

BUDGET CONSULTATION 2014/15

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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The budget consultation exercise will help the council to set its budget for 2014/15 in accordance with the needs and views of residents.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

We will shortly be launching our budget consultation process for 2014/15. This report has come to the executive committee to agree of the outlined approach.

<p>RECOMMENDATIONS: That Executive agree the budget consultation approach outlined.</p>
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1. INTRODUCTION

- 1.1 This report outlines our proposed budget consultation approach for 2014/15. Subject to approval, the consultation will run from Friday 8 November to Friday 20 December 2013.
- 1.2 The budget consultation document will outline the savings we have made in previous years, detail the budget savings agreed last year that will be made in 2014/15, outline how we plan to meet the budget deficit for 2014/15 and will outline work we will be undertaking in future years to help us balance the budget.

2. BUDGET PROPOSALS

- 2.1 The full financial details, including the outcome of the five Policy Development Groups are outlined in the previous report to this meeting.

2.2 The budget proposals we will consult on are:

- Reductions in some remaining discretionary grants
- Funding some discretionary services externally
- Increasing fees and charges for car parks, crematorium, cemeteries and licences by RPI
- Some limited charging for new and replacement bins
- Increasing Council Tax by 1.95%

3. BUDGET CONSULTATION KEY MESSAGES

3.1 The **key messages** for this year's consultation are:

- Due to government budget cuts, the council is continuing to have to make further savings which are only possible through changes to services.
- All councils have to make such changes, which are likely to continue for a number of years.
- Due to work undertaken last year, our savings proposals for 2014/15 are limited. However, in future years, significant further savings will be required. These will be delivered through fundamental changes to the way the council operates.

4. PROPOSED BUDGET CONSULTATION PROCESS

4.1 This year's budget consultation process follows on from the wide-reaching programme undertaken a year ago, which identified a two year savings programme.

4.2 As further savings are required during 2014/15, we propose to undertake an additional consultation process with residents, stakeholders and partners.

4.3 This year's budget consultation will be centred around an online consultation document, which will be made available on the council's website homepage, as well as our social media pages. The document will also be made available

through Copeland Direct and our offices, for those who are unable to access it online.

4.4 The consultation document will set the context of the current proposals, by outlining the changes we have made over the last three years, including a summary of last year's proposals, including those which are to be implemented in 2014/15. The document will outline the proposals for 2014/15 and will also explain the work we will be doing in the coming months on the future of the organisation, highlighting that there will be further tough decisions to come.

4.5 In addition to the consultation document, we will also use social media to signpost people to the document, encourage people to respond, and answer any factual queries.

5. STAKEHOLDER GROUPS

5.1 In addition to our main consultation document, we will also work with our key stakeholders, especially those who might be impacted by the proposals, to ensure that they understand what we are proposing, and how to have their say.

5.2 We will write to all our parish councils, and to the Dispatches mailing list of stakeholders, sending a copy of the consultation document. We will also offer to meet with any parish council that wishes to discuss the consultation or their financial settlement.

5.3 We will write to the grant recipients directly affected to outline the proposed changes, and seek their views.

5.4 We will contact social landlords to inform them of our proposed changes to charging for replacement bins.

5.5 In the New Year we will undertake a statutory consultation with non-domestic rate payers, to seek their views on our budget proposals. We will do this via an electronic survey.

5.6 We will also seek employees' views, via a series of staff briefing sessions. We will use team brief to remind employees that they are able to respond to the consultation and give their views. The staff briefing sessions will also be used to outline to staff the further work we will be doing on the future of the organisation.

5.7 By contacting those groups directly affected, promoting the consultation widely in the media and through social media, contacting stakeholders, we are confident that we will allow all those who may have an interest in the proposals to have their say.

6. EQUALITIES

6.1 As well as those stakeholder groups set out above, we will also be contacting a range of representative groups to help inform the development of our equality impact assessment.

