

Overview & Scrutiny
In-Depth Review Report

PUBLIC ENGAGEMENT ON THE COUNCIL'S BUDGET
REVIEW

A Review by a Task and Finish Group set up by the Resources
Overview and Scrutiny Panel

15th July 2005

Task and Finish Group Members

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Introduction

A Task and Finish Group set up by the Resources Overview and Scrutiny (O&S) Panel has undertaken a review of Public Engagement on the Councils' Budget in Bath and North East Somerset, with a view to recommending any necessary improvements to the way in which the Council both informs and engages with the public on budgetary issues.

This report sets out the Task and Finish Group's approach to the review, its findings and recommendations to the Council's Executive Member for Resources.

The report is supported by a number of appendices which provide key background information and evidence for this review.

Context

Bath & North East Somerset Council, in its role both as provider of services to the local community but also as Community Leader, strives to engage with members of the public wherever possible. The Council provides a range of information on its Financial Plan, Budget and Council Tax and has, over the years, supplemented statutory budget consultation with business ratepayers with occasional public and/or stakeholder consultation exercises and consultation with trade unions, but does not have a routine process for wider budget consultation.

Currently, the Council provides a leaflet which accompanies Council Tax bills giving information on Council Tax charges, percentage increases, details of where the Council spends money and how this is funded, and reasons for increases/decreases on the previous year. The design of the leaflet was changed for 2005/06 in an attempt to provide the information in a friendlier format for the public (using pie charts and details of services provided). Information is also provided through press releases, on the Council's website and using the new Revenues & Benefits 24 hour information phone number.

The Council's budget is driven by the Council's Corporate Plan (which incorporates a 4-year Financial Plan) with consultation focussing on the Corporate Plan document. For 2005/06 consultation was undertaken with executive & non-executive members, trade unions, the Local Strategic Partnership and the chambers of commerce in Bath and in North East Somerset. The detail of the Council's budget is contained in Service & Resource Plans, produced by individual Heads of Service, which are also potentially subject to consultation.

Overview and Scrutiny Involvement

At a meeting of the Resources Overview and Scrutiny Panel on 24th March 2005, the Panel set up a Task and Finish Group to carry out a review on their behalf into Public Engagement on the Council's Budget. The Task and Finish Group have since undertaken research into issues surrounding best practice guidance on engagement

with the public on budgetary issues, as well as exploring how Bath and North East Somerset currently engages with the public, and how other Authorities do so.

Purpose of the Overview and Scrutiny Review

The purpose of this review is to explore the ways in which Bath and North East Somerset engages with the public when deciding and setting council budgets, with a view to presenting any necessary options for improvement to the current methods of engagement.

The Task and Finish Group's recommendations proposing changes to methods and processes for engaging with the public will be sent to the Executive Member for Resources.

This method of working is classified as the 'overview' role of Overview and Scrutiny, where the Task and Finish Group is acting in a pathfinder context to support the Executive as it develops policy, formulates plans and makes decisions around important community issues.

Objectives of the Overview and Scrutiny Review

The objectives of the Task and Finish Group in undertaking this Review have been to recommend:

- Any necessary improvements to the way in which the Council provides information to the public about Council budgets
- Any necessary improvements to the way in which the Council seeks opinions from members of the public about the setting of Council budgets
- Possible future options for increased engagement with the public around setting of Council budgets

Appendix 1 provides the full Terms of Reference for this Review.

Review Methodology

The Task and Finish Group have carried out a number of research and evidence gathering activities in order to inform their decisions in this review.

Reports from the Service

The Task and Finish Group have received several briefings and updates from the Finance and Resource Planning Service.

The information provided by these has encompassed issues such as:

- The way in which Bath & North East Somerset currently provides information to the public about Council budgets, including the Council Tax Leaflet, the Council's website and local media.
- The ways in which Bath & North East Somerset has in the past undertaken consultation with the public on budgets, and information on current consultation practice.

The Task and Finish Group have been able to discuss these issues with the service and this has facilitated them in defining the scope and Terms of Reference for this review.

