

The 2010/11 Revenue Budget

1. The Financial Forecast 2010/11 – 2013/14

The Story So Far

This report provides Cabinet with an update on the County Council's financial position for the next four years, i.e. 2010/11 – 2013/14. When Cabinet considered this in September 2009 it was indicated that, this period is characterised by unprecedented levels of financial uncertainty resulting from:

- The government grant settlement in 2011/12 and beyond. The national economic picture and the uncertainty of public finances make it very difficult to predict the likely scale of future government support. The Chancellor's pre-budget speech in December provided no further certainty.
- Considerable uncertainty regarding future levels of both pay and price inflation although the pre budget speech has capped public sector pay awards at 1% for the next two years.
- The impact of interest rates on the future financial position due to conflicting views on the rate of recovery of the economy and interest rate levels.
- The level of future increases in contributions to the Pension Fund. Further confusion has also been created by announcements in the pre budget speech which mentioned the "capping" of employer contributions.

In addition, in September, pressures on the County Council's budget were identified in relation to:

- Significant demands in relation to children's social care due to the number of children referred to the service; and the significant rise in the number of initial assessments, child protection investigations and child protection plans.
- Pressures within Adult and Community Services in relation to Older People (driven by the expected demographic changes in the over 85 population, impacting on both residential and domiciliary care) and Physical Disability & Sensory Impairment (PDSI) services, relating to the development of direct payments and personalised budgets which has attracted more service users.
- The impact on the budget of the Waste PFI, which adds £42m to the budget in 2011/12, of which £38.5m is ongoing. However, management within Environment are seeking to reduce the costs of this and looking to increase trading income.
- The Treasury Management budget in previous years has supported the budget with significant interest receipts. The economic downturn has severely

reduced these with the economic uncertainty making the forecast of future interest rates impossible to predict with any accuracy and consequently representing a real risk within the forecast. However, the recent review of the Treasury Management Strategy will hopefully improve returns whilst reducing risk although these are still unlikely to match the average returns of the past 5 years.

In September, the forecast increase in spending needed to fund the pressures was:

	2010/11	2011/12	2012/13	2013/14
Forecast of increase in spending need	£20m	£59m	£27m	£27m
Increase on previous year	2.8%	8%	3.7%	3.7%

Given the uncertainty regarding the level of government grant the County Council is likely to receive, a sensitivity analysis was undertaken in September, highlighting the impact of varying levels of government support, ranging from a 2% increase in grant support to a 5% reduction. Within these scenarios, the level of on-going savings required to balance the budget ranged from **£79m to £142m** over the next 4 years, i.e. 11% to 30% of total net expenditure.

Of this total, a budget gap of **£16m** was identified in 2010/11. This was based on a working assumption of no increase in council tax in 2010/11 and increases of 2½% in the following years.

It is recognised that whilst business improvement is a key feature in driving savings out of the organisation, it is unlikely that the level of savings required can be met solely from efficiencies. In order to consider the most effective way to bridge the potential budget gap, Cabinet requested that Executive Directors consider the options for, and implications of, delivering a 10% reduction in budgets.

Update of the Financial Position for 2010/11 and Future Years

Since the Cabinet meeting in September, the Cabinet and the Executive Leadership Team (ELT) have been developing a set of budget proposals for 2010/11. This work culminated in a Cabinet/ELT workshop on 30 November considering the latest update on the financial position, including the work undertaken by Executive Directors to deliver further efficiency savings in 2010/11 and future years.

Given the level of uncertainty and risk surrounding some of the financial pressures highlighted above, officers have concluded a full assessment of increasing demands on services brought about by legislative and demographic changes. These will result in an overall increase in costs of around £7m to the base budget in 2010/11. This increases the savings requirement to £23m for the year.

The major areas of pressure which have led to this increase are:

- An expectation of increased prices in specialist areas in 2010/11 compared to that forecast in June 2009, offset by an expectation of a zero increase in both pay and general (RPI) prices in 2010/11.
- A higher level of demand for domiciliary care, direct payments and nursing care (offset by cost reductions in relation to residential and nursing care) above that forecast in June 2009
- Increased pressure on the Learning Disability Pooled Fund, with the cost reductions achieved in 2008/09 not being continued into 2009/10 and later years (as had been forecast in June 2009)
- Increasing pressures in relation to children's social care, with the significant increase in demand for agency placements, and subsequent costs, being seen in 2009/10 and expected to continue into 2010/11
- Pressures on Legal services, in particularly related to the increase in the number of children's social care court proceedings
- Savings not yet achieved in relation to the Preston Area Offices review.

As part of the review of future costs, Executive Directors have identified efficiency savings of £21.7m which will be delivered in 2010/11. When the full year effect of efficiencies is taken into account (as some have a lead in time which means the full benefit will not be realised until 2011/12), the total rises to £36.7m in 2011/12, a further £15m.

The estimate of the County Council's spending for 2010/11 therefore now includes provision for the following factors:

- Efficiency savings totalling £21.7m.
- The impact of a nil increase in pay and general price inflation (compared to the previous estimate of ½%) in 2010/11, resulting in a saving of £1.5m.
- The impact of increasing demands on services brought about by legislative and demographic changes, particularly in the areas of children's social care.
- As a result of the current economic climate, District Council treasurers have been indicating a deficit on the council tax collection fund, which means that the County Council will not receive as much council tax revenue as previously forecast. It has now been confirmed that the deficit will be maintained at the previous estimate of £1.1m.
- Again, as a result of the current economic climate, no increase in the council tax base was previously forecast for 2010/11. District Council treasurers are still considering their forecasts for 2010/11 and a verbal update will be provided at the meeting.

Taking these factors into account, a budget set at the budget estimates for 2010/11 would now produce a council tax increase of 0.46%.

The impact of these factors on the financial position for 2010/11 – 2013/14 is set out on the table below:

	2010/11	2011/12	2012/13	2013/14
Total spending need	£727m	£774.7m	£802m	£829.4m
Increase on previous year £m	£17.6m	£47.7m	£27.3m	£27.4m
Increase on previous year %	2.5%	6.6%	3.5%	3.4%

The table at Annex 1 sets out a summary of the estimate for 2010/11, which totals £727.026m (an increase of 2.5% over 2009/10). The Efficiency Plan set out in Annex 2 gives details of the £21.7m of efficiency savings. Details of the forecast for 2011/12 to 2013/14 are set out in Annexes 3 and 4.

Risks within the 2010/11 Budget

Uncertainty remains within the 2010/11 position; caused by the current economic climate and potential legislative changes which may impact upon the budget, in particular in relation to children's social care.

Uncertainty also remains regarding the level of pay inflation - the estimates for 2010/11 assume a nil increase in pay and general prices. The chancellor, in his pre-budget speech, announced a 1% cap on public sector pay over the next 2 years, but this may mean a differential pay award for groups of public sector workers. If a pay award is agreed nationally in 2010/11, then this will have to be met from within existing budgets. A ½ increase in pay in 2010/10 would increase costs by £1.3m.

A further risk in 2010/11 relates to the eventual impact of Job Evaluation and the Equal Pay Review, which is due to conclude in early spring 2010. The 2010/11 budget estimate contains provision for an increase in the pay bill, although the eventual impact will not be known until after the County Council has set its budget in February 2010. It is imperative that the outcome of the current negotiations is affordable – any further increase will result in the need for additional savings above and beyond those needed to meet the 2010/11 budget gap identified in this report.

