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To: All Members of the Overview & Scrutiny Committee - Value for Money & Customer Service (Other Members for Information)

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Date: 13 January 2020

Dear Councillors

**OVERVIEW & SCRUTINY COMMITTEE - VALUE FOR MONEY & CUSTOMER SERVICE
- 20 JANUARY 2020**

I refer to the agenda for the Overview & Scrutiny Committee - Value for Money & Customer Service, on Monday, 20 January 2020 and now enclose the following item which was marked To Follow in your agenda papers:

- Report of the Budget Strategy Working Group Participatory Budgeting Results, General Fund 2020/21 and Medium Term Financial Plan (Pages 3 - 38)

The attached report of the Budget Strategy Working Group (BSWG) reflects the work of the Group as at December 2019. Due to the fast moving nature of the budget setting process and the Chair of the BSWG being away in New Zealand (so timings are difficult) it has not been possible to update the report in the light of the draft budget proposals for 2020/21 that went out with your committee papers last Friday. Any update will be given verbally at the meeting

Yours sincerely

Ema Dearsley
Democratic Services Officer



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WAVERLEY BOROUGH COUNCIL

**VALUE FOR MONEY AND CUSTOMER SERVICE
OVERVIEW AND SCRUTINY COMMITTEE**

MONDAY 20 JANUARY 2020

Title:

**Report of the Budget Strategy Working Group
Participatory Budgeting Results, General Fund 2020/21 and Medium Term Financial
Plan**

Portfolio Holder: Cllr M Merryweather, Portfolio Holder for Finance, Assets and Property

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: Not applicable

Access: Public

1. Purpose and summary

- 1.1 The purpose of this paper is to report the findings of the Budget Strategy Working Group to the Value for Money and Customer Service Overview and Scrutiny (VFM CS O&S) Committee with its conclusions on the proposed General Fund Budget 2020/21 and Medium Term Financial Plan (MTFP), informed by the results of the participatory budgeting exercise which concluded November 2019.

2. Recommendation

It is recommended that the VFM CS O&S Committee considers and endorses the report and makes any recommendations or observations to the Executive.

3. Reason for the recommendation

As a working group of the VFM CS O&S Committee, the Budget Strategy Working Group (BSWG) summarises its findings within this report for endorsement by the Committee before consideration by the Executive.

4. Relationship to the Corporate Strategy and Service Plan

- 4.1 This report relates directly to the Council's vision of a 'financially sound Waverley, with infrastructure and services fit for the future'.

5. Implications of decision

5.1 Resource (Finance, procurement, staffing, IT)

The resource implications are covered within the report.

5.2 Risk management

The risk implications are contained with the report.

5.3 Legal

There are no direct legal implications arising from this report.

5.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

5.5 Climate emergency declaration

This report does not include analysis of the costs associated with the climate emergency declaration.

6. Consultation and engagement

6.1 Paragraph nine of this report details the participatory budgeting exercise carried out in order to understand residents' priorities to inform the Medium Term Financial Plan.

7. Other options considered

7.1 The purpose of the working group was to consider all practical options for developing the Medium Term Financial Plan in order to meet the projected budget shortfall.

8. Governance journey

8.1 The Value for Money and Customer Service O&S Committee will consider this report and its conclusions before making any recommendations to the Executive in time for the 4 February 2020 Executive budget special and 18 February 2020 Council budget special.

9. Participatory Budgeting Exercise

9.1 The Group considered the report of MEL Research which had carried out 600 face-to-face interviews with residents using a standard questionnaire to determine their priorities in relation to a range of options open to the Council (WBC) to increase its income and reduce its costs. The face-to-face interviews averaged 10 minutes in length. The same questionnaire was made available online and was completed by 750 individuals. There was broad agreement

between the responses of the two samples. The headline messages are set out below.

9.2 Awareness that councils up and down the country were facing budgetary pressures

69% of respondents were either very aware (28%) or somewhat aware (41%).

9.3 Service priorities and budget savings

The survey used two approaches to ascertain residents' views about services. In the first, six services were compared and ranked on a scale of 1 (most valued) to 6 (least valued). An average score was then calculated for each which indicated that street cleaning, maintaining parks and open spaces and environmental health were valued more highly than planning enforcement, grants to voluntary organisations and maintenance of road verges.

In the second, respondents were shown how 100 'cost points' were currently spread across the same six services and then asked to achieve 20 point of savings. The message from this exercise was broadly consistent with that of the first with the possible exception of planning enforcement, the cheapest of the six with 5 points of current cost, which was the least affected by cost saving choices.

9.4 Raising money

77% of respondents supported increasing investment to generate income. 30% supported increasing car park charges and 25% supported increasing Council Tax by the maximum permitted level. No detail or examples of 'investment' options were given to respondents.

9.5 The Group agreed that the results did not provide any easy solutions, especially given that the respondents were unlikely to have much knowledge of the limitations of WBC's investment choices. It was also agreed that the results should be made public in due course and suggested that publication should accompany that of the 2020/21 budget and an explanation of why aspects of the budget might differ from the survey messages, if required.

9.6 The report produced by MEL Research with the results of the survey can be found at annexe 1.

10. General Fund Budget 20/21 and Medium Term Financial Plan

10.1 The Group reviewed a summary of the major contributions (at least £200k) to Contracted Spend, Fees & Charges and Other Income in the original 19/20 budget. It was noted that:

- (1) 13 items of Contracted Spend totalled £13.9m and represented 90% of the £15.5m total.
- (2) 19 items of Fees & Charges and Other Income, including Recharges of £3.1m, totalled £21.2m and represented 96% of the £23.2m total.

10.2 The Group then conducted a line-by-line analysis of the MTFP spreadsheet model that had been published to the Overview & Scrutiny Committees in November (view 3, tables 3.0.3 and 3.1.1). The Group reviewed the adjusted budget for 19/20 which is an indication of the outturn for 19/20. This generated

the first draft of the 20/21 budget.

10.3 The principal change items noted were:

10.3.1 Cost Review: £710k is expected to be saved across the seven service areas, including the deletion of some posts.

10.3.2 Property income: £300k additional income is expected to be achieved in 20/21 (but see Group comment at paragraph 11 below).

10.3.3 Council Tax: £146k additional income is expected before any Council Tax increase. Approximately £50k will arise from about 300 new homes (with no immediate effect on waste collection costs) and the balance from the effect of reducing the empty homes Council Tax relief period from six months to one month with effect from 1 April 2019.

10.3.4 Inflation (including staff pay): £590k additional cost is expected before adding staff seniority-based increments of £87k.

10.3.5 SCC recycling credits income: a £440k reduction is expected following SCC's decision to handle dry recyclables itself. In addition, WBC expects to incur a further £300k of cost as a result of a change in the delivery location.

10.3.6 Retained business rates income: a £200k reduction is expected as a result of a fall in the borough total rateable value and an adverse change in the relevant government formula.

10.3.7: Planning fees income: this is expected to be £200k lower as fewer large schemes are expected to come forward.

10.3.8 Pension back-funding: it is expected that the annual cost will rise by £180k from £1,023k to £1,203k following the triennial valuation of WBC's pension assets in the SCC pension fund.

10.4 The draft 20/21 budget showed a shortfall of £568k and the Group was asked to make suggestions for how that might be eliminated. The Group's comments cover the following subjects which are discussed in paragraphs 11 to 14 below.

10.4.1 Additional property income

10.4.2 Council Tax

10.4.3 Car park income

10.4.4 Grants to voluntary organisations

11. Additional property income

11.1 The MTFP includes an assumption that WBC will succeed in increasing its property income by £300k p.a. for each of the next four years (20/21 to 23/24). The WBC Property Investment Strategy (PIS) currently requires that any property investment should generate a minimum net margin of 2% p.a., thereby implying a total additional investment of up to £15m per year for four years. This reflects the fact that WBC has only limited capital reserves and the great majority of funding for that

level of property investment would therefore be borrowings, almost certainly from the Public Works Loan Board (PWLB). See paragraphs 11.5 and 11.6 below.

