

Summary of key findings from Budget Simulator exercise

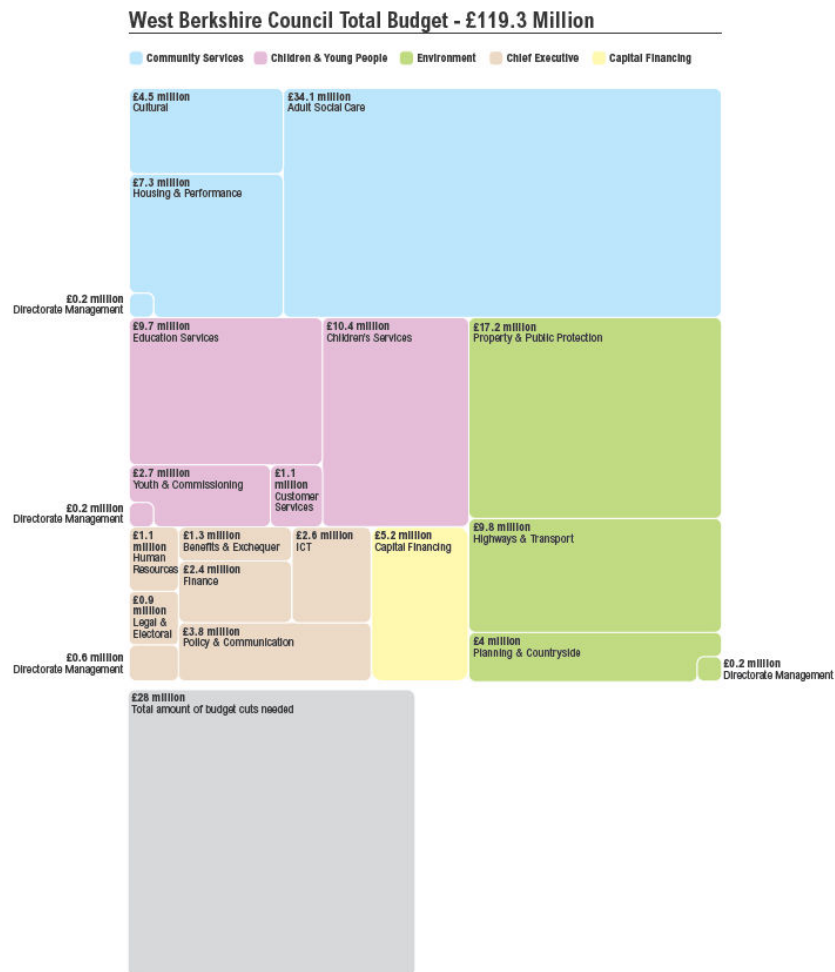
Background

The scale of the financial challenge facing public services over the next few years is unprecedented. The Comprehensive Spending Review has put in train the measures needed to contract public finances nationally and it is now up to local authorities to manage their corresponding reduction in resource through prioritising what is needed locally in order ensure quality of life for all local residents.

Pressures on the Council's finances mean substantial savings need to be found. Our settlement, as a result of the Comprehensive Spending Review, we now know is a headline decrease of £3.46m over the course of 2011/12.

The graph below illustrates the scale of the task. The coloured squares show the relative size of individual services' net budgets across the Council, as of April 2010. The colour coding represents which directorate individual services sit whilst the yellow box represents the repayments on borrowing to, for example, fund capital projects such as the new Winchcombe School or the Dolphin Centre in Pangbourne.

The relative size of the necessary savings needing to be found over the course of the next four years is represented by the grey box at the bottom of the chart. This is in the order of 24% of the Council's total net budget – or £28m.



In order to inform this prioritisation, the Council undertook an exercise to elicit from local people what they see as important when focussing remaining resources through a budget simulation exercise.

The objective was to provide the opportunity for the community as a whole to contribute to the debate on how public resources should be focussed and in doing so capture, in broad terms, a view of resident opinion in relation to the relative importance of different service areas. The results would then be used to inform the service planning and resource allocation process for the Council over the coming years, as resources are reduced.

The exercise ran from early November 2010 for a period of 6 weeks. The task presented was for respondents to achieve an overall reduction of £10.2m in council expenditure (or 9.2% of the

overall net budget) by increasing or reducing spending according to their own priorities.

The exercise generated a great deal of interest across the district with more than 800 people taking the time to complete the exercise and contribute to the debate – far in excess of the response received by comparable authorities elsewhere undertaking the same exercise.

Key findings

The table below shows the average change in individual service budgets of all people who responded.

Comparatively, average budget changes should be viewed in the context of the overall budget reduction target of 9.2%. Therefore, an average budget reduction of less the overall target shows where respondents collectively have sought to ‘protect’ these areas at the expense of others.

