

**Agenda Item No 8(b)**

**DERBYSHIRE COUNTY COUNCIL**

**COUNCIL**

**6 February 2019**

**Report of the Director of Finance & ICT**

**BUDGET CONSULTATION RESULTS**

**1 Purpose of the Report**

To enable Council to consider the outcome of the Council's budget consultation exercises in formulating its budgetary proposals regarding the Revenue Budget for 2019-20.

This report should be read alongside the following reports to this Council Meeting: the Budget Monitoring Position for 2018-19 (as at 31 October 2018); the Revenue Budget Report 2019-20 and the Capital Programme Approvals, Treasury Management and Capital Strategies for 2019-20.

**2 Information and Analysis**

The Council has, for a number of years, undertaken a variety of consultation exercises, using a range of methods, in the preparation of its annual revenue budget. Last year, the Council used alternative approaches to attract a higher number of responses to its 2018-19 budget consultation. As a result, 6,500 responses were received, significantly up from approximately 430 responses in the previous year. For its 2019-20 budget consultation the Council has used similar approaches to those used in 2018-19 and these have attracted an even higher number of responses.

Participation has again been encouraged using social media, including Facebook and Instagram paid-for campaigns; an organic social media campaign, using infographics and a video and blog from the Council Leader. In addition, media releases, an e-mail to 1,543 Citizens' Panel members, an e-mail to 3,942 respondents to the 2018-19 budget consultation (who had expressed an interest in taking part in further consultation with the Council), features on the Council's internal and external websites and articles in Derbyshire Now, the Our Derbyshire employee newsletter and the employee payroll letter, have been used.

To promote participation amongst residents who are less familiar with, or have no internet access, copies of a paper consultation questionnaire, containing the same questions, were distributed to libraries across Derbyshire. Library and Call Derbyshire staff were briefed. A freepost address was used to encourage participation.

The Council's online budget consultation went live on 1 November 2018 and ran for just over six weeks. By the closing date of 16 December 2018, 6,718 completed submissions had been received.

For respondents to the consultation living in Derbyshire, their Derbyshire District or Borough Council area has been compared to the latest Office of National Statistics (ONS) mid-year population estimates for 2017. The proportion of responses by district followed the same profile, when compared to ONS data, as identified in the 2018-19 consultation response. The proportion of responses from Derbyshire Dales and High Peak residents were approximately 6% higher than expected. Responses were approximately 5% lower from Erewash and South Derbyshire residents. The proportion of responses from Amber Valley, Bolsover, Chesterfield and North East Derbyshire residents were broadly in line with expectations.

The average age of respondents was 51 years. There was a good spread of responses across all age groups, with 48% aged between 45 and 64, making it the most common age group of those taking part. A further 28% of respondents were in the 25 to 44 age group. The mid-2017 ONS population estimates for Derbyshire show that 63% of residents are between the ages of 25 and 64, meaning that relatively more people of this age took part in the consultation than would have been anticipated, based on the actual age profile of Derbyshire residents. Of the remaining 24% of participants, 4% were under 25 and 20% were over 65 years old. Responses from the over 65 group have increased by four percentage points compared to the 2018-19 consultation response.

The gender profile of respondents is the same as the 2018-19 consultation response. Female participants made up 52% of the total consultation respondents. This compares to ONS data where females comprise 51% of the Derbyshire population. The proportion of males taking part made up 48% of the response.

A total of 13% of respondents identified themselves as having a disability, which is in line with the proportion of respondents last year. This compares to 20% of the population identified in the 2011 Census who said their day to day activities were limited.

Local people were asked five questions to establish their views on what the Council's top three priorities should be, what the Council's bottom three priorities should be and whether there were any other priorities that the Council should spend money on.

Participants were also asked whether they would support either a 3.99% increase, a 4.99% increase, or neither of these increases in Council Tax. Respondents supporting neither increase were asked to explain why. It was explained that if the Council raised Council Tax by 3.99% or 4.99%, this would include an extra 2% specifically to fund and protect some Adult Social Care services for older and vulnerable people, in line with guidance from Central Government and that this is the last year of a three year agreement with Government to increase Council Tax for this purpose. It was also explained that the remaining 1.99% or 2.99% would fund other Council priorities, including Children's Services.

It was explained in the consultation that no decisions will be made on our budget until Cabinet has considered consultation responses alongside any legal and contractual reasons why the Council must continue to provide particular services. It was also explained that when looking at proposed savings the needs of different groups of people in the community would be carefully examined before firm budget proposals are drawn-up and considered by Cabinet at this meeting and that further consultations will then be held and people will again get the chance to have their say about individual proposals before final decisions are made.

Of the five consultation questions, three required respondents to select their answers from options given in the consultation and two allowed respondents to comment freely. Approximately 3,000 comments were received for each of these questions.

