



**OFFICE OF THE  
DEPUTY PRIME MINISTER**

# Council Tax Consultation – Guidelines for Local Authorities



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# FOREWORD



by **Chris Leslie MP**,  
**Parliamentary Under-Secretary of State**

Legally and politically, councillors take final decisions on their budget and spending priorities, however, they are accountable to their electorate for the hard choices they have to make each year. The feedback you receive from consultation will inform your decision-making not replace it. How councils have engaged their taxpayers on these decisions will form part of their overall Performance Assessment.

Engaging the public on council tax is genuine consultation. Some argue that if consulted on tax decisions, people will always opt for the lowest tax option. However, evidence from Milton Keynes and the United States at state level demonstrates that the lowest tax option will not always be the most favoured.

I recognise that consulting the public on council tax is difficult – this guide seeks to address those difficulties. These guidelines focus specifically on the needs of local authorities and tackle the perceived barriers to effective consultation. Drawing on the experience of local government to date, this guide provides practical, researched advice on developing a strategy, choosing a consultation method, coming to a judgement and providing feedback to taxpayers.

I would like to thank the Local Government Association and representatives from local authorities for their valuable assistance in steering production of these guidelines. I would also like to thank those councils who have provided practical case study material and feedback on the lessons they have learned.

A handwritten signature in black ink that reads "Chris Leslie". The signature is written in a cursive style and is positioned above a horizontal dotted line.

Chris Leslie MP

# INTRODUCTION

## Guide to the guidelines

This guide draws on the experience of councils and practitioners in local government to research and identify different ways to consult local people over council tax and budget issues.

In many respects it is obvious why people should be consulted over tax and budget matters. As a report, published by the then DETR, noted in its title – from the viewpoint of the public “*It is our money anyway*”<sup>1</sup>. In short, people have a right to be consulted about the way public money is spent since collective decisions and priorities are being made on their behalf in respect of such spending. Chapter 1 explores the arguments for extending consultation over budget issues. It notes that although councils are ‘market leaders’ when it comes to consultation in general they have been a little more reticent when it comes to consulting over local budget issues. In the research (see Annex 1 for details) we conducted in preparing these guidelines we found some good examples of consultation over local finance. But even those who have done most to consult with their public often felt they could, or should, do more. The guidelines take up that theme and urge councils to adopt a more strategic and comprehensive approach to their consultation, bearing in mind local circumstances and differences.

Chapter 2 addresses a number of issues that came up during the case study visits, where people identified obstacles to effective consultation over budget issues. We note that these obstacles are not insignificant. For example, it is hard to get the right balance between providing people with the information and environment in which they can make choices that are meaningful and not overloading them with material. It is also important to avoid giving the impression that they are being manipulated into seeing things the council’s way. There are other dilemmas as well, such as the timing of consultation and the complexities of local finance in a multi-tier system. The chapter argues that each of the difficulties identified can be overcome at least to some degree.

Chapter 3 sets out the bare bones of a more strategic and comprehensive approach to consultation. Drawing on our work with councils and their ambitions to do consultation better in the future, we lay out a broad set of strategic issues that, if addressed in a systematic fashion, would enable all of local government to think through its approach to these issues more effectively. We are not suggesting a series of steps that all councils should follow slavishly in order to achieve some vision of perfect participation. Rather our aim is to set a series of issues and questions that we think that you will need to confront if you want to improve your approach to consulting over budgets. The aim is to develop a framework in which you can make choices to suit local circumstances.

Chapter 4 looks at the issue of communication, a vital ingredient in any consultation strategy and one with a particular resonance in the case of consulting over local finance. Communicating over budgets and complex financial issues is not easy but we identify some of the general steps that can be taken to improve your communication strategy.

<sup>1</sup> Liz Spencer and colleagues, “*It is our money anyway*”. *Lessons learnt from giving the public a voice in local authority spending decisions*, ISBN 1 85112 366 0 £25, DETR, 2000

Chapter 5 looks at how to get the general public and stakeholders already connected to the local authority involved in deliberation and reflection over budget issues. We identify three broad approaches that are complementary and involve extending by degrees the circle of those who are consulted. The first approach we have seen councils take is getting core stakeholders in the voluntary and community sector involved in the finance debate. The second approach is committed to getting beyond key stakeholders to ‘ordinary’ members of the public. The aim here is to enhance the legitimacy of decisions over finance. Third we identify ways to connect with hard-to-reach groups in the community: people who usually stay away from or feel uninvited to active involvement in consultation. The chapter gives detailed descriptions of the practice of various local authorities and details a set of strengths and weaknesses associated with a range of methods of consultation.

Chapter 6 examines the practice of those councils that have put the decision over a budget and associated council tax level to the public by way of a referendum. The choice given to the public itself of course reflects the prior political choices made by the council and as a method of decision making it requires the strongest level of political leadership and ownership to bring it to successful fruition. Referenda are also relatively expensive to run so they should be used only when a significant choice is being put to the public. This method can, however, promote a real sense of dialogue and involvement with the public over budget issues.

Chapter 7 brings the guidelines to a conclusion by noting that consultation is a complement to, not a replacement for, representative democracy. Even in the case of referenda over budgets, elected representatives rightly set the terms of the choices made by the public. Nothing in the guidelines propose that councillors and their officer advisers will not be central to deciding the councils’ options and priorities. Interpreting the outcomes of public consultation is part of the challenge any council faces and this final chapter offers some guidance on these issues. Given the complexity of what is at stake and the diverse layers of involvement from the public, stakeholders and others there is a vital need to feedback results of consultation exercises and wider budget outcomes to the public. The chapter concludes by arguing that a sustained commitment to participation is the key to success. Building up people’s sense that they can be involved is a challenge but one that the best of local government is already meeting.

Throughout this report, we provide examples of what local authorities are doing to seek the views of local taxpayers on the issue of council tax. You may find these illustrations helpful in considering how to approach this challenge. As noted earlier, we are not suggesting models or steps that every council should follow when consulting on council tax. Rather, we are setting out different methods and issues that you can consider when designing your own approach to council tax consultation – an approach that suits your individual needs and circumstances.

# CHAPTER 1

## Why consult on local finance?

The public now expect to be consulted in a way that it perhaps did not before. Consultation does not remove your responsibility for making the final judgement about spending and what level of council tax to set. That is still your judgement: as councillors you will be held accountable for those judgements and as officers you will be accountable for the effectiveness of whatever spending is agreed. Asking the public makes a contribution by giving you more information on priorities and how far people are prepared to go to fund public services in your area.

The reality is that many councils are already good at consulting on a range of issues so a more systematic approach to budget consultation is within your grasp. What is needed is a sustained and strategic approach to improving consultation over budget and council tax setting.

### CONSULTATION OVER BUDGET AND FINANCE MATTERS IS LIKELY TO BECOME MORE IMPORTANT IN THE FUTURE AS THE PUBLIC BECOMES MORE DEMANDING

**Table 1.1: The public's attitude to consultation over budgets**

"Well I think it's important to have a sort of idea where the money is going, because it is our money after all, you know"

"It's nice to be consulted ...it feels good to be asked your opinion and what you want...It comes out of our back pocket anyway"

Source: Quotations taken from Liz Spencer et al, *"It is our money anyway" – Lessons learnt from giving the public a voice in local authority spending decisions*, DETR, 2000

The main reason why consultation needs to be developed further is that public attitudes have changed. A National Centre for Social Research survey<sup>1</sup> in 2000 found that 59% of the public would be interested to some extent in taking part in important decisions about their council's budget. The British Social Attitudes survey in the late 1990s showed that two thirds (64%) agreed that the council tax should be set locally but 69% felt that local councils should call a referendum if they propose a tax increase above the rate of inflation. The referenda that have been held thus far have, as we will see in Chapter 6, achieved a reasonable level of turnout.

**Table 1.2: Public Attitudes to Tax, Spend and Priorities**

Polls of the British public in recent years have generally found high levels of declared support for tax increases, provided they are intended to fund improvements in public services. Only a small minority appear to favour tax-cutting measures that would damage public services.

<sup>1</sup> Liz Spencer and colleagues, *"It is our money anyway". Lessons learnt from giving the public a voice in local authority spending decisions* ISBN 1 85112 366 0 £25, DETR, 2000

<b>Q. People have different views about whether it is more important to reduce taxes or keep up government spending. How about you? Which of these statements comes closest to your own view?</b>	
	<b>Nov 2000 %</b>
Taxes being cut, even if it means some reduction in government services, such as health, education and welfare	12
Things should be left as they are	20
Government services such as health, education and welfare should be extended, even if it means some increases in taxes	61
Don't know	7
Source: MORI/ <i>Economist</i> / <i>Mail on Sunday</i>	
Base: c. 1,000 British adults aged 18+ on each survey	

The British Social Attitudes (BSA) survey, using a slightly different question, found a smaller majority for tax rises, but it was still the most popular option. It is possible that difference in the figures depends on the fact that the BSA question mentions only increased spending, while the MORI one promises delivery in the form of extended services in return for the tax rises.

<b>Q. Suppose the government had to choose between the three options on this card. Which do you think it should choose?</b>	
	<b>Jun-Nov 2000 %</b>
Reduce taxes and spend less on health, education and social benefits	5
Keep taxes and spending on these services at the same level as now	40
Increase taxes and spend more on health, education and social benefits	50
None of these/don't know	5
Source: NCSR British Social Attitudes survey	

People expect to be informed and consulted about how services are going to be run and how their money is going to be raised and spent. Today, people are generally better educated and informed. They are more equipped than ever before to participate. However, there remain significant inequalities in people's capacity to engage and these will need to be considered in any consultation strategy but overall the public are now much more demanding and capable when it comes to consultation.

The proposals in the 2001 White Paper *Strong Local Leadership – Quality Public Services* seek to change the relationship between central and local government: to establish a partnership for the delivery of high quality local services and to secure strong and responsive leadership by local government, freed from unnecessary Government controls.

The need to develop a consultation strategy will, therefore, become more pressing. It is also likely that negotiating a council tax increase will become a more demanding task in political terms. As the 2001 White Paper puts it:

*Local authorities face a lot of pressure from the Government and local service users to increase spend and improve services. But the Government does not believe that council tax increases at the level seen in recent years are sustainable in the future. We think local people will refuse to accept that their authorities need to increase council tax by more than twice the rate of inflation. It is therefore in local authorities' own interests to establish their taxpayers' views on council tax increases before they take budget decisions. Evidence of how an authority has engaged local taxpayers in these difficult trade off decisions will be an important part of the authority's performance assessment.<sup>2</sup>*

In this light, consultation is part of the political and managerial capacity that all councils will need to demonstrate to an increasing degree. The challenge for the future is to take council taxpayers into a dialogue that engages them about how best to balance demands for spending with the capacity to raise taxes to pay for them.

**Consultation has become a normal part of the way that local councils do their business and should apply to budget setting as much as other issues.**

Local councils are experienced in consulting. In reviewing progress on public consultation the House of Commons Public Administration Select Committee commented in a report published in 2001 that:

*Our broadest conclusion from the very wide range of evidence sessions that we have held is that the period since the middle 1990s has seen an explosion of interest in involving the public more frequently, more extensively and in much more diverse ways in the conduct of decision-making within the public services.... Much of the progress in public participation methods has come and will continue to come at the local level.<sup>3</sup>*

Steps have been taken to encourage participation as a key feature of local policy initiatives stretching from the service review processes of Best Value through to the commitment to neighbourhood renewal. There is a continuing need as the Select Committee recognises to ensure that best practice in this area is disseminated and extended. The Select Committee recommends a continuing period of experimentation at the local level extending to greater use of referendums, more electronic-based consultation and tests of different electoral systems.

The London Borough of Sutton has for over a decade organised a consultation exercise about its budget setting. It tells its key stakeholders in voluntary and community groups:

*Your views are important in helping the council reach its decisions on next year's budget and our plans over the next three years. In addition to consulting you on specific growth and reduction options for services we are also asking for your views on our total level of spending against Government guidelines and on the balance of spending between education and non-education services.<sup>4</sup>*

<sup>2</sup> *Strong Local Leadership – Quality Public Services*, TSO, 2001, ISBN 0 10 153272 £18.75, p103, <http://www.local-regions.odpm.gov.uk/sll/index.htm>

<sup>3</sup> House of Commons, Public Administration Select Committee.

<sup>4</sup> London Borough of Sutton, *Report for consultation on the Revenue budget for 2001/2002*

Here Sutton emphasises the value of consultation in enabling them to test options and choices and find out views about the impact of different decisions.

Research shows that consulting with the public can bring a variety of benefits to a local authority:

- Consultation can be seen as grounded in good ‘customer care’, it enables you to communicate with your customer and learn more about their preferences.
- It can help identify the priorities of local residents.

There are a number of widely shared features of best practice in consultation:

- Good consultation reaches out, actively recruiting participants rather than waiting for citizens to come forward.
- A consultation strategy employs a repertoire of methods to reach different citizen groups and address different issues.
- Consultation activity should recognise citizen learning as a valid outcome of participation.
- Effective consultation should show results – by linking participation initiatives to decision-making, and keeping citizens informed of outcomes and the reasons behind final decisions.

The LGA has produced a useful set of guidelines about how to conduct consultation. See Table 1.3.

We found in our research that consultation practice was somewhat more advanced in the general policy areas of local councils than in the area of budgets and the setting of council tax. We think that the burgeoning good practice that is emerging needs to be applied to the area of budget setting as much as it is in other areas.

Table 1.3: LGA Principles for Consultation

**Summary of the 14 consultation principles identified by the Local Government Association**

**Inclusive:** All sections of a local authority's community will be affected by the way in which that community is governed. They must all then have the opportunity to express their views on how they are governed.

**Open:** If structures are to be developed that really are responsive to local needs then consultation must provide real choices.

**Impartial:** It is essential that local people are free to make up their own minds. Consultation must not lead to people giving a preferred response.

**Informative:** For people to be able to participate in informed debate and to make reasoned decisions consultation must be accompanied by information. Information about the Act and its proposals, what different options mean, and a balanced and fair explanation of the pros and cons of them.

**Involving:** To really engage people they need to have the opportunity to participate, to be able to say what outcomes they want to see, what culture they want to operate. They must have the opportunity to say how local governance should fit into their lives.

**Understandable:** Clear language must be used. Language that is understandable to all and connects with people's experience of the council. A range of minority community languages should be used throughout the process.

**Appropriate:** To reach all groups there will need to be a mix of quantitative and qualitative research. Hard to reach groups in particular will require a more tailored approach.

**Strategic:** Consultation on local governance must be part of a strategic approach to consultation on other issues.

**Joined-up:** Communities need to be informed about how these changes will help to deliver more efficient and effective local services. It may be appropriate to combine consultation on new structures with other consultation, especially that taking place under best value or community planning to help make the links between changes in decision-making arrangements and other service improvement initiatives.

**Resourced:** Sufficient resources, both financial and human, must be devoted to consultation to ensure that it is rigorous and reaches all interested parties.

**Professional:** All parties must have confidence in the results of the consultation. The easiest way to achieve this is by involving independent interests that can provide the expertise to demonstrate that all processes are rigorous and robust.

**Timely:** Consultation should take place at the most appropriate times. Consultation processes must also ensure that there is adequate time for people to respond and express their views.

**Listened to:** The results of consultation must provide councillors with real information on which to base their decisions. To achieve this, consultation must be owned by members.

**Reported:** Feedback on the results and how they informed the development of new structures is essential to build confidence within communities that their views really are listened to and acted on.

Source: LGA, *Let's talk about it...principles for consultation on local governance*, March 2000

## CONSULTATION NEEDS TO REFLECT A SUSTAINED STRATEGIC APPROACH NOT A KNEE-JERK REACTION TO POLITICAL CONTINGENCIES

In the research that was undertaken to develop these guidelines document, we found very few examples of councils that engaged with their public on a sustained and strategic basis over budget-setting. Many councils consult effectively about a range of issues but few would regard themselves a trailblazers about consultation over council tax. Even councils that are at the forefront in consulting over budgets feel that there is still more they can do. There is a sense that some councils' approaches appear to be ad hoc and underdeveloped. The officer responsible for consultation in one authority summed up the situation in many when he said:

*“We have a good consultation strategy, but our strategy for consultation on council tax seems to develop annually.”*

All local authorities communicate some basic information about the budget with their council tax bills. Many also undertake special initiatives in consultation from which we have drawn lessons. But much of what is done on consultation appears to reflect particular political contingencies – for example, reassuring members that the public will accept a higher than average council tax increase. There is also evidence of local authorities consulting taxpayers in order to persuade them that a council tax increase is needed. It is important for political leaders to check that the public understands why they take the decisions they do and that those decisions are made with the interests of the community in mind. However, commitment to consultation should be part of a sustained strategy managed with careful preparation and analysis, rather than on an ad hoc basis.

