacity in enablement and intermediate care services

What are the risks of not achieving the benefits?
• If at least 3% efficiency savings are not realised there will be a consequent impact on Council budgets
• Impact on the Directorate’s performance
• Delivery of a poorer service to citizens

d) Carbon Emissions

The task group hopes that the reduction of carbon emissions will be a key part of the current change programme. Carbon reduction and the Council’s Climate Change Strategy should be part of everything the Council does and not in addition.
Response

Environment Overview and Scrutiny Committee recently received a report on the Council’s current carbon emission position and actions being taken to meet the targets required by the 10:10 initiative, GCC Carbon Management Plan and the new Carbon Reduction Commitment (statutory carbon trading regime). The effective alignment of the climate change strategy with the current change programme will take time to achieve and will need to build on progress already made with business planning and risk management processes. A meeting has been arranged between the Director: Environment and the BOF Team to kick off this new area of work.

e) Flood Alleviation

The task group is pleased that specific flood funding continues to be provided for in the budget. However, members require some assurance that the £2.3m flood alleviation funding built into the 2008/9 base budget is still fully available to fund new flood alleviation projects, and that it has not been simply subsumed into the budget to fund “routine” expenditure.

Response

The Committee can be assured that the £2.3m flood alleviation funding has been used for flood work in 2008/09. £200k reflects the capital loan repayment, £1.4m has been invested into cleaning and unblocking gullies and increasing the size of the drainage team, and £700k has been invested in Flood Alleviation including partnership flood alleviation revenue work with the District/Borough councils. The Future Resilience Programme Board approves the programme and reviews the Flood Alleviation Programme regularly. Following a recent request by the Environment Overview and Scrutiny Committee, details of the programme are being sent to all county councillors this week.

f) Additional Police Officers

Members welcome the review into the police contract. The task group requests that all members are consulted and provided with a timetable for this review.

Response

The group Director for Community Safety is meeting the new Chief Constable Tony Melville on the 12th February. The review of the Police Contract will be discussed here. Once a timetable for the review has been agreed, it will be shared with members.

g) Road and Pavement Repairs
In light of recent adverse weather conditions the task group requests a response on the impact on the roads network, especially unclassified roads, and clarification on whether any changes are being made to the MTFS investment proposals in the light of the damage caused.

Response

*A special inspection process has been invoked to identify the extent and severity of damage on the network, investment proposals within the capital programme will be reviewed in light of the inspection findings*

3. Recommendation to Cabinet

1. That the Cabinet takes action on the issues raised in this report when finalising the 2010-11 budget proposals and MTFS.

2. That the Cabinet produces a response to the requests included in this report by its next meeting on February 10th.

Cabinet Response to Budget Scrutiny Task Group Recommendations

Cabinet thank the Scrutiny Task Group for their work to date. We are pleased to say that we are able to respond positively to the group’s recommendations. The recommendations and Cabinet’s response are set out below.

Recommendations

a) The Building Our Future Programme should involve more fundamental changes to Council services and organisational culture, including partnership working, the use of the voluntary sector and lean processing (paragraph 3.1)

b) Carry out a full review on the delivery, structure and culture of support services within the Council (paragraph 3.1 b).

c) Carry out a full review on the provision of discretionary services, including their benefits to Council priorities, service users and the County as a whole (paragraph 3.1 c).

Response to a), b) and c)
Each of the three recommendations (see b&c) above will be included for review in the next stage of the Building our Future programme which will take place over the next financial year. Scrutiny will have a valuable role to play in monitoring benefits realisation.

d) Reconsider the funding of Home to School Transport for faith and selective schools, and explore the viability of alternative options of service delivery as set out in this report (paragraph 3.2 a).

Response to d)

A review of home to school, including post 16, transport is already planned for next summer.

e) Provide the Children and Young People Directorate with sufficient support and resources to maximise the efficiency and effectiveness of their services to safeguard vulnerable children under current budget and service pressures (paragraph 3.2 b).

f) Ensure that the Adult Social Care Service receives the appropriate levels of funding and has the ability to deliver value for money (paragraph 3.3 a).

