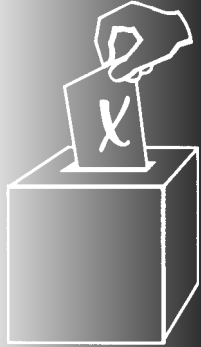




Service Quality



Participation



Finance



Management



Structure

LOCAL AND REGIONAL GOVERNMENT RESEARCH PROGRAMME



Research Summary

"It is our money anyway..."

Lessons learnt from giving the public a voice in local authority spending decisions

Introduction

Local authorities are seeking to make financial aspects of local government more transparent, responsive and accountable. Public consultation is considered by central and local government to play a key role in support of these aims. This study is one of a number commissioned by the Department of the Environment, Transport and the Regions to explore methods of improving public participation in local democracy.

Study aims

The aim of the study was to provide an overview of the strengths and weaknesses of approaches to budget consultation and communication. The results will be used to inform best practice. The study was carried out alongside a survey of the general public to ascertain citizens' knowledge and understanding of the local authority budgetary process. Reference is made to the survey findings where relevant: *Revisiting public perceptions of Local Government: A decade of change*. DETR: 2000

Methods

The study was qualitative in design, adopting a case study approach among seven local authorities. The authorities and their residents were purposively selected to ensure coverage of the range and diversity among them. In-depth interviews were conducted with local authority members and officers

involved in consultation, and group discussions were held with the general public. All interviews were tape recorded and transcribed verbatim. The transcriptions were analysed using 'Framework'. The analysis is based on the views of the general public, council members and officers in relation to public awareness of financial issues, methods of informing the public and approaches to consulting the public. The study focussed on four approaches: referenda, self-completion questionnaires, public meetings and qualitative approaches (citizens' juries and focus groups). Views were explored in relation to these four approaches in general and illustrated with examples from the case study authorities.

Support for consultation and participation in principle

Local authority residents were keen to know how local authority money is spent, particularly since such monies were regarded as "our money". The survey reported that 59% of respondents would be interested to some extent in taking part in important decisions about their council's budget. Among the local authority officers and members there was commitment in principle for the idea of budget consultation. Authorities valued consultation as a management tool, which could:

- inform policy and prioritise resource allocation;

- make service delivery more responsive to residents' needs; and
- overcome public apathy and cynicism about local government.

Concerns and challenges

Despite general enthusiasm for budget consultation in principle, local authorities and their residents raised a number of reservations. Four key areas of concern were voiced:

- in general, people are apathetic and only an unrepresentative minority with “*a particular axe to grind*” would participate;
- people tend to be interested in local issues or issues which affect them or their households directly, whereas local authorities may want to consult on broader authority-wide matters;
- lack of trust among the public, cynicism regarding the authority's agenda, and belief that the results would not be used fuelled expectations of poor response rates; and finally
- a view that the democratic process already gave people an opportunity to “*have their say*” and that elected representatives should “*get on with their job*”. This view was present among local authorities and residents. In addition, authorities voiced concern about loss of professional and political control, and the capacity of lay people to handle financial questions.

Such concerns are supported by the survey results. Fifty-four percent of respondents thought their council was well run, and 3% that it was very well run. There were low levels of interest reported in local politics and local groups, and a preference for important decisions to be made by the public rather than councillors.

The task of conducting budget consultation exercises was thought to raise a number of challenges for local authorities:

- officers and members were divided over the question of whether or not the public would find financial matters too difficult or dull to deal with. Some believed the public could address such questions, given enough background information; others preferred to restrict consultation to the

identification of service priorities and were of the opinion that budgetary implications should be left to officers and members;

- authorities with limited excess budget or with debts felt they had little opportunity to consult on new services and were in danger of raising expectations which could not be met;
- the timing of central government announcements restricted time available for consultation before the annual budget was agreed. The three year planning cycle made this task a more manageable prospect; and
- residents thought consultation would be limited given that no one “*in their right minds would vote to pay more tax*”, although the case studies show that residents do vote for increases.