**Table 1.4: Note on other guides to consultation**

There is a range of guides that provide general advice about consultation. They include:

Liz Spencer and others, *It is our money anyway – Lessons learnt from giving the public a voice in local authority spending decisions*, DETR, 2000

Colin Copus and others, *New Council Constitutions: consultation Guidelines for English Local Authorities*, TSO, October 2000

Vivien Lowndes and others, *Modern Local Government: Guidance on Enhancing Public Participation* (DETR, October 1998)

For more advice on dealing with particular groups:

Philip Cortese and Louisa Nardini, *Getting It Right: including disabled people in communication and consultation*, Local Authorities Research + Intelligence Association (LARIA) 0950768189, June 2002 £30

For more detail on consultation literature see Annex 2.

These guidelines seek to encourage councils to develop a more sustained and strategic approach to consultation. It is constructed in a way to answer your questions and guide your actions. The next section makes clear our recognition that consultation over budget issues is far from straight forward.

## CHAPTER 2

# Why consulting over finance is hard but not impossible

We recognise that consulting the public is difficult and that consulting the public over budget issues is especially difficult. To quote from Sutton's 2001 review of ten years experience:

*The focus tends to be on the reduction options and this gives a negative aura to one of the council's major consultation exercises... A lot of responses are saying 'don't cut us' rather than giving more impartial views... The timescales are short due to the constraints of the budget process.<sup>5</sup>*

Even a council with a history of undertaking consultation struggles with the difficulties of consulting over the budget. Local finance is a complex area. A point that the cartoon on this page has some fun with. Every council we visited during our research made comment about the difficulties involved in consulting over budget matters. It is these questions that make the challenge of consultation over budget-setting distinctive and justify these guidelines. In this chapter we note some of the common expressions of doubt that we have heard and identify how they can be addressed.

Table 2.1: Cartoon



<sup>5</sup> London Borough of Sutton, *Review of Consultation Arrangements, Report of the Acting chief Finance Officer*, 10 September, 2001

## **PEOPLE 'DON'T KNOW ENOUGH'**

There are some very real concerns about whether the public can understand the technicalities and the choices around budget-setting. Will people understand the difference between the funding demands of upper and lower tier authorities? Will they recognise the difficulties of gearing? Will they be able to understand how to balance the demands of different services? Will the not so popular 'Cinderella' services lose out more often? Will people make a knee-jerk reaction to cut local taxes and not think through the implications in terms of its impact on services?

Information at the right level and communicated effectively is the key to effective consultation in budget making even more so than in other areas. That is why these guidelines devote Chapter 4 to communication and provide advice on how to avoid jargon. The technicalities of budget making, if we are honest, throw some councillors and officers into confusion. Little wonder that members of the public occasionally get confused as well.

It is essential to build some element of deliberation into your consultation techniques over budget making in order to give scope for more informed and reflective consideration of the issues. It is necessary to provide information to people in a form they can digest and discuss in a reflective way the choices that they face over the budget. Decisions need to be informed with as clear an idea as possible about the consequences of different decisions. Chapter 5 provides an outline approach to good practice in this area.

But in the end the key point is that the consultation process is not about the technicalities it is rather about making choices. Do you give this service or that initiative priority? Do you want more money spent to achieve collective ends or for individual choices. These choices are not easy but there is no reason to think that the public should be judged any less able to make them than others. As we will see in Chapter 6, it is not necessarily true that people will always in a referendum choose the lowest tax option. On the contrary, people appear to make a reasoned judgement on the basis of the evidence presented to them.

The responsibility of the local authority is to consult on what they consider to be workable options for their budget and the package of services that go along with them. It is not to hand over decisions to the public without proper forethought. The public therefore are not required to become experts on local finance but instead given the opportunity of making choices within a framework informed by the political and technical judgement of their local authority.

## **THE TIMING AND LACK OF PROPER INFORMATION MAKES CONSULTATION VERY DIFFICULT**

This presents some real challenges. The essence of the problem is that to consult earlier in the budget cycle gives people a greater chance to influence a range of priorities but less certain information about the level of resources that are going to be available to the council. As a result, a lot of either overly optimistic or overly pessimistic scenarios may enter public debate. If discussion is delayed then information about what is the budget position becomes clearer, but the scope for choice is more constrained both in terms of the time available and the range of options that can seriously be considered.

There is no doubting the difficulties associated with consulting on council tax. But in Chapter 3 we propose two ways of at least beginning to address these difficulties. One approach might be to consider your consultation in two stages:

- firstly, a wide set of discussions about priorities for different services;
- secondly, determine the overall size of the spending cake by making a trade-off between the need for additional local resources and taxpayers' willingness to pay.

Another approach would be a more long-term response to the issue but one urged on local authorities by the 2001 White Paper, namely a move to better year round financial management systems.

### **OUR STRUCTURES CREATE A RECIPE FOR PUBLIC CONFUSION WHEN IT COMES TO CONSULTATION ABOUT BUDGETS**

In our conversations with local government representatives, three important issues were raised:

1. The different tax raising and service responsibilities of councils in multi-tier areas are not well understood by the public and as a result consultation about a particular council's budget is less meaningful.
2. In all local areas an authority is likely to be responsible for only part of the bill faced by the council taxpayer. There will also be precepts set by other elected local authorities there may be precepts from parishes, police authorities, the Environmental Agency, etc. that will affect taxpayers bills, but which are not the prime responsibility of the local authority that is leading the consultation exercise.
3. There is some uncertainty within local authorities about who should be leading on consultation. Should it be those councillors that are in the executive role or those who are involved in the overview and scrutiny function?

The response to these points, developed in Chapter 3, is that clarity about roles is essential. There is no easy way to overcome issues of overlap given the complexity of our governance arrangements, but it is possible to develop complementary roles for councils at various territorial levels and for councillors performing different functions within a council. Indeed, there may be positive advantages in developing a system that has built into it an automatic system of checks and balances.

### **ALL THAT HAPPENS WHEN WE CONSULT IT THAT THE 'USUAL SUSPECTS' SHOUT LOUDLY FOR MORE RESOURCES FOR THEIR SERVICE OR AREA**

There is a danger that consultation exercises can play into the hands of special interests and lead to special pleading that distorts rather than enhances local democracy.

Consulting the views of the same groups or people on a regular basis, may present another problem. It is important to avoid causing ‘consultation fatigue’ – people may become disinterested in consultation if they feel they are being bombarded by surveys seeking their views, especially if they feel the views they provide are not ‘making a difference’.

**Table 2.2: A selection of feedback comments on a budget consultation**

Here people reflect their own experience and concerns in relation to council tax and budget-setting. Sometimes they are thinking of themselves, sometimes they are thinking of others.

*“Pay particular attention to administration costs, e.g. The Scout Association receives grants from Kirklees Metropolitan District Council (KMDC) towards the cost of training leaders. This is administered by the authority in many small awards throughout the year.”*

*“Why do councils have to charge inflation rates at three times the national rate? OAPs & people on low incomes have their rises wiped out immediately by this system.”*

*“As an area, Kirklees needs to consider whether four-year-olds in schools are being funded appropriately. There needs to be a considerably better ratio of adults to children in reception classes 1:30 is not acceptable.”*

*“I would like to know more about asset management”*

*“Increased support for voluntary organisations, particularly for older people.”*

*“I feel that certain areas of Kirklees are treated better than others. I pay full council tax and we feel we should get our fair share and we don’t!”*

*“Has any of the £12.1 million (Highways) been allocated to do work on the pavements in our area? Huddersfield Rd (Liversedge) pavements are an utter disgrace!!!”*

*“Social Services provision to young people/teenagers seems stretched due to the amount of work coming in around young children & child protection, due to budgets and rapid staff turnover, from the perspective of a voluntary agency. Are there any plans to address this?”*

*“I am unable to attend as we have a boxing tournament that night. I would like to discuss how we can occupy young people – we have 250 members but can’t open enough for them. If there were grants available I would open full time and we could cater for a lot more giving them somewhere to go and something to do off the street.”*

*“As a lecturer at HTC, it breaks my heart to see the sub-standard level of service we have to give to our students such as classes on lower numbers being closed down year after year because there simply isn’t enough funding to sustain them, when such vast amounts of money are being pumped into schools.”*

*“Since many of our society members own telescopes and are very keen Deep Sky Observers who support the Dark Sky Campaign. Are street lamps with covers (which reflect the light onto the pavements and road, and prevent excess light escaping into the sky and creating light pollution) being installed in the new housing developments within Kirklees?”*

Source: A selection of comments and questions made on questionnaires and at meetings during Kirklees’ Budget Consultation, Autumn 2001

It is important to follow a strategy of mixing together a range of consultation techniques (including techniques that do not rely on a large degree of self-selection by participants) in order to ensure that a range of public opinion is tested. This will help prevent results being distorted by a few vocal people or groups. Beyond this point it should be clear that the decision on budget matters ultimately rests with councillors – consultation should inform their judgement not determine it. In Chapter 7 we explore the issue of how to sift through consultation responses and come to a judgement.

## THE CULTURE FOR THIS LEVEL OF INTENSE CONSULTATION OVER BUDGETS IS JUST NOT PRESENT EITHER AMONG THE LOCAL AUTHORITIES OR THE PUBLIC

Some argue that consultation is just too difficult and demanding and that finance officials lack experience in undertaking consultation in general. A further challenge is presented by the fact that the public is generally unfamiliar with the local government finance system and how the budget is set. If the public is brought into the process in small groups, its response can be manipulated – although this is a risk with large-scale approaches as well. The problem with alternative large scale, but relatively ill-informed tests of public opinion, is that people can give you an ‘off the top of the head’ reaction or just ignore the process all together. A low turnout in the case of large-scale approaches, raises questions about the representative quality of the results. It is also worth noting that it may not always be easy to interpret results.

The response to these difficulties, which is developed throughout the rest of the document is: **don’t try to run before you can walk, develop a strategy, do training, learn the skills and give the public time to come on board.** We recognise that many of the dilemmas are real. There is tension between informing people and being seen to bias their opinion. There is tension between having an in-depth dialogue and involving as wide a group as possible. This document offers you workable ways of addressing some these dilemmas in the light of local circumstances.

## CHAPTER 3

# Developing a strategy

*‘The heart of the challenge is to develop a strategy which ensures that effective participation becomes a mainstream feature of the activities of the authority and not a bolt-on extra’*  
Vivien Lowndes and others, *Guidance on Enhancing Public Participation*, 1998, p18

Consulting over the budget presents its own particular challenges and difficulties. But the approach to consulting over the budget should be seen as integrated and linked with other consultation programmes within the local authority – for example, best value, the community plan or discussions within and around local strategic partnerships. Consulting over budgets should be one part of the council’s wider consultation strategy.

The key issue is to develop a strategic approach rather than just stumble into some form of participation because it seemed a good option given political contingencies or it was the only way that the authority was able to set something up quickly. This chapter outlines the key ingredients of a strategic approach to consultation over your council’s budget. We hope that by providing answers to a series of questions we will help you develop a strategy suited to your local circumstances.

### WHAT IS THE PURPOSE OF THE CONSULTATION?

To put the question provocatively: how brave do you feel? The starting point for all consultation should be a discussion within the authority on how open the process of budget-setting should be and how far consultation should go. Whatever form of public involvement is used, from a special budget conference of invited individuals to a referendum of the whole adult community, there is a decision for elected representatives and their advisers to make. Namely, what choices and options should be put before the public in the first place. The worst thing to do is to raise expectations among the public about the degree to which they can influence the outcomes of your budget deliberations and then not deliver. This not only creates problems in terms of expectation management – it is also a waste of resources.

A crucial part of any strategy will be to communicate the choices involved in budget making to your chosen target groups. People need to know about the opportunity to have their say. They also need a clear understanding of the issues that they should need to consider. Communication is a key challenge and it will need to be at the heart of your approach.

There is a strong argument for ensuring that your participation has a deliberative flavour. You need to provide information to people in a way that allows them to effectively weigh up options and reflect on the implications of different choices. They need to have the time and opportunity to come to a reflective judgement. Consulting over a budget is similar to consulting over a strategy, since that is what a budget should deliver, a sense of direction and purpose. It requires an opportunity to debate the issues and reflect on them rather than a quick test of consumer opinion or satisfaction.

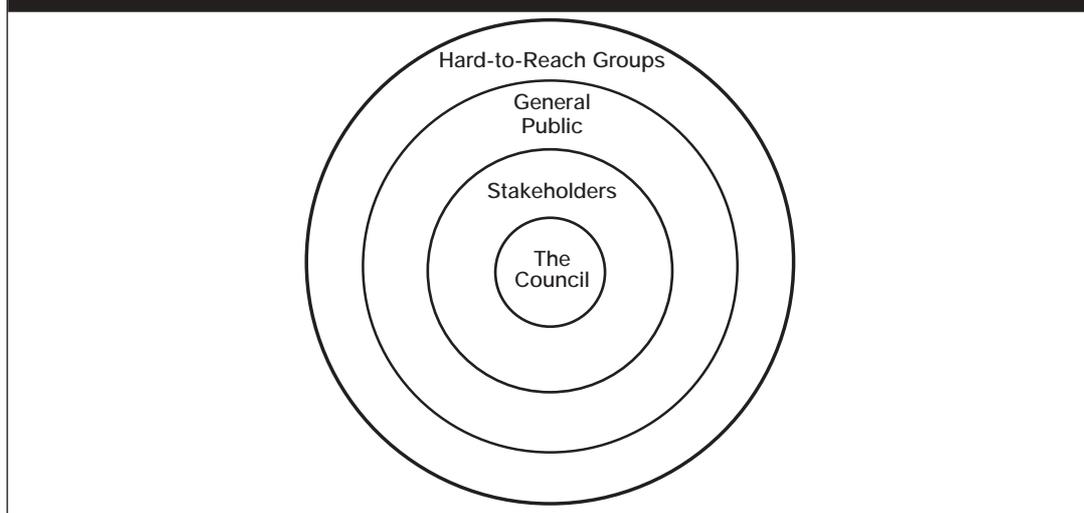
In short you need to be clear about the choices that are going to be presented to the target audiences. There needs to be an opportunity for those who are consulted to have time and scope to reflect on and consider the choices that are open to them.

Finally, it is important to be clear about how far you want to pass the decision over to the public. Yes, the judgement lies with you in the final analysis – but if you go down the route of a referendum, whether you say so or not the public will regard the result as binding. Putting the decision out to the public should only be done if the political will is there and the leadership capacity is present to see it through. Moreover the decision should be a significant one in terms of the implications for budget and the council tax that is being raised. Given the time and expenditure that is involved in organising a large-scale referendum it is essential that major issues be at stake. Involving the public in that type of decision would seem to be most appropriate when a significant choice is at stake.

### WHO ARE THE TARGETS OF YOUR CONSULTATION?

One way of thinking through your consultation strategy is to view your target audience as a series of expanding boundaries. First there are the stakeholders that you already have a relationship with. They might be business, voluntary or community groups who attend your current consultation forums or who are engaged with the council as grant receivers, key partners or providers of services. There is a case for taking on board the concerns of those who already have a strong stake – such as schools, various voluntary organisations, tenant and neighbourhood groups – through distinctive streams on consultation, rather than letting them dominate your consultation of the general public. Working with your existing partners and stakeholders is likely to give the results of your consultation a certain flavour and style. They represent the first circle of interests who you should expect to consult.

Table 3.1: Targets of Consultation



Stakeholders are those you have an immediate relationship with. However, you also have a relationship, albeit more distant, with the general public. The initial challenge here is to reach beyond what are sometimes called the 'usual suspects'. The 'usual suspects' are the residents who are most inclined (and able) to get involved and have their say. There is a strong case for considering consultation mechanisms that will give those who are not regularly involved a chance to consider the budget options faced by the council. If the budget choices you make are going to have maximum legitimacy then consultation that reaches beyond stakeholders and the 'usual suspects' to the general public should be considered.

There is another group who might be considered as in more a distant orbit still from the local authority, namely the so-called hard-to-reach groups. Those who struggle to get involved or are difficult to attract to consultation events may include the frail, elderly, young people, some ethnic minorities and so on. There are various ways in which these hard-to-reach groups can be reached.

A key choice then is how far to extend the consultation over budget issues. Is your main target stakeholders? Are you interested in getting beyond them to ‘ordinary’ members of the public? Do you have a particular concern about ensuring the involvement of hard-to-reach groups? Your choice will reflect your sense of local demand, capacity and need.

## **WHEN SHOULD YOU GET PEOPLE INVOLVED?**

The difficulties over timing were discussed in Chapter 2. The solution we propose is a two-stage approach.

**Stage 1:** This would begin very early in the budget cycle (May – June) in which broad priorities and possible directions are discussed. At this stage you would not expect to talk about the details of budget allocations but instead ask for feedback on broad options and priority setting. This stage might be developed through making links to other consultation activities on best value and other issues and giving them a budget flavour.