6.2 An initial summary equality impact assessment has been carried out against the budget proposals. This is a working document and consultation will assist the Council in identifying any further impacts that have not yet been identified, any alternatives that have not yet been considered and ways in which impacts might be mitigated.

7. ALTERNATIVE OPTIONS TO BE CONSIDERED

7.1 It is best practice to undertake robust budget consultation with the public, stakeholders, representative groups and interested parties to ensure they can have their say and inform our decision making.

7.2 These proposals represent a cost-effective and sensible approach to budget consultation, which will engage with a range of partners, and which will provide useful feedback which will help shape future policy setting and inform our budget decision making for 2014/15.

8. CONSULTATION TIMETABLE

8.1 We propose to follow the timetable outlined below:

Monday 14 October 2013	Labour group consider outcome of PDG meetings
w/c Monday 4 November	Staff briefing sessions
Weds 6 November	Executive consider budget proposals and consultation document
Friday 8 November	Budget consultation launched (6 weeks).

	<p>To include:</p> <ul style="list-style-type: none"> • Consultation document • Online consultation • Signposting via media, social media, stakeholders mail out • Letter to grant recipients • Sessions with parish councils to ensure budget understanding and support • Meetings with stakeholders and representative groups
Tuesday 3 December	OSC budget session
Friday 20 December	Budget consultation ends
Date TBC – January 2014	Statutory budget consultation with NNDR payers (businesses)
Tuesday 21 January	Special executive to consider budget consultation responses
Thursday 13 February	Special executive – budget
Thursday 27 February	Full council – budget
Spring 2014	Consultation on future operating model
Spring 2014	Second round of PDG meetings

9. CONCLUSIONS

- 9.1 Copeland Borough Council, like all local authorities, has to make some major changes to the way it provides services, to help address the biggest funding cuts that local government has ever seen.
- 9.2 It is important to ensure that the public are consulted on proposals to change the services we provide, or on our future budget. This document outlines the proposed approach to budget consultation for 2014/15.

10. RESOURCE IMPLICATIONS

- 10.1 The cost of running the consultation can be met from existing departmental budgets.

11. STATUTORY OFFICER COMMENTS

- 11.1 Section 151 Officer comments are: The report sets out the details of the 2014/15 consultation and engagement required to ensure we make safe decisions and seeks feedback on the proposals for impacts, mitigations and treatment of risks.
- 11.2 Monitoring Officer comments are: Proposals for consultation set out in the report are proportionate and in accordance with statutory guidance on consultation.
- 11.3 EIA Comment: Contained within the report
- 11.4 Policy Framework Comment: In 2012/13, the Council conducted an extensive policy review and budget setting process in response to continued reductions in government funding for local councils.

From this, the Council agreed a set of new priorities and agreed a budget designed to implement these policy decisions whilst making the necessary savings.

This programme of savings realisation continues but as a consequence of additional cuts to funding from government, we now need to make additional savings.

This report, in line with our approach to policy development and equalities, sets out our approach to consulting on these proposals with residents and key stakeholder and representative groups.

12. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 12.1. The project will be managed by the communications team, working closely with Corporate Leadership team and the Section 151 officer.

13. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 13.1 The process will provide feedback on our proposed budget for 2014/15, which will help us finalise the budget.

List of Appendices

Appendix 1 – Draft budget consultation 2014/15 document

List of Background Documents:

- Corporate Plan
- The Role of the Council in 2015 – a consultation on our future role and budget proposals for 2013-2015 (report to full council, 11-10-2012)

Copeland Borough Council
Budget Consultation 2014/15

Foreword

Copeland Borough Council's executive committee has made recommendations on the 2014/15 budget, which we are now consulting on.

Please take the time to read their recommendations and please make your views known.

The money that we receive from the government in order to provide all the services that you, the people of Copeland, need and use, has been drastically reduced over the last three years.