In summary, the following views were expressed:

- 31% of respondents were in favour of a Council Tax increase of 3.99%, 34% were in support of a Council Tax increase of 4.99% and 35% supported neither of these increases.
- Of the 35% of respondents supporting neither a 3.99% nor a 4.99% Council Tax increase, details were provided. Responses have been analysed and summarised into broad groups. The top five most popular explanations for this, with the most popular themes first, were: Council Tax does not represent good value for money and the Council should cut waste instead; the current Council Tax level is already high enough and should not be increased; the proposed Council Tax increase is higher in percentage terms than other increases, such as inflation or salaries; the Council Tax increase is unfair to those less well-off and the Council Tax increase is unaffordable.

- From a choice of sixteen Council priorities, respondents thought that the top five priorities, with the most popular listed first, should be: improving social care for vulnerable people, repairing and improving the condition of Derbyshire roads, keeping children and adults safe, protecting and enhancing the natural environment and helping children and young people get the best start. Three of these “top priorities” were the least frequently selected from the list of the Council’s “bottom priorities” question: improving social care for vulnerable people, keeping children and adults safe and helping children and young people get the best start.
- The top Council priority selected by females is improving social care for vulnerable people and for males is repairing and improving the condition of Derbyshire roads.
- From the same choice of sixteen Council priorities, the priorities which respondents thought should be at the bottom, with the ones most frequently selected first, are: promoting Derbyshire as a global cultural and tourist destination, championing local communities, supporting local library services, encouraging healthy lifestyles and improving accessibility in vulnerable and rural communities. All these “bottom priorities” were the least frequently selected from the list of the Council’s top priorities question, except for encouraging healthy lifestyles, which was placed in the middle.
- The bottom Council priority selected by males and females is promoting Derbyshire as a global cultural and tourist destination.
- Respondents were also asked whether there were any other priorities that they thought the Council should spend money on. Comments were received from 38% of respondents. When these comments were reviewed in detail, 15% were identified as priorities already included in the Council Plan and specifically included in the consultation as Council priorities and a further 32% related to services provided by other organisations, for example, district councils and central government, such as policing and council housing.
- The most common themes of other priorities for expenditure in the remaining 53% of comments, with the most popular first, were education (school maintenance, transport, special needs education); highways (footpaths, roads and traffic); budgets and efficiencies; public transport and climate change and protecting the environment.

A detailed analysis of the consultation results and themes arising from the comments that participants contributed are in the Appendix to this Report.

## **Other Consultation**

The Council's Constitution provides that the Improvement and Scrutiny Committee should also be notified of the budget proposals. The Director of Finance & ICT presented details of the Five Year Financial Plan to the Committee in September 2018. The proposals were discussed and there was a clearer understanding of the financial context in which the Council would be operating over the next few years.

The trade unions were consulted at the Corporate Joint Committee held on 17 January 2019. The trade unions asked whether savings in the Revenue Budget Report 2019-20 were the same as cuts, in particular whether savings are saved somewhere or whether the money was lost. It was explained that reductions in Government funding have meant that the Council has needed to reduce its budget because the funding is no longer being provided to the Council. These reductions are savings on expenditure but the savings are money that the Council has not received, so they are not held elsewhere by the Council. The effect of further savings on Council Tax was raised and it was explained that the Council's Five Year Financial Plan had been updated to reflect changes in funding, the impact on budget savings and proposals about Council Tax levels. Finally, the pay award, which is still under negotiation, was raised and what impact this would have on the Council's budget. The Revenue Budget 2019-20 assumes a general offer of a 2% increase. If the pay award is agreed at a level of above 2%, the additional cost will have to be found from within existing departmental budgets.

In addition, the Local Government Finance Act 1992 requires local authorities to consult representatives of business ratepayers in their area about the budget proposals for each financial year. A meeting with representatives of Derbyshire and Nottinghamshire Chamber of Commerce and the Federation of Small Businesses was held on 11 January 2019. In particular, the business ratepayers raised issues about the condition of Derbyshire roads, which they acknowledged as being better than some but with room for improvement and were also concerned about the business rates system generally, which they believed to penalise businesses with a high street presence, compared to an on-line presence.

## **3 Financial Considerations**

The outcomes of these consultations should be used to inform service planning and help determine budget priorities.

## **4 Legal Considerations**

Members are invited to have regard to the advice contained in the Revenue Budget Report 2019-20.

## **5 Equality and Diversity Considerations**

Members are invited to have regard to the advice contained in the Revenue Budget Report 2019-20.

## **6 Other Considerations**

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, human resources, environmental, health, property, transport and social value considerations.

## **7 Background Papers**

Papers held in Technical Section, Room 137, County Hall.

## **8 Officer's Recommendation**

That the views of the consultation respondents are taken into account by Council regarding the Revenue Budget for 2019-20.

