Mole Valley District Council

2005/6 Budget Consultation
## CONTENTS

**INTRODUCTION**  
Background 1  
Notes on interpretation 1  

**EXECUTIVE SUMMARY**  
2  

**DETAILED RESULTS**  
Understanding of local government 7  
Understanding of local government finance 9  
Understanding of the council tax bill 9  
Attitudes towards council tax 10  
Attitudes towards the council 11  
Reaction to Presentation 14  

**CONCLUSIONS**  
19  

**APPENDIX**  
Other issues raised 22
INTRODUCTION

All local authorities are required to consult with residents about proposals for the setting of the council tax budget for the coming financial year.

Mole Valley District Council undertook a two stage consultation exercise during 2004.

The first stage of the process involved a self-completion questionnaire being circulated with the summer 2004 issue of ‘mvnews’, which is distributed to every household in the District. This questionnaire addressed charging policies and the levels of service that residents wish the authority to provide, and has been reported on previously.

This document outlines the findings from the second stage of the project, which consisted of three focus group meetings to discuss budgeting issues in depth.

Residents who had expressed interest in attending such a meeting on a recent survey were invited to attend these meetings. Three meetings took place – one in Leatherhead on the evening of Monday 22nd November with residents from The Northern Area; the second on the evening of Tuesday 24th November in Dorking with residents from Dorking and the surrounding villages; and the third on the evening of Wednesday 1st December in Dorking with residents from the Rural Area.

Each meeting began with a general discussion about the role of the District Council and attitudes towards council tax. This was ‘chaired’ by Barbara Bowyer from QCL Market Research, with no input from council representatives. The objective of this part of the evening was to explore residents’ attitudes in detail, to provide information to aid the council in assessing the issues which would need to be addressed for an effective communications strategy.

Following this open discussion a presentation was made by Julie Bachelor, Head of Finance for Mole Valley District Council which addressed issues of council funding, council tax and council tax budgeting.

This was followed by further open discussion and questions to the council representatives.

Notes on Interpretation

The findings of this report are based on a relatively small number of people and therefore should be regarded as indicative rather than conclusive.

Overall, 61 attended across the three meetings.
As shown on the table below, whilst there was a good cross section of people attending these meetings, there was a bias towards the older age groups.

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EXECUTIVE SUMMARY

Understanding of Local Government

Each meeting started with a general discussion relating to understanding of the workings of local government and the council tax system.

In all three groups the majority confessed to being unclear about the relationship between the District Council and the County Council and their different areas of responsibility.

This lack of understanding often leads to the District Council being held responsible for things which are beyond its control. However, the point was frequently made that Mole Valley District Council should have a voice on all issues, whether or not it is directly responsible, to promote the interests of local residents.

As one group member said ‘as we’ve learned tonight the majority of people don’t know who does what, and so anything that happens in Dorking, whether it's Surrey County Council’s responsibility or not, is considered to have the nod or approval of Mole Valley District Council – so whoever is responsible, if it happens in Dorking, Mole Valley will get the blame’.

Issues where there is confusion over responsibility, or where group members feel Mole Valley District Council should have some influence with the County Council include:-

- Roads
- The Leatherhead Town Centre scheme
- Footpaths

On a similar level, many also hold Mole Valley indirectly responsible for what they feel to be the slow demise of Dorking Town Centre.

Understanding of Local Government Financing

Very few group members have any real understanding of the way local government is financed. It came as a great surprise to most to learn that only around 12% of the funding of the District Council comes directly from council tax payers.

Similarly few have any concept of how much it costs to run Mole Valley.

Understanding of the Council Tax Bill

Again there is generally little understanding of how the council tax bill is made up. There is a general awareness that the County Council gets the lion’s share, but few are aware of what proportion goes to the District Council and the Police Authority.

Again, group members were generally surprised to learn what a small proportion of the total council tax they pay actually goes to Mole Valley District Council, estimates ranging from 20% to 40%.

Attitudes Towards Council Tax

Payment of council tax is generally seen as a necessary evil, to the extent that many simply look at the final figure at the end of their bill, acknowledge that it has gone up (again!), continue their direct debit payments, and think no further. Many confess that they don’t bother to read the leaflets that arrive with the bill on the basis that there is nothing they can do about it.

When asked whether they feel the level of council tax they pay represents value for money, the instant reaction is generally to say ‘no’.
People often feel frustrated about council tax – they see it increasing year after year, but have no option but to pay what is asked. In the time that the researcher has been conducting focus groups on council tax budgeting, it is noticeable that the backlash against above inflation increases is reaching a climax.

**Attitudes Towards The Council**

Throughout the country there is a general climate of mistrust and suspicion about the way councils operate. There tends to be an automatic assumption that councils are generally wasteful and inefficient, and are over staffed, with too many bureaucrats on inflated salaries doing unnecessary jobs.

During the presentation, group members were surprised to learn that Mole Valley has amongst the lowest staff costs in Surrey.

**Reaction To Presentation**

The presentation by the Head of Finance for Mole Valley District Council highlighted a number of factors which most group members were unaware of. The proportion of expenditure raised by council tax and the proportion of the total council tax paid which goes to the District Council have already been discussed.

Whilst most were aware that the grant from central government has been reducing steadily over the years, most were surprised to learn of the extent of the effect of this. Whilst showing that expenditure in Mole Valley has risen by 25% in the last ten years while the Government grant has fallen by 23% highlighted that difficult decisions have to be made when setting the budget, many were unconvinced that the choice comes down to increasing council tax or cutting services.

