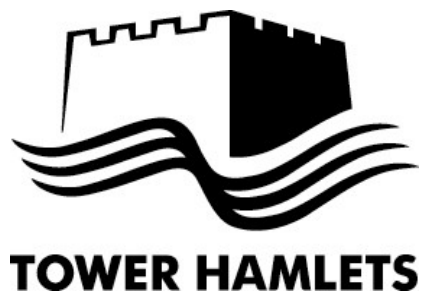


APPENDIX ONE

SCRUTINY CHALLENGE SESSION REPORT

Resident Engagement in the Budget Process



**London Borough of Tower Hamlets
March 2014**

Chair's Foreword

Our council turns over £1.2 billion pounds annually on a range of provisions including schools, the environment and social care. Although many of our services are the responsibility of the council by law, some elements of council spending are discretionary. Almost inevitably, discretionary items of income and spending attract supporters and detractors. For example the 2013/14 budget included £2 million spending to preserve and maintain faith buildings across the borough. There are some people who feel that this is not a good use of public money, and others, including myself, who think that this spending makes a valuable contribution to the cultural and religious life of the borough. Likewise, most councillors' surgeries show that car parking charges are of enormous concern to those people who will have to pay them and local businesses whose customers want parking spaces nearby. Not surprisingly, parking charges are less important to residents who don't drive.

While individual items of council funding and spending are often closely scrutinised by residents and the media, councils across Britain report low levels of engagement with annual budget setting. As the Scrutiny Lead for Resources, I commissioned this review to ensure that we learn from other organisations, we identify and remove barriers to engagement, and, as a result we ensure that participating in the budget setting is as easy and effective as possible. The budget setting process is an important annual opportunity for the council to engage with residents and businesses in the borough to ensure that the priorities reflected in the budget coincide with the desires of those who use the services and pay for them. Setting the budget is an area which is reserved to councillors - and not the Executive Mayor - so the budget setting process also offers the possibility for a wide range of political perspectives and objectives to be considered by the Full Council.

This scrutiny review was designed to look again at the ways in which we engage with residents about our annual budget setting – and to see whether we can increase participation in this important part of the council's work.

This scrutiny review sought answers to the following key questions:

- What is the purpose of resident engagement with the budget?
- What is expected of residents in terms of engagement?
- What barriers have the council identified during past consultation processes?
- What more can the council do to ensure that budget consultation is effective?

I would like to thank Shamima Khatun for researching the materials which formed the evidence base for this review and Cllr David Edgar for chairing the Challenge Session.

The findings remind us that changing technology offers new and interesting ways to engage with residents, but also that, residents must be confident that their efforts are listened to, respected and incorporated into the decisions of the council.

Cllr Dr Stephanie Eaton
Scrutiny Lead for Resources

1. INTRODUCTION

- 1.1 The budget setting process is getting progressively more difficult as the finance gap widens and need continues to grow. It is important to hear the views of residents, businesses, partner organisations and the community and voluntary sector as part of the budget debate and in turn, increase citizens' understanding on the council's current financial position and the challenges it faces. Budget consultation itself faces a number of practical difficulties. Unitary authorities such as Tower Hamlets Council provide a wide ranging number of services, which leads to a complex picture with many proposals to consult on. The council is committed to using the views of the borough's residents to inform policy making and service improvement.
- 1.2 Therefore, the council is concerned by the low attendance figures at budget road shows and responses to online consultation on the budget process during the past few years, and has been identified as a recurring issue by both the Communications service and Financial planning team who are responsible for designing and delivering this programme of consultation work. Consequently, this concern has increased since going forward the council is expected to make greater savings which will inevitably impact on frontline services. This makes the need to consult and communicate to residents the council's priorities and the budget pressure realities more significant.
- 1.3 The objectives of the Challenge Session were to appraise the methods undertaken by the council in its approach to involving residents in the budget process within the period 2010-2013, and explore whether the council is fully utilising its communication and consultation channels in order to improve the process for engaging residents in budget setting. The session also sought to look at what barriers exist to public engagement in budgets from a resident perspective. The Review Group was especially keen to gauge whether there is an appetite amongst the borough's residents to start new strands of consultation work in regards to budget setting and to understand how effective resident involvement has been in budget decision making. In the process it was hoped that interesting and improved ways of involving local people would be identified to develop a new model of engagement for budget setting.
- 1.4 The Challenge Session took as its starting point low attendance figures at budget road shows during the period 2010 to 2012 and drew on the expertise of participation consultants, to identify what common barriers exist to public involvement in budgets to appraise the council's current model of engagement.
- 1.5 Core questions asked during the Challenge Session were:
- How should consultation take place?
 - Generalist (all areas of the council's spend)

- Specialist services (targeted services for vulnerable service users)
- What methods/media (road shows, leaflets/outside communications) work best?
- How effective has resident involvement been in the budget process?
- What is expected of residents in terms of engagement?
- What barriers has the council encountered during this consultation process?
- What more can the council do to ensure that consultation is effective?

