

From: John Simmonds, Cabinet Member for Finance
 Susan Carey, Cabinet Member for Customers,
 Communications and Performance

To: Policy & Resources Cabinet Committee 29th June 2018

Subject: Budget Communication and Consultation Campaign 2019/20

Classification: Unrestricted

Summary:
 This report sets out the preferred approach to consultation on the 2019/20 budget, building on and developing the most successful aspects of last year’s consultation. The report is not seeking agreement to the content for consultation which will evolve over the summer.

Recommendation(s):
 The Policy and Resources Cabinet Committee is asked to consider and endorse the proposed consultation arrangements, and to make recommendations to the Cabinet Members for Finance and Customer, Communications and Performance on any changes or enhancements.

1. Introduction

- 1.1 We have undertaken consultation on the budget for many years and found it valuable in helping to set the council’s budget priorities. A robust consultation mechanism which gives members confidence that the views expressed represent those of Kent residents and business and their priorities at a time when additional spending demands gets ever more difficult.

- 1.2 Last year we made some significant changes to the consultation and engagement strategy with the aim of engaging with many more respondents. The engagement strategy was viewed as a success as we received 965 completed responses, (with a further 953 which were incomplete and not submitted), although we did not have the added assurance of indirect responses from quantitative market research which we had in previous years. This is a significant increase in direct engagement compared to last year as shown in Table 1:

TABLE 1

YEAR	DIRECT RESPONSES	INCREASE	
		NUMBER	%
2016	510	455	89%
2017	965		

- 1.3 This was backed up by on-line information through the KCC Website and Social Media Channels, such as Facebook and Twitter. There were also separate consultation events including Parish Seminars and The Kent County Youth Council (KCYC).
- 1.4 It should be noted that consultation on the overall budget relates to the strategic direction of travel and key priorities. It is not a consultation about the specific proposals and these will be subject to separate consultation prior to implementation. The final presentation of the consultation findings for 2018/19 budget to County Council on 20th February 2018 is attached Appendix 1 of this report.

2 Policy Framework

- 2.1 KCC's Financial Strategy is set out in the Medium Term Financial Plan for both revenue and capital spending. The plan also includes Treasury Management and Risk Strategies. Consultation will seek a steer on how Kent residents, businesses and KCC staff think these strategies should be evolved considering the continuing financial restraint.

3. Consultation Strategy and Process

- 3.1 As outlined in the introduction to this report the consultation strategy and process for 2018/19 led to higher engagement than in previous years. We set out to engage with more residents and get a clearer steer on key budget priorities. We did not ask detailed questions about specific budget proposals although information was available on the web-site at varying levels of detail for those interested. The strategy was based on:

- The campaign was deliberately targeted to increase engagement and asking questions about the approach KCC should take to deliver the required savings and levels of council tax.
- The campaign was supported by a social media campaign through Facebook and Twitter and media relations to help raise awareness and understanding.
- Information on the KCC website summarising the current budget position and a video of John Simmonds explaining the budget challenge.
- A cost cutting measure to not engage with independent market research consultants.
- Consultation events were held across Kent at five Parish Seminars as well as the KCYC.

- 3.2 We propose to build on the approach taken last year, using Facebook, Twitter, and (for the first time) LinkedIn and Instagram. Kent Communications is currently reviewing the latest features across these platforms (in the context of GDPR and current resource levels) and will be preparing tactical and creative proposals over the summer. There will be a specific focus on gaining better engagement with the voluntary sector. We will also be seeking a modest budget for social media advertising.

