

BUDGET CONSULTATION

Submitted by: Head of Communications

Portfolio: Communications, Transformation and Partnerships

Ward(s) affected: All

Purpose of the Report

To provide Cabinet with information relating to the outcomes of the budget consultation process.

Recommendations

(a) Cabinet notes the outcomes of the budget consultation process.

(b) Cabinet authorises the Portfolio holders for Communications, Transformation and Partnerships and Budget and Financial Management to review the consultation process with the Head of Communications and consider how budget consultations could be developed for the future.

Reasons

The six-week process held during October and November was the first major budget consultation for a number of years. The responses and comments from the public – which are attached as an Appendix to this report - will help the borough council as it considers spending pressures and priorities over the next two financial years.

1. Background

- 1.1 In December 2004, the borough council took part in a budget consultation exercise with residents using a process called “SIMALTO” – Simultaneous Multi-Attribute Level Trade-Off. More than £15,000 was spent on the exercise which involved a private sector company carrying out interviews with residents and then also hosting a series of workshops and focus groups.
- 1.2 The findings of the consultation were reported to members for their consideration. Since that time there have been no further significant consultation exercises organised by the borough council as part of its budget deliberations.
- 1.3 Cabinet members agreed this year that a consultation exercise would be organised to enable residents to have an influence in shaping spending priorities for the financial years 2013/14 and 2014/15 with the council’s budget forecasts indicating savings of at least £2.5 million being required.
- 1.4 Members of the Cabinet agreed to lead the process with officers from the Communications Department – which has corporate responsibilities for consultation and engagement at the borough council - working alongside.

2. Issues

- 2.1 It was agreed at the beginning of the consultation that the process would try to deliver on three guiding principles. The goal was to be:-

- (a) Inclusive
- (b) Innovative
- (c) Extensive

2.2 *Inclusive – to try and engage with all sections of our community*

- (i) Focus on using a range of engagement channels – public meetings, face-to-face, electronic, social media, posters and flyers.
- (ii) Aim communications at all age groups.
- (iii) Discussions with partners and other key stakeholders

2.3 *Innovative – to try new and different consultation mechanisms*

- (i) Reception room one at the Civic Offices in Newcastle was turned into a “living room” for a day as part of a drop-in coffee morning session.
- (ii) A special budget edition “mini” Reporter was produced and distributed.
- (iii) A budget questionnaire produced and distributed with “Freepost” address. The special edition Reporter gave the financial context to the questionnaire and this is why it was distributed as a “pair” with the questionnaire itself. These are attached as Appendices B and C to this report.
- (iv) Pop-up adverts used on key landing pages on the council’s website.
- (v) Bluetooth and Wi-fi messaging used.

2.4 *Extensive – to try and carry out as much customer focused activity as possible.*

- (i) Seven public meetings arranged.
- (ii) 10 face-to-face events held.
- (iii) E-panel consulted.
- (iv) Special budget edition Reporters distributed.
- (v) All councillors given Reporters and questionnaires to distribute in their communities.
- (vi) Bespoke budget consultation content and questionnaire on council’s website – this was viewed by 1,229 unique users.
- (vii) Flyers and posters distributed.
- (viii) Young people contacted online.
- (ix) Discussion with Newcastle Partnership Strategic Board.
- (x) Press releases, media interviews, briefing notes produced to generate local coverage of the consultation.

2.5 The questionnaires asked residents to decide how important some key service areas were to them. They then had to mark the services on a five point scale with one end of the scale being “Of no importance” and the other end of the scale being “Extremely important.”

2.6 There was also an opportunity on the questionnaire for residents to outline other service areas - other than the 10 listed – which were important to them and also to indicate how they thought the council could save money.

2.7 In total, 635 questionnaires have been returned to the borough council. A detailed breakdown of the responses and comments is provided as Appendix A to this report.

2.8 However, as well as generating a significant number of responses, the process has also resulted in a significant amount of information being distributed throughout the borough which will raise awareness of budgetary issues at the borough council.

- 2.9 Of the total number of responses received, 393 were received through electronic channels; 91 were received through the post; 120 came from face-to-face sessions and 31 from public meetings.
- 2.10 By adding the “extremely important” and “important” responses together it can be seen that “Keeping streets and open spaces clean and clear” together with “Vibrant, active and safe town centres” were the two most important areas for those who responded to the questionnaire.
- 2.11 Using the same criteria, the survey shows that among those who responded “Cultural activity and promotion of the arts” and “Improving housing standards and choices” were the two least important areas.

