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**Manchester City Council  
Report for Resolution**

**Report to:** Economy Scrutiny Committee - 12 October 2016  
**Subject:** Budget Process 2017-2020: Update and Next Steps  
**Report of:** The City Treasurer

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**Summary**

To provide an overview of budget process to date and next steps, including details of the Budget Conversation which closed on 16 September.

**Recommendations**

The Committee is asked to:

1. Note and comment on the activity, engagement and feedback received as part of the Budget Conversation
  2. Note and comment on the next phase of the process, including the second phase of Budget consultation proposals and next steps
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**Wards Affected:**

All

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**Background documents (available for public inspection):**

None

## **1. Introduction**

- 1.1 This report provides details of the council's approach to the budget consultation and setting process for 2017/18-2019/20. It also sets out the latest financial position, details of the feedback and engagement received as part of the budget conversation which ended on 16 September, an updated budget timeline and next steps.

## **2. Background and Context**

- 2.1 The priorities for the City and the approach to achieve these are set out in the "Our Manchester" Strategy focussing on making Manchester a City that is:

- Thriving – creating great jobs and healthy businesses
- Filled with talent – both home-grown talent and attracting the best in the world
- Fair – with equal chances for all to unlock their potential
- A great place to live – with lots of things to do
- Buzzing with connections – including world-class transport and broadband

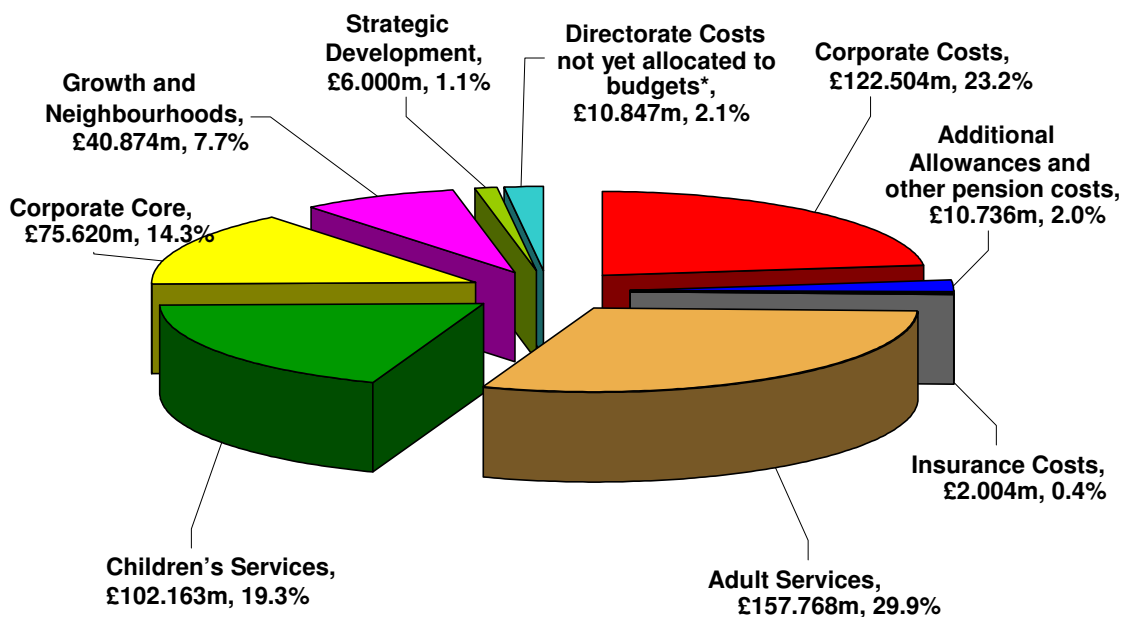
- 2.2 Our Manchester is not only our long-term strategy for the city; it is also at the core of how that strategy is delivered. The Our Manchester approach puts people at the centre so people shape the way in which things are done. The principles that underpin the strategy have been developed to fundamentally change the way that services are delivered across the city and a shift in the relationship between the Council and the people of Manchester. This will set the framework for the Council's planning process for the future and how it will continue to work with residents, stakeholders and partners.

- 2.3 To deliver the changed relationships, alongside the ambition for the City, will require a different approach, including how decisions about the planning and allocation of resources are made. Consequently, the budget process for 2017/18-2019-20 has been designed differently to ensure that all stakeholders – residents, businesses, visitors, partners and staff – have the opportunity to tell the Council about what their priorities are for the City and what they think about the budget options and proposals which will be developed over the next five months before the budget is set in 2017.