PETER HANDFORD

Director of Finance & ICT

# **BUDGET CONSULTATION**

## **Detailed Results**

### **2019-20**

## **1 Introduction**

A total of 6,718 people responded to the Budget Consultation. All the analysis included below, except for the residence analysis in Section 2, looks at the responses of all respondents, including those living outside Derbyshire but with 286 duplicated responses removed.

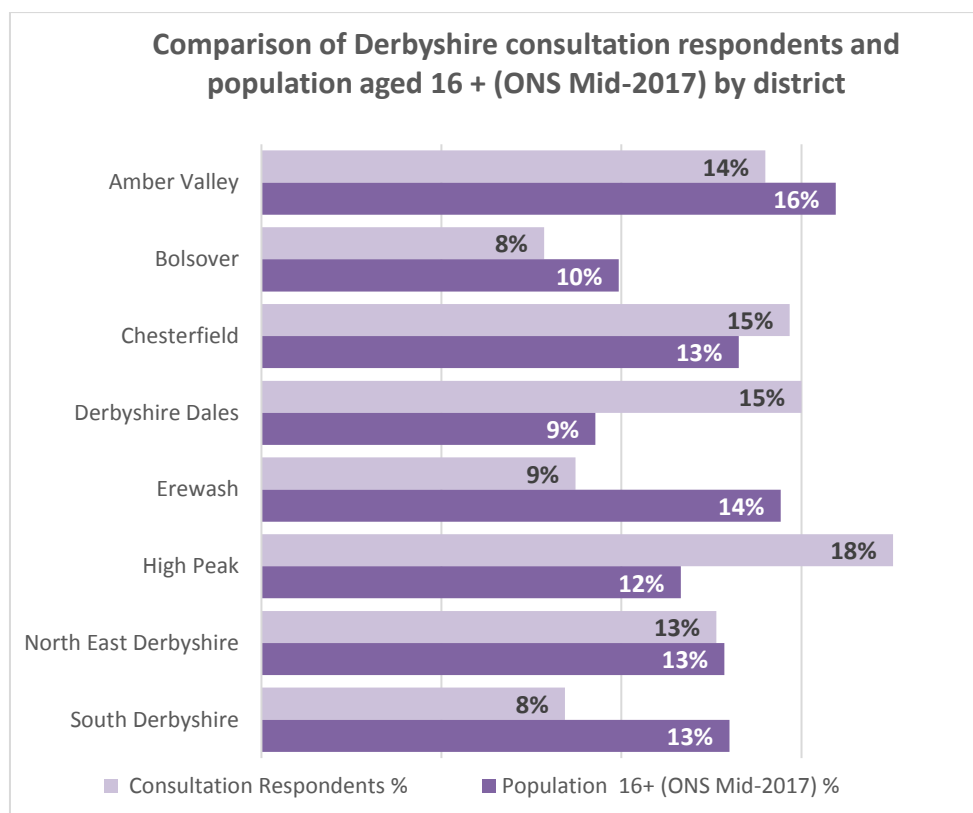


## 2 Demographic Profile

### Residence

The distribution of residence of 6,202 respondents living in Derbyshire is compared below to the distribution of the population aged 16+ according to the latest Office for National Statistics (ONS) mid-year population estimates for 2017. The remaining 516 respondents either have not provided a postcode, or live outside the county. The responses of all respondents, wherever they are resident, are considered in the report on the results of the consultation.

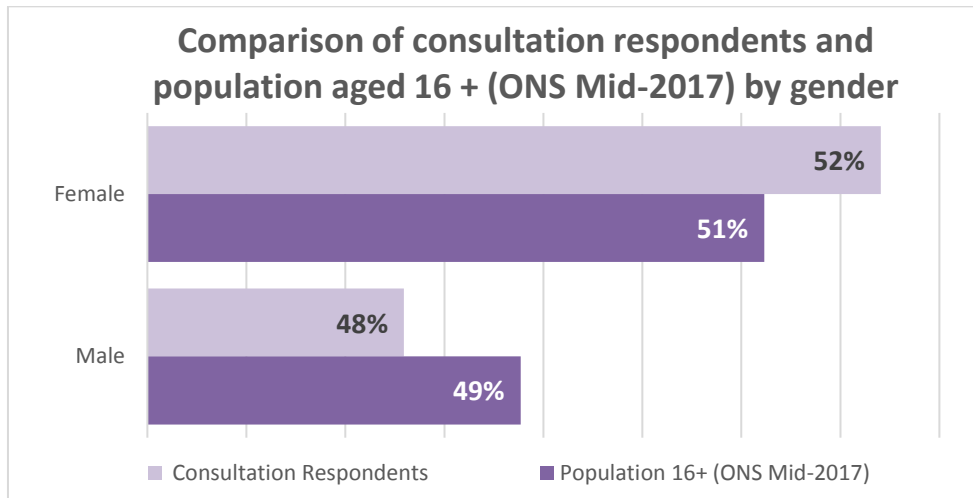
**Figure 1: Derbyshire Respondents by District / Borough Council Area**



### Gender

The gender profile of respondents is compared below to the profile of all Derbyshire residents as given by the mid-year 2017 ONS population estimates.

