

From: John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement

Bryan Sweetland, Cabinet Member for Commercial and Traded Services

Andy Wood, Corporate Director for Finance and Procurement

To: Policy & Resources Cabinet Committee 12th December 2014

Subject: Budget Consultation 2015/16

Classification: Unrestricted

Summary:

This report sets out the initial findings from budget consultation which has run from 9th October to 28th November based on the responses to three questions and on-line budget modelling tool. Due to the timing of the meeting we are unable to include all the findings from independent market research or the outcome from workshop sessions with staff, business and voluntary sectors in this report although these will be included in oral update at the meeting.

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to note the responses to the consultation and make recommendations to the Cabinet Member for Finance and Procurement that the findings be reflected in the final draft Budget and Medium Term Financial Plan due to be published on 12th January 2015.

1. Introduction

- 1.1 In common with most other authorities KCC has undertaken consultation on the budget for a number of years. This has proved extremely valuable in helping to set the council's budget priorities. A robust consultation process provides members with the confidence that views expressed represent those of Kent residents and businesses, and is invaluable as the challenge to balance additional spending and reduced funding gets ever more difficult.
- 1.2 The proposed consultation strategy for 2015/16 budget was reported to Policy and Resources Committee in July, building on what was regarded as a successful consultation campaign in 2013 ahead of the 2014/15 budget. Last year's campaign engaged with many more respondents than in previous years, and we received 3,163 responses to the two questions posed and 487 completed responses to the on-line budget modelling tool. These have now been set as the benchmark for future consultations.

- 1.3 The aim of budget consultation is to seek views on strategic direction of travel and key priorities. It is not a consultation about specific proposals and these will be subject to separate consultation prior to implementation.

2. Financial Implications

- 2.1 The consultation sets out forecasts for the overall funding likely to be available for the next 3 financial years, estimated spending based on the current year's performance and future predictions for additional spending demands, and additional savings/income necessary to balance the budget.
- 2.2 The financial equation presented in the consultation is set out in table 1 below. These forecasts will need to be updated in light of the latest information (including tax base information from districts and local government finance settlement announcement from central government) when the final draft budget is launched in January. The consultation identified proposed savings of £85.8m leaving a gap of £7.4m still to be found before the budget is finalised.

Table 1	2015/16		3 years	
Grant Reductions	-£55.8 m	-15.40%	-£118.0 m	-32.60%
Council Tax/Business Rates	£11.5 m	1.99%	£42.0 m	7.20%
Spending Demands	£48.9 m	5.20%	£130.0 m	13.80%
Savings	-£93.2 m	-9.90%	-£206.0 m	-21.90%

- 2.3 There is no specific budget for public consultation (this was taken as a saving in 2011/12). The consultation process itself is largely absorbed without significant additional costs as we have posted material on KCC's website and publicity was via a press launch. There have been some additional costs in producing printed materials and an extra publicity campaign. These have been absorbed with the Finance & Procurement budget as part of the figure reported in paragraph 2.4 below.
- 2.4 The main additional cost relates to the use of consultants to undertake independent market research. This research is invaluable in validating consultation responses to a representative sample of residents and staff (as well as providing more detailed feedback than can be achieved through online consultation methods). The consultants have also helped to develop a budget modelling tool which provides information on relative spending priorities. The overall additional costs have been absorbed against underspends within the Finance and Procurement budget and amount to around £40k.

3. Consultation Strategy & Process

- 3.1 The consultation and engagement strategy for 2014 included the following features:
- KCC led activity
- Press launch on 9th October
 - 3 questions seeking views on Council Tax, approach to savings and balancing the 2015/16 budget open from 9th October to 28th November

- On-line budget modelling tool comparing 22 areas of front line spending open from 9th October to 28th November
- A simple summary of 3 year budget published on KCC website
- Web-chat on 24th October with Cabinet and Deputy Cabinet Members for Finance & Procurement
- Workshops with business and voluntary & community sectors on 27th November
- Staff workshops
- Presentation and discussion with Kent Youth County Council on 16th November

Consultant led activity

- 3 resident workshops held on 15th, 18th and 22nd November
- Staff workshop held on 19th November
- E-mail survey of 514 residents for on-line tool