**Stage 2:** This would come to the fore from November/December of each year and run on for several months. Information about funding is more precise and the levels of expenditure undertaken in the existing financial year are clearer – this means that the options and information presented to the public can be more fully expressed. At this stage you may well be consulting about details of at least part of the budget.

Most local authorities that we visited during the period of our research did not engage in an explicit two stage process such as the one that is suggested here, although Northamptonshire County Council are developing proposals along these lines. Our argument is not made in order to load new consultative demands on to local councils, but in order to make explicit what is sometimes done implicitly now and to link budget consultation with other consultative activity. The kind of first stage consultation we are suggesting would perhaps already be undertaken as part of best value reviews or other on-going activities. We are arguing for the integration of such activities within an over-arching budget consultation strategy.

## **WHO SHOULD LEAD THE PROCESS?**

A key finding from our research work is that the strategy of the council needs to be owned throughout the organisation:

- political leadership is crucial;
- the understanding and at times the involvement of opposition and non-executive members is vital;
- the senior officer core both on the corporate and service sides of the council have to be committed to the process;
- front line staff are vital because they communicate both good and bad messages to the public that they contact.

For a strategy to work, it needs champions at various locations within any authority. The political leadership of the council in the executive must have ownership of the consultation agenda and take a prominent role in seeing it through. Councillors with an overview and scrutiny role should be aware of what is being proposed and should ensure that any consultation fits in with the broader strategy.

There could be advantages in recognising and allowing for some tension in the approaches of executive members and those more focused on overview and scrutiny. One option might be to allow a wide range of deliberate exchanges (some led by the executive and some led by overview and scrutiny members) in the early stages of budget consultation. The executive should take an increasingly dominant leadership role as the process moves on to stage 2 where draft budget options have to be considered. In order not to confuse the public it is probably better for one set of mechanisms at the second stage to be established. Overview and scrutiny councillors would remain involved but as commentators on the general unfolding budget process and ultimate arbiters with the executive of any final set of options to be put to a referendum and indeed the ultimate budget decision.

Throughout the process, officers from the finance division and beyond need to be involved in preparing budget options, organising the consultation and sifting through the responses that are obtained. Your own staff need to be kept informed and they, in turn, can be a focus for consultation.

The need for effective cooperation between officers and members emerged as a key ingredient for success in the case studies that informed these guidelines.

## **WHAT METHODS TO USE?**

The best general advice here is to use a variety of methods in order to ensure that a variety of opinions are heard. Chapters 4-6 detail the options available to local authorities. The key point from a strategic point of view is to have the right methods for the objectives and target groups that you have in mind. What works for contacting existing stakeholders will not necessarily be appropriate for contacting hard-to-reach groups. If you want to reach beyond the 'usual suspects' to a representative sample of the general public, certain methods are going to be more suitable than others. Many councils may choose to adopt a range of methods in order to meet a combination of underlying objectives.

## **HOW CAN THE CONSULTATION STRATEGY BE SUSTAINED?**

Training and management development practices may need to be re-thought to reflect the consultation strategy. There is a need to plan for consultation in the way that is done for other major tasks of change management within your authority. There is a need to identify champions to get the process going, and to address gaps in capacity in terms of training, time and financial resources. There has to be commitment to sustaining the approach over the long-term in order to build up public confidence. It is also vital to establish clear mechanisms for reporting the results of your consultation. The need to develop a sustained approach to consultation is the focus of Chapter 7.

## CHAPTER 4

# Communicating about local finance

*‘Local government has been historically weak at communicating with the public. Indeed, when MORI compared the communication’s performance of a wide range of public sector bodies in 1997, local government was singled out as the worst performer by some margin... Around Britain we know that many people know little about the services their authority delivers, who their councillors are, and often do not see local government as interesting, relevant or particularly important.’ MORI Review of Communications in Local Government, DETR, 2001*

This sobering assessment suggests that communicating effectively with council taxpayers about what they are paying for and the choices that they face may present a real challenge for local authorities. If local government is not geared up to communicate effectively, consulting on a relatively complex and challenging issue such as local council tax would be a daunting task. This chapter addresses this challenge by:

- identifying the scale and nature of the problem
- laying out principles that can guide your communication strategy
- indicating the choice about what to communicate about
- and reviewing the resource implications of developing an effective communication strategy

### IDENTIFYING THE PROBLEM

The public appear to think that local government is not very effective at providing information, reflecting a broader weakness across the public sector. Over twice as many feel that the public sector is worse, rather than better than the private sector at providing information (30% compared to 14%).<sup>6</sup>

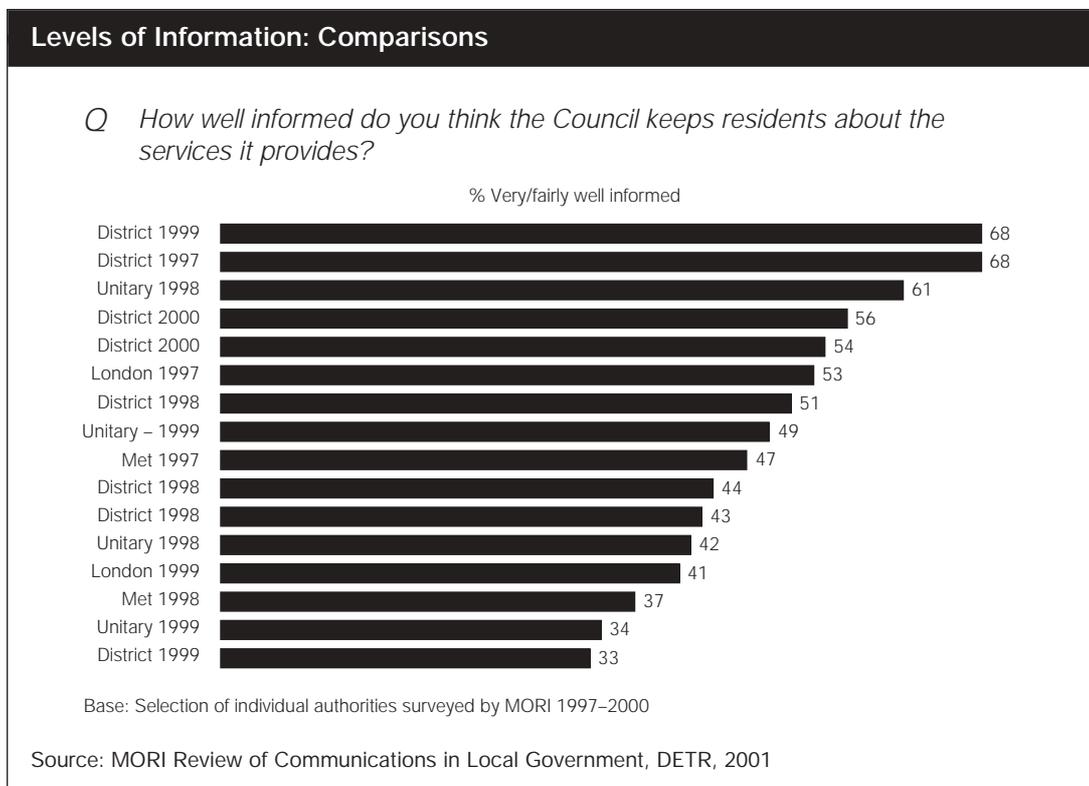
The public sees councils as particularly poor information providers. A survey for the Post Office in 1997<sup>7</sup> showed that one in four people rated their local council as worst at providing information (24%). This reflects both low awareness of the many different activities councils are involved in, and a need for authorities to work harder at keeping residents’ informed about what they do. Over half did not feel well informed by their local council (53%).

<sup>6</sup> People’s Panel on behalf of the Cabinet Office, MORI, 1998

<sup>7</sup> Post Office Communications Survey, MORI, 1997

The problem for local government is that people may indeed recognise and value services provided by the council but not view them as provided by the council. To put the issue in the management jargon, many local authorities have a weak corporate identity. Many people do not know to any depth what a local councils does, how it affects their lives and how to judge your performance. Research points to a correlation between how familiar people are with a product, service or location and how favourable they are towards it, demonstrating that promotion and communication to raise awareness can improve perceptions. If the knee jerk reaction that all public spending is prone to waste is going to be avoided, local authorities need to step up their communication capacity significantly.

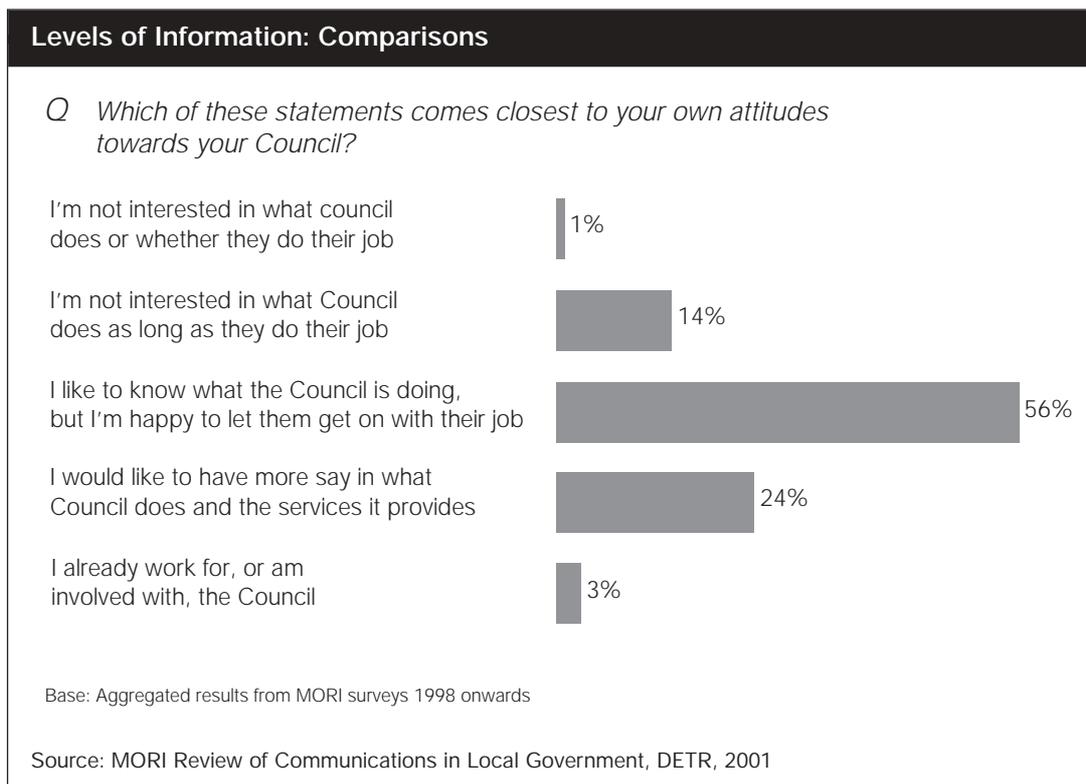
It is probably true to say that more effort has been put into communication in the last few years, but equally it appears that there is a significant difference in the performance of councils in this area. There is a huge diversity of performance across local government in terms of communication, with differences of up to 35% between the best and the worst over the past few years. See the chart below.



The chart suggests there is no reason why communication by councils in general could not improve, if the worst performers learnt lessons from and shared the commitment of the best performers.

What is that the public want from the council? There is little evidence of a great enthusiasm to be part of a perpetually active political system, although as we noted in Chapter 1 there is evidence that people would like to be consulted about significant shifts in the level of council tax. The chart below, showing aggregated data from surveys for local authorities since 1998, indicates that over half of respondents prefer to continue taking a passive role in council activities, while around one in four want further involvement.

**Crucially over half the population indicate that they would like more information about what their council is up to. Only 15 per cent say they are not interested in what the council does or performs.**



Several surveys demonstrate that local residents are most likely to want more information on:

- Reasons why decisions are made (ideally stating how local residents' views were accounted for).
- How the council spends its money (ie 'where does my council tax go?').
- Improvements planned for services (although councils should take care when raising expectations).
- Tangible targets.
- How to get in touch (particularly relevant to larger authorities).

Information about local finance, planned improvements, targets and how their money is spent are key consideration for many residents. So in communicating more effectively about council tax and priorities for spending goes to the heart of what people want more information about.

## PRINCIPLES TO GUIDE THE DEVELOPMENT OF A COMMUNICATION STRATEGY

So what are the key points in the development of an effective communication strategy. There is a lot to think through and this section provides an outline of the key tasks.

- **Being clear what is on offer:** you are communicating, not only information but also, an implicit invitation to respond to that information. So there needs to be an opportunity to contact someone in the authority for more information to clarify queries that people may have. The communication of information is the start of a process, so think through what else you are going to make available to people both in terms of additional information and any consultation approaches that may follow.
- **Be ready for conflict:** the information you communicate may be challenged by interest groups or political opponents that think your council should be spending more or less. The option for debate over such issues should be built into your communication strategy. You should try, in communicating about finance issues, to recognise that there are areas where opinions may differ and be careful to separate out statements of fact from judgements about policy choices.
- **Defining the audience:** clearly not all communications about council tax will be relevant to all audiences. Service-specific information might be aimed at users, often reflecting life stage groupings (such as young people or those in need of child care or the elderly), while some corporate communications may be aimed towards harder-to-reach groups who are less likely to be informed by generic campaigns. In short, be clear about the scope and spread of your communication target.
- **Recognise the mixed nature of your communication targets:** as noted in Chapter 3 you need to have a variety of target audiences in mind from current partners or stakeholders to the general public and hard-to-reach groups. In addition, if your consultation strategy is likely to attract national level publicity as, for example, Milton Keynes, Croydon and Bristol found over their referenda, it is important to have the mechanisms in place to sustain your reputation and positively influence opinion formers.
- **Avoiding jargon:** council communications then need to be targeted towards the intended audience(s). The wording, style, typeface, key messages and distribution channels should reflect the needs and preferences of this audience. Avoiding jargon is particularly important but certainly a significant challenge in the area of local finance.

**Table 4.1: do's and don'ts: ten steps to communication hell or heaven**

Ten steps to ensure that your citizens don't show an interest in council tax

1. With the council tax bill, plan to include a leaflet that is produced without the help of a graphic designer and print it on poor quality paper.
2. Call the leaflet '*A guide to COUNCIL TAX NATIONAL NON-DOMESTIC RATE and the FINANCES OF THE AUTHORITY*'
3. Use 8 point text with 6 point for the notes
4. Use red text or pale green text or even blue text with a green textured tint
5. Make sure that any statement from the Leader of the Council has as few paragraph breaks or as little white space as possible.
6. Try printing text over photographs of your services.
7. Using an aerial photograph of your civic office on the cover is usually found to be dull enough, clip-art is sure to be.
8. Passive sentences should be used.
9. Employ multi-clausal sentences that are constructed with inexplicable and superfluous polysyllabic vocabulary, particularly arithmetical and antique terminology, that are further burdened with tautology to which the addition and inclusion of numerous pairings of parentheses (brackets) completely (and comprehensively) obfuscates.
10. Use quotations from Acts of Parliament to illustrate a point.

Ten ways councils can engage the reader in council tax

1. Use a designer
2. Publish two sets of information – one on council tax and the other on national non-domestic rates and send with every bill only relevant information.
3. Use a 12 point font
4. Use clear print techniques
5. Use plain language
6. Explain any jargon used – for example 'poundage' and 'precepting'
7. Use colour and diagrams
8. Provide information in community languages and accessible formats
9. Offer sources of further information
10. Ask for feedback on the information supplied

- **Piloting can ensure success:** it is important for councils to remember all staff within their organisation are atypical of the wider local community in terms of their levels of awareness and understanding of local governance and local public services. It is therefore important to pilot any potential council communications on local residents who are not related to the council to ensure language used is understandable and creates interest.
- **Use a variety of outlets:** there is a range of ways that people get information about your council from your own in-house communications, through the local media and through all your staff. There are opportunities provided by activities through which you are already communicating the public, such as the information provided with council tax bills (see Table 4.2). It would seem wise to mix and match the outlets that you use and consider them all as potential resources in the campaign of communication that you develop.

**Table 4.2: Council Tax Bills: An Opportunity?**

In March/early April, billing authorities send out their annual council tax bills, along with certain financial information and a Best Value summary. This is an obvious vehicle for engaging with their taxpayers early in the financial year.

Whilst the various leaflets may be discarded unread, this is still an opportunity. A number of authorities have sought to be innovative with the information they send with council tax bills, despite the constraints of regulations that prescribe information which must be included.

To further encourage and enable greater innovation, the Department has said it is looking to give authorities more flexibility on the information they send with bills.

However, the annual billing round should form an integral part of an authorities' communication strategy, rather than be the sole time when the authority reaches out to its taxpayers. It can be both backward and forward looking – explaining how money has been spent in the previous year and what the current bill will fund.

