

Agenda Item 8

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Report

Report subject : SIMALTO Budget Consultation Results
Report to : The Cabinet
Date : Wednesday 31 January 2007
Joint Report : Head of Financial Services & Head of Democratic Services
Author : Principal Democratic Services Manager
Cabinet Member : Councillor Culver (Resources Portfolio)

1. **Purpose of Report/Executive Summary:**

This report gives the results of a budget consultation exercise using a research model successfully employed elsewhere in the country. The survey was designed to discover residents' priorities, and highlight where service reductions or charges would cause least displeasure, and where enhancements to services would give most satisfaction. Whilst some caution is needed in interpreting the results, it is recommended that the results of the SIMALTO survey be considered in relation to the council's budget 2007/08, through the corporate planning process, through the medium term financial strategy and the portfolio plans.

2. **Background:**

Research For Today (RFT) was commissioned to carry out a budget survey using the SIMALTO model (**S**imultaneous **M**ulti **A**tttribute **L**evel **T**rade **O**ff). The full RFT report is available on the council's website.

3. The three objectives of the survey were:

- which current service levels could be reduced and cause least 'distress' among residents?
- which improvements, if any, on other services should take priority?
- would residents be willing to pay more in council tax to protect services from reductions or improve service?

4. The Council's newly established VOICE&CHOICE consultative panel were invited to complete the SIMALTO survey online. 866 local residents completed the survey - this compares very favourably to similar surveys conducted in other local areas. The survey panel includes a mix of residents and business ratepayers.

5. There are 15 services within the survey - each with four indicative service level options. Each option was costed with each point worth roughly £50k. A copy of the grid used in the survey is included in the RFT report. The current level of service provided by the council equals 58 points. Residents were asked to allocate 50 points in total - the shortfall reflects the budget gap of £400k identified in the Medium Term Financial Strategy. Points were spent in three rounds, after each round the consultees were asked to rate their resulting satisfaction with the choices they had made.

6. Residents were asked to cross out any options on the grid that they felt were totally unacceptable. This helped determine those services that should not be reduced.



Awarded in:
Housing Services
Waste and Recycling Services



7. The SIMALTO model is able to predict an optimal budget, council tax level, budget reductions that cause the least displeasure, enhancements causing the most satisfaction and a list of services that should not be reduced.
8. **Understanding the Results:**
While the results are valuable in providing an input to the budget setting process and obtaining residents' views about priorities, the SIMALTO model and analysis of results is complex and care should be taken in interpretation of results.
9. There should be an appreciation that whatever the results, the survey (and indeed all budget surveys) has limitations. Of necessity, the information provided to residents in a survey of this nature is limited. However, there is more contextual information within the SIMALTO model than most traditional questionnaire based surveys and the trade-off approach forces respondents to think longer and harder about their choices.
10. Although the results are weighted to match local age and gender demographics, the profile of respondents is unlikely to be an exact mirror of the local population - generally it is to be expected that respondents are more likely to be interested in local affairs than non-respondents.
11. **Council tax:**
For practical reasons the survey includes only some of the service pressures and reductions currently being considered in the financial planning and budget process.
12. 65% of respondents voted for an increase of inflation only, even though they were aware that this would mean cuts in some services. No indication of the prevailing inflation rate was included in the questionnaire. Experience in other areas shows that when increases are explained in monetary terms rather than percentages there is generally a higher level of support for increases.
13. The budget for 2007/08 is being formulated on an assumed council tax increase of 5%. This is higher than the optimum council tax level suggested by the survey but would protect services from reductions and deliver one of the improvements most requested by residents - the provision of wheelie bins.
14. In monetary terms, a 5% increase in the District precept is less than £6 more per annum for the average household. This is less than £3 per annum more than the inflation increase preferred by respondents.
15. When all factors are analysed together, the SIMALTO model predicts that marginally more residents 51% would be willing to pay an increase slightly above the prevailing rate of inflation for their preferred budget choices.
16. **Areas where service reductions would cause least public displeasure:**
The model gives an indication of those budget reductions that would cause least displeasure. This should not imply that there would not be opposition to the individual proposals, particularly where vociferous interest groups might be involved. These options are presented in order, the first option causing least displeasure:
 - **Business Support**
When choosing between service reductions and possible improvements, most residents would opt for a 50% reduction in the support given to businesses. Only 14% of respondents indicated that this would be unacceptable.
 - **Car Parking Charges**
52% of respondents would oppose full rate charges seven days a week in all council parks - currently parking is free in Mere and Amesbury with a flat rate £1 charge in Salisbury on Sundays. However, when presented with a choice between service reductions and increased charges, 78% opted to extend parking charges to all car parks with a Sunday discount. However, in Mere and Amesbury there was strong support for free car parking. This is a complex result, indicating that residents would like to keep a differential in Sunday and Weekday charges, but would rather see increased revenue from parking than service cuts.

