

FALKIRK COUNCIL

Subject: ENGAGEMENT ON THE 16/17 COUNCIL BUDGET
Meeting: EXECUTIVE
Date: 18 AUGUST 2015
Author: DIRECTOR OF CORPORATE & HOUSING SERVICES

1. INTRODUCTION

- 1.1 At its meeting on 9th June the Executive agreed that officers should prepare a report on options for budget communications and engagement, including information about methods used by other Councils. This recommendation was made by the recent Scrutiny Panel on community engagement and involvement. This report notes some options for corporate engagement and sets this within a wider framework, including the requirement for Equality and Poverty Impact assessments.

2. PRINCIPLES FOR ENGAGEMENT

- 2.1 The Scrutiny Panel identified scope to review the way the Council engages on its budget options following the exercise undertaken last year, particularly in relation to the timescales for public communication and engagement. The Panel also confirmed that the principles set out in Have Your Say, the Council's plan for local involvement, are sound and should be followed more consistently. This means that any engagement exercise carried out around the budget should take account of these principles. The principles are:

- Purpose – in each situation where Falkirk Council engages with the local community, we will be clear about whether we are informing, consulting or engaging. We will not consult people when decisions have already been taken.
- Involvement – we will identify who might be interested in any consultation or engagement and encourage them to be involved. We will also try to overcome any barriers they may face so that no group or individual is excluded.
- Methods – we will use the right methods of engagement in each situation and ensure that timescales are long enough for people to participate effectively.
- Information – we will share all the information necessary for people to participate and we will use clear, accessible language.
- Working together – we will treat all participants with respect and we will expect all participants to treat us and others with respect. We may require people and organisations that represent their communities to show us how they have collected the views of their community.

- Feedback – we will always explain how people will receive feedback before they participate. We will always try to show how people’s views have influenced the outcome.

3. PREVIOUS ENGAGEMENT EXERCISES

- 3.1 The Council has previously engaged with the public on its budget using a variety of methods. Last year a set of key messages about the Council’s financial situation were agreed and communicated internally and externally through various channels, including *Falkirk Council News*, media briefings, the Council website and social media and staff information and briefings.
- 3.2 Following this, Council agreed in November that information should be issued to the public setting out the specific savings options under consideration and asking them for feedback on the impact of these proposals. In addition, some general questions were asked about usage of Council buildings, opening hours and provision of services online. The purpose of this was to get an overall impression of the public’s views, to identify areas for savings (for example, by modernising service delivery) and to engage with focus groups to inform the Equality and Poverty Assessment. This activity was carried out during December and involved a questionnaire sent out to the Citizens Panel, an online budget survey via the Council’s website and a series of discussion groups.
- 3.3 While specific Service savings options were set out in much more detail than in previous years, this meant the exercise was delayed until this level of detail was available and reported to Council at its November meeting. This led to some concerns from Members and the public about timescales, specifically about it being too close to Christmas, about the public not having sufficient time to respond and the tight timescale for public feedback to be considered. Despite these obstacles, there were 467 responses via Citizens Panel and 425 responses via the website and there were high levels of agreement on some questions, for example that the Council should reduce the number of buildings it has and that it should enable more services and transactions to be carried out online.
- 3.4 In previous years the Council has also carried out budget engagement exercises. The exercise for the 2011/12 budget had the largest response the Council has had to a budget consultation. It included a general questionnaire contained within *Falkirk Council News* and an online survey and around 1,300 people filled in a response form with over 7,000 individual comments submitted. Many of these comments are still valid and can be circulated again to Members if that would be helpful, however it should be noted that the consultation asked quite general questions about potential areas for savings and increasing income rather than asking people for their views on specific, costed options.

4. BUDGET ENGAGEMENT BY OTHER COUNCILS

- 4.1 During the Scrutiny Panel members expressed interest in finding out more about engagement exercises carried out by other Councils. There was particular interest in the engagement carried out by the City of Edinburgh Council in 2014/15.