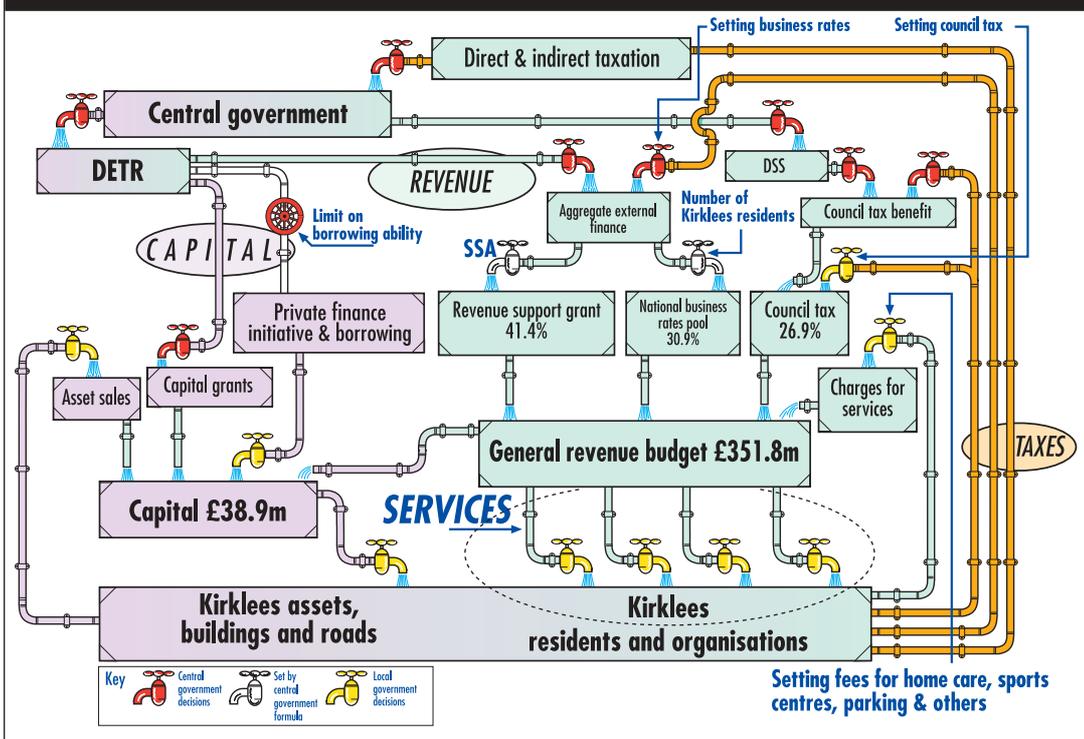
There will be groups of people who will not face a direct council tax liability and will not receive a bill, such as sub-tenants and lodgers, people in care homes and hostels and so on. Steps will need to be taken to inform these groups of people as well.

- Corporate commitment:** council communications will benefit from the full backing and support of the corporate core of the authority. Corporate co-ordination will be important to ensure marketing and communications activities are effectively managed across the authority (avoiding duplication and encouraging economies of scale), relevant partner agencies are more readily available, and a corporate brand is promoted.

**COMMUNICATING ABOUT WHAT?**

There are two streams to the communication strategy you could adopt in relation to local finance. The first is to try and explain the terms and nature of the local finance system. Table 4.3 provides one example of how to do this using a diagram.

**Table 4.3: Kirklees' diagram explaining local government finance**



Such communication is perhaps best reserved if the aim is to set up a detailed deliberative exchange about local finance issues with an invited audience. For communicating to the general public or hard-to-reach groups most councils will set themselves the task of making clear some of the key choices that they are going to face over the budget. It is not necessary to provide people with detailed information about a complex local government system, but instead give them a choice of options and priorities relating to spending and taxation that could make a difference to their lives. The London Borough of Croydon chose to present financial information to their residents in the form of a shopping list in their local community magazine – see Table 4.4 below.

Table 4.4: Croydon shopping list

**Smarter Street shopping list**

ITEM	COST
New street name sign .....	£150 (+£50 if in asphalt)
New tree and tree pit (weaving for first two years to be done by applicants) .....	£30/tree
Remove graffiti / street washing (per square metre) .....	£200/pit
Anti-graffiti trellis (per metre – standard design) .....	£20/hour
Plant bulbs in grass verge (per square metre) .....	£25/2m panel
Paint railings (per metre) .....	£5-10/sq.m
Replace pedestrian guard rails .....	£25/hour
New bench .....	£135/2m panel
'No Flytipping' or similar notices .....	£250 – £500
Provision of community skip for a day .....	£75
Bollards to protect verge or restrict access (each) .....	£100
	Wood £35
	Cast iron £120
	Concrete £60
New street litter bin (normally in shopping parades only) .....	£125 – £250
Remove redundant sign pole (non-illuminated) .....	£150
Upgrade street light (sancorn only) .....	£125
Horticultural maintenance .....	£25/hour
Litter pick / rubbish clearance (per half day) .....	£20/hour
Wheeled domestic bin .....	£35
Residents' Association start-up .....	£250

**Smarter Croydon 'Smarter Streets' call the Smarter Croydon Team on ☎ 020 8760 5518**

## PROVIDING RESOURCES FOR COMMUNICATION

Some internal research at MORI has shown that resourcing the central communications function within an authority appears to have a beneficial impact on how well local residents feel informed by that authority. This pattern seems to correlate well to a certain point, when there is a levelling out and, after which, increasing the number of staff does not have such a notable impact. This consideration is worth mentioning because the cost of effective communication is a barrier that is identified by many authorities to not only communication but also developing a commitment to participation.

In research conducted for the then DETR, Lowndes and colleagues<sup>8</sup> found that of a number of drawbacks to developing participation strategies identified by local authorities, the resources required figured prominently.

*Top of most lists is the crucial dichotomy between justifying expenditure on democratic activities when specific services are still in need of resources. Similarly, the tension between introducing real democratic enhancements and achieving efficient and effective service delivery remains. As participation becomes more entrenched in the culture of local government so these problems and dilemmas will become more pressing.*

The dilemma is of course particularly acute given a focus on budget-setting. Should money be spent on services or telling/asking people about them?

**Table 4.5: Further guidance on communication strategies**

From 3 July 2002, the *Connecting with Communities Toolkit*, will be available at [www.idea.gov.uk/knowledge](http://www.idea.gov.uk/knowledge) – this on-line toolkit will provide practical communications support for local authorities.

Advice about how to present charts and tables is provided by British Standard 7581:1992

Communication with the public provides a number of benefits, but does incur costs. It is necessary to consider expenditure on communication as an investment because it is only with the understanding and support of taxpayers that public services can be sustained. They have the right to know what they are getting for their money and the choices that their local council faces over future funding options. Involving the public in information and decision-making goes to the heart of what makes a public service public. Accountability is one of the distinctive features of public service and for that accountability to operate effectively requires reasonable spending on communication.

<sup>8</sup> Lowndes, V , Pratchett, L and Stoker, G ( 2001) 'Trends in public participation: Part 1 – local Government Perspectives' *Public Administration*, Vol.79, No 1, p214-5

# CHAPTER 5

## Developing a dialogue

There is general agreement that consultation over council tax and budget matters should involve deliberation by the public and stakeholders. The point of consultation should be to enable people to have the space and the opportunity to reflect on the choices that the budget process presents to them. Your local authority may choose to consult in order to achieve one or all of the following objectives:

- Managing partnership relationships
- Engagement and legitimisation
- Challenging social exclusion

This chapter examines each of the objectives in turn and identifies the appropriate consultation techniques that are associated with each objective. Table 5.1 provides a more detailed assessment of the variety of options for encouraging deliberation that are available. The concluding section of the chapter identifies the need for a shared ownership for the consultation process within the authority.

Our case studies revealed a range of approaches used to consult people on council budgets. Below is our assessment of the main approaches, with the exception of referenda, dealt with in the next chapter. On the whole, the **quantitative**, **qualitative** and **deliberative** approaches can be used to consult the ‘usual suspects’, the wider public, and ‘hard-to-reach’ groups. With quantitative surveys, the more representative the approach is, the better it is at reaching the general public – and there are ways of ensuring that hard-to-reach groups are involved. With qualitative and deliberative methods, the type of people consulted depends on the approach taken to ‘recruiting’ participants. The methods listed under the heading ‘other methods’ are mostly suitable for consulting more informed and involved residents (the ‘usual suspects’) and stakeholders.

Table 5.1: Tools for dialogue over council tax	
Consultation Techniques	Assessment
Quantitative Surveys	<i>Surveys take a ‘snapshot’ of opinion</i>
Opinion surveys	Generally speaking, the more representative the approach is, the more costly it is. Postal surveys give you findings from a rather self-selecting sample, but this approach tends to be least expensive. In-street surveys (which tend to exclude the less mobile) and telephone surveys are also possible. Face-to-face, in-home surveys are usually the most representative because they include people who would not self-select – but in-home surveys are the most expensive. An opinion survey is only useful if you get the questions right.

Table 5.1: Tools for dialogue over council tax (*continued*)

Consultation Techniques	Assessment
<p>Quantitative Surveys (<i>cont</i>)</p> <p>Surveys of Citizens' Panel members</p>	<p>Members of local authorities' Citizens' Panels are a resource for an enormous range of types of consultation. However, most Panel surveys are postal, so we are focusing on this technique.</p> <p>Panels usually consist of a fairly good cross-section of the population (although it is possible over-state how representative they really are). This makes panels very suitable for 'dipstick' surveys to help you understand the overall priorities of a broad cross-section of residents.</p> <p>With careful questionnaire design, you can take advantage of the fact that panel members often grow in knowledge and understanding of the local government issues, because of their interaction with the council. This makes it possible to survey them on specific budget options.</p>
<p>Qualitative Techniques</p> <p>Focus Groups</p>	<p><i>Qualitative research digs 'below the surface'</i></p> <p>One approach is to get an external company to 'recruit' small groups of people from particular backgrounds, or areas, to engage them in a moderated discussion. Some councils recruit their own participants, sometimes from their Panel. An incentive can be useful in encouraging people to attend.</p> <p>This approach can be especially helpful in reaching those groups whose voices are seldom heard – particularly visible minorities, such as black and minority ethnic residents and young people.</p> <p>A programme of focus groups can never be representative – although this claim is sometimes made! Rather, it enables you to explore the reasons for people's views. In discussion on specific budget options, there can be a deliberative element.</p> <p>The interpretation of judgements and opinions of focus groups may not be straightforward – and this should be taken into account.</p>
<p>Deliberative Approaches</p> <p>Community Workshops</p>	<p><i>Deliberative approaches enable people to take account of relevant information in forming an opinion</i></p> <p>Workshops are the most common approach taken that is designed to be deliberative. The expectation is that participants' views at the end of the consultation will not be those they held at the start. This is because participants have access to information (for example, on the implications of budget cuts on specific services) and even expert witnesses.</p> <p>It is worth stressing that the point of deliberative research is to generate an 'informed view', and not to examine the process that participants go through to form their view, nor to measure changes in opinion.</p> <p>The people described elsewhere as the 'usual suspects' may not be appropriate participants – and neither are well-informed stakeholders with their own agenda.</p> <p>The main practical drawback is that, although the council gets to understand the 'informed view of ordinary residents', only a very small number have taken part, and decisions taken as a result still need to be communicated to residents at large.</p>

Table 5.1: Tools for dialogue over council tax <i>(continued)</i>	
Consultation Techniques	Assessment
<b>Deliberative Approaches <i>(cont)</i></b>	
Structured public meetings: budget conferences	<p>This remains a favoured technique and one that still has much value in it. People are invited to a public meeting but one where the debate is structured with break out groups, information provided in a variety of ways, options presented and facilitators on hand to ensure that the meeting is managed effectively and does not degenerate into an ‘us and them’ confrontation.</p> <p>The approach differs little from that of a community workshop. However, the people who attend cannot be seen as representative of the wider population (or even ‘typical’) and it may be difficult for those groups who are traditionally hard-to-reach to be enticed to and engaged in a public meeting. This technique is more suited to reaching established partners and stakeholders.</p>
<b>Other consultation techniques</b>	
Interactive web-site	<p>This option should become of increasing significance and may be particularly suited to debates about over complex issues such as local government finance, given the availability of explanatory notes and information boxes that can be attached to such exchanges.</p> <p>Initially, it may best be used when seeking to consult groups who already have some engagement with the council – it could provide a convenient and powerful way of organising and recording debate and judgements about priorities.</p> <p>There is little evidence of good practice to date.</p>
Shared interest forums	<p>Your council may have a youth parliament or forum set up to consult with members of ethnic minority communities. These forums can provide a focus for consulting about budget issues, although there is of course a danger that the focus of discussion will be on the narrow issues of concern of the particular shared interest. Such forums can be asked to take forward a process of consultation in order to reach groups that are often excluded.</p>
Area Forums	<p>Breaking the budget down into more manageable area-focused bites can give local people more of a feel for the choices that may confront the council. There is a danger of bidding wars between different areas.</p>
User Forums	<p>Consultation with existing users could form part of a general platform of budget debate activity. Of course, there is a need to balance the demand for additional resources that comes from these groups with the views of taxpayers in general.</p>
Mailed consultation documents to stakeholders	<p>This approach enables quite a lot of detailed information about budget choices to be provided to relatively well-informed stakeholders. They can respond to the choices that are posed and also provide their own suggestions about better options. The approach relies on the quality of the networks that the local authority has developed and is best suited to dealing with established partners.</p>

## MANAGING PARTNERSHIP RELATIONSHIPS

Several of the case study authorities visited, had been determined to ensure their key partners felt involved in the budget choices faced by the council. In effect the aim was to ensure that good relationships were not undermined by unexpected budget decisions and that partners understood some of the dilemmas confronting the council. Moreover it was recognised that the local or specialised knowledge of the partners could help in making budget cuts or allocations. The key aim was to be much clearer about the likely impact of various budget choices.

The quality of information that can be provided for these type of deliberative exchange can be quite detailed and specific since most of those consulted are already well informed about the council's services and the likely impact of any budget changes. As an official from East Riding Council explained, promoting a dialogue about budget options amongst key stakeholders can offer real benefits:

*'We initially set out with two methods of consultation – a survey and a day conference. The problem was they gave two sets of results. We wanted considered responses that would allow us to make a decision based upon detail of many complex issues. The Day Conference helped us here but the survey did not. All the survey told us was that people wanted even more services but were only willing to pay the lowest council tax increase. That was something both unachievable and unrealistic – we couldn't do both. What the Day Conference did was to provide us with some form of considered approach where consultees had sat down and thought through what services would have to go, what should stay and what council tax they would really be prepared to pay. With the survey, such thought-out responses could not be achieved where respondents were asked raw detailed questions in a matter of few minutes – unlike the Conference, they were not able to sit down and think out the implications'.*

For reaching out to current partners and stakeholders, use of existing channels, such as user, issue or area forums, would seem appropriate. It may be appropriate to think of a structured public meeting. One option is a budget conference in which a variety of stakeholders are called together to consider the choices confronting the council. Another option is to mail out or otherwise distribute a budget document with various options and choices in order to obtain feedback from key stakeholders. Sutton's experience in consulting stakeholders is discussed in Table 5.2.

**Table 5.2: Sutton case study**

Sutton has carried out a formal budget consultation based on a distributed annual document produced for the last 15 years. The document is available in libraries but is sent to interest groups directly. The key is to have meaningful dialogue with interested partners. The document contains quite detailed material on the budget but also general information on corporate objectives. The scope of the consultation is set on pragmatic grounds and the focus is on where the council has still to make a final decision.

*‘The officers give us a whole list of options and essentially we start from either end and say these are the things we’re going to do anyway, so we’ll leave them to one side. These are things that however bad things are this year we wouldn’t be able to do, so we will not consider those, and then we focus on the things in the middle, these are the things we consult about.’*  
(Sutton Councillor)

The document is made available to groups at the beginning of January once the level of central government support is known. There are three weeks in which responses can be sent in. As well as asking for responses in writing to the consultation document, meetings are set up with key groups such as head-teachers/governors, residents groups, where there are particular issues of interest to them. On average, Sutton get about 1,000 responses. The responses are collated and read by the leader and other councillors. Many responses come in the form of standard letters from organised sources. The key benefits identified are:

- Feedback on specific proposals from people who, as they are interested parties rather than general public ‘know what they are talking about’

*‘Somebody’s come along and said well actually don’t do it like that, do it like this, sometimes it might not actually change the headline decision or the financial decision, but it might say well actually if you’re going to cut fifty thousand pounds off this budget, if you do it in this way that’s less harmful than doing it in that way. So that kind of consultation is actually very helpful, very successful.’* (Sutton councillor)

- Dialogue over the years has broken down cynicism and made interested parties feel they are contributing to debate

*‘It doesn’t happen overnight, but over the years of demonstrating that if people say something it does have an influence. They might not just get what they want because they shout loudest or because they’ve got the longest petition, but things change’* (Sutton councillor)

The strength of the approach is in reaching partners and formal groups rather than the general public

*‘I think in terms of engaging with organised groups in the borough, you know, whether it’s friends of libraries or green recycling lobby or whatever, it’s quite successful. I think engagement with the general public is much more difficult, I’m not sure we do that as well as we would like. You know, I mean the commitment is there I think, the commitment is there to try and have a dialogue. It is quite difficult to get people sufficiently involved in the issues to understand.’* (Sutton official)

The key dilemma in this approach is whether partners will just defend what benefits them, that is, use the consultation to protest against any unfavourable budget changes, or whether they will engage with the budget challenge and identify ways in which things can be done differently in order to save money, but still achieve service and community goals.