Up to now, while things have been by no means easy, we have saved £2.6m. This has helped us to provide some protection for the most important services we provide.

But we cannot make the same savings over and over and the government is reducing its financial support even further, even though demand for many of our services is increasing.

The scale of this task should not be underestimated, and we will not be able to afford all the services that people are used to, so we will have to continue to make tough decisions about what to reduce in frequency or quality, what to charge for and what to stop altogether, outsource and other such unpalatable options. That is not hype, scaremongering or exaggeration, it is the reality.

We have made some clear recommendations around Council Tax, in that we could we choose to pass on the government's cut in Council Tax benefits to those in receipt of them, but with other direct government cuts hitting many people living in Copeland we did not want to make things even more difficult.

Therefore, we are recommending that any additional Council Tax charges are not passed onto to those who can least afford them.

It is important that we hear your views so thank you for taking the time to read our budget consultation document. This outlines our proposals for saving £120,000 from our budget in 2014/15. This is on top of the £2.6m we identified last year and are currently delivering.

These are difficult times, but we are facing up to them to ensure we provide the services our residents need. Whatever decisions we make, we have a responsibility and a duty to understand and take into account your views.

The executive committee of Copeland Borough Council

Background

Since the financial crisis, funding for the public sector has been squeezed. This includes the amount of money that local authorities receive from the government.

In fact, councils have had to make large budget cuts for each of the last three financial years.

Last year we consulted on a large series of budget proposals for 2013/14 and 2014/15. We are delivering these savings.

But budget cuts are continuing, which means all councils will have to make more cuts in years to come. Some councils have delayed cuts only by reducing their financial reserves or increasing the debt levels, which creates bigger problems in the long-term.

Our total budget for each of these years is shown below, along with a projection of what our budget will be in future years.

INSERT BUDGET GRAPH

In the first two years of cuts (2011/12 and 2012/13) we managed to make the savings we needed to with only a limited impact on the services we provide to you.

However, the savings needed this financial year were much bigger, and meant that we had to make big cuts to services – particularly those we do not have to provide.

This helped us keep delivering the services we must, by law, provide.

As each year passes, it becomes even harder to set our budget without making fundamental changes to what we do as a council.

Last year's consultation

Last year, we consulted on proposals to save £2.6m over two years. This represented just under a quarter of our budget.

As this followed two years of earlier cuts, it meant that we had to look to making major changes to our services.

Savings in 2014/15

During last year's consultation, we also identified savings that we would make in the second year of the programme (2014/15) and we will be delivering these too.

Budget proposals for 2014/15

Despite the cuts we have been forced to make to our services already, and the savings already identified for 2014/15, we need to make further cuts to help ensure we can balance our budget.

This is because the government has announced further funding cuts and there is uncertainty in other areas of our budget, such as through changes to Council Tax benefit and business rates distribution.

Earlier this autumn, councillors looked at areas where we could try to save additional money. The proposals outlined below were developed as part of this work.

1. Discretionary services – reduction of grants (and community regeneration, if agreed)

When looking at our discretionary services, we identified two grants we believe we should stop providing. These are to DIGS (deposit guarantee scheme) and the Cumbria Rural Housing Trust.

These grants were for housing support services which we no longer believe we need.

In the case of the Cumbria Rural Housing Trust grant, this is because it is of benefit primarily to parish councils, who should fund the service, if they wish to receive it.

In the case of the DIGS grant, as we now provide our own rent deposit scheme, we do not need to fund the similar DIGS scheme.

We propose to reduce the grant we provide parish councils for concurrent services, by 50%. This grant is for discretionary services that parish councils choose to provide.

We do not intend to pass on the latest reduction in grant funding from the government, as parish councils risk being unable to fund any shortfall.

We also propose to seek external funding for our community regeneration team, who work in our communities to support local projects and regeneration schemes.

2. Income generation – fees and charges

We propose to raise our fees and charges for car parking, the crematorium and cemeteries by inflation.