- 11.2 On 9 October 2019, the cost of PWLB borrowing was raised by 1% p.a. This has an immediate and adverse effect on WBC's ability to pursue a property investment program measured in tens of millions of pounds. Given the current high uninvested balances of property funds, the likelihood that yields will expand in response to local authorities' increased borrowing costs seems low.
- 11.3 The 2% minimum net margin in the PIS is calculated by dividing the net rental income (i.e. after any relevant annual management and maintenance costs and a void provision) by the true purchase price (i.e. the price paid plus all the upfront fees and costs). This is deliberately prudent to mitigate the inherent risks of property investment.
- 11.4 Following the recent rise in PWLB lending rates, 25 year borrowings now cost about 3% p.a. Adding the Minimum Reserve Provision (MRP) of 2% p.a. and the PIS minimum margin of 2% p.a. means that an investment would need to generate a PIS net yield 7% p.a. which would need a headline yield of close to 8% p.a. A recent presentation by Montagu Evans to WBC included an analysis of the current market which indicated that yields in the 6-8% range were associated with investments with non-trivial risk.
- 11.5 It should be noted that WBC is expected to have end-19/20 balances in the Property Investment Advisory Board Reserve and Capital Receipts Reserve of £2.2m and £5.4m respectively. These balances are currently attracting deposit interest of 1% p.a. so an investment of £6m financed by such reserves which generated a PIS net yield of 6% p.a. would generate £6m x 5% = £300k p.a. of extra income.
- 11.6 If such an investment is possible, it will use up almost all WBC's relevant reserves and any further property investment would have to be financed by borrowing. In the absence of favourable changes in either PWLB rates or property yields, the Group does not believe that any reliance should be placed on generating additional property income funded by borrowing for the remainder of the MTFP period.

12. Council Tax

- 12.1 The Group noted that no Council Tax increase had been included in the draft budget and recognised the importance of minimising the structural deficit, namely the gap between annual inflation in costs (see paragraph 10.3.4 above) and the annual increase in Council Tax. Accordingly, the Group supported the view that, despite the MEL survey responses, Council Tax should be raised by the maximum amount permitted, namely £277k (based on increasing the Band D rate by £5 which corresponds to 2.8% compared to the recently reduced cap of £1.99% (19/20: 2.99%).

13. Car parking

- 13.1 This is the only major income stream over which WBC has effectively full control. The use of surplus income from parking charges and penalty charges is governed

by s.55 Road Traffic Act 1984 as amended by s.95 Traffic Management Act 2004. WBC is therefore able to offset the costs of waste collection, street cleaning and parks and countryside. The parking surplus is approximately £4m and the total of the offsetable costs is over £5m. There is therefore headroom to accommodate an increase of up to 20% which would generate £1m additional income. The Group noted that car parking charges were last adjusted with effect from 1 April 2017.

- 13.2 The Group was informed that the Car Park Review is not expected to report until after the 20/21 budget has been set. This was regarded as unfortunate as it makes it more difficult to justify a significant change in approach in 20/21 which might provide some positive changes for parkers as well as increasing WBC income.

14. Grants to voluntary organisations

- 14.1 In 19/20, WBC is budgeted to make grants totalling £785k to the voluntary sector (£438k), to the Day Centres (£276k) and for cultural purposes (£71k). This was ranked fifth out of the six service in Q3 of the MEL survey and the service chosen to bear the largest cuts in Q4 of the MEL survey.

- 14.2 The Group noted the importance of “volunteer leverage” by which the provision of grant funding by WBC enables organisations to recruit and retain volunteers and so multiply the impact of the organisations in the community. The Group suggested that a review of the organisations supported by WBC should be carried out before any reductions in grants were implemented. Such a review should consider the current levels of efficiency of each supported organisation and whether there is scope for WBC to assist it to improve its level of efficiency and hence maximise the value for money aspect of the grant aid provided.

15. Example budget for 20/21

- 15.1 The Group considered a variant of the 20/21 budget in which car parking income was raised by £500k (10%), additional property income was assumed not to occur and Council Tax was increased by £277k, the maximum permitted. This generates a shortfall of £90k which would probably be absorbable.
- 15.2 If a property investment financed by reserves did occur and generated the budget figure of £300k, a choice would be available between a 5% increase in car parking income (generating £250k) and a partial reduction in grant expenditure focussed on examples associated with the least volunteer leverage.

Annexes:

Annexe 1 – MEL Research Waverley Budget Consultation 2019

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Name: Cllr Stephen Mulliner
Chair of Budget Strategy Working Group

Agreed and signed off by:
Legal Services: 2 January 2020
Head of Finance: 13 January 2019
Strategic Director: 13 January 2019
Portfolio Holder: Not applicable

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research

Waverley Budget Consultation 2019

Waverley Borough Council

November 2019

Project details and acknowledgements	3
Summary	4
Background.....	6
Who we spoke to.....	9
Conclusions.....	22
Appendix A: Questionnaire.....	24

Project details and acknowledgements

Title	Waverley Budget Consultation
Client	Waverley Borough Council
Project number	18104
Author	Sophi Ducie & Sam Jones
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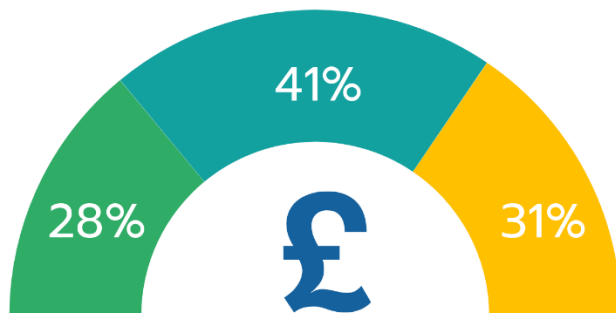


BUDGET CONSULTATION 2019

Waverley Borough Council commissioned M-E-L Research to deliver a consultation with residents in the form of a budgeting exercise. The aim of the consultation was to identify residents' views of the relative importance of various Council services and their attitudes and views on current services being reduced, stopped altogether or potentially paying more to maintain services.

During September-October 2019, 600 doorstep surveys were carried out with a representative sample by age group, gender and Rural Urban Classification across the borough.

AWARENESS OF BUDGETARY PRESSURES



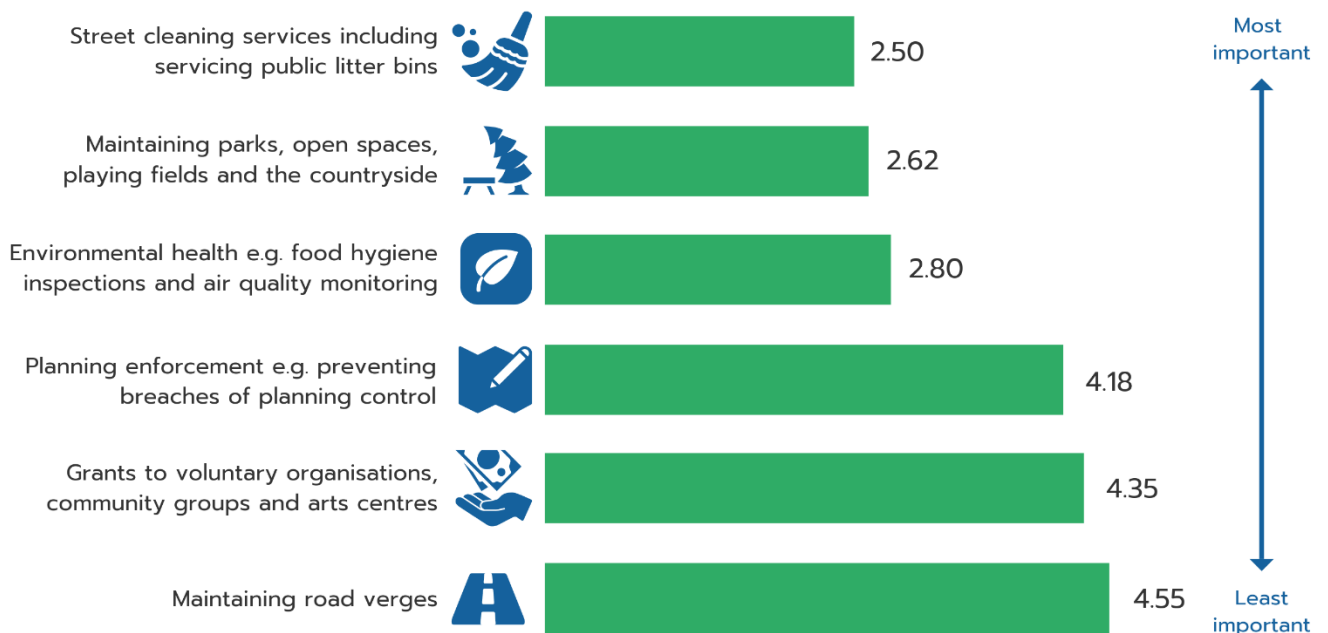
- Very aware
- Somewhat aware
- Not at all aware

69% were aware of the budgetary pressures faced by councils up and down the country

SERVICE PRIORITIES

Order of importance to residents based on the six optional service areas the council is looking at changing or reducing to help address the budget shortfall.

A mean score for each service area has been calculated with a lower score denoting most important to residents.