## ENGAGEMENT AND LEGITIMISATION

Here, the overarching objective is to reach out to the general public and test responses to a variety of budget options, in order to help steer and legitimise the choices made by the council. The underlying aim is to help the council make judgements through providing new insights about what the public would regard as an acceptable budget change.

The information targeted at the general public has to be more general than that provided to partners. Some of the questions that the public may be asked can have a hypothetical quality. The key dilemma of this approach is how to make a judgement about the quality and depth of the public response that has been obtained. It would seem unwise to follow what is perceived as an ill thought out 'off the top of the head' response. Equally, to reject proposals that come from this route can appear arrogant and defensive. It may also be that the messages from the public are mixed and complex and in need of interpretation. The key in this area may be to mix and match various methodologies in order to give a fuller, more detailed insight into public opinion.

Northamptonshire County Council chose to use a range of methods in order to increase the council's insight into public opinion. Indeed, one event in the series was undertaken jointly with one of the district councils in the area. Detail on Northamptonshire's approach can be found at Annex 2.

Other suitable methods for consulting the general public would be opinion polling or the use of an interactive web site. Each method has some attractions and some drawbacks. A one-off opinion survey can give a representative response, but it may be driven by less reflective and 'off the top of the head' responses from the public. A survey of an established citizens' panel is an attractive option, in part, because they are likely to be more familiar with the council but equally it may suffer from the danger that the panel will be too sympathetic to the views of the council. An interactive website could equally draw a cross section of public responses, although it may be difficult to judge the representative quality of the responses obtained.

Dacorum Council has used a special technique called SIMALTO to encourage a representative sample of people to think about budget choices (see Annex 2). The key to the scheme is that it allows you to get a reflective judgement from a cross-section of public opinion about budget choices. It also allows you to consider the public's reaction to a range of budget options.

The examples described above show that, with a certain amount of perseverance, it is possible to construct a dialogue with members of public in a way that provides a thoughtful and reflective contribution to budget decision-making. The important thing is not to give up but to keep on trying. Hertfordshire County Council, successfully revised their approach in the light of difficulties encountered the first time round – see Annex 2 for more detail.

## **CHALLENGING SOCIAL EXCLUSION**

How can we get the voices that are often unheard involved in deliberation about budget choices? There are some obvious things to think through such as:

- Producing information material in different languages.
- Considering the location. Sometimes meeting on their home ground, in settings with which they are familiar is the key to getting them to participate.
- Timing meetings so that they are accessible to different groups.

The most obvious technique for engaging hard-to-reach groups is the use of focus groups. Through this method, difficult to reach groups can be actively targeted and encouraged to give their views. Surveys can also be designed in a way that ensures often excluded groups are a key part of the sample.

Another option is to ask stakeholders and partners in existing channels of consultation to take forward the task of reaching out to their communities and bringing the results back to you. Birmingham City Council, for example, has used its young person’s parliament in order to consult over local finance issues (see Table 5.6).

Table 5.6: Budget-setting and young people: Birmingham ‘Young People’s Parliament’
<p>This year (for 2002/3 budget) the council held an event with Birmingham’s ‘Young People’s Parliament’. The Parliament works through schools, with one hundred children elected for a year from across Birmingham. The consultation exercise took place very late in budget process. Information was presented on what council does and it spends its money on. The Parliament was then split into small groups facilitated by a teacher and someone from council’s finance department. Each group was given £3 million and asked to allocate it to various priorities. The idea was educate young people about rationing/trade-offs. There was a group feedback session at the end.</p>

Looking at consultation more generally, other methods have also been found to be successful in engaging hard-to-reach groups. Existing social and community networks can sometimes be exploited by using community or advice centres to help conduct consultation. Community ambassadors or, more generally, community leaders can ‘spread the word’ that a consultation exercise is underway and that it is an opportunity that their often silent, or excluded, community should take up.

The dilemma is that hard-to-reach groups will have specific issues that will need to be addressed. You have to recruit these groups for involvement in consultation in a specific way. This will require making clear what the council can deliver and what they have to gain by being part of the consultation. The normal advice for engaging such groups is to start with an issue they can relate to – something concrete they could see would make a difference to their lives. Budget-setting is one that would seem to lend itself to such a debate. If the danger of raising unwarranted expectations can be confronted head on then it would appear that an effective dialogue could be constructed.

## CHAPTER 6

# The use of referenda – putting the decision out to the public

So far three councils – Milton Keynes, Croydon and Bristol – have used referenda to test public opinion about council tax levels and associated packages of service spending. This chapter looks at their experience to draw key lessons for other local authorities considering this approach.

Table 6.1 provides an indication of the timetable used by Milton Keynes. It suggests that there are four broad phases to the referendum process. Each of these phases will be examined below:

- communication and awareness raising
- setting the referendum options
- conducting the referendum
- reviewing the results

The last section in this chapter looks at the costs of going down the referendum route and comes to a judgement about the strengths and weaknesses of this approach.

**Table 6.1: Milton Keynes: referendum timetable**

Period/date	Activities
November – December 1998	Phase 1 budget consultation exercise: <ul style="list-style-type: none"><li>• Public meetings at local venues</li><li>• Special meetings for voluntary organisations, schools and businesses</li><li>• Explanatory leaflets mailed directly to local businesses and organisations</li><li>• Adverts and articles in local press</li><li>• Focus group</li><li>• Responses by questionnaire, letter, e-mail and telephone.</li></ul>
14th January 1999	Second focus group – discussed clarity and helpfulness of referendum material
21st January 1999	Special Policy & Resources Committee <ul style="list-style-type: none"><li>• Agreed referendum question wording</li><li>• Agreed referendum supporting information</li></ul>
1st February 1999	Referendum papers despatched to 149,241 electors

*Continued overleaf*

Table 6.1: Milton Keynes: referendum timetable (*continued*)

Period/date	Activities
19th February 1999	Deadline for voting (5pm)
23rd February 1999	Referendum results announced at press conference
2nd March 1999	Council meeting receives referendum results

*Source: Geoff Snelson. The Milton Keynes Council Budget Referendum. A Case Study*

## Communication: raising awareness

Before starting on the referendum process proper some preparation work by the council is essential. So the informal, in-house timetable for planning is probably some six months before the schedule set out in Table 6.1. The first task having decided to use a referendum, is to make clear the key issues in the budget debate. In November – December, Milton Keynes used a mix of communications methods to both raise awareness of budget issues and test public opinion. Methods used were:

- A leaflet sent directly to the council's mailing list of local businesses and organisations.
- Advertisements and articles in the local press.
- A series of public meetings at venues across the council area.
- A series of meetings for special interest groups such as schools, voluntary organisations and business.
- A focus group comprising a cross-section of local people.

The point of this preparation work is more communication than consultation since none of these mechanisms provided a representative sample and much time was spent explaining the council's budget position. Yet the feedback obtained through these methods was helpful in developing the council's thinking and in judging some of the responses of the public and stakeholders.

## Designing the budget options: a political judgement

Although the title to this chapter suggests that a referendum hands over a decision about budget setting to the public, that decision is taken in the context of a political choice made by councillors. Referenda are themselves located in a highly political environment. As a report on Milton Keynes experience argues, the options presented in the referendum depended entirely on political judgement:

*The definition of these choices was very much a political act and no two parties would have proposed the same pattern of service changes. Indeed, a joint approach by Labour and Liberal Democrats to the development of the referendum fell apart early in the process over a disagreement about how the choices were to be constructed. The very notion of holding a referendum was opposed by the Leader of the Conservative Group.*<sup>9</sup>

The options presented to Bristol residents in 2000 focused on Education. One option was the standstill budget (4% increase), with no changes to services. The implications of other options (0, 2% and 6%) were presented in terms of the impact on the education service in the City. This approach was coherent, since Bristol's education spending was further above the average for similar authorities, compared with its budget for any other service-area. However, it is worth restating that the decision on how to express the implications of the options in a referendum is a *political* one.

The decision about whether to go for a referendum may well be taken in the context of political conflict. Moreover, the decision over which options to put forward involves political judgement. Without political ownership and leadership this form of consultation is not possible. At a minimum, **political groups controlling the council have to be ready to implement any option chosen by the public in a referendum.** Beyond this, councillors and senior officers can drive the consultation by the determination and commitment they give to the process.

A considerable amount of officer time is also required to ensure that the budget options are as real as possible to individual households. The Croydon options included any increase in the Greater London Authority's precept to ensure that the figure supported by voters would be the bottom line council tax increase, irrespective of the uncertainties posed by the GLA's budgetary processes. This suggests that even in two tier areas a referendum is a viable option.

In the case of Croydon three options were presented to the public. The options supported the core budget but required a decision between various packages of increases. Croydon offered in 2001:

- **Option A – 2% increase.** A below inflation option representing a cut in council tax in real terms but ensuring that residents would continue to receive the same level of services. Under this option, Band D would increase to £823.87, an increase of £1.35 a month.
- **Option B – 3.5% increase.** An increase broadly in line with inflation that would guarantee current services and allow an extra £1.4 million to be spent on a package of proposals to make the borough cleaner and safer and to ensure the library opening times were extended. Under this option, Band D would increase to £839.99, an increase of £2.68 a month. The council proposed to achieve this by spending: £1.2 million on a borough-wide kerbside recycling to be introduced over an 18 month period, together with a CCTV van. A further £100,000 would be spent on extending the free rolling rubbish collection service and £100,000 on extending library opening times, starting with the central library.

<sup>9</sup> Geoff Snelson, The Milton Keynes Council Budget Referendum. A Case Study.

- **Option C – 5% increase.** An increase in line with the Government’s expectations for council tax increases; this Option would enable the council to provide the additional services proposed under Option B. A further £500,000 would also be spent on crime reduction measures, £200,000 in improving and increasing play areas in parks for young children, £100,000 on home composting containers and a further £100,000 on library opening times. Under this option, Band D would increase to £848.11, an increase of £3.37 a month.

In 2002 Croydon offered:

- **Option A – 3.65% increase.** Cleaner and Greener Croydon. £522K on removing graffiti from public buildings, removing abandoned vehicles, bulky household collection, street cleansing and fly tipping. Safer Croydon. £350K on a package of crime prevention measures, including a new pilot neighbourhood warden scheme. £20K to help local people feel more secure by continuing the council’s successful Alleygators scheme, which provides security gates across local alleyways. Better Leisure for Croydon. £150K more on improving leisure activities.
- **Option B – 5.15% increase.** Cleaner and Greener Croydon. £650K on extending the graffiti removal scheme to include private property. £250K on extending the Smarter Croydon Community Grants Scheme so that local people can apply for grants to improve their own local environment. Safer Croydon. £125K on extending the SAFE initiative, which provides free home security checks and safety and security equipment to older people in areas with high burglary rates. £150K on extending the neighbourhood warden scheme. Better Leisure for Croydon. £325K on another Mobile Library and allowing most libraries to be open longer.
- **Option C – 6.65% increase.** Cleaner and Greener Croydon. £950K on providing a 7-day responsive graffiti removal service for public and private properties across the borough. Safer Croydon. £300K more on crime initiatives including even more CCTV and further neighbourhood warden schemes. Better Leisure for Croydon. £125K on improving and increasing play areas in parks for young children. £125K on two new multi-ball games areas.

The options offered by Milton Keynes included a core budget plus various level of tax increase in order to pay for services (see Table 6.2). The referendum papers sent to each voter contained a leaflet where the two centre pages were devoted to a description of the three budget options.

Table 6.2: Outline description of Milton Keynes referendum options		
Option 1	Option 2	Option 3
Core budget (including £8.7m savings package)	Core budget (including £8.7m savings package)	Core budget (including £8.7m savings package)
Plus extra spending		Plus extra reductions
15% increase in council tax	9.8% increase in council tax	5% increase in council tax
Net budget = £172.884m	Net budget = £171.082m	Net budget = £169.454m

*Source: Geoff Snelson. The Milton Keynes Council Budget Referendum. A Case Study*

As a Milton Keynes commentary notes:

*This approach contrasted with budget consultations in previous years when there was far less emphasis on the outcomes for the community. For the referendum it was felt that the impact of the options for local people must be demonstrated clearly so they could see the relevance of taking part. The success of the exercise would also depend on the local people feeling they had been able to make an informed choice about the options. Its credibility would be damaged over the longer term if the referendum option chosen led to changes in tax or services that those voting had not anticipated.*

*The conduct of a referendum therefore introduced a number of disciplines to the budget consultation process that would be beneficial in any event. In particular, debates about options were begun earlier and more attention was placed on the service and community implications of the budget.<sup>10</sup>*

The key point (reflected in the material on public opinion in Table 1.2) is that the public need to know what the council tax they pay will be used for. They need to believe the money raised will be used effectively and for purposes stated by the council.

Milton Keynes used a further focus group to test the budget options and information that was eventually presented to the public in a referendum. This group suggested some changes to the information provided where they thought the material would bias the outcome and also pointed to changes in the design and the way that information was presented. A special meeting of the council's policy committee was called in late January to agree the final wording of the referendum and the information on the various budget options.

## The referendum process

Milton Keynes, Bristol and Croydon all used the Electoral Reform Balloting Services (ERBS) to conduct the ballot, although it should be pointed out that there are other organisations who offer this service. In Milton Keynes a copy of the electoral register was provided to ERBS and all those on the register were entitled to vote including 17 year olds that would reach voting age during the financial year in question. People were allowed to vote by post or telephone. The voting period ran from 1 February to 19 February. Croydon followed a similar process but also, through ERBS, offered people the choice of voting on the internet (as was the case in Bristol). In Croydon the 2001 voting period ran from 5 February to 14 February and again in 2002 people were given roughly ten days to vote.

There was some discussion in Milton Keynes as to whether only taxpayers should be allowed to vote but the council insisted that all those on the electoral register were entitled to a say in this exercise in local democracy. This principle is the appropriate one to follow.

Voters were given an opportunity to express both a first and a second preference in Croydon referenda. The aim here was to allow a 50% support to emerge for one of the three options presented in the referenda. Milton Keynes took a rather different line as noted below leaving the vote open to interpretation by the council.

<sup>10</sup> Geoff Snelson, The Milton Keynes Council Budget Referendum. A Case Study.

The period of the ballot is also a time when information about the options and encouragement to vote needs to be aimed at the public. Milton Keynes were able to use a variety of means to obtain coverage:

*As delivery of the referendum papers began, advertisements were broadcast on a local radio station alerting people to look out for them. A second wave of radio advertisements was broadcast toward the end of the voting period reminding people of the deadline. A referendum poster was produced and distributed to council offices, libraries, parish and neighbourhood councils, community centres and community groups with the request that it be displayed in public places. Feature articles on the referendum were placed in parish, town and neighbourhood council newsletters and in the council's own magazine – 'Messenger', delivered to every household in the borough. During the voting period, turnout figures were released to the media in order to gain additional publicity.<sup>11</sup>*

Croydon employed a similar mix of methods but, in addition, used poster sites in the area and ran a hotline during the period of the vote so that people could ring up asking for advice and information. In addition to local media coverage there is also a need to plan to cope with national media interest. A leading member in Bristol told our interviewers:

*There was an unprecedented amount of local and national publicity in the run-up to the referendum – almost all of it favourable. There is no other recent example of Bristol making such a positive impact.*

The referendum voting period is also potentially a time for campaigning. In the case of Milton Keynes, the controlling Labour group had already indicated in the leaflet distributed with the voting slips that their preference was for the middle option of a 9.8% increase and during the period of the referendum Labour Party activists distributed thousands of leaflets in support of that option.

In Bristol, by contrast, there was little or no political campaigning, although some lobbies made their voices heard. If turnout is any indication, this did not make the referendum less salient to people. It appears that party political contribution to the debate is not a pre-requisite of a successful budget referendum.

**Table 6.3: Framing the Options: The Bristol Case**

Bristol is a good example of how the options presented to the public in a referendum need to reflect the local situation:

- In 2000, before the referendum, Bristol had had one of the highest council tax levels in the country, and the majority group had frozen council tax for two consecutive years. There was clearly a strand of local opinion that it should happen again. Hence, a 0% increase was one of the options presented.
- Spending on Education was the key reason for the relatively high level of council tax, hence the political decision that the referendum result would impact on the education budget. The impact of each option available to voters was represented in terms of the impact it would have on the education service.