Response to e) and f)

Funding for Children and Adult Social care is at the heart of the budget proposals. Around 80% of investment in services is for these two vital services. Additional provision of £12.5m is being directed into addressing the needs of vulnerable children and adults.

g) Commit to the expansion and future funding of Community Agents (paragraph 3.3 b).

Response to g)

This is a real success story for the council. We may be able to expand in the future but at the moment our focus is on meeting the core provision for growing numbers (see above response). We are therefore not able to further expand this at the present time but may do in the future if resources allow.

h) Provide assurances that the Putting People First Programme has the means to deliver its expected benefits to the Council and service users (paragraph 3.3 c).
Response to h)

We can provide that assurance.

i) Develop a proactive approach to the local economy and tourism, including working with Districts and other partners, especially Gloucestershire First (paragraph 3.4 a).

Response to i)

Yes, this is something we are doing

j) Embed environmental best practice and cultural change through any new work practices and structural changes arising from BOF, in order to maximise the Council’s reduction in carbon emissions (paragraph 3.4 b).

Response to j)

Cabinet is committed to reducing our impact on the environment and will certainly look at how we can embed good environmental practice into our change programmes. We see that scrutiny could play a valuable role in helping achieve these objectives.

k) Continue specific funding for flood alleviation measures (paragraph 3.4 c).

Response to k)

The specific flood funding continues to be provided in the budget.

l) Justify the continued Council funding for additional Police Officers (paragraph 3.5 ).

Response to l)

A review of the police contract will be taking place with the new Chief Constable in the New Year.

m) Prioritise road and pavement repairs and maintenance in light of increasing budget pressures (paragraph 3.6 a).

Response to m)

This continues to be a priority area for new investment.
1. **BUDGET 2010/11**

Stewart King presented this report that sought the Forum’s recommendation on the DSG (Dedicated Schools Grant) for 2010 in the light of the outcome of the consultation with schools. A consultation paper was published on 11 January 2010 and 2 consultation meetings had been held. 40 responses were received and an analysis was attached to the report. The Children & Young People’s Scrutiny Committee had also considered the issues.

The total DSG for 2010/11 was still estimated at £326m. However, the final DSG allocation would depend on actual pupil numbers at the January 2010 census. This would mainly be known by mid March when school budgets would be issued. Final confirmation of DSG from the DCSF (Department for Children, Schools and Families) would not be until late June 2010.

The Forum considered each of the recommendations in turn. In response to members’ questions the following points were made:

- The trend for SEN (Special Educational Needs) statements was still very much on the increase.
- Children’s Centres were mostly funded by Sure Start Grants. Budgets for 2010/11 will be kept at 2009/10 levels to prepare for the uncertainties in 2011/12. Funding released will mitigate a risk of significant overspend in nursery education budgets if take up continues to increase. The contingency would not be ringfenced it will part of the DSG and available for allocation at the Forum’s discretion.
- With regard to funding for 14-19 it was explained that this was an additional responsibility and will have implications for Secondary Schools from April. There will be a Team within CYPD (Children & Young Peoples Directorate) responsible for this area.
- It was noted that the ABG grant next year would be included in the Council budget.

On being put the vote it was

**RESOLVED**

**THAT**

1) Any additional DSG available, after taking into account commitments relating to increased pupil numbers, is delegated to schools for Personalisation and SEN.

2) The MFG increase for 2010/11 not applied to schools already funded above 100% of the NLF in 2010/11.
3) The additional allocation for Personalisation and SEN in 2010/11 be allocated on the same basis as that used in 2009/10
4) The proposed changes to the funding of statements of SEN be deferred until 2011/12 to allow for further consultation with schools.
5) The proposal to develop specialist ASD facilities in secondary schools be endorsed.
6) £360,000 be added to the DSG contingency to cover a potential overspend on nursery education.
7) The strategic priorities set out in the consultation paper be adopted and the Officers develop a workplan to deliver them.
8) The proposals for DSG as set out in Annex B be agreed as the Forum’s recommendations to Cabinet.