- 4.2 The purpose of the City of Edinburgh Council's engagement exercise was to help people understand the pressures, the choices and the opportunities created by local government and to allow them to communicate their priorities for their family, their neighbourhood and their city. In previous years engagement exercises in Edinburgh have resulted in the Council making changes to the budget, demonstrating that residents can meaningfully effect change in Council policy through group action and individual contributions.
- 4.3 Edinburgh launched its engagement exercise in October 2014. There were two strands. A group of over 80 detailed budget proposals on specific themes were set out for comment. Alongside that an online planner was used to allow residents to set their own priorities for Council spending in the long-term and help them appreciate the impact that cuts might have on particular services. The consultation period was 11 weeks, closing on December 19. An event was also held to engage and involve staff and information was added to all Council e-mail signatures.
- 4.4 The online planner was the keystone of the budget engagement programme and the communications campaign centred on it, with media, social media and marketing activity targeting different audiences and driving residents to complete it. The communications campaign was delivered at a cost of £18,000. It included production costs for a YouTube video, leaflets, lamppost wraps, online advertising etc. and led to a five-fold increase in responses from the previous year. The online planner cost an additional £5k.
- 4.5 Over 1,500 people completed the online planner. This set them the challenge of prioritising the Council's budget to make £67m of cuts and clearly demonstrated the direct impact of reductions on particular services. The main purpose of the planner was to raise public awareness of the issues involved in setting the budget.
- 4.6 More information about the planner can be found at <http://www.budgetsimulator.com> It was developed by a company called Delib and has also been used by a number of other Councils, including East Dunbartonshire. It is a specialist piece of software and it would not be practical or cost-effective to attempt to deliver something similar in house.
- 4.7 East Dunbartonshire used the planner to raise awareness of the budget issues the Council is facing and to identify people's general budget priorities. They then used the findings as a basis for a household survey and focus groups carried out by an independent research company. This had the advantage of being seen as independent from the Council and was perceived as a more transparent exercise, with costs in the region of £15k.
- 4.8 The cost of the online budget simulator is c£5k, however Councils which have used it have indicated that considerable internal resources are required to populate it with financial information relating to that Council. Edinburgh indicates that it took over eight weeks for their Business Intelligence team to populate it with consistent information, working with finance and representatives from all Services. These issues have been reviewed by officers. Given increasing pressure on resources, it is considered that these would be more appropriately directed towards core budget planning tasks, rather than population of the planner.

- 4.9 In the past a number of Councils have printed and delivered budget engagement booklets to every household. These have been expensive exercises (some costs have been in excess of £20k) and have yielded a low number of responses. Programmes of public meetings involving Members and officers have also been put in place but these are generally poorly attended unless the particular proposal being presented is controversial e.g. school closures.
- 4.10 City of Edinburgh Council already webcasts its Council meetings, via Public-I, a specialist company. During the budget consultation this was extended to cover “question time” sessions. These involved five conveners taking questions from an invited audience of c40 and also answering live questions submitted via Twitter. The meetings were broadcast online and attracted an audience of c200. A report on the Public-I system to broadcast Council meetings was previously submitted to Members and a decision was made not to pursue it at that time.

5. ISSUES FOR CONSIDERATION

- 5.1 Prior to making any decisions about tactical engagement activities, such as those outlined above, there needs to be a clear decision about the purpose of engagement activity around the budget. There are a number of options for this:
1. Informing people at an early stage about the general approach being taken to the budget, including setting out information about the financial challenges the Council is facing.
 2. Gathering opinion on a specific set of savings proposals. This can lead to an assumption on the part of the public that if the opinion on a particular proposal is negative then it will not be taken forward.
 3. Asking the public and other stakeholders to suggest potential areas for savings.
 4. A combination of the above.
- 5.2 Option 1 is relatively straightforward and involves setting out the level of savings required and the general approach being taken to the exercise, possibly on a thematic basis. This is much more about informing people about the savings to be made rather than gauging opinions of individual savings.
- 5.3 Option 2 is dependent on the savings options that are being considered and the point at which these are put into the public domain.
- 5.4 In previous budget engagement exercises the public expressed clear views in a number of areas but their influence on the final budget decisions was limited. Consideration needs to be given to how the Council will respond to public views – for example, will decisions be changed or alternative options looked at?

- 5.5 Timescales for any activities are dependent on the budget strategy timetable. Based on the current budget timetable, it is suggested that any engagement activity should commence in October. This would focus on communicating the challenges being faced by the Council and would seek to gauge the public's views on the areas that are most important to them. The level of detail that will be available at that time has not yet been determined but information will be used as appropriate.
- 5.6 In presenting the options under consideration any changes or reductions to Services need to be set out clearly so that members of the public fully understand the impact of them. While information about budget options was published on the website last year, in some cases this did not go into detail which meant that the public only understood the impact of the changes after they had been approved and were being implemented. Alongside any corporate engagement exercise Services need to ensure that they are engaging with their direct stakeholders to carry out consultation and/or Equality & Poverty Impact Assessments where required. It is recommended that each Service nominate a lead officer for budget engagement to link in with the officers leading the corporate engagement exercise to ensure consistency across Services.
- 5.7 It is proposed that an internal and external engagement plan should be developed, including the following methods:
- Online information – this could include a questionnaire as in previous years or an online budgeting tool such as that used by City of Edinburgh and other Councils. A straightforward questionnaire could be developed in-house. The online budget simulator could not be developed in-house and would require to be purchased at a cost of £5k. It would also need to be populated with financial information from Services and it is unlikely that resources could be identified to do this in the detail required.
 - Falkirk Council News. The next issues were due to be published at the end of September (final deadline end August) and the beginning of December. To accommodate budget information, the next issue will now be published in October.
 - Engagement with stakeholder groups, such as the community planning partners, discussions with special interest groups, such as parents and the business panel.
 - Citizens Panel questionnaire and focus groups.
 - Engagement with employees and trades unions.
 - Media briefings
 - Social media activity, including Twitter. Use of video could also be explored, for example animated graphics could be produced for distribution via YouTube.
- 5.8 Timescales for this activity are dependent on information being available from the budget process, however it is anticipated that activity would start in October, with completion by mid November to allow Members to consider the feedback.

