

# **Harrow Open Budget – Final Evaluation**

## **The Power Inquiry**

**16<sup>th</sup> May 2006**

### **Introduction**

The Open Budget brought together 300 Harrow residents on 23<sup>rd</sup> October 2005 to deliberate upon and choose priorities for the Council's 2006/07 budget. This Open Budget Assembly also elected a Panel to assess the extent to which the final budget met the Assembly's agreed priorities and to feed this assessment back to participants in the form of a report. This report has recently been completed and distributed.

In the original proposal document detailing the process and scrutinised by the steering group, it was agreed that the Open Budget should be based upon five key principles and would aim to meet nine objectives. These were:

### **Five Principles:**

- Influence: Those who take part in the process must feel that their views or decisions will have some influence;
- Information: It is vital that the information required by participants to deliberate on the budget is available in full and is presented in a user-friendly and accessible form;
- Deliberation: Any events or meetings that are held as part of the process should be structured in such a way that they encourage self-education, deliberation and negotiation rather than confrontation.
- Feedback: All those involved must be kept informed of how their views and decisions have played a role in the decision-making process.
- Independence: The process should be supervised and assessed by an independent body if it is to possess legitimacy from the start.

### **Nine Objectives:**

- rebuild public faith in the area of local council decision-making which has witnessed significant popular distrust in recent years;
- engage even the most vociferous and dissatisfied elements of the community in considered deliberations;

- provide a popular sense of ‘ownership’ of the final budget priorities;
- help residents understand the issues facing elected members and officers;
- help members and officers understand the concerns and needs of residents;
- offer opportunities to engage the local media (in contrast with other forms of community engagement which are ‘low-key’ and happen ‘below the radar’ of media and most residents);
- begin a larger process of rebuilding democratic engagement and dialogue;
- address the spirit of the Government’s and the Audit Commission’s drive for us to take our community engagement work seriously and to employ innovation;
- increase the profile and importance of local Councillors by allowing them to engage in direct dialogue with Harrow residents and stakeholders about the most central decisions facing the authority in a structured and resourced fashion.

This evaluation will assess the extent to which these five principles were adhered to and the nine objectives met. It is based on:

- a satisfaction questionnaire distributed to Assembly participants;
- a report on the process produced by the Open Budget Panel;
- interviews with members of the Open Budget steering group;
- discussions and interviews with the Open Budget management board;;
- the Power Inquiry’s own deliberations and analysis of the process.

This evaluation also includes a note on the working of the Panel.

### **The Five Principles**

#### **1. Influence**

- The Open Budget Panel final report was completed towards the end of April and has now been distributed to all Assembly participants by email and post. The report states:

*Harrow residents .. should be pleased to learn that, in the broadest terms, Harrow Council did appear to have attempted to reflect the wishes arising from the Assembly.*

The marketing and operation of the Open Budget was designed to give participants the sense that they could have an influence over the 2006/07 budget-setting process. Comments written on the Assembly evaluation forms made it clear that this was the main criteria by which many

participants would judge whether their involvement was worthwhile. The Panel's finding that the Assembly did indeed influence the final budget is highly significant in this respect and is a major endorsement of the process.

- A significant challenge for the marketing and operation of the process was the fact that while residents had to feel that their involvement could make a difference, care had to be taken to avoid raising expectations too high given the constraints within which local authorities operate. This was a major cause of concern for many Councillors and for the Steering Group. It was decided therefore to go with a bold approach to marketing the process but to be clear in all public explanations of the Open Budget that the final decision on the budget legally rests with Councillors and that they are free to reject the Assembly's views if they see fit. This approach appears to have worked given that target numbers on participation were reached and the Panel proved broadly pleased with the degree of influence the Assembly achieved.
- One major source of concern raised by participants about the Assembly process was the lack of freedom participants had to develop their own policy options and effectively "set the agenda" for further discussion about the budget. It was originally hoped that a more complex pre-Assembly process would allow the Discussion Guide to be designed through consultation with community groups and residents. However, limited time and resources meant that the Discussion Guide was almost entirely designed in consultation with officers. Although Assembly participants were given time, space and encouragement to develop their own options, this was too informal and unstructured – compared to the rest of the agenda - to have a significant effect. Any future Open Budget process should allocate much greater time and resources before and at the Assembly to make the shaping of the Discussion Guide a genuinely inclusive process.