Figure 2: Respondents by Gender

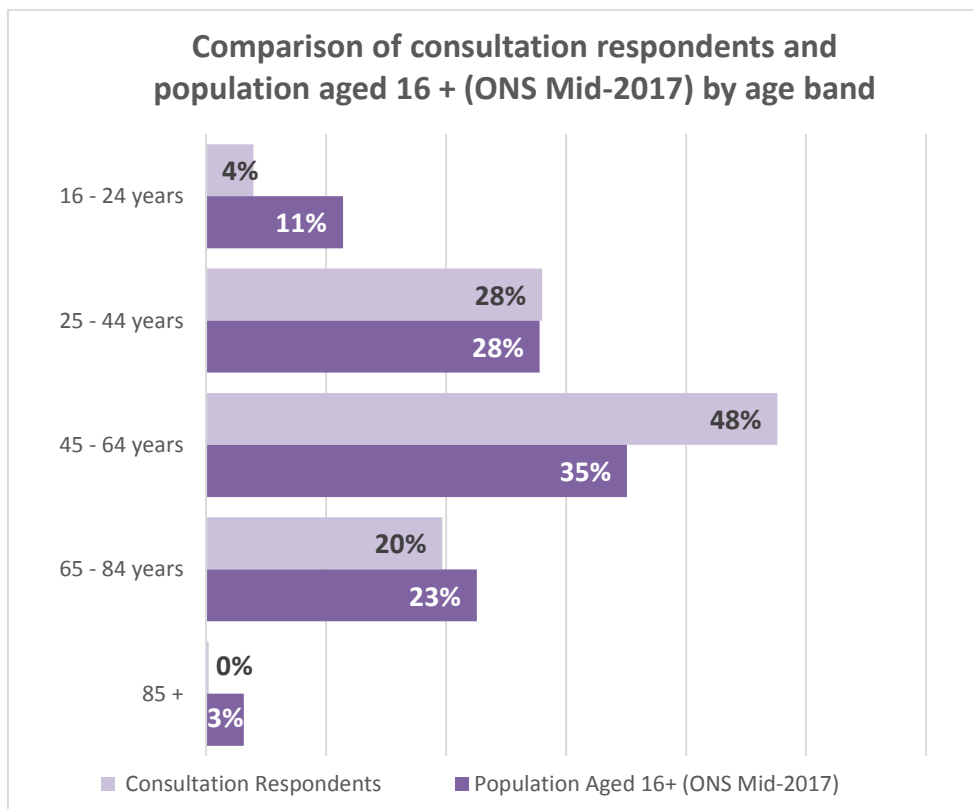


## Age

The average age of respondents was 51 years.

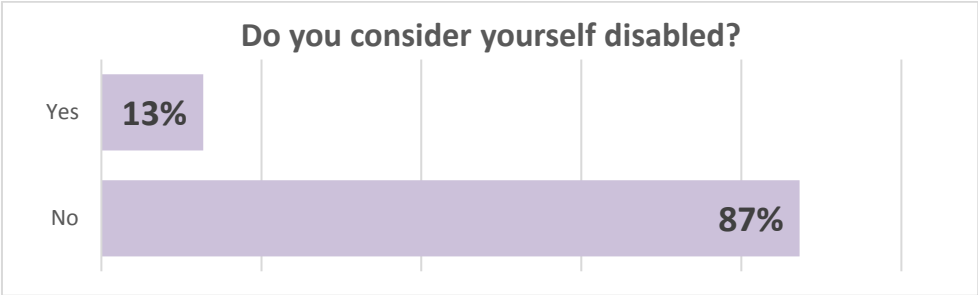
The age profile of respondents is compared below to the profile of all Derbyshire residents as given by the mid-year 2017 ONS population estimates.

