Summary:
Report on the findings from the recent budget campaign and consultation. This report sets out a factual evaluation on the levels participation in the campaign and engagement in the consultation. It deliberately does not attempt the make any judgements about the outcomes from the campaign and consultation, or whether these are a reliable basis for budget decisions. This report is to accompany presentation from market research consultants and taken together these should provide reliable conclusions on which budget recommendations can be based.

1. Budget Campaign and Consultation
1.1 The budget communication and consultation campaign was launched on 13th October to coincide with the publication of the County Council Autumn Budget Statement papers. The campaign was aimed at reaching a wide audience of Kent residents, businesses and other interested parties to better inform them of the budget challenge arising from a combination of additional spending demands (which are unfunded) and reductions in central government funding. As a result of the campaign we hoped that sufficient numbers would be inspired to engage with the consultation. The Campaign was led by the Finance Strategy team with support from representatives from Communications & Consultations team.

1.2 The campaign was primarily delivered through the council’s website http://www.kent.gov.uk/about-the-council/have-your-say/budget-201718. This dedicated page provided a high level summary of the financial challenge with links to consultation questionnaire, budget modelling tool and more detailed supporting information. In total the site had 1,416 unique page views between 13th October and 27th November, 489 accessed from internal users and 927 external visits. The peak traffic for internal users was immediately following the launch i.e. 13th/14th/17th October, which accounted for 302 of the 489 visits. The peak traffic for external users was Monday 14th November (125 of the 927 visits).

1.3 Around ¼ of those visiting the site accessed the link to the consultation questionnaire; 75 of the 489 internal users (24%) and 190 of the 927 external visits (26%). Assuming not all of these led to a response it is reasonable to conclude less than ½ of the 510 consultation responses came from the dedicated web page i.e. those captured from the communication campaign and sufficiently inspired to engage.
1.4 The remaining responses came via KCC’s general consultations page http://consultations.kent.gov.uk/consult.ti/BudgetConsultation2017/consultationHome. This consultations directory page includes registered users who are prompted to engage. The spike in external visits to the dedicated “have your say” budget page on 14th November coincided with a major initiative to remind these registered users. This combination of internal and external traffic on the dedicated page together with the level of responses through the consultations directory page means that it is reasonable to conclude that we have got an appropriate distribution of responses from staff and the general public.

1.5 The dedicated “have your say” budget web page also included a link to the YouChoose budget modelling tool. This tool was developed by London Borough of Redbridge in partnership with YouGov and the Local Government Association. This tool is used by a number of other authorities. A significantly lower proportion of visitors viewed this tool, 75 out of 489 internal users (15%) and 68 out of 927 external visitors (95).

1.6 The majority of internal users (61%) were referred to the page via Knet, 16% accessed the page directly, 9% via Google search, 4% via Bing and 3% Twitter. The most common referral for external users was direct traffic (40%), 25% were referred via Google search, 10% via Twitter, 6% via adjacentgovernment.gov.uk and 6% Facebook.

2. Consultation Responses

2.1 In total 510 responses were received either through the dedicated webpage or Budget Consultation entry on the consultation directory. A handful of written responses were also received. A summary of the responses is presented below. The questionnaire explored 4 key issues:

- Council tax increases in relation to the referendum requirement
- Council tax increases for social care precept
- KCC’s overall budget strategy
- The level of awareness of the financial challenge

The questionnaire also allowed for any other comments and included a summary of the key issues together with impact on KCC’s budget.

2.2 The consultation was designed to seek views on these key strategic issues and not the detail of individual budget proposals. This detail will be explored in separate service specific consultations which will be undertaken to support any implementation. We have found from previous experience that consulting on all the individual proposals in the budget in one single campaign is too complex and therefore ineffective as it produces a very poor response rate. The response rate to this year’s consultation is significantly lower than the previous two years. We will undertake further investigation as to why this year’s campaign did not produce the same level of engagement as previous years e.g. impact of not doing any external advertising or promotion of the campaign.

2.3 Responses to question 1 are shown in the chart 1 below. “Council Tax - KCC is proposing to increase council tax by 1.99% to collect money that
will help to cover some of the additional unavoidable spending demands. Please indicate which you would prefer.”

