

EXECUTIVE MEMBER: Cllr Gillian Troughton
LEAD OFFICER: Jo Wagstaffe, Corporate Director, Resources and Transformation
LEAD HEAD OF SERVICE: Jo Wagstaffe, Corporate Director, Resources and Transformation
REPORT AUTHOR: Ian Curwen, Communications Manager
Angela Brown, Interim Finance Manager

BUDGET CONSULTATION 2012/13

Summary:

This report outlines:-

- The requirements upon Local Authorities to undertake consultation prior to taking decisions on annual budgets.
- Options for RPWG to consider for public engagement in relation to budget consultation.

Recommendation:

RPWG are asked to consider the contents of this report and agree the budget consultation approach to be undertaken in developing the Council's budget proposal for 2012/13.

1 BACKGROUND

- 1.1 The Local Government Finance Act 1992 places a statutory duty on local authorities to consult with persons or bodies appearing to them to be representative of persons subject to Non-Domestic Rates in their area, about their proposals for expenditure for the forthcoming financial year. For the purposes of this report, this requirement has hereafter been referred to as 'Statutory Consultation'.
- 1.2 In addition to this, the Local Government and Public Involvement in Health Act places a duty on Councils to involve the community in taking decisions, and the key annual decision on the budget is an important opportunity to fulfill the duty. For the purposes of this report, this element of consultation relating to the budget has hereafter been

referred to as the 'Public Consultation'. Public consultation provides a good way of involving local people in decision making and contributing to the sense of participation and influence in the locality. This links to the National Indicator 4 (% of people who feel they can influence decisions in their locality). Community engagement in decision making is not a new development, and there is a wide range of experience of various methods of consultation among councils.

- 1.3 Some Members of RPWG may recall that, after considering the available options at its meeting of 23rd July 2009, the SIMALTO product was chosen to undertake the public consultation process for the 2010/11 budget. This was a sophisticated, in depth and time consuming consultation process, the results of which were fed into the 2010/11 budget setting process. In addition to the SIMALTO exercise, the Council received the Place Survey results and undertook additional consultation through Copeland Matters. The outcome of all of these consultation mechanisms was highly consistent and therefore it could be argued the Council now has a thorough base knowledge on which to prioritise its budgets for the immediate future.
- 1.4 Last year for the 2011/12 budget RPWG members, recognizing this base knowledge from previous surveys, agreed to conduct an in-house budget consultation exercise, using a mixture of meetings, online and paper based consultation methods.
- 1.5 The budget setting cycle has once again returned to consideration of consultation options stage, and, as was the case last year, we are facing challenging times and potentially tough budget choices.

2 BUDGET CONSULTATION OPTIONS

2.1 Statutory Budget Consultation:

- 2.1.1 As noted at paragraph 1.1 above, the Local Government Finance Act 1992 places a duty on local authorities to consult with persons or bodies appearing to them to be representative of persons subject to Non-Domestic Rates in their area, about their proposals for expenditure for the forthcoming financial year.
- 2.1.2 It is proposed that the 2012/13 statutory consultation is undertaken on the same basis as the 2011/12 consultation with the Council inviting, through a notice on the external website and letters to the Whitehaven Chamber of Trade and Enterprise Whitehaven, such persons or bodies, to take part in the annual consultation exercise in respect of the 2012/13 Financial Year. This will take place in accordance with the budget timetable for the 2012/13 budget between the dates of 20th

December 2011 and 31st January 2012. Earlier discussions with businesses should also take place, outside of the Budget Consultation process.

2.2 **Public Budget Consultation:**

2.2.1 The choice of methods open to the Council in consulting on the budget is wide and in most cases, has resource implications. Most of the methods have already been tried by Copeland BC in previous years, and all have advantages and disadvantages. Appendix A sets out the principal methods in more detail, however in summary they are as follows:-

- a) Specially organised budget consultation meetings
- b) Structured consultation events
- c) Use of non-budget events e.g. Neighbourhood Forums
- d) Written channels
- e) Canvassing by telephone or in person
- f) Formal sampling consultation

2.2.2 Consultation is good practice and a way of clearly involving local people in decision making as well as being a good opportunity to raise the profile of the Council. However, as noted in paragraph 1.3 above, the Council undertook a thorough consultation exercise during November 2009 to inform the 2010/11 budget setting process. Furthermore, the ongoing service review process is providing detailed information which will inform the 2012/13 budget setting process. In light of this it is therefore recommended RPWG agree that the 2012/13 Public Budget consultation process builds on known data and in terms of new work consists of a more cost-effective use of written and electronic channels.

2.2.3 Budget consultation should be seen as part of a bigger conversation with the public regarding our future priorities. To this end, budget consultation is one element of our ongoing consultation and engagement with the public. This means that the budget consultation must follow on from any consultation we undertake with the public on the council's direction and priorities. By ensuring the consultation is part of the same process, we can ensure that the public's views are fully considered as early in the budget process as possible.