3.2 In total we have received 1,979 responses to the 3 questions and 853 responses to the on-line tool. The responses to the on-line tool are higher than last year (this is progress and we feel that this tool is better than others available as the Max-Diff approach forces respondents to choose between conflicting priorities and thus provides a unique insight into residents' views and exposes "revealed" rather than "stated" priorities). Initial analysis of the on-line responses to the tool and the market research e-mail survey has highlighted the following key differences:

- 67% of responses to the on-line tool on kent.gov were from people aged 35 to 64 whereas the Lake Market Research by e-mail was 49% in this age group (close to the Kent demographic)
- 97% of respondents to the on-line tool were aware of the financial challenge to make savings compared to 74% via Lake Market Research sample survey

3.3 These key differences would indicate that the on-line tool includes responses from a statistically significant proportion of KCC staff. This does not devalue the results and the views of staff are an important part of the consultation. Previous consultations have not shown any marked difference between the responses from staff and those from residents. The qualitative work from Lake Market Research will provide more information about whether this has been repeated this year, but this research is not available in time for the publication of this report so close to the end of the consultation period.

3.4 The responses to the 3 questions are less than last year but still substantially higher than previous years. We are analysing why responses are less than last year and initial conclusions that there was a surge in interest following press coverage but the existence of the consultation did not register with Kent residents at other times. Nonetheless, the level of engagement is higher than any other year except last year. As with the on-line tool the responses to the 3 questions include responses from staff and the qualitative market research will give an indication whether this has any impact on the reliability of the responses.

3.5 Appendix 1 includes a numerical analysis of the responses to the 3 questions. Appendix 2 includes the sample market research using the budget modelling tool carried out by Lake with a representative sample of 514 residents.

Appendix 3 shows the supplemental questions from the 853 responses to the on-line budget modelling tool on kent.gov (the full evaluation of the tool was not available in time for the publication deadline of this report and will be subject to a verbal update at the meeting). Other feedback from the consultation will be presented as an oral update to the meeting. We intend that this will include an outline of the findings from Lake Market Research consultants although this will be subject to receiving this information in time.

4. Conclusions

- 4.1 Despite the lower than hoped for response to the 3 questions we believe that the overall consultation process has been a success and the combination of all the activity provides members with sufficient evidence to inform the final budget. The qualitative work from Lake Market Research will provide an assurance over the reliability of the responses.

5. Recommendation(s)

Recommendation(s):

The Policy and Resources Cabinet Committee is asked to note the responses to the consultation and make recommendations to the Cabinet Member for Finance and Procurement that the findings be reflected in the final draft Budget and Medium Term Financial Plan due to be published on 12th January 2015.

7. Background Documents

- 7.1 Consultation materials published on KCC website
<http://www.kent.gov.uk/about-the-council/have-your-say/budget-consultation>

8. Contact details

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Analysis of the responses to the 3 simple questions

In total 1,979 responses were submitted. Generally the views expressed remained largely consistent throughout the 51 day consultation period

Question 1: Council Tax			
To preserve the most valued services (especially those we aren't required to provide by law) we are planning to raise additional income through council tax (note this would not entirely remove the need for savings as this would require a 19% increase in council tax). What would you prefer? Please select one option only:			
	Frequency	Percentage	Valid Percentage
a) I don't want an increase in council tax and the council should make more savings to balance the budget.	484	24%	25%
b) I'd accept a minimal increase of 1.99% (1.99% would increase band C charge by £19 a year –the maximum increase allowed without a referendum).	876	44%	44%
c) I'd accept a rise between 2% to 5% rise in order to protect more services from the reductions in funding (this would require a referendum and each 1% would increase band C charge by £9.50 a year).	450	23%	23%
d) I'd accept an increase in excess of 5% to provide greater protection for council services.	159	8%	8%
Left blank / No response	10	1%	
Total	1979	100%	100%

Question 2: Savings over the next three years			
What approaches should we adopt to making these savings? Please tick one or more options:			
	Frequency	Percentage	Valid Percentage
a) Find more efficient ways to deliver the same level of service at a lower cost e.g. by buying in more services from the private and voluntary sectors, sharing services with other public agencies, etc.	770	26%	26%
b) Transform services so they are delivered in a different way with the same or better outcomes at reduced cost e.g. rely more on digital services rather than telephone or face to face contact, support social care clients so they can avoid residential care.	998	34%	34%
c) Remove or stop services which are least valued by Kent residents as identified through evidence-based research.	759	26%	26%
d) Restrict access to services to only the most needy	254	9%	9%
e) None of the above	144	5%	5%
Left blank / No response	20	1%	
Total	2945	100%	100%

