Shetland Islands Council

Council Spending – Have YOUR say – the feedback

Josie Simpson:

I was pleased with the level of response

We asked the local community and our staff to tell us what they thought about the Council’s finances, through the “Have YOUR Say” project, and, specifically for employees, “Ways to Save”. This newsletter summarises the key messages which have emerged, explains what we’ve done with what you told us, and sets out the next steps in the budget process.

The Council is facing unprecedented reductions to its budget and, with the likelihood this will last for up to five years, we need to understand what the local community feels is important, to help us take the difficult decisions ahead. I personally attended all but two of the public meetings held in October and November 2011. I was pleased with the level of response and the willingness of the people of Shetland to put forward their views. The information we’ve received will help considerably in the budget debate at the Special Council meeting on 9 February.

We’ve decided to use The Shetland Times to respond, in order to quickly get the information out to as many people as possible. We will arrange another set of public meetings later in the year, to review the progress of the two-year Strategic Budget Plan, and gather views for the future.

The Councillors have said they want to maintain reserves at around £250 million. As the moment, it’s likely that the Council will go below that level by March this year, partly due to the volatility of the stock market. However, our policy is to protect the capital sum for future generations. Shetland, given its remote location, has seen many periods of economic downturn, alongside periods of economic stability and growth. In times of relative economic health, the Council thinks it’s appropriate to keep money set aside for future use. The money is invested, and we use the returns to support a wide range of projects and services – particularly buildings, infrastructure and for economic development projects. Over the years, the Council has used £360 million of income generated from reserves to pay for projects and services in the Isles.

Despite the financial difficulties, we are still looking to the future.

We want to encourage more people to work and settle in Shetland.

We feel we should provide services to the people who are most in need – such as people on low incomes, and people who have particular care needs.

We want to help keep the local economy healthy for everyone.

For some people and families, it is important to provide services at an early stage, to help stop problems developing later on.

We want to promote projects which reduce carbon emissions and their associated tax implications.

We are committed to keep on engaging with the local community as we work through these difficult financial decisions, and we have a number of services we would like to review. Each of the reviews listed (on page 3) will include detailed consultation throughout 2012 on any proposals for change. All your comments have been passed onto the Directorates, who have used what you’ve said to develop their ideas. A summary of the key themes forms part of the budget report, so that all Councillors can consider what you’ve said. In the meantime, thank you to those who took part in the “Have YOUR Say” consultation; we appreciate your views and ideas.

This is a two-year budget plan and we will develop ideas with you over the next year or so. Your thoughts on savings can be implemented at any stage – please keep them coming!

The papers for the budget meeting will be issued on Friday 3 February and will include officers’ suggestions on addressing the budget deficit. Councillors will be critically assessing these and taking account of the issues raised in “Have YOUR Say”. They may also identify other areas for saving or review.

Josie Simpson
Leader of Shetland Islands Council

Alistair Buchan: “We will still retain excellent services”

The work of every local authority has a direct impact on its local community, perhaps more so in an island setting. The Council’s budget plans are challenging and we need to take careful decisions that balance the need to live within our means and deliver cost-effective services, with the impact that any changes will have on the local economy and the communities we serve.

The financial challenges come from:

- Income from Government grants falling
- Service needs increasing in some areas
- Costs increasing in some areas
- The Council has set out to:
  - Secure savings of £26 million per annum on an ongoing basis by 2013/14
  - Introduce no new services and avoid growth in existing services, where it will cost more
  - Focus on making savings from efficiencies, especially from the way the Council works as an organisation
  - Make sure that priority is given to statutory services, delivered to national standards but allowing for the extra costs of delivering services in Shetland
  - Rebuild the reserves up to £250 million over about 10 years
  - Only draw a sustainable level from reserves each year (that is, just use the earnings)
- The budget proposals being put before Members on 9 February go a long way towards achieving the Council’s financial objectives, whilst still retaining excellent services for the community. At the special budget meeting the Council will take decisions on a range of savings proposals, totalling £29 million. We will continue to work hard to make the changes we need to make so we can live within our means. I will lead a project to take out £5.4 million of costs from the way the Council works as an organisation. That project includes:
- The management review, which aims to reduce the overall number of senior managers in the Council by 15
- Revisiting the terms and conditions of staff (the single status deal)
- Reducing the amount paid out as non-contractual overtime, by looking differently at how people work
- Centralising some functions, such as payroll, Human Resources, accountancy support, and streamlining administration across the Council
- Taking a more strategic approach to procurement through centralised contracts and reviewing the specification on contracts to make sure they are fit for purpose
- Simplifying charging between Council services, which can create a paper chase
- Carrying out an estates management review of the maintenance and stores services
- Asset management: we will assess the number of properties used by the Council with a view to significantly reducing costs
- I would echo the Political Leader in thanking all of you who have taken the time to put forward your ideas. They really do help the Council to focus on what are the most important services to the community.