In Bristol, the political leadership did not try to 'sell' one of the options. Instead, the message presented was that the decision was in the hands of residents.

11 Geoff Snelson, The Milton Keynes Council Budget Referendum. A Case Study.

## Reviewing the results

There are several issues to consider under this heading. Firstly, the turnout was respectable in all cases. In Milton Keynes, a turnout of 44.7% was considerably higher than the 26.2% turnout achieved in the local elections of 1998. The turnout in Bristol was 40.2%. In Croydon, the turnout was around 35% for both referenda, a few points down from the turnout achieved in the 1998 local elections (37.8%). There was little or no evidence of attempts to vote twice or engage in any electoral malpractice and there was a large-scale use of the postal method of voting in Croydon, Bristol and Milton Keynes. However, a substantial minority did make use of telephone voting in Milton Keynes (22.3%). In Croydon the telephone and internet combined accounted for less than 10% of votes cast in both 2001 and 2002.

The turnouts may emphasise the need to present residents with real choice in a budget referendum. The turnout in both Milton Keynes and Bristol, where the range of options offered – and their potential impact – was very significant, achieved turnout higher than in local elections. This was not true in Croydon, where there was arguably less daylight between the different options.

The results in Croydon were straightforward on both occasions. In 2001, there was an initial outright vote first preference for the lowest option of 56.58% that carried the day. In 2002, the first preference choice was again the lowest option, with this time 73.67% support. It was clear in both 2001 and 2002 what that the overwhelming preference of the public was for the lowest option.

In Milton Keynes, as shown in Table 6.4, the middle option was the most popular option at 46.35% but it was not the outright winner. The council had already anticipated this situation and had indicated prior to the referendum that votes for the higher still tax option would be added to votes for the middle option. The votes for the two higher options added together to over 70%. The interpretation offered by Milton Keynes of its result was widely accepted.

**Table 6.4: The Milton Keynes Result**

	Council Tax increase	Number of votes	Per cent
Option 1	15%	15 730	23.6%
Option 2	9.8%	30 891	46.35%
Option 3	5%	20 026	30.05%
<b>Total</b>		<b>66 647</b>	

*Source: Geoff Snelson. The Milton Keynes Council Budget Referendum. A Case Study*

Croydon and Bristol analysed the results by ward and found that this additional information yielded insights into the attitudes of different neighbourhoods: perhaps unsurprisingly, the more deprived wards favoured the lower tax options more than the wealthy wards.

## Strengths and Weaknesses

Various strengths and weakness of the referendum route are outlined below.

- **People were engaged**

According to a Milton Keynes official:

*The overall verdict was that the referendum was a resounding success. The council had realised its ambition of engaging the whole community in a major decision and had been given a mandate to increase council tax by the amount it felt was necessary. Awareness of the link between local taxation and services was enhanced in Milton Keynes and anecdotal evidence suggests that during the referendum people were talking about local council services with their families and neighbours. The high turnout shows that people do have an interest in the activities of their local council and that there is much scope for increasing democratic participation at the local level. The provision of clear, succinct information about issues of direct relevance to local citizens coupled with easier ways in which to vote appear to be part of the solution.<sup>12</sup>*

This sense of positive engagement was also a feature of Croydon's and Bristol's experience. As the then leader of Milton Keynes commented to our researchers: "it was the talk of the clubs and pubs"

- **People appear to make a considered judgement**

Although in the Bristol referendum 54% voted for a tax freeze and in Croydon voters opted for the lowest tax option, it is not the case that people will always vote for a low tax option or a no tax increase. This was demonstrated in Milton Keynes, where the middle option was the most favoured.

Substantial US experience at state level indicates that even in a low tax climate tax cutting referendums and initiatives do not always win. Between 1978-1999 over half of all state referendums and initiatives have been lost whether proposing tax cuts or increases. It is true that tax-cutting referendums had a greater success rate (48%) than those of tax increasing measures (37%). However, there is much evidence that voters weigh the issue seriously and are influenced by they whether they see the public bodies as wasteful or alternatively providing value for money. On the other hand the main advocates of initiative measures in the US are not slow to boast about it being a curb on big government.

Existing practice does suggest therefore that ballots to increase taxes will not automatically be lost (even in the low tax culture of the US evidence). Equally it would appear that if the public are sceptical about the general qualities of their council they are likely to use the ballot to make a point. As Milton Keynes and Croydon officials noted in their comments to our researchers, a referendum requires an element of trust between the council and the public. The public has to see the value of the case made and believe that any additional money made available though higher taxes will go to their priorities and be effectively spent.

<sup>12</sup> Geoff Snelson, The Milton Keynes Council Budget Referendum. A Case Study.

- **The costs are considerable so the choices must be significant**

The Croydon referendum cost between £150-200k, including spending on publicity and information provision. The Milton Keynes costs were estimated at the somewhat lower level of £70k. There was also a considerable commitment of officer time. So to justify the cost of a referendum, it is important that a council puts significant issues on the table and is clear that the public is the ultimate arbiter. The choice had to be about tax increase and services packages that the public would notice. The political controlling group had to be prepared to work with the verdict of the public.

- **The referendum option can potentially be undermined by the complexities of central funding for local services**

The referendum option pushes the issues of how council spending is underwritten to the fore. People have to judge how fair the current level of funding from the centre is and whether the package of service benefits they are being offered in a referendum is an illusion or will be tangible and obtainable in no other way than through a council tax increase. Given the complexities of central funding in this field some may argue that it is impossible to present the public with a meaningful choice.

- **A referendum can achieve residents' 'buy in' to a political decision**

This is what happened in Milton Keynes. The council was in a unique situation following local government reorganisation, and the leadership felt that a substantial council tax increase was justified. The referendum enabled the council to explain the reasons for this – and gain a mandate from the community. In contrast, the Bristol referendum did not seek a mandate.

- **A referendum can be a transparent way of allowing the public to state its preference**

This is what happened in Bristol. The council leadership offered a real choice to residents in the referendum, and made a conscious decision not to express a preference. In this case, leadership was required internally for a referendum to be held – but, externally, once the referendum was up and running, the majority group was not leading the debate (again, in contrast to the situation in Milton Keynes).

- **The result influences how successful the referendum is perceived to have been**

In Bristol, the result effectively meant that 46% were for a council tax increase, and 54% for a freeze. This demonstrated polarization, with the result that the referendum did not build support for a budget consensus, which would have been the ideal outcome. In practice, the result meant that a sizeable minority, including a significant number of 'activists' were unhappy at the result. The view has been expressed that the referendum result was wrong, with the suggestion reported in a national newspaper that the outcome (cuts in education funding) meant that the exercise had been mishandled.

- **More informed residents – or more engaged?**

Some of our interviewees have suggested that one outcome of a referendum is that, overall, residents are more informed – about what the council does, how it spends its budget, etc. Another outcome is seen in terms of a better relationship between the council and its citizens. By asking for residents' opinions in such a high profile way, this promoted a more positive relationship with the public.

## CHAPTER 7

# Coming to a judgement and providing feedback

Asking stakeholders, the general public or hard-to-reach groups about your budget proposals represents a great challenge in consultation. However, it is only part of a process of decision-making to which the end goal is the setting of the budget and the delivery of services, actions and benefits that meet the needs of the local population. Consultation does not remove a council's need to come to a judgement and take the new budget forward. It is also vital to feedback the outcomes of the budget consultation to those who have been consulted. This chapter examines both these issues.

Our aim in presenting this guidance has been to encourage all local authorities to develop their current practice on budget consultation and develop a more systematic approach to the issue. What individual authorities decide to do is a matter for local choice and circumstances. Whether your consultation plans are limited or extensive, a crucial element in consulting effectively is to develop a sustained approach. The challenge is not necessarily to do the same thing each year but it is to do something each year in terms of effective consultation.

Building up an expectation among those you consult that they will continue to be consulted again ensures that a framework of trust will grow. In Sutton, the research team found that one of the factors in their success was that they had managed to increase the quality of their dialogue over the years. The sustained approach had helped to break down cynicism, and make interested parties feel they are contributing to debate. As one Sutton councillor commented:

*“It doesn't happen overnight, but years of demonstrating that if people say something it does have an influence... does have an impact. They might get what they want because they shout loudest or because they've got the longest petition, but things change”*

This chapter argues that councillors need to consider three issues so that their consultation exercises are brought to a successful conclusion and are able to be run on a sustained basis year after year:

- recognising the challenge of judgement;
- balancing the responses received from the stakeholders and the public;
- feedback of their judgements to the public.

## Meeting the challenge of judgement

Consultation is about providing councillors with more information in order to help them come to a judgement. Even when a referendum is, in practice, binding there has been a prior process of political judgement about what options are acceptable to be put before the public. In the case of the deliberative consultation techniques outlined in chapter 5, it is necessary to build into the timetable, sufficient time for the council to decide what budget it is going to adopt.

Consultation can make coming to a judgement easier. It is not an extra layer of complexity, but rather an opportunity to provide criteria to steer the judgement process. Budgets by definition involve making choices between priorities – what to cut or where to spend. The results of consultation exercises can help in making judgements by providing additional information about stakeholder or more generally public opinion:

- what is acceptable to the greatest majority;
- how the same end can be achieved through a different and, perhaps, less painful means;
- where the top priorities for spending lie.

All of this information provides a more systematic and less 'hunch-driven' base on which the judgement of the council can rest.

The need for judgement, however, is not removed. No matter how extensive the consultation process, there will still be many choices to be made by councillors with the advice of officers. The pattern of responses produced by consultation may not be clear-cut. There may be developments or issues that arise since the consultation, which must affect the final judgements about the budget. Consultation does not remove the ultimate responsibility for coming to a judgement from elected members and their advisors.

## Balancing Responses

The opinion of stakeholders and the public on the council budget options is unlikely to be one marked by complete uniformity of view. A crucial task for any council is how to balance opinion. If you follow the advice of these guidelines, you might have gone through consultation processes that reveal the preferences of stakeholders currently involved with the council, a wider representative group of the general public and a selection of some of the hard-to-reach groups. Not only might there be divisions between these different components of your consultation strategy; there is also a strong likelihood of divisions within these groups. In short, it is unrealistic to imagine that those you consult will speak with one voice. Moreover, different consultation approaches may throw up different shades of opinion. There are several dimensions to consider:

- **Balancing stakeholder and other opinions**

There is no set rule to follow here. Each form of opinion that you gather has its strengths and weaknesses. It is up to you how you take on board the different opinions that are expressed to you:

- Stakeholders are more familiar with the council and what it does and can present a considered and informed set of reflections on your budget proposals. But they are equally likely to protect their own interests and perhaps defend past budget commitments.
- The general public, if they are consulted appropriately, are likely to reveal a representative reflection of opinion in your area. However, that opinion may be based on a relatively broad brush understanding of the issues at stake and perhaps a tendency to overlook the demands of more the less popular but still needed services.
- Hard-to-reach groups bring their own powerful and often overlooked insights if they are consulted properly, but equally these opinions may reflect their particular circumstances and preferences and will need to be balanced against the other opinions.

- **Balancing deliberative and representative techniques.**

This is a key dilemma. On the one hand, it is appropriate when consulting the public over budgets to construct forms of consultation that encourage reflection based on an informed understanding of the issues. At the same time it is important to consider the representativeness of the feedback you are getting. People need to have information and perhaps to make choices, weighing one preference up against another. Equally though, the broad voice of public opinion has strong validity.

Small group discussions may allow the complexities to be investigated or encourage the voices of hard-to-reach groups to be heard. But, what should be the response if these views do not chime with the preferences revealed by more general surveys of public opinion? Should those consultation techniques that reveal uncomfortable answers for the local authority be swept under the carpet? No – we would encourage the greatest amount of openness about revealing the responses achieved through different consultation techniques. The decision about which opinions to follow rests fairly and legitimately with the council. Consultation is there to inform and help a council's elected representative and their advisors in their decisions about budget matters. The decision over which options to put to the public, even in the case of a referendum, rests with the council. The interpretation of the results and findings again is a matter for the council.

- **Assessing split public opinion responses from surveys and referendums**

There is a particular problem about large-scale tests of public opinion that reveal a fairly even split in opinion with no absolute majority emerging. In the case of referenda, Croydon's solution was to ask for a second preference in respect of three options provided to the public. In practice, the second preferences of Croydon's residences have never been brought into play, since in both 2001 and 2002, one of the budget options achieved an overall majority in the first round of counting. Another approach was taken by Milton Keynes, where the vote for a higher budget option was added to the middle option in order to give an overall majority for one option.

Both these approaches for allocating preferences can be defended. They are preferable to the practice of looking at a 35:32:33 vote split over budget options stretching from low, medium and high and suggesting that the public clearly chose the first option. When it comes to tests of opinion over budgets (whether informally through surveys or more formally through referenda) it would be better to have either a second preference expressed, or an agreed means of combining preferences advertised prior to the survey/voting. People would then at least understand the rules under which their preferences were going to be counted.

## Feedback

It is one of the great truisms of advice on consultation that it is vital to feedback the results to the public. Truism it may be, but it is not easy to deliver effective feedback. The choice to make is whether you are feeding back what you have learnt from different sources or rather what you have decided in the light of the consultation exercises you have undertaken. The latter strategy is probably the one that should be adopted. The real challenge in feedback is to show people how their views have been taken into account. It is not necessary to explain every last choice made by the council in the light of a complex budget-setting process and an equally complex set of opinions provided through consultation.

In short, feedback is about communication and the general lessons outlined in Chapter 4 of this document apply. The task at hand is to present information to the public and stakeholders about the decisions that have been made and the way their views have been taken into account. Some of the key points to consider are:

- Using existing channels of consultation and communication that the council already has to hand, ranging from presentations to various forums to any newsletter, newspapers or websites that the council has in operation.
- Use the established external media (both print and broadcast) to get the key features of the budget across and demonstrate the impact that consultation has had.
- Use imaginative and innovative techniques to get the message across that the views you have collected have made a difference. This might range from poster campaigns to a special event to publicise what has been decided and why.

In effect, your commitment to feedback takes you back into the next round of consultation over the budget. The feedback that you give will provide the launching pad for next years consultation in at least two senses. First, it can provide information that helps people better understand the financial and budget position of the council. Second, it can help to convince people that their views make a difference and so encourage them to engage in the next round of consultation.

# ANNEX 1

## Research methodology

The research approach involved in-depth case studies and a literature review, and aimed to find evidence of good practice and lessons learnt in local authorities on consulting local taxpayers over tax and spend issues.

### THE CASE STUDIES

Ten authorities were purposively selected for the study in consultation with an Advisory Forum of local authorities with experience in finance and council tax consultation. Case studies were chosen to reflect the following characteristics:

- experience of consulting the public on tax and spend issues;
- type of authority;
- political control;
- geographic location.

The authorities that participated as case studies for the research are as follows:

- Northamptonshire County Council
- Hertfordshire County Council
- London Borough of Croydon
- London Borough of Sutton
- Milton Keynes Metropolitan District Council
- Kirklees Metropolitan District Council
- East Riding District Council
- Dacorum District Council
- Birmingham City Council
- Bristol City Council

In-depth interviews were conducted with officers and members from each selected authority. The interviews were conducted by researchers from MORI and INLOGOV (University of Birmingham). Where possible, a local authority finance expert accompanied the researchers.

### REVIEW OF LITERATURE

These guidelines were also informed by a review of relevant material on consultation, including academic literature, previous guidance and documents developed by local authorities. A summary of the literature review can be found at Annex 3.

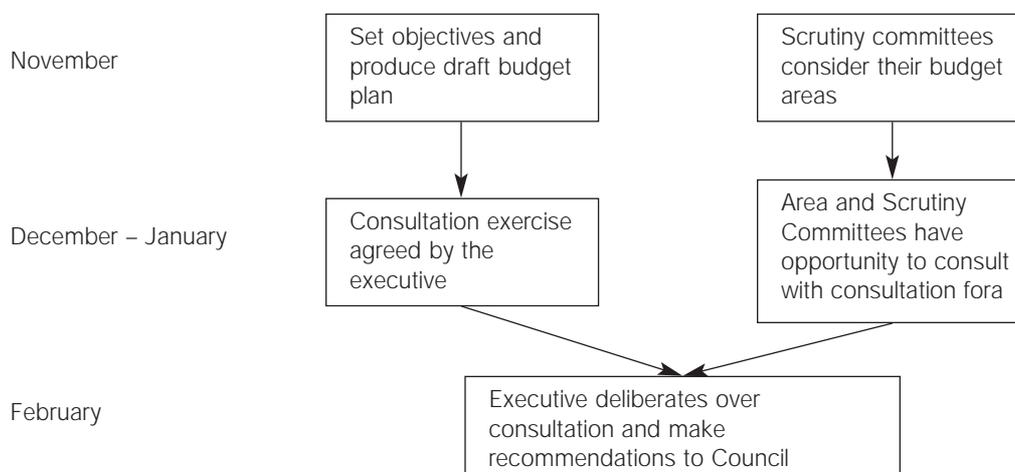
## ANNEX 2

# Examples from the Case Studies

### 1. NORTHAMPTONSHIRE COUNTY COUNCIL: A VARIETY OF TECHNIQUES

During 2000/1 and 2001/2 Northamptonshire County Council undertook consultation in a number of ways including:

- i. Convening area located meetings consisting of Citizens' Panel members plus other invitees;
- ii. Budget issues being raised as part of the agenda of other routine fora, though these were not convened as budget consultation exercises;
- iii. Budget proposals were issued as consultative documents to both district and local parish/town councils, other public agencies, voluntary and business sector organisations and other stakeholders



- iv. Through internal scrutiny arrangements and via Area Committees
- v. Via public internet and staff intranet feedback

The timing of the consultation process was as follows:

For both 2000/01 and 2001/02 the council took its budget consultations forward in new ways.