2.4 These responses are consistent with previous years showing a majority support for an increase (with a significant proportion supporting an increase up to but not exceeding the referendum level). A consistent minority continue to resist any increase and presumably would accept further savings in order to address the financial challenge arising from rising spending demands and reductions in central government funding.

2.5 Responses to question 2 are shown in chart 2 below. “Social Care Precept - KCC is proposing to use the permitted 2% social care precept to raise an additional £11.9m to help fund social care and protect vulnerable people (this will be in addition to any increase to council tax). Please indicate whether you would support the additional social care levy.”
2.6 Responses to question 3 are shown in chart 3 below. “Budget Strategy - All KCC business is planned to support the following core strategic objectives: Helping children receive the best start in life, supporting vulnerable residents and promoting economic growth to make Kent a great place to live and work. Do you think the proposed budget effectively supports these objectives?”

2.7 Responses to question 4 are shown in chart 4 below. “Budget Awareness - How aware were you of the financial challenges KCC has been managing for several years before taking part in the consultation?”
2.8 Responses to the open comments section are still being analysed. A summary of these will be circulated separately.

2.9 The information from the YouChoose budget tool is very limited. In total we only received 60 completed submissions from 166 starts. This is a very high level of drop-out. The tool enabled participants to propose increases or decreases in the budget for individual services and the scope from savings from efficiencies and income generation. Appendix 1 includes a screen shot of the choices made from the 60 completed submissions.

3. Market Research
3.1 We have also commissioned independent market research on next year’s budget. The purpose of this research is not only to provide a valuable insight into public opinion on the council’s budget, and provides a benchmark from a statistically representative sample of residents to compare with consultation responses. A draft executive summary of the research consultant’s findings is attached as appendix 2 to this report. The research consultants will provide a presentation to the meeting setting out their key findings from the research.

3.2 The evidence from the market research on council tax supports the consultation responses. The majority of residents support a small increase in council tax in order to protect services, which accords closely with the research. However, a core minority remain opposed to any increase and believe the council can do more to find savings, which too accords with the research. The number supporting a larger increase above the referendum threshold in the consultation responses is not consistent with the research which identified very few people would
support a larger increase. Consequently it is reasonable to conclude there is very little appetite for a referendum on council tax, and even if offered would be highly unlikely to support larger council tax increases.

3.3 The consultation responses on the overall budget strategy are consistent with the market research i.e. there is a wide spectrum of views with no single solution. We have consistently found the highest levels of public support to protect social care services for the elderly, vulnerable adults and children. This is reflected in KCC’s budget strategy. Questions on the budget strategy i.e. where to invest and where to make savings, continues to be the most difficult area to seek opinion.

3.4 The levels of awareness about KCC’s budget and the financial challenge are much higher amongst consultation respondents than market research suggests exist amongst all residents. This is not unexpected bearing in mind the high proportion of consultation responses from registered users through KCC’s general consultations page.

4. Other Consultation Activity
4.1 We have reduced the amount of other consultation activity, particularly workshops for particular reference groups. In the past we had disappointing attendance at business and staff events. Members of staff were keen to engage on the budget, but found it difficult to attend set events at certain times which did not fit with work commitments. Consequently we have encouraged staff to engage through regular communications on KNet and via the formal consultation page when they can better fit this around work commitments.

4.2 We did hold an event for voluntary and community sector representatives on 2nd December. In the past this event has been well attended and we have had a high level of engagement from invited representatives. Attendance this year was poor, although it is felt this was due to the timing of the event rather than lack of interest. Consequently we have sent the five questions considered at the event to all invitees. A summary of the responses from the six questions at the event is included as appendix 3.

4.3 We also held a budget workshop at the Kent Youth County Council event on 13th November. This event was well attended by KYCC representatives who were keen to engage on the budget. A summary of this event is included as appendix 4.

4.4 Budget consultation was included as part of highways seminars with parish councils for the first time. This included a high level view of KCC’s overall budget supported by an exemplification of the financial challenge showing the spending demands and share of council tax/central government funding for highways and the resulting gap. This exemplification showed the savings being considered from highways and the net contribution in order to protect other services. These events were well received and the exercise prompted lively debate and exposed the difficulty of dealing with rising demand/cost and falling income.
4.5 We have not recorded the individual responses at these parish events as inevitably these had a highways focus. The general consensus amongst parish representatives was concern at the extent to which savings have been asked from the highways budget (particularly maintenance) in order to protect other services. The other general message was that parishes would welcome devolution where this makes financial sense i.e. not at the expense of economies of scale, and where they can make a real difference to local communities. However, any devolution needs to be adequately funded; parishes would not welcome devolution if it had to be fully funded from the parish council tax precept.