- 3.3 However, we also want to ensure that we have a comprehensive understanding of the proposals in order that the methods are tailored to the objectives we are seeking to fulfil.
- 3.4 Consultation is not a numbers game, it is about creating a legitimate opportunity for people to share their views and ideas and is only one aspect of the information that decision makers may require. Deliberative discussions where stakeholder groups are guided through the questions are an important feature of the evidence collection. Stakeholder groups include the General Public, KCC Staff, Trade Unions, Business and Voluntary Sectors. Engagement Organisation Design and Development (EODD) will work with Finance colleagues to establish:
- What are we informing people about, and what do we want them to know?
 - What are we seeking views on?
 - What is the available resource to support the campaign and consultation?
 - Are there additional stakeholder groups that you want to target?
- 3.5 This will form the clear narrative for the proposals that are being made and ensure that we are working to a clear set of parameters to inform the delivery method for both the consultation and the information campaign.
- 3.6 We are planning to conduct the consultation starting on 10th October 2018 to coincide with the release of the Autumn Budget Report for County Council. We intend to provide an update report to the Policy and Resources Cabinet Committee on the approach outlined (and any other changes following Committee recommendations).

4. Conclusion

- 4.1 It is important that budget decisions are informed by residents' view and engagement with key stakeholders. It is also important that members can be confident that responses represent the wider views of Kent residents and businesses.

5. Recommendations

Recommendation(s):

The Policy & Resources Cabinet Committee is asked to consider and endorse the proposed consultation arrangements, and to make recommendations to the Cabinet Members for Finance & Procurement and Customer, Communications and Performance on any changes or enhancements.

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From: John Simmonds, Cabinet Member for Finance
Susan Carey, Cabinet Member for Commercial and Traded Services

Subject: Budget Campaign and Consultation 2017

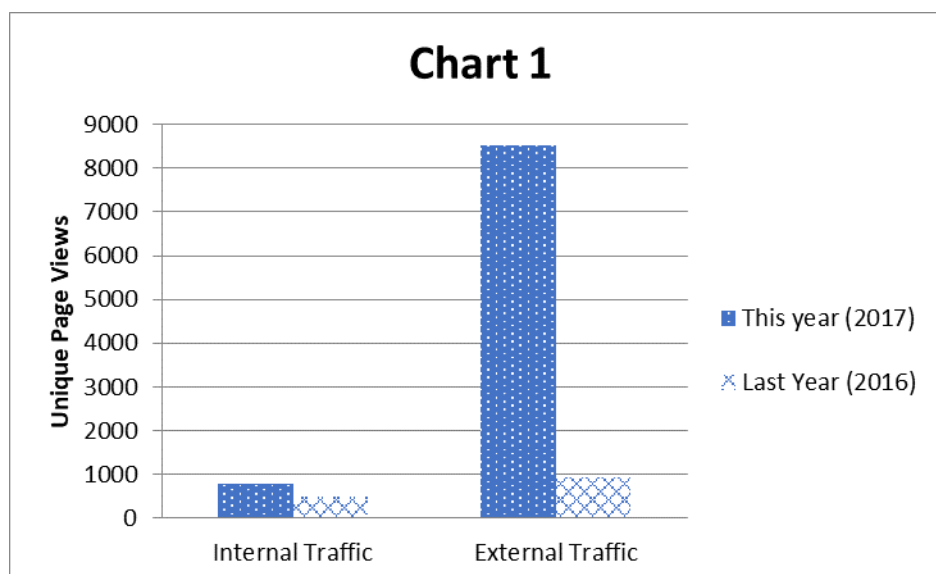
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Summary:

Following the Budget Campaign and Consultation, this report sets out an evaluation of the levels of participation and engagement.

1. Budget Campaign and Consultation

- 1.1 The budget communication and consultation campaign was launched on 12th October and closed on 3rd December. The campaign was aimed at reaching a wide audience of Kent residents, businesses and other interested parties to inform them of the budget challenge arising from a combination of rising spending demands/costs (which are unfunded), reductions in central government funding and restrictions on our ability to raise council tax. As a result of the campaign we hoped that sufficient numbers would be motivated to engage with the consultation. The Campaign was led by the Revenue and Tax Strategy team with support from representatives from the Communications & Consultations team.
- 1.2 The campaign was primarily delivered through the council's website: [KCC Budget Consultation - 2018/19 - Draft Budget Strategy 2018/19 - Kent County Council Consultations](#). For a relatively modest investment of just over £2k, the communications activity had a very positive impact, Facebook advertising in particular accounted for nearly two thirds of the traffic to the consultation page. This dedicated page provided a high level summary of the financial challenge with links to the consultation questionnaire, and more detailed supporting information. Chart 1 below shows the unique page views of the consultation site, with external traffic increasing more than eight times compared to last year:



1.3 Press releases were issued at the consultation launch with a reminder press release a couple of weeks later. An interview with John Simmonds appeared on the website talking about the budget challenge. Paul Carter did various interviews at the launch and media work was undertaken with:

- BBC South East Today
- BBC Radio Kent
- ITV Meridian
- KM newspapers (Paul Francis)
- KMFM
- Kent Online
- News Shopper

2. Consultation Strategy

2.1 Following the disappointing levels of engagement last year (510 responses), it was agreed that further investigation would be carried out to improve levels of engagement. This resulted in a new strategy being developed and agreed. This strategy included a social media campaign (Twitter and Facebook) using short digital videos to drive traffic to the KCC's dedicated web page. The anticipated benefits and risks with this approach were:

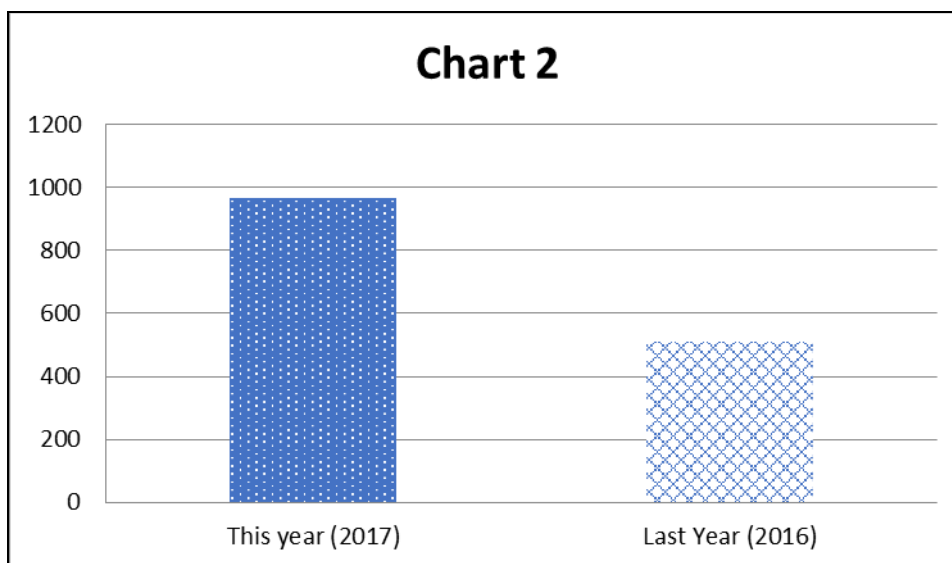
Benefits	Risks
Innovative & different	Low survey response
More engaging	Adverse public reaction to use of public money on consultation
Increased response rate	
Low cost	

2.2 In previous years we have used market research to support the consultation. This research has included a telephone/face to face interviews with a structured sample of Kent residents and more in-depth full day/half day workshops with a much smaller sample of people. This market research provided us with additional quantitative consultation results (which were fed into the overall levels of engagement) and more importantly provided a qualitative analysis which we could use to provide assurance whether we could rely on the outcome from the quantitative and consultation outcomes.