Correspondence

Through the issuing of several press releases, and the use of a webpage the Task and Finish Group sought the views of local people about how they would like to be consulted on the Council's budget. The Task and Finish Group received two submissions in response to their review (Appendix 2), and parts of their recommendations address the issue of encouraging public participation in such Overview and Scrutiny processes.

Desktop Research

The Task and Finish Group carried out research into three key areas:

- Good Practice Guidelines, and reports on engagement with the public on budgets
- How Bath and North East Somerset currently engages with the public on budgets
- Contacting other Local Authorities to find out how they inform the public about Council budgets, and details of any methods of consultation they use, or have used in the past.

Good Practice Guidelines

The Task and Finish group have reviewed the regulations on information to be supplied with Council Tax demand notices; the guidelines issued by the Office of the Deputy Prime Minister on Council Tax consultation; and an IDeA published research paper on how council tax and budget consultation can be improved.

Current Position in Bath & North East Somerset

The Task and Finish group received a written briefing from Finance and Resource Planning, which outlined the way in which Bath & North East Somerset currently provides information to the public about Council budgets.

Other Local Authorities

A questionnaire was sent to our twenty benchmarking authorities asking them about their engagement with the public on Council Budgets. Research was also undertaken into practice in other Authorities, including making contact with a number of those who had done some interesting work in this area.

Council Tax Leaflet Workshop

The Task and Finish group held a workshop in which they reviewed the results of research into Bath and North East Somerset residents' views on the Council Tax Leaflet. This research was undertaken in 2004 as part of a wider exercise to review the Council's communications, and was based on work with four focus groups across the local area (one each in Bath, Keynsham, Midsomer Norton and Chew Magna, covering a cross section of ages and social groups). For the purposes of comparison, the Task and Finish Group also considered similar research undertaken by East Riding of Yorkshire Council and New Forest District Council. Copies of the research material considered are at Appendix 3. The purpose of this workshop was for the Task and Finish Group to consider ways in which the Council Tax Leaflet could be improved in order to better inform the public about the Council's budget.

Contributor Session

A public Contributor Session was held by the Task and Finish Group on 8th June, and this marked the end of the evidence gathering stage of this review. During this half day session the Task and Finish Group heard from the Executive Member for Resources, Service officers and representatives from other Local Authorities.

The invited speakers who attended on the day and the themes around which they were invited to speak were as follows:

Session 1 – Executive Member and Council's Service Officers to introduce the issue
<ul style="list-style-type: none">• Councillor Malcolm Hanney, Executive Member for Resources• Ed Hockey, Market Research Co-ordinator, Bath & North East Somerset• Philip Hall, Head of Finance & Resource Planning, Bath & North East Somerset
Session 2 – Other Council's Experiences/Views
<ul style="list-style-type: none">• Melissa Neill, Gloucestershire County Council• Stephen Hilton, Bristol City Council

Copies of the presentations made to the Task and Finish Group by these speakers, together with the full notes for the day are at Appendix 4.

Invited contributors who were unable to attend were requested by the Task and Finish Group to make written submissions, and these were also received and considered by the Task and Finish Group. (Appendix 5)

FINDINGS

Due to the range of evidence and information gathered by the Task and Finish Group in this review, the Task and Finish Group's findings and recommendations have been arranged into two thematically organised sections, which reflect the key areas of the scope of this review. Individual recommendations are numbered and set out in highlighted boxes at the end of each section. These recommendations will be submitted to the Executive Member for Resources through the existing O&S tracking process via the Weekly decision register, and the Executive Member will be asked to respond to the Resources Panel with regard to their recommendations within a six week timescale.

The Task and Finish Group's full recommendations are laid out below, with a summary available at Appendix 6.

The way in which the Council *provides information to the public* regarding Council budgets

The Task and Finish Group received a range of evidence which supports their findings about the way in which the Council provides information to the public on the Council's budget. The Task and Finish group heard that Bath and North East Somerset currently uses a variety of means to inform the public about their budgets, consisting of:

- The Council Tax leaflet which goes out with the Council Tax bill yearly in March
- The Council's website which allows the public to access to information about budgets
- Local Media – use of press releases in the run up to and immediately after the Council budget setting meeting.

