



2012/2013 Administration Revenue Budget Proposals

A Strategy for Local Economic Growth

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• FOREWORD

This is the last budget that will be proposed in the term of this administration before the 2012 elections. This budget is set against a backdrop of the biggest global recession since the 1930's yet despite these difficult times we have delivered a budget which we believe will meet the challenges that we all face and will be unique amongst local authorities in Scotland.

In the early days of this administration we knew that there were many difficult financial challenges that lay ahead and we worked with a large number of people to put this council's finances on a more sustainable footing. While we are not out of the woods yet, I can say that this budget will deliver not only a **zero council tax rise, but continuation of our no compulsory redundancies policy and will deliver innovation.**

This budget will be bold and will aim to set out policies and take decisions that will have a positive impact on the lives of many of our citizens.

Our society and economy for the last 30 years has been based on the concept of consumerism. People consume and through that consumption jobs are created, but as we have seen, if people lose confidence and stop buying, jobs are lost and in turn confidence is eroded even more, and the cycle deepens.

For decades it has been eastern economies that have struggled. Countries like Russia and China have endured years of economic pain and hardship, now it's the west's turn. Like socialism, capitalism has considerable flaws a fact that has now been bourn out through time. The early eighties saw the collapse of socialism and now we are seeing the collapse of capitalism.

Through all of these social experiments the losers have been our communities. They have to endure the hardship and misery when recession happens in a country.

The global banking crisis was inevitable; most people were surprised that it took so long to happen. Everyone blames it all on the banks, but in reality we are all to blame. We all too easily accepted the cheap credit, mortgages and the seemingly never ending supply of it. What is clear though is the failure of governments to properly regulate the banking sector, meant that high risk arms such as commodities brokers were part of the same bank that provided our personal accounts.

It has been a national disgrace that while huge bewildering sums of public money were given to ensure that the high street banks didn't collapse the individuals caught up in the credit seizure had their homes repossessed got nothing, while the banks were able to write off the bad debt.

As local leaders we must do what we can to shelter and protect our communities from the financial storm. We must ensure that we minimise where we can the ill effects of unemployment and financial hardship. But by the same token people must also want to help themselves. Our society has to change from a one of state dependency to one of self reliance.

For once, its time for the public sector to bail out the people and not the institutions. Failure in the past to intervene where young people and communities were hit hard by recession left deep scars and for a large number, a lifetime dependency on state support.

Craig McLaughlin

Convenor of Corporate Services On behalf of the SNP Group

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- **Jobs Creation & Modern Apprentice Programme**

FINANCIAL ALLOCATION: £2,828,000

Bill Clinton famously quipped “it’s about the economy stupid”. For most of us right now it’s all about “jobs, jobs, jobs”

Research has shown that the longer a person remains unemployed the more difficult it becomes for them to find employment and the more dependant they become on state handouts.

In the early eighties during the recession we saw massive job losses and the death of major industries such as shipbuilding and mining. The impact for the communities in those areas is still felt today, decades on.

This budget focuses on the creation of jobs for the most adversely affected demographic group, young people. If a young person fails to enter the job market at an early stage they are at risk of long term unemployment.

At the same time as unemployment rises, small businesses that we depend on to create jobs are struggling to get established and developed. Small businesses especially feel the brunt of a recession because they have no flexibility, as often they only employ one or two people. They need more staff but do not have the financial capacity during a recession to employ extra people.

For some small companies just a small increase in staffing resource or a little start up support can free up time for owners to focus on developing and growing their business.

We want to look at innovative solutions to help businesses in this area grow and develop to enable them to employ more people. Schemes such as start up support, direct employment and wages subsidies through to start up capital could help businesses to develop and grow.

We want the newly formed Strategic Advisory Board to take the lead in developing the concepts, schemes and criteria in partnership with the council how we can maximise this fund.

The goal of this scheme is to help the small business and the voluntary sector in this area to create up to **TWO HUNDRED AND FIFTY JOBS**.

In order to progress the scheme we require the board to report back to council via officers with recommendations on the administration of the scheme and qualifying criteria.

This initiative will enable businesses to refocus their energies and might just allow them to expand or look at new potential revenue opportunities that they might not otherwise be able to do. Jobs are created by enterprising individuals who need to be freed from red tape to get on with creating jobs and growing their business.

As an administration we are not closed to new ideas and we want to get the broadest input from all sectors to ensure that we can deliver the best results for our citizens.

In relation to proposals tabled at the council meeting 25th January on potential employability projects and schemes they should be referred to the strategic advisory board for overall consideration.

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- **Jobs Creation & Modern Apprentice Programme**

FINANCIAL ALLOCATION: £2,828,000

Given that we are proposing to take 250 young people off the unemployment register there is a direct benefit to the DWP. I estimate that the DWP will save in the region of £662,000.

Clearly the DWP will be delighted by this, but I believe that with the support of our local MP and the Scottish Government we could build a case to persuade the department to perhaps divert some of the savings they will make from this scheme back into the programme, which could help with perhaps administering it or even expanding the scheme itself.