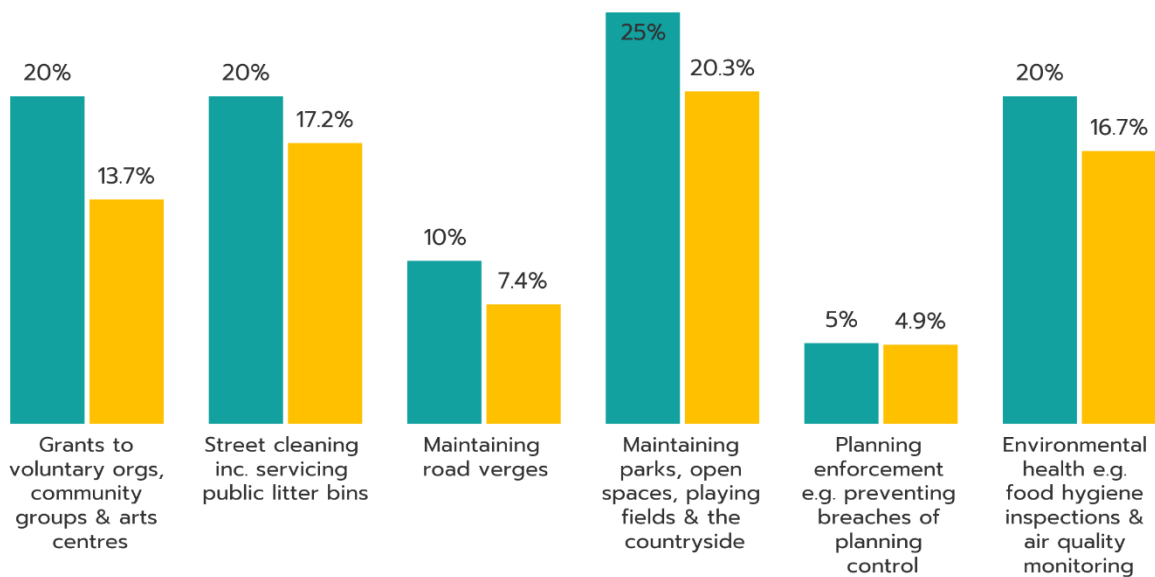
BUDGET SAVINGS

Initial distribution of spend allocated to optional service areas and resident's proposed distribution of spend, if a 20% decrease in funding was necessary.

Residents were told that these service areas currently cost 100 'points' and were asked to distribute 80 'points' instead. On average, residents saved the following points from each area:

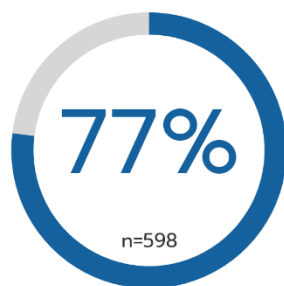
6.3 2.8 2.6 4.7 0.1 3.3

● Initial distribution of spend ● Proposed distribution of spend

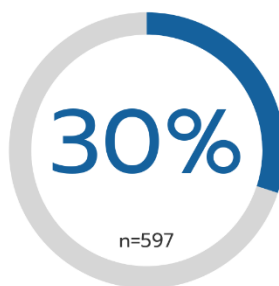


RAISING MONEY

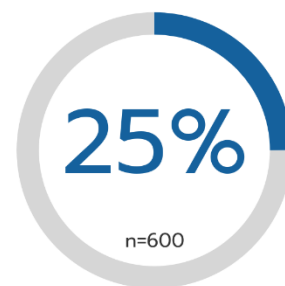
Level of support for methods the council is considering introducing to increase income and help protect existing services



Increasing investment to generate income



Increasing car park charges



Increasing Council Tax by the maximum level permitted by the Government

Research context

Like many councils up and down the country, Waverley Borough Council (WBC) is facing a budget shortfall. This is approximately £1.3m for each of the years 2020/21 to and 2023/24. Additionally, in the medium term, it has predicted a deficit of some £5m by 2023/24 if no action is taken. Taken cumulatively, this would require WBC to draw down around £13m in reserves over the next five years, which would not be sustainable.

WBC therefore needed to reappraise how it delivers services in order to set a balanced budget going forward; it considered three approaches:

- Increasing income;
- Reducing service costs;
- Or a combination of both of the above.

In order to support this, WBC initiated an Overview and Scrutiny Budget Strategy Working Group (BSWG) in 2017, which was re-established after the 2019 local elections and comprised seven councillors. The purpose of the group is to support the Council in meeting the financial challenges presented by increasing budgetary pressures over the medium-term.

The BSWG's programme has been divided into five workstreams. Workstream 1 required Heads of Service to define the services for which they are responsible and focused on a comprehensive understanding of all current Council services, their staffing or contractor requirements, non-staff costs and any associated income. Workstream 2 consisted of a consultation with residents in the form of a budgeting exercise. This report presents the finding of workstream 2. The aim of the consultation was to understand residents' views of the relative importance of various Council services and their attitudes and views on current services being reduced, stopped altogether or potentially paying more to maintain services. Following workstream 2:

- Workstream 3 will be informed by the information provided by Heads of Service during workstream 1 and the data gathered as a result of workstream 2. This workstream will consider what scope there is for changes to service delivery in order to provide services more efficiently.
- Workstream 4 will focus on value for money in procurement of services and whether any efficiencies can be delivered.
- Workstream 5 will focus on resource and asset utilisation to ensure the Council makes best use of opportunities for flexible working patterns and its property assets.

Methodology

A 10-minute, face to face (doorstep) survey was undertaken with residents between September - October 2019, conducted by trained social research interviewers, using a Computer Aided Personal Interview (CAPI) approach. A stratified, random sampling approach was used: a sample of residents' starting addresses were drawn randomly from Royal Mail's Postcode Address File, stratified by ward. From each starting address, interviewers aimed to achieve a cluster of approximately 5 interviews from adjacent and nearby properties. Quota targets were set for age groups, gender and Rural Urban Classification. Below presents a summary of the approach:

Target population	Residents of Waverley Borough Council aged 18 or older
Interview length	Average of 10 minutes
Survey period	18 th September – 3 rd November 2019
Sampling method	Purposive door-to-door surveying
Data collection method	Interviewer administered face to face survey
Total sample	600

To make the research as inclusive as possible, an open online survey link was shared via the council's social media pages. Overall, 750 responses were received via the open online survey. As the online survey used a self-completion approach, results have been presented in the main body of the report for comparative purposes and narrative has been added to the main body of the report.

Statistical reliability

The survey findings are based on results of a survey of a sample of Waverley residents and results are therefore subject to sampling tolerances. With 600 residents having completed the survey, this returns a confidence interval of $\pm 3.99\%$ for a 50% statistic at the 95% confidence level. This simply means that if 50% of residents indicated they agreed with a certain aspect, the true figure (had the whole population been surveyed) could in reality lie within the range of 46.01% to 53.99% and that these results would be seen 95 times out of 100. The table below shows the confidence intervals for differing response results (sample tolerance).

Size of sample	Approximate sampling tolerances*		
	50%	30% or 70%	10% or 90%
600 surveys	± 3.99	± 3.66	± 2.39

*Based on a 95% confidence level

Analysis and reporting

Differences in views of sub-groups of the population were compared using statistical text (z test¹) and statistically significant results (at the 95% level) are indicated in the text. Statistical significance means that a result is unlikely due to chance (i.e. It is a real difference in the population) and that if you were to replicate the study, you would be 95% certain the same results would be achieved again. As the sample for this research was representative by age group, gender and Rural Urban Classification, analysis for other sub-groups will be indicative only.

In addition, analysis for agreement/level of support questions are reported for valid responses only, excluding residents who were unable to rate their level of agreement – ‘don’t know’ was therefore classified as a non-valid response.

Owing to the rounding of numbers, percentages displayed visually on graphs and charts within this report may not always add up to 100% and may differ slightly when compared with the text. The figures provided in the text should always be used.

Where figures do not appear in a graph or chart, these are 3% or less. The ‘base’ or ‘n=’ figure referred to in each chart and table is the total number of residents responding to the question with a valid response.

Icon key:



Gender



Age group



Rural Urban Classification

The text ‘F2F’ has been used in charts and tables to denote the face to face doorstep survey results.

Online results are presented for comparison purposes and appear in a coloured box:

N=xxx
X%

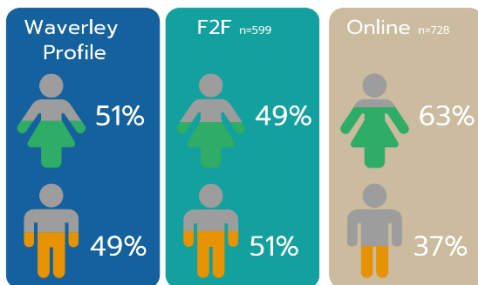
¹ A statistical **test** to determine whether two population means are different when the variances are known and the sample size is large.