Note respondents could choose more than 1 option for this question hence the higher number of responses

Question 3: balance of savings for 2015/16			
We have yet to identify around £7.5m of the savings estimated to be needed to balance the 2015/16 budget. What approach do you think the council should take to close this gap? Please select one option only:			
	Frequency	Percentage	Valid Percentage
a) Increase council tax by a further 1.5% (in addition to the 1.99% already mentioned). Note – this would require a formal and binding referendum which could cost in the region of £1.5m.	176	9%	9%
b) Use money held in the council's reserves. Note – our level of reserves is low compared with other similar councils.	167	8%	9%
c) Raise additional income from other sources e.g. charges for services, tackling council tax avoidance, etc.	842	43%	43%
d) Deliver more savings from the areas identified in question 2.	365	18%	19%
e) Introduce a pay / price freeze for KCC staff / suppliers.	236	12%	12%
f) Other (please specify)	175	9%	9%
Left Blank / No response	18	1%	
Total	1979	100%	100%

Lake Market Research survey of representative sample of 514 residents using budget modelling tool

Resident Profile

- 514 Kent residents were recruited by telephone and completed an online survey sent to them following the call.
- Residents' landline numbers were selected at random and a representative sample of residents were recruited with targets set for age and gender in line with Census 2011 statistics.
- Minimal weights have been applied in terms of age and gender to ensure exact representation with Census 2011 statistics.

Gender: Male 49%, Female 51%

Age: 16-34 28%, 35-44 17%, 45-54 17%, 55-64 15%, 65+ 22%

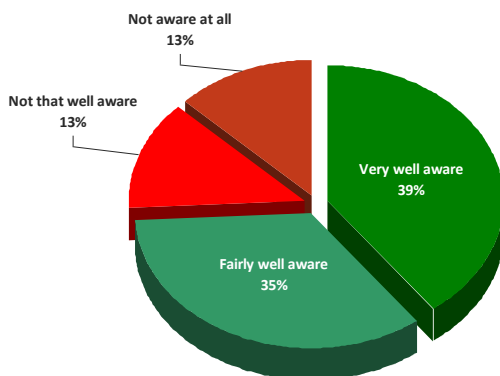
Ethnicity: White 95%, BME 3%, Prefer not to answer 2%

Disability: Yes 8%, 91% No, Prefer not to answer 1%



How aware or not are you that local councils are having to make major budget savings that will impact on current services?

TOTAL AWARE 74%
TOTAL NOT AWARE 26%



% AWARE

Category	Sub-category	Percentage
AGE	16-34:	58%
	35-44:	75%
	45-54:	78%
	55-64:	79%
	65+:	89%
GENDER	Male:	78%
	Female:	70%

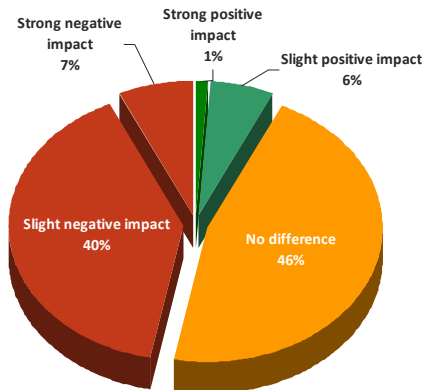
--- Significantly HIGHER than rest of sample at 95% confidence level
 --- Significantly LOWER than rest of sample at 95% confidence level

Base: All answering (unweighted – 514)



Thinking about the savings KCC has made over the last 4 years, what impact have they had on you and your household?

