

ANGUS COUNCIL

MEETING OF ANGUS COUNCIL – 18 JUNE 2015

PRIORITY BASED BUDGETING – IMPLEMENTATION UPDATE

REPORT BY THE HEAD OF CORPORATE IMPROVEMENT AND FINANCE

ABSTRACT

This report provides Members with an update on the development of the new Priority Based Budgeting (PBB) approach approved by the Council at its meeting on 14 May 2015 (report 196/15 refers). The report focuses on the detail for Stage 1 of the new PBB approach and asks Members to agree the proposals for how this will work in practice.

1. RECOMMENDATION(S)

It is recommended that the Council:

a) agree the approach to Stage 1 of the Priority Based Budgeting (PBB) approach to future revenue and capital budget setting, as outlined in this report;

b) note that further updates on the new PBB approach will be brought to future meetings of the Policy & Resources Committee/Full Council as appropriate.

c) note that two places for non-administration members remain available on the Policy and Budget Strategy Group.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes as a whole to the local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016.

3. PRIORITY BASED BUDGETING – STAGE 1

3.1 All Council Priority/Strategy Workshop

As Members may recall, the development of a Priority Based Budgeting (PBB) approach to future revenue and capital budgets was approved by the Council on 14 May 2015 (report 196/15 refers). The report indicated that the proposals would require development on the detail and that further reports would be presented on this as appropriate, to ensure that members are comfortable with how the new approach will work in practice.

Stage 1 of the PBB approach is to reach agreement on the Council's priorities and set a high level budget strategy. In order to achieve this, the Policy & Budget Strategy Group (PBSG) have agreed that a workshop be held in August involving all Elected Members and the Council's Management Team. The purpose of the workshop would be for Members to consider and discuss core background information on the Council's key services and other relevant information in order for Members to make informed choices about priorities and ultimately determine the relative priority of services, and what changes to those services and their funding might be considered acceptable.

One of the main pieces of information required to assess the priority of a service is a clear picture of current performance (both in service delivery/impact and financial terms). We also need to know what the implications might be from increases and decreases in the funding currently provided by the Council for each service as well as pressures and opportunities facing that service. Part of the work which will be undertaken over the summer will be agreeing a

sensible breakdown of the Council's Directorates in to individual services so the priority of these services can be considered at the August workshop.

It is proposed that the core information gathering for Stage 1 would be take the form of a "pen picture" as a means of summarising some core facts, figures and narrative about individual services and how they are performing. This information about services would be supplemented by additional information about other influences on the budget and Council priorities such as existing Single Outcome Agreement commitments, policy constraints from Scottish Government and information about partner budget deliberations if available.

Ultimately the intention is to gather in as succinct a way as possible a range of information which puts elected members in the best position possible to make decisions about priorities and budget strategy for the period ahead.

The core information on services and other material to be considered at the workshop will be issued to all Members ahead of the workshop so that Members have time to consider the information and seek any additional information which may be required. The intention is that Members will attend the workshop with sufficient information on services and a clear understanding of relevant issues and performance so that they can use that knowledge to make decisions on how the draft budget package (Stage 2 of PBB) should be framed.

3.2 Timetable

The proposed timetable for delivery of Stage 1 is as follows: -

June

- Agree date for workshop (all Members & CMT) – 1 full day proposed between 10th & 24th August
- Define list of Council services to be considered at workshop
- Guidance issued to Directorates requesting core service background information

July

- Core service background information returned by Directorates
- Core service background information reviewed and collated for distribution to Members

August

- All-Council workshop held to agree Council's priorities and high level budget strategy
- Report prepared for Angus Council on 10 September providing further update on PBB setting out the outputs from the workshops and the proposed priorities for the 2016/17 budget setting.

3.3 Council Priorities & High Level Budget Strategy

In terms of establishing the Council's priorities and a high level budget strategy, the output from the all-Council workshop is absolutely key. In order to prepare the draft budget package for Stage 2 of PBB, officers require clarity on what service areas should be looked at in terms of future savings and investment, what options might be acceptable and which are likely to be unacceptable.

At this stage the current thinking is that the Council's main services would be classified into high, medium or low priority with an accompanying narrative about what members would ideally want to see happening in that service as part of the development of the draft budget package. That narrative should indicate members views on the acceptability of reductions in the funding for that area, the need for further investment, the need for further work or a review in that area or part of it, any no-go (red line issues), the need for more information on the service for future and any expectations about how that service should perform in the future (e.g. improved performance in return for additional investment).

Achieving the required output in Year 1 of the new PBB approach is likely to be challenging, and the process will undoubtedly require further development and refinement in future years, however a successful PBB approach would be a significant step forward for the Council.

4. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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