The Group also considered some examples of practice elsewhere.

- 1.6 The Challenge Session was facilitated by Shamima Khatun from the Corporate Strategy and Equality service and was chaired by Cllr David Edgar on behalf of Cllr Stephanie Eaton. It took place on Monday 24th February 2014.
- 1.7 A presentation was delivered by participation consultants Involve during the Challenge Session, in addition to an overview of consultation and communication activities that have been carried out by the council during the period 2010-2013 being provided by representatives from both the Communications service and Resources – Financial Planning Team.
- 1.8 The Group heard feedback from a mix of residents, including people who have volunteered as Money Matters Month champions during the council's awareness raising campaign on welfare reforms. In addition, given the borough's demographics and relatively young population youth councillors were also in attendance to ensure that the council was able to draw on their valuable experience to generate ideas that would help attract young people to important decision making processes such as budget setting.
- 1.9 The session¹ was attended by:
- | | |
|------------------|--|
| Cllr David Edgar | Challenge Session Chair |
| Takki Sulaiman | Service Head, Communications and Marketing; Law, Probity and Governance |
| Chris Holme | Acting Corporate Director, Resources |
| Clive Mitchell | Programme Manager, Involve |
| Carolina Johnson | PhD Researcher, Involve |
| Frances Jones | Service Manager – One Tower Hamlets, Corporate Strategy and Equality |
| Mark Cairns | Senior Strategy, Policy and Performance Officer; Corporate Strategy and Equality |

¹ Please note that this list of attendees is not exhaustive and does not include people who did not wish to give their details.

2. BACKGROUND

- 2.1 Budget consultation is often considered difficult to undertake. Local government financial decision making is fraught with complexity and residents are often unaware how these budget decisions impact on resource allocation in the borough, other than those that they are personally in receipt of or use. Research carried out by the Centre for Public Scrutiny suggests that those who respond to consultation are not necessarily representative of the wider community, which can question its validity and compromise the meaningfulness of the results. It is also difficult to identify opportunities to consult with residents especially in the context of a balanced budget for a financial year, which can mean very little scope exists to actually provide local people with the chance to influence priorities as budget decisions have already been made.
- 2.2 The budget setting process is getting progressively more difficult as the finance gap widens and need continues to grow. It is important to hear the views of residents, businesses, partner organisations and the community and voluntary sector as part of the budget debate and in turn, increase citizens' understanding on the council's current financial position and the challenges it faces. Budget consultation itself faces a number of practical difficulties. Unitary authorities such as Tower Hamlets Council provide a wide ranging number of services, which leads to a complex picture with many proposals to consult on. The council is committed to using the views of the borough's residents to inform policy making and service improvement.
- 2.3 Therefore, the council is concerned by the low attendance figures at budget road shows and responses to online consultation on the budget process over the past few years, and has been identified as a recurring issue, by both the Communications service and Financial planning team who design and deliver this programme of consultation work. Furthermore, this concern has magnified since going forward, the council is expected to make greater savings which will inevitably impact on frontline services. The budget setting process is an important annual opportunity for the council to engage with residents and businesses in the borough to ensure that the priorities reflected in the budget coincide with the requirements of service users.
- National perspective on resident engagement in budget setting*
- 2.4 Research undertaken by the Equality and Human Rights Commission (EHRC) argues that community members should be included from the earliest stage of the budget setting process, to ensure that there is an equal balance of power and an ongoing commitment to engagement. Furthermore, structures and mechanisms developed should ensure

that there is an appropriate representation of equality groups. In its studies the Department for Communities and Local Government (DCLG) suggests that there is a direct correlation between giving people greater opportunities to influence decisions through direct democracy and improvement in participation in the budget process. Across England, local authorities that have adopted a range of consultation and communication methods based on a community development approach and outreach techniques have reported higher numbers of residents engaging with financial decision making in their areas. Tangible and intangible outcomes include an improvement in people's sense of their ability to influence local decision making, increased understanding of budget setting and the local democratic process and higher numbers of residents responding to consultation.