In addition to the employment support schemes, I believe that we can within this budget heading, develop up to a further 250 jobs through training opportunities and by rolling up and expanding our new modern apprenticeship scheme.

Given that the Scottish Government has made monies available to assist in developing modern apprentice schemes, it is important that we maximise the opportunities to bid to this new fund. Therefore we agree that Council officers should progress this scheme, including the modern apprentice's applications as quickly as possible.

I believe that these initiatives being taken by the council are unprecedented in the UK and if every council followed our lead we would be able to start to reverse the impact of this recession.

- **COUNCIL TAX**

Everyone is struggling, not least of all the Council Tax payers of this area. That is why now for the FIFTH YEAR in a row there will be NO RISE IN COUNCIL TAX

Each year through our continuous improvement agenda, we have succeeded improving our collection rates, resulting in some of the highest collection figures since this council was created.

However we cannot rest on our laurels. While I do not propose an increase in the target collection rate at this time, I am proposing that we continue to review our procedures with a view to increasing the amount collected in year.

The Scottish Government have committed to continue to reward councils who freeze their council tax and commit to joint initiatives. I propose that this council agrees that provided this funding is available that the Council Tax is FROZEN till the end of the term of the next Scottish Parliament.

This will help struggling households in West Dunbartonshire save hundreds of pounds a year at a time when they are most likely to need it.

Therefore the band D equivalent should be set at 34,361 with a collection rate of 97.25%.

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- **DEVELOPING A BUSINESS SUPPORT CULTURE**

FINANCIAL ALLOCATION: (Within existing budgets)

The one thing that the public sector does extremely well is create red tape. While it is not the original intention to be cumbersome, often the process that requires to be followed to access a service is overly complicated.

Businesses have to interact with councils on a number of different fronts and their experience of the council can vary considerably across services.

We are currently rolling out a “tell me once” scheme across the council where a family can report the death of a loved one, just once and every required council department and the relevant external agencies are informed.

Developing this concept further, we should aim to learn the lessons of the current scheme and roll it out to business. This would mean that when a new company starts trading or requires to change details, they will no longer have to contact different departments providing the same information time and time again; they would “tell us once”.

If we could draw together all the information that each department would require to access their services into one form, this could be accessed by the contact centre staff. This in turn would achieve a “tell me once” approach where businesses could make one call to a specified number and provide their information once and each department would in turn receive that information. Services, such as rates, waste management, rent collection, licensing and environmental health services.

In addition to the above we need to work better with businesses, understanding and reducing the demands that we can place on them. Planning, building warrants and environmental health are just some of the regulatory services that businesses require to access at some point.

Yet we treat all businesses the same. We expect small one person operations to follow the same processes as big companies who probably have a full team to deal with the relevant matter.

We must continue to train our staff; review our processes and then review the guidance notes that we provide to adjust for the capabilities and capacity of the business. Quite often small businesses have been advised of “good practice” but have been left with an impression that this is a must do action, resulting in small companies operating procedures that are not required and are overly cumbersome.

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- **CONTACT CENTRE**

FINANCIAL ALLOCATION: (Within existing budget)

We are in the final stages of rolling out our one stop shops in our 3 town centres, with the first one scheduled to open before the end of March 2012. This initial one stop shop will allow us to test out the approach, ensuring that all the systems are performing well, with the other two units coming on stream shortly thereafter.

To ensure more rapid roll out of our customer focussed approach, the CMT is instructed to accelerate the development and implementation of a corporate customer services function and supporting strategy covering all council services and across other public agencies. This will lead to the removal of all internal department reception desks and the transfer of appropriate staffing and financial resources to the customer services function by the end of March 2012.

- **CHANGE FUNDS**

FINANCIAL ALLOCATION: £720,000

Change funds have been created to help councils and other public bodies do exactly that, change.

These funds are extremely important and will enable the redesigning of services, delivering a more modern and fit for purpose model.

The Health and Social Care Change Fund which is designed to look at how we deliver better and more locally provided care and support.

The second fund is for Early Years to review and improve how we deliver services children and young people across the range of departments and agencies.

In order to facilitate these change funds we should set aside around £360,000 for each fund from the general services account.

- **SHOPMOBILITY SCHEME**

FINANCIAL ALLOCATION: £50,000 (if continued requires - £50k pa ongoing commitment)

This scheme was successfully launched earlier this year and has already proved to be a massive success, however the scheme was a pilot and only funded for one year.

We are suggesting that we mainline this project at an annual cost of £50,000 providing the shopping centre continues with their support in kind.

- **ROADS AND INFRASTRUCTURE**

FINANCIAL ALLOCATION: £300,000

We are all acutely aware of the growing problems with our local roads infrastructure, particularly in view of the recent weather conditions.

During the budget consultation process the public highlighted that the condition of the roads and pathways as a major concern for them.

This is a one off allocation of £300,000, is in addition to the current in year budget and is for spending on essential road and infrastructure projects.

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- **FLOOD PREVENTION**

FINANCIAL ALLOCATION: £100,000 prudential borrow (ongoing £100,000pa)

In light of the recent flooding it is clear that there is still a large amount of work to be done on flood prevention measures.