Figure 3: Respondents by Age



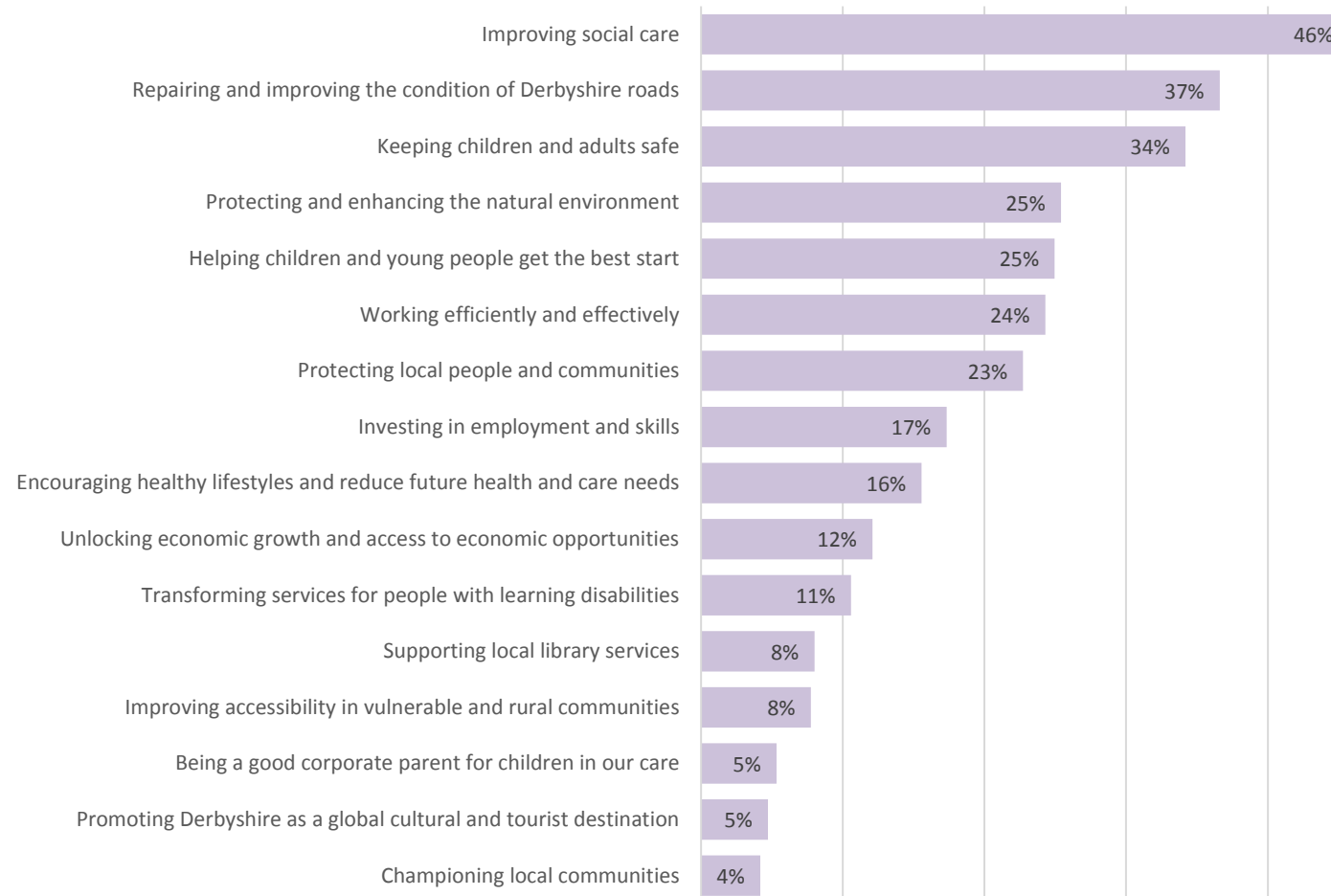
Disability

Figure 4: Respondents by Disability



### 3 Priorities

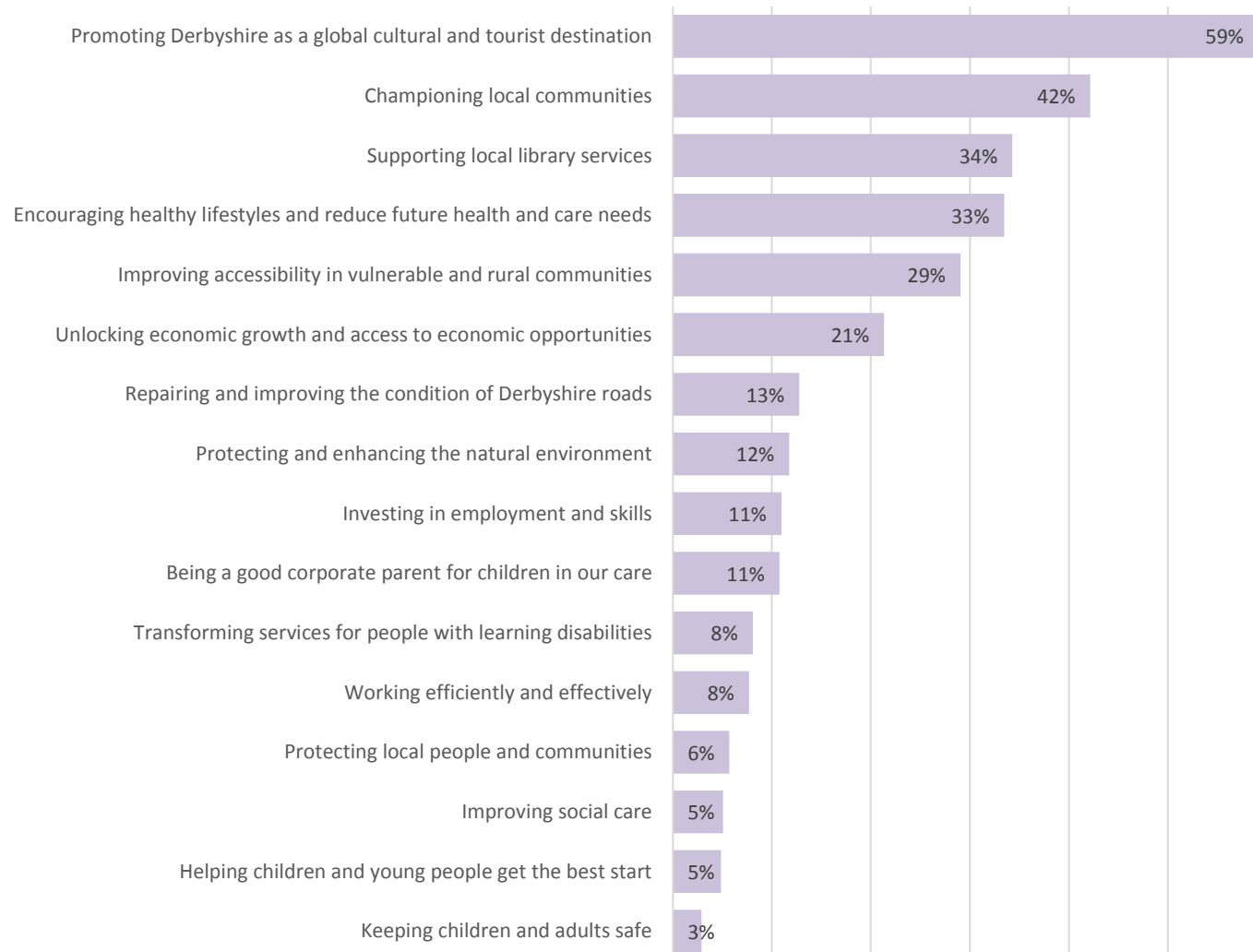
#### What do you think the Council's top three priorities should be?



**Figure 5: Response to Question 1 – “What do you think the Council’s top three priorities should be?”