Many were of the opinion at the start of their questioning that the council had probably not considered efficiency savings. Many suggestions were put to the council representatives and, in the main, the response was that what had been suggested had either been implemented, or had been considered carefully and rejected.

Whilst some were persuaded by this, other group members could not be moved, insisting that it must be possible to find efficiency savings to generate up to £500,000 worth of savings to give a zero increase in council tax.

Those who were, in the main, convinced that the council had done all it could to reduce costs, then turned to suggest that the council should be considering more radical, creative ideas to make savings or generate income, rather than raise council tax or cut services.

At the end of the formal presentation, the groups were shown a list of discretionary services where potential cuts could be made. However, in all three groups the first reaction tended to be that all other avenues should be exhausted before cuts are considered. Furthermore, it was considered to be an almost impossible task to ask members of the general public to consider in which of these services savings could be made.

Some of the services listed for potential savings received little or no comment, suggesting that group members felt that these services should not be considered for cuts. This included grants to Citizens’ Advice Bureaux, day centres, dial-a-ride services, meals on wheels, the Leatherhead Help Shop and CCTV.

Dorking Halls, Orchestral Concerts and Leisure Centres were the three services about which most of the discussion centred.
Dorking Halls

There was a strong feeling amongst some group members that the council (and ultimately the council tax payer) should not be expected to subsidise people’s entertainment.

Whilst most accepted that the Dorking Halls may be a valuable asset to the community, many also feel that costing the council £450,000 a year it represents a ‘serious drain on council resources’.

It was suggested in all three groups that either prices should rise to make the facility more commercially viable or it be sold to private operators.

Some questioned whether there are further opportunities for generating more revenue from Dorking Halls.

Orchestral concerts

Initially some thought that Orchestral Concerts was an obvious area for savings. However, when told that the current subsidy is £10,000, it was not felt that this would have a significant impact on council tax. On the other hand some thought it may be expedient in a PR sense to consider this service when looking for savings.

Leisure Centres

Although the list specified the Leatherhead Leisure Centre, most group members tended to talk in terms of both the Leatherhead and Dorking Centres, as few appeared to be aware that the Dorking Centre is run by private operators on behalf of the council.

To some extent comments about leisure centres were similar to comments made about Dorking Halls. Whilst some feel that leisure centres should be a facility provided by the council for the benefit of the community, others feel that unless they can be operated more profitably than is currently the case they should be put in the hands of private operators or sold off completely.

In the session with residents from the Rural Area, there was discussion about whether it is appropriate for the District Council to run two leisure centres. One group member commented that in pure commercial terms to have two facilities five miles apart offering the same service makes poor economic sense – particularly if both facilities are running at a loss.

Tourist Information Centre

Some questioned the value of the Tourist Information service.

Parks and Woodlands

Although Parks and Woodlands were not singled out for comment either in the group with residents from Dorking, or in the group with residents from the Northern Area, there was a consensus in the group made up of residents from the Rural Area that given the amount of easily accessible open countryside surrounding Mole Valley, it is simply not necessary for the District Council to spend large sums maintaining parks and woodlands.

Car parking charges

Although car parks were not included in the list of discretionary services in the presentation, a number of group members suggested that this an area where more revenue could be generated by increasing charges.

In the group held in Leatherhead, however, there was a ground swell of resistance to this suggestion with some, in fact, feeling that car parking charges should be lowered, and possibly even free.
Other suggestions for increasing revenue/reducing costs

There was a range of ‘creative’ suggestions made for areas where savings could be made or income generated (some of which are beyond the control of the District Council). Detailed below are some of the suggestions put to council representatives.

♦ Merging completely with another council.
♦ Joint working with other councils to save on administration costs.
♦ Sharing a Chief Executive and Solicitor.
♦ Joint administration systems with the County Council e.g. pay roll
♦ Reduce the number of councillors
♦ Lease-back on the council premises.
♦ One group member was a former Chief Executive of a London Borough. He took the stance that ‘it’s time small District Councils admit that they are too small to be a jack of all trades; instead of drip feeding savings from all services they should bite the bullet and ditch some services to concentrate on the ones they do well and do them to best practice’.

CONCLUSIONS

Although it is appreciated that any increase in the District Council’s share of the total council tax bill amounts to a matter of pennies per week, which to many would be acceptable, there is an increasing resistance to the general principle of year on year above inflation increases. Thus, initial reaction to the suggestion of increasing council tax by any amount above inflation was that it is not acceptable.

The groups questioned council representatives extensively on what measures had been taken to control costs or increase revenue, insisting that residents of the District would have to be assured that all avenues had been explored before any decisions on increasing council tax or reducing services could be sanctioned.

Group members made many comments and suggestions centred around increasing efficiency, and improving income generation. Most of these were things which the council are already doing but which the general public are largely unaware of. A number of group members suggested that the council should be doing more to publicise these positives and shouting about their successes. An understanding of the measures which have already been taken in the light of the difficulties faced would go a long way to assuaging an inevitable backlash against another increase in council tax or reduction in services.

Although there was a minority of group members who were unmoved by anything they were told at these meetings, the majority went away with a much more positive view of the council and an appreciation of the difficult decisions which have to be made.

The researcher would argue that whatever decisions are ultimately made in relation to the 2005/6 council tax budget, the development of an effective communications strategy is critical.