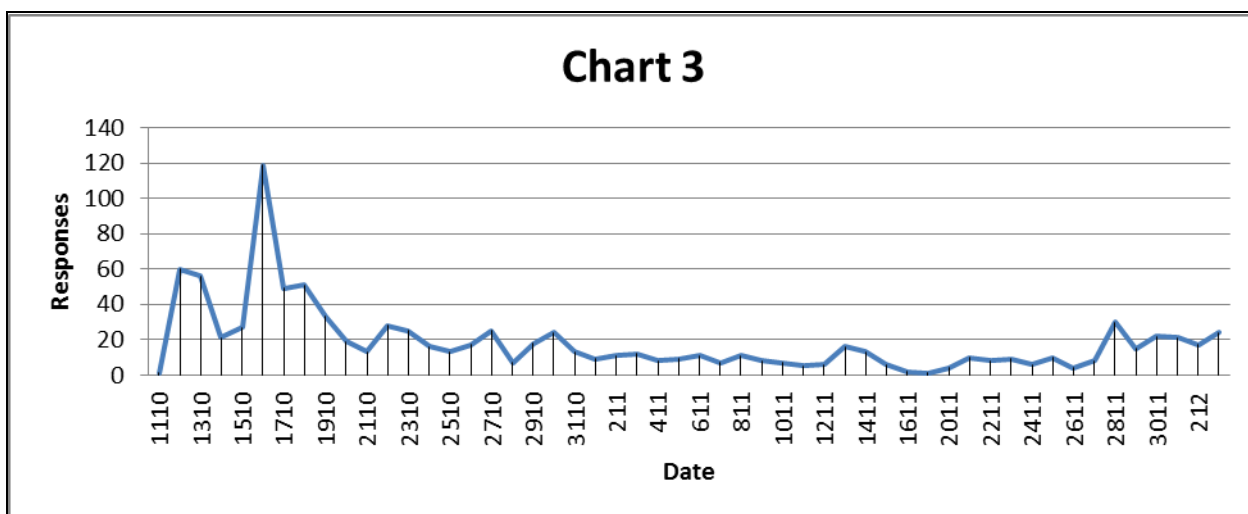
2.3 Given the increased number of responses, and that we have achieved most of the other benefits, and the risks have not materialised, we can conclude that the new strategy has been successful in increasing engagement at reduced cost to the Council. We need to consider why the significant increase in web activity as demonstrated in Chart 1 did not translate into more consultation responses and what we might do to improve on this.

3. Consultation Responses

3.1 In total 965 responses were received, with a further 953 which were incomplete and not submitted. This is a significant increase in direct engagement compared to last year as shown in Chart 2 (although as identified in the strategy section in previous years the consultation has been bolstered by the quantitative research meaning the total number of responses is less than previous years):



3.2 Chart 3 shows a timeline of when the responses were received with a peak of 119 on 16th October:



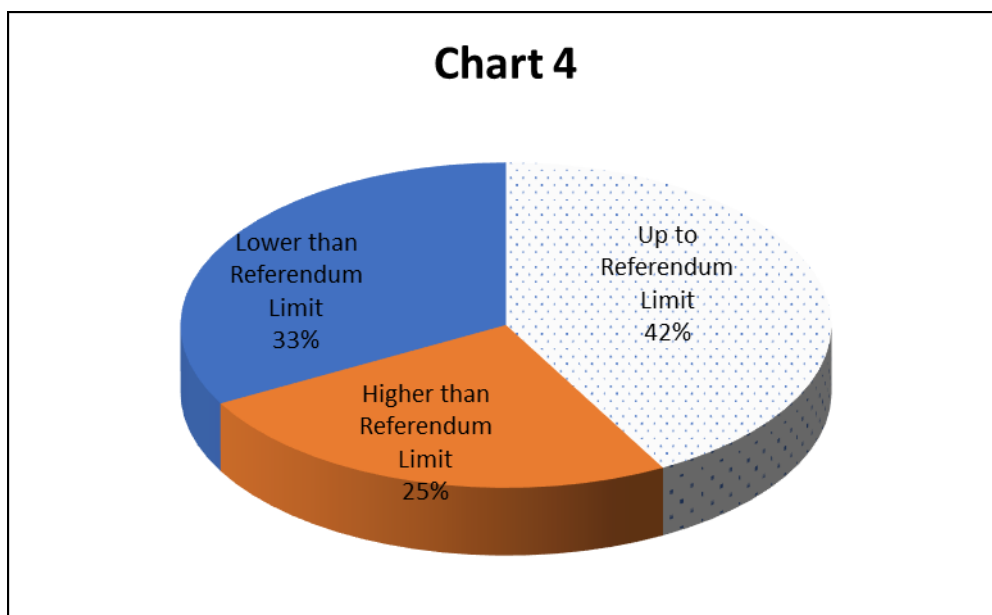
3.3 A summary of the responses is presented below. The questionnaire explored 5 key issues:

- Council tax increases in relation to the referendum requirement
- Council tax increases for social care precept
- KCC's overall budget strategy
- Where savings should be made
- The level of awareness of the financial challenge

The questionnaire also allowed for any other comments and included a summary of the key issues together with impact on KCC's budget. The consultation was designed to seek views on these key strategic issues and not the detail of individual budget proposals. This detail will be explored in separate service specific consultations which will be undertaken to support any implementation.

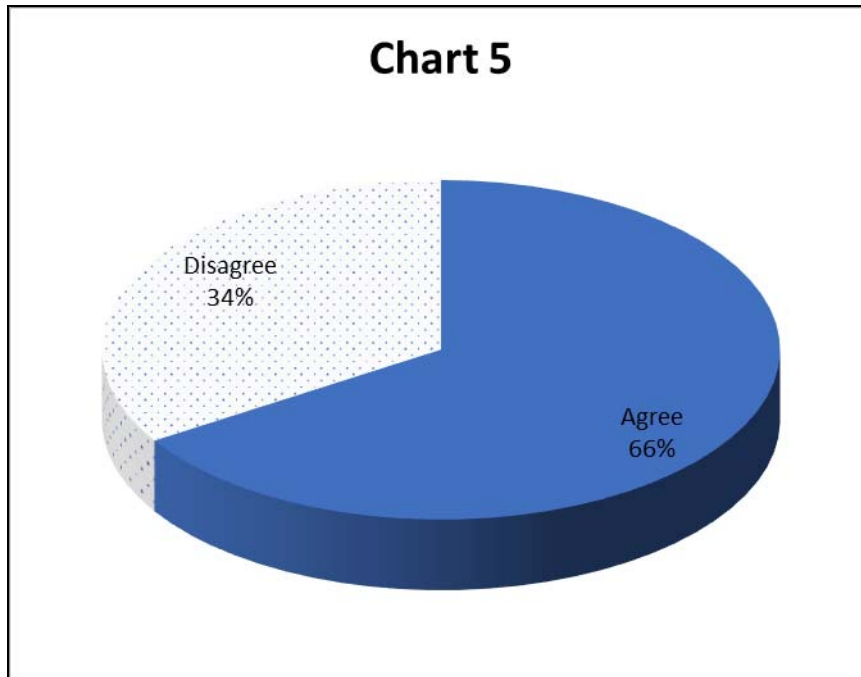
3.4 Responses to question 1 are shown in the Chart 4 below. “In order to protect the services you value the most, KCC suggests raising council tax by no more than the referendum level (currently 2%). Please tell us your preference:

- I support increasing Council Tax up to the referendum level (currently 2% which would equate to an increase of £20.88 per year for a typical band C property taking the total KCC element to £1,068.72)
- I would support a higher increase (even if it meant a county wide referendum). Every extra 1% adds approximately £10 per year for a typical band C property and increases KCC’s income by approximately £6.3m)
- I would like to see an increase LESS than 2% or keep Council Tax unchanged (each 1% means a further £6.3m of savings so keeping Tax at last year’s level would mean finding a further £12.6m of savings)”.