**

Note: The responses sum to 300% as each respondent was asked to select three options.

**What do you think the Council's bottom three priorities should be?**



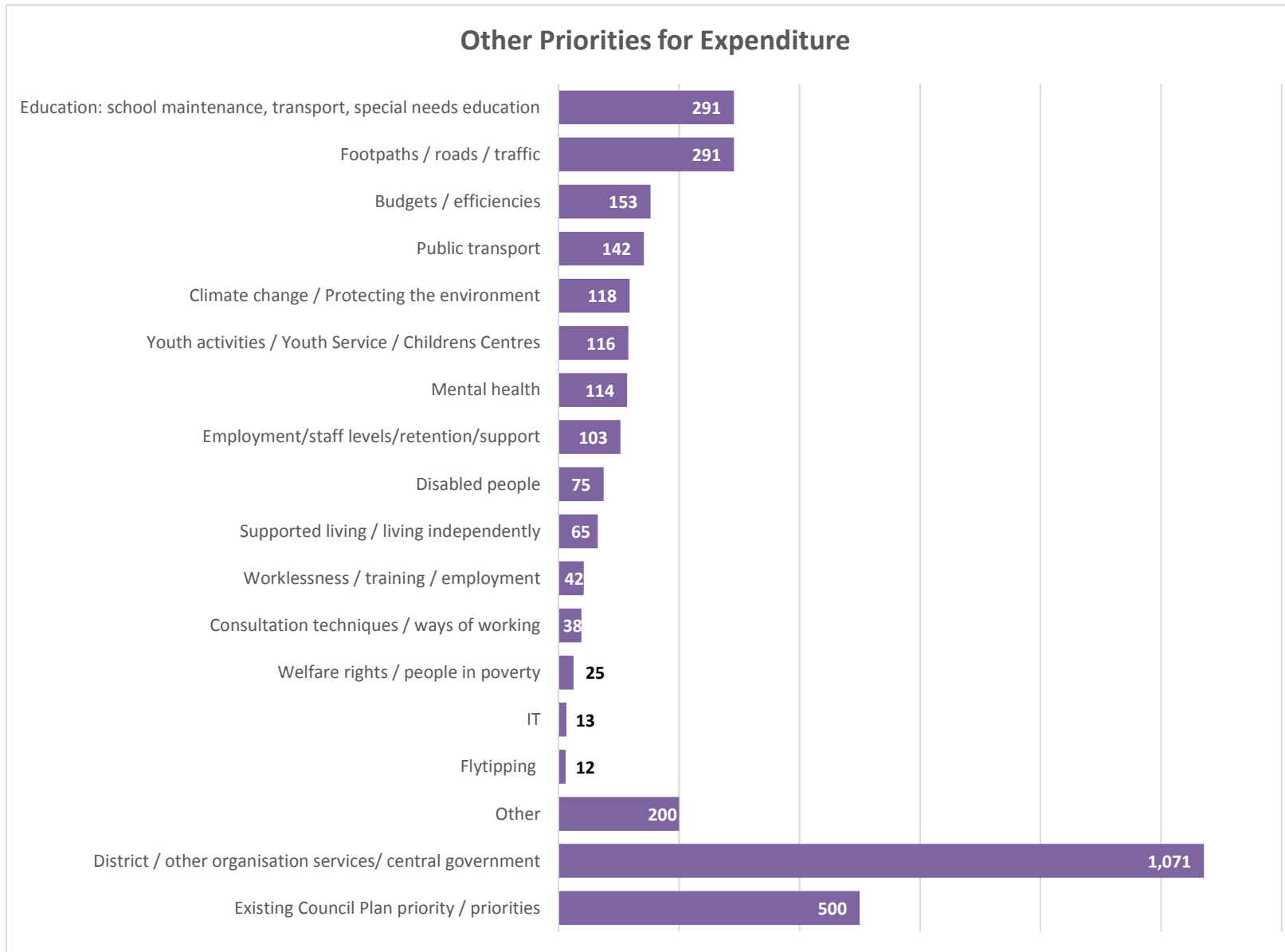
**Figure 6: Response to Question 2 – “What do you think the Council’s bottom three priorities should be?”**