The meaning of consultation in practice

A range of different interpretations of the nature and purpose of consultation was given by residents and local authority members and officers:

- **informing the public and raising awareness.** For some residents, providing information about council services and allocations between them was seen as consultation. Others were critical of information, which was provided too late to make a response or influence outcomes. Members and officers stressed the important educative role of information, but regarded it as a very basic form of consultation;
- **canvassing public opinion on service priorities and resource allocation.** This was a common interpretation of consultation among residents and authorities. Residents were keen to voice their opinions on such issues, and authorities liked the balance this approach offered between responsive service, and professional and political judgement; and
- **inviting the public to engage in decision making.** This was the least familiar and most controversial interpretation. Residents and authorities that supported this approach liked the idea of engaging the public and encouraging them to take ownership of decisions. Reservations were expressed by residents and authorities in terms of

insufficient information, lack of skills available among residents to make such decisions, difficulty in reaching a consensus given the propensity for people to be interested in issues which affect them personally, and the danger of such exercises being used to manipulate or endorse controversial policy.

Public awareness of financial issues

Residents had very strong views regarding waste and misdirected expenditure, however people also knew very little about how council finances operated. Only a quarter of survey respondents felt very or fairly well informed on financial matters. Council Tax was assumed to be the main source of funding for local authorities. People did want more information, in particular they wanted to hear more about how resources were allocated. Communicating budgetary information was regarded as a difficult challenge by the authorities, given the dryness of the subject and perceived lack of attention paid by the public despite their claims to want information.

Responses to financial information provided

The main sources of information included Council Tax leaflets, press coverage, and local authority newsletters:

- **Council Tax leaflets.** There was patchy awareness of Council Tax leaflets among residents. Sixty-eight percent of survey respondents reported that they were sure they had seen a Council Tax leaflet, but only 15% thought they had read it. Those who had looked at the leaflet were critical of the mass of meaningless figures, the use of financial jargon and obscure or confusing headings used for categories of expenditure. Authorities also considered the information required by law to be a “turn-off” for the public. Residents were keen on pictorial representations of information, for example pie charts. Despite attempts by authorities to make leaflets more interesting, there was still the problem of Council Tax leaflets having to compete with junk mail and similar leaflets from other authorities;

- **Press coverage.** Authorities did not regard the local press as a good medium due to the bad press often given to the council. Residents associated press coverage only with local elections or new initiatives rather than the budget, and were cynical of “*council propaganda*”; and
- **Newsletters.** the frequency of distribution, and consequently awareness of newsletters, varied between residents. Of the 58% of survey respondents who thought they had seen a newsletter, 27% said they read it every time, 14% read it sometimes, and 8% said they only glanced at it. Those who did read the newsletter rarely associated it with financial information and views ranged from those who thought the publication excellent, to those who found it boring due to a lack of local focus. There was criticism of the self-congratulatory tone, something defended by officers and members in reaction to a generally negative press.

Improvements to the content and presentation of information

Residents considered the first step for councils was to communicate in such a way as to overcome distrust and cynicism among the public. Residents made a number of suggestions for improving both the presentation and communication of financial information:

- more detailed and descriptive breakdowns rather than just “*huge figures*” for broad service areas. People wanted more meaningful information on what was included in the overall figure. The officers and members had mixed views on whether residents were willing or capable of dealing with more detailed information;
- residents wanted to be able to compare information with past years or with other localities;
- more information about the different sources of local authority income;
- diagrammatic representations of financial information; and
- information to be presented more than once a year and use of multiple methods of communication. In addition to the Council Tax leaflet, newsletters

and the press, suggestions included leaflets and notices in council offices, electronic display boards, freephone lines, and local television and radio. The survey reported that 85% of residents watched local television news at least three times a week, three-quarters said they read a local newspaper, and nearly half said they listened to local radio news programmes.

and focus groups. Advantages and disadvantages as expressed by residents and authorities are summarised below. A number of the points made related to the types of questions asked and their presentation rather than the method of consultation. These points would be applicable to any approach that presented similar questions and formats.