- **Leisure Centres: Opening Hours**
The survey showed that there is very strong resistance to closing sports centres - 85% said they would complain if the council sought to close most centres. However, only 20% said they would oppose some reduction in opening hours.
- **City Hall and Guildhall: Opening Hours**
67% of respondents said they would oppose the closure of the City Hall but only 23% said they would oppose some reduction in opening hours.
- **Customer Services: Contact Points**
Only 35% of residents indicated they would oppose a single contact centre in Salisbury. However there is support in Mere and Amesbury for maintaining the existing information points in the local libraries. Only 8% indicated a desire for extended opening hours and only 1% thought more contact points should be introduced.
- **Tourist Information Centres (TICs)**
57% of residents would oppose the closure of the TICs during off peak months. However, only 25% indicated they would complain about a weekend only service during these months.
- **Pest Control**
Only 31% of residents indicated they would oppose charges meeting the cost of 50% of pest control services.
- **Public Conveniences**
Only 34% of residents indicated they would oppose the closure of the 3 least frequented public conveniences.
- **Arts Funding**
72% of residents said they would oppose a 50% cut in funding for the arts, although this drops to 37% when a 25% cut is suggested.

17. **Enhancements Causing Most Satisfaction:**

The following enhancements would result in the most satisfaction among residents:

- **Fly Tipping**
Of all the service enhancements presented in the model, action to remove fly-tipping was selected by most residents. 59% of residents would like to see fly tipping removed within 24 hours. This result is stronger in rural areas than in Salisbury. This is a significant result, placing improvements above reductions in other services.
- **Waste Collection: Wheelie Bin Service**
47% of residents indicated a preference for the introduction of a wheelie bin service.
- **Street Cleaning**
41% of residents would spend more on street cleaning.

18. **Areas where reductions would cause most public displeasure:**

The SIMALTO model shows those services where reductions would cause most displeasure, shown in priority order:

- **Fly tipping**
76% of residents would consider reductions unacceptable, 94% opted to maintain or improve the service. Only 6% voted for a reduction in service.
- **Street cleaning**
73% of residents would oppose reductions, 94% would maintain or improve standards. Only 6% voted for a reduction in service.
- **Free bus passes**
55% of residents said that reductions were unacceptable and only 13% opted for reductions. 87% opted to maintain or improve current service standards.

- **Voluntary sector grants**
73% opted to maintain or increase expenditure on this service and only 27% voted for reductions
- **CCTV**
58% of residents feel it would be unacceptable to reduce the CCTV service and 71% would like to maintain or improve current service levels. 29% would consider reducing monitoring or coverage.

19. **Consensus Budget Allocation:**

The SIMALTO model uses predictive modelling to identify a consensus budget allocation. This is the allocation that achieves the best satisfaction rating when all factors are taken into account. However, the difference is not huge - satisfaction with the council's current budget is predicted at 69%. If the council opted for the consensus SIMALTO budget that satisfaction would rise to 73%, a gain in satisfaction of 4%. The consensus budget would see four changes from the current budget:

- Reduced expenditure on business support,
- Extending charging for car parks to all principal towns and villages with a Sunday discount

This additional revenue is used as follows:

- More money to tackle fly tipping
- Introduction of wheelie bins for household waste collection.

20. SIMALTO is based on a trade-off system. The residents have only agreed to an extension of parking charges because of the need to maintain or enhance other services that they deem to be important.

21. It is reassuring to note that the consensus budget that emerges from the SIMALTO consultation is very similar to the council's proposed budget 2007/08 and the low level of dissatisfaction suggests that the current mix of services is very close to that preferred by residents.

22. **Recommendations:**

- (1) Cabinet is asked to note the results of the SIMALTO Budget Consultation; and
- (2) Agree to take account of the results of the survey:
 - (a) when revising the Medium Financial Strategy.
 - (b) when preparing future Portfolio Plans and budgets.

23. **Background Papers:**

Research for Today: SIMALTO Budget Consultation Report January 2007

24. **Implications:**

- **Financial:** The council will have regard to this report when setting its budget, considering its Medium Term Financial Strategy and adopting its future portfolio plans.
- **Legal:** The council has a duty to consult the community on its budget.
- **Human Rights:** No individual Human Rights are affected directly by this report, although decisions based on the outcome of the budget consultation may impact on individuals in the future and should be assessed at that time.
- **Personnel:** No individual personnel issues arise directly from this report, although decisions based on the outcome of the budget consultation may impact on individuals in the future and should be assessed at that time.
- **Community Safety:** The budget consultation exercise examined some community safety issues - mainly the level of expenditure on CCTV.
- **Environmental:** The budget consultation exercise examined some environmental issues - notably recycling, waste management and street cleaning.
- **Council's Core Values:** The report supports the council's core values, particularly the commitment to communicate with the community
- **Wards Affected:** All