Note: The responses sum to 300% as each respondent was asked to select three options

Respondents were also asked whether there were any other priorities that they thought the Council should spend money on.

The responses to Question 3 have been summarised into broad groups below. Of the 6,718 people that responded to the questionnaire, 2,583 provided details of other priorities.

Many of the respondents suggested more than one additional priority, so in total there were 3,369 comments. When these were reviewed in detail, 500 were identified as priorities already included in the Council Plan and a further 1,071 related to services provided by other organisations, for example, district councils and central government, such as policing and council housing.



**Figure 7: Response to Question 3 –  
“If there are any other priorities that you think the Council should spend money on please provide details below?”**

#### 4 Views on the Level of Council Tax Increase

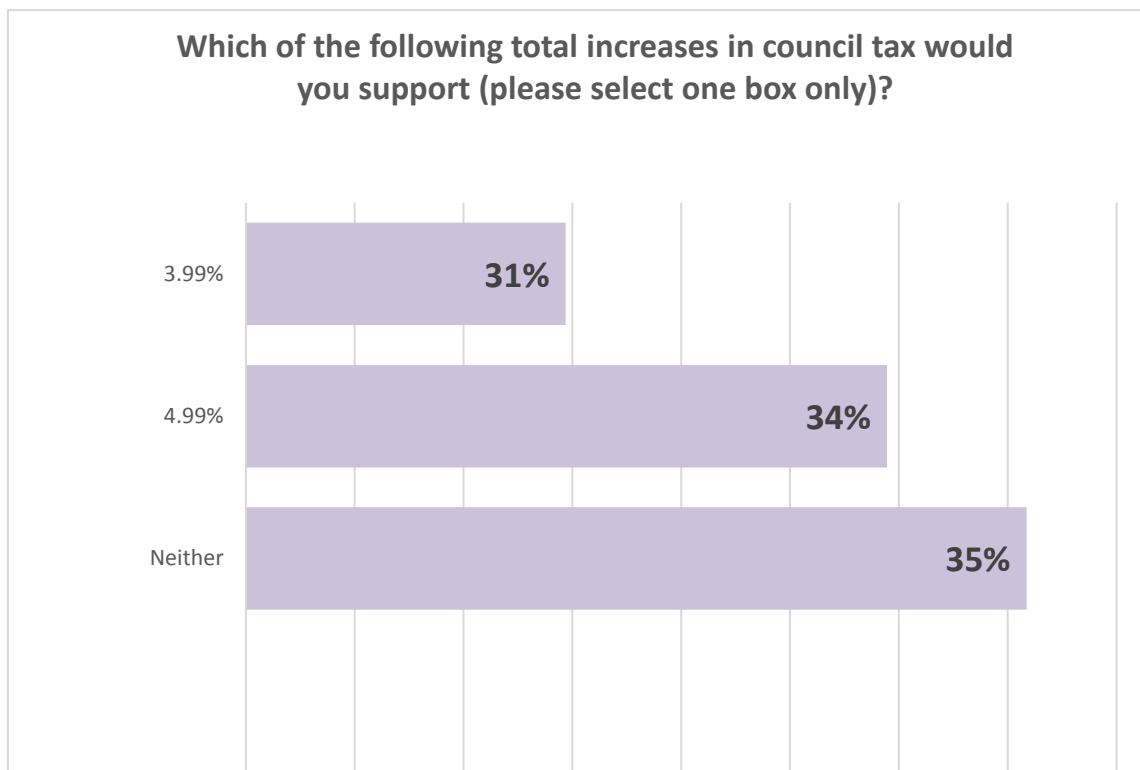


Figure 8: Response to Question 4 –  
“Which of the following total increases in Council Tax would you support (please select one box only)?”