## **3. Financial Context**

- 3.1 In 2016/17 the City Council has net budget requirement of £528.5m. This supports a number of service areas and responsibilities, as illustrated in the chart below:

**Chart 1: Net Budget Allocation 2016/17 (figures in £m)**



\* Directorate Costs not yet allocated to budgets represents approved funding set aside during the 2016/17 budget process for growth and activity related pressures eg non-pay inflation. Allocation to Directorates takes place during the year as and when required.

- 3.2 In determining the allocation of resources to priorities the “Our Manchester” Strategy will be the cornerstone of the Council’s planning process. It will set out how the Council can achieve its objectives, working with residents, stakeholders and partners.
- 3.3 To assess the resources available to the City Council in future years, the starting point has been the provisional four-year settlement figures (2016/17 to 2019/20) which were issued by Government as part of the 2016/17 Finance Settlement. The Government has made the offer of a four-year settlement for individual local authorities subject to the publication of an efficiency plan.
- 3.4 This report sets out briefly the financial considerations and current forecast position for the period to 2019/20 based on the best information available at this present time. It also sets out the findings of the recent budget conversation held with the residents of Manchester which are informing the strategic plans for the City.

#### The Efficiency Plan and Multi Year Financial Settlement

- 3.5 The Government will offer any council that wishes to take it up, a four-year funding settlement to 2019/20, making a commitment to provide minimum allocations for each year of the Spending Review period. This is subject to councils choosing to accept the offer and publishing an efficiency plan by 5pm on 14 October 2016. A yearly settlement process will continue to apply for those councils that choose not to accept the offer, or do not qualify. The sums currently included in the multi-year settlement offer that apply to Manchester

- are the Revenue Support Grant (RSG) and Business Rates including tariff and top up payments.
- 3.6 The Government is clear that the production of an efficiency plan should be as simple and as straightforward as possible. The plan must cover the four year period (2016/17 to 2019/20) and be open and transparent about the benefits this brings and show how greater certainty can create the conditions for further savings.
- 3.7 The Government's commitment to the multi-year settlement was reiterated in the technical consultation document "Local Government Finance Settlement for 2017/18" released by DCLG on 15 September 2016. The consultation seeks views on further expanding the proposal with the intention to give local councils, who are committed to reform, the opportunity for more security over more of their funding which could potentially be achieved by including more grants in the offer.
- 3.8 Whilst the Council's budget process should not be driven by a central government requirement to produce an efficiency plan, the decision was made in July to submit an efficiency plan and accept the four-year financial settlement offer. The development of the longer term medium term financial plan will bring a degree of stability to financial planning that has been lacking with the previous short term financial settlements. The suite of budget reports and a covering report will therefore be published as part of the Executive reports and will form the efficiency plan submission.
- 3.9 However, it remains that there will be continuing cuts in public funding and difficult decisions will be required about how the Council spends its available resources. Key to this, and fundamental to the Our Manchester approach, is that such decisions are informed by listening to local people, businesses and partners about what is important to them. A crucial part of this process is the budget conversation which was launched on 21 July 2016 and has enabled the Council to consider what matters to people when developing its strategies and putting forward plans for the future. This report considers the responses from this conversation and how they are informing the budget process.

#### The Budget Position 2016/17 to 2019/20

- 3.10 Officers are currently drawing up a medium term financial strategy for the City Council covering the period to 2019/20. This, as part of the full suite of budget reports, will form the Council's efficiency plan submission. The budget for 2016/17 has previously been approved by Council and a report to Executive in July highlighted a potential budget gap ranging from £45m to £75m for the remaining three-year period 2017/18 to 2019/20. The need for such a range in the assessment of the funding gap was due to uncertainty around elements of available resources and the need to address pressures and priorities. Officers committed to develop options to close that gap and these which will form part of the draft Medium Term Financial Strategy presented to Executive in October.

- 3.11 The budget position still remains uncertain with a budget gap of between £40m and £75m forecast by the end of the three year period to 2019/20. The Medium Term Financial Plan has been prepared on the basis of the best estimate at this point in time and based on a number of assumptions, is a savings requirement of around £60m for the period 2017/18 to 2019/20. The final position will be subject to confirmation of Government funding and overall revenues available to Council. It is anticipated that the Autumn Statement, expected in November, could provide further details prior to the announcement of the Finance Settlement later in the year.
- 3.12 This current forecast position assumes the full year effect of savings agreed for 2016/17 are delivered and these are included within the figures below. The total additional full year effect of savings included for 2017/18 are £3.326m with a further £1.864m in 2018/19. The overall financial position is summarised in the table below.