In the light of some of the questions put to council representatives at these sessions, and the discovery by group members that the council is perhaps not the faceless, overstaffed, wasteful, inefficient, spendthrift organisation they may have imagined, some suggested that the council ought to produce a ‘Frequently Asked Questions’ publication (or section on the web site).
DETAILED FINDINGS

UNDERSTANDING OF LOCAL GOVERNMENT

Each meeting started with a general discussion relating to understanding of the workings of local government and the council tax system.

In all three groups the majority confessed to being unclear about the relationship between the District Council and the County Council and their different areas of responsibility (although once they began to talk about services, it was clear that many actually know more than they think they do). Whilst most are reasonably certain that the refuse collection is the responsibility of the District Council, this is frequently the extent of their knowledge.

Some group members suggested that this blurring of the lines of responsibility was a deliberate ploy by both the District Council and the County Council to avoid being held accountable for services which perform badly, or where clear mistakes have been made.

One group member cited as an example a case where in order to resolve a query relating to ‘a transport related issue’, she had had to ‘trawl through departments before she found the right person to deal with the enquiry’. She somehow felt that this was a deliberate ploy by the council to obscure lines of responsibility so that residents could not get to the person ultimately responsible.

This lack of understanding often leads to the District Council being held responsible for things which are beyond its control. At each of the sessions there was discussion of issues for which Mole Valley have no responsibility; after hearing the views aired, the group was informed that the issue under discussion was the responsibility of either the County Council or the Police. However, the point was frequently made that Mole Valley District Council should have a voice on these issues and promote the interests of local residents with the body responsible. This was thought to be particularly pertinent in an era where ‘joined up government’ and ‘partnership working’ is promoted.

Where what the public perceive to be ill conceived road schemes, or inappropriate improvements are concerned, the general feeling is that whilst Mole Valley District Council may not have direct responsibility they have a role in sanctioning what takes place, which makes them culpable in part. As one group member said ‘as we’ve learned tonight the majority of people don’t know who does what, and so anything that happens in Dorking, whether it’s Surrey County Council’s responsibility or not, is considered to have the nod or approval of Mole Valley District Council – so whoever is responsible, if it happens in Dorking, Mole Valley will get the blame’.

Detailed below are some of the issues where there is confusion over responsibility, or where group members feel Mole Valley District Council should have some influence with the County Council.

Roads

Under the heading of ‘disastrous experimental road schemes put in force by the County Council’ one group member refers to ‘the famous, or rather infamous, Pixham Lane closure which was put in place without consultation with the general public’. The point was made that ‘our council tax is wasted on such ridiculous schemes’. There was some debate in one of the Dorking groups as to where the responsibility for this road lies, with some arguing (incorrectly) that this is a local road and therefore the responsibility of Mole Valley District Council.

Problems in Dorking High Street since alterations to traffic flows have been made were mentioned by a number of group members.

A number of group members expressed the view that the Surrey County Council highways department is a shambles, with one group member adding ‘Mole Valley transport committee should all be shot’.
Those from the Rural Area had a lot to say about the state of the roads, citing areas which have been pot hole ridden for years. One lady also seemed to hold the District Council accountable for a bus shelter which is liable to flooding every winter.

One lady talked about street lights on London Road which are knocked down by motorists every few weeks.

Another mentioned the ‘ridiculous new island they have put up at Newlands corner which is always being knocked down’.

**Leatherhead Town Centre**

In the group in Leatherhead there was much discussion of work on the High Street, which was variously described as an eye-sore; an architectural disaster; an appalling mess; a nothing; a badly managed expensive disaster; done without public consultation and against public wishes.

**Footpaths**

One group member said that she thought that footpaths were the responsibility of the District Council and went on to say that they are very badly maintained. She feels very strongly that these footpaths 'are a neglected valuable asset to the area'. In an era when people are encouraged to walk more, it was felt to be particularly important to maintain these footpaths in good order.

**Dorking Town Centre**

Although not the direct responsibility of either the County Council or the District Council, on a similar level, many also hold Mole Valley indirectly responsible for what they feel to be the slow demise of Dorking Town Centre, which they blame largely on Mole Valley’s restrictive planning decisions – in particular the refusal of planning permission for a large Sainsbury’s on the site of the old swimming pool and sports centre. This was contrasted with both Cobham and Reigate which were both described as having a large supermarket and a vibrant High Street. Several group members maintain that as they cannot do their weekly shop in Dorking they go elsewhere to shop which exacerbates the deterioration of the town.

This group felt that the shops in Dorking are attractive to visitors rather than providing a service to residents i.e. antique shops and restaurants

In this context one man commented that he had no idea of what Mole Valley's vision for the future is.

Some suggested that there is a need for more facilities for teenagers in Dorking to encourage them to use the town.
UNDERSTANDING OF LOCAL GOVERNMENT FINANCING

Very few group members have any real understanding of the way local government is financed. Whilst most are aware that councils ‘get some money from central government’, few are aware of what proportion of the total expenditure is funded centrally and how much is accounted for by council tax. In all three groups the majority had no concept of the proportion funded by council tax, with estimates from those with some idea ranging from 20% to 40%. It came as a great surprise, therefore to learn that only around 12% of the funding of the District Council comes directly from council tax payers.

Similarly few have any concept of how much it costs to run Mole Valley – the exceptions being one or two group members who had literally done their homework before attending the session.

Understanding of the Council Tax Bill

Again there is generally little understanding of how the council tax bill is made up. Whilst most appreciate that there are two tiers of local government in the area, and that responsibility for services varies between the County Council and the District Council, few appreciate the impact this has on the way their overall council tax bill is calculated.