Predicting future interest rates remains an additional challenge, with conflicting views on the rate of economic recovery and the impact on interest rates. Again, a cautious approach has been taken, with a slow increase in interest rates factored in over 2010/11 and beyond. However, the revised Treasury Management Strategy agreed by County Council in December 2009 is designed to minimise the risk that the County Council is exposed to, and at the same time, improve the return on investments. At this stage, it is too early to factor into the 2010/11 estimates any improved investment returns, but it is anticipated that this will as a minimum safeguard the County Council's position with regard to the return on investments in 2010/11 and future years. **Note:** A ½% movement in interest rates has an impact of £1.5m.

There remains significant pressure on the budget for children's social care, with increased costs anticipated in 2010/11 due to the increase in the number of

referrals, and the number of proceedings going to court. In September, Cabinet agreed an additional one-off investment of £5m into children's social care, to improve the outcomes for children. This funding is being used to invest in an early intervention strategy, which will reduce both referrals and the number of proceedings going to court. This is an investment which will see improvements over the medium term, and will therefore not impact upon 2010/11, but should reduce the level of demand in future years and mitigate against further increases.

Further Risks within the Forecast for 2011/12 – 2013/14

The uncertainties faced in 2010/11 remain in future years, but are significantly heightened in 2011/12 – 2013/14 due in particular, to the extreme uncertainty surrounding future grant settlements.

Although commentators differ in their predictions of the impact on public sector resources of the current economic climate and the Chancellor's predictions of government debt, it is clear that from 2011/12 onwards local government will be under significant financial pressure. The common thread is that predictions for future government support have reduced, with some commentators forecasting reductions of a minimum of 15% in government support over the 3 year period 2011/12 – 2013/14.

2. Government Grant Projections

The Government has issued the normal grant consultation paper for 2010/11, which confirms a grant increase of 5.1% in 2010/11. The final grant settlement will be announced early in the new year. However, because of the current three year grant settlement, the grant figures for 2010/11 are not expected to change. Any changes in the grant position will be reported to Cabinet on 3 February.

Taking into account the latest estimates set out above, and the uncertainty regarding future grant the County Council is likely to receive, the sensitivity analysis previously undertaken highlighting the impact of varying levels of government support has been updated. It was initially anticipated that a comprehensive review of government spending would take place in 2010, thereby providing certainty from 2011/12 onwards: i.e. following the end of the most recent 3-year grant settlement. However, the review has now been put back until 2011 i.e. after the general election.

Scenario 1 – A 2% Increase in Government Grant (Now perceived as highly unlikely)

	2010/11	2011/12	2012/13	2013/14	Total
Gap (£m)	£2m	£26m	£10m	£10m	£48m

This would demand further savings of £48m over the 4 Year period above the efficiency savings identified in the report.

Scenario 2 – No Increase in Government Grant

	2010/11	2011/12	2012/13	2013/14	Total
Gap (£m)	£2m	£32m	£16m	£16m	£66m

This would demand further savings of £66m over the 4 Year period.

Scenario 3 – A Reduction in Government Grant of 3%

	2010/11	2011/12	2012/13	2013/14	Total
Gap (£m)	£2m	£41m	£25m	£25m	£93m

This would demand further savings of £93m over the 4 Year period.

Scenario 4 – A Reduction in Government Grant of 5%

	2010/11	2011/12	2012/13	2013/14	Total
Gap (£m)	£2m	£47m	£31m	£30m	£110m

This would demand further savings of £110m over the 4 Year period.

3. Council Tax in 2010/11

The table below sets out changes in spending or resources necessary to deliver various levels of council tax increase, based on the estimates for 2010/11.

Budget position	Council tax increase %	Variation in spending or resources needed £m
	0	-1.97
2010/11 estimates	0.46	-
	1.0	2.26

4. Schools Budget

In line with the new school funding arrangements from April 2006, in November 2007 Cabinet agreed in respect of the 2008/09 Schools Budget that:

- a) The County Council's allocation of Dedicated Schools Grant (DSG) be applied in its entirety to the Authority's Schools Budget and not to supplement the Schools Budget from other resources available to the Authority.
- b) The detailed allocation of resources within the Schools Budget be determined at a later date by the Cabinet Member for Schools in

consultation with the Executive Director for Children and Young People and the Director of Finance and in conjunction with the Lancashire Schools Forum.

The Cabinet is asked to consider what recommendation it wishes to make on these matters for the determination of the 2010/11 and future years' Schools Budget.

5. Budget Consultation 2010/11

As previously agreed, the budget consultation process has been split into two stages for 2010/11.

For the first stage, the Cabinet has consulted on service priorities with:

- the Life in Lancashire Panel
- the Youth Council
- Lancashire Local Committees, and
- District and Unitary Councils.

Responses to the consultation process have been received from the Life in Lancashire Panel and from the 12 Lancashire Locals.

In relation to the Life in Lancashire Panel, this wave of panel dealt with priorities for the county council budget and acceptable levels of Council Tax increase. The survey was sent to all 2758 members of the panel. In total 1957 questionnaires were returned, giving an overall response rate of 70%. The headlines from the response are:

Highest priority services for spending in the coming years

- **Services for older people** (53%), **primary and secondary education** (46%) and **crime prevention** (38%) are seen as the highest priorities for spending in the next year. These were also the top priorities in 2008 and 2007.

Lowest spending priorities in the coming years

- **Museums** are seen as the service that should be the lowest spending priority (48%), which was also the lowest priority for spending in 2008.
- **Country parks, open spaces and picnic sites** and **welfare rights** are seen as the next lowest priorities (34% and 30% respectively).

Level of Council Tax increase

- A third of the panel (33%) thought that the council should make no increase in Council Tax, with the consequence of significantly reducing service levels.
- Only two-fifths of the panel say they would be prepared to pay a 3% or more increase in Council Tax (39%).

The full report from the Life in Lancashire panel is included at Annex 5.

In addition, each Lancashire Local has considered the consultation material at meetings over the period from November 2009 to December 2009 and the response from each Committee is included in this report at Annex 6.

After the publication of the Cabinet's budget proposals for 2010/11, the second stage of the consultation process will begin and comprises consultation with:

- Lancashire Local Committees
- District and Unitary Councils
- Trade Unions
- The Youth Council and
- Business representatives.

The consultation will cover the budget estimates included in this report and on any further proposals that Cabinet wish to make in respect of 2010/11 and future years.

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- Lancashire Local Committees
- District and Unitary Councils
- Trade Unions
- The Youth Council and
- Business representatives.

The consultation will cover the budget estimates included in this report and on any further proposals that Cabinet wish to make in respect of 2010/11 and future years.

