



Brighton & Hove City Council

Interim report: Budget Simulator results for Brighton & Hove City Council

January 2012

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1 Background

1.1 Introduction

1.1.1 The Brighton and Hove budget simulator enabled respondents to allocate expenditure to council services grouped under six broad themes. These are:

- Childrens Services
- Adult Services
- City Infrastructure
- Housing Services
- Communities
- Resources and Finance

1.1.2 Respondents were asked to make adjustments to expenditure that represents a marginal, small, moderate, large or major increase or decrease to each service. Respondents could also choose to leave expenditure unchanged. The starting point for the exercise was that spending is six per cent over target with a potential council tax rise of 17 per cent. The objective of the exercise was to allocate expenditure so that the maximum council tax rise is 3.5 per cent.

1.2 The respondents

1.2.1 The budget simulator went live on 1st October 2011. A full report was produced in November 2011 presenting the 437 responses collected between 01/10/11 and 01/11/11. This interim report is an update on the 402 responses received between 02/11/11 and 22/01/12.

1.2.2 In total for the period of 01/10/11 to 22/01/12 a total of 839 complete responses have been received via the budget simulator. There was a total of 3,187 hits to the budget simulator site during this period, giving a response rate of 26%.

1.2.3 The collection of demographic details such as age and gender was not mandatory and a number of people did not provide details. It has not been possible, therefore, to compare

how the characteristics of people completing the budget simulator compare with the population as a whole.

1.2.4 A breakdown of respondents by age is shown in the table below. In total 71% of respondents provided their age.

Table 1 : Age of respondents

| | Number | % |
|-------------|--------|----|
| Under 18 | 10 | 2 |
| 18-24 | 15 | 4 |
| 25-34 | 43 | 11 |
| 35-44 | 80 | 20 |
| 45-54 | 84 | 21 |
| 55-64 | 41 | 10 |
| 65 and over | 13 | 3 |
| Not known | 116 | 29 |

1.2.5 Gender information was provided by 68% of respondents, with 48% per cent of respondents being male and 20 per cent female.

1.3 The results

1.3.1 The report presents a summary of the results for each service area. It shows the mean average budget expenditure chosen by respondents, the difference between the chosen budget and the starting budget and the percentage difference from current expenditure.

1.3.2 Comparison has be made between wave 1 and wave 2 respondents. Wave 1 is defined as those people who responded between 01/10/11 and 01/11/11. Wave 2 is defined as those people who responded between 02/11/11 and 22/01/12

2 From where will the £20m savings come?

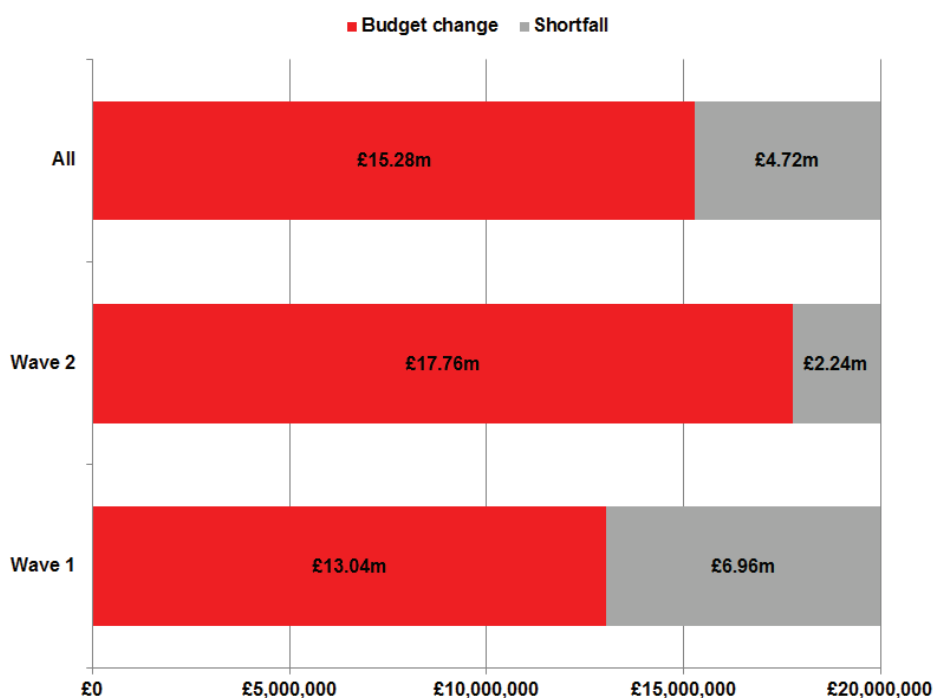
2.1 Achievement of £20m target

2.1.1 The budget simulator proposed a starting point of a budget of £362.42m, which is six per cent over the target budget and would result in a council tax increase of 17 per cent. This set the challenge to respondents of reducing the authorities spending by £20m.