Who we spoke to

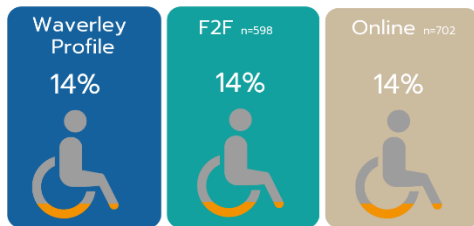
The face to face sample achieved was broadly representative by age group, gender and rural / urban split to Waverley as a whole, with responses from across the 27 wards.

The responding online sample underrepresented the younger 18-24 age group and those living in an urban setting and overrepresented women, with responses mainly spread across 21 of the 27 wards.

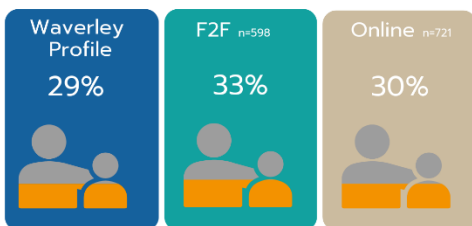
Gender



Long-standing illness or disability

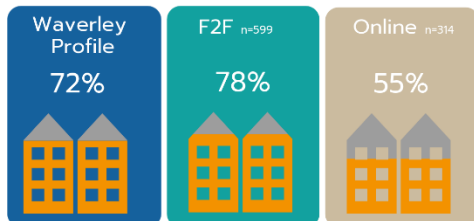


Children in the home

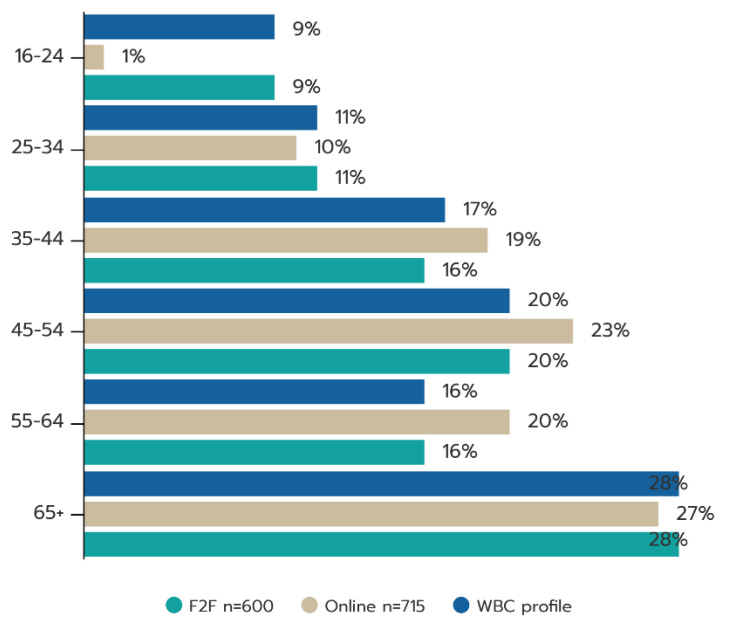


Rural Urban Classification

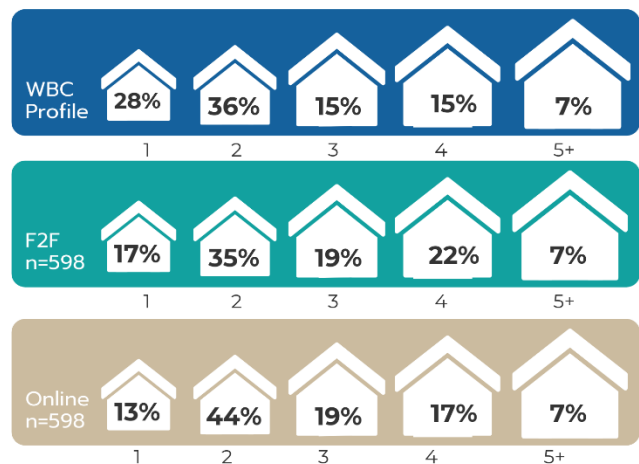
% who live in an urban setting



Age group



Number of people in household



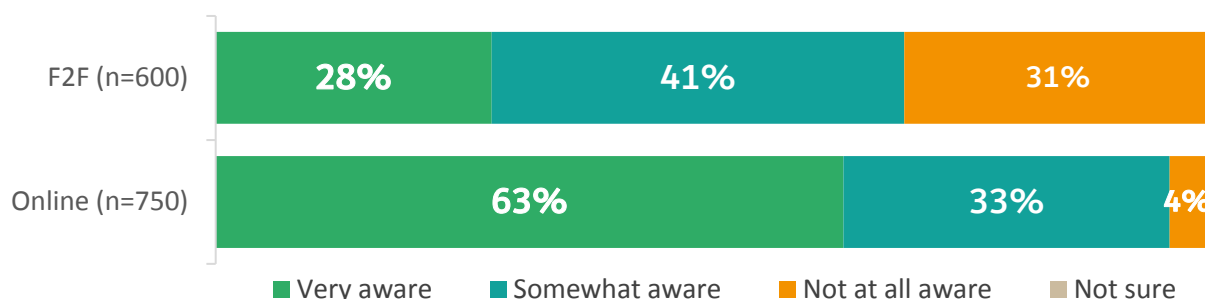
Awareness of financial pressures faced by local authorities

Over the next few years, Waverley Borough Council expects to have a reduction in the income it receives that it uses to provide services to residents. Therefore, the Council needs to take action in order to balance its budget. Over this period, it can do this in three main ways. It can cut costs by reducing optional services. It can increase its income, for example, by raising car park charges. Or it can do a mixture – by cutting services by a smaller amount and increasing car parking charges by a smaller amount.

To start, residents were asked if they were aware of the budgetary pressures faced by councils up and down the country. Just over a quarter (28%) said they were very aware of the situation, whilst around two fifths (41%) said they were somewhat aware. Just a third (31%) said they were not at all aware.

The online results show that claimed awareness was much higher with almost all respondents (96%) stating they were either 'very' (63%) or 'somewhat' aware (33%).

Figure 1: Before today, how aware were you of the budgetary pressures faced by councils up and down the country



Sub-group analysis shows that there were significant variations by gender, age group and RUC:




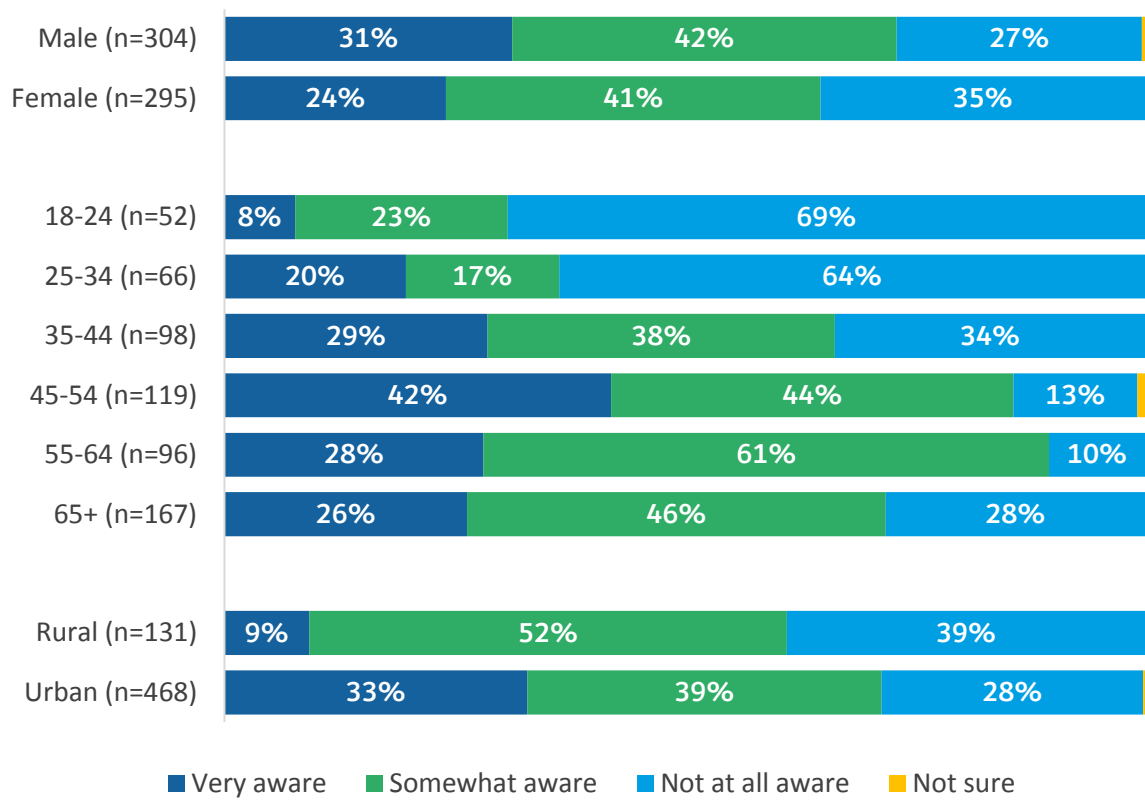
	<ul style="list-style-type: none"> Men were more likely to be aware of the budgetary pressures compared to women.
	<ul style="list-style-type: none"> Residents aged 35 and over were more likely to be aware of the budgetary pressures faced by councils compared to the younger age groups.
	<ul style="list-style-type: none"> Residents living in urban areas were more likely to be aware of the budgetary pressures compared to those in rural areas.