Strengths and weaknesses of different approaches

Four methods of consulting the public were explored among local authorities and residents: referenda, self-completion questionnaires, public meetings and qualitative approaches, for example citizens' juries

The strengths and weaknesses of each approach from the point of view of local authorities and residents are listed in Chart 1. For each method, residents have identified the attractions and limitations for potential respondents or participants. Local authority officers' and councillors' views of the advantages and disadvantages are presented separately. Some of the views presented were in reaction to specific examples used in the case studies, other views were made in relation to the use of these methods in general.

Chart 1 Strengths and weaknesses of different consultative approaches

Methods	Advantages	Disadvantages
Referenda	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - method can make public feel involved directly in decisions and provide the authority with a mandate; - information included can raise awareness of the issues and constraints; - can secure public support for spending packages; - the method can involve all of the community, has a high profile and can have higher response rates than other methods or election turnout. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - prefer short and simple format of documentation and voting procedures; - welcome clear options to choose between; - easier to choose an option if implications are shown; - feel that the council is making an effort if packages include efficiency savings as well as increases in expenditure or cuts; - appreciative of an appeal to people to be involved and make a difference; - feel that a vote is more likely to have an influence. 	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - risk involved, council may be unhappy with outcome; - format has a tendency towards simplistic presentation of complex budgetary decisions; - the method can be open to manipulation; - relative high cost of the exercise and associated publicity in return for a perceived limited insight into public priorities; - can be interpreted as an abdication of council responsibility and a weakening of professional control; - public support for outcome also depends on high response rates and publicity of results and impact on council plans. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - respondents can feel their personal views are not important, or that the council has made up its mind if choices are limited to pre-selected options; - find it difficult to vote and question the options presented if there is not enough background information; - can feel as if the council are shifting their responsibilities to the public; - recommendations of the council or design of the form can leave respondents feeling as if they are being led to vote for particular options; - can become disillusioned if results and impact not publicised enough.

Chart 1 Strengths and weaknesses of different consultative approaches (continued)

Methods	Advantages	Disadvantages
Self completion questionnaires	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - can be used to assess resident priorities across a range of issues and over time; - can provide measure of public support for spending plans; - potential to reach everyone and hear views of silent majority; - can raise awareness and educate residents. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - short forms, with a small number of clearly presented questions with tick boxes can be easy to understand; - feel their views are important if there is room to comment on individual services; - prefer to express views in context of realities of trade-offs that may need to be made; - welcome appeal to make a difference. 	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - can be difficult to explore complex issues within this format; - can be difficult to engage people beyond own experience. Need to provide more information to do this; - low response rates associated with some formats, for example postal surveys which are not followed up with reminders; postal surveys which are not issued to named individuals; when self-completion questionnaires are circulated within other documents; if the questionnaires appear over complicated in layout or content. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - prefer to have more background information, but booklets can raise still more questions; - can find it difficult to make a judgement if have no experience of the services; - can feel steered to agree to Council Tax increases; - a perception that only certain types of people fill them out; - not everyone aware of the exercise if not sent to named individuals.
Citizens' juries or focus groups	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - can be designed to involve a cross section of the population and target minority groups; - opportunity for informed and considered involvement in decisions and better insight into priorities; - public are more able to handle complex and detailed information; - can generate a high level of interest and commitment from residents; - can raise awareness of constraints within which authorities operate; - participants can become aware of the consequences of their recommendations; - opportunity to send positive messages to the public regarding the value of their views. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - approach supported for the opportunity to express opinions; - can involve a cross section of the population who are dedicated to the task. 	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - still need to present financial issues simply and in terms of tangible service outputs; - low profile among general population unless well publicised; - may be less representative of ordinary citizens; - can be expensive. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - concern about representativeness.
Public Meetings	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - opportunity to hear clear messages from the public; - members, officers and public can feel more in touch with each other; - can be well attended with the right publicity; - can raise awareness of budgetary process; - opportunity to educate the public and communicate complex issues in lay terms. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - free to express views rather than be tied to council agenda; - feel more confident in small, local, informal meetings. 	<p><i>Local authority view</i></p> <ul style="list-style-type: none"> - prone to poor or unrepresentative turn out; - scope of decision making still limited because public can find it easier to suggest additions to services rather than cut backs. <p><i>Resident view</i></p> <ul style="list-style-type: none"> - large meetings can be unruly; - can intimidating for shy people; - perception that meetings attract certain types of people; lack of appeal to young people; - can be cynical of council motives.

