



Comhairle nan Eilean Siar

2012/13 Budget Consultation January 2012

This document sets out the background to, and proposals for, the Comhairle's 2012/13 budget which will be formally considered at the Comhairle meeting on 15 February 2012.

As well as consulting with Community Planning Partners and Trade Unions the Comhairle is holding ten public consultation meetings which anyone may attend:

Monday 9 January	Harris Hotel	at 7.30pm
Tuesday 10 January	Spòrs Nis	at 7.30pm
Monday 16 January	Carinish Hall	at 5.30pm
Monday 16 January	Daliburgh School	at 8.00pm
Tuesday 17 January	Castlebay School	at 7.30pm
Thursday 19 January	Town Hall, Stornoway	at 7.30pm
Monday 23 January	Ionad Stoodie	at 7.30pm
Tuesday 24 January	Ravenspoint Centre, Kershader	at 7.30pm
Thursday 26 January	Uig Community Centre	at 7.30pm
Monday 30 January	Sgoil a'Bhac	at 7.30pm

Comments, views or alternative budget proposals are welcomed either at the meetings, through the Comhairle's website <http://www.cne-siar.gov.uk/fcr/budgetstrategy.asp> or in writing by email to budgetconsultation@cne-siar.gov.uk or by post to Robert Emmott, Director of Finance and Corporate Resources, Comhairle nan Eilean Siar, Sandwich Road, Stornoway, Isle of Lewis, HS1 2BW. To enable them to be considered and reflected in the budget report any submissions should be received by 31 January 2012.

1. Introduction

This paper sets out a set of proposals which, along with a range of efficiency savings, would enable the Comhairle to set a balanced budget for 2012/13 when it meets on 15 February 2012.

Whilst the Scottish Budget announced in September 2011 set out a flat cash budget for Scottish Local Authorities overall, it was not until the Local Government Settlement announced on 8 December 2011 that the actual allocation for the Comhairle was known.

The Comhairle is faced with a funding gap of £3.1m which is made up of a reduction in funding of £1.6m, inflation related costs of £1.0m, £0.2m towards the increasing costs of elderly care and £0.3m towards Early Years and Social Care Change Funds.

The Comhairle has identified £1.0m of efficiency savings that can be realised in 2012/13 which include consequential savings from the school estate changes made previously, savings from loan changes and insurance and savings from its HR strategy.

This leaves £2.1m to be found from service choices which the proposals set out in this paper could address.

A second round of consultation meetings is being held in January 2012 to seek views on these proposals.

As part of the consultation meetings, views will also be sought on Public Transport options. Rising fuel costs mean that a reduction of £0.4m is needed to bring the public bus services within budget and Section 4 of this report sets out proposals on which views are also sought.

2. Budget Choices Consultation

This paper is the fourth stage in a process that has sought to identify and consult on proposals for service reduction that will enable the Comhairle to set a balanced budget for 2012/13.

In **Stage 1** Comhairle Members individually identified service areas that on a priority basis could be subject to reductions. Year on year efficiencies and the conclusion of the review of the school estate made this a more difficult exercise than previously.

A summarised version of the choices Members considered in Stage 1 formed the basis for **Stage 2** of the process which was a series of public consultation meetings.

These were held in November 2011 in Barvas, Tarbert, Castlebay, Daliburgh, Carinish and Stornoway.

A survey, distributed at the consultation meetings and also available on line, provided a simple way of gaining feedback on the proposals.

There was less consistency in the responses compared with the 2011/12 consultations though, as the table overleaf shows, there are some clear indications for some services.

Summary of Stage 1 and Stage 2 Outcomes

Budget Area	Members in Support ¹	Consultation Score ²
Comhairle Members	24	1.9
Property and related costs	16	2.5
Arts	12	2.8
Bio Diversity & Countryside Access	14	2.8
Study & Parent Support	13	2.8
Air Services	13	2.9
Joint Services	11	2.9
Ward Priority Fund	19	3.0
Gaelic	13	3.0
Specialist Care	18	3.2
Bus Services	14	3.2
Economic Development	9	3.3
Education	16	3.3
Community Safety	19	3.4
Archaeology	9	3.4
Trading Standards	14	3.4
Community Planning	17	3.4
Housing	12	3.5
Voluntary Sector	12	3.6
Capita I	16	3.7
Community Education	12	3.7
Pre-School Education	15	3.7
Libraries	9	3.8
Sport	8	3.8
Waste Services	12	3.8
Public Conveniences	7	3.9
Roads and related services	14	4.0
School Catering	21	4.1
WICAS	21	4.3
Employment Support	7	4.5
Home Care	13	4.5

1 This column indicates how many members indicated this was an area where they felt savings should be made, by comparison to other services.