Service area	Average change in budget (%)
Child protection	-5.3
Care and support for older people	-6.3
Fostering and adoption, care and support for children with disabilities (i.e. Children’s Services)	-6.9
Care and support for adults with disabilities	-7.4
Community Safety	-7.7
Support for schools and pupils	-8.7
Services for young people (i.e. Youth Services)	-9.3
Roads and car parking	-10.3
Housing services	-11.4
Waste and recycling	-11.5
Environmental health and trading standards (i.e. Public Protection)	-11.9
Traffic management and road safety	-12.1
Parks, open spaces, recreation grounds and public footpaths (i.e. Countryside Services)	-12.3
Benefits and Payments	-13.0
Customer Services	-13.2

Service area	Average change in budget (%)
Libraries	-13.4
Leisure centres, heritage and tourism	-13.7
Town planning	-14.3
Support services	-15.8
<i>Total response</i>	831

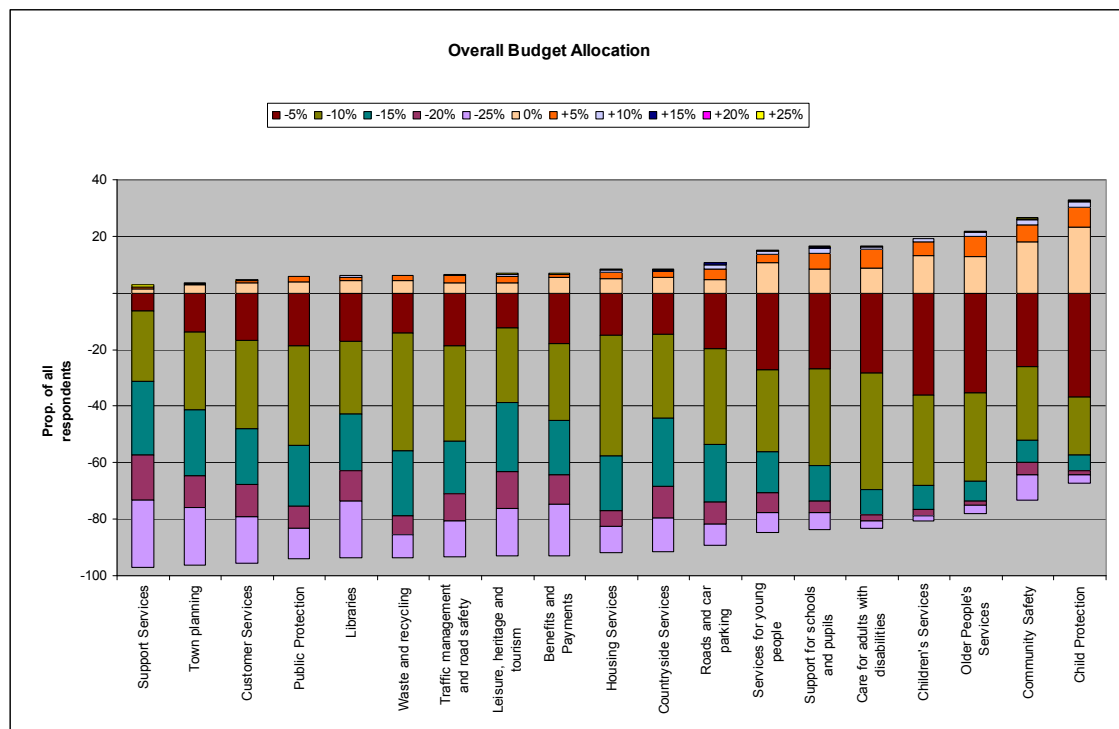
This shows marked variation in the average changes to services' budgets. Clearly, child protection is the most important area for local residents with an overall average budget reduction of 5.3%. Similarly, care and support for older people, Children's Services, care and support for adults with disabilities, Community Safety, support for schools and Youth Services all have an average budget reduction of less than 10%.

Loosely speaking, these can be classified as people-orientated services. A clear dichotomy becomes evident with these people-based types of service areas featuring higher up this table whilst budgets dealing with more place-based areas – such as roads, waste, public protection, traffic management

and countryside services – coming out more in the middle of the table.

Towards the bottom – perhaps unsurprisingly – support services are highlighted with the most substantial reduction in expenditure, along with planning. Both leisure services and libraries are areas which people have opted to make substantive savings in order to meet the overall budget reduction.

The graph below shows the overall allocation of budgets across service areas, by all those who responded. They are ranked from left to right in ascending order of the total proportion of people who would reduce expenditure in a service area. Within each bar is the proportion of people who would reduce / increase a budget by 5% increments.



This reinforces the point that within the context of an overall budget cut of nearly 10%, it is the social care type, or people-based services are those areas people are more likely to wish to see protected.

