Involving citizens in the budget challenge:
A study of the experiences
of consultation practitioners

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1. INTRODUCTION

“The idea of citizen participation is a little like eating spinach: no one is against it in principle because it is good for you” (Arnstein, 1969, p217)

1.1 Background and context

Local authorities, after the election of the Coalition Government in 2010, faced the longest and deepest sustained period of cuts since at least World War II, with an unprecedented reduction in their revenue support grant of 28% over the four years from 2010/11 (Crawford, 2010). Set against this background of declining resources, local authorities also had to respond to pressures for greater consultation and involvement of citizens (for example from their community leadership role, the Localism Act and the risks of legal challenges under the Equalities Act 2010).

There was an absence of research about how local authorities in England were addressing this dilemma. This research explored the experiences of consultation practitioners about three research questions:

- why do local authorities involve citizens in budget consultations?
- how have they involved citizens?
- what have been the outcomes of involving citizens?

The research was carried out as part of an MSc in Social Research Methods with the Open University. This report provides a summary of the research and is aimed at an audience of consultation practitioners.

1.2 Methodology

The research used three methods:

- an online survey of consultation practitioners working in all local authorities in England. The survey was carried out in conjunction with the Consultation Institute in July 2011. 50 replies were received.
- four semi-structured interviews with local authority consultation practitioners during the summer and autumn of 2011.
- a roundtable discussion group held at the Consultation Institute’s office on 25th August 2011 attended by 16 practitioners.

This was an ethnographic approach using mixed methods and the research sought to understand the issues by “triangulation” of the various data sources (Feilzer, 2010).
There were two main considerations to the methodology:

a) The sample of 50 authorities represented a 14% response rate and was not large enough to carry out detailed statistical analysis. Caution should therefore be used when using any of the percentages in this report. The survey was completed by 20 districts, 12 unitaries, 8 county councils, 6 metropolitan boroughs and 4 London boroughs. There was a slight underrepresentation of district councils given the percentage of overall local authorities they comprise. However within the limitations of such a study, the respondents could be broadly described as representative. Overall the survey data provides a useful insight into the research questions.

b) Central to ethnography is the concept of reflexivity. This involves the acknowledgement of the impact of the researcher’s own background and attitudes on the research (Hammersley and Atkinson, 2007). At the time of the study I was employed as a local authority consultation practitioner. The way the research was designed and analysed may have been very different than if, for example, it had been carried out by a citizen participating in a budget consultation or someone from a private sector background.

1.3 Literature review

A literature review was undertaken which focussed on each of the three research questions.

The research questions on the objectives and methods of budget consultation were considered in the context of theories of participation and democracy. Of considerable relevance to the research was the difference between representative democracy (where councillors and officers take decisions in the best interest of the authority based on an electoral mandate) and direct democracy (which suggests that citizens are the “owners” of government and should therefore be involved in decision making) (Callahan, 2007). A key aim of involvement can be to provide “democratic legitimacy” and build trust in the organisation (Keohane, 2001; Liddle, 2007).

The research question on the outcomes of budget consultations was considered in the context of theories which have developed models with variables to explain the impact of citizen involvement in the process (Ebdon and Franklin, 2006; Yang and Pandey, 2011).
2. KEY FINDINGS

This section summarises key findings of the research: more detailed information for each of the research questions is set out in sections 3, 4 and 5.

Objectives

Three quarters of local authorities stated their reasons for carrying out budget consultations were to consult, inform and involve citizens.

The objectives of most authorities were to seek to involve citizens in forms of direct rather than representative democracy.

Budget consultations were carried out as part of wider communication and engagement strategies aiming to improving organisational reputation and to provide democratic legitimacy.

Councillor involvement in clearly defining the objectives of the consultation was considered crucial to the success of the consultation; the political control of the authority did not appear to be an important variable.

Methods

A wide range of methods were used by authorities. The three most useful methods of involvement were online surveys (44% of authorities), Citizens Panels (31%) and deliberative events (22%). Greater use of social media and discussion groups was envisaged for the following cycle of budget consultation.

While increasing use was being made of online surveys and social media which offered cost effective methods for involving citizens, there was a mixed view about how representative these were.

Expenditure on budget consultations is modest; 41% of authorities spent less than £1,000 and only 11% of authorities spent more than £10,000.