2 This column indicates the average score of the consultation forms returned. A Score of 1 represents a strong view to reduce the service and a score of 5 a strong view to retain the service. Only scores below 3 therefore represent an overall preference for any reduction.

Stage 3 was drawing together the results of Member's views and the consultation outcomes and the consideration of these by the Comhairle's Committees. The following principles were also taken into account:

- That proposals should take advantage of any budgets which could be reduced with a minimal impact on services;
- That proposals should make a material contribution to the saving required; and
- That proposals should, as far as possible, avoid compulsory redundancies.

Consequently the following areas were recommended for consideration:

- savings from within Housing, where there is evidence the new regulations mean that Public Sector Housing Grant (PSHG) is not being fully utilised;
- savings from within Education, where deliverable savings are low risk;
- savings from within Technical Services split between Waste Services, Property Costs and Roads;
- savings from within Social and Community Services; and
- savings from Member expenses and the Ward Priority Fund.

Following consideration by service committees the Comhairle agreed to consult on the proposals set out in Section 3 below.

3. Proposals for Consultation

Education and Children's Services Committee

EC1 Severe & Complex Provision	
What is proposed?	The Comhairle has limited scope to reduce the costs associated with this service area. However, because we will have five less primary schools in Lewis and Harris next session, we are able to transfer staff from the Additional Support Needs service to the Severe and Complex provision and thereby reduce the staffing costs by one post while not reducing the service in any way.
What will this save?	This would save an estimated £44k per year.
What impact will this have?	It will have no impact on the service but it will increase efficiency for the overall service.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal.
Risk Assessment	

Education and Children's Services Committee

EC2 Mainland Placements

What is proposed?	Proposals to achieve savings by on-island provision should increase efficiency rather than a cut in service. It would result in a more efficient way of providing an essential service.
What will this save?	This would save an estimated £217k per year.
What impact will this have?	<p>The mainland placement budget has grown consistently over the last three years. Integration of Education and Children's Services provides a mechanism to address challenges in service delivery and a current review of services suggests that local provision should be further developed in the following areas: respite, and wrap around support for afterschool, evenings and weekends.</p> <p>Based on national research, local provision demonstrates a more economic, efficient and effective service. Current spend on mainland placements represents significant off-island investment with resultant impact on local skills and significant reduction in operational budget for the Comhairle.</p> <p>The development of a local provision would have a positive impact on the local economy.</p>
Equality Assessment	The Comhairle has not identified any equality issues with this proposal.
Risk Assessment	The nature of mainland placements in a small authority is unpredictable. However, we know that we have prevented some young people from being sent off the island recently because of the better joint-working practice which is developing within the integrated department. This is at an early stage of development and we are confident when we develop the service, this will continue. In the meantime, we have three placements which will end during 2012. These three placements effect this identified saving and it is considered that the risk associated with this proposal are manageable.

EC3 Education Administration	
What is proposed?	Since December 2010 the department has managed to reduce admin/resources by 3 promoted posts and 1.6 clerical posts resulting in a saving of £215k. There is little scope here now to make further savings. There is opportunity to reduce by one the post of school security technician which is vacant by not replacing the post and absorbing the work within existing staff posts.
What will this save?	This would save an estimated £25k per year.
What impact will this have?	It will have no impact on the service.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal.
Risk Assessment	

Education and Children's Services Committee

EC4 Learning Support

What is proposed?	The department has managed to create efficiencies in this service area through the robust application of the ASN Audit formula. Reduced school estate, falling pupil population, better training and more effective in-school strategies provide for greater efficiency in deployment, enabling the reduction of staffing by one post.
What will this save?	This would save an estimated £50k per year.
What impact will this have?	It will have no impact on the service.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal.
Risk Assessment	

EC5 Curriculum Development/Quality Improvement

What is proposed?	There is scope to review this area following the conclusion of the school estate review. As we now only have three Quality Improvement Officers, the post of Quality Improvement Manager has been disestablished and the officers sit in three teams under the Learning Community Principals. As there are a number of school closures being effected as from June 2012, it is anticipated that a number of staff will apply for VER under the present policy in the current financial year. This will provide an opportunity to reduce 1 FTE post through the redeployment of senior staff.
What will this save?	This would save an estimated £55k per year.
What impact will this have?	It will have no impact on the service.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal.
Risk Assessment	