Explicitly, this stems from a sense amongst many of *"people first and things second"* and that services dealing with more place-based aspects could be more appropriately sidelined when faced with these choices in favour of supporting people more directly in the short term:

"In hard times, I think it is better to protect services for children, disabled and older people. We must try to reduce the human cost; that's why expenditure items like buildings, heritage, parks and road maintenance should take the back seat until the situation improves."

A similar sentiment expressed centred around the need to focus resources on those in most need and that people would be willing to accept reductions in more general facilities and services:

"Things like libraries and road maintenance are highly desirable, but I'd prefer to cut those, and maintain services for vulnerable groups. Dustbins could certainly be collected less frequently - our family of four only put our bin out every two weeks as we can't fill it in one."

It is noted however that a number of respondents argued that reductions should be made more equably, suggesting that *"it is important that ALL those that pay for Council services receive a fair return. It is recognised that those who are vulnerable need more support than others but some form of equality for all must survive."*

Looking more closely at the graph above we can see that upwards of 1 in 5 people responding opted to retain or even increase expenditure in child protection, care and support for older

people and Children's Services. Similarly, Community Safety was also seen as an area of priority for respondents, with more than a quarter of people seeking to protect this service area's budget.

Alongside support services, it is the more 'environmental' type services that people would opt to reduce in the round – for example, planning, public protection, waste and recycling and traffic management – along with Cultural Services - leisure, heritage and tourism and libraries – and Customer Services. As alluded to above, in the face of the choices being presented, these are seen as 'luxuries', and secondary to ensuring the well-being of those most in need:

"I think that when making cuts and prioritising we need to think sensibly. Whilst having a lovely library with free internet access and lots of new titles on the shelves is something I use and have benefited from, when services are at risk I would prefer those that need services to meet their basic needs to get those services and if I want a DVD I'll have to pay a bit more and go to Blockbuster!"

Interestingly, a theme emerges through the qualitative comments around a perception that people could - and necessarily should - be doing more to help themselves. A number of people commented for example that *"if we can support local communities to take care of each other, we can reduce the need for certain facilities. Book swaps instead of libraries; lift shares instead of half-empty buses."*

Some expressed the sense that the state has encroached too far into what should be left to individuals themselves, so that:

"There is far too much expenditure in areas where people should be helping themselves and helping others. There should not be a presumption that 'the state / council will provide'. There is

probably scope for even greater cuts in council expenditure. This does not mean people will suffer but that they and their neighbours and friends will have to do more for them."

Analysing returns by age or where people live shows a number of interesting trends. In particular, older age groups tended more readily to make more consistent cuts across the different service areas. Therefore, within this age group, there was a tendency to balance the budgets more equably.

What does become evident however – in line with previous surveys looking at the provision of cultural services in West Berkshire – is the relative importance of libraries to older generations. Libraries yield the largest proportion of people aged under 25 making a substantive reduction in this budget (74%), suggesting these are not necessarily held as a priority for this age group. We can see however how the relative importance of this area increases with age from around a half of people responding aged 25-64, to just over a third of people aged over 65 opting to make this level of reduction.

Marginally fewer people in Thatcham opted to make more substantive savings in this service although noticeable was that people living in the eastern suburban area were more prepared to reduce this budget by 15-25%.

Similarly, roads and car parking are seen as more of a priority for older age groups. Only a quarter of people aged over 65 opted for substantive cuts in this area. The proportion of people opting to make a similar level of savings in this area increases to around a third of people aged 25-64, against a half of the youngest age groups who did not prioritise this area.

Respondents from Newbury appear much more prepared to make more substantive reductions to the road and car parking budget than in other areas.

For example, 43% of people responding from Newbury opted to reduce this budget by 15-25%, compared to 25% of people responding from Thatcham. Around a third of people responding who lived either in the eastern suburban area, or rural areas opted for a more substantive reduction.

Perhaps surprisingly, it is not the oldest age group who sought to protect the budget for care and support for older people the most – only 10% of people responding aged over 65 opted to retain or increase this budget, compared to a third of people aged 45-64. Indeed, in terms of budget reductions, the oldest age groups were the most likely to opt for substantive budget reductions in this area – 38% of people aged over 65, compared to only 6% of people aged 45-64, 14% of people aged 25-44, or a quarter of those aged under 25.

Conclusion

This exercise has proved invaluable in drawing out an indication of the decisions people may make when asked to trade off, prioritise and ultimately choose between reducing services in the face of significant budgetary constraints. A number of comments left by participants noted the difficulty they experienced in reaching the decisions they made, provoking a lot of thought around which services they valued more – and importantly, why.

The resulting impact of the spending cuts on us as a local council will be lasting and will fundamentally shift what public agencies can ultimately resource in the foreseeable future.

The results of this exercise has painted a reasonably detailed picture of the strength and breadth of choices people would make, given the information and opportunity, as well as offered some useful insights into how the community could come together to help alleviate the impact of some of the decision.