This will increase income and ensure our fees and charges are at a similar level to other local authorities.

In line with last year's decision, we need to ensure that fees and charges cover the total cost of providing the service.

3. Waste and recycling

We believe that in some cases we should charge for new or replacement bins.

These charges will not apply in all circumstances, or for all residents.

We propose a fee for new bins for new housing developments, to cover the cost to the council of providing the bins.

We also propose to charge landlords for replacement bins which go missing between lets.

We also propose to charge people whose bins need replaced due to damage from misuse.

Listening to feedback from some residents we are also considering offering residents the opportunity to pay for the collection of additional garden waste from their property. We would not charge residents for their current collection, of one bin per house, every fortnight during our

collection season. (Please note, that if supported, this proposal would not be implemented until 2015/16.)

4. A town council for Whitehaven?

We looked at whether Whitehaven should have a town or parish council. The rest of Copeland is served by parish or town councils who provide a range of services for their local area. These can include the provision of public toilets, street furniture and bus shelters, grass cutting and other environmental services, allotments and more.

As Whitehaven does not have a town or parish council, there is no organisation to provide these discretionary services. Such an organisation would also be able to access fundraising opportunities which aren't available to Copeland Borough Council.

They would also be able to charge a precept to fund such services.

We plan to undertake a community governance review – including wide-reaching public consultation – to consider whether Whitehaven should have one or more town/parish councils.

The consultation will start very soon.

5. Council Tax

Each year, we need to decide whether to raise the amount of money we collect through Council Tax. Legislation only allows us to increase Council Tax by less than 2%.

Although we collect all of your Council Tax, we only keep 12% of it. The vast majority goes to Cumbria County Council for the services they provide. Some also goes to Cumbria Police and to your parish council, if you have one.

This year, we propose to increase Council Tax by 1.95%. This would raise in the region of £80,000, and would cost 5p per week for a band B property.

Other potential savings considered

Councillors also considered whether to make changes to our current scheme of Council Tax support to those on certain benefits.

We could have considered changing our policy so that everyone pays some contribution, but due to other benefit changes affecting people, felt that this was not an appropriate change to make.

Having your say

We'd like to hear your views on these proposals. You can find our questionnaire at the back of this document.

The most challenging times are still to come

As we have already said, the future for all councils is more cuts. We know that the government plan to continue their austerity programme for the duration of this parliament and into the next one, should they win re-election.

In fact, in June this year they announced details of a further 15.9% cut to funding for councils in 2015/16. The announcement puts further pressure on the long term sustainability of our budget.

The savings we have had to make this year are relatively limited, due to the two year programme of larger cuts we made last year. But this does not mean that the bad times are behind us. The most challenging times are still to come.

Because we have already made some big cuts to our operating costs, our support services, and to our discretionary services, we must now look at some more fundamental changes. This will include reviewing the services we have to provide by law – looking at what is the most cost effective way to deliver the service we are obliged to, and identifying whether there are things we provide that we do not need to.

Whilst doing this, we want to continue to protect those most vulnerable in society, through measures like not passing on the cost of the Localised Support for Council Tax scheme to those who cannot afford to pay it. We also want to make sure services that are increasing in demand, like our homelessness support service, continue to be available. We will also continue with work to improve access to such services.

Over the next year we will review all our work and look at the best way to deliver our statutory services. It is likely we will operate very differently – this might mean we no longer operate services ourselves – we could run them with a partner like another council or community organisation, or we could look to contract these out to the private sector.

Whichever option we choose, the cuts that we are seeing from the government guarantee that in the future we will be a smaller organisation, doing less, with fewer staff. The process will undoubtedly be painful at times with difficult decisions to be taken, but we will work proactively to ensure we are ready for the future and a new council.