The Task and Finish Group also received evidence about how other Authorities inform the public, and drew on this in making their recommendations.

As a result of this research the Task and Finish Group focused on the Council Tax leaflet, as an area where they felt improvement could be made. The Task and Finish group recognise that Finance and Resource Planning have already undertaken good work to improve the Council Tax leaflet, with revisions made prior to the production of the 2005/06 leaflet in an attempt to provide the information in a more accessible

format for the public. However it is the Task and Finish Group's view that further improvements can and should be made.

The Task and Finish Group explored evidence about how our own public, and the public in other authorities experience the Council Tax Leaflet. From this it seemed clear that one of the key issues with the leaflet was that people can and do simply choose not to read it. The Task and Finish Group therefore felt that the key focus of improvement to the leaflet should be in making it easy and appealing both to look at and to read, in order to encourage people to take up the information.

The Task and Finish Group felt that there were issues with the current way in which the leaflet is produced. At present this is done by the Finance and Resource Planning Service, and contains a great deal of information, some of it complicated statistics, which might perhaps be more simply conveyed. Several local residents had noted that the language of the leaflet was too complicated to understand, and the Task and Finish Group particularly noted one comment from a local resident that the leaflet should be reviewed by "communications" with a view to putting over complicated financial information in the simplest possible way. The Task and Finish Group agree with this view, and feel that it is a logical step for Finance and Resource Planning, and Communications and Marketing to work in partnership to produce the leaflet, as this would bring together a wider range of professional expertise and time to make the leaflet easily understandable by the public.

The Task and Finish group felt very strongly that the Council Tax leaflet should be viewed as a real opportunity to communicate with the public in a very clear way about what the Council provides in the area, and how the Council Tax money, which residents pay, is spent. They also agreed with several comments made by members of the public that the Council should talk openly and honestly about failures, but also celebrate its successes. It was felt that there is potential for confusion amongst the public over what services the Council provides, and that the Council Tax leaflet provides an ideal opportunity to clarify this. It was strongly felt that by clearly explaining to the public what we do and how, the public would be better informed, and this could lead to improved customer satisfaction and enhance the Council's reputation. One way in which the Task and Finish group felt this could be achieved was by merging the current "What we do" leaflet with the Council Tax leaflet, and this should include a breakdown of exactly where the money received from Council Tax is spent.

It is recognised that a lot of the information contained in the Council Tax leaflet is statutory and must be provided, nonetheless attempts could still be made to present this in a more easily understandable way. It was felt that feedback should be given to central government that the amount of information which has to be included is considered excessive.

On reviewing the evidence about how Council tax leaflets in our own and other areas are received, the Task and Finish group felt that the most successful format appeared to be a booklet. The other main format used by local authorities, and currently used by Bath and North East Somerset, is the fold out wall planner. The evidence suggested that people generally prefer booklets, and that wall planners are widely disliked. The Task and Finish Group agreed with both these points, and feel

that Bath and North East Somerset should introduce a booklet-style leaflet. However it is important that this booklet is not too long, as this could be off-putting to the reader. Bristol City Council is one authority which has recently changed from a leaflet-style publication to a booklet format, with much less obtrusive advertising. The Task and Finish Group recognise that using a booklet format is more costly (the current wall-planner is cost neutral although some services do take up advertising space within it), but believe that the benefits of having a better informed public justify the resource input. The Group heard that in May 2003 Finance and Resource Planning had investigated the option of moving to a booklet format, and that costs were at that time estimated at around £8000 plus design fees for 100,000 copies of a 32 page A5 booklet. The Panel note that the booklet they are proposing should be much shorter than 32 pages (in the region of 6 pages seemed most acceptable to the public), costs therefore might be somewhat less than this initial estimate. Part of the cost of production of a leaflet could be off-set by selling advertising space to internal departments (as already happens in current wall planner format) and by further publicising the use of Direct Debit, which if taken up could have positive resource implications for Revenues and Benefits. However the Panel also noted that some publications were produced without any advertising, and felt that this avenue might be worth exploring.