Figure 2: Before today, how aware were you of the budgetary pressures faced by councils up and down the country by gender, age and rural urban classification



Service priorities

To help address the budget shortfall they are facing, Waverley Borough Council considered those services for which they had some discretion in providing, as opposed to statutory services. Those discretionary services being:

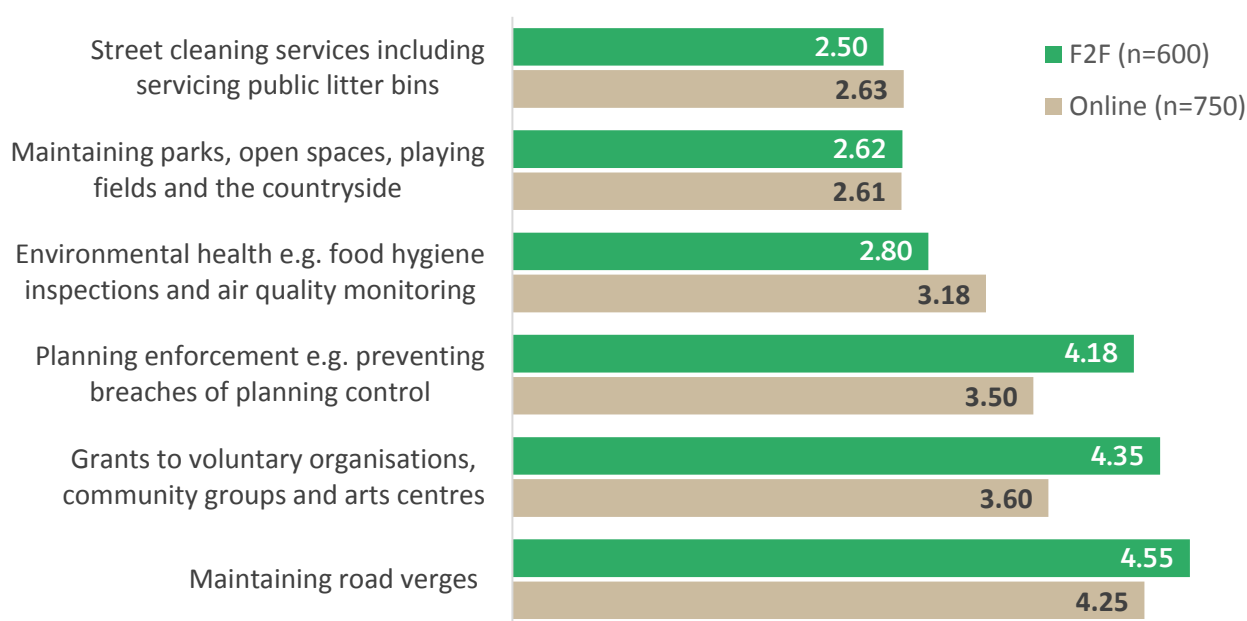
- Grants and funding for day centres, cultural services and community groups;
- Enforcement services such as hygiene inspection and planning enforcement;
- Maintenance services such as street cleaning, grass cutting and conservation of the countryside.

To understand how residents value these services and what impact changes or reductions to them may have, residents were asked to rank them in order of importance from 1 to 6; where 1 was most important and 6 was least important. Mean scores have been calculated for each service area, with a score closer to 1 being of greatest importance.

On average, the most important service to residents was street cleaning, closely followed by the maintenance of parks, open spaces, playing fields and the countryside and environmental health. Residents placed less importance on maintaining road verges, providing grants to voluntary organisations, community groups and arts centres and planning enforcement.

The online results were relatively similar when compared to the face to face sample.

Figure 3: Mean scores of importance for optional service areas
(lower score denotes most important)



Budget savings

In the future, Waverley Borough Council may need to make savings to the optional service areas listed previously. To understand residents' views on where any potential future savings should be made, they were asked to undertake a budgeting exercise. The exercise was framed as follows:

In the future, the Council may need to make savings to the following optional service areas.

Each service has been given a number of 'points' which represents its approximate cost to provide. Together, these services currently cost 100 points and the Council could aim to reduce this to 80 points. For each of the services listed, please state how many points you think the Council should spend. Please remember that, unless we increase income, we need to save 20 points.

- Grants to voluntary organisations, community groups and art centres – **20 points**
- Street cleaning including servicing public litter bins – **20 points**
- Maintaining road verges – **10 points**
- Maintaining parks, open spaces, playing fields and the countryside – **25 points**
- Planning enforcement e.g. preventing breaches of planning control – **5 points**
- Environmental health e.g. food hygiene inspections and air quality monitoring – **20 points**

The vast majority of residents (n=595) managed to make the necessary savings of 20 points, with just two residents refusing to make any savings and another two residents making savings greater than 20 points; saving 26 points and 30 points. To understand the amount of points that residents saved, the average number points saved for each optional service areas has been calculated, in addition, the proposed redistribution of spend has been presented.



Grants to voluntary organisations, community groups and arts centres (Initial distribution of spend = 20 points)

- Residents saved an average of 6.3 points from grants to voluntary orgs, community groups and arts centres, which equates to 13.7% of the initial distribution of spend.



Street cleaning including servicing public litter bins (Initial distribution of spend = 20 points)

- Residents saved an average of 2.8 points from street cleaning, which equates to 17.2% of the initial distribution of spend.



Maintaining road verges (Initial distribution of spend = 10 points)

- Residents saved an average of 2.6 points from maintaining road verges, which equates to 7.4% of the initial distribution of spend.



Maintaining parks, open spaces, playing fields and the countryside (Initial distribution of spend = 25 points)

- Residents saved an average of 4.7 points from maintaining parks, open spaces, playing field and the countryside which equates to 20.3% of the initial distribution of spend.



Planning enforcement e.g. preventing breaches of planning control (Initial distribution of spend = 5 points)

- Residents saved an average of 0.1 points from planning enforcement which equates to 4.9% of the initial distribution of spend.



Environmental health e.g. food hygiene inspections and air quality monitoring (Initial distribution of spend = 20 points)

- Residents saved an average of 3.3 points from planning enforcement which equates to 16.7% of the initial distribution of spend.

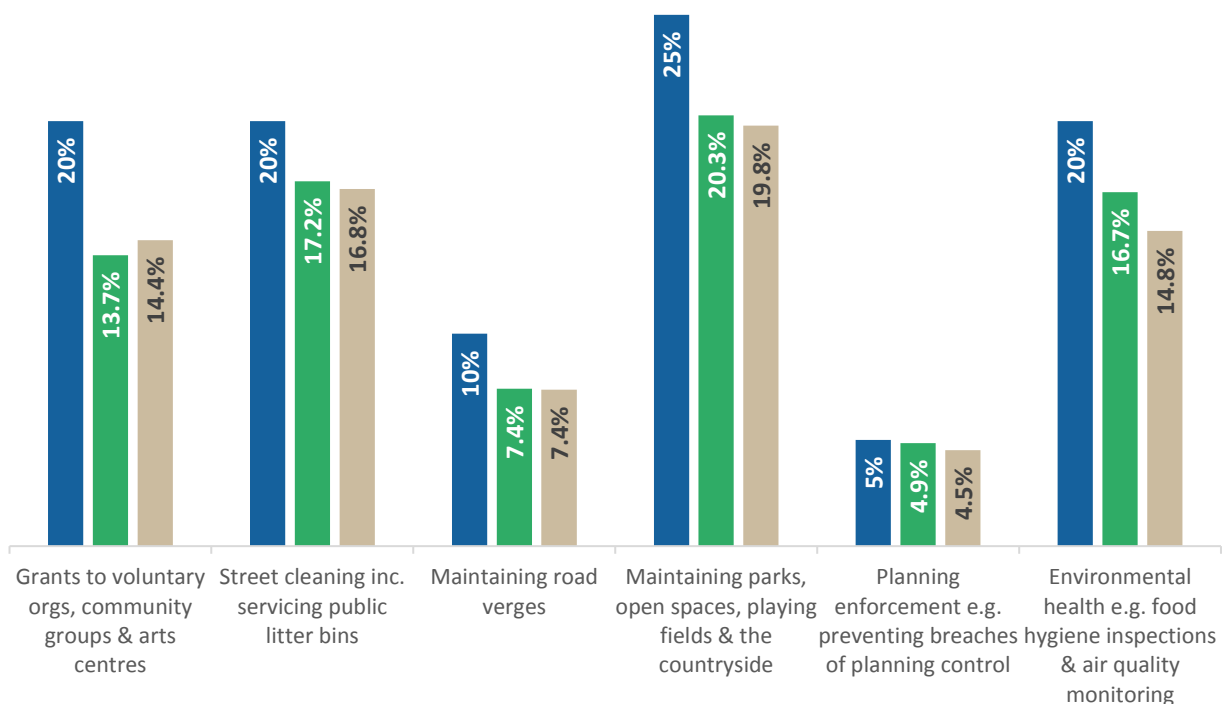
The online results show that similar to the face to face sample, all but two residents managed to make the necessary savings of 20 points.