The aim was to reach beyond the usual interest groups and contact a wider range of people. Indeed, whilst accepting that the 'usual suspects' and powerful groups/lobbies would express their opinions, councillors were concerned to ensure that the consultation process was as broad and inclusive as possible and that all those that wished to contribute were able to do so. As one member commented in interview: "we wanted to ensure that the quiet voices would be heard". Despite what was seen by the council as a relatively inexpensive outlay, the council was subject to critical comment from some elements of the local media for wasting money on such an exercise.

In 2000/01, Northamptonshire opted for ten ‘Public Sessions’ or conferences in place of routine public meetings, led by external facilitation provided by the ‘Neighbourhood Initiative Foundation’.

*“we felt it important that the exercise should be aimed at setting policy priorities for the public rather than asking the public to identify what level of the budget they would like to pay – this was an important departure. We felt it important that we be identified with providing brand services people want rather than finding savings within the budget” (NCC officer)*

The sessions were designed to be deliberative and not statistically representative. Levels of attendance varied within a range of five to fifty. At the sessions:

- members and officers were not specifically invited – this was to prevent their dominating the proceedings;
- those members and officers that were present were asked to observe for the purposes of feedback into the decision making process;
- participants undertook various ‘hands-on’ exercises including the fictitious ‘shopping basket’ for purchasing items with a limited budget.

It was felt that this process had been positive in terms of the following:

- (a) informing the council of public priorities, and
- (b) allowed participants to become aware of policy making and budgetary pressure realities.

In 2001/02, five ‘public sessions’ took place around the county, facilitated by ‘Community Consultants’. 3500 people were invited to attend using Citizens’ Panel members. In addition, other stakeholders were sent budget information and invited to respond either in writing, through the Internet or by phone. Other stakeholders included:

- previous consultees from other consultation exercises
- voluntary sector bodies
- borough and district councils and local town/parish councils
- MPs/MEPs
- Health Authority
- Police Authority
- business sector organisations

Over 250 people attended the events. A research company was commissioned to undertake reminder telephone calls, which was perceived as increasing turnout. Many other people came along to the events, having seen information in public libraries or having received material as identified stakeholders. Many of these people came as representatives of an issue or single interest. The facilitators dealt with these groups as a separate, but involved, part of the process.

Invitees received a briefing pack listing detailed proposals for possible budget savings and growth items, but some felt it too detailed. Staff and service-users were able to note whom and where services may be cut in some detail, which caused uncertainty and some anxiety amongst employees and service-users. The detailed information was also picked up by the local media. The overly detailed brief was regarded to be a mistake and is not to be repeated.

In one of the sessions, the local district council also presented its own budget options for consultation. It was felt that this joint approach was positive.

*“Where we took a joint approach with the districts, members of the public were more able to distinguish who provides what services and how the council tax bill is divided. This assisted both the district and us. It also reduced the chance of us duplicating budget consultation exercises”.* (NCC official).

In addition to the public sessions, the Internet was also used. Approximately 1500 hits were received. Most were believed to be from staff. A positive view was expressed in terms of employees being an important consultee population. In most cases, responses were rich in opinion and useful for considering options.

Officers and members recorded the proceedings of the Panel Meetings and Fora. These were analysed by Cabinet members at their budget meeting in order to make a final executive meeting.

## KEY LESSONS

- **Consultation can advance the legitimating of decisions**  
A decision was made to shape budget proposals around a 5% increase in council tax. This would have impacted on some direct service provision, given other commitments beyond the council’s control and the desire to move some resources to local priorities. The consultation process indicated generally that people did not want a reduction in services and would be prepared to see a greater level of council tax increases. Naturally, a substantial increase did result in opposition criticism. The opposition concentrated their criticism less on the results of the consultation and more on the process by which it was conducted. The media also gave negative coverage. In both cases the Leadership felt able to defend their final executive decision made as a result of the consultation.
- **Timing was difficult**  
The public have little say within the objective setting process and are only left to consult on resultant effects of the council tax: service level ratios. It is intended that from April 2002, consultation will occur in two stages:
  1. Consult on objective setting as part of the developing council Plan for the next three years. This will outline areas of spending priority;
  2. Further detailed consultation will take place later in 2002 based upon set objectives in order to finalise the council tax decisions for 2003/4.

- **In-house skills and competencies need to be matched by external support**

At the five sessions, experienced and independent facilitators were chosen to preside over events. Some concern was expressed that the facilitators did not possess sufficient knowledge on the technical points of local government finance. To redress any deficiency, members and officers were present to answer questions.

- **Engaging ‘ordinary people’ is difficult but unplanned input proved to be valuable**

Whilst the attendance was by invite only, various others did attend. For example, the representatives of local scout groups with concerns over the future community use of schools and residents of a care home proposed for closure came along to meetings. Whilst this might result in unrepresentative minorities being particularly vocal at an event, councillors actually noticed that the uninvited groups made a positive and valuable contribution alongside the Panel members. Moreover, direct contact between members and groups attending the various events provided a greater insight to the problems experienced by those groups. As one councillor commented that the meeting attended by the scout group was very useful.

*“We realised what an impact our decision would have on them and that it would be an immediate impact, which we hadn’t appreciated. We were able to negotiate far better as a result of the consultation and respond appropriately”.*

- **Councillors need to be involved but to take a back seat**

An interesting element of the consultation was the decision, described by one councillor as: *‘keeping members out of the deliberative process, as much as possible, to avoid it degenerating into argument, and to avoid defensiveness on the part of the council’.*

Whilst it is a truism that majority party members will be inclined to defend the council, and for that matter minority group members to attack the council, members do have a vital role to play in the deliberative process, particularly as conduits between communities and the council. Minimising councillor input to the deliberative process avoids their dominating the consultation process and drowning out the quiet voices.

## **2. DACORUM AND CONSULTATION THROUGH SIMALTO (SIMULTANEOUS MULTI-ATTRIBUTE LEVEL TRADE-OFF)**

Changed circumstances meant that Dacorum had to consider some squeezing of its budget. Members argued that it was essential to engage the public through the consultation process and gain *‘the backing of as many of our residents as possible’*. This aim was not only to identify what services needed to be cut but also those that justify support and the resultant council tax required to support them.

As a result, Dacorum chose SIMALTO as their primary consultation exercise. The council believed that it was essential to choose a methodology that would combine both qualitative and quantitative methods with a mind towards informing longer term decisions over forthcoming years as well as the immediate budget. It was felt that SIMALTO would achieve both ‘representativeness’ and detailed opinion to inform this process.

The council decided not to include the entire budget within the consultation exercise. Only £600k of expenditure was included on the basis that other budget headings related to the provision of services with little or no direct interest to the council. In terms of timing, the Authority undertook consultation between November and January. The cost of the SIMALTO exercise was around £14k.

On the basis of the complexities of the exercise, the volume of researchers required and the number of interviews, the council decided to contract out the function to an independent consultancy. The 'independence' of the consultancy was believed to add legitimacy to the exercise. The council gained access to SIMALTO data for analysis via the consultant's password protected website.

The decision to adopt SIMALTO was made by the Cabinet in the September prior to the RSG settlement. This allowed final arrangements to be put in place with the consultants and in turn the appointment of interviewers. Whilst the consultants managed the day to day aspects of the survey, the Head of Communications was still required to spend most of her time managing the project in order to achieve success. It is clear that even with outside assistance, a council choosing this option still needs to plan thoroughly and allow sufficient time for officers to undertake preparation and analysis.

SIMALTO is designed to allow policy makers to trade off competing demands in order to make a final decision. Just over three hundred residents were interviewed in their homes. The selection of those interviewed reflected the diversity of the local population. Initially over a thousand people were contacted and then sifted to ensure a high degree of representativeness in the sample.

After a general discussion people were asked about some specific budget options. They had to rule out those that they found totally unacceptable and highlight three or four issues of importance to them. They were then encouraged to 'spend' increasing levels of points on packages of services that they thought were most in need of additional support. At the end of the interview they were asked whether they would be prepared to pay a higher council tax to reach the different levels of higher spending.

Once all the interviews had been conducted the results were fed into the SIMALTO software package which in turn created an 'ideal' budget option. One that on the basis of the preferences expressed through the allocation of points would most satisfy people. The model could also be manipulated to look at the satisfaction ratings of other options or set a goal of 80% satisfaction to see what budget it would come up with.

The greatest benefit of the method is that it provides insights on the basis of a more representative sample that might be obtained by other means, for example a general leaflet mail-out. It also allowed for reflective judgement on the part of the people involved.

### **3. HERTFORDSHIRE COUNTY COUNCIL – REVISING YOUR APPROACH**

In 1999, Members of Hertfordshire County Council decided that 'tax and spend' issues were so important that the public should be consulted. Consequently, a six-page consultation document was sent out to all 400,000 households. Residents were asked to indicate a preference from three levels of possible taxation and their relative implications as far as service provision. 11,000 people responded. The majority of replies were for the middle of the three options. However, when the document was being prepared and

delivered, the council did not know what the settlement from central government would be and therefore had to make some assumptions when presenting the three options. In the end, the settlement was better than had been anticipated and the authority was able to achieve a 'standstill' budget at a lower level than had been anticipated. Rather than being praised for this, the authority was criticised in the local press for having consulted on three options but deciding on 'option 4'.

One other significant problem occurred with this consultation exercise. Local agencies were employed to deliver the forms, but the authority was far from confident that universal distribution was achieved. There was no way to establish whether the views expressed by the 11,000 who responded were representative of the population.

#### **What Hertfordshire did next...**

The next time round Hertfordshire decided to make use of the Citizens Panel to help ensure the consultation reached beyond the 'usual suspects'. The Panel members were originally recruited by MORI: a large number of 'sampling points' were selected at random across the county. Within each point, trained interviewers carried out interviews in respondents' own homes. Measures were put in place to ensure that those interviewed provided a spread across gender, age, work status, etc.

For the budget consultation, self-completion questionnaires were sent to all 2,737 members of the Hertfordshire Panel, and a total of 1,221 were returned in the month-long fieldwork period, representing a response rate of 45%. Data were weighted by gender, age, social class, district and working status. Over half of the Panel members favoured the highest increase, with 20% favouring the middle option, and 16% the least increase.

The Panel was also the source of a group of 19 who took part in a community workshop on the budget. Panel members were telephoned at home to ask them to attend. Using demographic information collected at the time the Panel was set up, recruiters ensured that a cross-section of the County was represented. Participants were offered an incentive to help ensure attendance. On the day, there was some broad discussion about quality of life, attitudes towards the county council services and the council's promises for next year, to break the ice. After that, participants were given a presentation by Bill Ogley, the Chief Executive, outlining the services provided by the county council, the council's sources of income and what the money is spent on. After this, two group discussions took place about participants' preferences for the level of council tax increase and reasons for selecting different levels. Then representatives from both groups presented the findings and following the presentations there was further discussion by participants. At the end of the day, the respondents had developed an informed, but not consensual, view of budget priorities.

Consultation on tax and spend is now tied into consultation on overall priorities and the Best Value Performance Plan. The process is now about setting priorities for the following year that run concurrently with the budget cycle – '*so we now know that the budget and the priorities are aligned*'. The Citizens Panel and focus groups are used for this work. It is felt that this results in a more cost effective means of canvassing residents opinions. Participants are surveyed by post. The authority has also invited a small number (19) of panel members to a one day 'Budget Priorities' Workshop in which they were more fully informed of the various tax and spend options.

#### 4. OXFORDSHIRE COUNTY COUNCIL: ENGAGING RESIDENTS IN 'REAL' TAX SETTING

Although Oxfordshire County Council was not a formal case study for this research, it does serve as a useful example of how an authority can approach council tax consultation, and so is included here as an illustration.

Oxfordshire County Council (OCC) has consulted with residents since 1998 on budget priorities and council tax levels, including formal consultation, face-to-face interviews, telephone interviews and qualitative research.

Residents' surveys of budget priorities have played an important part in Members' decision-making, and the council as a whole has found the outcomes of its quantitative research useful in obtaining an overall picture of the level of council tax that Oxfordshire residents would support. But survey work has proved to be frustrating for councillors who have felt unable to tease out which specific budget policies residents support or oppose. There have also been concerns about respondents' interpretation of the options presented, and of presenting options before a budget ceiling has been announced.

This year, OCC decided to go further and understand why residents hold their views. The county council was also interested in the impact of thoroughly briefing residents and in how a group of residents can successfully become engaged in the difficult decisions facing Members.

This pointed towards a qualitative research approach and therefore Members decided to hold a community workshop to undertake 'real' budget modelling, to explore in detail the public's attitudes to council spending and tax levels.

A full day of discussions took place, moderated by a research company, with briefings on the county council's finances by Council Leader Keith Mitchell and County Treasurer Chris Gray. These included budget-setting priorities and visions for the future. At the end of the day, participants were asked to manipulate the county council's 'real' budget model, to reflect their earlier discussions. The model was a spreadsheet, prepared by the Treasurer's Department, which enabled participants instantly to see the effect of their 'decisions' on overall council spending and, in turn, on the level of tax increase. Each group of residents in the workshop was charged with negotiating their preferred budget and council tax increase. Officers from the Council's Treasurer's department manipulated the budget model on instruction from participants in each of the discussion groups, while the moderator probed respondents as to why they made the decisions they had. The council representative along with a nominee from each of the discussion groups, then fed back to the final plenary session their group's conclusions.

Following their informed discussions, all three groups opted for a council tax increase in excess of the amount presented by the County Treasurer to safeguard existing services (6 per cent). Two of the three groups proposed an increase of around 12 per cent. Most participants considered that service improvements justified council tax increases and that they would be prepared to meet the required amount. As the workshop progressed, participants became notably more knowledgeable about the council and developed a genuine appreciation about the complexities of the tasks facing their elected representatives. As one respondent put it:

*“(The day) gave me a good insight into the responsibilities and decisions the Council has to deal with. Good luck!”*

This brought about a shift in attitudes from ‘critical’ of the council to ‘happy to be consulted’. Participants welcomed the opportunity to be consulted and became impressively engaged with their task:

*“Very enjoyable and enlightening... It’s good to feel one can have some input.”*

Both councillors and participants thought the day was an overall success. The approach highlighted the importance of having experienced moderators and of involving briefed officers in the model manipulation sessions – as opposed to the usual qualitative approach of clients taking the role of ‘passive observer’. Indeed, OCC representatives were an active and integral part of the day. By fully briefing them and involving them in the methodology, the approach proved more creative and productive. The day also showed the importance of preparation: having a well thought-out topic guide and approach, as well as considered projective techniques and stimulus materials. It was critical that the research team maintained continuity in their approach in the provision of information on the budget options (for example, by the use of hand-outs and flipcharts), and with the approach to model manipulation. Researchers also needed to allow adequate time for respondents to become more knowledgeable about the subject, to develop their ideas as individuals, and then to reflect as a group. The budget model manipulation technique could not have been crammed into a two-hour focus group – it required a workshop format involving a full day of interactive briefings and discussions.

Councillors have found the exercise of great use, with residents’ views being taken into serious consideration in setting the council budget. Council Leader Keith Mitchell who, attended the whole workshop with colleagues from all parties, concluded:

*“I was impressed by participants’ interest and enjoyment of the day. We found it invaluable to hear at first hand what they had to say. There is no doubt in my mind that the workshop influenced the Executive in setting their budget. In particular, it made us rethink our approach to the development of a Contact Centre as well as influencing our views about the level of council tax.”*

## ANNEX 3

# Scoping review – existing literature on consultation

### *“It is our money anyway”<sup>13</sup>*

This study, commissioned by the DETR and carried out by the National Centre for Social Research, aimed to explore current methods and approaches employed by local authorities to consult their residents on their budget-setting. The project involved case studies in seven authorities, which were purposively selected to reflect the range and diversity of local authorities.