Consultation questions

1. What impact do you think the proposal to stop some grants and seek external funding for our community regeneration team will have on you and your family?
 - a. Strong impact
 - b. Some impact
 - c. Neutral
 - d. No impact

2. What is your view of the proposal to stop some grants and seek external funding for our community regeneration team?
 - a. Strongly agree
 - b. Tend to agree
 - c. Neither agree nor disagree
 - d. Tend to disagree
 - e. Strongly disagree

3. Within this area, do you have any alternative saving proposals you would like to suggest? (Please add any further comments)

4. What impact do you think the proposal to raise fees and charges by inflation will have on you or your community?
 - a. High impact
 - b. Some impact
 - c. Low impact
 - d. No impact

5. What is your view of the proposal to raise fees and charges by inflation?
 - a. Strongly agree
 - b. Tend to agree
 - c. Neither agree nor disagree
 - d. Tend to disagree
 - e. Strongly disagree

6. Within this area, do you have any alternative saving proposals you would like to suggest? (Please add any further comments)

7. What impact do you think the proposal to charge for some new or replacement bins will have on you or your community?
 - a. High impact
 - b. Some impact

- c. Low impact
- d. No impact

8. What is your view of the proposal to charge for some new or replacement bins?
- a. Strongly agree
 - b. Tend to agree
 - c. Neither agree nor disagree
 - d. Tend to disagree
 - e. Strongly disagree
9. What impact do you think the proposal to charge for extra garden waste collections will have on you or your community?
- a. High impact
 - b. Some impact
 - c. Low impact
 - d. No impact
10. What is your view of the proposal to charge for extra garden waste collections?
- a. Strongly agree
 - b. Tend to agree
 - c. Neither agree nor disagree
 - d. Tend to disagree
 - e. Strongly disagree
11. Within this area, do you have any alternative saving proposals you would like to suggest?
(Please add any further comments)
12. What impact do you think the proposal to increase Council Tax by 1.95% (or 5p per week for a band B property) will have on you or your community?
- a. High impact
 - b. Some impact
 - c. Low impact
 - d. No impact
13. What is your view of the proposal to increase Council Tax by 1.95%?
- a. Strongly agree
 - b. Tend to agree
 - c. Neither agree nor disagree
 - d. Tend to disagree
 - e. Strongly disagree
14. Within this area, do you have any alternative saving proposals you would like to suggest?
(Please add any further comments)

Appendix A

The services we provide

We provide lots of different services. Some of these are things we have to do, and some are things we choose to because they improve the area in which we live for residents or visitors. We are doing a lot less of the things we don't have to provide because we don't have the funding any more.

Our services can be grouped in the following way:

Statutory services

These are the services that we must provide, by law. These services must be our priority, because we do not have a choice as to whether to provide them or not, and must do so regardless of how much our budget is cut.

Statutory services include:

- Business rates
- Homelessness support
- Waste collection and recycling
- Council Tax support and Housing Benefit administration
- Health and safety
- Council Tax and business rates (NNDR) collection
- Planning and development control
- Building control
- Tree safety
- Food safety and water sampling
- Elections registration and administration
- Licensing
- Land charges register
- Environmental enforcement

Discretionary services

These are the services that we choose to provide, but do not have to. Because of funding cuts, we are no longer given government funding to provide these services. This is where the bulk of our funding cuts have been focussed so far.

The discretionary services we continue to provide are:

- Whitehaven Sports Centre
- The Copeland Swimming Pool
- The Copeland Bowls and Sports Centre (run at no cost to the council)
- The Beacon (from 2014/15 this will be run at no cost to the council)
- Distington Hall Crematorium (operated so that the fees and charges cover the cost to the council)
- Smaller services such as car parking (operated so that the fees and charges cover the cost to the council)

Internal and support services

To provide the services outlined above, we need a range of internal or support services. These include finance, human resources, legal services, communications, IT, management and other services.

We have been looking to reduce the cost of providing these support services and will continue to do so.

What we do in a year