Overall the proposed distribution of spend is fairly similar to the face to face sample.

The number of points available for each service area can simply be converted to a percentage as they total 100 points overall. The chart below shows the initial distribution of points as a percentage and the redistribution to c.80% from the face to face and online survey results.

Figure 4: Initial distribution of spend and proposed redistribution of spend (F2F and online)

■ Initial distribution of spend ■ Proposed distribution of spend (F2F n=600) ■ Proposed distribution of spend (Online n=750)



Raising money

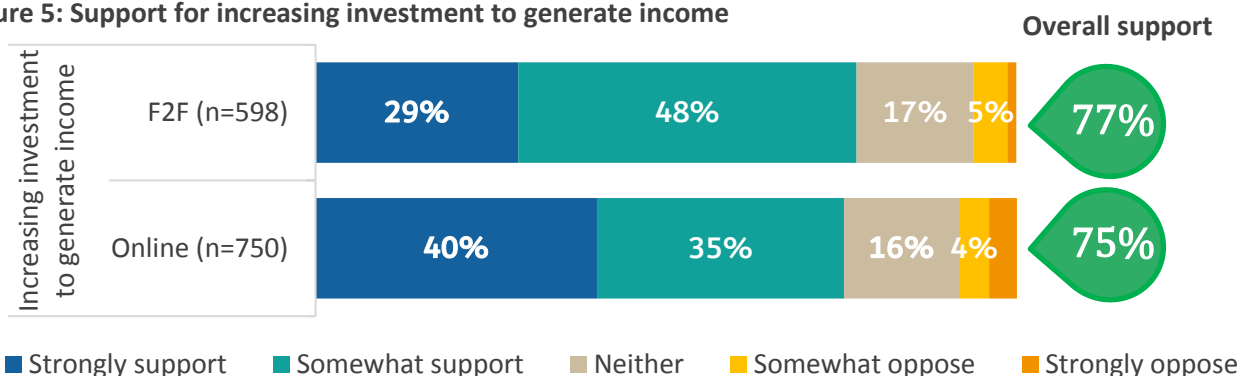
Waverley Borough Council is also looking at ways of increasing its income to help them to protect existing services. Three of the ways the Council can do this is by increasing investment to generate income, increasing car park charges or increasing Council Tax. Residents were asked how strongly they support these three methods.

1. Increasing investment to generate income


The majority (77%) of residents either ‘strongly supported’ (29%) or ‘somewhat supported’ (48%) the proposal that the council could increase investment to generate further income to help them protect existing services. Just 6% opposed this method.

The online results show that overall support (75%) for this approach is similar to the face to face sample – although more residents stated they ‘strongly’ supported this at 40%.

Figure 5: Support for increasing investment to generate income

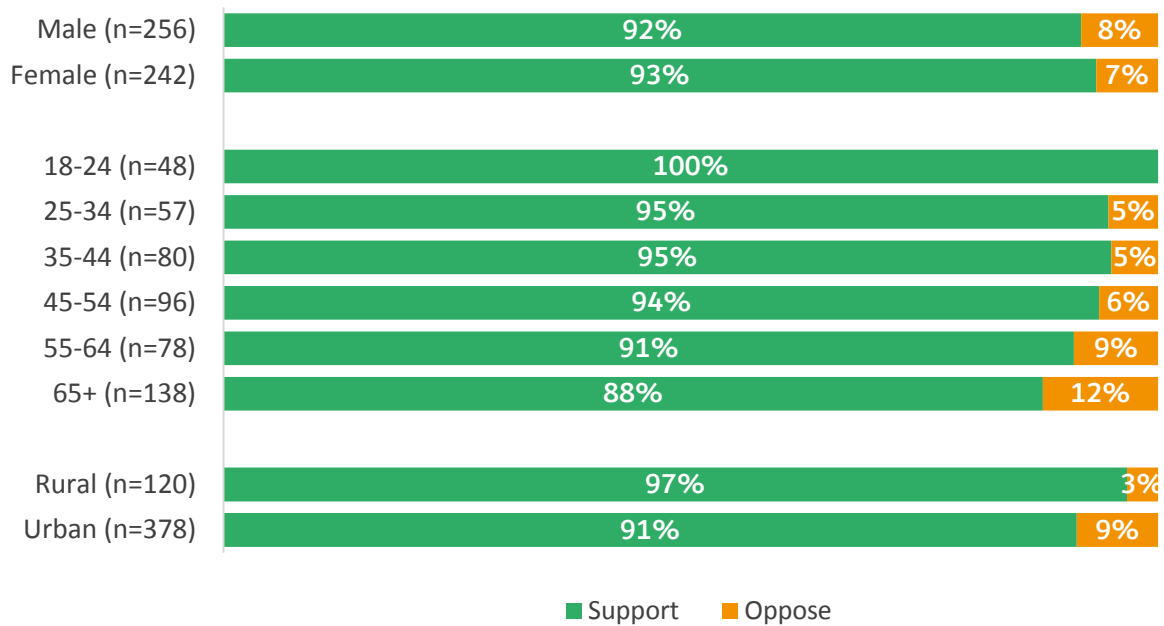


Sub-group analysis shows that there was a significant variation by age group:



- Residents aged 18-24 were more likely to support increasing investment to generate income compared to older residents aged 65+.

Figure 6: Support for increasing investment to generate income by gender, age and RUC

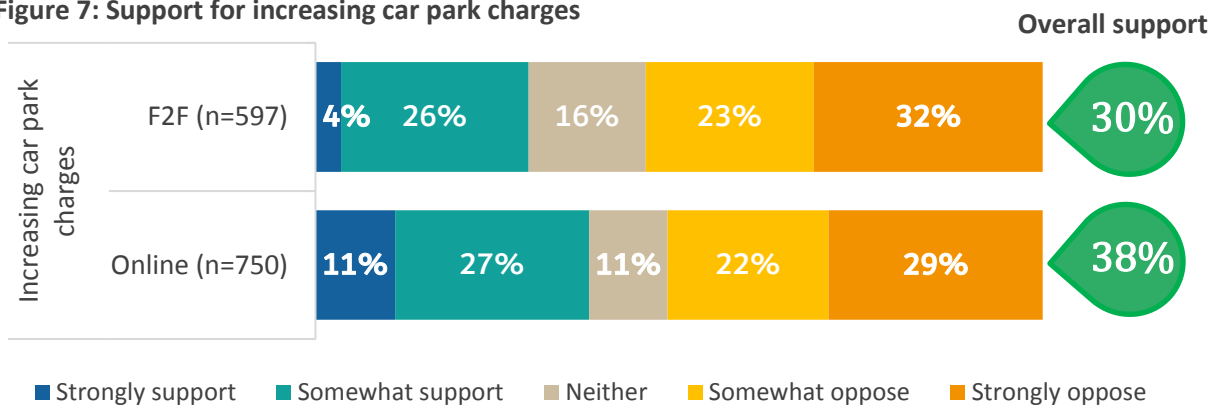


2. Increasing car park charges


Just over half (55%) of residents opposed the proposal that the council could increase car park charges, with 32% stating they ‘strongly opposed’ this. Three in ten (30%) supported the proposal, with most of these ‘somewhat supporting’ (26%) this method.

The online results show that overall support was slightly higher at 38% stating they either ‘strongly’ (11%) or ‘somewhat’ (27%) supported increasing car parking charges when compared to the face to face sample.