Furthermore, it seems that people generally do not think of the overall bill being made up of three parts (District Council, County Council and Police). Consequently, few are aware of what proportion of their total tax bill goes to each of the three parties. There is a general awareness that the County Council gets the lion’s share, but few are aware of what proportion goes to the District Council and the Police Authority. In fact, many do not realise that the Police set their own precept, believing that the police are funded from the County Council.

Because the District Council is the collector of the whole of the council tax there tends to be an assumption that it has some control over how much is ‘handed over’ to the County Council and the Police. One group member started by saying - “what I want clarifying is this - there is the County Council (who increase council tax each year), and a Police Authority (who do less and less for us each year), then the District Council who come at the end of the queue and gets a very small proportion of what we pay, yet we have no control over these other two bodies and how much money we give to them”.

Again, group members were generally surprised to learn what a small proportion of the total council tax they pay actually goes to Mole Valley District Council.
ATTITUDES TOWARDS COUNCIL TAX

Payment of council tax is generally seen as a necessary evil, to the extent that many simply look at the final figure at the end of their bill, acknowledge that it has gone up (again!), continue their direct debit payments, and think no further. Many confess that they don’t bother to read the leaflets that arrive with the bill on the basis that there is nothing they can do about it.

There was some discussion in each of the meetings about the unfairness of a system based on house valuations. This was felt to be particularly relevant in the Mole Valley area where house prices are particularly high, and those who have lived in their homes for a long time may not have the income to match.

When asked whether they feel the level of council tax they pay represents value for money, the instant reaction is generally to say ‘no’. However, some accepted that in reality they have no basis on which to judge whether what they pay represents value for money or not – as one group member said ‘you don’t know whether you’re funding the shortfall in the pension fund or the leisure centre’.

For most people the basis on which they judge the council depends primarily on the highly visible services – e.g. refuse collection, street cleansing, and street lighting (which many mistakenly believe to be a District Council function). A common complaint from those living in rural areas is that they pay the same level of council tax as urban residents yet the only service they receive is the refuse collection.

People often feel frustrated about council tax – they see it increasing year after year, but have no option but to pay what is asked. In the time that the researcher has been conducting focus groups on council tax budgeting, it is noticeable that the backlash against above inflation increases is reaching a climax. Year on year above inflation increases are considered to be unsustainable in the long run, and not just for pensioners and others on fixed incomes. There were some in the groups who feel that it is time local authorities took a stand against central government and fought for more funding for local services, and less central determination over how and where money is spent. This view received even wider support after the presentation in which the erosion in government grant graphically highlighted that whilst expenditure in Mole Valley has risen by 25% in the last ten years, the Government grant has gone down by 23%.
ATTITUDES TOWARDS THE COUNCIL

Work in other areas of the country, and the tone of questioning of the council representatives in each of the sessions held in Mole Valley reveals a general climate of mistrust and suspicion about the way councils operate. At the extreme, are a group of people who will not accept that the council has any redeeming features – they are generally very distrustful of anything and everything the council does or says and will always look for the worst. They generally feel that there is something underhanded in everything the council does, and believe the council is always trying to hide something.

Some were even sceptical about the consultation process in which they were taking part, suggesting that it was been carried out simply to rubber stamp a decision which had already been taken.

Their council bashing takes various forms e.g. on the subject of the effect of council tax rises on pensioners, one man said ‘it is an insult that after all these years we are forced to pay increases for changes which are philosophical and not real’. In fact he goes beyond blaming the District Council for this position and holds central government largely (if not wholly) responsible.

As discussed earlier, when asked to say whether council tax represents value for money the first reaction tends to be to disagree. There tends to be an automatic assumption that councils are generally inefficient, and are over staffed, with too many bureaucrats on inflated salaries doing unnecessary jobs.

In all sessions council representatives were questioned about the cost of administration – by which they generally mean ‘town hall employees’ as distinct from front line staff. When told that administration costs are incorporated into the costs shown for the various services, it was generally felt that this indicated that the council has something to hide. One group member commented that the leaflets which come with the council tax bill are ‘suitably vague when they explain their expenditure’. In all three groups comments were made that the total staff costs should be shown as a separate item.

During the presentation, group members were surprised to learn that Mole Valley has amongst the lowest staff costs in Surrey.

There is a general assumption that councils waste money and almost everybody has an anecdote to prove the point. In fact one group member in Dorking felt that the surveys/consultation currently being carried out fall into this category.

There is widespread suspicion that councils do not buy services effectively. In each group questions were asked about tendering processes and how the council assesses whether the service they get from contractors is value for money. Many have anecdotes to quote which illustrate how wasteful the council is – e.g. in the Leatherhead group one lady was of the firm, mistaken belief that Park House cost £500,000 ‘just to decorate and fit a small kitchen’.

Similarly, most people seem to feel that councils are inefficient and do not have the expertise to run things as professionally and efficiently as businesses in the private sector – in Mole Valley the leisure centres and Dorking Halls were cited as being prime examples.

It was in this climate of mistrust and suspicion that the council representatives in each session were quizzed.

In addition to the general perception of councils being inefficient, overstuffed and wasteful, other key issues, concerns and misconceptions which were raised in the discussions are detailed below. Again, the attitudes expressed are not unique to Mole Valley and have been heard by this researcher expressed in a number of other parts of the country.