Participatory budgeting had a limited role: it was used by 11% of authorities but for community grants, partnership funds. Only one authority had used this approach for mainstream budgets.

Outcomes

The outcomes of involvement in just under half of authorities were that involving citizens had minor or no influence on decision making. Where this happens the effect may be to harm the democratic legitimacy which the consultation aimed to enhance.

There was concern expressed at the difficulty in evidencing how citizens’ feedback had shaped outcomes. The outcomes fell short of empowering citizens, which makes problematic the attainment of a more citizen led agenda called for by the Localism Act 2011.
3. WHY DO LOCAL AUTHORITIES INVOLVE CITIZENS IN BUDGET CONSULTATIONS?

Of the 50 authorities who replied, 45 stated they had carried out a budget consultation for 2011/12. Five did not carry out a consultation for 2011/12, and gave the reasons as lack of political will (4), too expensive (3) or that the authority had consulted in previous years (1).

3.1 The main reasons for involvement and the importance of communications and reputation

The survey asked what were the main reasons for carrying out consultation with citizens. Around three quarters of local authorities stated their reasons were to consult, inform and involve citizens (figure 1). Just over half (54%) stated it was because they believed they would make better decisions as a result of this, and just under half (43%) mentioned that it was to build trust with citizens.

![Figure 1: What were your main reasons for carrying out budget consultation?](image)

*Figure 1: What were your main reasons for carrying out budget consultation?*

When asked what was the single most important reason, 41% of authorities stated this was to consult with citizens, and 27% to involve residents. A smaller percentage (13%) mentioned this was to inform citizens about the budget.

A theme from the interviews and roundtable was that local authorities involve citizens in budget consultations as part of wider engagement and communications strategies. Organisational reputation was important. Branding of the budget consultations and conveying key messages were seen as core elements of consultation, and the roundtable highlighted that the use of the term budget could deter citizens from participating. Interviewees stated they were working ever more closely with communications staff and the two are becoming interdependent:
“I work in particular with the Head of Communications on budget consultation and s/he has been taking more of a lead – less on the purist research role (which is my role) but because consultation has become more about engagement and educating residents more about the challenges”

The roundtable highlighted authorities may consult for longer term communication and engagement reasons to “keep the story going” and to demonstrate the council is listening and taking action in response. At the same time the roundtable noted the challenges of doing so, firstly with the amount of change taking place within Council staffing structures and, secondly, given the complexity of the issues and the need to have a debate accessible to all who would wish to get involved.

3.2 The key role for councillors in setting objectives

Councillors influence on the budget consultation process was highest around the objectives of the exercise. 70% of authorities considered councillor influence to be very high or fairly high on the objectives (figure 3).

*Figure 2: What level of influence of influence did councillors have in the budget consultation?*

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<td><strong>Objectives</strong></td>
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<td><strong>Outcomes</strong></td>
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*Base = 44*

There did not appear to be a relationship between councillor influence and variables such as political composition of the council or type of authority. The lack of this relationship was highlighted by one of the interviewees:

“In authority A they (councillors) said … we’re here to represent our wards … we are in this collectively rather than the council making the decisions. Whereas in authority B councillors took the view we are here to make these
Political leadership was identified by interviewees as essential in providing clarity for the reasons why to carry out the consultations and ultimately ensuring positive outcomes of the exercise. This was also identified as an issue in the survey open question on what lessons did respondents learn from the budget consultations. The interviews highlighted that councillors wanted to carry out budget consultation as part of their wider engagement with communities. Interviewees raised the importance of using the consultation to help address issues such as social cohesion.

The interviews and roundtable both highlighted that councillors’ objectives around budget consultation can be shaped by the timing of local elections. The roundtable raised the difficulty of getting big decisions made during an election year and noted that some authorities have elections every year which can make involvement problematic.

**3.3 Universal and service user consultation**

An important theme in the reasons why authorities carry out budget consultations was the need to consult on both firstly, “universal” services received by everyone and secondly, the need to consult with people who are users of specific services. This theme and the difficulties arising were raised in all three of the data collection methods, including the responses to the survey open question about what lessons were learnt. There was discussion at the roundtable about the challenges of making citizens in general understand the value of services provided to just a few. Interviewees varied on the level of “control” they had as centrally based staff on the service areas carrying out specific consultations. Where there was less control there were concerns about the quality of consultation and possibility of legal challenges to what had been done particularly around the Equalities Act 2010.

