

Draft Corporate Plan

Purpose

1. The Commission is invited to consider the draft Corporate Plan for the period April 2020 to March 2023 which appears at Appendix A.

Background

2. There is ongoing uncertainty in the workload of the LGBCS in the next few years, and the Corporate Plan is drafted with a view to providing the Commission some flexibility in its approach, and as such errs of the side of higher expenditure estimates.
3. The Commission considered an earlier draft of the 2020–23 Corporate Plan at its 10 December 2019 meeting. The draft Corporate Plan in Appendix A of Paper 2513 provided a forecast expenditure of £480,069 for 2020–21. However, as discussed in Paper 2513, on 3 December 2019 the Scottish Government suggested the Commission work within a budget of no more than £437,000, a figure which was derived from an earlier estimate provided at short notice by the Secretariat in the summer of 2019 (and which did not include any provision for work around strategic seminars).
4. The Secretariat presented the Commission with some options for savings at its 10 December 2019 meeting. The Commission agreed that it would not seek to spend more than £437,000 in 2020–21, but could not offer further savings at that point. The Commission asked the Secretariat to re-present the draft Corporate Plan at its next meeting, with an analysis which categorises costs for 2020–21 in terms of importance, identifying clearly where spend is essential and where discretionary, with a view to identifying savings.
5. On 10 December 2019 the Commission's sponsor department in the Scottish Government asked the Secretariat to model how it would manage an additional £50,000 budget pressure: that is, a reduction in 2020–21 forecast from £437,000 to £387,000.
6. This paper presents the Commission with options for reducing the overall budget to £437,000, though further reductions could be made through a combination of those options. The Scottish Government's budget process may result in the Sponsor Department asking the Commission to agree a lower budget but at this stage it is expected that the Budget Bill, to be introduced on 6 February, will provide for £437,000.
7. The draft Corporate Plan in Appendix A is unchanged from that presented in LGBCS Paper 2513, and will be amended to reflect decisions taken by the Commission following consideration of this paper.

Essential / Fixed Costs

8. The draft Corporate Plan presented in Appendix A of LGBCS Paper 2513 categorised costs under seven budget headings: Staff Costs, Commissioners' Fees and Expenses, Accommodation, Administration, Travel & Subsistence, Review Costs and Legal and Research.

9. The Secretariat has categorised the full costs under four of those budget headings as essential, and they are unchanged from the draft of the Corporate Plan presented in Paper 2513 at the 10 December 2019 meeting:
- **Staff Costs:**
 - £167,673. This estimate is on the high side, but is unchanged as the Staff Costs are largely outwith the Commission's control as staff pay is set by the Scottish Government.
 - **Accommodation:**
 - £23,557. This 15% increase is an estimate due to scheduled re-valuation of the building. This cost is shared by BCS, and there is little scope to change what the Commission pays for this.
 - **Administration:**
 - £39,660. These costs are largely shared equally with the Boundary Commission for Scotland for the running of the office and as such there is limited scope to reduce expenditure.
 - **Travel and Subsistence:**
 - £2,000. These costs pay for expenses unrelated to particular Reviews, and typically cover Commissioner and Secretariat attendance at the annual UK Boundaries Commissions meeting.
10. The total of these budget headings comes to £232,890. This is 53% of the budget limit of £437,000, and 49% of the £480,069 budget in the draft Corporate Plan in Paper 2513.

Discretionary Costs and Potential Savings

11. The Secretariat has categorised the costs under the remaining budget headings (Commissioners' Fees and Expenses, Review Costs and Legal and Research) as discretionary. The Commission will certainly incur expenses under the first two headings, but does have significant latitude in how much it spends in these areas.
12. The major factors determining how much the Commission will spend are:
- How many sets of Revised Proposals are required during the Islands Reviews. The draft Corporate Plan assumes there will be five: two for the Islands-Only council areas, and three (one each) for the Islands-Mainland council areas.
 - How much the Commission plans to spend on newspaper advertising to promote its consultations during the Islands Reviews, including any consultations on Revised Proposals.
 - Whether and to what extent the Commission will hold public meetings and / or local inquiries in support of the Islands Reviews, including in support of any consultations on Revised Proposals.
 - What activities related to strategy seminar events the Commission wishes to budget for.
13. The discretionary budget headings and the scope for savings within them are summarised below.