Perceived lack of accountability

It is frequently asked who audits and scrutinises council expenditure. Some people seem to feel that councils have carte blanche to do as they like with no checks and balances. It came as both a
surprise and a comfort to most to learn of the extent to which all aspects of council services and budgeting are subject to external auditing and scrutiny.

The issue of accountability was the main concern of a number of group members. Not only in terms of accountability between the District Council and the County Council, but accountability between the councillors who make decisions and the officers’ who’s responsibility it is to deliver the services. As one group member put it ‘if the councillors make the decision about what is to be done and it is the officers’ responsibility to deliver the service, if something goes wrong the general public don’t know whether it was a bad decision in the first place or poor execution of what should have been a good idea.’

**Awarding and evaluating contracts**

Questions were frequently asked about how the council can be certain that they are getting value for money from suppliers/contractors. When the system of tendering was described, there were some who suggested that this process means ‘you get the cheapest but not always the best’.

When told that the council sets standards against which all services are evaluated, some countered with - ‘so the council sets the standards and the council evaluates against it, so the system is meaningless.’

**Cost control/efficiency**

There were a number of people in each group who either have businesses of their own or who are in positions of responsibility in large organisations. Amongst this group there seemed to be a general perception that local authorities are less cost conscious than private sector businesses. Whilst a failing commercial enterprise has to look long and hard at costs or go out of business, there is perceived to be less pressure on costs within local authorities because they have to ‘stay in business’ and therefore have the ability to put up charges to generate the necessary running costs.

It was asked in one meeting whether the Chief Executive’s salary is dependent on efficiency measures.

**Councillors’ Expenses**

The subject of the level of councillors’ expenses inevitably arose with many under the impression that councillors receive large sums in fees and expenses for their work. Again, they were surprised to learn that the setting of these expense levels is the role of an independent panel, are audited and tend to be lower than in many other councils.

**Employee Pensions**

One group member asked about employee pensions, maintaining that pensions for council/police employees are non contributory and funds are not invested in the same way commercial pension schemes are operated.

**Collection rates**

Whenever the issue of setting or raising council tax is discussed the question is always asked ‘what proportion of the council tax do you actually collect?’ - the implication being that the authority is losing a large amount of money because of non payment of council tax.

**Cost of council housing/ benefits**

Amongst home owners there is a frequent misconception that council housing is a cost to the authority which they are effectively subsiding when they pay council tax. Furthermore, there is a feeling that ‘most council tenants do not pay council tax because they are on benefits’, which is also frequently thought to be a cost to the council.
**Business Rates**

Few appreciate that the local authority has no control over the level of business rates, with many accusing Mole Valley District Council of driving businesses out of the towns due to the high levels of business rates – even many of those who have businesses are unaware that the rates are set by central government and how the money is collected and later distributed.

**Setting of the budget**

Few appreciate that the budget, and therefore the level of council tax, is set by councillors albeit with advice from officers. There is some feeling that faceless bureaucrats and accountants picking figures out of thin air make the decisions.

**Government grant**

Some are under the impression that if a local authority has any money left at the end of the year it either has to be handed back, or an equal sum is docked for the following year (the use it or lose it principle).
REACTION TO PRESENTATION

The presentation by the Head of Finance for Mole Valley District Council highlighted a number of factors which most group members were unaware of. The proportion of expenditure raised by council tax and the proportion of the total council tax paid which goes to the District Council have already been discussed.

Whilst most were aware that the grant from central government has been reducing steadily over the years, most were surprised to learn of the extent of the effect of this. Whilst showing that expenditure in Mole Valley has risen by 25% in the last ten years while the Government grant has fallen by 23% highlighted that difficult decisions have to be made when setting the budget, many were unconvinced that the choice comes down to increasing council tax or cutting services.

In all three groups there was a general resistance to the concept of either raising council tax or cutting services. Some suggested that looking for cuts in discretionary services was simply short term ‘tinkering’ rather than developing a long term strategy to deal with the problem of funding in the future. Some group members would simply not countenance any talk of raising council tax above the rate of inflation or cutting services.

These group members felt that there was little point discussing budgeting and prioritising of services as at the end of the day Mole Valley District Council have very little control over what they can and cannot do. When asked about the cost of running Mole Valley one man said that ‘we know that a lot of the money we pay to you goes to servicing government dictats which have nothing to do with running Dorking’. He went on to describe the reduction in government grant as ‘legalised brigandry’.

Much of the questioning on budgeting came from people who either have businesses of their own or who are in positions of responsibility in large organisations, and generally centred around where savings could be made, or where more income could be generated from services.

Many were of the opinion at the start of their questioning that the council had probably not considered efficiency savings. Many suggestions were put to the council representatives and, in the main, the response was that what had been suggested had either been implemented, or had been considered carefully and rejected.

Whilst some were persuaded by this, other group members could not be moved, insisting that it must be possible to find efficiency savings to generate up to £500,000 worth of savings to give a zero increase in council tax. It was argued by one group member that had the council achieved the government target of 2.5% efficiency savings this would have compensated for the fall in the government grant over the last ten years. He also argued that 2.5% savings in 2005/6 would be £1m (based on expenditure of £42m) which should mean a reduction in council tax. It has to be said that he was less than convinced when told that this would be achieved by a process of joint working with other councils; transferring the Leatherhead Leisure Centre to private operators; selling off assets, etc.

Those who were, in the main, convinced that the council had done all it could to reduce costs, then turned to suggest that the council should be considering more radical, creative ideas to make savings or generate income, rather than raise council tax or cut services.

