

MAIDSTONE BOROUGH COUNCIL

CABINET

11 AUGUST 2010

JOINT REPORT OF THE HEAD OF FINANCE & CUSTOMER SERVICES AND THE HEAD OF COMMUNICATIONS

Report prepared by Roger Adley/Paul Riley

1. BUDGET CONSULTATION 2011-12

1.1 Issue for Decision

1.1.1 To decide on the form of consultation on the 2011-12 Council Budget.

1.2 Recommendation of the Head of Communications and the Head of Finance

1.2.1 That the Cabinet agrees the consultation timetable and programme set out in the conclusion to this report.

1.3 Reasons for Recommendation

1.3.1 The initial view of the medium term financial strategy for 2011/12 was taken by Cabinet at its meeting in July 2010. That initial view identified budget pressures for savings and efficiencies of £2.8m in 2011/12, £1.6m in 2012/13 and £2.2m in 2013/14.

1.3.2 These pressures exceed the level required from this exercise in previous years by a considerable amount. Recent targets for savings and efficiencies have been:

2010/11	£1.6m
2009/10	£1.4m
2008/09	£1.1m

1.3.3 In preparation for this Cabinet has developed a matrix of services in order to identify those services at three priority levels and at three investment levels.

1.3.4 Following from this priority assessment, individual Cabinet Members have reviewed their services with officers to identify saving and efficiency proposals for Cabinet to consider in September 2010. The

Shadow Cabinet has also undertaken a similar prioritization exercise. Agreement has been reached on a number of topics which will be the subject of joint review between Cabinet and Shadow Cabinet Members with service officer support.

1.3.5 In developing this initial view Cabinet has a wealth of information on public opinion from previous consultation on which it is able to draw. Details of recent previous consultations are given below.

1.4 Previous Budget Consultations

1.4.1 The Council has consulted the public as part of the budget setting process since 2002-03. Various qualitative and quantitative methods have been used including a citizens' panel, focus groups, road shows, meetings, questionnaires, a Simultaneous Multiple Attribute Trade Off exercise, an online budget simulator, and last year a market research exercise.

1.4.2 We have consulted to:

- inform residents of the budget setting process, the council's spending levels and its services;
- find out or check priority areas for spending;
- find out how best to fund schemes or options for specific service elements;
- find out preferences for the funding of service improvements – council tax, increased fees, cuts in services or a combination of all three;
- test support for levels of council tax;
- find out public opinion on future council charges for parking, park & ride, waste removal and the Hazlitt Theatre;
- find residents' preference for increases in council tax levels or cuts in service; and
- to invite suggestions for cuts in service.

1.4.3 Details of previous consultations and what we have learnt is set out in Appendix A.

1.5 The 2011-12 Budget Consultation

1.5.1 Last year the Cabinet decided on a strategic approach to future budget consultation to complement the medium term financial strategy. It agreed that there should be a shift in focus away from questions that consider the immediate future to ones that consider the medium term. It agreed that there should be a rolling programme of subjects and consultation styles over the period of the

strategy to ensure the best use is made of resources.

1.5.2 In order to produce an initial view of the medium term financial strategy for 2011/12 onwards, Cabinet has already commenced some work in advance of consultation. For 2011/12 the approach has three stages as detailed below, with this report considering the possible actions for stage three.

- a) Stage One is raising public awareness of the current financial situation. There has been wide media coverage of the country's economic difficulties, the Government's and reaction to the situation. The consequences for Maidstone Council have been outlined via a press statement made by the Leader. The Leader of the Council and the Leader of the Opposition have spoken to the Business Forum about the need for savings and they have been widely reported in the local press. The next issue of Borough update, in August, includes an article – Massive Savings must be Found;
- b) Stage Two is raising awareness of what the Council does and how it spends the resources it receives on the services it provides; this information will be provided via the media and as contextual information at Stage three;
- c) Stage Three is engagement on the choices around where the money is spent in the future.