A comment that occurred frequently in the evidence from our own public, and which the Task and Finish Group also raised, was that the print in our current leaflet is too small. The Task and Finish Group also felt that the colour scheme used at present is not easy to read, particularly for those with visual impairments. It was therefore felt that removing the wall planner would free up some space, which in turn would allow more room both for accessible wording and a larger print. It was felt that the booklet could be made more visually appealing by the use of pictures of the local area on the front cover (as used by East Riding of Yorkshire Council), and by consistent application of Bath and North East Somerset's corporate identity. The Task and Finish group emphasised that the booklet should not be Bath-centric but address the issues and needs of the wider community as a whole.

The Task and Finish group noted that some people believe that all the information contained in the Council Tax leaflet is the responsibility of and originates from the Council. This was seen as particularly confusing in the case of the Avon Fire Authority section of the leaflet, and one member of the public who had criticisms of this section evidently associated this with the Local Authority. Therefore for the sake of clarity of ownership, and communicating clearly with the Public what the Council does and what parts of the budget it receives, the Task and Finish Group felt that the Avon Fire Authority section should form a separate enclosure, as is already the case with the Avon and Somerset Police Authority supplement. This would have the additional benefit of freeing up further space.

The Task and Finish Group believe that the public want to be informed about the Council's budgets, but also that by offering good information, any consultation undertaken will be more meaningful and informed. There was some discussion at the Contributor Session of introducing an Annual Report, in plain English which would present to the public the highlights and issues of the past year. It was felt that this should be a relatively simple and brief document, produced in partnership by Communications and Marketing and Finance and Resource Planning, and should be

issued annually in late summer or early autumn. This would complement the proposed changes to the Council Tax Booklet, giving a focus on presenting information about the Council's key achievements and issues.

The Task and Finish Group therefore recommends:

1. The current Council Tax leaflet should undergo significant revision in order to make it more accessible and attractive to members of the public.
2. Finance and Resource Planning and Communications and Marketing should work in partnership to produce the Council Tax leaflet, thus bringing a wider range of expertise and time to make the leaflet understandable for the public.
3. The Council Tax leaflet should be better utilised as an opportunity to inform the public about what the Council does, the services it provides, and its key achievements. The leaflet should therefore include:
 - More information on the breakdown of where Council Tax money is spent
 - The information currently contained in the "What we do" leaflet which should be merged with the Council Tax leaflet
 - A celebration of the Council's key achievements and successes of the past year, but also an acknowledgement of failures and areas of potential improvement
4. Representation should be made to central government, possibly via the Local Government Association (LGA), to advise that Bath and North East Somerset consider that the amount of information which is statutory for inclusion in the Council Tax leaflet is considered excessive and unwieldy.
5. The Executive is recommended to identify resources to introduce a booklet-style leaflet to replace the fold out wall planner style currently used. This booklet should:
 - Be reasonably concise (around 6 pages)
 - Not contain a wall planner
6. The Executive is asked to consider options for revising the amount of advertising in the leaflet. Options could include removing the advertising entirely, however costs for the new booklet format might in part be offset by selling advertising space to our own internal service areas and further promoting the use of Direct Debit which could incur savings for the authority
7. Space freed up by removal of some existing aspects of the leaflet, such as the wall planner, should be utilised to introduce more reader-friendly language and larger easy to read print. The leaflet should also be fully accessible in other languages and Braille for the partially sighted or blind.