Budget Estimates 2010/11

Budget	2009/10 Budget	Budget Estimates before Efficiency Savings	Efficiency Savings	2010/11 Estimates	Change over 2009/10	Percentage Change over 2009/10
	£m	£m	£m	£m	£m	%
Adult & Community Services	371.619	383.579	-7.651	375.928	4.309	1.16
Children & Young People	185.694	190.950	-6.875	184.075	-1.619	-0.87
Environment	130.110	140.533	-4.564	135.969	5.859	4.50
Office of the Chief Executive	14.899	14.889	-0.785	14.104	-0.795	-5.34
Resources	14.257	13.266	-0.939	12.327	-1.930	-13.54
County Buildings	5.879	6.823	-0.600	6.223	0.344	5.85
Corporate	14.172	13.725	-0.304	13.421	-0.751	-5.30
LCCG Care Funding	0.400	0.000		0.000	-0.400	-100.00
Financing Charges	38.650	47.284		47.284	8.634	22.34
Balances & Reserves	18.620	22.535		22.535	3.915	21.03
ABG	-85.284	-85.284		-85.284	0	0
Change Contingency	0.211	0.211		0.211	0	0.0
LSPs	1.047	1.047		1.047	0	0.0
DSOs	-0.814	-0.814		-0.814	0	0.0
Total	709.460	748.744	-21.718	727.026	17.566	2.50

Efficiency Plan

To Follow

Forecast 2011/12

2010/11 Estimates £m	Budget	2011/12 Forecast before Efficiency Savings £m	Further Efficiency Savings £m	2011/12 Forecast after Efficiency Savings £m	Change over 2010/11 £m	Change over 2010/11 %
375.928	Adult & Community Services	391.098	-7.969	383.129	7.201	1.92
184.075	Children & Young People	190.349	-4.638	185.711	1.636	0.89
135.969	Environment	183.693	-1.916	181.777	45.808	33.69
14.104	Office of the Chief Executive	14.404	-0.289	14.115	0.011	0.08
12.327	Resources	12.539	-0.150	12.389	0.062	0.50
6.223	County Buildings	6.447		6.447	0.224	3.60
13.421	Corporate	13.567		13.567	0.146	1.09
0.000	LCCG Care Funding	0.000		0.000	0	0
47.284	Financing Charges	47.664		47.664	0.380	0.80
22.535	Balances & Reserves	15.135		15.135	-7.400	-32.84
-85.284	ABG	-85.684		-85.684	-0.400	-0.47
0.211	Change Contingency	0.211		0.211	0	0
1.047	LSPs	1.047		1.047	0	0
-0.814	DSOs	-0.814		-0.814	0	0
727.026	Total	789.656	-14.962	774.694	47.668	6.56

Annex 5



Living in Lancashire: Budget Consultation 2009

Fieldwork 18 November – 11 December 2009

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December 2009

Contents

1	Executive Summary	18
1.1	Highest priority services for spending in the coming years	18
1.2	Lowest spending priorities in the coming years	18
1.3	Level of Council Tax increase	18
2	Introduction	18
3	Research Objectives	19
4	Methodology	19
4.1	Limitations	19
5	Main Research Findings	19
5.1	Priorities for service development	20
5.1.1	Individual services - high priority for spending	21
5.1.2	Individual services - low priority for spending	23
5.2	Opinion on acceptable levels of Council Tax increase	25
6	Appendix	27
6.1	Appendix 1: Socio-Economic-Group Definitions	27
6.2	Appendix 2: marked up questionnaire	28

Table of Figures

Chart 1 - Which <u>three or four</u> of the following should be the highest priorities for spending in the coming years?	22
Chart 2 - And which <u>three or four</u> of the following services do you think should be the lowest priorities for spending in coming years?	24
Chart 3 - Which of the following most closely matches your opinion on what the council should do about increasing Council Tax next year?	25
Chart 4 - What level of increase do you feel you could support?	26

Executive Summary

This wave of the Life in Lancashire panel dealt with priorities for the county council budget and acceptable levels of Council Tax increase. The survey was sent to all 2758 members of the panel. In total 1957 questionnaires were returned, giving an overall response rate of 70%.

Highest priority services for spending in the coming years

- **Services for older people** (53%), **primary and secondary education** (46%) and **crime prevention** (38%) are seen as the highest priorities for spending in the next year. These were also the top priorities in 2008 and 2007.

Lowest spending priorities in the coming years

- **Museums** are seen as the service that should be the lowest spending priority (48%), which was also the lowest priority for spending in 2008.
- **Country parks, open spaces and picnic sites** and **welfare rights** are seen as the next lowest priorities (34% and 30% respectively).

Level of Council Tax increase

- A third of the panel (33%) thought that the council should make no increase in Council Tax, with the consequence of significantly reducing service levels, which is in line with the county council's proposals.
- Only two-fifths of the panel say they would be prepared to pay a 3% or more increase in Council Tax (39%).

Introduction

Lancashire County Council has used Living in Lancashire regularly since August 2001. A panel of willing participants is recruited and is approached on a regular basis to seek their views on a range of topics and themes. Panel members are voluntary participants in the research they complete and no incentives are given for completion.

The panel has been designed to be a representative cross-section of the county's population. The results for each survey are weighted in order to reflect the demographic profile of the county's population.

The panel provides access to a sufficiently large sample of the population so that reliable results can be reported at a county wide level. It also provides data at a number of sub-area and sub-group levels.

Each Living in Lancashire wave is themed. Firstly, it enables sufficient coverage on a particular topic to be able to provide insight into that topic. And secondly, it comes across better to the residents completing the questionnaires if there is a clear theme (or 2-3 clear themes) within each survey.

The panel is refreshed periodically. New members are recruited to the panel and some current members are retired on a random basis. This means that the panel remains fresh and is not subject to conditioning i.e. the views of panel members become too informed with county council services to be unrepresentative of the population as a whole.

Research Objectives

The objectives of this consultation are:

- to obtain an indication of the service areas that residents believe should be budget priorities for the coming years; and
- to obtain an understanding of what residents perceive to be an acceptable level of increase in Council Tax for 2010/2011.

This work follows on from previous yearly budget consultations that have taken place since 2003.

Methodology

This wave of Living in Lancashire research was sent to 2785 members of the panel on 18 November. No reminders were sent, and the fieldwork ended on 11 December 2009.

In total 1957 questionnaires were returned, giving an overall response rate of 70%.

All data are weighted by age, ethnicity and district to reflect the Lancashire overall population, and figures are based on all respondents unless otherwise stated. The weighted responses have been scaled to match the effective response of 1456, which is the equivalent size of the data if it had not been weighted and was a perfect random sample.

Limitations

The table below shows the sample tolerances that apply to the results in this survey. Sampling tolerances vary with the size of the sample as well as the percentage results.

Number of respondents	50/50 + / -	30/70 + / -	10/90 + / -
50	14%	13%	8%
100	10%	9%	6%
200	7%	6%	4%
500	4%	4%	3%
1000	3%	3%	2%
2000	2%	2%	1%

On a question where 50% of the people in a sample of 1000 respond with a particular answer, the chance are 95 out of 100 that the answer would be between 47% and 53% (ie +/- 3%), versus a complete coverage of the entire Lancashire population using the same procedure.

In charts or tables where responses do not add up to 100%, this is due to multiple responses or computer rounding.

Main Research Findings

Priorities for service development

The first section of the budget consultation questionnaire gave the proportion of spending and the actual expenditure on a wide range of services Lancashire County Council provides. It gave details on council expenditure in 2008/9 and the sources of council finances. It also informed panel members of the county council plans for the following years.

Panel members were then given a list of county council services and asked which three or four should be the highest spending priorities for the coming years¹. These priorities are shown on chart one.