Regional profile of engagement models in budget setting

- 2.5 The following are examples of local authorities that use similar tools and routes to Tower Hamlets Council to varying degrees of success:

Camden Council

- 2.6 Engagement activities undertaken by Camden Council on budget setting have been a combination of road shows, area action groups and awareness raising exercises. Future communication/consultation work in this area for the period 2013-16 will entail large awareness raising campaigns; open policy days similar to public meetings. Residents will be invited in right from the beginning of the budget process through open and honest discussions on Camden's current and future situation. Camden Council has observed that residents who have been involved in their consultation events are often socially isolated individuals in the community. Interestingly, the demographic profile of residents attending/responding to Camden Council's consultation(s) are very representative of the borough's population, however this has proven to be a false assurance since it is the same individuals responding each time.

In the past, consultation work in relation to the budget process at Camden has taken a reactive approach to issues such as the closure of libraries in the area, which elicited the biggest response from residents. The current focus is less on engagement; instead, more emphasis has been placed on ethnographic research on the impact of budget decisions on particular vulnerable groups so that they can inform the public based on evidence.

The methods/media used by Camden have been combinations of generalist and specialist consultations, for example looking at different budgets within services. Regular surveys are also disseminated and standing forums utilised, though the latter have provided little value for money as they are formed from the same groups of people. The council has implemented an online budget simulator tool.

Camden considers its engagement strategy to be effective in involving older people, tenants who are members of resident associations, and young people. It intends to develop its future resident engagement strategy on the budget process based on strong basic principles.

Waltham Forest

2.7 The aim of Waltham Forest's campaign 'Make Your Opinion Count – Budget Conversation 2010' was to begin a dialogue with local residents about the public spending cuts, the services where these could be made, and ideas for making them.

The campaign contained the following key elements:

- An on-line budget tool (YouChoose) allowing residents to identify how they would meet a savings target, in the context of being informed about the implications of their decisions
- A mailpack to every household and business, including an open opportunity to comment via e-mail and post
- Front page and features in Waltham Forest News and on the council website
- A high visibility outdoor campaign
- 3 roadshows including support and involvement from across the council's Cabinet
- 8 drop-in library sessions designed to address digital exclusion, and staff briefed to answer and sign-post callers.

Residents welcomed the chance to engage with the council on issues/general theme that savings should start with the council and the way it operates, although there were some question marks raised about whether the process would influence decisions, the depth and accessibility of the exercise.

The campaign achieved high levels of participation from local residents/staff, including:

- 1231 submissions to the on-line budget tool
- 315 submissions in response to the mail pack
- 105 e-mail responses and comments
- Over 7,000 unique visitors to the Make it Count pages
- The roadshows engaged with over 150 people across the three events
- The library drop-in sessions engaged with over 150 people.

Participation in the on-line budget tool began with over 150 respondents during the launch of the campaign on the 20th October, which coincided with the announcement of the Government's public spending review. Participation spiked in November to over 250

participants following the front page feature in Waltham Forest News and distribution of the mail pack.

Respondents to the on-line budget tool were broadly demographically representative of Waltham Forest's population in terms of gender. In terms of other demographics, there was a slight skew in respondents to the middle age groups of 35-54, to being White British and to living in the middle of the borough. This news was not surprising for Waltham Forest as they had noted that respondents to these types of exercises (such as self-completion and on-line exercises) tended to be middle aged and White British. Additional, targeted activities are required to engage with younger age groups and ethnic minority residents.

Overall, most residents welcomed the opportunity to get involved and comment. However, some residents questioned whether their opinion would actually count, demonstrating the need for Waltham Forest to ensure that there is a visible feedback campaign implemented. A minority felt that this exercise was a waste of money, lacking the necessary depth to be an effective consultation exercise as it was too high level and broad.

The general willingness to get involved, combined with concerns about the depth of consultation suggests that Waltham Forest may need to carry out more targeted and focussed consultation with some specific services where major or controversial budget reductions are likely. Furthermore, a minority of participants expressed concerns about the accessibility of the exercise, in the form of digital exclusion for those that do not have access to the internet or have a lack of capacity to engage in a high level exercise such as those with learning disabilities. Reasonable attempts within a limited budget and within the confines of the exercise were made by Waltham Forest to address digital exclusion (through roadshows and library drop-in sessions) and tailor resources to specific groups on request. However, any potential changes or cuts to services that are likely to affect those that may not have been able to engage fully in this exercise, such as services for the elderly or disabled residents, will in future be subject to more targeted consultation which can be made fully accessible and inclusive.

Royal Borough of Kensington and Chelsea

- 2.8 Kensington and Chelsea Council solicits feedback from the public on its budget proposals by contacting businesses and individuals subscribed to its mailing lists, utilising social media tools such as Twitter and posting alerts on Facebook. Kensington and Chelsea also run a feature on the front page of their website and usually allow 3-4 weeks for receipt of comments. As a guide, for its Budget Proposals 2011-12 and 2012-13 Kensington and Chelsea received six comments – the majority from residents. For the current year 2014-15, and the last it received none.