Figure 7: Support for increasing car park charges



Sub-group analysis shows that there were significant variations by age group and RUC:

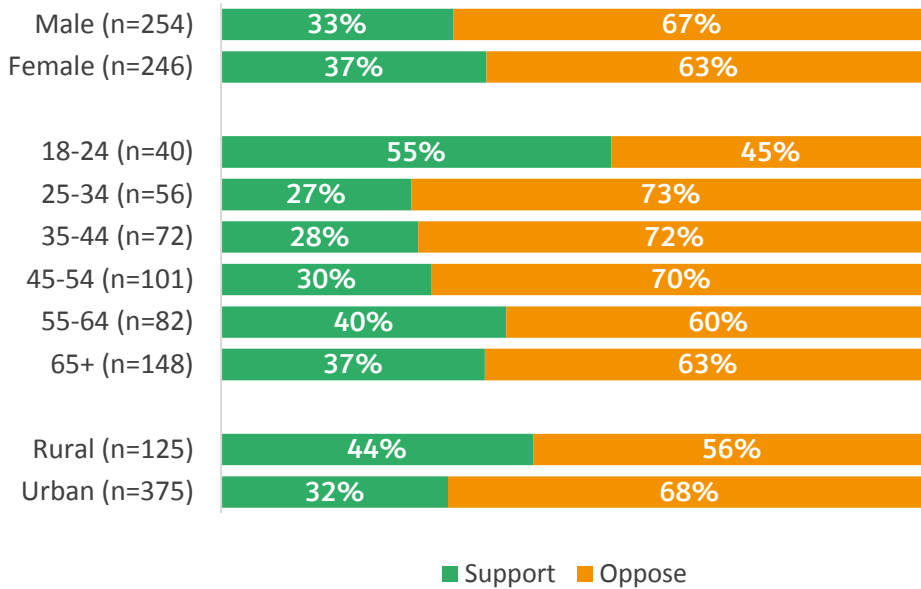


- Residents aged 18-24 were more likely to support increasing car park charges compared to residents aged 25-54. Caution should be taken when interpreting the results, due to the smaller base sizes for some of the age groups.



- Residents living in rural areas were more likely to support increasing car park charges compared to those in urban areas.

Figure 8: Support for increasing car park charges by gender, age and RUC

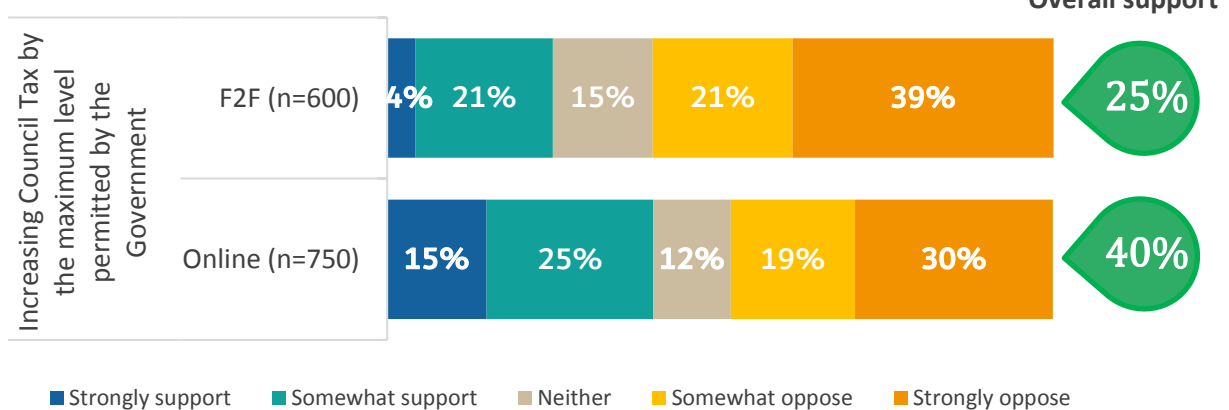


3. Increasing Council Tax

Six in ten (60%) of residents either ‘strongly opposed’ (39%) or ‘somewhat opposed’ (21%) the proposal that the council could increase Council Tax by the maximum level permitted by the Government to help them protect existing services. A quarter of residents supported this method of generating income, with most of these ‘somewhat supporting’ (21%) an increase.

The online results show that overall support was much higher at 40% stating they either ‘strongly’ (15%) or ‘somewhat’ (25%) support increasing Council Tax.

Figure 9: Support for increasing Council Tax



Sub-group analysis shows that there were significant variations by gender, age group and RUC:



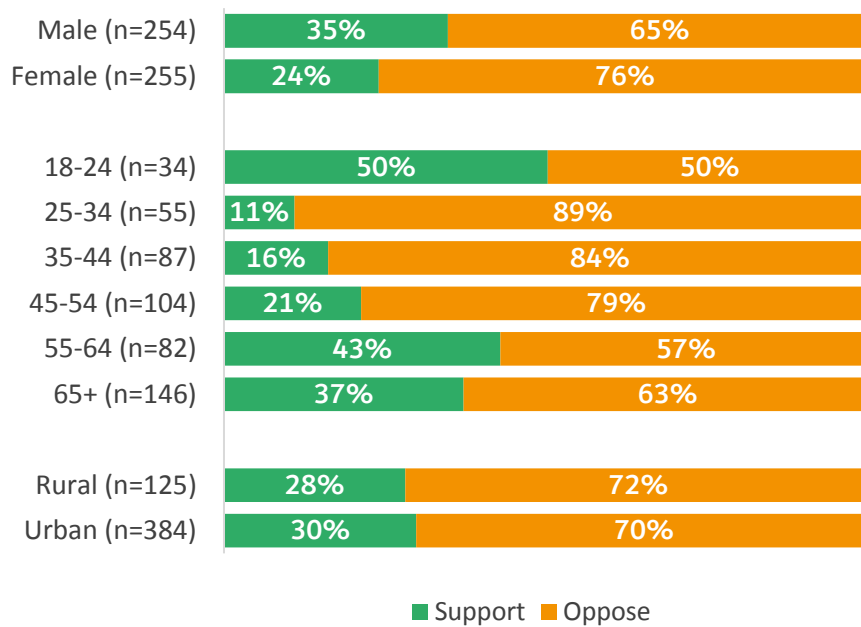
	<ul style="list-style-type: none"> Men were more likely to support increasing Council Tax compared to women.
	<ul style="list-style-type: none"> Residents aged 18-24 and 55+ were more likely to support an increase in Council Tax compared to those aged 25-54.

Figure 10: Support for increasing Council Tax by gender, age and RUC



Indicative sub-group analysis

- Residents living on their own or with one other household member were more likely to support increasing Council Tax compared to those living in households of 3 or 4 people.
- Similarly, those without children were more likely to support an increase in Council Tax.

Further suggestions

Residents were also asked if they had any other suggestions on how the Council could balance its budget, either by saving money or increasing income. For the face sample, a total of 107 residents (18% of the sample) provided valid comments. Their responses have been analysed and grouped into themes which are presented in Table 1 overleaf. Responses could have contained more than one theme and as such the total presented in the table may be higher than the number of responses. Most commonly mentioned was:

- The council should be more efficient with services / funds (F2F n=18* and Online n=52*)

“These departments will have to manage themselves and try to save our tax money.”

“They should be more efficient with their resources.”

- Review salaries/ pensions/ bonuses [of council staff] (F2F n=16* and Online n=48*)

“Rather than doing cuts or increasing taxes, top management should cut their salaries. There should be cap on top management salaries.”

“Pay cuts to the higher officials. Better management of our tax money.”

- Reduce staff levels / restructure (F2F n=9* and Online n=32*)

“They have too many managers. They need a re-structuring for a better management.”

* Please note that numbers shown are from a sub-set of residents that chose to comment. For example, 9, 16 and 18 respondents equates to less than 3% of the overall face to face sample, while 32, 48 and 52 respondents equates to less than 7% of the online sample.

Table 1: Suggestions for how the council could balance its budget

Comment	Count	%
Be more efficient with services/ funds	18	17%
Review salaries/ pensions/ bonuses	16	15%
Reduce staff levels/ restructure	9	8%
Use of volunteers/ community service	8	7%
Lobby central government for funding	5	5%
More community events/ fundraising	5	5%
Increase rates/ taxes	5	5%
Reduce and/or monitor expenses	4	4%
Encourage and/or invest in small businesses in the area	4	4%
Investments should be cautious	3	3%
Review contracts with suppliers/ the performance of contractors	3	3%
Sell or rent out assets	3	3%
Promote tourism	3	3%
More paid car parks/ permit parking	2	2%
Partnerships with other councils	2	2%
Inform residents of expenditure	2	2%
Build more houses	1	1%
Better public transport	1	1%
Charge for public toilets	1	1%
More speed cameras	1	1%
Use renewable energy	1	1%
Hire own traffic wardens	1	1%
Stop spending on IT	1	1%
More digital services	1	1%
Make town centres more attractive	1	1%

For the online sample, a total of 282 residents (38%) provided valid comments. Their responses have been analysed and grouped into themes which are presented in Table 2 below. Again, results were fairly similar to the face to face sample, with the top three comments focusing on being more efficient, reviewing staff salaries and restructuring.