Alistair Buchan
Chief Executive
The Shetland Times

...the work that is in hand to address them. Say consultation, together with a note of choice over (the discretionary services) and what we have included debates on considering the cuts for the Council should be, and that discussion around what the key priorities community. There was quite a bit of people felt about the Council’s spending. We did this in a number of ways:

- There were public meetings held in 10 areas, attended by 419 people.
- People could email, write or phone in with suggestions.
- Staff could contribute to a “Ways to Save” Scheme. (To date 615 staff and public suggestions have been submitted through ‘Ways to Save’ and ‘Have YOUR Say’).
- We had a meeting with Youth Voice, a group representing young people across Shetland.

...the Council could do better at procurement if it took a more co-ordinated approach and challenged the level of specification required on jobs. Examples were given where better value for money might be secured by out-sourcing some services to the private or voluntary sector (the ferry service was mentioned a few times, for example).

The budget proposals put forward include a project to secure £0.7M from the ongoing cost of procurement. This will include a focus on making sure that contract specifications are “fit for purpose” and not excessive.

The ferry service as a whole will be looked at in the coming year, including the method of delivery.

...to use external expertise when work of a one-off or specialist nature, for which it is uneconomic to provide permanent staff resources, needs to be done quickly.

...the Council is right to hold onto the reserves, for the benefit of future generations and to earn money each year to pay for extra services. However, folk didn’t want to understand better the likely impact of cuts on the local community, recognising that the Council plays a significant part in providing services on the isles. We have therefore made an initial socio-economic impact assessment on all the proposed service savings, to assist Members in their decision making.

However, there is a sense that the Council is inefficient in the way it works, in some areas, and people are keen to see us work hard at getting better value for money from some services. Looking at services in other parts of the country and seeing how they are provided, and at what cost, is seen as a useful exercise in understanding where savings could be made.

Many people felt that they would need more detailed information on what the Council spends on each service and what that actually buys, in terms of service provision, before they could make any informed comments on where changes might need to be made. As part of our 2011-12 performance reporting we will seek to improve the level of information on costs of services provided in the community. There was quite a bit of discussion around what the key priorities for the Council should be, and that included debates on considering the cuts from the perspective of what we must do (the statutory services) and what we have choice over (the discretionary services).

...the Directors of Infrastructure and Development Services are undertaking a comprehensive review of the ferry service. This will look to make savings and efficiencies by reviewing: service levels, fare structure and the method of delivery. The target expected savings are in the region of £1.7M and the work will be reported back to Council for a decision in September 2012.

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Rationalisation of the school estate.

Review of service standards, service levels and who

Identification of needs, organisation and delivery

Level and breadth of provision.

Service levels and method of delivery.

Risk assessment of further self insurances.

Review of service levels, fare structures and who


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Make more use of ICT

Several suggestions have been made for the Council to become “paper light” and to make more use of video conferencing for meetings and training.

The move to the North Ness office accommodation is providing an excellent opportunity to make sure that the use of ICT is maximised for data recording and data storage.

We are looking to replace a number of paper-based systems in relation to expenses, sickness, etc and make enhanced use of technology to improve office systems.

Also, all requests for travel have to be approved and staff have to explain why it is not possible to use video conferencing. Some face to face meetings will always be required and networking at a political level is invaluable to making sure Shetland’s voice is heard on Scottish, UK and European matters.

Reduce grasscutting

Various suggestions have been made on reducing grass cutting.

The Director of Infrastructure Services has reduced this budget by £15,000 for next year, which will mean a reduction to the cuts made to verges, limiting them to safety cuts at junctions only.

Care Services

People valued the care services in Shetland and acknowledged the high level and good quality of service provided, as well as the fact that they are delivered locally within each community. However, many ideas were put forward as to how care might be organised in a more efficient way, especially with regard to travel times.

The Director of Community Care has a programme in place to look at each local area, to make sure that the services are organised in an efficient way. It is not always possible to match an individual’s care needs, with the staff available, without some travel between clients living in different areas.