**Table 1: Resources Requirements against Resources Available  
2016/17 to 2019/20**

|  | 2016/17<br>£'000 | 2017/18<br>£'000 | 2018/19<br>£'000 | 2019/20<br>£'000 |
|--|------------------|------------------|------------------|------------------|
| <b>Resources Available</b>   |                  |                  |                  |                  |
| Revenue Support Grant  | 113,768          | 90,151           | 73,740           | 57,041           |
| Business Rates   | 168,655          | 170,357          | 177,143          | 184,766          |
| Council Tax  | 136,617          | 140,681          | 147,716          | 157,450          |
| Public Health Funding and Non-Ringfenced Grants                                    | 78,128           | 76,728           | 81,085           | 89,066           |
| Dividends and Use of Reserves  | 31,348           | 31,337           | 29,337           | 29,337           |
| <b>Total Resources Available</b>   | <b>528,516</b>   | <b>509,254</b>   | <b>509,021</b>   | <b>517,660</b>   |
| <b>Resources Required</b>  |                  |                  |                  |                  |
| <i>Corporate Costs:</i>  |                  |                  |                  |                  |
| Levies/Charges, Contingency and Capital Financing                                  | 122,504          | 127,557          | 130,404          | 131,394          |
| <i>Directorate Costs:</i>  |                  |                  |                  |                  |
| Directorate Budgets (Including 2016/17 pressures yet to be allocated)              | 393,272          | 386,119          | 384,740          | 384,740          |
| Budgets to be allocated (including inflationary pressures)                         | 0                | 18,477           | 35,964           | 49,106           |
| Other Costs, includes additional allowances and other pension costs, and insurance | 12,740           | 12,540           | 12,440           | 12,440           |
| <b>Total Resources Required</b>  | <b>528,516</b>   | <b>544,693</b>   | <b>563,548</b>   | <b>577,680</b>   |
|  |                  |                  |                  |                  |
| <b>Budget Gap/Total Savings Required</b>   | <b>0</b>         | <b>35,439</b>    | <b>54,527</b>    | <b>60,020</b>    |
| <b>In Year Savings required</b>  | <b>0</b>         | <b>35,439</b>    | <b>19,088</b>    | <b>5,493</b>     |

### Meeting the Budget Gap

- 3.13 Since July, Officers within each Directorate have developed a range of savings options to meet the budget gap, which include efficiencies and improvement proposals as well as savings which can only be achieved through service reductions. The development of these options has been informed by regular updates on feedback the Council received as part of the budget conversation from the end of July onwards.
- 3.14 The efficient utilisation of general resources gives a savings requirement which is estimated to be in the region of £55m to £60m. The options put forward by each Directorate total c£58m.
- 3.15 These savings are in addition to the £5.2m full year effect of savings put forward as part of the 2016/17 budget process which are already included in the base budget position.
- 3.16 There will continue to be an ongoing review of how the resources available are utilised to support the financial position to best effect. This will include the use of reserves and dividends, consideration of the updated Council Tax and Business Rates position, the financing of capital investment and the availability and application of grants.

## **4. Budget Process – Timetable and Next Steps**

- 4.1 At its meeting on 18 October, the Executive will receive details of the current financial position, savings options for each directorate, the approach to capital spend and details of the outcome of the Budget Conversation process. This will include recommendations that the budget options prepared by Officers are to be subject to consultation with residents, business and all other stakeholders, starting on 3 November.
- 4.2 Scrutiny Committees have a critical role to play to oversee the consultation process: to scrutinise and review the budget options put forward by officers and to make recommendations to the Executive on the options they believe should be taken forward to deliver the savings required. Details of the overall financial position and the relevant directorate budget reports will be submitted to all six Scrutiny Committees for consideration at their November meetings.
- 4.3 The next phase of the budget consultation will run between 3 November and 15 December. Comments and feedback received from residents, partners and other stakeholders alongside the recommendations made by Scrutiny Committees will be reviewed and assessed. A further analysis of the Council's financial position will be undertaken after the government's Autumn Statement and publication of the local government financial settlement (normally received in mid to late December). This alongside work, including that to determine the councils business rates and council tax base, will provide clarity on the resources available and savings the Council needs to achieve over the three year budget period.