This budget proposes to use £100,000 of revenue resources to prudentially borrow £1million. This additional £1m further enhances the current capital provisions of around £3.4m to mean that we are investing £4.4million in major flood prevention schemes throughout the authority.

We also ask officers to develop bids for the new national flood prevention fund.

- **COMMUNITY CHEST GRANTS**

FINANCIAL ALLOCATION: £50,000 (ongoing £50,000pa commitment)

As we help communities to take on more responsibility we expect the demands on this fund to rise. The CVS has done an excellent job in leveraging in additional funds from external sources for groups and projects.

We are suggesting an additional enhancement of £50,000 mainlined revenue spend. This enhancement will enable more groups and individuals to receive support.

By making this small additional investment I believe that it will net revenue savings in future years by building capacity within our communities, reducing dependency on the council.

- **TOURISM & COMMONWEALTH EVENTS**

FINANCIAL ALLOCATION: £100,000

With the imminent arrival of the Commonwealth Games in Glasgow the opportunities for economic benefits to West Dunbartonshire through tourism and events are considerable.

Events such as the Highland Games, Lomond Folk Festival, Pipe Band Championships have given the area a huge economic boost.

We believe that an additional £100,000 should be made available to develop existing and new events, linked to the commonwealth games, over the coming two years.

- **RAISING ATTAINMENT STRATEGY**

FINANCIAL ALLOCATION: £80,000

This council is committed to raising attainment across the whole council area. We have already approved a strategy to raise attainment, and have employed extra teachers to implement this plan.

All councillors are committed to looking at how we can all work better to raise attainment. This budget will set aside £71,000 specifically targeted at raising attainment by funding an additional two FTE teaching posts giving the department more flexibility in implementing the strategy.

Furthermore, we will assist the department to improve literacy skills across poor performing subjects. With the investment of an extra £9000, we can develop specific materials for pupils and staff to improve higher order literacy skills.

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- **POLICE INVESTMENT**

FINANCIAL ALLOCATION: £12,000

In recognising it is important of working in partnership with the Police, it was recently highlighted that there is a need for a full time resource within the police divisions of West Dunbartonshire for trailbikes to deal with off-roading and trailbikers.

While Strathclyde has a central unit that can be called on - it was felt because of particular problems in Clydebank and surrounding areas that having a dedicated resource would be a considerable boost to solving the problem. This small enhancement of £12,000 will pay for the equipment needed by the police at a local level to tackle the problem of trailbiking.

- **BALANCING THE BUDGET**

Since the initial draft budget was published in December, there has been significant consultation and a number of changes to financial projections.

The Job Creation and Apprentice programme has required more resources in order to ensure that the scheme is fully funded and does not have an ongoing revenue impact.

In addition there has been a number of issues have impacted on the projected in year surplus. The initial projection showed a surplus of around £1.127m, due to a number of refinements and additional burdens this figure has been reduced to £0.3m.

To help fund these changes the budget draws the revenue from various sources. Firstly we have increased the assumption made on staff turnover by 0.5% which will net us around £400,000.

Secondly we have reviewed the Modernisation fund and believe that we have scope to reallocate a proportion of that fund as part of it as yet remains unspent (circa £260k), this still leaves £1.522m in the earmarked reserve.

We are also using £3.2m from the council's reserves leaving us £4.2m still in reserve. This figure is the level of prudential reserve that the council should maintain. By reducing our reserves we must ensure that the decisions within this budget have a minimal impact on the future finances of this council. We have been able to ensure that this budget contains a minimal ongoing revenue impact of £200k for the shop mobility, flood prevention and community chest grants. (Two of these projects have the potential to save revenue spending in future years)



• The financials at a glance

	31/3/11 Reserves £	Budget 2012/13		Total £	Budget 2013/14 £	Budget 2014/15 £
		Non Recurring £	Recurring £			
Unearmarked as at 31/3/11	(4,711,000)					
Probable outturn per Budget Book	(2,766,610)					
Projected unearmarked as at 31/3/12	(7,477,610)					
Revised Draft Budget figures				(301,640)	6,066,480	4,505,850
Job Creation Programme		2,828,000				
Change Fund (for older peoples' services)		360,000				
Early Years and Early Intervention Change Fund		360,000				
Shop Mobility			50,000		50,000	50,000
Roads and Infrastructure		300,000				
Flood Prevention			100,000		100,000	100,000
Community Chest Grants			50,000		50,000	50,000
Tourism & Commonwealth Events		100,000				
Raising Attainment Strategy		80,000				
Police Investment		12,000				
Review of the Modernisation Fund		(260,750)				
Increase Turnover Assumption from 2% to 2.5%			(400,000)		(400,000)	(400,000)
		<u>3,779,250</u>	<u>(200,000)</u>	<u>3,579,250</u>		
				3,277,610		
From unearmarked reserves	<u>3,277,610</u>			(3,277,610)		
Projected Reserves 31/3/13	<u>(4,200,000)</u>					
Budget gap 12/13				<u>0</u>		
Budget gap 13/14					<u>5,866,480</u>	
Savings required					(5,866,480)	(5,866,480)
Budget surplus 14/15						<u>(1,560,630)</u>