In Question 5, respondents who selected “Neither” to Question 4 were asked to explain this further. Their responses have been analysed and summarised into broad groups below.

Of the 6,718 responses to Question 4, 2,359 respondents said they would not support a 3.99% or 4.99% increase in Council Tax and 2,116 of those provided details of why they would not support either of these proposed increases.

Many of the respondents suggested more than one reason, so in total there were 2,869 comments.

### Q5 Why respondents do not support the proposed Council Tax increases of 3.99% or 4.99%

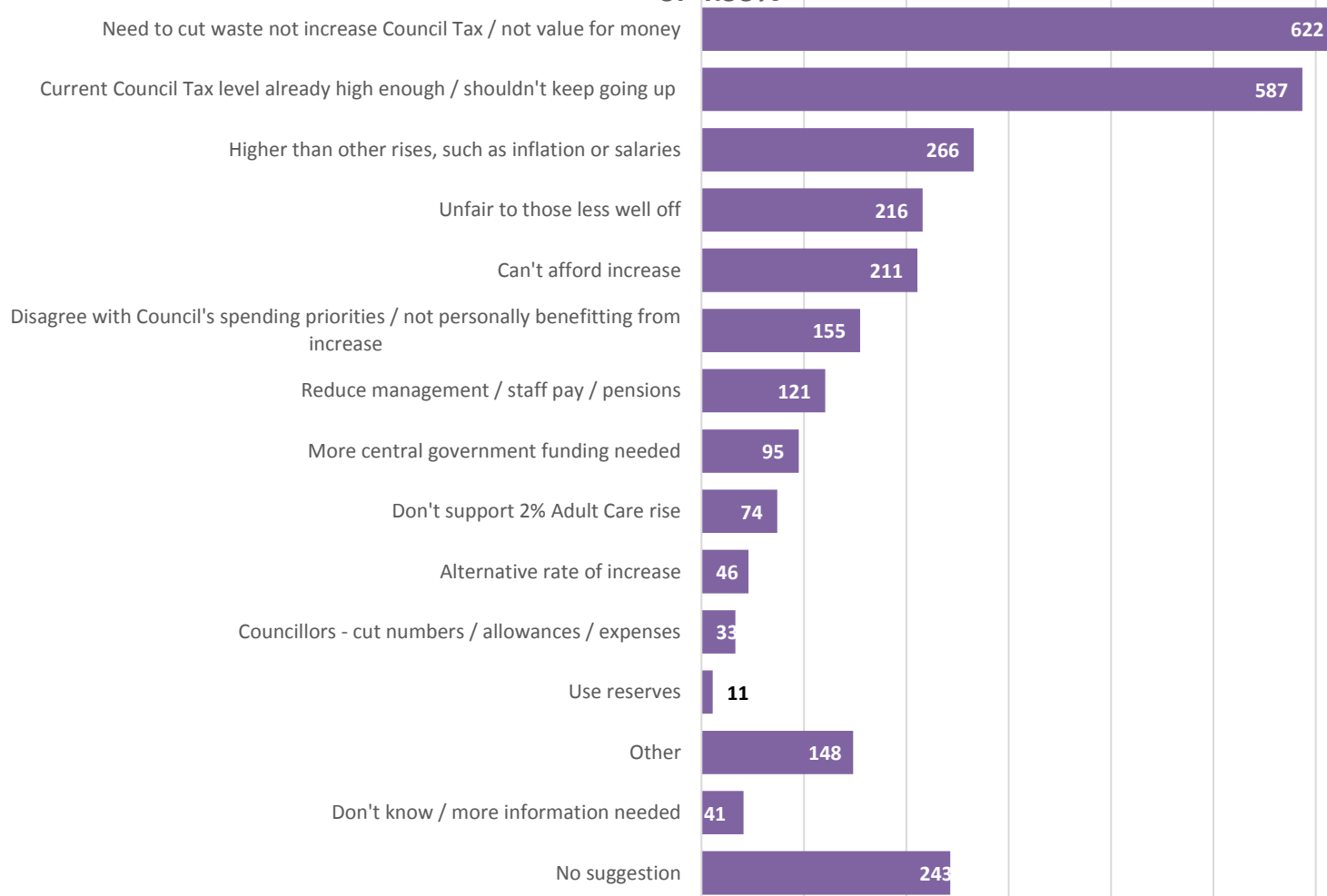


Figure 9: Summary of Responses to Question 5 – “Which of the following total increases in Council Tax would you support? If “Neither”, please explain why below.”