

# Lancashire County Council Budget and Priorities

We want to ask you some questions on what you think about the county council's service priorities, and the Council Tax we charge. First, here is some brief background information about the budget and Council Tax.

## Spending priorities

In this financial year April 2007 to March 2008 the county council will spend £1,678 million (almost £1.7 billion). Of that spending, £1,044 million comes from the government for specific services and from charges we make for certain services. The largest item within this total is £661 million of government grants to fund schools.

This leaves net spending of £634 million. The table below shows the services we will spend this on.

Spending	£ million	%
Children and young people	139	22
Adult services	261	41
Highways and environmental management	62	10
Community services (including recreation, tourism and libraries)	23	4
Waste management	39	6
Financing of borrowing costs for capital schemes (for example long-term road and building projects)	38	6
Public transport	10	2
Public protection (including emergency planning, trading standards, county analyst and registrars)	7	1
Supporting economic development in Lancashire	2	0
Other services	53	8
<b>Total</b>	<b>634</b>	<b>100</b>

## Council Tax

Our spending is funded by business rates, the Revenue Support Grant and Council Tax. The first two of these are fixed amounts we receive from the government. We set Council Tax based on how much more than these amounts we need to cover our total spending.

The table below shows our funding for 2007/08.

	£ million	% of total
Business rates	199	32
Revenue Support Grant	34	5
Council Tax	401	63
<b>Total</b>	<b>634</b>	<b>100</b>

For 2007/08 we set a spending budget of £634 million. We received £233 million from the government, leaving £401 million to be raised from Council Tax. For a property in band D, this meant an annual Council Tax charge of £1,046.20. This was an increase of 4.95% on the previous year. The Council Tax set by the county council is included together with the Council Tax set by your borough or district council and the police and fire authorities in one bill sent out by your borough or district council.

## Next year

Budget estimates for 2008/09 show that to allow for inflation and increasing demand for our services, Council Tax will have to increase by 5.3% next year if we want to maintain our current levels and standards of service. This is despite over £8 million of internal efficiency savings already made.

To lower this Tax increase we are consulting on reducing spending by another £1.6 million. This would bring your Council Tax increase down to 4.9%.

The table below shows how we propose to reduce our spending.

	£ million
Limit fee increases to private social care providers to 3.5% for domiciliary care and 3.25% for all other forms of care.	-1.200
Withdraw our subsidy for Park and Ride bus services from Portway and Walton-le-Dale. (These services currently operate at a loss of £60,000 a year.)	-0.060
Withdraw or rationalise public bus services, saving £330,000 through the closure of the least viable services.	-0.330
<b>Total</b>	<b>-1.590</b>

These figures assume we will receive the same amount in government grants next year. This is because government grants for next year are uncertain as the government is reviewing both the levels of grants and the formula it uses to share them between authorities.

If government grants do increase next year we will use the increase:

- either to invest in services, whilst maintaining the predicted Council Tax increase of 4.9%;
- or to keep the Council Tax increase below 4.9%;
- or to find a compromise between these two options.

The budget proposals will be debated over the next couple of months, and finally approved in February 2008 when the county council sets the budget and Council Tax for 2008/09.

## Beyond 2008/09

We are also making budget forecasts for two years after 2008/09. These too are based on the assumption that government grants will not increase, but that inflation and demand for our services will rise.

- The budget forecast for 2009/10 shows an increase of £33.6m (5.1%) over 2008/09. This would mean budget reductions that year of £10.2m to maintain a 4.95% Council Tax increase.
- The budget forecast for 2010/11 shows an increase of £49.6m (7.2%) over 2008/09. This is particularly high because of forecast waste management costs. It would mean budget reductions that year of £23.3 million to maintain a 4.95% Council Tax increase.

Government grant increases may improve this situation, but it is unlikely that they will be as high as any increase we receive for 2008/09.

## The questions

Based on the information above, we'd like to hear your views on:

- what our spending priorities should be over the next year; and
- the level of Council Tax increase that we should aim for next year.

**28**

a) Which **three or four** of the following services should be the highest priorities for spending next year? PLEASE TICK UP TO **FOUR** BOXES

b) And which **three or four** of these services should be the lowest priorities for spending next year? PLEASE TICK UP TO **FOUR** BOXES

	a) Highest spending priorities	b) Lowest spending priorities
Nursery education	12%	22%
Primary and secondary education	50%	4%
Pupils who are socially disadvantaged and children with special educational needs	21%	5%
Children's social care (protecting vulnerable children)	29%	2%
Libraries	9%	22%
Museums	2%	40%
Adult education	6%	31%
Services for adults with disabilities	16%	7%
Services for older people (including care in their own homes and in residential homes)	54%	3%
Repairing roads and bridges (including emergencies and fixing potholes)	31%	3%
Traffic management (making road travel safer and reducing congestion)	24%	13%
Keeping local bus services running	21%	13%
Waste management (household waste disposal and recycling)	30%	6%
Country parks, open spaces and picnic sites	11%	27%
Support for businesses and attracting investment to Lancashire	14%	27%
Crime prevention (working with partner organisations to help prevent crime and disorder and reduce the fear of crime)	49%	4%
Trading standards (consumer protection)	4%	28%
Welfare rights (helping people get the financial support they are entitled to)	9%	35%
Youth and community services (activities and support for young people)	17%	14%
None of these	0%	6%
Don't know	2%	10%

**29****Which of the following most closely matches your opinion on what the council should do about increasing Council Tax next year?**

PLEASE TICK ONE BOX ONLY

- No increase in Council Tax over this year, which would mean very significant reductions in county council services 24% → **END**
- 
- An increase in Council Tax of significantly less than 5% 46% → **GO TO Q30**
- 
- An increase in Council Tax of around 5% (in line with the council's current proposals) 28% → **GO TO Q30**
- 
- An increase in Council Tax of over 5% 2% → **GO TO Q30**

**30****And what level of increase do you feel you could support?**

PLEASE TICK ONE BOX ONLY

(Note: figures are shown for band D and for the lowest and highest bands, A and H, to illustrate the full range. The effects for the other bands would fall within the ranges shown.)

	<b>Band A</b>	<b>Band D</b>	<b>Band H</b>	
<b>Current 2007/08 Council Tax a week</b>	<b>£13.41</b>	<b>£20.12</b>	<b>£40.23</b>	
With a 2% increase	£13.68	£20.52	£41.03	21%
With a 3% increase	£13.81	£20.72	£41.44	24%
With a 4% increase	£13.95	£20.92	£41.84	20%
With a 5% increase	£14.08	£21.13	£42.24	30%
With a 6% increase	£14.21	£21.33	£42.64	2%
With a 7% increase	£14.35	£21.53	£43.05	3%

**Please return the questionnaire in the reply-paid envelope.**  
Thank you for being part of Life in Lancashire.