2.1.2 The headline findings from the budget simulator show that wave 2 respondents were unable to meet this challenge and the mean average reduction in authority spending was £17.76m. A shortfall of £2.24m against the set target (figure 1) of £20m. While still remaining below the target reduction of £20m the respondents in wave 2 have made greater progress towards the target than wave 1 respondents, who proposed a saving of £13.04m. The average saving across wave 1 and 2 was £15.3m.

2.1.3 The total saving of £17.76m from wave 2 respondents equates to an average annual spend of £344.7m for Brighton and Hove City Council. This is £4.7m lower than the average budget proposed by wave 1 respondents (£349.4m).

Figure 1 : Progress towards £20m reduction in spending target

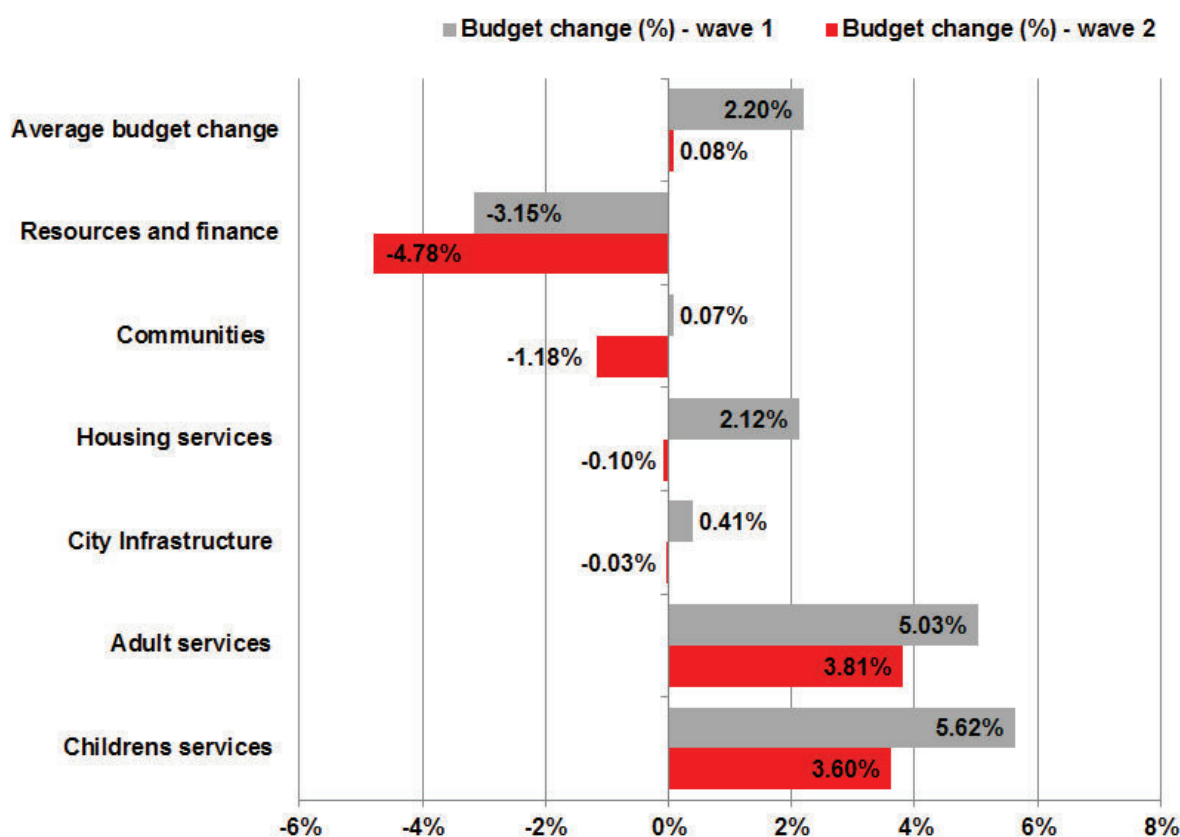


2.2 Total proposed spending by service area

2.2.1 Calculations based on the current Brighton and Hove expenditure of c.£341m, shows that on average, wave 2 respondents were proposing an increase of £2.7m to current spending. This figure is lower than the £7.4m increase on current spending levels proposed by wave 1 respondents. The overall increase across waves 1 and 2 was £5.2m.

2.2.2 Wave 2 respondents therefore proposed an overall increase to current expenditure of 0.8 per cent and equates to an average a Council Tax increase of 2.3%. This is below the suggested target of a 3.5 per cent increase and shows that respondents in wave 2 were better able to make the required savings. Figure 2 shows a breakdown of the percentage increases against current budgets¹.