Commissioners' Fees and Expenses:

14. These costs are an estimate of what Commissioners will claim, based on the estimated number of meetings, and the average claim per meeting. The estimate

also includes claims for attendance at additional meetings, such as: meetings with ministers, parliamentary committees, appraisals, UK Commissions meetings and meetings with councils, council officials, community groups and public meetings.

15. The costs in the draft Corporate Plan are estimated at £43,545. However, of this, approximately £11,000 is based on attendance at public meetings held during the Islands Reviews (see Review Costs, below). The Commission has not held any such meetings so far during the Islands Reviews. If the Commission decided not to hold public meetings, this amount could be saved.

Review Costs:

16. The Review Costs in the draft Corporate Plan are almost entirely for the ongoing Islands Reviews: the 2nd Periodic Review of Scottish Parliament Boundaries is not expected to begin until 2021–22 at the earliest.

17. There is also a small provision of £3,500 in 2020–21 for local administrative area reviews. The draft Corporate Plan makes provision for one such review beginning in 2020–21 and concluding in 2021–22; with provision for a second review commencing in 2022–23. This is precautionary, and takes into account the recent frequency of such reviews.

18. Of the £155,633 forecast for the Islands Reviews, c. £66,000 is forecast in relation to Initial Proposals, and c. £77,000 in relation to any Revised Proposals. The draft Corporate Plan budgets for Revised Proposals in the same manner as for Initial Proposals, that is: approximately the same funds are set aside for publicising consultations, public meetings and other costs for Revised Proposals for a council areas as for Initial Proposals. Accordingly, fewer Revised Proposals than budgeted for would likely result in significant savings.

19. The Secretariat considers funds allocated to pay for the consultation portal, to pay for visits by Commissioners and Secretariat members to councils, and to pay for social media to publicise the public consultations are essential to the successful completion of the Reviews. These costs are not considered further for possible savings.

20. The main areas of the Review Costs for which savings could be made are:

- Newspaper Advertising:
 - A total of £45,715 has been budgeted for this, based on the costs of the advertising used to publicise the public consultation on the Initial Proposals in the three Islands–Only council areas. This takes into account the larger populations of the Islands–Mainland council areas, and covers Initial Proposals and any Revised Proposals.
- Publicity Reserve:
 - A reserve £9,000 has been set aside for publicising consultations, including Revised Proposals.
- Public Meetings:
 - A total of c. £33,000 has been budgeted for this, not including Commissioners’ Fees and Expenses. This is based on one public meeting per council area per round of consultation, including during five sets of Revised Proposals. Costs include venue hire,

transcription and transport and accommodation for Commissioners and Secretariat members.

- Local Inquiries:
 - A total of £22,800 is budgeted to allow the Commission to carry out local inquiries, on the basis of one local inquiry per council area during the course of the Islands Reviews. They are costed on the same basis as public meetings.
- Contingency:
 - A total of £10,000 has been set aside for unplanned Review Costs (c. 7% of the overall Review Costs budget).

Legal and Research:

21. This budget heading included £44,500 set aside for potential strategy seminars and other associated activities. This budget heading was a “catch-all” as these costs did not seem appropriate to include under Administration or Review Costs. Despite the heading, no costs for legal advice were included in the draft Corporate Plan. The Commission may wish to consider if it wishes to set aside £5,000 for legal advice in the Corporate Plan.

22. The main areas of Legal and Research where savings could be made are activities which could result from the strategy seminars:

- Academic Research:
 - The draft Corporate Plan set aside £22,500 for this, based on the costs of its previously commissioned research in councillors’ roles and workload.
- Opinion Polling:
 - The draft Corporate Plan set aside £20,000 for this.

Options for Saving:

23. The options below are largely based on removing discretionary items of spending from the budget, rather than reducing the amounts spent on these items. This has the benefit of relying on existing budget estimates for the Corporate Plan to ensure that all planned items can be paid for. The alternative approach of reducing spending on items without removing any in their entirety is possible, but may mean that some council areas are treated differently (for example, significantly cutting spending on newspaper advertising in total may mean that newspaper advertising is only affordable in some council areas).

24. The tables below set out possible options for reducing the draft Corporate Plan budget to below £437,000, and include an additional £5,000 for legal costs:

Option 1

Item	Saving
Strategy Seminar – Remove academic research	£22,500
Add Legal Costs	-£5,000
Remove newspaper costs for Revised Proposals only	£24,394
Reduce contingency Review Cost by £1,500	£1,500
Total Saving	£43,394

New Budget for 2020–21: £436,675

This option would:

- Mean the Commission would not have funds set aside specifically to cover newspaper advertising during any Revised Proposals. The Commission would still have the option of spending some funds on newspaper advertising from its publicity reserve, contingency or any funds not required for public meetings or local inquiries.
- Retain the option of holding public meetings and local inquiries.
- Leave the Commission £27,000 under Legal and Research to cover legal advice, and costs associated with strategy seminars, including polling.