Tower Hamlets resident engagement model

- 2.9 Consultation activities undertaken by the Communications service
Post-2010, the budget did not have an impact on frontline services therefore very little work on consultation/communication was undertaken in relation to resident engagement. This approach altered in the periods 2010/11 and 2011/12 as a result of substantial reductions in public spending where the council carried out a number of activities which included the use and promotion of an online budget simulator tool.²

Information on the budget process has been promoted via the council's local free newspaper, *East End Life*, and also on Twitter. Road shows organised by the finance team were supported by the Communications service in locations such as the Idea Stores. Overall, the initial stage of road shows drew small numbers of people. There appears to be a correlation between the extent of cuts to services, and the numbers of people attending consultation events. This being the case, the council's decision to reframe services as opposed to cutting could explain in part, low turnouts to these road shows.

An example of a successful consultation event in relation to the budget process is an open public meeting hosted in Cubitt Town that was attended by 100 residents and featured a presentation from the Mayor of Tower Hamlets. All council directorates held stalls and a budget calculator was also demonstrated. Other features involved a Q&A session with senior managers and councillors.

The purpose of consultation work in relation to the budget process has primarily been to obtain feedback from residents to politicians; to articulate priorities; to generate ideas on service reconfiguration; as well as to ascertain emerging trends and needs. Consultation has been predominantly held with the Tower Hamlets Partnership and ward forums. As part of targeted work, literature on the budget process and decisions has been translated into community languages.

The Communications team has early involvement in the budget process which includes being part of the design stage of the report submitted to Cabinet and when the budget setting framework is given to the Cabinet.

Best practice implemented by the council includes the following:

- 'My Tower Hamlets' (the council's online information service), which has 7,000 users

²Data on the number of users is not available however this figure is close to 200 hits. The level of usage on the online budget simulator tool YouChoose, on both occasions has been disappointing.

- Budget simulators adopted from local level research.
- Posters and YouDecide– a localisation initiative which offers residents the opportunity to decide how to spend money allocated to their ward on services to improve the local area.

This approach has, however, yielded low results despite high visibility.³ The Communications team has also worked directly with Corporate Strategy and Equality to formulate a response to the recent reforms introduced to the national welfare system.

Resident engagement is part of/and integrated into the council's communications strategy and work. There are no plans or budget to develop a separate resident engagement strategy in the future. The Resources directorate has a minimal account which includes funds for room hire, staff time at road show events and the online budget simulator tool.

Overall, the Communications team has observed that it has not experienced the take-up it would desire of opportunities to become involved in budget setting.⁴

Finance planning team

- 2.10 Staff members are involved in the budget setting process through monthly staff briefings, presentations at finance service team meetings, and staff road shows attended by the corporate director for Resources and Head of Paid Service.

Communication materials issued by the finance team involve internal monthly staff briefings and presentations. Public facing materials include information leaflets on budgets, such as those on council tax.

The finance team has organised budget road shows which involve presentations from finance officers and councillors. Finance officers are also on hand to support residents with filling out forms and recording feedback. Consultation and communication work around budget setting is ongoing and is carried out through various different routes owing to the long lead time.

Each budget proposal also has an equalities impact assessment and are a key focus in the budget process. An analysis of the findings are carried out which is fed into the report submitted to Cabinet for consideration.

The Mayor's Budget Congress: Resident engagement in the budget process

³ This may in part be due to settled budgets

⁴ Dec-Jan views go to Cabinet to inform process

- 2.11 The Mayor's Budget Congress is an annual event which is specifically designed to provide representatives from the community and voluntary sector with an opportunity to put forward their concerns and ideas to inform the budget debate. The most recent Budget Congress occurred on February 25th 2013 and followed a programme of Budget Roadshows.

Involvement

The purpose of the Budget Congress was to communicate Partnership budgets, implications and future opportunities/issues. It was not a public consultation, as this happens at the Budget Roadshows. The Congress was hosted by Mayor Rahman and included presentations and workshops led by members of the Partnership Executive.

The event brought together non-executive members of some of the partnership's key Boards, Forums and local organisations to discuss the financial impacts on all services - and how despite the additional cuts they could continue to work to achieve the best possible outcomes for their communities.