**3.4 Discussion**

The findings suggest that overall local authorities carry out budget consultation to provide democratic legitimacy, for example the need to build trust and accountability (Kluvers and Pillay, 2009). The forms of involvement represent direct democracy, where citizens are actively involved (although a note of caution here for these objectives may not match with actual outcomes of the exercises, see section 5). Of the 50 authorities a minority (five) did not carry out consultations, three of these stated there was no political will to do so which suggests representative democracy in these authorities (Callahan, 2007).
The control of the local authority by different political parties did not appear to be an important variable from the survey, interviews or roundtable. What was more important was that councillors gave clear direction to the objectives of budget consultations and this was seen as crucial to the success of the exercise by the interviewees.

The interviews and roundtable provided no examples of where the objectives of the budget consultations was to seek to empower citizens, to delegate or even provide a degree of control over the budget such as through participatory budgeting. None of the data collection methods highlighted citizen led agendas called for by the Localism Act 2011.
HOW HAVE LOCAL AUTHORITIES INVOLVED CITIZENS?

4.1 The range of methods

Local authorities used a very wide range of methods to involve citizens and the most common of these were online surveys (77% of authorities), Citizens Panels (52%), public meetings (39%), written submissions (36%) and discussion groups (35%). Authorities were asked which three methods they found most useful (figure 3). The three most useful methods were online surveys (44%), Citizens Panels (31%) and deliberative events (22%).

Figure 3: Which methods did you find most useful?

![Bar chart showing the most useful methods](image)

*Base = 44. Respondents could choose up to three options: total responses = 76*

An open ended question was included in the survey on lessons learnt from the 2011/12 budget consultation and the top themes were:

- Use more deliberative methods and methods which involve a dialogue
- Carry out the exercise at an early stage of the process
- Be clearer about councillor involvement/ objectives and political sensitivity which may limit scope for consultation
- Have a clearer sense of purpose and objectives, and clearer questions
- Use different methods and “triangulate data”

Participatory budgeting appeared to have a limited role. While 11% of authorities stated they had used participatory budgeting this was for community grants, devolved budgets and partnership funds. Only one authority had used this for mainstream budgets.
Proposed methods for 12/13

Authorities that had decided to carry out budget consultation in 2012/13 were asked which methods they were planning to use. The proposals reflected the most common methods in 2011/12 with online surveys and Citizens Panels being the most popular (70% and 56% of authorities planning to use these methods).

There was an increase in local authorities proposing to use discussion groups (52%) and social media (48%).

4.2 Resources determining the choice of methods

Expenditure on budget consultations is very modest and is important in understanding which methods local authorities choose. 41% of authorities spent less than £1,000, and only 11% more than £10,000 on their consultations.

*Figure 4: What is your best estimate of how much your authority spent on budget consultation for 2011/12 (excluding staff time)?*

Caution should be noted on these findings given the possible differences in how people estimated this as they were completing an online survey and would not have had time to research this issue.

Almost a third of authorities (27%) stated they spent less than 10 full time staff days on the budget consultation which may suggest this was a limited exercise for these authorities. 43% spent between 10-49 days and 14% between 50-99 days.

The consultations were overwhelmingly undertaken in-house rather than by an external company: for example 89% of online surveys were undertaken internally.
Future resources for budget consultations

Authorities were asked how their resources to carry out budget consultation had changed compared to the previous year, both in terms of staffing and revenue. Resources for consultation were becoming more constrained as authorities address the budget challenge with almost a half of authorities stating staff resources were less and just over a third stating revenue resources were less. Despite this, authorities responding to the survey were relatively positive about the impact of any changes on future consultations with approximately half considering both the scope & size of consultation and the quality would remain the same. Nearly a third stated that the quality would be of a better standard.

The roundtable delegates however were much more concerned about the impact of staff reductions on having the right tools and skilled staff to carry out robust consultations in the future. Interviewees had varying but limited resources, although were fairly neutral about future implications for the size and quality of consultations.