TOTAL POSITIVE 7%
TOTAL NEGATIVE 47%



% NEGATIVE

AGE	Percentage
16-34:	41%
35-44:	45%
45-54:	57%
55-64:	48%
65+:	47%

GENDER	Percentage
Male:	46%
Female:	48%

Equality Act 2010	Percentage
Disabled:	66%
Not disabled:	45%

Significantly HIGHER than rest of sample at 95% confidence level

Base: All answering (unweighted – 514)



ONLINE BUDGETING TOOL – LIST OF SERVICES FOR £1,000 (1)

ADULT SOCIAL CARE

- 2 ½ weeks of residential care for one older person whose needs are judged substantial or critical and who cannot meet the full costs themselves
- 69 hours of home care for an older person whose needs are judged moderate or substantial and who cannot meet the full costs themselves
- 4 days of residential care for one adult with learning disabilities whose needs cannot be met by family or other carers
- 4 weeks of Learning Disability Direct Payments to someone with learning disabilities to enable them to live more independently
- 100 hours of support and assistance for vulnerable people not assessed as needing formal care packages to help promote their independent living

SPECIALIST CHILDREN'S

6. 2 weeks of foster care for a child who cannot live safely at home, provided by a KCC registered foster carer.
7. 1 week of foster care for one child who cannot live safely at home and whose needs are greater than those that can be met by a KCC registered foster carer.

SOCIAL CARE

8. 1 week of social worker time for the assessment of vulnerable adults or children

CORPORATE

9. Responding to 280 email or telephone calls to the KCC Contact Centre



ONLINE BUDGETING TOOL – LIST OF SERVICES FOR £1,000 (2)

EDUCATION & YOUNG PEOPLE

10. 1 week's support for 150 children in children's centres
11. 62 attendances by a young person at their local youth centre or interactions with a youth worker in their local community
12. 1 child with Special Educational Needs transported by taxi to and from school for 9 weeks
13. 4 children given free transport on buses or trains to and from their nearest secondary school for one term, where the school is more than three miles from their home
14. 2 days of specialist advisor support for a school identified as failing by Ofsted

GROWTH ENVIRONMENT & TRANSPORT

15. 100 miles of road gritted in bad weather over the course of the winter
16. 30 average sized potholes in the road repaired
17. 22 faulty street lights investigated and repaired
18. Keeps a household waste recycling centre open for a day
19. 10 tonnes of waste disposed of, enough to support 17 average Kent Households for a year
20. 430 separate library visits, enough for 16 regular library users over the course of a year
21. 3 annual bus passes for young people aged 11 - 15 to access educational or recreational activities via free bus travel across Kent Monday to Friday
22. Approximately 500 fare paying journeys on subsidised bus routes which are considered "socially necessary but uneconomic routes"



ONLINE BUDGETING TOOL – TOP 10 in terms of appeal

	Overall Appeal
2 ½ weeks of residential care for one older person whose needs are judged substantial or critical and who cannot meet the full costs themselves	8.53%
100 miles of road gritted in bad weather over the course of the winter	8.48%
69 hours of home care for an older person whose needs are judged moderate or substantial and who cannot meet the full costs themselves	8.36%
2 weeks of foster care for a child who cannot live safely at home, provided by a KCC registered foster carer	7.54%
1 week of foster care for one child who cannot live safely at home and whose needs are greater than those that can be met by a KCC registered foster carer. Care is provided by an independent organisation.	7.10%
30 average sized potholes in the road repaired	6.75%
10 tonnes of waste disposed of, enough to support 17 average Kent Households	5.91%
4 days of residential care for one adult with learning disabilities whose needs cannot be met by family or other carers	5.52%
1 week of social worker time for the assessment of vulnerable adults or children	5.26%
100 hours of support and assistance for vulnerable people not assessed as needing formal care packages to help promote their independent living	5.20%