Figure 2: Percentage reductions against current budgets by service area

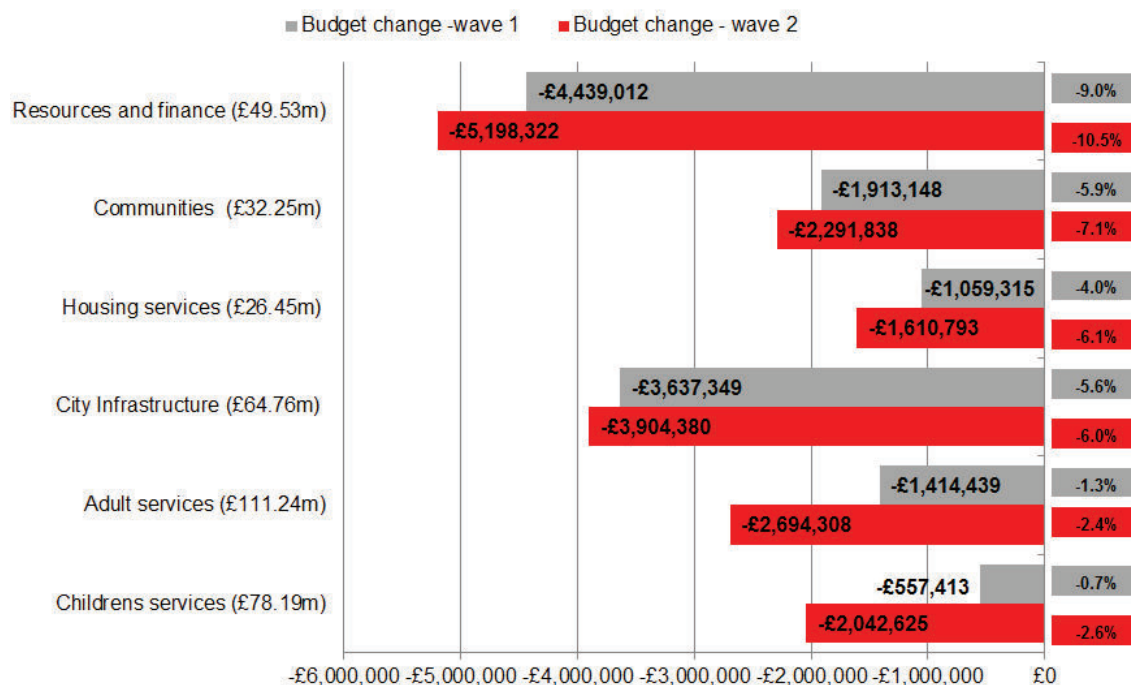


¹ Current budgets are calculated by subtracting 6% from starting budgets in the simulator

- 2.2.3 Figure 2 shows how respondent's decisions on proposed changes to budgets vary by service area. As the overall proposed budget changes have shown, respondents in wave 2 made more significant cuts in all spending areas than wave 1 respondents did.
- 2.2.4 In particular, wave 2 respondents proposed cutting spending on resources and finance by 5% and a 1% reduction in communities spending. While unable to make actual cuts to spending on adult and children's services they did propose smaller increases in spending than wave 1 respondents.
- 2.2.5 Analysing the data against current budgets (without the 6% increase) highlights the challenge that respondents had in making significant reductions in spending levels. However, this analysis does not highlight the reductions that respondents did make against the starting budgets² in the simulator (figure 3).
- 2.2.6 Wave 2 respondents identified the Resources and Finance budget as the main area for cuts, making largest reduction in spending (10.5 per cent). Other areas of saving were £2.3m from the Communities budget and £3.9m from the City Infrastructure budget.
- 2.2.7 When compared to the views of wave 1 respondents, those respondents in this wave proposed larger reductions in spending on adult services (-£2.7m compared to -£1.4m) and on children's services (-£2.0m compared to -£557,000).

² Starting budgets are the figures used in the simulator which apply a 6 per cent increase to current expenditure