6. EQUALITY & POVERTY IMPACT ASSESSMENTS

- 6.1 Equality & Poverty Impact Assessments are an important aspect of the Council's budget process. The public sector equality duty includes a requirement to 'assess and review policies and practices' and the law requires that public authorities demonstrate that they have had "due regard" to the aims of the equality duty in their decision making. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had "due regard". Such assessments do not have to take the form of a document called an equality impact assessment but it is a valuable method of recording the assessment process.
- 6.2 Guidance produced by the Equality & Human Rights Commission (E&HRC) clarifies that the descriptor for 'policies and practices' extends to any and all decision making which has the potential to impact on people.
- 6.3 Here in Falkirk Council we have expanded our approach to equality impact assessment to include poverty [EPIA]. This reflects a priority in our corporate plan to work on 'alleviating the causes and affects of poverty and addressing inequalities'.
- 6.4 The process of carrying out an equality and poverty impact assessment includes giving consideration to:
- Why [the change needed]:
 - What [information is available] about our customers/service users
 - Do we know the equality profile of our customers / services users
 - When [will the change to take place]
 - Where [will the change be made]
 - Who [needs to be involved/consulted and who might be affected]
 - Who [service / function / officer will lead on the assessment]
- 6.5 The purpose of the above is to consider and identify the impact of our policy, practice and decision making on the citizens of Falkirk. In identifying the impact this gives us the opportunity to not only identify any potential negative impact and how we might reduce this but also to identify if what we are proposing is an improvement or will have no impact at all.
- 6.6 Important in the above process of EPIA is engagement and consultation with the very people who might be affected. Indeed the E&HRC expects to see within the information from an assessment that consultation has taken place but also expects to see whether that consultation has had any effect on the change proposals being examined.
- 6.7 It is important that we are clear about what we are trying to achieve with regards EPIA consultation. Through the process of engagement and consultation we are trying to assess the impact of the proposal i.e. who will be affected and can there be a mitigation of those impacts. It is important that this assessment is carried out for every proposal that has a significant impact and thus needs to complement the corporate engagement.

6.8 As Members are aware the EPIA process has developed over a number of years with the need to make these assessments a lot more robust and available to Members earlier in the process of decision making. It is therefore critical that individual services carry out this level of engagement and as soon as possible within a process. This engagement is not about trying to determine if a saving is palatable but rather what are the impacts of the proposal and what mitigation can minimise these. The outcomes of these exercises must be fed into the budget process to allow Members to be fully informed about the impact of the decisions they are taking.

7. CONCLUSIONS

7.1 Any engagement the Council undertakes on its budget and savings plans, must conform to its own agreed principles, set out at 2. This suggests that the purpose of this budget engagement is not about consulting people on whether they agree with individual options but more about informing them about the significant savings the Council has to make and how it is managing that process.

7.2 The options noted within this report outline how we can undertake that engagement / information while at the same time ensuring Members are fully informed about the impact of particular options through the EPIA process.

8. RECOMMENDATIONS

It is recommended that the Executive:

- 8.1 **Agree the purpose of budget engagement as set out at Section 2;**
- 8.2 **Agree that information about the budget process will be made available from October onwards, using the methods set out at 5.7;**
- 8.3 **Consider the information about budget engagement carried out in other Council areas and note that the required resources to populate the online budget planner tool described in Section 4 cannot be easily identified at this time; and**
- 8.4 **Note that officers will produce a tactical internal and external engagement and communications plan, to be implemented from October 2015.**

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DIRECTOR OF CORPORATE & HOUSING SERVICES

Date: 20 July 2015
Ref: ABB0815CB – Engagement report
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LIST OF BACKGROUND PAPERS

1. Nil

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506230 and ask for Fiona Campbell.