



REPORT TO: MORAY COUNCIL ON 8 MAY 2019

SUBJECT: FINANCIAL PLANNING 2019-20 – CONSULTATION UPDATE

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To inform the Council of the outcome of the equalities and workforce consultation on budget options considered at the Council meeting on 27 February 2019 and to agree how to proceed.
- 1.2 This report is submitted to the Council in terms of Section III (A) 2 of the Council's Scheme of Administration relating to considering the Capital and Revenue Budgets and long term financial plan.

2. RECOMMENDATION

2.1 It is recommended that the Council:

- i) **considers the information in the revised equality impact assessments (Appendices A, B and C) and the mitigations proposed in response to the consultation;**
- ii) **agrees to proceed with the savings relating to reduced library opening hours, Essential Skills and English for Speakers of Other Languages (ESOL) services; and**
- iii) **notes that alternatives savings proposals have emerged from the workforce consultation in relation to Janitorial savings and remits further consideration of the saving to the service committee, subject to any variation in the amount saved being reported to a future meeting of the council.**

3. BACKGROUND

- 3.1 The meeting of the Moray Council on 27 February 2019 agreed a number of savings subject to further workforce or equalities consultation (para 4 of the minute refers). These savings related to janitorial services, subject to workforce consultation and reduced library opening hours, Essential Skills and English for Speakers of Other Languages (ESOL) services, subject to equalities consultation.

- 3.2 Workforce consultation is in respect of potential contractual changes and changes in working practices and is required under the terms of the relevant legislation, contracts of employment and the council change management procedures and takes place with the trade unions and employees affected.
- 3.3 The janitorial proposals have been consulted upon at meetings with the workforce, Trade Unions and management representatives with additional information being circulated thereafter. An extended consultation deadline was provided and responses have been received suggesting alternative means of achieving savings. These are still under consideration by service management. Therefore, it is proposed that a further report on the outcome of the consultation and the options for delivering a saving is taken to the service committee, with any variation in the financial value being reported to a future meeting of the Council.
- 3.4 Equalities consultation is in respect of the Equality Act 2010 and involves service users affected by the changes. This work was led by the service manager and supported by the Community Support Unit and the Equalities Officer. The outcome is further developed equality impact assessments, which are attached as **Appendices A, B and C** to this report.

Essential Skills

Particular issues identified as a result of the consultation work include that for the Essential Skills Service the proposal has negative impacts on young people, people with a disability and on the need to reduce inequalities that are a result of socio-economic differences. It particularly affects those who have low attainment in education. As the service is being removed, with limited local authority lead alternatives in place to remove negative impacts, service users would have to rely on family members and others in the community for support.

While there were 12 people who reported as having a disability, the main impact on a protected group is on young people aged 16-24 who comprise 43% of the 256 users (110). The impact is that there is less opportunity for them to gain literacy and numeracy skills because the service is being removed and this impacts on life skills and employment opportunities. Most of the service users also come under the socio-economic duty as they are not working or are in low paid employment. For both circumstances, given that the service is being removed, there is limited mitigation that can be put in place. For the young people, there could be some communication with the Schools service to request additional essential skills support preceding young people leaving school in an effort to reduce the need for an adult essential skills service. The issue to be determined by the Council is whether a proposal that generates £164k is a proportionate means to achieve the council's business requirement to balance its budget given the impact on young people using the service.

ESOL Service

- 3.5 In respect of the ESOL Service, the risk to reducing this service is:

- Increased cost to other services: Increased use of language line by health services and education services
- Increased reliance on social services and DWP: Reduced opportunity for adults to contribute to the local economy
- Poorer experience of education and impact on children: Reduction in the quality of interaction between parents and schools
- Reduced potential to contribute to the local economy: Lost opportunity for skilled workers to find employment

The proposals offer no opportunities to promote equality as they would lead to the removal of the service. However, funding through the Syrian Vulnerable People Resettlement Scheme has been agreed for 2019/20.

- 3.6 All of the 100 service users fall under the protected characteristic of race. The impact is on the users day to day life as their opportunity to learn English is much reduced by the removal of this service. As the service co-ordination is being removed, it is unlikely that the tutors who are funded elsewhere and employed by Moray College will continue. Therefore, it is assumed the service will cease and there would be no real scope for mitigation although a small number of users may be able to access alternative service provision, for example if they access higher level learning through Moray College. Work continues to identify whether there may be options to charge for a language service but at this time that has not reached a conclusion. The consideration, therefore, is whether the proposal (to save £23k) is a proportionate means to balance the council's budget taking account of the equalities impact on the citizens using the service. While this amount seems small, it is of note that balancing the Council's budget was extremely challenging and there were a number of relatively low value savings that contributed to the total required to reach a balanced position.