5. Conclusion

5.1 It is essential that we maintain adequate consultation to inform budget decisions. Not only is this recognised in government guidance but is also a KCC constitutional requirement and responds to case law where consultation has been found inadequate. Furthermore budget consultation on its own is not sufficient and KCC also must consult on service changes which have an impact on users according to the significance of the potential change. Therefore, we remain convinced that this consultation should be in two stages:
- General consultation on the overall strategy
- Detailed consultation on the implementation of individual aspects

5.2 Although the level of responses to the formal consultation is down on recent years it still represents a reasonable degree of engagement bearing mind the amount of publicity given to the campaign. Obviously we would have hoped that the campaign stimulated interest but we cannot directly influence response levels.

5.3 The responses and market research provide adequate evidence to support the budget strategy used to develop the proposals presented to county council in October, and in particular the continued identification of additional spending demands (unavoidable and negotiable), council tax, and the emphasis on savings which protect front-line services.
Appendix 1

Responses from YouChoose Budget Modelling Tool

### Budgets

- Adult Social Care - Older Pcs.
- Adults Social Care - Vulnerable
- Childcare services
- Highways
- Other Services to the Public
- Transport Services
- Waste

### Income Options

- Adult social care services
- Culture and leisure
- Traded services

### Efficiency Options

- Asset management and utility
- Management structures
- Procurement
- Staff structures
Appendix 2

Draft Executive Summary from MMRI Report

Executive Summary

Research objectives:

Kent County Council (KCC) required the undertaking of an annual consultation in relation to the development of its budget for the next financial year. The objectives of the budget research were to:

- Explore residents’ views on Council Tax increases anticipated by central government and being considered by KCC.
- Explore how communications about the financial challenge to local authorities are viewed and what residents take from it.
- Explore response to broad strategy in relation to how KCC should face the challenge of rising spending demands, reductions in central government funding and limitations on the ability to raise Council Tax.

Methodology:

A qualitative approach involving a series of deliberative events across Kent was undertaken. Previous budget research conducted by KCC has incorporated a combination of quantitative and qualitative research. For the 2017/2018 budget consultation it was agreed qualitative research alone would fulfill the research objectives.

- MMRI conducted a series of five qualitative deliberative events across Kent. Three main events were conducted with a representative mix of Kent residents aged 18+. The events were held in Maidstone, Canterbury and Tonbridge.
- Two further events were held specifically for young people: one with young people aged 16-24 was held in Ashford and one was held in a Maidstone school with sixth-form pupils aged 16-18.

Participants’ perceptions of KCC:

Many participants found it difficult to identify the services provided to residents by KCC and some were surprised by their own lack of knowledge. The view amongst some was that maybe they should know and understand more about what KCC does and KCC should be informing them.

Understanding of the social care services KCC provides was limited, but evident amongst a small group of participants (typically these had some form of personal experience with them).

During the discussions regarding KCC and the services it provides, many felt their relationship with KCC was distant, with there not being enough visibility of KCC services in their local area.
Executive Summary

The informed view:
Prior to attending the budget events many participants had limited knowledge about KCC, the services it provides and its budget priorities. The absence of awareness made it challenging for some to make spontaneous decisions relating to Council Tax, KCC’s spending priorities and the services that should be protected from cuts.

At each event participants were asked a series of six questions (five at the youth events where the Council Tax question was excluded). These were asked at the beginning and then repeated at the end (following a video and an information presentation on the budget challenges, delivered by a member of the KCC Financial Strategy team), the findings included:

- Once participants were more aware of the services provided by KCC many reflected that they were using KCC services more frequently than they had initially acknowledged.
- Most participants judged KCC service to be of ‘sufficient quality’ with there only being slight movement after additional information was provided.
- After being informed about the services KCC provided and the budget challenges it faced, many participants viewed more positively the value for money delivered by KCC.
- Participants were asked to make a hard choice and choose one service to be the most protected and one the least protected; a choice many found challenging. The majority wanted to see social care for elderly and vulnerable adults protected from budget cuts, closely followed by social care services for children.
- KCC management and support was the area the majority of participants felt should be the least protected from budget cuts, followed by a lesser extent by libraries. However, many participants did not think libraries should be shut completely but potentially scaled back.