3.5 These responses are consistent with previous years showing a majority support for an increase (with a significant proportion supporting an increase up to but not exceeding the referendum level). A slightly increased minority continue to resist any increase and presumably would accept further savings in order to address the financial challenge arising from rising spending demands and reductions in central government funding.

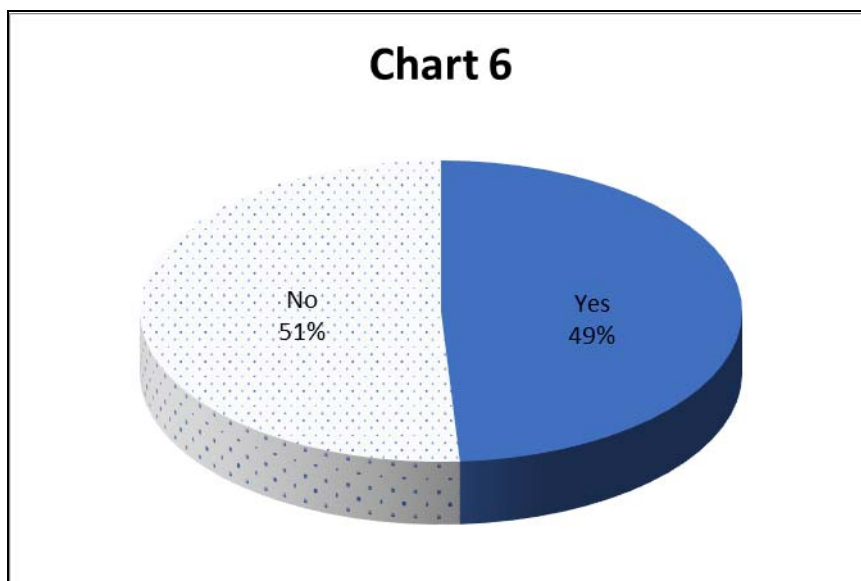
3.6 Responses to question 2 are shown in Chart 5 below. “Local authorities like KCC which are responsible for social care are allowed to levy an additional 2% provided this is spent directly on the care of the most vulnerable. Residents frequently tell us that this is a priority for them but please indicate whether you would support the additional social care levy.”



3.7 Question 3 asked the following “if you were in charge of Kent County Council, which services would you reduce, remove or charge for in order to balance the budget?” This question was answered 730 times. The text has been analysed highlight reoccurring phases in order of highest occurrence as follows:

- Member Allowances
- Staff Pay
- Libraries
- Young Persons Travel Pass
- Bus Subsidies

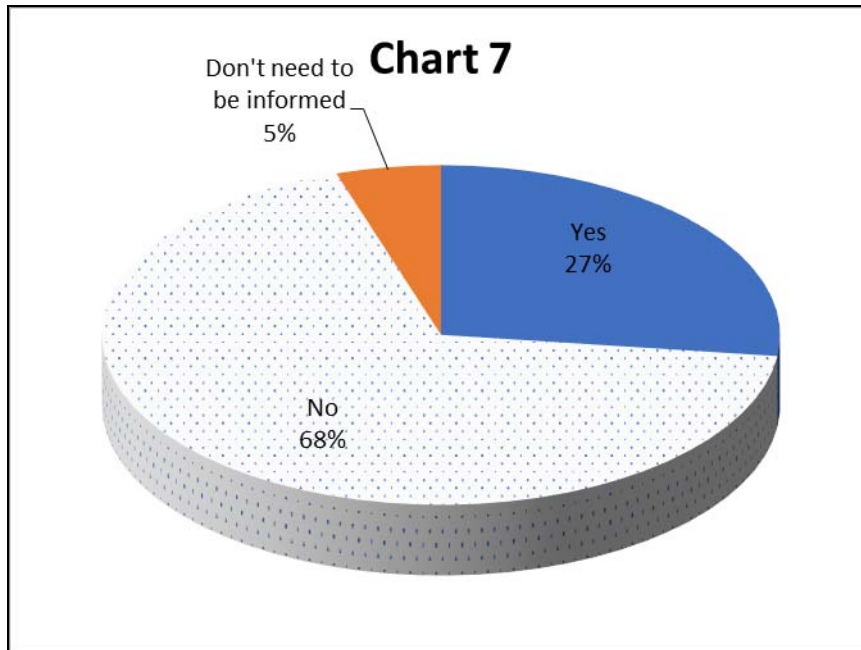
3.8 Responses to question 4 are shown in Chart 6 below. “Budget Priorities - As a Kent Resident, do you think that our priorities for the year ahead are the right ones?”



