

Leicester  
City Council

FREOPS  
CABINET

22<sup>ND</sup> JANUARY 2003  
19<sup>TH</sup> JANUARY 2003

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## REVENUE BUDGET CONSULTATION 2004/05

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### Report of the Chief Finance Officer

#### 1. Purpose of the report

1.1 The purpose of this report is to notify Cabinet of the findings of the recent budget consultation exercise.

#### 2. Summary

2.1 On 24<sup>th</sup> November Cabinet noted the draft Corporate Revenue Budget Strategy for 2004/05 and 2006/07 which was to be subject to public consultation. A questionnaire was produced and distributed to assist this process, comprising of a mixture of open and closed questions.

2.2 The headline results of the questionnaire are:

- 559 valid response were received
- 61% and 58% respectively supported the draft priorities of Education and the Environment
- 24% Support Council Tax increases at or below the national average in 2005/06 and future years, whereas 45% and 31% respectively support lower or higher increases
- The older people surveyed are more likely to wish to see a lower council tax even if it means making more to cuts services than the other age groups

2.3 In response to the open questions, respondents most often wanted to see increases in spending to Elderly Social Services (16% of those answering the question) and Street Cleaning (15%). They thought money spent upon Voluntary Sector Grants (14%) and the use of Consultants (12%) could be better used elsewhere.

2.4 Responses appear to be broadly demographically representative, although females and under 30's were under represented within the responses. Even though the responses were demographically representative of Leicester there is no certainty that the views expressed were representative of the majority of Leicester's citizens. Apart from the people's panel, all respondees were self-selecting, usually under these circumstances the people who choose to respond are the ones with the most specific viewpoints.

#### 3. Recommendations

3.1 Cabinet is asked to:-

- i. note the results of the consultation exercise;
- ii. consider in due course, how it wishes to use the consultation to shape the revenue strategy it submits to Council.

#### **4. Financial and Legal Implications**

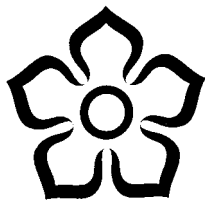
- 4.1 This report discusses the issues related to the Council's revenue budget strategy and is thus entirely concerned with financial issues.
- 4.2 The direct cost of this consultation exercise was £2,000. This was met in whole from the Financial Services Division's budget.
- 4.3 These financial implications were prepared by the report author.
- 4.4 There are no direct legal implications arising from this report, this has been confirmed by Joanna Bunting.

#### **5. Author**

Paul Clarke  
Financial Strategy

#### **DECISION STATUS**

<b>Key Decision</b>	<b>No</b>
<b>Reason</b>	<b>N/A</b>
<b>Appeared in Forward Plan</b>	<b>No</b>
<b>Executive or Council Decision</b>	<b>Executive (Cabinet)</b>



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## REVENUE BUDGET CONSULTATION 2004/05 – SUPPORTING INFORMATION

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### Report of the Chief Finance Officer

#### 1. Background

- 1.1 On 24<sup>th</sup> November Cabinet noted the draft Corporate Revenue Budget Strategy for 2004/05 and 2006/07 which was to be subject to public consultation. Cabinet will be asked to recommend a Corporate Revenue Budget Strategy to Council in February.

#### 2. Methodology

- 2.1 The consultation exercise was carried out through the use of a questionnaire which was distributed and publicised through a variety of sources, including:
- Being available from all Housing Offices, Libraries and the Customer Service Centre
  - Via the Council's Website
  - Distributed via post to 500 members of the Council's People's Panel
  - On request from the Financial Strategy section
- 2.2 The questionnaire was a concise but wide ranging survey. It asked a combination of open and closed questions aimed at getting views upon the Council's proposed strategic budget priorities and the balance between increasing council tax and reducing services. Only residents of the City were able to take part in the exercise. The questionnaire and the accompanying background information are reproduced as Appendix A.
- 2.3 The Leicester Mercury also ran an article on the consultation exercise, which included the survey. However, this did not include the demographic monitoring section, so it is impossible to tell if all these respondents were actually from city of Leicester residents.
- 2.4 The exercise was co-ordinated by the Financial Strategy Team in the Resources, Access and Diversity Department. It ran from the 4<sup>th</sup> to the 21<sup>st</sup> of November.

#### 3. Headlines

- 559 valid response were received
- 61% and 58% respectively supported the draft priorities of Education and the Environment
- 24% Support Council Tax increases at or below the national average from 2005/06, whereas 45% and 31% respectively support lower or higher increases
- The older people surveyed are more likely to wish to see a lower council tax even if it means making more to cuts services than the other age groups

#### 4. Results – Closed Questions

4.1 Tables 1 & 2 show the overall results of the closed questions to the survey. It shows majority support for both strategic budget priorities and the approach to reduce the number of buildings where services are delivered from. Opinion was split on the balance between increasing Council Tax or reducing services, with 55% favouring an average or higher council tax increase.

Table 1 – Results to closed questions (questions left blank have been excluded from the analysis)

Question / Response	Agree	Disagree	No opinion
<i>Do you agree with the council's two suggested budget priorities?</i>			
Education	61%	27%	12%
Environment	58%	32%	10%
<i>The council wishes to reduce the number of facilities it has, where this makes sense, to provide better services from fewer buildings.</i>			
Do you agree with this approach?	69%	23%	8%

Table 2 – Council Tax Question

<i>What are your views on balance between increasing council tax and reducing or discontinuing services....?</i>	Percentage
I support the council's aim for tax increases at or below the national average (last year 13%)	24%
I would like lower council tax increases even if this means making more cuts to services	45%
The council should provide the necessary money to key services regardless of the impact on council tax	31%

#### 5. Results – Open Questions

5.1 In addition to the closed questions, respondees were asked if there were specific services where the council should spend more money and other services where money could be better spent elsewhere.