- 4.4 The Executive will consider the latest financial position and agree its final draft budget proposals at the meeting on 11 January to form a draft budget. Feedback on these proposals will be captured through the budget consultation process and they will also be scrutinised by the six Overview and Scrutiny Committees. The recommendations from the Scrutiny meetings will be submitted to Executive when it agrees final budget proposals on 8 February. The Resources and Governance Overview and Scrutiny Committee will then consider the results of the budget consultation on 20 February before Council sets the budget on 3 March.

| <b>Date</b>             | <b>Milestone</b>   |
|-------------------------|--|
| 11-13 October           | Scrutiny Committees consider outcome of the Budget Conversation and the next stages in the budget process  |
| 18 October              | The Executive meets to agree the next phase of the consultation process on budget options prepared by officers   |
| 3 November              | General Budget Consultation Commences  |
| 8-10 November           | Scrutiny Committees scrutinise budget options and make recommendations to the Executive  |
| November/December       | Autumn Statement and publication of local government settlement  |
| 11 January              | Executive agrees final draft budget proposals taking into account feedback and comments received from the Budget Consultation to date and recommendations made by Scrutiny Committees in November. |
| 31 January – 2 February | Scrutiny Committees scrutinise the Executive's Budget proposals and make recommendations to the Executive's budget meeting   |
| 8 February              | Executive agrees final budget proposals  |
| 10 February             | General Budget Consultation Closes   |
| 20 February             | Resources and Governance Budget Scrutiny Meeting to consider final outcomes of the budget consultation   |
| 3 March                 | Council sets the budget for 2017/18 – 2019/20  |

## **5. Budget Consultation**

- 5.1 The objective of the budget consultation process is to set the tone for the Council's new way of working and provides the opportunity to have a fuller conversation with all stakeholders so that they are truly part of the budget setting process; using the three-year budget strategy as opportunity to focus on helping people and communities to connect growth.
- 5.2 In setting a three year budget there is also a clear requirement for the communication and engagement approach, and the number of people engaged, to grow in line with the scale of the decisions being made.
- 5.3 The core stakeholders include:
- Staff

- Manchester residents
- Manchester businesses
- Our partners – across the public, private, and voluntary and community sector

5.4 To reflect this approach communication and engagement activity has been designed around the following principles:

- **Be strengths-based** - offering tools that allow all stakeholders to tell the Council not just what they value but also what they can offer, in terms of ideas and help in meeting the challenges and opportunities ahead. This is one of the first opportunities to have a more empowering and enabling conversation with residents.
- **Be open and honest** – providing proactive information that outlines the challenge, the process and the options in a clear and timely fashion
- **Be collaborative** – use expertise, channels and ambassadors from partners, stakeholders and local businesses
- **Be representative** – engage and gather views that reflect the make-up of the city. This will ensure that our equality duty is met and that channels and content are created and used that ensure that anyone who wants to participate in the process can.
- **Be people focused** – with materials developed in a tone and language that our stakeholders will understand and that will encourage them to get involved
- **Provide sufficient time to allow true engagement** –the proposal this year aims to increase the period of engagement from 4 weeks to a total of 30 weeks over two phases
- **Be digital** – understanding that the majority of stakeholders want to engage online and providing the appropriate tools to do that.

5.5 As the Council is setting a three year budget, the budget consultation activity and engagement will take place over a longer period in three phases:

|                |                          |  |
|----------------|--------------------------|--|
| <b>Phase 1</b> | 21 July – 16 September   | Budget Conversation  |
| <b>Phase 2</b> | 3 November – 10 February | Budget Consultation:<br>Early November to Early January: have your say on budget options<br>Early January to Early February: have your say on budget proposals<br><br>Any statutory consultations will also commence on 3 November |
| <b>Phase 3</b> | 3 March onwards          | You said, we're doing...explaining the outcomes and impact of the consultation process, reflecting back on what we hear  |



### Phase 1: The Budget Conversation

5.6 The first phase of the Council's budget conversation took place over eight weeks between Thursday 21 July and Friday 16 September. As part of an Our Manchester approach, the conversation asked residents and businesses about the services and places they valued and used in the city and asked how they and their communities could contribute.