25.

Option 2

Item	Saving
Strategy Seminar – Remove academic research	£22,500
Add Legal Costs	-£5,000
Remove public meetings from Review Costs	£44,093
Total Saving	£61,593

New Budget for 2020–21: £418,476

This option would:

- Remove funds specifically allocated to public meetings. The savings include associated Commissioners' Fees and Expenses. The Commission could still organise some public meetings using contingency funds, or from underspends in other areas (for example, newspaper advertising would likely fall significantly if there were no or few Revised Proposals).
- Retain the option of holding local inquiries.
- The Commission would retain £27,000 in Legal and Research to cover legal advice, and costs associated with strategy seminars, including polling.

26.

Option 3

Item	Saving
Strategy Seminar – Remove academic research	£22,500
Add Legal Costs	-£5,000
Remove local inquiries	£21,565
Reduce publicity reserve by half	£4,500
Total Saving	£43,565

New Budget for 2020–21: £436,504

This option would:

- Remove funds specifically allocated to Local Inquiries. The Commission may consider that local inquiries are unlikely to be required, particularly if it is considering holding public meetings. The Commission would still be

likely be able to hold some local inquiries using contingency funds or savings in other areas.

- Leave the Commission £27,000 under Legal and Research to cover legal advice, and costs associated with strategy seminars, including polling.

27.

Option 4

<u>Item</u>	<u>Saving</u>
Add Legal Costs	-£5,000
Remove newspaper costs for Revised Proposals only	£24,394
Remove public meetings from Review Costs	£44,093
<u>Total Saving</u>	<u>£63,487</u>
New Budget for 2020-21:	<u>£416,582</u>

This option would:

- Retain the draft Corporate Plan's costs for strategic seminar related activities, such as academic research and polling.
- Focus savings on Review Costs (and Commissioners' Fees and Expenses associated with public meetings) specifically not planning to hold public meetings nor budgeting for newspaper advertising for any Revised Proposals.
- Retain the option of holding local inquiries.

28.

Option 5

<u>Item</u>	<u>Saving</u>
Strategy Seminar – Remove academic research	£22,500
Add Legal Costs	-£5,000
Strategy Seminar – Remove Polling	£20,000
Reduce publicity reserve by half	£4,500
Reduce contingency review costs by £1,500	£1,500
<u>Total Saving</u>	<u>£43,500</u>
New Budget for 2020-21	<u>£436,569</u>

This option would:

- make only minor changes to the costs budgeted for the Islands Reviews.
- restrict the funds allocated to strategy seminar activities to £2,000, which would cover costs associated with hosting meetings.
- Contingency Review Costs would fall to £8,500.

Discussion

29. The essential costs, including funds for the consultation portal, visits to councils and social media will ensure that the Commission is able to complete the

Reviews to an acceptable standard, including consulting on Revised Proposals if it considers these necessary. The discretionary costs offer the Commission more scope to publicise its consultations and engage with members of the public through public meetings and local inquiries. The Commission will wish to consider the likely cost effectiveness of the various discretionary costs it may budget for in enhancing the Islands Reviews.

30. Costing on the basis of five sets of Revised Proposals means that significant savings are likely if there are few or no Revised Proposals, and there is scope to reallocate funds. If the Commission were to choose, for example, to plan on the basis of allowing for public meetings, but not using newspaper advertising during Revised Proposals, it could revisit this decision if it planned fewer than five sets of Revised Proposals.
31. The Commission may wish to consider whether it wishes to adopt one of the options presented in this paper for the year 2020–21 of its Corporate Plan. Once the budget is agreed with the Sponsor Division within the Scottish Government, the Commission will be free to transfer funds between budget heads.
32. The Commission is not restricted by the options presented, and could reduce forecast expenditure below £437,000 by other combinations of the potential savings discussed, and still be able to deliver the Reviews comprehensively.

Conclusion

33. The Commission is invited to provide any comments on the draft Corporate Plan and the options discussed in the paper. Once the plan has been agreed with the Commission and the Sponsor Division within the Scottish Government, it will be placed on the Commission's website.

Secretariat
January 2020