Best practice

In terms of best practice for budget consultation, there were a number of clear messages.

Firstly, before attempting to engage the public in financial decisions, authorities need to overcome the considerable distrust and cynicism among the public. Consultation exercises were likely to be hampered by poor response until residents could be persuaded that their views would be taken seriously. Once consultation exercises were underway, both local authorities and the public considered objectivity and feedback on the results as key to securing public confidence.

One of the key challenges for budget consultation as opposed to other forms of consultation, is the need to provide sufficient information to enable the public to understand the issues and make informed decisions. This requirement generates another challenge, that of presenting complex information and making relevant information which may not have a direct or immediate impact on the daily lives of residents. The public preferred information to be presented in the form of diagrams and pictures. They wanted information which made sense in terms of what level of service an individual household or local area would receive. Such requests on the part of the public should not be translated merely into simplification and “dumbing down” of information. Financial information needs to be clearer, but meaningful and relevant.

Another challenge is combining meaningful, considered responses from the public, with raising the profile of authority plans and awareness of the constraints within which local authorities operate. This requirement suggests the use of small scale, interactive, group based approaches and public forums among selected cross sections of the community, coupled with high levels of publicity for the event, outcomes and impact on council plans.

A key consideration for the choice of approach is to fit the consultation method to the purpose of the exercise. No single approach can meet all consultation requirements or reflect all sections of the community. Multiple approaches are required to hear voices from all sectors of the population. Residents' preferences were for consultation which went out to where the people lived, and for an opportunity to express views on issues of direct relevance to themselves or their locality.

Two tier authorities requested improved communication and collaboration between each level. Authorities' efforts could be in competition with each other and could duplicate work. In addition, residents were sometimes unclear of the difference in responsibilities and budget allocations of the two tiers. Finally, moves towards increased involvement of the public in financial decisions need to be balanced against disquiet among the public and authority members and officers concerning erosion of professional and political control and responsibility.

Clearly the task of carrying out budget consultation is a difficult one, but a challenge that the case study authorities were rising to with creative and innovative approaches. Authorities benefited from the expertise of officer's experienced in marketing and research techniques, and when commitment to budget consultation was shared between councillors and across the authority's departments. Authorities would welcome more information on how authorities should manage consultation exercises, how to contact hard-to-reach populations, and examples of exercises carried out by other authorities. The latter point is particularly salient given the absence of a comprehensive resource containing details of the wide range of budget consultations conducted in recent years.

Further Information

“It is our money anyway...” Lessons Learnt from Giving The Public a Voice in Local Authority Spending Decisions by Liz Spencer and Gillian Elam with Rachel Turner of the National Centre for Social Research priced at £25, is available from:

Department of the Environment,
Transport and the Regions
Publications Sales Centre
Unit 21, Goldthorpe Industrial Estate
Goldthorpe, Rotherham S63 9BL
Tel: 01709 891318
Fax: 01709 881673

For further information on the research contract:

Natalia I. Chivite-Matthews
Local and Regional Government Research Unit
Department of the Environment,
Transport and the Regions
Eland House, Bressenden Place
London SW1E 5DU
Tel: 020 7944 4026
Fax: 020 7944 4099
e-mail: natalia_chivite-matthews@detr.gsi.gov.uk