5.7 Opinions and thoughts were gathered using:

- An online questionnaire supported by web content and a budget blog
- A social media campaign across a range of channels using a mix of organic, boosted and paid-for targeted posts
- A series of face to face engagement sessions designed to gather views of residents for user-generated social media and blog posts
- A printed questionnaire using a typologies approach to target 950 people in an underrepresented area in the north of the city (Blackley) with a high proportion of older residents (who were less likely to engage with digital approaches)
- Staff briefings and intranet content including an online ideas forum

5.8 All respondents that have left their contact details and asked to be kept informed and will be directly contacted to inform them about the outcomes and to encourage them to participate in phase two. Alongside this the website will be updated an e-bulletin sent and press release and social media messages issued thanking people for their contribution and directing them to the website for further information.

### Methodology and responses

5.9 Activity was primarily digital with conversations taking place via an online questionnaire and blog hosted on the Council's website ([www.manchester.gov.uk/budget](http://www.manchester.gov.uk/budget)) and via social media. This was promoted using offline channels including media coverage and limited print, including posters in key council locations such as libraries. Stakeholders were signposted to a range of online content including:

- An overview of the budget setting and budget engagement processes
- Summaries of where the Council's budget comes from and how it is currently spent
- A budget blog containing written and video blog entries from Executive Members and user-generated comments and feedback
- Budget animation, explaining the different – Our Manchester - approach taken for this year's budget
- Engaging and thought provoking user generated content in social media
- Face to face engagements in under-represented areas of the city or cohorts of residents
- Talking head films from Executive Members, the Leader and Chief Executive.

- 5.10 Throughout the eight week conversation 15,132 unique visitors were driven to the budget web content and online questionnaire. The most successful channels for driving web traffic were the Council's e-bulletin (sent over 120,000 subscribers), the Council's website and Facebook.
- 5.11 Of these 3,281 visited the budget blog which hosted videos and written pieces from Executive Members and user-generated content from residents and businesses. These posts gathered 13 comments. The comments were broadly driven by the blog content and included feedback about bin collections and recycling, highways, council pay rises, homelessness and begging, street cleanliness and climate change.

#### Online Questionnaire

- 5.12 The online questionnaire was visited by 4,828 people and completed by 2,023 people a completion rate of 43%. Significant activity took place throughout the life time of the conversation to ensure that the responses received were as representative of the city as possible. The demographic characteristics of the respondents to the online survey were compared to those of the population using 2001 Census data. A higher proportion of respondents were female (58.4%) than the population (51.2%).
- 5.13 The age profile of respondents was more clustered to the middle age bands than the population with young people aged 16-25 and those ages over 75 slightly under-represented. These groups were specifically targeted by a paper questionnaire for the older age range and engaging online content and specific face to face engagement for the younger age range.
- 5.14 By ethnicity those in the white British group were over-represented at 84.0% compared to 74.5% of the population. Those in Mixed: White and Asian, Asian or Asian British: Other Asian, Black or Black British: Other Black were also over-represented whilst those in other ethnic groups were under-represented. To overcome this, social media activity was targeted, where possible to specific groups to encourage participation.
- 5.15 The top three services that respondents 'value' have remained consistent throughout the engagement period, these are; education, people with disabilities and mental health problems and emptying bins, waste disposal and street cleaning. The top three things people value most about their neighbourhood have also remained consistent, they are; peace and safety, good neighbours and cleanliness and tidiness. Other issues people have raised consistently include: transport, community safety and policing and youth and family services.
- 5.16 Many respondents have offered ideas for things they/their communities could do to contribute to improving the city, these include; keeping neighbourhoods clean and litter free, tackling and reporting crime and anti-social behaviour, getting to know and helping neighbours and sharing skills and resources. Although respondents state that they care about health and well-being

services when asked what is important, they are much more likely to offer to volunteer or support their physical environment above health and wellbeing.