8. The booklet should be made more visually appealing by the use of photographs of the local area on the front cover, and use of the corporate identity, and a more visually accessible colour-scheme. The booklet should fully address the issues of the whole area of Bath and North East Somerset and not appear to be Bath-centric.
9. Avon Fire Authority should be asked to produce a separate leaflet setting out their precept information, so that the booklet content is clearly identifiable with and attributable to Bath and North East Somerset Council.
10. The Executive is asked to introduce production of an Annual Report. This should:
 - be around four pages in length
 - be in plain English
 - highlight the key achievements and issues of the past year
 - be produced by Communications and Marketing, with information provided by Finance and Resource Planning
 - be issued with Council News in late summer or early autumn

The way in which the Council *engages with the public* on Council budgets

The Task and Finish group heard that whilst the Council does undertake statutory consultation with businesses and other stakeholders, there is at present no consistent mechanism for undertaking consultation on the Council's budget with the public. Having considered the evidence of good practice guidelines, and hearing from other local authorities who do consult with the public, the group feel it is important that the Council does initiate some form of public consultation on the Council's budget.

The Task and Finish Group heard evidence that 63% of the public in Bath and North East Somerset would like to be consulted on Council tax, and it is felt that consultation on the Council's budget could address this effectively, although it is important that any such consultation should be meaningful. The group reviewed the good practice guidelines from the Office of the Deputy Prime Minister (ODPM), which set out the potential barriers and difficulties with initiating public consultation, and many of these exist in Bath and North East Somerset. However, the group share the view of the ODPM that that these are well worth overcoming. The group recognises that there will be resource implications in introducing consultation, but feel that money invested in this way will ultimately result in savings as the likelihood of public acceptance on issues is increased if they are consulted on in advance. Consultation should also improve customer satisfaction and enhance the Council's reputation.

Having heard from other Authorities about methods of consultation used around the country, the group considered that the way in which consultation was undertaken,

and its target audience, could greatly impact on how effective consultation was. They noted some of the potential pitfalls of consultation highlighted by other Authorities, such as not receiving the answers which had been expected, and ensuring high-level buy-in to taking on board the results of any consultation. As a result they rejected options such as a referendum, which do not seem effective either in terms of results, satisfaction or resources. However they were struck by the idea used in Gloucestershire County Council of a questionnaire issued to residents in which the “acceptability” of various options for the year ahead were raised. The Task and Finish Group feel that a questionnaire of this nature should be introduced in Bath and North East Somerset and that this could be issued as an insert to the Annual Report, and sent out as part of Council News in the late summer or early autumn in order to allow the best possible input to the budget setting process. The Group recognise that this would mean revising the current schedule of Council News. It was felt that Communications and Marketing should lead on producing this, with support and advice on factual matters from Finance and Resource Planning. It is recognised that this will also have resource implications.

The Task and Finish group recognise that the budget setting process is a complicated one, and that the budget itself does not stand in isolation, but that there is an interlinking between the Community Strategy, Corporate Plan, Financial Plan, Budget and individual Service and Resource plans. Evidence from the Executive Member and the service officers suggested that the kind of public consultation which would be most useful and helpful for the public, would be on the more strategic and overarching issues, rather than the individual detail of individual budget allocations. The Group feel that the questionnaire could be linked into the annual review of the 4 year financial plan, and should be designed to provide information and options to the public, with a view to gauging which options are acceptable for the coming year's strategic budgetary direction. The focus on any consultation should be on key strategic decisions to be taken that year which emerge from Service and Resource plans, the Corporate Plan, 4 Year Financial Plan or Community Strategy. The questionnaire could be issued in the form of questions which laid out reasons for a budgetary shortfall, and the possible options for resolving it, for example creating headroom in other services, or a rise in Council Tax.

The group felt that consultation could be disseminated in a number of ways, not only by the issuing of a questionnaire in Council News, but also by promoting the questionnaire through the Citizens' Panel, website, the media, and a note within the Council Tax Booklet in March to inform the public that it would be happening later in the year. Use could also be made of the Parish Liaison mechanism, to consult on key priorities and strategic direction for the year ahead.

The Group felt that public input on individual service and resource plans should be channelled through the Overview and Scrutiny process and that the profile of Overview and Scrutiny should be raised and attempts made to encourage greater public engagement in Overview and Scrutiny.

Currently Bath and North East Somerset has to undertake statutory consultation with business rate payers, and there was a general feeling that this is in danger of becoming meaningless and a matter of routine. It was felt that representation should

be made to central government (possibly through the Local Government Association) to encourage a repeal of statutory consultation with businesses.