1.6 What to Consult About

- 1.6.1 The Government has said that it wants to reduce its spending by 25% over the next four years to reduce the national annual spending deficit.
- 1.6.2 At its last meeting the cabinet accepted that based on the most likely scenario of cuts in grants and other factors the Council will have to make savings of £2.8m next year, and a total of £6.6m over the next three years, in order to achieve a balanced budget.
- 1.6.3 Given that the Council will have to make, and the public expect the Council to have to make, unprecedented savings Cabinet should consider if it wants to consult and engage people to find out the services which are most important to them. This would offer some assurance that priority services will be protected.
- 1.6.4 Alternatively Cabinet Members might wish to consult about specific options for savings and spending or on the Council's priority for prosperity.

1.6.5 A third option would be to combine the two proposals by consulting in two stages. Firstly the plans the Council currently has to achieve savings and secondly the areas of service that the public would expect to provide the balance of savings required. In this option public opinion could be measured for major proposals under consideration.

1.7 Who to Consult

1.7.1 The Cabinet must decide who to consult. This should include stakeholders such as staff, our local strategic partners, businesses, the general public and hard to hear groups.

1.7.2 With high levels of public awareness of the need for public spending cuts and with the high level of savings needed by the Council large scale public engagement is essential.

1.8 How to Consult

1.8.1 Given the need for large scale engagement the Council will have to utilise all its communications channels and undertake a series of engagement events.

1.8.2 The Cabinet roadshows could be utilised and in order to achieve large scale engagement the number of events could be enhanced. The optimum would be to achieve a roadshow event in every ward with involvement of ward members supported by senior officers of the council.

1.8.3 In order to encourage participation and give assurance that priority services will be protected it is recommended that this phase is themed – My Council, What matters to me.

1.8.4 The Council has a modest budget for this consultation exercise and it is recommended that this is used to provide supporting materials including leaflets and display materials and a mechanism at engagement events for members of the public to indicate the services which are most important to them.

1.9 Conclusion

1.9.1 A 12 week consultation programme is recommended around the theme – My Council, What matters to me. The first phase of the programme will raise awareness of the budget situation and Council services. The second phase of engagement activities will encourage consultees to indicate the services which are most important to them. A suggested timetable is set out below.

- 1.9.2 August 2010 – General awareness raising including stakeholder communications, the local media, Borough Update, and staff communications.
- 1.9.3 Week commencing 6 September – launch event with first engagement activity supported by news releases, website, Facebook and Twitter posts. The Council has 800 followers on Twitter and 250 friends on Facebook. These sites could be used to point people to the Leader’s Twitter site where he could engage with people about the issues funding the Council.
- 1.9.4 September – October – My Council, What matters to me roadshow activities at events and meetings including:

- The Local Strategic Partnership
- Neighbourhood Forums
- Cabinet Roadshows
- Business Forum
- Youth Forum
- Older Persons Forum
- Transport Users Group and
- Individual Ward events

1.10 Alternative actions and why not recommended

- 1.10.1 There are alternative approaches but the options above should complement previous consultations and provide valuable feedback for the council to consider in setting next year’s budget.

1.11 Impact on Corporate Objectives

- 1.11.1 The results of the consultation will be considered in framing the corporate priorities and Council’s budget for 2011-12 onwards.

1.12 Risk Management

- 1.12.1 A good consultation exercise addresses the strategic risk of a budget strategy which does not address the needs of taxpayers.
- 1.12.2 Failure to consult may produce a reputation risk for the council.

1.13 Other Implications

1.13.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management

X

1.13.2 Financial –The cost of budget consultation is provided for in the Press and Public Relations budgets.

1.14 Relevant Documents

1.14.1 Appendices

Appendix A – Details of previous consultations

1.14.2 Background Documents

None

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because: ...It affects the whole of the Borough

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Wards/Parishes affected:All.....

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