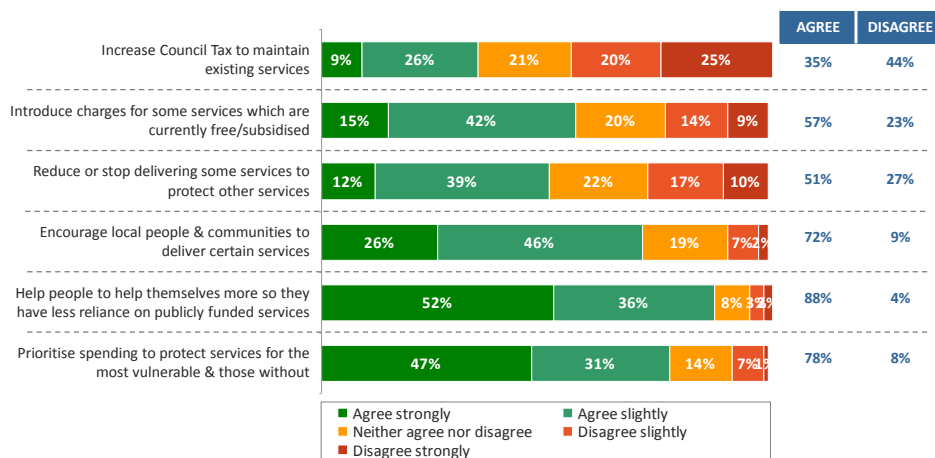


ONLINE BUDGETING TOOL – REMAINING 12 in terms of appeal

	Overall Appeal
1 week's support for 150 children in children's centres	5.08%
4 weeks of Learning Disability Direct Payments to someone with learning disabilities to enable them to live more independently	4.10%
22 faulty street lights investigated and repaired	3.61%
Keeps a household waste recycling centre open for a day	2.80%
Approximately 500 fare paying journeys on subsidised bus routes which are considered "socially necessary but uneconomic routes"	2.67%
2 days of specialist advisor support for a school identified as failing by Ofsted	2.43%
4 children given free transport on buses or trains to and from their nearest secondary school for one term, where the school is more than three miles from their home	2.01%
1 child with Special Educational Needs transported by taxi to and from school for 9 weeks	1.99%
62 attendances by a young person at their local youth centre or interactions with a youth worker in their local community	1.91%
3 annual bus passes for young people aged 11 - 15 to access educational or recreational activities via free bus travel across Kent Monday to Friday	1.63%
Responding to 280 email or telephone calls to the KCC Contact Centre	1.60%
430 separate library visits, enough for 16 regular library users over the course of a year	1.52%



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

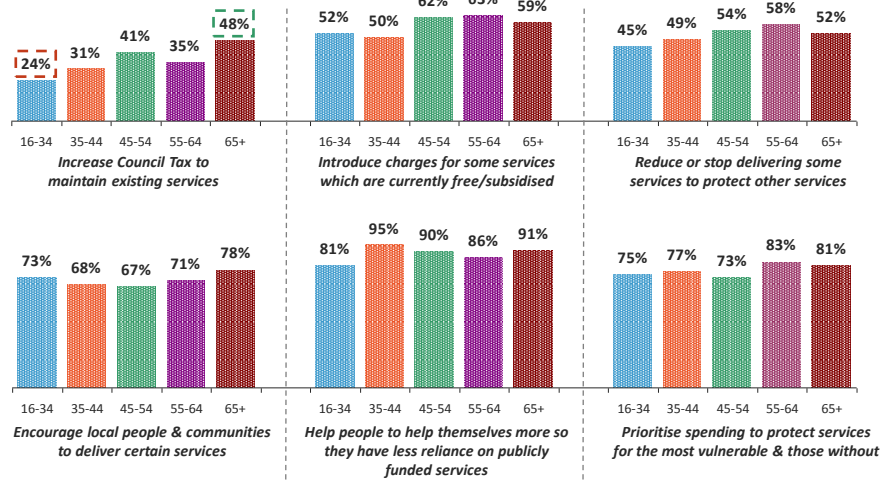


Base: All answering (unweighted – 514)



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Base: All answering (unweighted - 514)

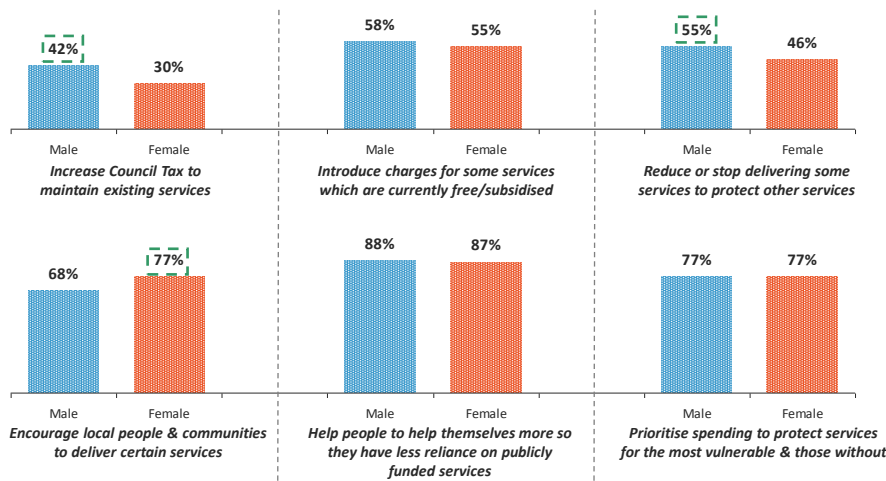
Significantly HIGHER than rest of sample at 95% confidence level