The Task and Finish group also considered the option of Council budget roadshows, which had been used successfully in other areas. Although these can give the public some real feeling of engagement in the process, it was felt that they could be costly, and that it could be difficult to draw out any empirical evidence from them. However as an information giving exercise it was felt that consideration should be given to introducing three roadshows or meetings of the Resources Overview and Scrutiny Panel around the authority at an appropriate point in the budget setting process in order to further encourage public engagement.

The Task and Finish Group therefore recommend that:

11. The Executive introduce public consultation on the Corporate and Financial Review and the Council's budget, which should focus on the key strategic decisions to be taken that year.

12. A questionnaire should be introduced which would:

- consult with the public by providing information and options, with a view to gauging which options are acceptable for the coming year's strategic-level budgetary direction
- Take the form of questions which set out reasons for a budgetary shortfall, and the possible options for resolving it, for example creating headroom in other services, or a rise in Council Tax.
- Seek the public's view on how acceptable each option is
- Be linked to and feed through into the strategic direction for the Council's budget and the 4 year Financial Plan
- Be produced by Communications and Marketing, with information provided by Finance and Resource Planning
- Be issued together with the Annual Report, with Council News in late summer or early autumn
- Be well publicised through the media, Council News, website, and the Council Tax booklet, with a view to encouraging the best possible participation

13. The schedule of Council News despatch should be revised in order to accommodate the dissemination of the Annual Report and Questionnaire with a late summer or early autumn issue.

14. The Executive should give consideration to wide dissemination of consultation, not only issuing the questionnaire through Council News but also targeting residents through the Citizens' Panel, the website, press releases, and asking for feedback through the Parish Liaison and other key stakeholders on future key priorities and strategic direction.

15. The Executive should also investigate the possibility of using Democratic Action for Bath and North East Somerset Youth (DAFBY) to involve the Youth

Council, in order to gain some feedback from the younger and traditionally harder to reach audience.

16. Consultation with the public on individual Service and Resource Plans should be channelled through the Overview and Scrutiny panels, with steps taken to raise the profile of Overview and Scrutiny, and to encourage greater participation from the public in the process.
17. Representation should be made to central government (possibly through the Local Government Association) to encourage a repeal of statutory consultation with businesses.
18. The Executive should give consideration to encouraging the introduction of roadshows or meetings around the authority, possibly held by the Resources Overview and Scrutiny Panel, to inform the public about Council budget issues, and encourage engagement.

Conclusion

The Task and Finish Group feel that change is needed both in the way in which we inform and engage with the public on the Council's Budget. They recognise that some of the recommendations put forward will have resource implications, but are strongly of the opinion that the benefits to effective engagement far outweigh the barriers. It is felt that effective engagement on the Council's budget can play a key role in enhancing the reputation of this Authority, and also in improving the public understanding of and satisfaction with the budgetary process.

Appendices

Appendix 1	Terms of Reference for the Review
Appendix 2	Correspondence received
Appendix 3a	Research on reception of Council Tax Leaflet (Bath and North East Somerset)
Appendix 3b	Research on reception of Council Tax Leaflet (East Riding of Yorkshire Council)
Appendix 3c	Research on reception of Council Tax Leaflet (New Forest District Council)
Appendix 4a	Presentation on budget consultation by Gloucestershire County Council, and copy of questionnaire used by Gloucestershire County Council
Appendix 4b	Presentation on budget consultation by Bristol City Council
Appendix 4c	Minutes of the contributor session, 8 th June 2005.
Appendix 5a	Written submission from Swindon Borough Council
Appendix 5b	Written submission from Unitary Authority, Council A
Appendix 5c	Written submission from Poole Borough Council
Appendix 6	Summary table of recommendations

Appendices are available separately and copies can be obtained by contacting the Overview and Scrutiny Team, Democratic Services, Guildhall, High Street, Bath, BA1 5AW, or by e-mail to scrutiny@bathnes.gov.uk or by telephoning 01225 396410.