Table 2: Suggestions for how the council could balance its budget (Online sample)

Comment	Count	%
Be more efficient with services/ funds	52	18%
Review salaries/ pensions/ bonuses	48	17%
Reduce staff levels/ restructure	32	11%
Use of volunteers/ community service	27	10%
Review contracts with suppliers/ the performance of contractors	22	8%
Partnerships with other councils/ merge tiers / create unitary authority	19	7%
Invest in and/or encourage local business and BID in the local area	17	6%
Stop or reduce maintenance of green spaces (e.g. wildflowers)	15	5%

Reduce car parking costs (to encourage tourism and high street spending)	15	5%
Sell or rent out assets	15	5%
Reduce number of Councillors/ their expenses	14	5%
Fines for littering/ illegal parking/ dog fouling etc.	14	5%
Increase parking costs/ permit areas	13	5%
More community events/ fundraising	12	4%
More digital services/ less print and mailing (e.g. newsletter)	11	4%
Engage the local community/ inform residents of expenditure	9	3%
Increase rates/ taxes	8	3%
Ensure developers pay what they owe/ chase income from new builds more promptly	6	2%
Encourage corporate sponsorship of services (e.g. In Bloom, playgrounds)/ apply for lottery funding	5	2%
Close leisure centres/ review usage/ stop re-developing them	5	2%
Repair things right first time (e.g. potholes, council property repairs)	4	1%
Improve public transport	4	1%
Lobby central government for additional funding	4	1%
Charge those who get free public transport/ charge for Hoppa	3	1%
Open up Council parking to residents	3	1%
Review council tax bands	3	1%
Introduce congestion charges	2	1%
Promote tourism	2	1%
Focus on debt recovery	2	1%
Build more houses	2	1%
Do not let developers appeal planning applications	1	0%
Invest in property	1	0%
Remove street lighting	1	0%
Re-assess eligibility for social housing	1	0%
Better maintenance of roads	1	0%
Stop housing benefit	1	0%
Reduce frequency of FSA visits	1	0%
Charge for library books/ services	1	0%
Offer bin cleaning service	1	0%
Increase charges for planning permission	1	0%
Introduce HMO licensing	1	0%
Cut police funding	1	0%
Delegate to parish councils	1	0%
Reduce grass cutting	1	0%
Increase police presence	1	0%
Cut Waverley Training	1	0%
Have an income generation team	1	0%
Introduce dog tax	1	0%
Close children's centres	1	0%
Don't relocate council offices	1	0%

Conclusions

Awareness of the budgetary pressure faced by councils at a national level varied, with the largest sample (41%) feeling somewhat aware of these pressures. Men, those living in rural areas and those aged over 34 years old were more likely to be aware of the challenges, this could be due the younger age groups being less concerned e.g. less likely to have children, manage household incomes, be aware of national issues etc.

Residents showed preference towards maintaining environmental services (street cleaning, maintenance of parks and open spaces and environmental health), with less importance given to the maintenance of road verges and grants to voluntary organisations. Supporting this, grants to voluntary services, community groups and arts centres, received the largest points reduction by residents of 6.3 points. Whereas planning enforcement, street cleaning and maintaining road verges had the fewest points deducted.

Residents were more supportive of the proposal for the council to generate income through their own investments (77%) as opposed to generating income from residents, through car park charges (30%) or Council Tax payments (25%). The younger age group (18-24) were most likely to support any generation in income from residents, this could be because this group are less likely to be paying Council Tax for example and therefore less likely to be currently impacted by this increase.

Further suggestions for saving money also focused internally at what the council can do, with residents suggesting that the council should be more efficient with services and finances, reviewing staff benefits and compensation and reducing staff levels.

Appendix A: Questionnaire

Appendix A: Questionnaire

18104 Waverley Budget Consultation [FINAL]

Good morning/afternoon, my name is _____ [SHOW ID BADGE] and I work for M·E·L Research [SHOW AUTH LETTER]. Waverley Borough Council is seeking residents views to help them plan their budgets over the next few years. Do you have 10 minutes to spare to answer some questions about this?

Q1 First can I check that you are 18 years or over?

Yes

No - Interviewer to ask: is anyone else in the house over 18, or END SURVEY

This survey is being carried out by M.E.L Research, an independent research company. Information you provide to us will only be used for research purposes and you will not be personally identifiable in any analysis or reports. M.E.L Research work to the code of conduct of the Market Research Society. We will hold all information securely and strictly in line with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).

Like many parts of England, Surrey has 3 tiers of local government, a county council, district or borough councils and town or parish councils.

To start, please look at [SHOWCARD 1](#) which explains how services are delivered across Surrey and by Waverley Borough Council.

NOTE TO INTERVIEWER: If resident would like information on services provided by law and non-statutory services, please hand out [SHOWCARD 2](#)

Over the next few years, Waverley Borough Council expects to have a reduction in the income it receives which it uses to provide services to residents. Therefore, the Council needs to take action in order to balance its budget.

Over this period, it can do this in three main ways. It can cut costs by reducing optional services. It can increase its income, in practice, by raising car park charges. Or it can do a mixture – by cutting services by a smaller amount and increasing car parking charges by a smaller amount.

Q2 Before today, how aware were you of the budgetary pressures faced by councils up and down the country?

Very aware

Somewhat aware

Not at all aware

Not sure [DR]

Service priorities

The Council wants to understand how residents' value specific services and what impact changing or reducing these services may have on residents. [SHOWCARD 3] To help address the budget shortfall the Council is focusing on the following optional service areas:

- Grants and funding for day centres, cultural services and community groups
- Enforcement services such as hygiene inspection and planning enforcement
- Maintenance services such as street cleaning, grass cutting and conservation of the countryside.

Q3 Please rank the following services in order of importance to you from 1 to 6; where 1 is most important and 6 is least important.

	1 - Most important to me	2	3	4	5	6 - Least important to me
Grants to voluntary organisations, community groups and arts centres	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Street cleaning services including servicing public litter bins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintaining road verges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintaining parks, open spaces, playing fields and the countryside	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planning enforcement e.g. preventing breaches of planning control	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental health e.g. food hygiene inspections and air quality monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Budget savings

Q4 In the future, the Council may need to make savings to the following [SHOWCARD 4] optional service areas.

Each service has been given a number of 'points' which represents its approximate cost to provide. Together, these services currently cost 100 points and the Council could aim to reduce this to 80 points. For each of the services listed, please state how many points you think the Council should spend. Please remember that, unless we increase income, we need to save 20 points.

Grants to voluntary organisations, community groups and arts centres - 20 points	<input type="text"/>
Street cleaning including servicing public litter bins - 20 points	<input type="text"/>
Maintaining road verges – 10 points	<input type="text"/>
Maintaining parks, open spaces, playing fields and the countryside- 25 points	<input type="text"/>
Planning enforcement e.g. preventing breaches of planning control - 5 points	<input type="text"/>
Environmental health e.g. food hygiene inspections and air quality monitoring - 20 point	<input type="text"/>

Your total number of points add up to {DQ4}.

Could you please have a look again and see where you could take some points off, to make the total no more than 80.

Raising money

The Council is looking at ways to increase income to help them protect existing services.

Q5 On a scale of 1 to 5, where 1 is strongly support and 5 is strongly oppose, to what extent do you support the Council raising extra income by doing the following...

	Strongly support	Somewhat support	Neither support or oppose	Somewhat oppose	Strongly oppose
Increasing car park charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing Council Tax by the maximum level permitted by the Government.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing investment to generate income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q6 Do you have any other suggestions to make to the Council about how to balance its budget, e.g. save money or increase income?

About you

To make sure we are hearing from a wide range of people we would like to ask some questions about you. These questions are optional but answering them will help us better understand what you tell us.

Q8 Looking at SHOWCARD 5, which of the following describes how you think of yourself?

- Male
- Female
- In another way
- Prefer not to say

Q9 What age group do you fall into? [SHOWCARD 6]

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+
- Prefer not to say

Q10 How many people live in your household including yourself? [TICK ONE]

- 1 4
 2 5 or more
 3 Prefer not to say

Q11 Do you have children aged 15 or under in the home?

- Yes No Prefer not to say

Q12 Do you have a long-standing illness or disability?

- Yes No Prefer not to say

Q13 Can I please take your full postcode? [INTERVIEWER TO WRITE REFUSED WHERE APPLICABLE]

We want to make sure that we get feedback from residents living in both rural and urban areas of the county, so providing your full postcode will help us make sure we do this.

Q14 As part of our quality checking process, some of the people who answered the survey will be selected at random to answer a few quick questions. Could I please take either your email address - you will be sent a quick online form or telephone number - where someone will call you if necessary? This will not be passed to anyone else.

- Yes No

Yes - email [hand over to resident to complete]

Yes - telephone number?

Can I take your name as well please?

This is all the questions. Thank you for your time.

OFFER RESPONDENT 'MEL THANK YOU NOTE'. If you would like more information about who we are and how we use the information you've provided, including your privacy rights and right to withdraw your consent at any time, please read this leaflet.

Q15 Interviewer name:

- 18104 - XXX 18104 - XXX
 18104 - XXX 18104 - XXXX



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