EC6 Schools' IT Team

What is proposed?	This is a support service and any changes would be realised as efficiencies. A reduction in the number of schools and improved infrastructure will result in a reduction in demand of the service by 1FTE.
What will this save?	This would save an estimated £21k per year.
What impact will this have?	It should have little or no impact on the support service.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal.
Risk Assessment	

Education and Children's Services Committee

EC7 Pre-school services

What is proposed?	Reduce Early Years Grants: (Top up £15K, Transport £7K, Voluntary Management Group Funding £10K)
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	Workplace Nursery £1K). It is possible for the Comhairle to do this as the majority of groups are now under direct management. The four groups that will remain independent will not face reduced funding as the remaining money will enable them to receive their grants as at present.
What will this save?	This would save an estimated £33k per year.
What impact will this have?	This will have no impact on the service.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal.
Risk Assessment	

EC8 Study Support	
What is proposed?	It is proposed to remove this budget. The Department is working with presenting centres to encourage the use of private study as a period for study support and also looking to do away with study leave – pupils will be expected to come in to school for revision/study support.
What will this save?	This would save an estimated £25k per year.
What impact will this have?	We expect this to have a positive impact on pupil attainment – one of our schools already do this and their external examination results have been improving year on year. They attribute this strategy as one of the critical factors.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal.
Risk Assessment	

EC9 Parenting Support (formerly Surestart)	
What is proposed?	Service redesign provides capacity to bring in-house the out-sourced aspects of this service and enables the Comhairle to retain service input at a reduced cost.
What will this save?	This would save an estimated £30k per year.
What impact will this have?	This would have a positive impact on the service.
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal. However an initial Equality Impact Assessment will be carried out.
Risk Assessment	

SD1 Leisure & Learning	
What is proposed?	<p>(1) Within Community Education it is proposed to reduce budgets through the disposal of community workshops therefore generating £10k savings in utilities costs, rates, supplies & services. Within the Skillseeker administration budget it is proposed to increase training income by £5k.</p> <p>(2) An increase in membership of Slainte Mhath will generate income of £10K. This is approximately forty five new memberships in 2012/13.</p> <p>(3) A reduction of £8K across leisure grants. This includes funding for hanging baskets, Christmas lights and Senior Citizens events.</p>
What will this save?	This would save an estimated £33k per year.
What impact will this have?	<p>(1a) The planned disposal of all Community Workshops in the coming year and service efficiencies will ensure that there is a limited impact on the delivery of services.</p> <p>(1b) Provision of a training administration service within the Employment Development & Support Team will have a limited impact on the services provided as a result of a more efficient use of existing resources and staff.</p> <p>(2) An increase in leisure activities is strategically outcome focused.</p> <p>(3) This will reduce the extent to which the Comhairle will be able to support leisure activities, with the budget reducing from £51k to £43k.</p>
Equality Assessment	The Comhairle has not identified any material risks or equality issues with this proposal. However an initial Equality Impact Assessment will be carried out.
Risk Assessment	

Transportation Committee

TR1 Roads Maintenance	
What is proposed?	<p>Reduction of £250k in revenue budgets associated with roads maintenance.</p> <p>To be replaced in 2012/13 with capital funding of £500k for the extension of the existing Roads Investment Programme comprising proactive roads strengthening and surface enhancement works (surfacing and surface dressing) (£400k) and a programme of road drainage works (£100k).</p>
What will this save?	This would save an estimated £250k per year.
What impact will this have?	Both elements would enhance the durability and longevity of existing road surfaces and carriageway construction to reduce the need for reactive maintenance in future years.
Equality Assessment	The Comhairle has not identified any equality issues with this proposal. However an initial Equality Impact Assessment will be carried out.
Risk Assessment	<p>The proposals are achievable and can be implemented with little or no risk. The resultant risks are negligible in 2012/13 and mitigated by the direct replacement of revenue funding with capital.</p> <p>However, if the availability of continuing “replacement” capital funding can not be guaranteed, the longer term implication is that the net reduction in revenue funding will seriously impact the Comhairle’s ability to make any meaningful progress on addressing the significant backlog associated with roads maintenance.</p>