Communicating with residents:
Many participants, across all demographics including young people, expressed a desire for further information about the services KCC provided and how their Council Tax was allocated.

One way of encouraging resident engagement in these complex issues is through the use of promotional materials including videos. In each event participants were shown the recently developed KCC budget consultation video. The purpose of the video was to inform residents about the budget challenges faced by KCC and to encourage them to find out more about the KCC budget. Participants liked the concept of a video being used to share information with them and most viewed this as informative, providing them with interesting facts of which they were previously unaware. However, the video did not work as a call to action as participants did not feel that watching this video would encourage them to go and find out more.
Executive Summary

Balancing the budget:
Participants were asked to consider four strategic ways in which KCC could balance the budget.

**Option one:** KCC provides fewer universal services to all residents.
**Option two:** KCC only provides services to those most in need, regardless of income.
**Option three:** KCC means tests access to services so that people with the lowest income receive the most service.
**Option four:** KCC encourages communities to take responsibility for undertaking some services in their local neighbourhood, rather than relying on publicly funded services.

Participants were split on the relative appeal of these. Some were more comfortable with options where there was an element of means/needs-testing of service users: either by testing the level of need or income. Many could not clearly make a choice between the two and some called for a combination of both types of testing.

Participants who opposed limiting access to services by means-testing preferred the option of 'fewer universal services to everyone' as they considered it to be more fair that everyone took a 'hit' instead of many being denied access to services because they did not meet the 'highest need' or 'lower income' thresholds.

At each of the events participants were asked:
- What they felt was the best way to pay for local public services?
- Whether they would rather pay more Council Tax in order to protect services or pay the same/less Council Tax and see a reduction in services?
- Whether they would prefer to pay more individual charges for services provided by KCC as and when they used them?
- Whether KCC should impose more penalties/fining for service abusers?

Participants failed to identify one single best way for KCC to increase contributions towards its services. Many felt KCC needed to implement multiple approaches.

Conclusions:
There is a clear need for increased communications amongst residents; many participants were surprised and previously unaware of the financial challenges faced by KCC.

Receiving information about the services KCC provided, the budget challenges it faced, why Council Tax was needed and what it paid for, impacted positively upon people’s views of KCC providing value for money as well as their willingness to pay increased Council Tax. Once participants were informed there was a sense of empathy and a willingness to play a part in bridging the KCC budget gap, but being provided with this information in the first place was key to this mindset.
Q1. Can the Voluntary Sector help us to resist some of the additional £57m of extra spending demands?

- VCS can add to the value of the extra spending with the national living wage, which is non-negotiable.
- If the VCS is appropriately funded, they can then assist with the extra spending demands.
- Collation of performance data is expensive and resource intensive. This information needs be used better to justify impact on VCS organisations.
- Review length of time for contracts, make them larger to avoid additional costs of procurement and commissioning
- KCC should support VCS to engage in more Transformation activity (review how VCS works and delivers its services and seek efficiencies, staff reductions and greater collaboration with other relevant organisations).
- Smaller grants to multiple organisations lead to duplication which reduces the value for money. Use larger grants to planned joint work between VCS groups.
- Focus support for VCS on preventative services to help reduce demand for KCC services.
- Target volunteering programmes to recruit people that may otherwise deteriorate toward needing further support from KCC.
- Use VCS information / intelligence to better co-ordinate KCC work and spending to reduce unnecessary spend.
- Facilitate / support VCS led co-ordination of VCS activity to reduce duplication and avoid funding ‘talking shops’.
- Better promotion of VCS alternatives as options for support to reduce demand on KCC services.

Q2. Are the £75m of savings being proposed the right areas and in particular are there any services which we should seek to protect and are there areas we can deliver more savings, especially through better working with the voluntary sector?
• Protect services that focus on preventative support to reduce long term demand.
• Consider better links between Education and Social Care to support inter-generational activities (Older people working with young people via volunteering activity)
• Encourage volunteering in various spend areas by offering Council Tax incentives / exemptions.
• Map out what is required and to assess what currently exists for the best use of the resources.
• Bigger is not better when it comes to commissioned services, avoid duplication of services but make greater use of the expertise that currently exists.
• Review procurement approach in terms of VCS work – avoid unnecessary duplication and consider expanding co-ordinated use of small grants to minimise procurement administration processes.
• Revisit the option of shared services which KCC and Medway. Perhaps explore the opportunities of a single unitary authority with Medway.
• The VCS would like to see more done from KCC concerning their innovations of being self-sufficient.
• KCC to explore best practice with other local authorities e.g. Manchester.