Figure 3: Percentage reductions against starting budgets by service area

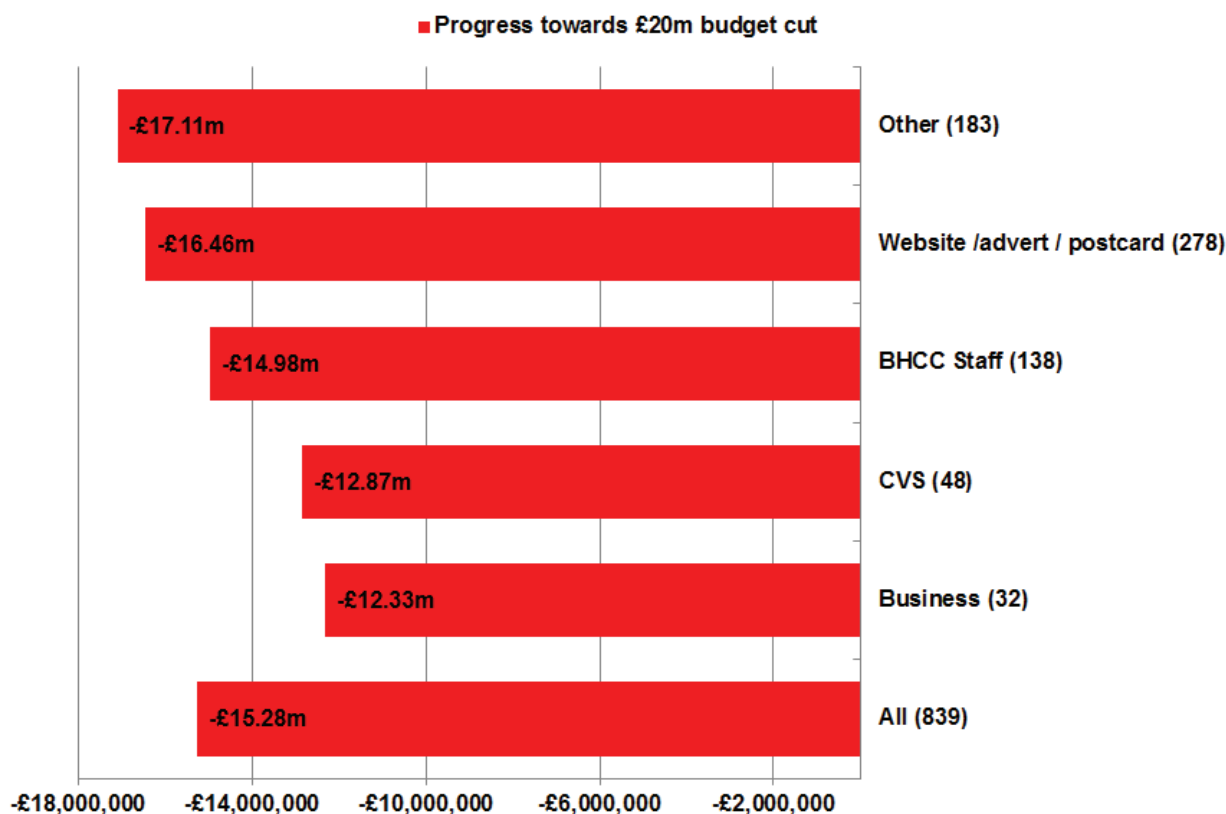


2.3 Total proposed spending by respondent type

2.3.1 Based on the combined data from waves 1 and 2, respondents from the community and voluntary sector³ and the business sector proposed the smallest cuts in budgets. Some caution is advised on the responses from the business sector, due to the sample size being under 50.

³ Note data on user type is taken from a question 'I am responding as...'

Figure 4: Progress towards £20m reduction in spending target



2.3.2 Those people responding via a combination of a link on the council website, a postcard through the post and an advert in the council newspaper made the largest cut to the overall council budget (-£16.5m), followed by staff of Brighton and Hove Council (-£15m).

2.3.3 Breaking down the views of different respondents by service area (table 2), shows that the CVS and business sector propose lower cuts across all service areas. In particular, respondents from the CVS sector actually proposed an increase to spending on children's services. Respondents from Brighton and Hove Council proposed the highest reductions of all groups in the communities and city infrastructure budgets.

Table 2: Comparison of reductions against starting budgets by respondent type

| | All (839) | Business (32) | CVS (48) | BHCC Staff (138) | Website /advert / postcard (278) | Other (183) |
|-----------------------|-----------|---------------|----------|------------------|----------------------------------|-------------|
| Children's services | -1.6% | -1.3% | 0.4% | -0.9% | -1.9% | -2.4% |
| Adult services | -1.8% | -1.0% | -2.3% | -1.4% | -2.2% | -2.1% |
| City Infrastructure | -5.8% | -4.2% | -5.5% | -6.7% | -5.9% | -6.4% |
| Housing services | -5.0% | -5.3% | -3.5% | -4.6% | -5.7% | -5.5% |
| Communities | -6.5% | -5.2% | -6.2% | -7.3% | -6.7% | -6.4% |
| Resources and finance | -9.7% | -8.8% | -8.4% | -9.6% | -10.2% | -10.6% |

3 Open ended responses

3.1.1 The budget simulator allows respondents to make comments to help support and explain the decisions they made. We have not undertaken a full analysis of these open ended comments in the report. Figure 6 below displays a summary of the comments in the form of a Word Cloud. A larger word signifies that this word was mentioned more times in the comments.

Figure 6: Summary of open ended comments