Significantly LOWER than rest of sample at 95% confidence level



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Base: All answering (unweighted - 514)

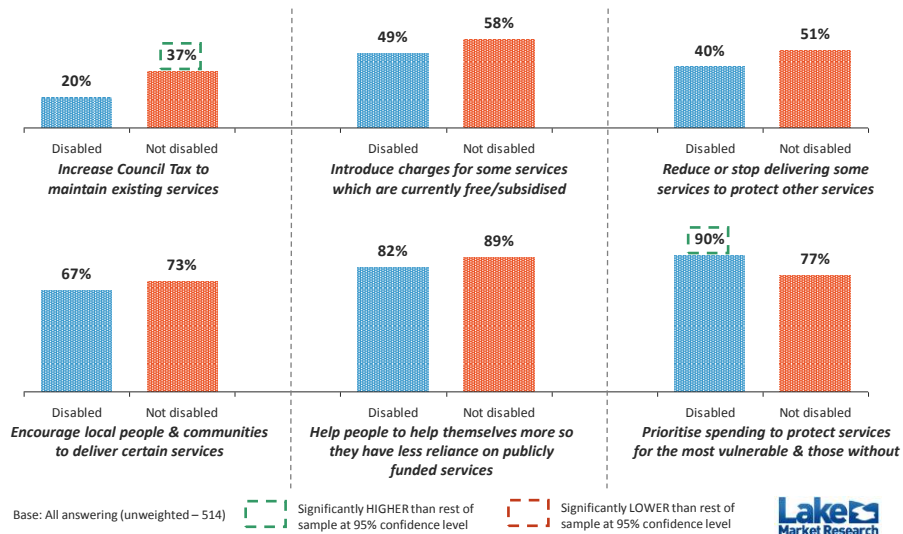
Significantly HIGHER than rest of sample at 95% confidence level

Significantly LOWER than rest of sample at 95% confidence level



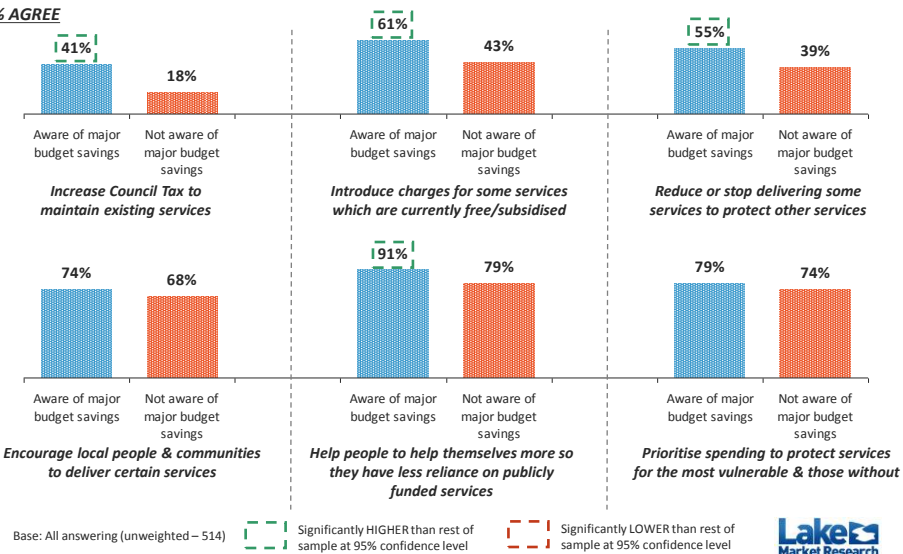
Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?