Library Opening Hours

- 3.7 Consultation on reduced library opening hours involved 372 people, 75% of whom were female and 2/3rds of whom were aged 16-65. The feedback was that the proposed opening hours were not suitable for between 33% and 43% of participants from different age groups. This potentially means there will be reduced numbers able to access the service. However, the revised opening hours have been configured to match up with peak user times and it is hoped that will mitigate some of the impact. In addition, as further mitigation it is proposed to continue to monitor footfall and to review opening hours and adjust them as necessary. It is considered that it is reasonable to proceed with these savings given the mitigation that has been put in place (as set out in the EIA) and the further monitoring of opening hours/footfall.
- 3.8 In determining how to proceed with the savings referred to in this report, the Council's duty is to have "due regard" to equalities considerations. While it is not necessary to eliminate or entirely avoid equalities impacts, the Council should be aware of what these are and consider whether they are proportionate and reasonable measures in all the circumstances, with particular regard to possible mitigation or alternatives that would reduce or avoid the impact.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

These savings form part of the Council's financial planning that supports the council priority of working towards a financially stable council.

(b) Policy and Legal

The proposals contained in this report form part of the suite of savings that ensure that the council is able to meet its statutory responsibilities, which were set out in the previous reports to the Council on financial planning. In summary, in relation to revenue budget:

Section 95 of the Local Government (Scotland) Act 1973 requires that every local authority must make arrangements for the proper administration of its financial affairs.

Section 1(1) of the Local Government in Scotland Act 2003 requires that each local authority makes arrangements to secure Best Value in the performance of its functions, which includes financial stewardship.

(c) Financial implications

The financial value of the savings in this report are set out below and the service implications are set out in the budget templates that were provided as part of the reference papers for the council report on 27 February 2019

	2019/20 £000s	2020/21 £000s
Essential Skills	164	-
ESOL	22	1
Janitors contractual overtime	36	37
Reduced opening hours in libraries	21	-

(d) Risk Implications

There are a number of risks associated with financial planning that have been set out in previous reports, including the range of variables and unknowns that influence the position. There is also a risk that 100% of the savings that have been approved to date may not all be delivered. This is being monitored and will be incorporated into future financial monitoring reports.

Given the financial position that has been reported to the council in a series of financial planning reports, most recently on 27 February 2019, should the council be of a mind to reduce or remove the savings in this

report, depending on the extent of the financial impact there may be a requirement to identify additional alternative savings in order to continue to deliver a balanced budget for 2019/20. At this stage, no alternative savings are identified and this would have to be addressed through a further report to the council. The difficulty to identifying new savings should however, not be underestimated.

(e) Staffing Implications

The staffing implications of these proposals have been the subject of consultation with the workforce and their trade union representatives and were considered as part of the previous reporting to the council. The implications are:

- Janitorial services – contractual changes to reduce contractual overtime by 100 hours per employee per year (i.e. a two thirds of the total annual contractual overtime)
- ESOL and essential skills proposals were part of earlier consultation reported to the council on 27 February 2019. The workforce impact for both services is accommodated by voluntary measures.

There is a separate report on the council agenda that seeks approval of voluntary early retirement and voluntary severance applications under these schemes subject to the relevant savings proceeding. There are six VER/VS cases supported and the cost of these voluntary departures would be £102,934. This would deliver ongoing annual salary savings of £129,830. The Council's policy is that severance costs should be recouped from the annual savings they generate over a period of up to 3 years. The overall cost of these exits would comply with that policy.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

Under the equality duty (set out in the Equality Act 2010) the Council must, in its decision making, have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, the need to advance equality of opportunity and the need to foster good relations between people who are in a protected group and those who are not. Groups protected by the Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage and civil partnership.

Since April 2018 there is also a duty to consider, at a strategic level, the desirability to reduce inequalities of outcome that are a result of socio-economic differences.

Councillors need to consider the effects of budget proposals on these protected groups as part of the budget decision making process and the Equality Impact Assessments for these savings are a recognised means of enabling this.

(h) Consultations

The Libraries Manager, Equalities Officer, Head of Financial Services, Head of Legal and Democratic Services and the Joint Acting Head of HR&ICT have been consulted in the preparation of this report and their comments have been incorporated into to the report.

The outcome of equalities and workforce consultation are included in the body of the report.

5. CONCLUSION

- 5.1 The council agreed a range of savings to set a balanced budget in 2019/20. Savings in relation to janitorial services were approved subject to workforce consultation and Essential Skills, ESOL and Libraries required equalities consultation to be undertaken and incorporated into the EIAs. This work has been completed and taking into account the outcomes. It is now recommended that the council agrees to proceed with the savings for Libraries, ESOL and Essential Skills. For Janitorial services, consultation is continuing and it is proposed to take a report to the service committee.**

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Background Papers:	
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