At the end of the formal presentation, the groups were shown a list of discretionary services where potential savings could be made. However, in all three groups the first reaction tended to be that all other avenues should be exhausted before cuts are considered. Furthermore, it was considered to be an almost impossible task to ask members of the general public to consider in which of these services savings could be made. It was generally recognised that while one person may not value a particular service others will. Group members, therefore, acknowledge the difficult task the council has when setting the budget.

The following section illustrates the range of views expressed about some of the discretionary services when the groups were pushed to consider where savings could be made. However, many felt that it
was difficult to reach a considered judgement on the basis of the information given. Before giving an opinion some group members felt it would be helpful to know the cost of each service.

The services which the groups were asked to consider were as follows:-

- Grants to Citizens Advice Bureaux
- Day Centres
- Dial a Ride Service
- Meals on Wheels Service
- Dorking Halls
- Leatherhead Leisure Centre
- Parks and Woodlands
- Tourist Information Centre
- Orchestral Concerts
- Leatherhead Help Shop
- CCTV Scheme

Some of the services on the above list received little or no comment, suggesting that group members felt that these services should not be considered for cuts. This included grants to Citizens’ Advice Bureaux, day centres, dial-a-ride services, meals on wheels and the Leatherhead Help Shop. Whilst these services are not used by all group members it was generally felt that these are valuable services which are necessary to different groups of residents.

CCTV was also not mentioned as an area for potential savings.

Dorking Halls, Orchestral Concerts and Leisure Centres were the three services about which most of the discussion centred.

**Dorking Halls**

There was a strong feeling amongst some group members that the council (and ultimately the council tax payer) should not be expected to subsidise people’s entertainment. Some felt that this was particularly an issue for elderly people on fixed incomes who ‘should not have to subsidise young, fit healthy people on decent salaries to enjoy themselves’.

Whilst most accepted that the Dorking Halls may be a valuable asset to the community, many also feel that costing the council £450,000 a year it represents a ‘serious drain on council resources’. In the context of looking for potential savings of between £125,000 (to achieve a 3% increase) and £500,000 (for a nil increase) it was felt in all three sessions that the council should look long and hard at this service.

It was suggested in all three groups that either prices should rise to make the facility more commercially viable or it be sold to private operators.

The questionnaire issued with mvnews earlier in the year addressed the question of whether Mole Valley District Council should look towards increasing charges, reducing services or raising council tax. Almost half (46%) felt that increasing charges was the most appropriate course of action. The questionnaire then went on to ask whether the council should be increasing or reducing the level of service and investment in certain services. At 21% Dorking Halls was the service with the greatest proportion saying that service levels/investment should be reduced. With the added information about the cost to the council of running Dorking Halls given to group members on the second stage of the project, the proportion agreeing with this was considerably higher with the vast majority in agreement.
Interestingly, the group conducted in Leatherhead was the least in favour of the idea of selling off Dorking Halls. In this group the majority felt that it is an asset to the community which should be kept.

However, as was the case with the other two groups this group also felt that the council should be considering how well managed and operated it is. As discussed earlier, there is an assumption that local authorities generally are not as efficient in running these types of venues than commercial operators.

Some questioned whether there are further opportunities for generating more revenue from Dorking Halls. In the Leatherhead group one elderly gentleman described a ballroom dancing class which was held in the Halls in the past; the class used to be attended by more than fifty couples every week, but has been stopped. The class has now moved to premises in Ashtead, with the loss of revenue to Dorking Halls – at £3 per person for the lesson plus ancillary expenditure on food and drink this was felt to be a significant revenue stream.

One group member suggested setting up ‘Friends of Dorking Halls’ to raise money.

**Orchestral concerts**

Initially some thought that Orchestral Concerts was an obvious area for savings. However, when told that the current subsidy is £10,000, it was not felt that this would have a significant impact on council tax. On the other hand some thought it may be expedient in a PR sense to consider this service when looking for savings.

**Leisure Centres**

Although the list specified the Leatherhead Leisure Centre, most group members tended to talk in terms of both the Leatherhead and Dorking Centres, as few appeared to be aware that the Dorking Centre is run by private operators on behalf of the council.

To some extent comments about leisure centres were similar to comments made about Dorking Halls. Whilst some feel that leisure centres should be a facility provided by the council for the benefit of the community, others feel that unless they can be operated more profitably than is currently the case they should be put in the hands of private operators or sold off completely. Again it was assumed that the council could not run the premises as well as a commercial operator would.

Whilst some group members believe that the cost to users should be increased, in one group there was some resistance to this suggestion with a number saying ‘we would be reluctant to pay more because we already feel as though we are paying for it with our council tax’.

In the session with residents from the Rural Area, there was discussion about whether it is appropriate for the District Council to run two leisure centres. One group member commented that in pure commercial terms to have two facilities five miles apart offering the same service makes poor economic sense – particularly if both facilities are running at a loss. All members of this group ‘voted’ for the closure of one of the leisure centres (though it has to be said that few actually use either leisure centre).

The gentleman in Leatherhead who told of the ballroom dancing class also had a criticism of the Leatherhead centre for not maximising revenue opportunities. He is a member of the leisure centre and also a member of the Bowls club. Traditionally there is a tea provided for both teams after the game – he complains that the bar is not open at this time, and if they want it open they have been told that they would have to pay to have the bar staffed. He feels this is a short sighted attitude as the income generated from 60 to 70 people buying drinks would be not insignificant. He feels particularly hard done by as he and his wife pay £90 for membership of the bowls club on top of the membership fees for the Leisure Centre, yet cannot offer the courtesies as the host team that they enjoy at other clubs. He goes on to point out that in other bowls clubs the biggest revenue stream is from bar sales.
In Leatherhead one group member suggested that Mole Valley should consider taking a leaf out of Bracknell’s book. Bracknell Leisure Centre has hired out space for a beauty parlour, hairdressers, massage parlour, sauna etc which has proved to be a very popular move.