The project involved in-depth interviews with members and officers from the seven authorities, and focus groups with the general public in each authority. The project focused on referenda, self-completion questionnaires, public meetings and qualitative approaches (eg focus groups or discussion workshops). No distinction was made between qualitative approaches generally, and deliberative approaches specifically.

The key messages for best practice for authorities to come out of the research were:

- The necessity to overcome cynicism and to persuade the public that their views are being taken seriously. Objectivity and feedback were seen as the key to achieving public confidence.
- The key challenge authorities faced was the presentation of financial information to enable the public to understand the issues and make informed decisions. The public preferred information to be presented in the form of diagrams and pictures, and were keen that information should make clear what level of service an individual household or area could expect to receive.
- The profile of local authority plans and the constraints under which local authorities operate need to be raised. The report suggests that this could be achieved by means of ‘public forums among selected cross-sections of the community and high levels of publicity for the event, outcomes and its impact on council plans’.
- The findings suggested emphasis should be put on multiple approaches to ensure the ‘inclusiveness’ of the consultation. The public prefer consultation which ‘goes to them’ and for an opportunity to express views on issues relevant to themselves or their locality.
- Two-tier authorities were keen to improve communication and collaboration with each other to avoid duplication and to combat the confusion the public often feels vis-à-vis the differences in responsibilities and budgets of the two tiers.

<sup>13</sup> *“It is our money anyway...”: Lessons learnt from giving the public a voice in local authority spending decisions* ISBN 1 85112 366 0 £25 (DETR, March 2000).

- Internally, two key lessons to be learned are the close involvement of officers with marketing and/or research experience in consultation exercises, and the need to have councillors and departments from across the authority committed to the consultation exercise.

## *Revisiting Public Perceptions of Local Government: A Decade of Change*<sup>14</sup>

This study, commissioned by the DETR, and carried out by the National Centre for Social Research, was designed to measure the extent of popular knowledge and engagement with local government in England. Issues covered included: basic knowledge of their local authority and political control; local government services; and council finance. Satisfaction with services and information provision were also covered. Attitudes towards and willingness to take part in consultation initiatives were also measured.

The project involved 2,074 face-to-face interviews with a random sample of English adults aged 18+, in March and April 1999. The overall response rate was 65% and data was weighted to correct for selection and response biases.

The survey found some confusion surrounding council functions, which is bound to impact on residents' abilities to make informed judgements on local authority finance issues. For example in single-tier areas, 30% thought that schools were provided by central government and 23% that hospitals were provided by their local council. In two-tier areas, 49% thought that hospitals were provided at either district or county council level.

The majority of the population (64%) believe that councils should have the final say in deciding council tax, with no difference by party allegiance as had been the case in previous surveys before 1999. However, 41% perceive that central government currently has all or a large say in setting council tax. Likewise while only 23% knew that central government is responsible for setting the business rate, 64% think local councils should have this power. This would suggest there is popular demand for more local autonomy in setting local taxes.

Although around two-thirds of people (68%) recall receiving an explanatory leaflet with their council tax bill, only 15% say they have actually read it. Though fewer people say they had received a newspaper from their local council (58%), 27% say they have read it, suggesting that local authority finance issues are considered less important, interesting or comprehensible than other local authority issues. Perhaps reflecting the increased difficulty people have in comprehending finance issues as opposed to other council issues, 58% feel their local council kept them very or fairly well informed about the services it provides, falling to 39% who say the same about financial matters. A fifth of people in two-tier areas say their county council keeps them well informed about finance issues; this reflects people's perceptions of county councils as being remote institutions (which MORI often finds), and the fact that official council tax communications come from district councils. Two in five say they have not seen any information about their county council finances, compared with 16% who say this of their district council.

<sup>14</sup> *Revisiting Public Perceptions of Local Government: A Decade of Change* ISBN 1 85112 367 9 £20, (DETR, March 2000).

Unsurprisingly, given low turnout in recent years in local authority elections compared with general elections, a third of the population say they have a great deal or a fair amount of interest in local politics, and this has obvious implications for the very political process of local authority budget-setting. However, 45% claim they would be interested in taking part in an important decision about their council's budget. Twice as many (60%) say they would trust a referendum of local people to come to the best decision about increasing the council tax always or most of the time, as would trust local councillors (30%).

## LGA Survey on details of local authority consultation on budgets and council tax in 2001/2

This survey, conducted by David Maddison of the LGA, asked all local authorities whether they intended to consult over the 2001/2 budget-setting process and the audience and method of consultation they used. A proforma was sent to each authority and 91 responses were received. The results are based on unweighted data.

All of the respondents to the survey (91 of 388) said they intended to consult over their budget-setting process in 2001/2.

Of the audiences intended to be consulted, businesses appear to be the main constituency asked their opinion (not surprisingly, as there is a statutory duty to consult businesses), with 88% of authorities of the survey doing this, followed by 42% who consult council taxpayers, 20% who consult their staff or trade unions, 19% consulting voluntary sector, and 12% consulting schools. Around 48% say they consult other audiences, and these vary quite widely from parish councils, council tenants, area forums, to minority groups, churches, Citizens' Panels and other council partners.

The predominant method of consultation appears to be meetings, with two-thirds (66%) of the authorities responding to the survey saying that did this. Less than half use other methods, with 35% using letters or questionnaires, 25% leaflets, newspapers or adverts, 21% market research (focus groups or Citizens' Panels), and 2% using referenda. Around a third (37%) say they use other methods, some quite innovative, for example an internet version of a 'taxometer' used by Cheshire County Council, roadshows and radio phone-ins used in the Isle of Wight, and presentations to area forum meetings (Barnsley Metropolitan Borough Council).

There are a number of possible implications to be drawn from these findings, although we should be wary of the fact that most authorities failed to respond.

- Many authorities make little effort to consult beyond traditional approaches among largely self-selecting audiences;
- There are examples of innovation.

## *Attitudes to Local Tax and Spending*<sup>15</sup>

This study, a re-analysis of British Social Attitudes survey data, is presented in a commentary paper by the Institute for Fiscal Studies. In the 1996 British Social Attitudes survey carried out by the National Centre for Social Research, a module on local tax and spend issues was included, which was asked of a third of the sample (1,200 randomly selected British adults). The sample included 149 out of the 459 authorities in Great Britain in 1996, and 43 out of the 55 shire counties (including Scotland). The module was designed to answer three questions:

- Is there evidence of public demand for greater local autonomy on tax and spend issues?
- If local authorities had greater autonomy, is it likely that councils would face pressures for higher local spending?
- For which local services are there likely to be pressures to change spending decisions and are these due to self-interest or altruism or both?

The report acknowledges that 'there has been very little research into public support for (or opposition to) increased local autonomy over taxation and public spending decisions'.

The analysis demonstrated that levels of support for less central government control over local authorities have been broadly consistent from 1983 to 1996. Around 40% have consistently said that central government should exert less control with around 10-20% saying they should have more. There is a link between views of whether central government should have more or less control over local authorities and those who support or oppose local tax determination. Over 80% of those who want less central control over local authorities support local tax determination; by contrast 35% of those who want more central control over local authorities support local tax determination.

However, a majority do think that local councils should have the final say over the level of local taxes, though this has decreased from 75-80% in the mid-1980s to 68% in 1996. There are significant regional variations with respondents in Greater London least likely to favour local councils having the final say (54%) than those in Scotland and Wales (over 80%).

The analysis showed that people are more likely to support higher spending at the national level (63%) than at the local level if local taxes had to rise to pay for it (21%). The analysis found 'there is a close correspondence at the individual level between support for changes in local spending out of self-interest and out of the interests of the area as a whole'.

Multivariate analysis of the two key components of individual support for changes in spending (personal benefit and benefit for the area) on each of seven local services (schools, services for the elderly, services for children, street cleaning, leisure services, local housing, and local police) was carried out. This demonstrated that for each of the seven spending areas, if they thought a spending increase would increase their council tax bill, people were less likely to see the extra spending as being in their interests or in the interests of their local area.

<sup>15</sup> Attitudes to Local Tax and Spending (John Hall, Carl Emmerson and Lindsay Brook, The Institute for Fiscal Studies, Commentary 68, February 1998).

## *Modern Local Government: Guidance on Enhancing Public Participation*<sup>16</sup>

This document, written by Professors Lowndes, Stoker, Wilson, Leach, Dr Pratchett and Melvin Wingfield, aimed to 'help officers and members in local authorities to think through and then advance their approach to public participation'. Essentially it aimed to guide local authorities in how to develop a more systematic approach to participation within local authorities.

The key messages from each chapter were:

- In the last thirty years local authorities have increasingly consulted more with the public they serve and developed a range of approaches for doing so. The election of a Labour government in 1997 committed to see more effective public participation in decision making has meant that 'engaging with the public has become a touchstone for the general effectiveness of local authorities'.
- The key to 'unlocking the challenge of advancing effective public participation' is recognising the gap between the public and 'officialdom'. Issues that need to be fully recognised are the public perception (however fair or unfair) that local authorities are remote and bureaucratic institutions, and that to engage the public they need to be convinced that something worthwhile will be achieved by their investment of their time and effort. It also needs to be recognised that both members and officers can be sceptical about the virtues of participation. An honest assessment of the tensions raised in promoting public participation is needed for it to be effective.
- The document goes on to argue that the real challenge is to ensure participation is a mainstream feature of an authority's activities and not a 'bolt-on extra'. Therefore authorities need to assess their own consultation, communicate their commitment to consultation, build capacity to carry it out and ensure the results impact on decision-making structures.
- Another challenge for authorities is to comprehend what they are doing, why they are doing it and whether it is achieving its objectives. Issues revolve around the evaluation of current consultation exercises and developing a comprehensive resourcing strategy for it.
- In addition to thinking carefully about the strategic and evaluative approaches, authorities need to focus on communication of the core elements of their consultation strategy to members and other stakeholders. The scope and limitations of consultation initiatives need to be communicated.
- Development of consultation depends on developing capacity among the public and among the authority's staff. Training is key to building support within an authority while the public may benefit from citizenship education.

<sup>16</sup> *Modern Local Government: Guidance on Enhancing Public Participation* ISBN 1 85112 124 2 £10, (DETR, October 1998).

- A more connected approach between consultation and political and managerial processes needs to be developed. To overcome the public perception of officialdom as monolithic, effective strategies are necessary to work together with other government agencies.

## *Feeling the Pulse: Interpreting and Using Public Opinion Research in Local Government*<sup>17</sup>

This report, written by Simon Atkinson and Ben Page of the MORI Local Government Research Unit on behalf of the IDeA, was intended as a guide for local authorities on how to interpret and use quantitative opinion surveys. The guide focuses on four areas – aims and objectives, analysing the results, how results can be used corporately, and communications.

- The key four points are: remembering the original objectives of the research; understanding the differences between research and consultation and their respective merits; ensuring the work fits in with Best Value reviews; and ensuring that all stakeholders are involved. Understanding the strengths and limitations of the methodology (eg sample size, profile, seasonal factors) are also important.
- The Analysis Stage section focuses on key things to look for when analysing results – the overall picture, whether views are consistent across the population, what is most important to service users, what do we know about expectations. It emphasises the importance of comparing findings, with other council services, other authorities, and historical trends.
- The ‘Corporate Dimension’ chapter sets out how to use survey results given the various constraints local authorities operate under, particularly the tough limits on public expenditure and the extra roles authorities have been given by central government, such as community leadership. Thus important issues to look at are the relative importance attached to services and current perceptions of them, and statistical analysis to understand what is driving attitudes.
- The chapter ‘Getting the Message Across’ focuses on how authorities can identify priorities from the research – which findings do not require action, which things cannot be changed in the short-term, which results highlight a communications need, and which results highlight the need for more action. The guide suggests focusing communications requirements on three key areas – who the audience is, method and content of communication.

<sup>17</sup> *Feeling the Pulse: Interpreting and Using public opinion research in Local Government* (Simon Atkinson and Ben Page, September 2000).

## *New Council Constitutions: Consultation Guidelines for English Local Authorities*<sup>18</sup>

This document, written by Professor Gerry Stoker of the University of Manchester, and Dr Colin Copus and Frances Taylor of INLOGOV (University of Birmingham) set out guidelines for local authorities to consult over the introduction of new political management arrangements. The Local Government Act 2000 places a duty on authorities to consult, and the guidance set out ways authorities could ‘approach, organise and design consultation in line with the requirements of the Act’ and engage ‘the public and other stakeholders in a debate’ to ensure ‘consultation is open, transparent and responsive’.

The guide focused on five areas: getting into the right frame of mind, launching the debate, enriching the debate, meeting specific challenges and coming to a judgement.

- **Getting into the right frame of mind** argues that consultation should be seen as an opportunity for a wider ‘health check’ on the state of local democracy, and stresses the challenge that consultation is (arguing for different approaches for different audiences). It also stresses the importance of timetabling and that consultation should be divided into three phases – launching the debate, engaging the public and coming to judgement.
- **Launching the debate** discusses how to provide information in a fair and balanced way. Using the findings of focus group discussions, the authors advocated the use of a variety of mechanisms for distributing and presenting information, providing information through familiar routes as well as unusual channels, avoiding jargon, using plain language and good quality design, and utilising information from non-local authority sources to demonstrate information is not biased or partial. Based on the focus groups, the guidance argues for the presentation of the context and principles underpinning the debate, the clear presentation of the basic options (without using ‘jargon’) and the key distinctive features of each option that need to be explored before a decision is made.
- **Enriching the debate** sets out core principles of good practice for consulting both the public and stakeholders on complex issues. It outlines three general aims authorities should have – providing information, listening to the public and exchanging ideas with them. The authority firstly needs to identify the stakeholders to be consulted, and identify who is to ‘lead’ the consultation exercise (bearing in mind the importance of overcoming ‘they’ve already made up their minds syndrome’). The guidance then stresses the importance of selecting the right consultation method for each audience, bearing in mind the necessity to ensure representativeness and depth to consultation, the nature of the population, the degree of detail that require the public’s views, and the existence of established channels to save on set-up costs. The guidance argues that ‘qualitative methods are key to engaging stakeholders and forums’ and suggests using specific events to engage them. Two potential issues of concern the guidance addresses are ‘have we done enough’ and ‘how do we avoid the public thinking the result is a foregone conclusion’. The first, it argues, is dependent on the size and type of authority and the available resources, and the second on the behaviour of the councillors.

<sup>18</sup> *New Council Constitutions: Consultation Guidelines for Local Authorities* (TSO, October 2000).

- Meeting specific challenges suggests seven challenges authorities face when consulting on political management arrangements, three of which are pertinent to consultation on tax and spend – hard-to-reach groups, two-tier areas, and being prepared for the public response. For hard-to-reach groups, the guidance suggests using focus groups, using existing community and social networks, using public bodies working with hard-to-reach groups (eg voluntary sector), and placing information material in regularly visited places. The key to consulting in two-tier areas is ‘to adopt a co-operative, systematic, yet flexible approach’ and ensure people are aware of the respective divisions of responsibility. The guidance warns of the pitfall that ‘people may well want an answer to questions that are not relevant’ and suggests that ‘a careful balance is needed between allowing the public and other stakeholders to debate the issues they feel are important and giving some direction to events to avoid the unhelpful issues’. Careful management of events and deliberation is the key here.
- Coming to a judgement identifies three main issues – who should judge, how the responses should be weighed, how the judgement should be fed back. The guidance says ‘it would seem appropriate for public opinion to dominate at least in terms of the broad option’ and ‘letting the opinions of partner agencies take a more dominant role in deciding the detailed aspects’. The guidance suggests more weight should be placed on quantitative evidence for the choice of option, and on qualitative research for details of arrangements. Although the guidance anticipates local authorities making the judgement, it suggests an ‘independent commission’ could be useful to avoid the perception that the outcome is not pre-ordained. Feedback on the judgement is important – indeed ‘the care taken to consult in the first place should be matched by the care taken to inform the public of the outcomes’.

## References

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*Attitudes to Local Tax and Spending* (John Hall, Carl Emmerson and Lindsay Brook,  
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*Modern Local Government: Guidance on Enhancing Public Participation*  
ISBN 185112 124 2 £10 (DETR, October 1998)

*Feeling the Pulse: Interpreting and Using public opinion research in Local Government*  
(Simon Atkinson and Ben Page, September 2000)

*New Council Constitutions: Consultation Guidelines for Local Authorities*  
ISBN 011 753563 X £90 per volume (TSO, October 2000)

These guidelines are designed to assist local authorities in consulting the public on council tax. Whilst guidelines on consultation are available, little has been produced that is specific to consulting on local tax and spend issues – an area that presents particular difficulties. This document draws on the experience of councils and debates with practitioners to provide practical support to those authorities committed to carrying out quality and effective consultation on council tax and budget matters.

Price £12  
ISBN: 1 85112 581 7