Services for older people (including care in their own homes and in residential homes), **primary and secondary education** and **crime prevention** (working with partners to help prevent crime and disorder and reduce fear of crime) (53%, 46% and 38% respectively) are the highest priorities.

Keeping local bus services running (30%) and **children's social care** (29%) are the next highest priorities, for about three in ten of the panel.

The same options were given on the budget questionnaires in 2008 and 2007, enabling the priorities to be compared over time. The current results are broadly similar to those in 2007 and 2008, with the top three priorities remaining the same across all three years. This shows the public's spending priorities are generally staying the same. However, the proportion of respondents mentioning each of these priorities has fallen.

Individual services - high priority for spending

Services for older people

Perhaps as might be expected, the priority of services for older people is once again closely related to the age of the panel member. Older people's services are

¹ This is a slight change in wording from previous surveys where respondents have been asked for their priorities for the coming year.

a higher priority for those 60 years and over (65%), and are also more important among those aged 45 to 59 (56%) compared to younger respondents.

Primary and secondary education

This was the highest priority for those aged 25 to 44 years (55%), as it was in 2008. While still a priority, it was less important for those aged 45-59 years (42%) or 60 years or over (36%). Also where respondents have children in the household it is a higher priority (58%) compared to households without children (43%).

Crime prevention

Crime prevention is an important priority for all respondents. However it is significantly less important for BME respondents (28%) compared to white respondents (39%).

Keeping local bus services running

The importance of keeping local bus services running is more important to people who don't have access to a vehicle in their household (51%), people who live in council or housing association property (49%), the over 60s (44%), those with a disability (38%), and women (34%).

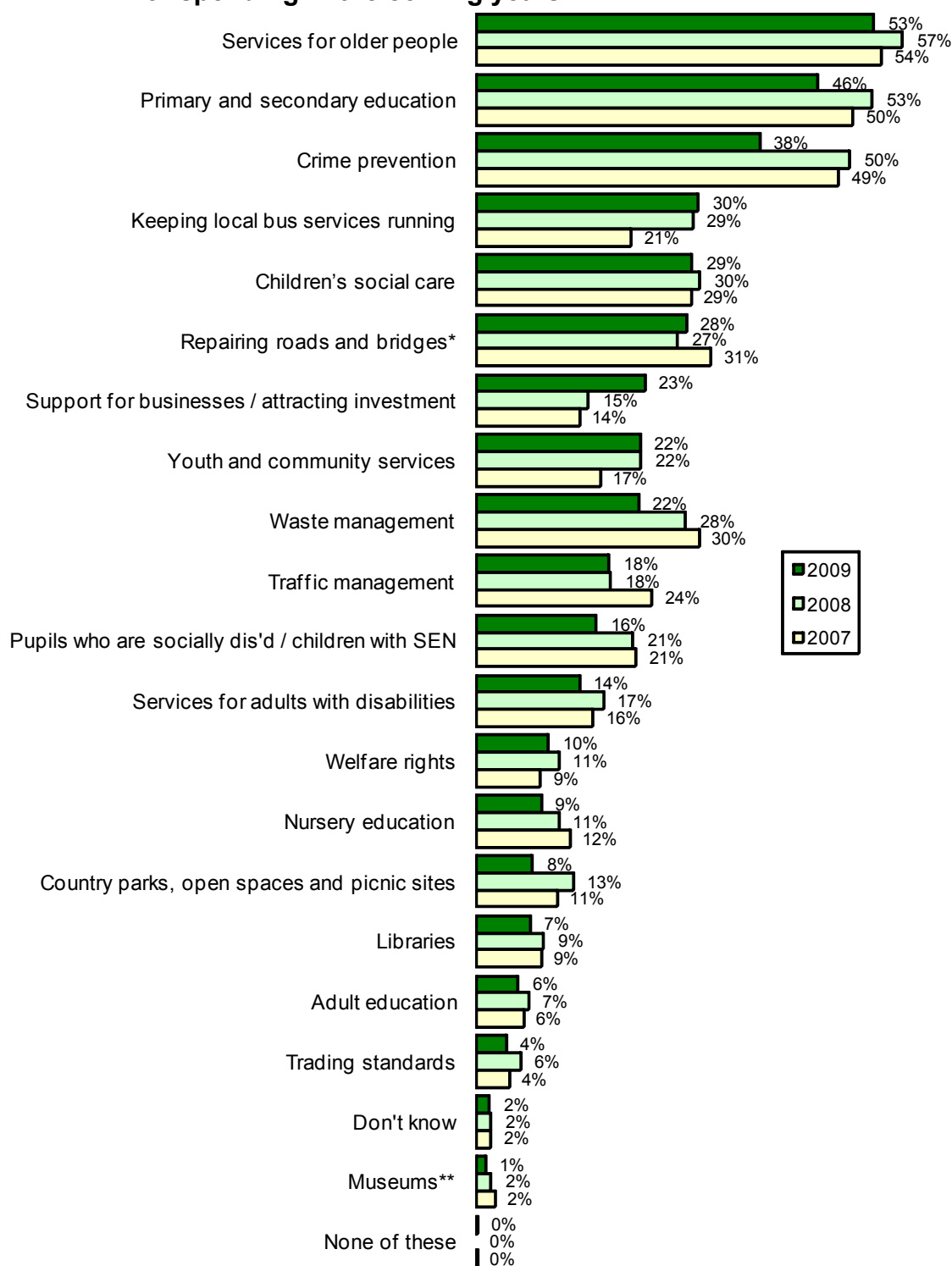
Other services

Children's social care is a higher priority for those living in council or housing association property (42%), and among women (34%). Services for adults with disabilities are more important priorities for respondents from an ethnic minority (24%), those with a disability and those in the lowest socio-economic groups DE (21% both).

Panel members aged 25 to 44 were significantly more likely to suggest youth and community services and country parks as the older age groups (28% and 15% respectively).

Welfare rights were much more likely to be mentioned by those who are in the lowest socio-economic groups (DE, 18%) and by respondents from an ethnic minority (21%). Respondents from an ethnic minority were also more likely to prioritise support for pupils who are socially disadvantaged or with special educational needs (34%).

Chart 1 - Which three or four of the following should be the highest priorities for spending in the coming years²?



Base: All respondents (Unweighted 1817, Weighted 1438)

* **Maintaining roads and bridges** in 2006 and 2005

** **Museums and galleries** in 2006 and 2005

² Question wording has previously been "Which three or four of the following should be the highest priorities for spending next year?".

From the same list of county council services, respondents were next asked to name the services that should be the lowest priorities for funding. The lowest priorities are shown on chart two.

As in the 2008 and 2007 surveys, **museums** are seen as the services that should be the lowest priority for spending next year (48%). **Country parks, open spaces and picnic sites** (34%) is the next lowest priority, with significantly more respondents mentioning it than in 2008 (10% increase). **Welfare rights** (30%), **trading standards** (27%), **adult education** (24%) and **libraries** (21%) are also seen as relatively low priorities.

Individual services - low priority for spending

Museums and country parks

Museums and country parks are consistently mentioned by all the different demographic groups as a low priority for spending. However, respondents from a BME background (56%) and respondents who don't have children under 18 in the household (35%) place country parks as a lower priority.

Welfare rights

The respondents who put welfare rights as a low priority are in the highest socio-economic group AB (44%), whereas respondents from an ethnic minority are less likely to rate them as a low priority (20%).