## **2. Information**

- The publication of a highly accessible, professionally designed and detailed account of the budget-setting process and the challenges facing local decision-makers was a breakthrough in the circulation of information about Harrow's finances. Nothing of this sort had been tried before and even if the Open Budget process is not repeated, producing such a document for the benefit of all Councillors and members of the public is a worthwhile endeavour.
- Some participants raised various concerns about the content of the Discussion Guide but the main issue was the 'pitch' of the document. For some it was too detailed and for others not detailed enough. This is probably inevitable when a document is aimed at a broad cross-section of the community but given its difficult remit, such complaints were relatively rare. The Panel suggests that any future guide should make it clear whether the cost of a policy option is a revenue or capital

item and, if capital, when repayments would first have to be made and at what cost. This is a useful proposal which would ensure that the Assembly is genuinely aware of the financial implications of its decisions but given its complexity would require rigorous piloting and revision.

- Some concern was also raised by participants who felt that the issue of council efficiency was not addressed directly enough. This was not done because the Council's own efficiency programme was already underway. However, given that many residents regard high council taxes as a direct result of inefficiency and waste, it may have been useful to have had a section of the day given over to debate about the efficiency programme and its impact. This would, however, have meant losing further policy areas for discussion given the time constraints.

### **3. Deliberation**

- There were concerns raised by Councillors and the Steering Group and shared to some extent by the Power Inquiry, that the controversial nature of local government finance in Harrow would provoke confrontation at the Assembly. This was not the case. The event's structure genuinely promoted well-informed and respectful deliberation. This was reflected in the very high approval rating for the event obtained by the participant evaluation.
- Despite some tensions, the Open Budget Panel maintained this high level of deliberation producing in the end a report based on consensus and detailed consideration of the final budget.
- One clear problem for the process was the failure to maintain ongoing deliberation between Assembly participants and Panel members after 23<sup>rd</sup> October. Efforts were made to establish an online discussion forum and Panel members were encouraged to feedback reports of their discussions to Assembly members. However, Panel members largely focused on discussions amongst themselves. More importantly, as was often the case at this stage of the process, lack of forward planning and resources made it difficult to create the structures and protocols needed to ensure a significant flow of information between Panel and Assembly members.

### **4. Feedback**

- The successful writing and publication of the Panel report ensured a more direct, detailed and trusted process of feedback than is often the case with other forms of consultation and engagement.
- As was made clear above, however, more ongoing engagement between Panel and Assembly members would have been an

improvement and would have more closely met the intentions of the Open Budget's designers.

## **5. Independence**

- The independence of the Management Board from the Steering Group was maintained. The main purpose of such independence – to prevent political manipulation of the recruitment process or the content of the discussion guide – was upheld without exception.
- This undoubtedly made for a far more legitimate and credible process. The facts that the ambitious target attendance was reached, that the local press was highly supportive of the process in its early stages, and that the Harrow Council Tax Campaign provided its endorsement was testament to the greater legitimacy and credibility achieved by allowing for independent management.
- Working relations between the Management Board and officers was generally strong with most officers contributing enthusiastically to the process of developing the Discussion Guide. Relations between the Management Board and Steering Group were more strained. The Management Board sometimes found the Steering Group's response to requests for comment and approval too slow or entirely absent; while some members of the Steering Group felt they were not consulted often enough or in good time. Much of this tension resulted from the fact that the time-scale for the project was very tight while the effort required to achieve the ambitious attendance targets was very great. More time to complete key milestones would almost certainly have alleviated any difficulties in the relationship between management board and steering group. These tensions, however, did not undermine the overall success of the Assembly.

## **The Nine Objectives**

These objectives were ambitious aspirations rather than firm goals. As such it is impossible that one event could achieve these completely. Instead this section assesses the extent to which the Open Budget could be said to have contributed to these objectives.

### **1. Rebuild public faith in the area of local council decision-making which has witnessed significant popular distrust in recent years**

The outcomes suggest that the Open Budget has the potential to make a major contribution to rebuilding public faith in decision-making over the council budget.