Tourist Information Centre
Some questioned the value of the Tourist Information service. Questions were asked about the number of requests for information; the cost of running the offices etc. Some questioned the value of having a dedicated office which only opens on a part time basis – however, in the Dorking groups it was clarified that the Tourist Information Office is in fact within the Dorking Halls.

Parks and Woodlands
Although Parks and Woodlands were not singled out for comment in the groups with residents from Dorking and from the Northern Area, there was a consensus in the group made up of residents from the Rural Area that given the amount of easily accessible open countryside surrounding Mole Valley, it is simply not necessary for the District Council to spend large sums maintaining parks and woodlands.

Car parking charges
Although car parks were not included in the list of discretionary services in the presentation, a number of group members suggested that this an area where more revenue could be generated by increasing charges. In the survey issued with mvnews in the summer, there was a question specially addressing this issue. Here more than three-quarters of respondents opted for increased car parking charges rather than an increase in council tax.

In the group held in Leatherhead, however, there was a ground swell of resistance to this suggestion with some, in fact, feeling that car parking charges should be lowered, and possibly even eliminated (as they are in Cobham). Some group members maintain that car parking charges discourage them from shopping in Leatherhead because ‘at 40p an hour you have to keep an eye on the clock all the time’. It was suggested that car parking charges could be reduced or even eliminated if a charge could be made to retailers in the town, quoting Sainsbury’s as an example of a retailer who refunds the cost of car parking for people using the store.

It was also suggested that rather than pay 40p per hour, ‘pop and shop’ rates could be introduced e.g. 20p for 30 minutes. This it was felt would encourage people to use the town for short shopping visits and may also stop people parking on the high street illegally.

In the Leatherhead group one group member said that she ‘had heard that the traffic wardens are on commission’, though this is not the case.

Other suggestions for increasing revenue/reducing costs
As discussed earlier, there was a general resistance to the idea of increasing council tax or reducing services in all three groups. The general consensus was that residents should be assured that all other avenues have been explored before either decision is taken.

There was a range of ‘creative’ suggestions made for areas where savings could be made or income generated (some of which are beyond the control of the District Council). Detailed below are some of the suggestions put to council representatives, and their responses where applicable.

♦ Merging completely with another council as Mole Valley is too small to operate cost effectively.

♦ Joint working with other councils to save on administration costs, or subcontracting administration to the authority which does it most efficiently. The council representative at the session where this was suggested responded that Mole Valley are looking at joint working with neighbouring authorities to consider ways of delivering services more efficiently and cost effectively.
♦ Sharing a Chief Executive and Solicitor. In response to this question the council representative at the session said that sharing a solicitor had been tried by some authorities without great success.

♦ Joint administration systems with the County Council e.g. pay roll

♦ Reduce the number of councillors

♦ Lease-back on the council premises. The council representative responded that this had been considered but was not felt to be a cost effective option as it was preferable to keep the premises as an asset, and that there would be revenue implications of paying the lease. Furthermore, the premises generate an income as the County Highways Department have space in the building, paying a £75,000 license fee. On this latter point, one group member saw this as a negative rather than a positive. He argued that this ‘was simply public money being passed from one authority to another for the rental of office space in a building that the public already owns’.

♦ In one of the groups held in Dorking one group member was a former Chief Executive of a London Borough. He took the stance that ‘it’s time small District Councils admit that they are too small to be a jack of all trades; instead of drip feeding savings from all services they should bite the bullet and ditch some services to concentrate on the ones they do well and do them to best practice’. There was a great deal of sympathy for this idea, with Dorking Halls being seen as a prime target.
CONCLUSIONS

As discussed earlier, there is a general climate of suspicion and mistrust amongst the general public towards local authorities. The researcher has encountered this in all the authorities for which research has been undertaken and Mole Valley is no exception. The majority tend to be of the opinion that councils are inefficient, wasteful, overstuffed and overly bureaucratic. Furthermore they see council tax increasing above the rate of inflation year on year with little or no evidence that efforts are being made to control or reduce costs.

It was in this context that a presentation was made to each group which outlined a choice between increasing council tax by up to 5% or reducing services. The presentation illustrated that the government grant has been reducing year on year, whilst pressures to achieve targets and provide additional services have increased the burden on the District Council’s resources.

Although it is appreciated that any increase in the District Council’s share of the total council tax bill amounts to a matter of pennies per week, which to many would be acceptable, there is an increasing resistance to the general principle of year on year above inflation increases. Whilst many may be prepared to accept the small increase in real terms which a 5% increase in the District Council’s levy represents, this is felt to be a drop in the ocean in the context of a total council tax bill of between £1,000 and £2,000. Taking a stand at the District Council level, to many therefore, becomes a matter of principle. Thus, initial reaction to the suggestion of increasing council tax by any amount above inflation was that it is not acceptable.

The groups questioned council representatives extensively on what measures had been taken to control costs or increase revenue, insisting that residents of the District would have to be assured that all avenues had been explored before any decisions on increasing council tax or reducing services could be sanctioned. The groups were informed that in order to fulfil the authority’s pledge not to raise council tax above 5%, potential savings of £325,000 had been identified. Furthermore, savings of £1m had been made in the two previous years, and reserves had been drawn down to keep council tax increases to a minimum.