When producing the invitations list, there was a deliberate effort to focus upon non-executive resident chairs where possible. To this end, around 150 invites were extended to public and private sector bodies, faith organisations, housing associations, local third sector groups and residents who volunteered as 'Money Matters' champions. Chairs of resident forums were also invited, including those from housing association panels, disability networks and wider community forums (e.g. LGBT networks, the New Residents & Refugee Forum and demographic groups such as Chinese and Somali associations). Additionally, the leaders of all political parties represented in the council were invited.

Issues

At the Budget Congress presentations were made by the following:

- Mayor Lutfur Rahman (on the Public Sector Challenge in Tower Hamlets)
- Tower Hamlets Council (on the impact of welfare reform and the council's budget)
- Metropolitan Police
- NHS Tower Hamlets Clinical Commissioning Group
- London Fire Brigade and Tower Hamlets Homes.

Following the presentations, partners led facilitated workshops. The purpose of the workshops was to explore links and opportunities for continuing to deliver improving services for citizens despite financial challenges.

Each workshop group identified key recommended actions to take forward with participants of the Budget Congress and the Partnership Executive during the 2013/14 financial year and beyond. These actions were discussed at the Partnership Executive meeting on 25th June, where it was agreed that these recommendations would form the basis for the next steps and that the Community Plan Delivery Groups would use them as the basis for developing the detail of the follow on action plan. This further supports residents' input into the budget process through the Tower Hamlets Partnership structure.

Learning from elsewhere

- 2.12 The following are examples of local authorities within London who are using different approaches to Tower Hamlets to engage the public in budget setting.

Redbridge Council

Redbridge Conversation is an initiative which involved more than 4000 people during the period 2011/12 in a budget consultation exercise through the use of 'You Choose', the council's budget consultation tool. Redbridge ran more than 35 community events to ensure a cross-section of the borough's population took part. Lack of internet access was no bar – the council undertook a major programme of community events to ensure that people without access to the internet were given the opportunity to complete 'You Choose', providing access through:

- Libraries with the assistance of trained librarians
- Day care centres
- Centres for English language training
- 35 public and service user events
- Advocacy work with umbrella organisations including Redbridge Council for Voluntary Service, Redbridge Pensioners' Forum and the Redbridge Faith Forum.

The Redbridge Adult Institute for Education also included 'You Choose' in over 30 of their Neighbourhood Learning, Counselling, Family Learning and Childcare and Education courses for people with learning disabilities.

Brighton and Hove City Council's Budget Consultation

During the period 2012/13 an online budget simulator was available on Brighton and Hove City Council's website, intranet and through the

library network. A representative sample of 3,000 citizens was invited to complete, through:

- Three budget workshops in different communities
- Staff consultation meetings
- Briefings for Community and Voluntary Sector (CVS) on the process
- Specific budget consultation meetings/workshops with other equality groups.

The consultation involved officers from across the council's functions, including Strategic Finance, Communications, Scrutiny, Communities and Equality, and Children and Family Services. Partners were also engaged, including community and voluntary sector representatives such as the Equalities Network. In undertaking the consultation with other equality groups Brighton and Hove felt it was necessary to present the budget proposals under key themes in order that they could start to engage with the paper.

Brent Council

Resident engagement in Brent has taken on various forms which include open public meetings. In 2012-13, Brent carried out five ward meetings; however no quantifiable data is available.

In the current year, a number of consultation activities have been undertaken. A community engagement agency called Community Research was hired to organise and support eight workshops. Of these eight workshops, five were aimed at specific demographic groups. The engagement agency recruited participants based on quotasampling, and the workshops were structured towards demographics and groups that Brent wished to engage with, including young people, CVS representatives, and adult social care users and carers.

Over 200 residents attended these eight workshops which lasted two and a half hours. The format included ice breaking sessions at the beginning with questions posed on the purpose of the workshop. The workshop for young people was tailored around quizzes and simulated budget exercises, using a pack of cards to prioritise services; this activity was conducted as a group exercise with a rationale being provided at the end of the activity by the young participants.

The purpose of consultation work in relation to the budget process at Brent has been to gain better understanding of residents' priorities, needs and concerns. It has also provided the public with an opportunity to understand local government context, such as how local authorities operate and where revenue comes from. The style and content of the workshops was designed to help residents to

discuss the challenges around financial decision making in a rational and unbiased way.

In addition, Brent employees were encouraged to take part in consultations and in turn persuade their family and friends to partake too. Information was also distributed in newsletters both internally and externally. A 20 minute video that captured key moments from the workshops was also produced, to be used for future promotions on consultation work. Brent has promoted its consultation events on Facebook and Twitter. Area Forums were used although it is important to note that these were neither genuinely participative nor deliberative as they form part of the statutory consultation groups.