Q3. **Are there any aspects of the social care council tax precept and better care fund that we should be making further representations to government?**

• Lobby Government for a greater focus on Income assessment (develop income tax precept element for Social Care for Council use).
• Review Council tax assessment to make it fairer.
• More cash needed by councils, not just enough to keep level.
• Social Care should not only be funded through council tax increase and should receive additional contributions through income tax.
• If 1% of council tax is unpaid, there needs to be greater effort made to claim that back or prosecute those not paying.
Q4. Are there any concerns with seeking to increase council tax by 4% per annum each year as part of the budget strategy (e.g. working with districts to reduce the impact on some vulnerable households)?

- Consider reviewing the banding approach to also take income into account, balanced against those with high needs. Any existing exemptions or reductions for Council tax must apply to social care precept to prevent hurting the vulnerable.
- Greater joined up working with the Districts concerning management of council tax and spending priorities.
- The 4% Council tax increase will greatly affect households and is perhaps not sustainable. This may push residents into the support and services run by the voluntary sector (risk of increasing demand all round with knock on effect to KCC costs when VCS cannot support all those that need help).

Q5. Are there any other ways we should be seeking additional income to fund the impact of rising demand / cost combined with reduced government funding (e.g. user charging)?

- VCS would not support user charging due to the risk of it negatively impacting vulnerable people.
- KCC should mirror Sevenoaks Council through more significant private sector investment into income generating business ventures.
- Make greater use of devolution opportunities with local authorities becoming more self-sufficient.
- Run the organisation like a business.

Q6. Are there any other suggestions from the VCS around managing the financial challenge?

- Much more communication with the VCS around their services, views and assessment of what support they can offer KCC.
- Concern over lack of VCS engagement with the Budget Consultation.
- Hold Budget Consultation earlier to allow more time to gather and consider responses before the need to produce a final budget.
• Engage the VCS in workshops for specific target setting around offsetting some the ‘last minute’ budget pressures.
• Better joint working between the County, District and Parish/Town Councils with the VCS
• Focus on minimising duplication by communicating better.
• Lots of very small projects that are important to communities can be solved through local involvement but some funding is required to help the VCS to co-ordinate this.
• Better use of grant money and funding decisions by KCC to provide the right support for the VCS
• Invest in more training and support for VCS in accessing funding sources and shaping services to better support KCC areas of demand.
• Review commissioning and procurement arrangements in place relating to VCS as they do not allow for smaller organisations to compete realistically (KCC loses out on local knowledge increased volunteering levels).
• Stop procuring large scale contracts with very large VCS groups as this can result in more money being kept as overheads and not enough funding reaching the local organisations that are sub-contracted to deliver the work (which results in smaller VCS organisations closing down).
• Improve communication generally to ensure regular liaison with VCS to review best use of VCS services and KCC spending.
• Review performance monitoring approach to make it more manageable for smaller organisations.
Promotional Video
KYCC representatives supported the concept of a short video to inform residents and prompt further engagement. They like the style of the video although felt that the voiceover was unexciting and had too many pauses. They generally felt the pace of the video could be speeded to include more information about services which are relevant to all e.g. number of potholes repaired and the video focuses too much vulnerable clients. They also felt that the link to the website should say what people can do i.e. “have your say on the budget”, “find out more”, etc.

KYCC understood why members may have some reservations about the video as outlined above. They recommended that the video should not just be posted on KCC website but also needs to be available via social media (Facebook, Twitter, etc.). They felt that the length of the video was about right.

Budget Consultation
KYCC will be looking to submit a formal response to the budget consultation. Discussion with the group highlighted some of the problems with rationing access to services according to need and in general the group felt that means testing more services and limiting access to only low income families may be more appropriate. They recognised that KCC needs to respond to the budget challenge and that some services will have to be delivered in a different way. They did not think a council tax referendum is the solution.