Group members made many comments and suggestions centred around increasing efficiency, and improving income generation. Most of these were things which the council are already doing but which the general public are largely unaware of. A number of group members suggested that the council should be doing more to publicise these positives and shouting about their successes. An understanding of the measures which have already been taken in the light of the difficulties faced would go a long way to assuaging an inevitable backlash against another increase in council tax or reduction in services.

Although there was a minority of group members who were unmoved by anything they were told at these meetings, the majority went away with a much more positive view of the council and an appreciation of the difficult decisions which have to be made. Most were pleasantly surprised to find the council representatives to be decent people who had taken the trouble to come out to meet them to talk to them, but more importantly to listen.

The researcher would argue that whatever decisions are ultimately made in relation to the 2005/6 council tax budget, the development of an effective communications strategy is critical.

Whilst it was generally accepted that there is a lot of information available currently, it was also felt that most people either don’t read it, don’t understand it, or don’t believe it. So there is something of a Catch 22 situation in that many people take no notice of the information published by the council and then complain that they’re not given enough information.

Whilst many of the group members say they read the leaflet which comes with the council tax bill, there was some feeling that they are perhaps in the minority amongst the population at large (being at the meeting suggests that they are perhaps more interested than most in the subject). Even many of those
who read these leaflets say they find them difficult to understand. Furthermore, it tends to be a one off communication which arrives alongside the bad news that council tax has risen again.

The majority of group members recognised the need for effective lines of communication. One approach suggested was to get the information out at a time and in a way that is unexpected, perhaps using local press coverage. Whilst mvnews is distributed to all households and is an obvious tool to use, it was suggested that if information was disseminated via the local press then a balance could be put on the information to counter the perceived inherent bias in any council publication. In the climate of distrust of local authorities there is very much a feeling that ‘the council only tells the public what it wants them to hear and hides everything else’.

In the light of some of the questions put to council representatives at these sessions, and the discovery by group members that the council is perhaps not the faceless, overstaffed, wasteful, inefficient, spendthrift organisation they may have imagined, some suggested that the council ought to produce a ‘Frequently Asked Questions’ publication (or section on the web site) – qualifying their suggestion with ‘with short, simple answers’.

To address this, the following is a list of such FAQs

♦ What are the administration costs of running the council?
♦ How many admin staff does the council employ, and are they all needed?
♦ How does the council award tenders for contracts?
♦ How can the council be sure that it is getting value for money from suppliers and contractors?
♦ How often are contracts reviewed?
♦ Why does council tax have to increase above the rate of inflation?
♦ What efficiency measures has the council implemented?
♦ How much do councillors get paid?
♦ Who audits and scrutinises council expenditure?
♦ What happens to any money left at the end of the year?
♦ How does the council decide what the level of council tax should be?
♦ How much of the total council tax bill goes to the District Council?
♦ What is the level of non payment of council tax?
♦ Do home owners subsidise council tenants?
♦ Do council tax payers subsidise those on council tax and housing benefit?
♦ How does the level of council tax compare with other authorities in Surrey and elsewhere?
♦ How does Mole Valley expenditure compare with other local authorities?
♦ Who decides how much business rates to charge?
Appendix
There were a number of issues raised or comments made which were not directly relevant to the issue of budgeting, but which were of importance to group members, and these are detailed in this appendix.

One lady in Dorking felt that the council is not interested in her as an individual and she was unable to get the help and support she needed 'in a time of crisis'. This related to problems initially with gypsies and later with rave parties. She felt she was passed from pillar to post within the council and between the council and the police and in the end no help was forthcoming. The police informed her that problems with noise were dealt with by the Environmental Health department, yet the Environmental Health inspector would not attend without a police escort.

One group member from the Rural Area cited the case of a recently refurbished playground which is no longer appropriate for the children who used to use it as the equipment installed is not suitable for the age group.

In the Leatherhead group some commented that the refuse collection service is very good, though other feel it isn't. One lady commented that the collection time varies so much that they have to put their rubbish out the night before, which means that animals get into the bags and make a mess. One person who lives in the trial area for recycling commented that whilst the wheelie bins had solved the problem of animals getting into the bags, a fortnightly collection leads to maggots in the bins.

Wheelie bins have a mixed reception – some love them; others find them too bulky and unwieldy to handle.

Some are unclear as to whether the cost of supplying wheelie bins is justifiable.

Several people in the Leatherhead group commented that the staff in the Leatherhead Help Shop are very pleasant and helpful and this is a valuable service.

In the Leatherhead group there was an elderly couple living in sheltered accommodation in Ashtead who commented that this service is very well run.

There was a significant amount of criticism that Mole Valley does not do as much recycling as it should do in this day and age, and are well behind other areas of the country. Those in rural areas comment that the amount of petrol needed to drive to recycling sites to deposit a few items is nonsensical. There were some, however, in the trial areas who say the system is working well and has encouraged them to recycle more than they otherwise would have done (though they find it odd that glass bottles and garden waste are not collected).

In the Rural Area group one lady was critical of the council’s Housing Service – she complained that when council houses become available in her village they more often than not go to people from out of the area rather than locals. She feels this is unfair on two counts – firstly, that young people who belong to the village cannot get housing; and secondly that ‘if we have paid for those houses through our council tax then they should be kept for people from the village’ (adding that outsiders don’t always fit in).