3 TIMETABLE

3.1 In terms of planning to consult, which ever method were chosen, we would probably require around four months from now. A illustrative timetable is as follows:-

Stage	In house written consultation	
Agreement by RWPG	11 th August	
Funding Agreement by Executive – if choice of method selected is in excess of £10,000.	No funding agreement required – funded from existing budgets	
Preparation of Questions Grid (CMT and Communications and provider working together)	(*1)	
Agreement of Questions Grid by RPWG	(*1)	
Launch of Public Consultation – media and CBC Website	1 st September	
Eight week process for questionnaire and web-site	Closure date of Monday 1 st November	
Analysis of findings	Two weeks until Friday 12 th November	
Presentation of findings to RPWG	18 th November meeting – (possibly short notice or select special meeting)	
Separate Exercise		
Undertake Statutory budget consultation: 20 th December 2011 to 31 st January 2012 as per Budget Timetable		

(*1) This will depend upon the level of detail the written consultation goes into.

3.2 The timetable for the public budget consultation would provide information to inform the development of the Council Plan for 2012/13 and the budget proposals to be developed by RPWG in December. We could then use the Copeland website again to invite views on the specific budget proposal in January, mindful of the findings of the public consultation undertaken in the autumn. This would form part of our ongoing conversation with the public.

3.3 It is important to feedback the results of the consultation, both at the end of each round and more fully once the budget for 2012/13 is completed and agreed.

4 FINANCIAL IMPLICATIONS

- 4.1 The estimated cost of the Public Budget Consultation activity options are set out in Appendix A. There is currently no specific budgetary provision for this work. Depending on the decisions taken on the level of consultation required, a budget for the work will need to be identified from within existing base budgets.

5 LEGAL IMPLICATIONS

- 5.1 As noted in paragraphs 1.1 and 2.1, the Council has a statutory duty to consult persons or bodies appearing to them to be representative of persons subject to Non-Domestic Rates in their area, about their proposals for expenditure for the forthcoming financial year.
- 5.2 The Local Government and Public Involvement in Health Act places a duty on councils to involve the community in taking decisions and public consultation and the key annual decision on the budget is an important opportunity to fulfill the duty.
- 5.3 It is important to ensure that our budget consultation engages with as many people as possible, and that the consultation is accessible to all people. The Council's Equality Officer will be fully involved in developing our consultation proposals and any documents to ensure that they are accessible.
- 5.4 The results from any of the consultation work will also need to be fully considered and any decisions will need to be taken through our Community Impact Assessment (was Equality Impact Assessment) process. This will ensure that the implications of any spending decisions are considered in accordance with our agreed policies and legislation requirements.

6 CONCLUSION AND RECOMMENDATION

- 6.1 The statutory minimum requirement for consultation used to be with business stakeholders, but this would no longer fulfill the duty to involve. Furthermore, Consultation is good practice and a way of clearly involving local people in decision making as well as being a good opportunity to raise the profile of the Council.
- 6.2 It is important, however, to bear in mind the backdrop of continued significant reductions in government grant for the forthcoming financial year, the depth of data gathered during the 2010/11 public budget consultation process and the detailed information emerging from the 2011/12 service review process which will inform the 2012/13 budget setting process.

6.3 It is therefore recommended that RPWG opt to undertake tailored public consultation on the budget through written and electronic channels, such as via the website, notice in the local press, articles in Copeland Matters or leaflets delivered to every home in Copeland seeking written responses from public. The communications team, finance team and Equality Officer will all work together to ensure the consultation is comprehensive, robust and the results are meaningful.

Appendices

Appendix A – Advantages and disadvantages of each of the potential methods of consultation

Background papers

RPWG 23rd July 2010: Budget Consultation 2010/11

Consultation Methods

Type of Consultation	Estimated costs	Advantages	Disadvantages
<u>Specially organised budget consultation meetings</u>	£2000 plus staff and member time	Council can choose the best timing and format to explain the budget proposals to gain feedback required	Public not keen to attend special budget meetings, unless they are part of some event which offers more of a draw than local government finance
<u>Structured consultation events</u> , such as SIMALTO or similar, or structured focus groups run by external organisations	Up to £17k depending on approach, plus manager time to work with company on preparations	Council would get reliable and representative information from consultations, which would underpin budget decisions	Direct and indirect costs – planning time to develop appropriate costed questions. Publicity required to ensure acceptance on the door-step and/or web participation. Web take up may not be sufficient to provide representative sample.
<u>Use non-budget events</u> organised by the Council or others e.g. Neighbourhood Forums or the LSP Forum	£500 plus employee and member time	Public is more likely to attend events whose primary purpose is not financial consultation	Council may not have control over the timing or format of the event (the Neighbourhood Forums run in cycles in November-December, then January to early March); the feedback may not be complete or representative
<u>Written channels</u> via the website, notice in the local press, articles in Copeland Matters or leaflets delivered to every home in Copeland seeking written	Variable depending on approach. Some would need considerable staff time to organise, plus analysis of feedback	Council can choose the timing and format to gain the feedback it needs	The public may not be interested enough to respond by written means and representativeness cannot be ensured.

Appendix A

Type of Consultation	Estimated costs	Advantages	Disadvantages
responses from public			
<u>Canvassing</u> by telephone or in person by representatives of the Council (members or officers) or an organisation commissioned to carry it out on behalf of the Council	£10k if external, plus managers' preparation time. Substantial time demand if done by managers and members	Council can control format and arrangements for consulting public; feedback well-structured and can be representative of the community	Resource-intensive both in terms of preparation of questions and delivery of the consultation.
<u>Formal sampling</u> consultation through the Community Panel or traditional market research	Council contributes to Community Panel already; £8k for market research plus managers' time in preparation of questions	Statistically reliable feedback	Indirect costs; may not be able to time Community Panel questions to meet our needs