Leaflets on the budget process are distributed to residents and information is made accessible through Brent Council's monthly newsletter which publishes the results.

3. KEY FINDINGS AND RECOMMENDATIONS

3.1 Perceived lack of interest amongst residents to participate in budget setting

3.1.1 As part of the Challenge Session, the Review Group heard from several residents that many local people felt indifferent about the budget setting process, because financial decision making is not an easily understood subject. The Service Head for Communications and Marketing supported this view by citing the low number of attendance figures at road shows during the period 2010 to 2013. However, it was pointed out to the Group that this may be because the council, until recently, has been in a position where it has not been required to make cuts. This may have contributed to the perception that there is lack of interest amongst residents in getting involved with budget setting.

3.1.2 Many residents felt that if they were offered the opportunity to influence the design and delivery of a service then they would be placed in a position in which they could meaningfully contribute their views, and feel that their opinion counted instead of being provided an online budget simulator. Many contributors felt that the latter option did not help increase their understanding around budget decisions.

3.1.3 The Review Group heard from Clive Mitchell, a programme manager at Involve, who challenged the presumption that residents are not

interested in local authority spending, and contended that the main barriers to public engagement can be imposed by councils themselves, such as a lack of opportunities given to residents to participate. Furthermore, the public are less likely to buy into a process that uses a 'tick-box' and top down approach to engagement because of its impression that the council controls the agenda.

Research undertaken in advance of the session on consultation methods by other local authorities in London has highlighted that standing forums such as tenant and resident associations (TRAs), have tended to be composed of the same groups of people, and do not offer the opportunity to engage more widely. Consulting the views of the same groups or people on a regular basis, may also present another problem. As we have seen from Camden Council, it is important to avoid "over consulting" – 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'. The Acting Corporate Director of Resources acknowledged that the council needs to find better ways of engaging people in budget setting. However, these new approaches need to add value to consultation outcomes.

Recommendation 1: That the council educate residents on the importance of budget setting by involving them in the co-design and co-production of consultation activities and communication.

Recommendation 2: That the council decision making process be made as visible as possible to stimulate resident interest.

3.2 Incomprehensible material on financial budgets

3.2.1 A further challenge to budget consultation is presented by the fact that the public is generally unfamiliar with the local government finance system and how the budget is set. A large majority of the Challenge Session participants felt that the material on financial budgets issued to the public is difficult to understand and convoluted. The assistant director for policy at Brent Council echoed this finding saying "that consultation work undertaken by Brent has exposed that residents find it difficult to understand budgets and quantify services".

3.2.2 A simulator trial of an online budget calculator tool by residents during the Challenge Session exposed a number of deeper issues about a lack of understanding amongst local people on the scope and

purpose of council services. In addition to a lack of awareness on the council's role, obligations and who it serves as well as the functions of council tax, business rates and Government grants. This can potentially have a huge impact in diminishing resident interest in budget setting, and reinforces the importance of developing understanding amongst local people in order to foster and increase citizenship.

Furthermore, whilst there were some session contributors who regarded the budget simulator as a useful learning tool to educate people about finance decisions, an equal number found it complicated to use and felt that it can isolate segments of the borough's population who are not digitally literate. Clive Mitchell from Involve, in his presentation on the barriers to public engagement in budgets recommended tackling the complexity that many residents have cited being faced with when reading financial materials such as council tax leaflets, by introducing information in a clear and comprehensible format. Clive also challenged the presumption that the budget process is too complex for residents to understand, by drawing attention to the diversity of the borough's communities and highlighted that a tailored approach that explicitly addressed the issues, concerns and expectations of the broad communities so that they can relate to them would be more successful in engaging people.

- 3.2.3 From the work undertaken by Brent and Brighton and Hove Council we can see that it is necessary to provide information to people in a form that they can digest and discuss reflectively upon choices posed by the budget.

Recommendation 3: That the council's public-facing materials should educate and engage residents on budgets, seeking to make these as easy-to-understand as possible.

3.3 Conflicting perspectives on what exactly resident engagement is

- 3.3.1 There was a general consensus amongst both the Review Group and the Challenge Session participants that consultation can be viewed very differently by the people involved. One contributor felt that a stable political party was needed for this to be effective.
- 3.3.2 The role and responsibilities of elected councillors, particularly in conveying resident opinion is a key concern amongst local people. The review group Chair reminded the Challenge Session participants that there are numerous ways and opportunities for residents to discuss their concerns and ideas on budget decisions with ward councillors.

Recommendation 4: That the council tap into all the networks in Tower Hamlets to communicate messages about the budget process.