- The evaluation questionnaire from the Assembly showed that 43% of participants had an improved view of the Council; 55% reported no change in their view

- The Panel report is a very balanced document which while acknowledging some areas where the Assembly's views had been ignored, commended the Council for reflecting the broad wishes of the Assembly in its final budget.
- The Harrow press had proved hostile in recent years both to the debate over council tax levels and council consultations. Both the Harrow Times and Harrow Observer were highly supportive and positive about the Open Budget with the Times particularly so. Maintaining press interest proved difficult once the Assembly had been held but it was widely acknowledged that the Council received some of its most positive coverage in the months leading-up to the Assembly.

## **2. Engage even the most vociferous and dissatisfied elements of the community in considered deliberations**

The Open Budget proved effective at engaging those angry at council tax rises in deliberation with others.

- Clearly the most vociferous and dissatisfied element in Harrow with regard to the council tax is the Harrow Council Tax Campaign. The Open Budget proved very effective at engaging the HCTC's leaders and members with many attending the Assembly. Probably for the first time, these HCTC supporters engaged in considered and structured debate with other Harrow residents who did not share their views and who had reason to fear any cut in council tax.
- Given the involvement of the HCTC and a wider public who are widely regarded to be disgruntled about council tax levels, it is striking that the Assembly voting did not prioritise reducing the tax level. Indeed, the Assembly opted for some significant growth areas. Most strikingly, when the Assembly was asked what should be the key priorities for the Council when choosing between policy options, "what will it cost" scored lower than "how well does it work", "does it take care of the environment" and "how will it impact on people in twenty years time".

## **3. Provide a popular sense of 'ownership' of the final budget priorities**

This is impossible to assess without a wider survey of Harrow Residents but it seems highly unlikely this was achieved or could be achieved by a one-off event over a very short time frame and which could only impact directly on 300 residents.

Creating a popular sense of ownership could only be achieved by a much more deep rooted process taking place over a longer period and probably with annual repetition. This popular sense of ownership would almost certainly require a conscious attempt to create a "peoples budget" as occurs in participatory budgeting exercises where local community groups and forums

are able to develop the budget themselves in association with other groups, forums and elected representatives. This approach was rejected by the Open Budget designers as too time and resource intensive as well as too much of a break with accepted processes at this stage.

#### **4. Help residents understand the issues facing elected members and officers**

One of the most significant achievements of the Open Budget was the way it showed that Harrow residents could be trusted to deliberate and decide sensibly on issues of the wider community interest which are usually only addressed by officers and members. No previous thoroughgoing attempt had been made to do this with 'ordinary' residents. Of course, the greater understanding this promoted was limited at this stage to the 300 residents who were directly involved in the Assembly.

#### **5. Help members and officers understand the concerns and needs of residents.**

- In broad terms, the Open Budget provided strong evidence for officers and members that Harrow residents are not primarily or solely concerned about council tax levels when they have a chance to consider the issue in context and are made aware of the trade-offs involved in budget setting processes. Their prioritisation of broad priorities and policy options seems also to have proved helpful.
- Very many detailed concerns and needs were fed back to a research team through the facilitators' laptops at the Assembly. However, these were extraordinarily diverse both in focus, topic and quality. The resources and time required to order these into a digestible structure and format were not available although this would undoubtedly have been useful for members and officers.

#### **6. Offer opportunities to engage the local media (in contrast with other forms of community engagement which are 'low-key' and happen 'below the radar' of media and most residents);**

As mentioned above, this was achieved. Notably, on the day the process was formally launched, the Open Budget was present in the Harrow Times through our sponsored 'wraparound', the front-page news report and the editorial. Both the Times and the Observer carried regular, positive pieces in the lead-up to the Assembly. Both papers displayed less interest following the Assembly and when the process was mentioned tended to do so in more negative terms.

The Open Budget also achieved good national coverage with reports on BBC Radio 4's Today and PM at the start and end of the process respectively. Positive coverage was also secured in a number of local government and related journals.

## **7. Begin a larger process of rebuilding democratic engagement and dialogue.**

Given the successes of the Open Budget and the highly positive feedback on the Assembly participants' evaluation form, it could prove a very effective launch pad for a much larger and longer-term process of democratic engagement and dialogue. However, to achieve this such a process would certainly require more time, repetition and expansion to reach as many members of the Harrow community as possible.