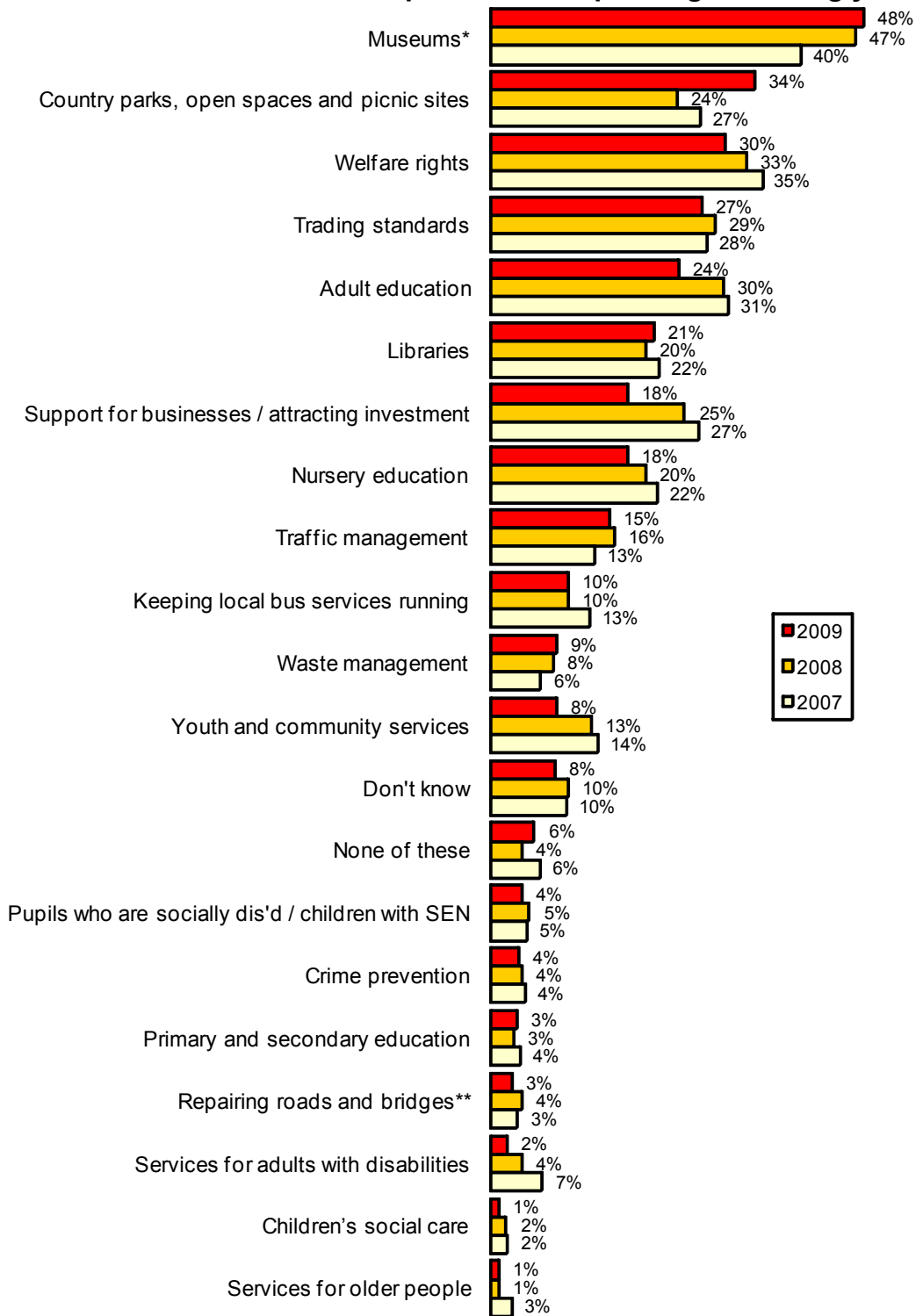
Adult education

Adult education is more likely to be mentioned as a low priority by the over 60s (31%) compared to those aged 25 to 44 (17%), and it is more likely to be suggested a low priority among men and part-time workers (29% both).

Libraries

This is significantly more likely to be mentioned as a low priority by those living in council or housing association property (39%), BME respondents (32%), those with children in the household (27%) and men (26%).

Chart 2 - And which three or four of the following services do you think should be the lowest priorities for spending in coming years?³



Base: All respondents (Unweighted 1650, Weighted 1308)

* **Museums and galleries** in 2006 and 2005

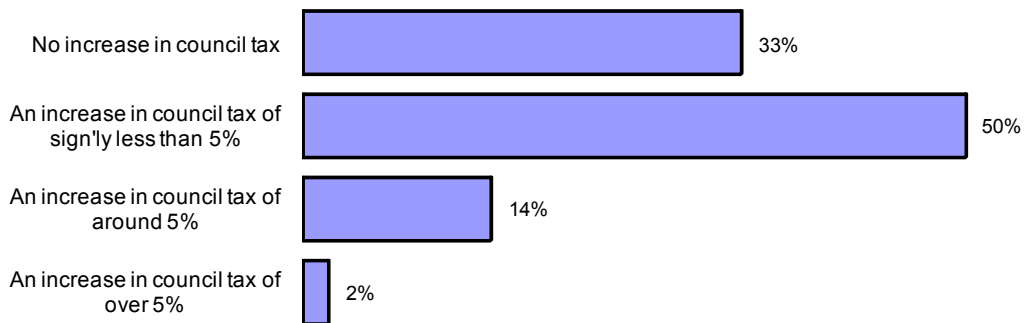
** **Maintaining roads and bridges** in 2006 and 2005

³ Question wording has previously been "Which three or four of the following services do you think should be the lowest priorities for spending next year?".

Opinion on acceptable levels of Council Tax increase

Panel members were then given a set of options on what the council should do about increasing Council Tax next year. The highest individual proportion would support **an increase in Council Tax of significantly less than 5%** (50%). Around one in seven would accept an **increase in Council Tax of around 5%** (14%). A third would only accept **no increase in Council Tax** (33%).

Chart 3 - Which of the following most closely matches your opinion on what the council should do about increasing Council Tax next year?

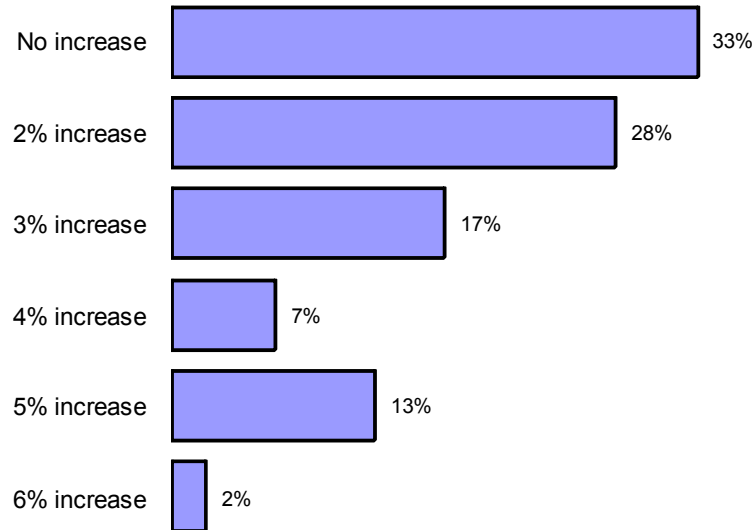


Base: All respondents (Unweighted 1835, Weighted 1442)

By subgroups there are some differences, with half of respondents from an ethnic minority suggesting no increase in Council Tax (50%). This is significantly more than the proportion of white respondents (31%). Panel members with children in the household were more likely to answer no increase (42%), than those without children in the household (31%). Panel members in the lowest social groups (C2 and DE) were more likely to say they wanted no increase (38% and 37% respectively), as were respondents who are light users of council services (37%, use six or less local services in the last year).