3.4 Appraisal of approaches to resident engagement

- 3.4.1 From research carried out in advance of the session, one-off pieces of engagement work have generally been considered a better technique because these are good at attracting a different audience.
- 3.4.2 Milton Keynes, Bristol and Croydon have all undertaken referenda on council tax levels which have secured response rates similar to or greater than the response rates for their local elections. This method can involve allowing residents to vote in polling stations on their preferred options, but other channels such as post, telephone and the internet can also be used. It is the most high profile form of budget consultation and an authority which adopts this approach usually attracts considerable media attention and community engagement.

The financial costs in organising referenda are substantial and so this method is most suitable for where there is relatively significant 'choice' between a small number of relatively simple options, as there is a limited opportunity to get across meaningfully the complexities of the budget setting. The communication is a one-way process – leaflets are usually used. Experience also suggests that there is a tendency in referenda and other large-scale consultations for residents to opt for the lowest option, for example the minimum rise in council tax.

There is a point at which referenda and larger surveys on budget issues cease to be consultation methods which inform the decision making process. A referendum with a high participation rate that produces a clearly favoured position(s) provides decision-makers with little flexibility in implementation, especially in the case of council tax referenda which are triggered by statutory provisions. If a large-scale quantitative survey was undertaken, members would need to be prepared to act upon any of the options offered. However, if the council were to implement such a survey's findings, there could be advantages for the authority in terms of being perceived as responsive to the community's wishes.

The costs of undertaking referenda are relatively high and no authority has recently repeated a council tax referendum. They are perhaps best seen as a mechanism to be used on a one-off basis rather than as long-term sustainable consultation strategy.

3.4.3 *Postal Survey*

A large-scale postal survey is another method used by authorities to consult on the budget. Barnet Council, for example, has sent an annual postal survey to all residents asking for their opinion on a number of budget issues, including the level of council tax. The response rate can be relatively high at around 10%. This method is quite similar to conducting a referendum although it is not as high profile. Costs and response rates are also considerably smaller but not insignificant. This means that postal surveys can be suitable when there are discernible but smaller differences between the various options offered.

Many of the difficulties associated with referenda also apply to large-scale postal surveys. It is similarly difficult for the authority to convey the complexities of the issues and if one option were strongly favoured in the responses, it would be difficult for the council not to implement it. Due to lower costs, it is financially reasonable to undertake a postal budget and council tax survey annually. In this respect, it could be seen to be a more feasible long-term option than referenda. However, there is a danger that the authority would be setting a difficult precedent. For example, if the authority offered a number of budget options in its first consultation year, there may be considerable criticism if in future years it did not provide the same or 'improved' options. Of course, this may not be possible due to a change in financial circumstances such as a significantly amended government grant.

3.4.4 *East End Life*

Using *East End Life* (EEL) as a tool to consult with residents about budget and council tax issues has an initial appeal. Most obviously, it would cost less than an independent postal survey and its wide circulation and popularity suggest a potentially high response rate. Some local authorities already use their magazine or newspaper for this purpose. A page or special insert could be dedicated for this purpose in EEL with a questionnaire and freepost envelope provided for responses. It is essentially another form of postal survey and so its merits and difficulties are essentially the same as those outlined above.

3.4.5 Qualitative and deliberative techniques are often used in consultation as they can provide a more sophisticated understanding of resident's views than a quantitative survey. They do not attempt to provide statistically reliable data but aim to understand why people make particular choices. The most common of these techniques used in budget and council tax consultation are:

- Focus Groups
- Public Meetings

- SIMALTO

Simultaneous Multi-Attribute Level Trade Off (SIMALTO) is a specific modelling technique that has been used recently for budget consultation by a number of authorities. It uses computer technology to offer a large number of options, simultaneously modelling their implications. It incorporates both quantitative and qualitative elements and aims to provide far more robust and actionable findings than more traditional consultation techniques. Simalto may be able to provide a more 'scientific' approach to budget consultation and allow the council to consult in a sophisticated way to produce more subtle findings. However, there are a number of difficulties with adopting such an approach to budget and council tax consultation in Tower Hamlets. Firstly, Simalto is a relatively expensive technique. Each survey, which would be undertaken by a commissioned research company, is undertaken on a one-to-one basis and takes a longer time for completion than a standard survey. This means that only a relatively small number of residents could participate. Secondly, in order to be effective, Simalto would require considerable officer time. The modelling works by calculating the combined effect of a wide range of 'trade-off' scenarios and the successful operation of the technology relies upon good-quality information. These 'what if' scenarios and their implications need to be accurately worked through by officers.

