



REPORT TO: THE MORAY COUNCIL ON 30 SEPTEMBER 2009

SUBJECT: BUDGET CONSULTATION PROPOSALS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 This report provides Members with a framework for consulting on the budget savings that the Council will be required to implement during the next two financial years and to communicate current indications on the future of Council finances as part of the consultation process.
- 1.2 This report is submitted to Committee in terms of Section (II) of the Council's Administrative Scheme relating to the annual budget setting process.

2. RECOMMENDATION

- 2.1 **It is recommended that the Council agree proposals for consultation on budget savings for the next financial year and the inclusion of information on current expectations of reductions in Council budgets over the next few years.**

3. BACKGROUND

- 3.1 The previous report for this Council meeting sets out the budget prospects for the Council in the next four years. Current indications are that the scale of grant reductions faced by the Council will be colossal.
- 3.2 The Administration Group Councillors have carried out a detailed review of the budgets allocated to services to identify potential savings. Given the enormity of the reductions expected those Councillors were advised to include all potential savings for consultation. Each potential saving is being allocated to 1 of 4 phases to represent relative priorities with phase 1 being implemented first and phase being implemented last.

- 3.3 Given the uncertainty described in the overview report it is not possible to establish when each phase will need to be implemented at this stage. It is also important to note that Councillors will be required to review budgets again in future years to refine and add further savings to the list currently identified. This may enable some savings in phase 4 to be deferred indefinitely. The success of the Council's efficiency programme, Designing Better Services, and the level of pay awards will also be significant factors impacting on the value of savings required.

4. CONSULTATION PROPOSALS

- 4.1 It is proposed that the Council should consult on the phasing of the savings identified and seek any other suggestions of potential savings. It is to be stressed that subject to the uncertainties described in the overview report and the identification of additional large scale alternative savings, that it is highly likely to be a matter of when, not if, the Council will be required to seriously consider the savings that have been identified.

- 4.2 The groups currently identified for inclusion in the consultation process are:

- Moray community via Citizens Panel
- Council Staff via Staff Unions and ICE
- Community Engagement Group – advice to be sought from this group on community groups and community planning partners who should be consulted.

- 4.3 A consultation pack will be made available to all consultees and will include:

- Overview Report
- List of Potential Savings
- Response Form on Phasing and Additional Suggestions

Papers will also be issued to the local MSP and MP for information.

- 4.4 The list of savings will be cross referenced to supporting information describing the saving and the impact it is expected to have and will also be cross referenced to a further schedule describing the activity from which the saving will come and the budget page for that activity. The information will be made available in hard copy at libraries and access points and also on the Council's internet site.

4.6 Budget Review Timetable

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| Administration Group finalise list of potential savings | 20th October 2009 |
| Administration Group to present potential savings to all other Councillors for discussion. Meeting to include Corporate Management Team. | 21 st October 2009 |
| Budget papers issued for Council meeting | 28 th October 2009 |
| Meeting with Trade Unions to review list of potential budget savings | 29 th October 2009 |
| Council meeting to consider savings. Subject to outcome of Council Meeting issue papers for consultation | 4 th November 2009 |
| 2010/11 Finance Settlement from Scottish Government | Late October/Early November |
| Briefing on Finance Settlement for All Councillors | 18 th November 2009 |
| Consultation closes | 15 th December 2009 |
| Issue report on consultation responses | 11 th January 2010 |
| Administration Group to finalise budget proposals | 18 th January 2010 |
| 2010/11 Budget Setting Meeting | 10 th February 2010 |

5. **SUMMARY OF IMPLICATIONS****(a) Corporate Development Plan/Community Plan/Service Improvement Plan**

The consultation process will inform the Council of the views of the community and community planning partners.

(b) Policy and Legal

None.

(c) Resources (Financial, Risks, Staffing and Property)

The consultation process requires further commitment of Council resources (primarily staff time) to the budget setting process.

(d) Consultations

The Corporate Management Team prepared the draft timetable for the consultation process which was reviewed and amended by the Administration Group.

6. CONCLUSION

- 6.1 Current indications are that substantial savings will be required at least for the next 4 years and it is important that the Council communicates the scale of this problem to the Moray Community. A key component of this communications exercise is consultation on the potential savings proposals for 2010/11 and it is important to note that it is highly likely that further substantial savings will be required in addition to those currently identified.

Author of Report: Mark Palmer, Chief Financial Officer
Background Papers:
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