For the final question, those who answered they would support some increase in Council Tax were asked what increase this would be. Chart 4 shows the response to this, with the proportion answering that they would only accept no increase from the previous question, to give a clearer picture.

Chart 4 - What level of increase do you feel you could support?



Base: All respondents (Unweighted 1842, Weighted 1448)

By subgroup for the above measure, again those panel members from an ethnic minority or in the lowest socio-economic groups (C2 and DE) and light service users who are less likely to suggest a higher increase.

Table 1 shows the proportions of the panel that are prepared to pay each increase option, and the total proportion of the panel who would be prepared to pay each option or more. Only two-fifths of the panel (39%) answer they would be prepared to pay a 3% increase.

Table 1 - Proportions of respondents prepared to pay increase

Increase in Council Tax 2008/9	Proportion of all respondents prepared to pay increase	Cumulative % of all respondents prepared to pay increase
No increase	33%	100%
2%	28%	67%
3%	17%	39%
4%	7%	22%
5%	13%	15%
6%	2%	2%
Base: All respondents (Unweighted 1842, Weighted 1448)		

Appendix

Appendix 1: Socio-Economic-Group Definitions

These groups are based on Market Research Society definitions and on the respondent. They are graded as A, B, C1, C2, D and E.

Group A

- Professional people, very senior managers in business or commerce or top-level civil servants.
- Retired people, previously grade A, and their widows

Group B

- Middle management executives in large organisations, with appropriate qualifications
- Principle officers in local government and civil service
- Top management or owners of small business concerns, educational and service establishments
- Retired people previously grade B, and their widows

Group C1

- Junior management, owners of small establishments, and all others in non-manual positions
- Jobs in this group have very varied responsibilities and educational requirements
- Retired people, previously grade C1, and their widows

Group C2

- All skilled manual workers, and those manual workers for responsibility for other people
- Retired people, previously grade C2, with pensions from their job
- Widows, if receiving pensions from their late partner's job

Group D

- All semi skilled and unskilled manual workers, and apprentices and trainees to skilled workers
- Retired people, previously grade D, with pensions from their late job
- Widows, if receiving pensions from their late partner's job

Group E

- All those entirely dependant on the state long term, through sickness, unemployment, old age or other reasons
- Those unemployed for a period exceeding six months (otherwise classified on previous occupation)
- Casual workers and those without a regular income

Appendix 2: marked up questionnaire

Which three or four of the following should be the highest/lowest spending priorities for spending in the coming years?		
	Highest priorities	Lowest priorities
Services for older people (including care in their own homes and in residential homes)	53%	1%
Primary and secondary education	46%	3%
Crime prevention (working with partner organisations to help prevent crime and disorder and reduce the fear of crime)	38%	4%
Keeping local bus services running	30%	10%
Children's social care (protecting vulnerable children)	29%	1%
Repairing roads and bridges (including emergencies and fixing potholes)	28%	3%
Support for businesses and attracting investment to Lancashire	23%	18%
Youth and community services (activities and support for young people)	22%	8%
Waste management (household waste disposal and recycling)	22%	9%
Traffic management (making road travel safer and reducing congestion)	18%	15%
Pupils who are socially disadvantaged and children with special educational needs	16%	4%
Services for adults with disabilities	14%	2%
Welfare rights (helping people get the financial support they are entitled to)	10%	30%
Nursery education	9%	18%
Country parks, open spaces and picnic sites	8%	34%
Libraries	7%	21%
Adult education	6%	24%
Trading standards (consumer protection)	4%	27%
Don't know	2%	8%
Museums	1%	48%
None of these	0%	6%
Unweighted base	1817	1650
Weighted base	1438	1308

Which of the following most closely matches your opinion on what the council should do about increasing Council Tax next year?	
No increase in council tax, which would mean reductions in county council services	33%
An increase in council tax of significantly less than 5%	50%
An increase in council tax of around 5%	14%
An increase in council tax of over 5%	2%
Unweighted base	1835
Weighted base	1442

And what level of increase do you feel you could support?	
2% increase	41%
3% increase	26%
4% increase	10%
5% increase	19%
6% increase	3%
Unweighted base	1279
Weighted base	1001

Lancashire Local – Burnley

Working Group Meeting held on 23rd November 2009

The County Council's Spending Priorities for 2010/11 and Beyond

Contact for further information:

Jackie Flynn, (01282) 438277, District Partnership Officer, Burnley, Lancashire County Council, Localities and Partnerships Team, Policy Unit, Office of the Chief Executive, jackie.flynn@lancashire.gov.uk

Executive Summary

The County Council's Cabinet in considering the Council's medium term financial strategy has identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated requires the Council to look in detail at its spending priorities for the Medium Term. Lancashire Local-Burnley had been invited to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

This Report sets out the recommendations of the Working Group established by Lancashire Local-Burnley on the 16th November, 2009, to address this matter – the Working Group met on the 23rd November, 2009.

Reason for the use of the Urgent Business Procedure

The next meeting of Lancashire Local-Burnley is not due to be held until the 18th January, 2009, and, bearing in mind that responses from Lancashire Locals should be submitted by no later than the 14th December, 2009, Lancashire Local-Burnley has previously agreed that the County Secretary and Solicitor be authorised to take any necessary action under the agreed procedure for dealing with Matters of Urgent Business, following consultation with the Chair and Deputy Chair of the Local, to ensure that the recommendations of the Working Group are forwarded to the County Council's Executive Director for Resources at an early a date as possible in order to ensure that the views of the Local would be considered by the County Council's Cabinet on the 7th January, 2010.

Recommendation

Subject to the views of the Chair and Deputy Chair of Lancashire Local-Burnley, the County Secretary and Solicitor proposes to approve the recommendations from the Working Group established by the Local on the 16th November, 2009, as set out in the Report, in order to provide an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond.

Background and Advice

At the meeting of Lancashire Local-Burnley held on the 16th November, 2009, a Report was presented to inform the Local that the County Council's Cabinet, in considering the Council's medium term financial strategy, had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term.

The Report invited the Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

Details of the levels of service planned to be provided by each of the County Council's Directorates in 2009/10, with the resources allocated in the budget agreed in February, 2009, were presented.

Lancashire Local-Burnley was asked to consider the information provided, and give an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond. The Local was informed that any comments would then be considered by the Cabinet in framing their specific budget proposals, which would be consulted on during January, 2010 – Lancashire Local-Burnley would be consulted further on those specific budget proposals.

The Local agreed that a Working Group be established, comprising all Members of the Local, together with appropriate Officers, in order to provide an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond – the Working Group met on the 23rd November, 2009.