5.2 There was some confusion over what services the Council is responsible for; many thinking Police and Hospitals required additional funding from the Council. In addition there was some confusion over how the Council is funded (some think that reducing expenditure on Council Houses or reducing Housing Benefit eligibility would enable a decreased level of Council tax to be set). Specific suggestions that were impossible to implement due to legislative constraints were not considered as part of the analysis.

5.3 Services most often quoted as requiring extra funding:

- Social Services for the Elderly (quoted by 16% of those responding to the question)
- Street Cleaning (15% of those responding)

5.4 Services most often quoted where money could be better spent elsewhere:

- Voluntary Sector Grants (14%)
- Use of consultants (12%)

## 6. Results – People’s Panel

6.1 Nearly 1,000 city residents have registered with the People’s Panel, indicating their willingness to provide feedback upon any issue. Questionnaires were sent to a sample of 500 members of the Panel which attracted a response of 31% (155). Other responses were from people who purely ‘self-selected’, that is they chose to respond without specific invitation. The views of the People’s Panel may therefore be more representative than the other responses. As such its response is analysed separately below.

Table 3 – Results to closed questions – People’s Panel responses only

Question / Response	Agree	Disagree	No opinion
<i>Do you agree with the council’s two suggested budget priorities?</i>			
Education	81%	10%	9%
Environment	74%	15%	11%
<i>The council wishes to reduce the number of facilities it has, where this makes sense, to provide better services from fewer buildings.</i>			
Do you agree with this approach?	77%	14%	9%

Table 4 – Council Tax Question –People’s Panel responses only

<i>What are your views on balance between increasing council tax and reducing or discontinuing services....?</i>	Percentage
I support the council’s aim for tax increases at or below the national average (last year 13%)	42%
I would like lower council tax increases even if this means making more cuts to services	33%
The council should provide the necessary money to key services regardless of the impact on council tax	25%

6.2 The People’s Panel in general shows stronger support for the Council’s proposed strategic budget priorities and reducing the number of buildings. There is also a greater support for the Council’s aim for average council tax rises. Other services requiring additional funding were again Elderly Social Services and Street Cleaning and voluntary sector grants was the most quoted area where the money could be better spent elsewhere.

## 7. Analysis

7.1 Altogether 1,008 responses were received. However, of this number 449 were photocopied versions of the Leicester Mercury Questionnaire, apparently from the same source (generally in the same handwriting) and received in two batches. Of these responses 100% disagreed with any rationalisation of buildings and 99.5% also supported higher Council Tax increases. Over 50% of this group also indicated Advice Services as being a strategic budget priority. It is considered that the inclusion of these responses in the analysis would adversely affect the representativeness of the exercise and therefore the analysis throughout this report excludes them. There is evidence of orchestration elsewhere in the responses, but that cannot be proved, and not of sufficient scale to be significant. As stated above, the People’s Panel findings are considered the most reliable.

7.2 The remaining 559 responses, represents roughly 0.3% of the adult resident population of Leicester. The breakdown of the responses by source are shown in table 5 below.

Table 5 – Responses by Source

Source	Number	Percentage
Ballot Boxes	181	32%
Website	67	12%
People's Panel	155	28%
Direct Request	64	11.5%
Leicester Mercury	92	16.5%
<b>TOTAL</b>	<b>559</b>	

7.2 Table 6 provides a demographic analysis of the responses. It appears that the responses were broadly demographically representative, although females and under 30's were under represented within the responses. Note this analysis ignores the Leicester Mercury responses as respondees were not given the opportunity to provide the relevant monitoring information.

Table 6 – Demographic Analysis

	Percentage (of those who answered)	2001 Census Data for Leicester 18+ (percentage)	Variance
<b>Sex</b>			
Male	56%	47%	9%
Female	44%	53%	-9%
<b>Age Profile</b>			
<18	2%	N/A	N/A
18 – 30	10%	27%	-17%
31 – 43	30%	29%	1%
44 – 56	26%	15%	11%
57 – 69	18%	16%	2%
70+	14%	13%	1%
<b>Ethnic Background</b>			
Asian or Asian British	25%	28%	-3%
Black or Black British	5%	3%	2%
Mixed	3%	1%	2%
White	67%	67%	0%
Other	0%	1%	-1%

7.3 Even though the responses were demographically representative of Leicester there is no certainty that the views expressed were representative of the majority of Leicester's citizens. All respondees were self-selecting, usually under these circumstances the people who choose to respond are the ones with the most specific viewpoints.

7.4 Statistical analysis was undertaken to see if respondents' views are different according to their demographic profile. The significant findings were that a higher proportion of older people wish to see lower council tax rise and less likely to favour the reduction in the number of buildings. People from an Asian, Black or Mixed background were less likely to support the environment as a strategic budget priority and more likely to wish to see a lower council tax rise.

## 8. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	Yes	7.2 – 7.4
Policy	Yes	Sections 3 – 6
Sustainable and Environmental	Yes	3.1
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	7.4

**12. Background Papers – Local Government Act 1972**

None

**13. Author**

Paul Clarke  
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