3. Proposal and reasons for preferred option

- 3.1 As a result of the consultation process, the borough council has received a significant amount of up-to-date information from residents concerning their priorities for service areas.
- 3.2 This will undoubtedly play an important part in the budget setting process which the council began some time ago with budget service reviews involving all services at the council throughout the summer and more recently the publication of the Medium Term Financial Strategy.

4. Outcomes linked to Sustainable Community Strategy and Corporate Priorities

- 4.1 In its new Council Plan, the borough council includes for the first time the corporate priority of “Becoming a Co-operative Council delivering high quality, community driven services.”
- 4.2 One of the key outcomes which will undoubtedly enable the borough council to fulfil its obligations within that corporate priority is that it will be an “open, honest and transparent organisation which undertakes regular consultation with its residents and listens to their views.”

5. Legal and Statutory Implications

There is no legal or statutory duty on the council to carry out a consultation which relates to setting its budget.

6. Equality Impact Assessment

- 6.1 Although an Equality Impact Assessment was not carried out on the budget consultation exercise, the diversity of the channels used ensured there was no negative impact on any section of the borough’s community.
- 6.2 All of the work carried out was in line with the council’s Communications Strategy – which includes a section on consultation. This strategy and an associated Equality Impact Assessment was approved by Cabinet in March 2012.

7. Financial and Resource Implications

- 7.1 At its meeting on 30 October 2012, the Transformation and Resources Overview and Scrutiny Committee considered the issue of the budget consultation.
- 7.2 Members asked that some consideration be given by the council’s officers over the resources used during the consultation process and that this be reported to Cabinet and the

meeting of the scrutiny committee on 10 December when it was due to consider the outcomes of the consultation process.

7.3 As far as human and material resources are concerned, it is estimated that during the course of the budget consultation process:-

- 5,600 mini budget edition Reporters were distributed together with the same number of questionnaires.
- 3,100 A5 flyers promoting the consultation and events were handed out and 81 A3 posters displayed in shops, businesses and other public areas.
- A total of 44 hours were spent by staff in the production and printing of material associated with the consultation – mini Reporter, questionnaire, pop-ups, flyers and posters, website content.
- 28 hours were spent by staff distributing materials – flyers, posters to promote events.
- 45 hours were spent by a number of staff supporting Cabinet members at sessions with the public – the coffee morning, public meetings and face-to-face sessions. Some of these hours were paid overtime as they took place at weekends and in the evenings.
- Approximately 25 hours has been spent collating and evaluating data received during the process.

7.4 As far as finances are concerned, it is estimated that:-

- £600 has been spent on printed materials – all of this work has been carried out in-house by the council's design and print service.
- £130 spent on pop-up promotional banners.
- £425 on venue hire, transport costs, refreshments for those who attended the public meetings and face-to-face sessions.
- £45 for Freepost costs.

7.5 All of the costs identified above – including the overtime payments to staff – can be met from within existing budgets for consultation at the borough council.

7.6 As far as the human resources are concerned, the focus on the budget consultation has been very resource intensive both for Cabinet members and for the Communications Service at the borough council.

7.7 Cabinet members have been on hand at public engagements to ensure any political questions could be answered and dealt with. Presentations outlining the budget issues facing the council have also been delivered by the Cabinet Portfolio holder responsible for finance and budget management. Members have also been in attendance at the face-to-face sessions.

7.8 Devoting officer time to supporting the initiative has had an impact on the Communications Service as staff from all sections of the department have been involved in the events schedule. This has meant some lower priority work being re-scheduled, other elements being postponed and in some instances work has been cancelled such as pro-active media releases.

7.9 This has been a significant piece of work for the borough council and the first process of its magnitude as far as budget issues are concerned for eight years. If Cabinet is mindful to repeat budget consultation exercises on an annual basis then there is a reasonable

expectation that now the public has been given an opportunity to have some input there may be a greater response in future years.

- 7.10 With that in mind, it may assist the borough council if a “lessons learned” evaluation process took place involving the Portfolio holders for Communications, Transformation and Partnerships and Budget and Financial Management to review the consultation process with the Head of Communications and consider how budget consultations could be developed for the future.

8. **Major Risks**

There are no major risks associated with this report.

9. **Earlier Cabinet/Committee Resolutions**

There are no earlier Cabinet/Committee resolutions relevant to this report.

10. **Background Papers**

Appendix A is a detailed breakdown of the results of the budget consultation process which ran from Monday, 1 October to Friday, 9 November 2012.

Appendix B is a PDF of the four-page “mini” budget Reporter produced for the consultation.

Appendix C is a PDF of the questionnaire distributed as part of the process.