What will happen next...

The Council will meet to discuss the budget proposals for the next financial year, April 2012 to March 2013, on 9 February 2012. It is at this meeting that the Council will make choices on how money will be spent next year and the amount of savings that will be taken from each service area. There are still a number of reviews to be undertaken which will produce savings for future years, and each Director is committed to consulting with people on the changes throughout the year.

THE MAJOR REVIEWS WHICH STILL REQUIRE DETAILED WORK ARE

<table>
<thead>
<tr>
<th>Education Blueprint</th>
<th>Rationalisation of the school estate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ferries</td>
<td>Review of service levels, fare structures and who actually runs the ferries.</td>
</tr>
<tr>
<td>Air and Bus Services</td>
<td>Review of service levels and who provides the service.</td>
</tr>
<tr>
<td>Roads</td>
<td>Review of service standards, service levels and who provides both roads and winter maintenance.</td>
</tr>
<tr>
<td>Music Instruction</td>
<td>Level and breadth of provision.</td>
</tr>
<tr>
<td>Additional Support Needs in Schools</td>
<td>Service levels and method of delivery.</td>
</tr>
<tr>
<td>Community Councils as a Service Provider</td>
<td>Alternative means of delivering services.</td>
</tr>
<tr>
<td>Insurances</td>
<td>Risk assessment of further self insurances.</td>
</tr>
<tr>
<td>Vehicles, Plant and Equipment</td>
<td>Review of vehicle numbers, service need and procurement and sustainability of replacement programme.</td>
</tr>
<tr>
<td>Car Parking in Lerwick, including charging</td>
<td>Traffic management and development of a sustainable income stream for funding transport and roads.</td>
</tr>
<tr>
<td>Staff training</td>
<td>Identification of needs, organisation and delivery methods.</td>
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More flexible working

Working more flexibly was a recurring theme, whereby the workforce can be more multi-skilled and able to cover anticipated future demands.

Each Director has to review any vacancy which occurs, to look to use if the work can be covered from existing staff. That may mean a different way of working, or training. We will also be looking at the opportunity provided by improved broadband and IT to identify opportunities for home based working.

Training costs

Ideas were put forward to make savings on training costs, through challenging the need for some training courses and from finding a more cost effective way to deliver training.

The Human Resources Manager is leading a project to look at all aspects of identifying, organising and delivering training, including making best use of computer based learning.

All areas of the Council have had to look for at least a 10% reduction in ongoing costs by 2013/14, no area was exempt.

Savings and efficiencies of £29M have been identified, against a target of £26M. The efficiencies (that is, the changes which can happen with minimum impact on front line services) account for £10M. The service savings proposals, which will impact on front line services, account for £19M.

Unfortunately, inevitable cost pressures of up to £7M have had to be accounted for. This includes a reduction in grant from the Scottish Government of £0.9M. These new pressures will need to be addressed over the planning period to 2013/14.

In addition to the reviews noted, some of the savings put forward in the budget report include:

- Support for fuel poverty will be sourced from grants available nationally, allowing the local budget allocation to cease
- Scale back on winter maintenance (the gritting and snow clearing service)
- Reduce the level of roads and building maintenance work
- Change the domestic bulky waste collection and street cleansing services
- Increase charges for some services
- Change the way in which breakfast clubs and out of school clubs operate
- Change how some childcare, pre-school, early years and nursery sessions are delivered
- Look to use more volunteers in the junior youth clubs
- Reduce the level of grants paid to voluntary sector organisations, usually by 10% in line with the reduction on Council services
- Relocate and redesign the services currently provided at Viewforth Care Centre
- Connect and extend the facilities at Edward Thomason and Toring House, to expand services yet save on running costs
- Change the way in which day care services are provided in the community
- Change the way in which meals on wheels are provided, including the introduction of frozen meals where appropriate
- Integrate the care services provided in the north isles, to focus short break services at Tilleshavn and more permanent care at Nordalea
- Reduce the level of conservation grants

The detailed Budget Report will be available on the Council’s website from 3 February: http://www.shetland.gov.uk/coins/

Keep in Touch...

We are working through a two year budget plan and welcome ideas and suggestions at any time by:

email to: savings@shetland.gov.uk or follow the link on: www.shetland.gov.uk
post to: Council spending – “Have YOUR Say”, Town Hall, Lerwick ZE1 OHB

This supplement cost £2100 to produce. We felt this was a good use of resources and the best way to get across these very important messages.