% AGREE



Analysis of 853 responses to Kent.gov.uk website budget modelling tool

Resident Profile

- 853 residents completed the online survey via a link featured on the Kent County Council website (kent.gov).
- The link was featured in the context of the 'Budget Challenge' Kent County Council faces and the detail of proposed budget savings to be made.
- The online link was publicised via (CHARLOTTE TO CONFIRM CHANNELS ETC)
- No weighting adjustments have been made to the data collected as this is a self selecting sample group.

Gender: Male 44%, Female 51%, Prefer not to answer 5%

Age: 16-34 17%, 35-44 22%, 45-54 23%, 55-64 22%, 65+ 11%, Prefer not to answer 5%

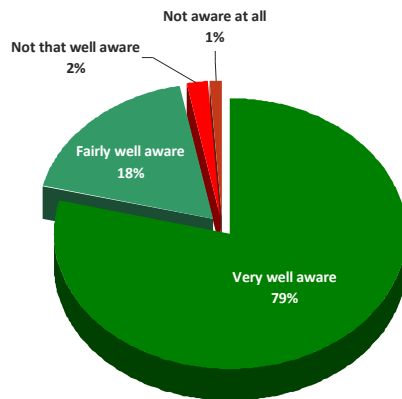
Ethnicity: White 90%, BME 2%, Prefer not to answer 8%

Disability: Yes 9%, 85% No, Prefer not to answer 7%



How aware or not are you that local councils are having to make major budget savings that will impact on current services?

TOTAL AWARE	96%
TOTAL NOT AWARE	4%



% AWARE



16-34:	94%
35-44:	96%
45-54:	98%
55-64:	99%
65+:	96%



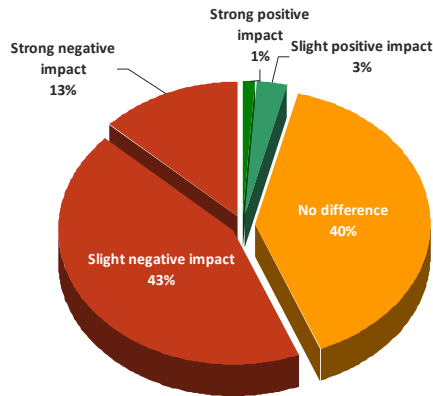
Male:	97%
Female:	97%

Base: All answering (853)



Thinking about the savings KCC has made over the last 4 years, what impact have they had on you and your household?

TOTAL POSITIVE 4%
TOTAL NEGATIVE 56%



% NEGATIVE

AGE

16-34:	48%
35-44:	57%
45-54:	56%
55-64:	56%
65+:	64%

GENDER

Male:	55%
Female:	56%

Equality Act 2010

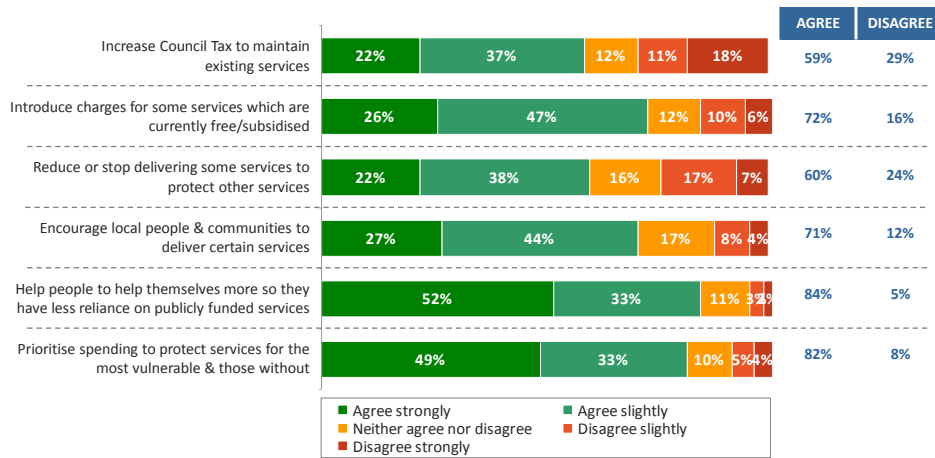
Disabled:	70%
Not disabled:	54%

Significantly HIGHER than rest of sample at 95% confidence level

Base: All answering (853)

Lake
Market Research

Bearing in mind that council budgets have been significantly reduced over recent years, please state for each of the following how strongly you agree or disagree that KCC should..?



Base: All answering (853)

Lake
Market Research