## **8. Address the spirit of the Government's and the Audit Commission's drive for us to take our community engagement work seriously and to employ innovation.**

This was undoubtedly achieved particularly as the stress on and interest in public engagement has become even stronger in recent months. A clear example of this is the new indicators for community engagement which have become part of the Comprehensive Performance Assessment. The Open Budget has been discussed in detail at ODPM seminars and was highlighted by the then Minister for Local Government, David Miliband, as an example of best practice in speeches and interviews. The process has also won some influential champions within the Audit Commission.

## **9. Increase the profile and importance of local Councillors by allowing them to engage in direct dialogue with Harrow residents and stakeholders about the most central decisions facing the authority in a structured and resourced fashion.**

This objective was not achieved. One of the biggest mistakes of the process was divorcing members from the deliberations of the Open Budget. Early in the process the Steering Group decided not to allow Councillors to join the deliberations at the Assembly or even to sit at the tables of residents. This was ostensibly to prevent Councillors from dominating the table discussion or to damage the political independence of the process.

This decision failed to appreciate the professionalism of the table facilitators who proved highly effective at ensuring equality in discussions. The Steering Group also confused independence of management, design and facilitation of the Open Budget with complete separation of Councillors from the process.

As a result, this crucial objective was not achieved and a major potential benefit of the Open Budget was not reaped.

### **Note on the working of the Open Budget Panel**

The most problematic part of the Open Budget process has been the Panel. A number of complaints were made by Panel members about lack of clarity on the role of the Panel and administrative failings.

In fact, the role of the Panel was very clearly stated in the original proposal document. This stated that the Panel would:

*meet on a regular basis over the next year to:*

- observe the 2005/06 current spend to inform their deliberations on the below;*
- scrutinise and pass comment on any budget proposed by the ruling group and opposition groups to map whether and how the priorities identified by the Assembly have been addressed within the budget;*
- communicate their views to the wider community and to make a report to the following year's Assembly.*

This role was communicated clearly to the Assembly when electing the Panel and to the Panel itself at their initial meeting.

The confusion over role arose because the Panel very quickly became focused on ensuring that the Assembly's priorities were adopted by the Council rather than simply assessing the extent to which those priorities had been met once the budget was set.

In addition, the designers of the process had expected that the Panel could familiarise themselves with budgetary processes and issues between October and February before the budget was set. However, because the Panel wanted to make an immediate impact while the budget was being developed, their lack of experience of the budgetary process became an immediate obstacle. In future, it would be necessary to accept that such a Panel would want to play a pressure as well as an assessment role and this would mean starting the whole process and holding the Assembly far earlier.

Administrative problems certainly did arise largely because the immediate demands made by the Panel outstripped the limited resources and planning allocated to the Panel by the Power Inquiry. Resolving this problem and maintaining effective communication with a Panel of thirty-four people was not easy as there was no single point of contact in the form of a Chairperson. However, the failure to elect a Chairperson was a deliberate policy decision taken by the Steering Group, some of whose members feared that such an individual would be offered significant political power and media influence. In retrospect, this inevitably condemned the Panel to a lack of focus and organisation in its early days.

It is a great credit to the core members of the Panel that they had the tenacity to overcome these obstacles, organise themselves and produce a professional and reasoned report.

## **Conclusion**

On the whole the Harrow Open Budget was an experiment that stuck to its core principles and achieved most of its objectives. In particular it:

- improved the understanding of and view of the Council's budget-setting process amongst those who took part in the process;
- it encouraged deliberation and understanding in an area that had been subject to conflict and misinformation;
- it showed that the people of Harrow can be trusted to debate and decide upon a controversial area with common sense and reason;
- it raised Harrow's profile in the national media and in government;
- it communicated a clearer expression of Harrow residents' priorities to officers and members;

Its major problems were:

- the failure to engage Councillors more deeply in the process;
- the failure to allocate resources and planning more appropriately between the Assembly and the Panel;
- the failure to allow more time for the process to allow the pre-Assembly consultation to engage with the wider community.