Tower Hamlets Council's online media tools

- 3.4.6 Participants in the Challenge Session, particularly youth councilors felt that the council's website is overlooked. They were also concerned that the council is not maximising on the potential exposure that online media tools provide in attracting more young people to engage with the council on important issues affecting the borough. Many residents also expressed their dissatisfaction with accessing the council's online information tool – MyTowerHamlets; the Review Group heard how some residents found the content on it vague and were deterred from using it further.
- 3.4.7 In consideration of the above techniques combined with the low levels of engagement in annual budget setting reported, sustained use of these approaches will not yield higher numbers of respondents and is not the right way for the council to move forward in its consultation efforts. For the council to keep pace with the borough's mobile population it needs to use channels which offer residents flexibility and convenience, such as mobile phone alerts and social media which is readily available to download as a software application on handheld portable devices.

Recommendation 5: That the council revamp its website to appeal to young people in the borough and explore a range of online social media tools to model budget setting.

3.5 Learning from elsewhere

- 3.5.1 Redbridge Council's consultation technique appears to be modelled on a grass roots approach. It can be seen to take wherever an opportunity exists to interact with service users to foster citizenship through personal learning.
- 3.5.2 Brighton and Hove's deliberative method to engaging non-finance people in financial decision making is based on an ethnographic approach. This mechanism of consulting with different communities within its borough not only recognises the mixed nature of communication audiences, but defines service-specific information to reflect life stages such as young people and elderly service users. Therefore, increasing the likelihood of groups being informed and consulted with, who may not be reached by generic campaigns.
- 3.5.3 Young people who took part in one of the workshops carried out by Brent Council were robust and possessed the most interesting views on budget prioritisation. There was a strong sense of accountability and many considered Brent to be too paternalistic in its approach to service provision. Furthermore, from the work undertaken, a clear message on avoiding duplicating national work at a local level was strongly articulated. The workshops also offered Brent Council a chance to challenge misconceptions around its back office functions and internal workings. Dialogue had with residents revealed that they had been influenced by Government rhetoric on matters that had not impacted Brent, such as an increase in council tax.

Brent has also learnt that its online budget simulator has been useful for residents to look at the consequences of budget decisions in the borough. Since its implementation in September 2013, over 500 people have used this budget simulator. The results generated are almost identical to those from the workshops carried out. An incentive was provided with completed entries being entered into a prize draw for vouchers.

- 3.5.4 There are very real concerns about whether the public can understand the technicalities and the choices around budget setting. Therefore, it is essential that the council build an element of deliberation into the consultation techniques that it adopts in the future. As we have learnt from the experiences of Brighton and Hove Council and Brent it is a necessity that the council view its target audience as a series of expanding boundaries. There is a strong case for considering consultation mechanisms that will provide those who are not regularly heard, a chance to become involved in the budget process. If the budget choices the council needs to make are going to have maximum legitimacy especially with cuts in frontline services

impending, then consultation that reaches beyond stakeholders and the usual statutory groups should be considered.

Recommendation 6: That the council commissions a community research organisation to undertake quota sampling structured towards demographics that the council wishes to engage with, to ensure that consultation results are sensitive to the voice of all the diverse communities within the borough.

3.6 Factors that would influence future resident engagement models

3.6.1 In a context of growing pressures on local authority budgets, many councils have had to scale back on consultation and communication work carried out in relation to the budget process due to cuts in resources. There are a number of factors that need to be taken into consideration when the council decides which techniques to pursue in the future, for consulting on the budget process. In this difficult landscape the council must educate residents and partners on its role and responsibilities as seen at Redbridge and Brent Council, and the restrictions it faces which include less financial and officer resources to devote to supporting consultation, as well as uncertainty around the level of commitment from the council to acting upon consultation findings.

3.7 Going forward

3.7.1 A lack of recognition of local involvement from residents by the council was identified as a key issue by a number of Challenge Session participants. Residents stressed the need for their efforts and commitment to be recognised through council reward schemes, such as offering a council tax rebate. However, the Review Group was mindful about the feasibility of the council offering reward schemes to residents in the context of increasing fiscal pressure.

Recommendation 7: That the council be open to exploring a range of creative approaches to reward schemes for residents who participate in the budget process.

4. CONCLUSIONS

4.1 This Challenge Session involved an in-depth appraisal on the methods undertaken by the council in their approach to involving residents in the budget process within the period 2010-2013; particularly the barriers which may exist for public engagement in budget setting. Overall, the Group felt that there were a number of areas in which alternative approaches to the current engagement

model for consulting and communicating with residents would significantly improve the number and demographic of local people who are interacting with the council on budget decisions. Furthermore, the Group felt that a grass roots approach which involves a far wider remit of people will support sustaining resident interest.