A summary of the Working Group recommendations are as follows:-

- a) The Working Group **recommend** that the need for the County Council to focus its budget on narrowing the gap between the life chances of the people of Burnley and those in the more affluent parts of the County should be emphasised; and
- b) The Working Group **recommend** that primary and secondary education; services for older people; children's social care; support for businesses and attracting investment into Lancashire; and crime prevention, should be identified as the highest priorities for maintaining services and spending; and
- c) The Working Group **recommend** that, as agreement could not be reached, no service areas be identified as the lowest priorities, or areas to be considered for savings.

In order to ensure that the recommendations of the Working Group are forwarded to the County Council's Executive Director for Resources at an early a date as possible in order to ensure that the views of the Local would be considered by the County Council's Cabinet on the 7th January, 2010, Lancashire Local-Burnley has previously agreed that the County Secretary and Solicitor be authorised to take any necessary

action under the agreed procedure for dealing with matters of Urgent Business, following consultation with the Chair and Deputy Chair of the Local.

The Local has also previously agreed that a Report on the actions taken by the County Secretary and Solicitor under the agreed procedure for dealing with Matters of Urgent Business be presented to the next Meeting of Lancashire Local-Burnley on the 18th January, 2010.

Consultations

The Working Group established by Lancashire Local-Burnley on the 16th November, 2009, have given consideration to this matter at their meeting on the 23rd November, 2009

Implications:

This item has the following implications, as indicated:

Risk management

Any budget needs to balance the various financial and service risks facing the County Council. The budget consultation process of which this report forms part will inform the consideration by the County Council of where that balance should lie.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report and Minutes – Lancashire Local-Burnley – The County Council's Spending Priorities for 2010/11 and Beyond	16 th November, 2009	George Graham/Resources Directorate/01772 538102

Reason for inclusion in Part II, if appropriate

N/A

Decision Taken: Declaration

Chair and Deputy Chair of Lancashire Local-Burnley

The County Council's Spending Priorities for 2010/11 and Beyond

Original recommendation as set out in the report be supported

Yes*/No*

.....
Chair */Deputy Chair * of Lancashire Local-Burnley

Chief Officer

The following action has been agreed under the Urgent Business Procedure and after consultation with the Chair and Deputy Chair of Lancashire Local-Burnley:

The County Council's Spending Priorities for 2010/11 and Beyond

That the recommendations from the Working Group established by Lancashire Local-Burnley on the 16th November, 2009, as set out in the Report, in order to provide an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond, be approved.

Lancashire Local - Chorley

Meeting held on 16th December 2009

Recommendations

1. Services which might be maintained or enhanced

- a) Services for older people (including care in their own homes and in residential homes) – to reflect the fact that Lancashire has an increasing older population.
- b) Children's social care (protecting vulnerable children).
- c) Support for businesses and attracting investment to Lancashire.
- d) Repairing roads and bridges (including emergencies and fixing potholes).

2. Services which might be reduced

- a) Country Parks, open spaces and picnic sites.
- b) Museums (though it should be noted that Chorley does not have a museum of its own).
- c) Adult Education.
- d) Libraries, Crime Prevention, Nursery Education, Welfare Rights.

3. Specific areas where efficiencies might be sought

- a) That potholes be repaired in long lasting quality manner to avoid the need for additional repairs from temporary 'patching'.
- b) Consideration should be given to identifying 'back office' savings in relation to highways and bridges services and reinvesting savings made into front line staff to repair and maintain highways and bridges.

4. General

- a) The Local feel that the Youth and Community Service has become predominantly focussed on the youth aspect of its remit. Whilst this is important it is felt that there should be greater emphasis placed on the Community role of the service. It is suggested that in the future youth

and community centres could have a broader role in relation to intergenerational work and not be primarily focussed on young people.

- b) In setting the 2010/11 budget the Cabinet need to be aware of the cross cutting nature of many services e.g. Welfare Rights which supports many vulnerable groups and impacts across a range of service areas.
- c) The Lancashire Local feel that any future budget consultation should be done more on the basis of a 'blank page' with Borough Councils and Parish and Town Councils being asked for their aspirations regarding future services.

Lancashire Local – Fylde

Meeting held on 24th November

Extract from the minutes:

The County Council's Spending Priorities for 2010/11

Phil Maynard of the County Council's Resources Directorate outlined a report in relation to the County Council's Cabinet, who in considering the Council's medium term financial strategy had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term. The report invited the Lancashire Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

The deadline for the receipt of comments in this first phase of consultation was the 14th December. There would be a subsequent consultation in January when the Lancashire Locals would have the opportunity to consider the Cabinet's specific budget proposals.

The Chair had asked for information on the nursery education budget for Fylde compared to Burnley. This information would be forwarded to the Chair once it was ready.

Members of the Lancashire Local discussed aspects of the report and made the following comments:-

-that it was difficult for the Lancashire Local to suggest cuts if they were not aware of the implications. Phil Maynard explained that proposed cuts and their implications would be submitted to Lancashire Locals in phase 2 of the budget consultation, proposed to be submitted to the Lancashire Local in January, 2010

-that the Lancashire Local could be blamed for suggesting a cut in a service.

-that the County Council's spending priorities were not seen as the responsibility of the Lancashire Locals.

-that efficiency savings of the required amount be achieved from all areas.

-that individual members be encouraged to send in responses.

40. Resolved:- 1) That the views now expressed be passed to the County Council's Cabinet meeting in January, 2010.

2) That members be asked to send in a response to this phase of the budget consultation individually.

3) That a report on the County Council's draft budget be considered by the Lancashire Local at their meeting in January.

Lancashire Local – Hyndburn

Meeting held on 19th November 2009

Extract from the minutes:

The County Council's Spending Priorities for 2010/11 and Beyond

The Chair introduced a report regarding the two stage consultation in relation to the County Council budget for 2010/11 and suggested that members of the Local should individually submit their views to the Cabinet for consideration.

In response to comments regarding the consultation Mr Neville, Secretary to the Lancashire Local, informed the meeting that as part of the consultation process, members of the public on the Living in Lancashire Panel had been asked to identify their four highest and lowest priorities in relation to the services listed in the table on page 3 of the report. Mr Neville informed the meeting that members of the Lancashire Local had a wider remit in that they were being asked to give an indication to the Cabinet of the Local's view with regard to the following.

- Services which might be maintained or enhanced;
- Services which might be reduced or withdrawn;
- Services for which changes might be introduced or increased;
- Specific areas where efficiencies might be sought.

It was further reported that the views of all Lancashire Locals would be forwarded to the County Councils Cabinet for consideration at the meeting on the 7th January 2010 when specific budget proposals would be determined. It was noted that a report on those proposals would be presented to the next meeting of the Lancashire Local with any further comments being submitted to the Cabinet for consideration before the final budget was determined by the Full County Council in February 2010.

32. Resolved:

1. That members of the Lancashire Local submit their comments regarding the 2010/11 budget to the Secretary so that a response can be forwarded to the County Council's Executive Director for Resources, for consideration by the County Council's Cabinet on the 7th January 2010 as part of the process for finalising the County Council's Cabinet's Budget proposals.
2. That a further report on the specific budget proposals agreed by the County Council's Cabinet be presented to the next meeting of the Lancashire Local.