Key recommendations for any future Open Budget:

- The process should take place over the whole annual cycle with the Assembly being held earlier and the Panel being given more time to understand the budget and exert an influence over the development of the budget.
- Councillors should be free and encouraged to take a much more active part in the whole process and to take part in the deliberations of the Assembly.
- Much greater resources, effort and particularly time needs to be allowed to ensure that the pre-Assembly consultation engages with community groups, neighbourhoods and interested residents rather than focusing largely on officers.
- Assembly discussion guides should include details of whether the cost of a policy option is a revenue or capital item.
- Greater structured discussion should be possible at an Assembly to discuss council efficiency directly.
- More resources and time should be allocated to turn Assembly table feedback into a structured document.

- The development and publication of a document akin to the Assembly discussion guide – outlining the key choices facing each directorate as the budget is developed – should continue even if the Open Budget does not for the benefit of elected members and the public.
- Resources and planning should be allocated more evenly between the Assembly and the Panel.
- The Panel should elect a Chairperson at their first meeting to act as a point of contact between Council and the Panel and organisers and the Panel.
- More resources and planning should have been available to ensure a free flow of information between Panel members and between the Panel and Assembly participants.

*For information, an interim evaluation report is attached which provides a detailed description of the process and more detail on demographic make-up of participants and evaluation feedback.*

Adam Lent  
May 2006.

## **Harrow Open Budget: Interim Evaluation**

### **The Power Inquiry**

**6<sup>th</sup> February 2006**

#### **Summary**

Harrow Open Budget is an initiative that uses innovative public engagement techniques to bring large numbers of Harrow residents into the process of developing the 2006/07 Council budget. The Open Budget Assembly achieved extremely high satisfaction ratings from those who took part, improved the public view of the local authority and won over parts of the local community that have been hostile to Council consultations and previous budgets including the local press and local council tax campaign. The Open Budget Panel has been less satisfactory to date due to some doubts about its role, its unwieldy size and some administrative difficulties. However, the Panel is now showing early signs of being more focused and effective.

#### **What is the Harrow Open Budget?**

##### **Origins**

The Harrow Open Budget was motivated by senior councillors' wish to introduce greater transparency, deliberation and public trust into the process of consultation on their budgetary plans. It was widely accepted that public understanding of local authority budgeting was weak and that public trust in the Council had declined as a result of high-profile battles over council tax rises. To resolve this state of affairs the London Borough of Harrow worked closely with the Power Inquiry to design a consultation process based upon their understanding of new techniques of public engagement being employed across the world.

##### **Key Principles**

The Power Inquiry decided not to remain wedded to any one model but to combine different models which met the following principles drawn from research identifying successful public engagement:

- Influence – participants had to feel that their involvement in the process could give them some genuine influence over the 2006/07 budget even if they could not have the final say;

- Independence – the process should be run by an independent body to give the Open Budget legitimacy in the eyes of the local media and public who are deeply cynical about council consultation; the role of independent manager was fulfilled by the Power inquiry;
- Feedback – mechanisms enjoying public trust had to be built into the process to provide full feedback to participants about the impact their views were having on the budget;
- Deliberation – the process had to employ techniques which would encourage genuine deliberation rather than the usual conflict of previous public meetings on budgetary issues;
- Information – the process had to be supported by detailed but accessible information on the budget.

### **The Process**

At the heart of the process is the Open Budget Assembly. This brought together 300 Harrow residents on 23<sup>rd</sup> October 2005 to discuss and vote on key priorities for the 06/07 budget. Prior to the Assembly there was a period of consultation with council officers, councillors and community groups to identify the types of choices about different sections of the budget that should be put to the Assembly and to write the 'Assembly Discussion Guide' which would guide participants through those choices.

At the same time, a pro-active recruitment campaign was launched to encourage people to attend the Assembly. Any Harrow resident over the age of 16 was free to register for the Assembly. However, the recruitment campaign was designed to ensure that Assembly participants were as close to the ethnic, age, gender and social composition of Harrow as possible and that not only the 'usual suspects' took part. Councillors and officers were free to observe the Assembly but could not register to take part in the deliberation and voting.

As well as choosing budgetary priorities, the Assembly also elected an Open Budget Panel from amongst the participants. The Panel's main role is to produce a report for Assembly participants assessing how well the Council's final budget meets the

priorities agreed by the Assembly. It will also keep participants informed on an ongoing basis prior to the budget setting in February, of how the budget is being developed and what efforts are being made to address the Assembly's priorities.