3.9 Although this shows a slight majority do not think the priorities are right there are a number of different priorities which could be pursued, and getting a mixed response

to budget priorities question is not uncommon. We will need to do more work to get a broader consensus on budget priorities in future.

3.10 Responses to question 5 are shown in Chart 7 below. “Do you feel well informed about the KCC budget and the financial challenges faced by KCC in the past years that we face for some time yet?”



3.11 This result is very concerning that from those that have responded 68% do not feel that they are well informed. This is a significantly lower level of awareness than previous years, even though we have put a significant amount of effort into making our budget publications public facing. We have developed changes to the budget book presentation which discards the previous A-Z presentation and replaces it with a more inward serving presentation based on managerial responsibilities and organisational structure. This presents a risk that public awareness could potentially be further reduced in the future. We will need to reconsider what public facing information we need to produce in order to increase awareness.

4. Other Consultation Activity

4.1 For the second year, budget consultation was included as part of highways seminars with parish councils. There were four seminars covering Kent. This included a high level view of KCC’s overall budget supported by the financial equation showing the spending demands and share of council tax/central government funding and the resulting gap. We have not recorded the individual responses at these parish events as inevitably these had a highways focus. However the exercise responding to the budget consultation questions prompted some lively debate and exposed the difficulty of dealing with rising demand/cost and falling income. They were also supportive a further devolution where this made economic sense, and as last year, provided that it was fully funded.

4.2 We also held a budget workshop at the Kent Youth County Council event on 22nd October. This event was well attended by KYCC representatives who were keen to engage on the budget. A summary of this event is included as Appendix 1.

- 4.3 A response to a Voluntary and Community Sector Survey resulted in two responses and so is difficult to report a consensus.
- 4.4 A Budget Overview presentation was given to the Business Advisory Board on the 9th November Business Event. It highlighted the financial challenge faced by KCC and measures being taken to resolve. The comments were that they would like to do more to support KCC and would like a clearer focus on what KCC does to support businesses. This will be an important dialogue as we move towards 100% business rate retention.

5. Conclusion

- 5.1 It is essential that we maintain adequate consultation to inform budget decisions. Not only is this recognised in government guidance but is also a KCC constitutional requirement and responds to case law where consultation has been found inadequate. Furthermore budget consultation on its own is not sufficient and KCC also must consult on service changes which have an impact on users according to the significance of the potential change. Therefore, we remain convinced that this consultation should be in two stages:
- General consultation on the overall strategy
 - Detailed consultation on the implementation of individual aspects
- 5.2 The level of responses to the formal consultation has almost doubled compared to last year and represents a good degree of engagement, bearing in mind the amount of publicity given to the campaign.
- 5.3 The responses provide adequate evidence to support the council tax increases, up to the referendum and social care levy limits. We need to continue to do more work with Kent residents and businesses to better inform them of the budget challenge.

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Youth County Council – 22nd November

Budget Consultation

At last year's KYCC it was recommended that information should be posted not just on the KCC website but also via social media (Facebook, Twitter etc). They were pleased that this formed part of this year's campaign. KYCC were encouraged to submit a formal response to the budget consultation. Discussion with the group highlighted some of the problems with rationing access to services according to need and in general the group felt it was reasonable to increase Council Tax provided that residents were made aware of the increase. They felt that sending letters to residents could help them to feel better informed about the budget.