4.3 Electronic methods of involvement and representativeness

A theme from the interviews and roundtable was the disparity in views regarding electronic methods of engagement. There were mixed opinion on how representative online surveys were. On the one hand there was a view that most of the population across all ages now had online access and that it was more important to communicate with citizens why they should participate:

“... We are more or less switching to e-surveys. You do need the kind of discussions that you generate by face to face methods. Yes, you do need to have those. But people that will respond to surveys would probably choose to do that electronically”

“I don’t think the issue is access to technology, I think the issue is more can I be bothered responding to a council, what is the point, what will I get out of it ... I think that is a bigger barrier than do I have access to the Intranet”

On the other hand for some authorities their demographic profile was important and they remained concerned about the representativeness of online surveys, choosing to use these as part of a mixture of methods:

“I’m not particularly positive (about online surveys). I think we have a particularly low level of people that have access to computers. I would challenge how representative they are as respondents are a nominally self-selecting group of people. I think the strength of them is that they are a way of reaching out to people that we would not otherwise get to. So I’m fairly balanced about them ... I think they are a useful tool but I wouldn’t rave about them and I would use them as part of a portfolio of methods”
There was a wide range of opinion about the usefulness of social media. The roundtable felt that how best to use social media on an issue as complex as budget decisions was a challenge that many authorities were struggling with. The four interviewees were divided in their views about social media. Interviewees who supported this method highlighted the instant nature of the feedback and that it encourages citizen initiated discussions, while the other interviewees were more doubtful of its value.

4.4 Discussion

While local authorities were using a range of methods to involve citizens in budget consultations, online surveys were regarded as the most favoured and most useful, currently and in the future. In the context of the declining staff and revenue resources shown in the survey they offer a cost effective option. Interviewees appeared to reflect the difference in opinion in the academic literature about the representativeness and usefulness of online surveys. Relevant is the discussion about the need for a pragmatic approach to online surveys, recognising both the budgetary constraints to carry out consultations in local government and that the sector may not always require the level of scientific rigour as for national surveys (Van Rykin, 2008). The difference in perceptions of the usefulness of social media may have been influenced by interviewees own use of this.

Deliberative events were considered as one of the most useful methods reflecting their importance in complex consultations (Friedman and Miles, 2006). Participatory budgeting, however, had a low profile in all three data collection methods. The research would suggest that local authorities in England are not using participatory budgeting for mainstream budgets as in other countries such as Brazil, but rather for community grants and partnership funds. Only one authority in the survey reported using participatory budgeting for mainstream budgets.
5. WHAT HAVE BEEN THE OUTCOMES OF INVOLVING CITIZENS?

5.1 The influence of citizens

Local authorities were asked which of a number of statements best reflected the influence that feedback from residents has had on the decisions made on the budget (figure 5).

Just over half of the local authorities (53%) responding to the survey agreed with the statements that it was very influential, or that it was influential on a limited number of areas but that these were key issues for their authority. Seventeen of these authorities gave examples of what form the influence had taken. The main themes from the feedback were protecting citizen priorities, developing alternative proposals, validating priorities and concerns expressed about the use of volunteers.

Just under half of authorities however (43%), said that the feedback had minor influence or no influence.

Figure 5: Which of the following statements best reflects the influence that feedback from citizens has had on the decisions your authority made on the budget?

![Bar chart showing the influence of citizen feedback on local authority decisions.](chart.png)

*Base = 44*
5.2 Differing perspectives

Interviewees highlighted the issue that evaluating whether citizens views were influential is subjective and depends on stakeholder perspective and viewpoint. They felt that consultation practitioners would apply a higher standard to this question than senior managers or councillors who may be more concerned with the communications aspect of the consultation, and equally a lower standard than citizens themselves:

“As consultation people, do we have a higher test, are we the voices of residents? Managers, councillors just seem to want to move onto the next thing. It’s just like ok, well we have done that now”

“Well, when I say that it worked well, that is obviously a very subjective opinion … and it is my view as the consultation specialist if you like. Because it worked well, it means that we had no angry views present when the budget was approved. People did not use the budget consultation process as a stick to say ‘that wasn’t sufficient or appropriate’. So in a way, the fact the actual consultation itself was purely a means to help the politicians make their decisions, that alone for me is a measure of success”

5.3 Evidencing influence

Interviewees, even in the authorities where they had indicated that feedback was influential, considered it was difficult to evidence how citizens’ feedback had shaped outcomes. One interviewee mentioned the Government’s agenda around transparency of decision making and felt this should be applied to the outcomes of consultations:

“Central government are banging on about transparency but Councils are a business and this business is not always transparent, especially when you are talking about budget issues”

Interviewees discussed their own positions within their organisations and for most it was difficult for them to be able track the outcomes of budget consultation exercises. In part this was a result of an organisational culture of other colleagues not feeling the need to respond to feedback. However it was also in part a consequence of the political decision making process:

“All the discussions about how the consultations might be influencing the decisions were held behind closed doors in the Political Group, so the only bit which was visible to me was at the Cabinet meeting. All the discussions, the arguments, the thinking … they’ve already been had. At the Cabinet meeting you just get the finished, final product… and then it’s very difficult to track what influence it has made”
5.4 The need for clarity about possible influence

Roundtable participants and interviewees raised the importance of senior managers and councillors thinking ahead to the level of influence that they wanted citizens to have. They felt that often such decision makers “jumped to the methods” without considering the outcomes they wanted. There was a need to clarify from the outset exactly what citizens could influence and the scope of the consultation.

The roundtable participants considered that the depth of the budget cuts and the inevitable unpopularity of many decisions made citizen influence in the decision making inherently problematic.

5.5 Discussion

Given the sterner test that practitioners consider they apply to budget consultations it is of concern that approaching half of practitioners responding to the survey considered feedback had minor or little influence. It is important to note that this finding from the survey related to the 45 respondents who carried out a consultation, and that a further five did not carry out such an exercise.

This lack of influence questions whether the cost of such exercises exceed the benefits (Ebdon and Franklin, 2006) although as section 4 suggests, expenditure on consultations is not high. Such consultations are unlikely to meet the success criteria for consultations suggested by citizens in the study by Lowndes et al,

“a) has anything happened, b) has it been worth the money and c) have they carried on talking to the public?” (2001, p454)

The lack of influence in these authorities could be counterproductive reducing the likelihood of citizens getting involved in the future and damaging reputation of organisations (Innes and Boulder, 2004). This links to the objective of providing democratic legitimacy and the importance of reputation and effective communication and engagement strategies (Candler and Dumont, 2010). The interviews in particular provided an understanding of practitioners own role within the organisation and the challenges that created in evidencing and communicating the outcomes of involvement. The study of effective citizen involvement outcomes ultimately depends not only theories of participation and democracy but as much on public organisational theories and issues such as transformational leadership, “red tape” and councillor involvement (Yang and Pandey, 2011).
6. PRACTICE RECOMMENDATIONS

The research provides the basis for a number of practice recommendations about undertaking successful budget consultations.

Objectives

- Senior managers and councillors should provide explicit clarity for the objectives of the consultation and think ahead to exactly what citizens can influence. Such decision makers should resist the practice of “jumping to the methods” without first considering the objectives and outcomes they want.
- A clear steer from local councillors for the direction of the budget consultation is essential and more important than the political composition of the council.

Methods

- Whatever methods are chosen they should be carefully evaluated to ensure they are representative of citizens in the authority
- Given the complexity of budget consultations, consideration should be given to deliberative methods and methods which require a dialogue with citizens.

Outcomes

- Effective communications and feedback to citizens on the impact that their views have made is necessary for successful budget consultations.
- Local authorities, supported by professional organisations such as the Consultation Institute, should assess the success of their budget consultations.
- Ultimately, if from the outset a consultation is unlikely to have any influence on decision making, authorities may be better advised not carry out a consultation at all, such is the risk of harm to democratic legitimacy.

One of the interview participants summed up the practice recommendations around the objectives, methods and outcomes of budget consultations in one simple paragraph:

“I say this every time but I would try to pin down a firmer commitment at the beginning that before we even put pen to paper on how we are going to do this, we ask why are we doing it, what we are going to do with the information when we get it, how are we going to keep people informed and involved, and finally how are we going to demonstrate to people that this will help us to do something”.

Further information on best practice in local authority budget consultations is available in the Consultation Institute Briefing Paper 29 Local authority Budget Consultations: an update
7. REFERENCES


AUTHOR

Peter Headland has more than 20 years of experience of working with residents to improve services, communities and democracy. This has been with housing organisations in London and also in a corporate local authority role.

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