### Social Media

- 5.17 Throughout the eight week engagement period the conversation was promoted on Facebook, Twitter, LinkedIn and Instagram inviting people to leave their comments and signposting them to the online survey.
- 5.18 Posts included a mix of Council created content (an animated budget overview, blogs and videos by Executive Members) and user generated content (videos and images showing feedback from local residents and businesses). A Twitter Q&A on the topic of waste and recycling led by the Executive Member for Neighbourhoods. This hour alone resulted in over 33k organic impressions (the number of times the content appeared in people's news feeds and over 600 engagements – likes, shares and comments).
- 5.19 Across all social media channels and over the eight week engagement period 114,899 interactions were received (comments, likes, favourites, shares, reactions or video views). Of these 28,396 were from organic, free posts and 86,503 were from paid for or boosted posts on Facebook or LinkedIn.
- 5.20 Facebook was the most successful social channel for driving reactions, comments and shares, followed by Instagram where users shared images of the things they valued in the city and the services and issues they felt were important. LinkedIn drove a significant number of video views (16,666) for the Chief Executive, Leader and the animation, driving business stakeholders to the web content and survey.
- 5.21 In general feedback from social media was more driven by the topic of the original post or by other news / issues happening during that time period for example changes to bins, comments about street cleaning and Council salaries.
- 5.22 Facebook - In total 337 people commented on budget conversation posts to Facebook 227 of these comments were directly linked to the budget conversation and covered a wide range of topics. The table below shows the most mentioned topics and issues throughout the conversation.

| <b>Area of response</b>            | <b>Responses</b> | <b>%</b> |
|------------------------------------|------------------|----------|
| Consultation with local people     | 52               | 20%      |
| Waste collection & street cleaning | 43               | 17%      |
| Council salaries                   | 43               | 17%      |
| Road maintenance and alterations   | 34               | 13%      |
| Parks & green space                | 23               | 9%       |
| Homelessness                       | 11               | 4%       |
| Social care                        | 9                | 4%       |
| Parking                            | 5                | 2%       |
| Council tax collection             | 5                | 2%       |
| Planning                           | 4                | 2%       |

|                                  |            |             |
|----------------------------------|------------|-------------|
| Social services                  | 4          | 2%          |
| Public transport                 | 3          | 1%          |
| Immigration                      | 3          | 1%          |
| Health                           | 3          | 1%          |
| Policing                         | 2          | 1%          |
| Education                        | 2          | 1%          |
| Childcare funding                | 2          | 1%          |
| Geographical variations in spend | 2          | 1%          |
| Skills                           | 1          | 0%          |
| Libraries                        | 1          | 0%          |
| Social housing                   | 1          | 0%          |
| Youth services                   | 1          | 0%          |
| Raising tax                      | 1          | 0%          |
| <b>Total</b>                     | <b>255</b> | <b>100%</b> |

5.23 Twitter - The Council posted 72 times to Twitter during the conversation. These posts were retweeted 249 times and received 99 likes. 201 people clicked through from Twitter to the budget form on the Council's website. Overall, there were approximately 65 replies to the budget conversation content on Twitter. This does not include the Twitter Q&A for waste and recycling.

5.24 Responses on Twitter were primarily driven by the original tweets content – for example tweets about specific areas drove responses relating to that area (e.g. Gorton). We also held a Twitter Q&A relating to bins which drove considerably higher numbers of tweets on that issue.

- Waste collection and street cleaning
- Specific service requests
- Gorton
- Consultation with local people
- Street Cleaning
- Senior salaries
- Public toilets
- Public transport.

5.25 Instagram - The Council posted 42 times to Instagram with photo and film led content. These received 3,253 likes, generated 40 comments and the film content was watched 3,466 times. Discussions in Instagram tended to be more positive than other social channels and topics included:

- Litter
- Parks – especially the city centre
- Adult social care
- Castlefield

5.26 LinkedIn - Two films were shared on LinkedIn aimed at the business audience with Sir Richard Leese and Sir Howard Bernstein discussing the role businesses can play in the budget conversation and in the future of the city.

- 5.27 The two post were seen 16,666 times, generated 29 clicks through to the main form on the website, and generated one comment: “We need to attract more engineering companies to set up here instead of down south. This is THE place for engineers”

#### Printed Questionnaires

- 5.28 In order to boost responses from both North Manchester and older residents and to test the effectiveness of a non-digital engagement approach, printed questionnaires were delivered to 950 homes (targeting streets with the highest proportion of residents aged over 65) in Higher Blackley. This approach was designed using the communications typologies research, which understands residents communication preferences. 59 residents completed and returned the printed questionnaires – a response rate of 6.2%.
- 5.29 Respondents to the offline survey were more clustered in the older age bands than those responding to the online survey. They also had a more female bias (60.4% female) and over a quarter stated that they were disabled (versus 14% of the online audience).
- 5.30 Given the differences in the age profiles of the online and offline responses, the responses to the questions have been compared too. Although similar, the offline (and older) audience, place a greater importance on “People with disabilities and mental health problems” over “Education” and more importance on “Keeping neighbourhoods safe and successful” compared to the online audience.