Environment and Protective Services Committee

EP1 Private Sector Housing	
What is proposed?	It is proposed that the Private Sector Housing budget is used to deliver £700k of a saving in 2012/13. The Comhairle Local Housing Strategy Member/Officer Working Group is developing the detail of a firm proposal. However, the new regulations mean the full allocation of funding is not presently being taken up and consequently there is scope for a reduction in the budget without a material impact in service.
What will this save?	This proposal would involve using available funds from the current financial year to help realise the annual saving required for 2012/13. Ongoing annual savings would however also be required from the Private Sector Housing revenue budget at a level yet to be finalised; possibly up to £520k.
What impact will this have?	<p>The Comhairle's ability to deliver objectives in the Local Housing Strategy (LHS) is reduced.</p> <p>There is a risk that demand for statutory grant might exceed the available budget.</p> <p>A reduction in ability to react to future deterioration of house conditions.</p>
Equality Assessment	<p>There may be impacts associated with regard to vulnerable client groups, although in relation to age and disability; these groups would be prioritised to reduce any impacts. An initial Equality Impact Assessment will be carried out.</p> <p>It is assessed that these proposals, when finalised, will result in a number of service impacts. The use of available resource from the current financial year to deliver the saving in 2012/13 will significantly offset risks and impacts in this service area for future years.</p>
Risk Assessment	

EP2 Waste Services	
What is proposed?	<p>Reduction of £100k in revenue budgets associated with:</p> <ul style="list-style-type: none"> • Costs associated with transportation of refuse from Uists and Barra to Stornoway; • Increased income generation from waste charging; and • A further review of the refuse collection strategy as part of the development and implementation of a new Western Isles Zero Waste Strategy. <p>To be replaced in 2012/13 with capital funding of £200k for the procurement and provision of plant and equipment to enhance efficiencies associated with operations such as:</p> <ul style="list-style-type: none"> • The collection and transportation of waste in and from the Uists and Barra. • The processing, compaction and baling of recyclates. • The processing and shredding of waste timber.
What will this save?	This would save an estimated £100k per year.
What impact will this have?	Increased charging for non-domestic waste may have a negative impact on the local economy.
Equality Assessment	The Comhairle has not identified any equality issues with this proposal. However an initial Equality Impact Assessment will be carried out.
Risk Assessment	<p>There is a moderate risk that the levels of additional income may not be realisable; there may be a risk of increased incidences of fly-tipping and inappropriate use of community skip facilities.</p> <p>Resultant risks associated with the above proposal are mitigated to a certain extent in 2012/13 due to the direct replacement of revenue funding with capital.</p> <p>The longer-term reduction in revenue funding may impact on the Comhairle's ability to be able to develop a compliant and affordable Waste Strategy for the Western Isles in response to national Zero Waste targets for diversion of waste from landfill and increased recycling.</p>

PR1 Community Care	
What is proposed?	<ul style="list-style-type: none"> (1) Integrated Transport will realise a saving of £50K. A planned change for some routes and internal delivery of care and travel support, being provided by local internal services. Agreed continuation of integrated routes, where logistically and financially suitable. (2) A saving from CHaSCP Management of £9K. (3) There is a saving of £8K from payments to the Voluntary sector as we enter Year 3 of a 3.3% per annum efficiency reduction from 2009/10 base.
What will this save?	This would save an estimated £67k per year.
What impact will this have?	<ul style="list-style-type: none"> (1) Planning for the redesign of alternative transport arrangements will require consultation and agreement with staff, key departmental stakeholders and Trade Unions. Options of delivering locally will be explored for some service users and maximisation of local provision to reduce the need for unnecessary travel will be considered. (2) New direction of joint working being driven by Scottish Government initiatives such as the Change Fund and the recent announcement in relation to the integration of Health and Social Care services. (3) This saving was planned and is in its 3rd year of efficiency reductions.
Equality Assessment	<ul style="list-style-type: none"> (1) In the event that a person's service could potentially be affected, an initial Impact Assessment will be completed. (2) There are no identified risks to service alteration.