## **How did the Assembly work?**

The Assembly was designed to allow a large number of people to discuss and decide on complex issues in a considered and deliberative manner. The 300 residents who attended were randomly divided onto tables of ten. Each table discussed the budgetary options in five sessions over six hours. Each table had its own trained facilitator who ensured equality in the discussion and fed back the table's views via a laptop computer to an analytical team. This team collated common views from all the tables and any particularly interesting ideas.

Plenaries were held between table discussions which allowed a lead facilitator to feed back the views collated by the analytical team to the whole room. The plenaries also gave participants the chance to vote as individuals on each option they had just been discussing by using voting keypads. The results of the vote were fed back to the whole room immediately on large screens.

## **What are the key outcomes so far?**

Participant satisfaction: The participant evaluation forms revealed very high levels of satisfaction with the Assembly and a positive impact on views of the Council:

- 90% regarded the event as 'good' or 'very good';
- 74% felt the process should 'definitely' be repeated next year;
- 43% stated they now had an improved view of the Council; 55% reported no change in their view;
- 80% stated they would now be more interested in Council decisions;
- 64% felt a similar process should 'definitely' be used for other areas of Council work; 33% felt the process should 'possibly' be used for other areas.

A calmer, better informed public debate: The local press was uniquely supportive of the Open Budget playing an active role in encouraging people to take part. The Harrow Council Tax Campaign – which has had a very poor relationship with the Labour administration in Harrow – also gave their active support with the Campaign's leader appearing on Open Budget publicity with an endorsement. Since the Assembly, the local press has maintained a close, supportive interest and the

Council Tax Campaign has made clear its wish to work in a more conciliatory way with the administration.

Diversity: Efforts were made to ensure the Assembly represented the complex demography of Harrow. The Assembly was a very accurate reflection of Harrow's ethnic diversity. Geographic spread from across the borough was also good. All age groups were over-represented (including 16-19 year olds) at the expense of the 20-44 age group which was under-represented. There was also a small gender imbalance with forty more men than women attending. However, these imbalances have been rectified in the Panel which has the 20-44 age group over-represented and only four more men than women. It is also notable that there are eight 16-19 year olds on the Panel of thirty-four.

Quality of decisions: There were strong fears that the Assembly's decisions would emphasise the need to cut council tax and spending at the expense of crucial services. However, this proved not to be the case with the Assembly opting for some significant growth areas. Interestingly, when the Assembly was asked what should be the key priorities for the Council when choosing between policy options, "what will it cost" scored lower than "how well does it work", "does it take care of the environment" and "how will it impact on people in twenty years time".

## **How is the Open Budget Panel working?**

To date, the Panel elected by the Assembly has not run as effectively as the Assembly. This has been for three main reasons.

- The Panel first met on 11<sup>th</sup> November. A meeting that attracted twenty-eight of the thirty-four Panel members. The size of the Panel and the short period of time available to the Panel to gain an understanding of the budget and budget-setting processes have raised concerns about achieving the necessary focus.
- There has been a lack of clarity about the Panel's role. The designers of the Open Budget process saw the Panel as a body that would mainly provide feedback on final budget decisions to Assembly members. However, many on the Panel rapidly viewed themselves as champions of the Assembly's decisions. These two roles are not necessarily in conflict but given the time

and resource constraints, it has proved difficult to fulfil the latter role without prior planning.

- The major time, energy and resource efforts put in to the Assembly meant that little significant planning was made for the Panel which has proved a more significant and popular part of the process than the designers envisaged. This coupled with administrative and staffing problems at the Power Inquiry over December has meant that the Panel has not been as administered as effectively as it should have been.

In retrospect, it would have been better to have provided more time for the Panel and to have designed a method by which a smaller Panel could have been elected. Clearly, better planning and administration would have helped.

**Despite these problems, a core group has developed within the Panel which is now driving forward the process with enthusiasm and has agreed a framework for the presentation and negotiation of the Assembly's views with senior Councillors.**

### **What next?**

Harrow will set its budget on 23<sup>rd</sup> February and the Open Budget Panel will make its assessments soon after that. During March, the Power Inquiry will undertake a more detailed evaluation of the Open Budget process based on questionnaires and interviews with key participants.

Adam Lent  
Research Director  
The Power Inquiry  
Tel: 0845 345 5307  
Mobile: 07949 593 259  
Email: adam@powerinquiry.org