#### Feedback from staff

- 5.31 A range of internal communication channels were used to signpost staff to the online content and questionnaire. From IP address data we estimate that around 64 of the completed surveys were from Council accounts, however, this will not include staff who used their personal devices to respond.
- 5.32 Staff with access to the intranet were signposted to internal budget content and an online discussion forum to gather their ideas and views. This activity drove 1,084 views of this content over the two weeks it was live. 12 comments were received on the two themes of “Being More Our Manchester” and “Finding Savings”.
- 5.33 In addition to ensure that offline staff had the opportunity to feed into the budget conversation over 500 printed questionnaires were issued via managers. 18 were completed and returned – a response rate of 3.6%.
- 5.34 Key feedback from these staff included:
- Importance of public transport around the city
  - The value of good neighbours and the local community
  - Importance of parks and open spaces
  - Cleanliness and litter

- Youth provision

5.35 Finally, events were also held with staff in directorates and the key feedback from these events included:

- Investment in the environment to make people feel better
- Invest in parks, libraries and culture as they are all important for wellbeing
- Making staff feel valued and ensuring we retain good officers
- Encourage more opportunities for income generation through schemes that will also encourage behaviour change (e.g. litter)
- Investment in behaviour change to reduce the burden on services
- Capital investment to drive savings e.g. invest in roads properly to save money in future years
- Getting more out of people (e.g. developers) who are investing in our city – more investment in schools and infrastructure
- Charging private companies more to use our services (e.g. planning services)
- Continue improvements to staff support, recognition and communication
- Re-look at all commissioned services and looking where there are opportunities to save further money
- Give residents more information about the impact and costs of things to encourage behaviour change
- Strengths / asset-based approach. Educating people to understand what they can do in their communities and considering whether good practice can be shared across different areas.
- Surcharge for (large) businesses that create waste e.g. McDonalds, coffee shops
- Look for opportunities to maximise income of parks and other community facilities and assets.
- Care to be taken that we do not isolate people (particularly the vulnerable) through new ways of working (e.g. assistive technology).

## **6. Phase 2: Budget Consultation 3 November – 10 February 2017**

6.1 Phase two – the Budget Consultation – will invite comments and feedback from all residents and stakeholders about the options prepared by Council officers to meet the £40m-£75m budget gap and will inform the development of the Executive's final draft budget proposals in early January.

6.2 The second phase of activity is the formal consultation phase. The engagement during this period aims to reiterate the ambition for the city and challenges for the city and provide a summary of the feedback provided during phase one as well as asking people for their comments on the options available. This phase links to the formal publication of the Council's efficiency plan to the DCLG and will follow the DCLG principles for consultation.

6.3 This phase provides an opportunity to share budget options earlier and gather feedback on them individually before making final proposals before the consultation closes, and then taking decisions. This consultation will be promoted to businesses as well as residents and will ensure the Council is compliant with its statutory duty under the Local Government Finance Act 1992 to consult with persons or bodies appearing to them to be representative of persons subject to Non-Domestic Rates (also known as Business Rates) in their area, about their proposals for expenditure for the forthcoming financial year. Any statutory consultations required will also commence on 3 November but may be subject to different timetables and different channels depending on the needs of service users.

6.4 The activity for phase two includes:

- Plain English Summaries: a short, online, plain English, written summary of each proposal be developed alongside an Agree/Disagree question. Written comments should also be encouraged alongside each proposal explaining the reasons for their response. To ensure an ongoing people-focused conversational approach the options will be communicated according to theme areas that make sense to major external stakeholders rather than by 'directorates'. This will allow the Council to link similar options, for example, 'options to increase income for the Council', or 'options for services for older people'.
- Online and offline content summarising feedback to date and offering a plain English overview of our broad options
- An online survey to gather feedback on our broad options asking:
  - Whether stakeholders agree with the options put forward
  - What impact these options could have on local residents, businesses and communities
  - How we could work together to do things differently
- A digitally focused marketing campaign to drive take-up of our online survey. This will be delivered across Facebook, Twitter, Instagram, and LinkedIn and will target activity to underrepresented groups where required.
- A targeted offline approach for those who are less likely to access our digital activity.

6.5 Once again those that have participated and provided their contact details will be notified about the results formal consultation.

## 7. Next Steps

7.1 The Committee is asked to note and comment on the budget conversation process, approach to the Consultation second phase and proposed next steps.