PR2 Property Maintenance	
What is proposed?	<p>Reduction of £250k in revenue budgets associated with:</p> <ul style="list-style-type: none"> • Repair and maintenance of Comhairle buildings. • Reduction in specification and remit of Grounds Maintenance service and contract. • Reduction in specification and remit of Building Cleaning service and contract. <p>To be replaced in 2012/13 with capital funding of £300k for the extension of the existing Property Investment Programme with further proactive capital maintenance works to the Comhairle's estate which would reduce the likelihood and need for future reactive maintenance works.</p>
What will this save?	This would save an estimated £250k per year.
What impact will this have?	<p>Reduction in maintenance of Comhairle grounds and properties; increased likelihood that estates maintenance backlog will increase.</p> <p>Will impact on ability of Comhairle to meet its statutory obligations with regard to estates management, health & safety and corporate asset management planning.</p>
Equality Assessment	<p>The Comhairle has not identified any equality issues with this proposal. However an initial Equality Impact Assessment will be carried out.</p> <p>Subject to a satisfactory resolution of matters associated with the categorisation of expenditure from revenue to capital, the proposals can be implemented with little or no risk. The resultant risks are negligible in 2012/13 due to the direct replacement of revenue funding with capital.</p> <p>There may be longer-term resultant risks associated with the Comhairle's ability to meet its statutory obligations associated with estates management, health & safety and corporate asset management planning.</p>
Risk Assessment	

Policy & Resources Committee

PR3 Members & Ward Priority Fund	
What is proposed?	It is proposed that £140K be realised by reducing the Ward Priority Fund allocation to each Member to £5K which would mean that wards had an allocation of £15K or £20K depending on the number of Members. The balance of £60K would be sought from Members' travel and subsistence budgets.
What will this save?	This would save an estimated £200k per year.
What impact will this have?	<p>Ward Priority Fund is a discretionary provision which is valued by local communities due to its potential use in attracting match funding for projects. It also provides an opportunity to address issues of local importance across the Comhairle's services e.g. provision of surfacing works or ditches thus relieving pressures on departmental budgets.</p> <p>A reasonable level of travel and subsistence budgets are necessary to enable elected Members to carry out their function in attending meetings within their ward and Committee and Comhairle meetings as well as representing the Comhairle's interests at COSLA and at Scottish and UK Government levels. Members already make use of video-conferencing where practicable but can encounter difficulties when such a facility is not available at mainland meetings or where the connection does not permit full participation. The rates payable for mileage are again set by government and other expenses are based on receipts within statutory limits. The removal of ADS from business travel has placed this budget line under additional pressure.</p> <p>It is suggested that, with a view to achieving such a saving, a detailed review of appointments to outside bodies take place in May/June 2012 to reduce these to the minimum required. The reduction in series from six to five should also realise a saving.</p>
Equality Assessment	<p>It is proposed that an Equality Impact Assessment be carried out in relation to revised operational rules which will be submitted to the Comhairle in June 2012. Given the diverse nature of expenditure under this heading a pro rata reduction would not give rise to any equalities issues of itself and no expenditure would be incurred in 2012/13 until the Comhairle had considered rules and the supporting EQIA.</p> <p>There would be no equalities issues in seeking to reduce Member expenditure provided that the representational role of councillors was maintained.</p> <p>Risks of these service choices would relate principally to lost opportunities for projects to proceed and the Comhairle's interests not being adequately represented at a meeting. Mitigation measures could include joint working with other authorities on matters of mutual interest.</p>

4. Public Transport Consultation

Public Transport	
What is proposed?	<p>A reduction of costs of some £411k is required to enable public bus services to be delivered within anticipated budgets.</p> <p>Initial proposals being considered to deliver these savings are:</p> <ul style="list-style-type: none"> • A reduction in day and evening services provided by Bus na Comhairle to Tolsta, Back and Point; • A reduction in evening services provided by external operators to other rural areas generally in Lewis; and • The funding of Community Transport.
What will this save?	This would save an estimated £411k per year.
What impact will this have?	<p>Reduced availability of daytime services in Tolsta, Back and Point areas.</p> <p>Significant impact to evening service users to rural areas across Western Isles.</p> <p>Negative impact on access to services and social inclusion; primary sectors affected include youth, late shift workers; evening shoppers and hospital visitors.</p> <p>Significant impact on community groups and their customers; reliant on services to access local services such as shops, post offices and health clinics; negative impact on social inclusion.</p>
Equality Assessment	<p>The potential reduced availability of Dial-a-Bus services in certain geographical areas will impact on groups such as the elderly and less able-bodied. An initial Equality Impact Assessment will be carried out.</p> <p>The proposals are achievable and can be implemented by the Comhairle with little or no risk.</p> <p>However, there are risks associated with the resultant reduction in access to public and other services in that they could contribute to rural communities becoming less sustainable.</p> <p>Conversely, if the necessary budget reductions are not implemented, there is a very high risk (very high likelihood and very high financial impact) that budgets will be overspent.</p>