Lancashire Local – Lancaster

Meeting held on 1st December 2009

Extract from the minutes:

The County Council's Spending Priorities for 2010/11 and Beyond

Lancashire Local – Lancaster District were informed that the County Council's Cabinet, in considering the Council's medium term financial strategy, had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term.

A report was presented which invited the Lancashire Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

Details of the levels of service planned to be provided by each of the County Council's Directorates in 2009/10, with the resources allocated in the budget agreed in February, 2009, were presented.

Lancashire Local – Lancaster District was asked to consider the information provided, and give an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond. The Local was informed that any comments would then be considered by the Cabinet in framing their specific budget proposals, which would be consulted on during January, 2010 – Lancashire Local – Lancaster District would be consulted further on those specific budget proposals.

Issues raised by members of the Local during discussion included:-

- Examples of statutory and non-statutory spending and the need to be mindful of statutory spending
- The necessity to continue spending on issues such as health and well being eg drug and alcohol issues and working closely with the City Council on such matters
- Issues were raised regarding spending on the Heysham to M6 Link. It was explained that the vast majority of this funding would be received from the Department for Transport and that any associated County Council spending could be paid for over a long period of time. It was further stated that the road project would add 24,000 tonnes of extra CO2 to our county-wide inventory. Wasting money and trashing the planet at the same time was unforgivable and any budget consultation that did not include “cancel the bypass” is fraudulent.

- Not enough information had been provided in order to prioritise
- It was extremely difficult to prioritise spending as all issues were important
- Issues being raised regarding the Heysham to M6 Link were a distraction
- Information being requested related only to the revenue budget and not capital

30. Resolved:-

Lancashire Local – Lancaster District agreed:-

1. that the comments raised at the Meeting be forwarded to the County Council's Executive Director for Resources, to be considered by the County Council's Cabinet as part of the process for finalising the Cabinet's Budget proposals; and
2. that a further report on the Cabinet's Budget proposals be presented to the Local on the 19th January, 2010.

Lancashire Local – Pendle

Meeting held on 25th November 2009

Extract from the minutes:

The County Council's Spending Priorities for 2010/11 and Beyond

Lancashire Local – Pendle were informed that the County Council's Cabinet, in considering the Council's medium term financial strategy, had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term.

A report was presented which invited the Lancashire Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

Details of the levels of service planned to be provided by each of the County Council's Directorates in 2009/10, with the resources allocated in the budget agreed in February, 2009, were presented.

Lancashire Local - Pendle was asked to consider the information provided, and give an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond. The Local was informed that any comments would then be considered by the Cabinet in framing their specific budget proposals, which would be consulted on during January, 2010 – Lancashire Local - Pendle would be consulted further on those specific budget proposals.

Some members of the Local explained that they would not indicate their preferences for priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years as this was a matter for the controlling group on the County Council to determine.

It was explained that due to the financial restrictions imposed by the Government the County Council must find ways to operate more efficiently and not necessarily cut services.

One member felt that this was a cynical exercise and the time to make comments was when the proposed budget details are available.

Another member explained that he was pleased that the County Council were consulting the Local committees on the proposed budget. He asked whether there would be massive cuts in services as the controlling group must have plans in place.

It was explained that the major drive was for efficiencies, not service cuts however given the scale of reductions required, it was important to get a feeling for priorities

across all services. This was particularly important as the County Council felt that all services on the list were important.

It was also explained that one option may be that charges for services could be increased or that where services were currently provided free of charge then they could in the future be charged for.

It was further explained that this exercise was an early stage of the budget process and figures contained in the report were officer projections only.

A member of the public referred to the refurbishment work currently being carried out on Colne Library and it was explained that monies being used on this work were obtained through lottery funding and therefore could not be used for other projects.

57. Resolved: Lancashire Local - Pendle agreed:-

1. that the comments raised at the Meeting be forwarded to the County Council's Executive Director for Resources, to be considered by the County Council's Cabinet as part of the process for finalising the Cabinet's Budget proposals; and
2. that a further report on the Cabinet's Budget proposals be presented to the Local on the 20th January, 2010.

Lancashire Local – Preston

Meeting held on 29th October 2009

Minutes

The County Council's Spending Priorities for 2010/11 and Beyond

The County Council's Director of Finance reported that the County Council's Cabinet, in considering the Council's medium term financial strategy, had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term.

The Report invited the Lancashire Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

Details of the levels of service planned to be provided by each of the County Council's Directorates in 2009/10, with the resources allocated in the budget agreed in February, 2009, were presented.

Lancashire Local-Preston was asked to consider the information provided, and give an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond. The Local was informed that any comments would then be considered by the Cabinet in framing their specific budget proposals, which would be consulted on during January, 2010 – Lancashire Local-Preston would be consulted further on those specific budget proposals.

A view was offered that potential budget savings should be looked at in terms of 'cross-cutting', rather than by Directorate, as it was felt that there was a big element of 'central costs' which divided over all service areas. It was suggested that 'back office' savings would be vital in order to protect front line services.

In response, the Director of Finance advised Lancashire Local-Preston that efforts had been made to try to break down the information which had been provided in terms of service areas, with the majority of 'back office' costs being detailed on pages 4 and 5 of Appendix 'A'.

A further view was offered that it was not possible to apportion 'costings' to the list of service areas detailed in the Report from the information provided at Appendix 'A' – the Director of Finance advised that the information provided was based upon questions asked of the Living in Lancashire Panel, but undertook to attempt to provide that further information.

A further view was offered that Lancashire Local-Preston did not have objectives, or a strategy, and, in those circumstances, it would be difficult for the Local to highlight

its highest and lowest priorities – it was felt that further information was needed on the potential implications of a percentage cut in any of the service areas highlighted. It was felt that this was a well-meaning consultation, but that the Local should await further information from the County Council's Cabinet once Cabinet had decided on its specific budget proposals.

In response, the Director of Finance advised Lancashire Local-Preston that it was important to distinguish between the two stages of consultation outlined in the Report – at this stage the County Council's Cabinet needed to know the Local's views on the 'areas' to be considered as highest or lowest priorities and, from that information, detailed proposals would emerge, when Officers would then do their utmost to break the proposals down to a Preston level.

Lancashire Local-Preston expressed a general view that the focus should remain, as in previous years, on delivering and maintaining high quality and efficient front-line services – a view was put forward that there was some duplication between the delivery of County and City Council services, for example, Welfare Rights Advice, where potential savings might be able to be made, although it was pointed out that work was currently ongoing in this area, and efficiency savings would be made through Multi Area Agreements. It was important to seek ways to avoid duplication, as the County Council was facing serious financial pressures, as were many District Councils also.

A suggestion was made that it might be useful to have further information in relation to the impact of a freeze on staff salaries, in particular, at a senior level, and also further information in relation to County Councillor costs and expenses.

A further suggestion was made that it might be of assistance to be provided with a list of the functions carried out by the County Council in line with its Statutory Duties; together with a list of additional functions carried out.

One Member of the Local expressed a personal view that he was most concerned about vulnerable children and vulnerable adults and, in his view, those areas should be afforded a higher priority than pot-hole repairs.

The Leader of the County Council stressed to Lancashire Local-Preston that this had been an opportunity for the Local to indicate to Cabinet what the Local wished to prioritise in Preston, not how much it wished to spend on a particular service, or what the consequences of that prioritisation would be – there would always be consequences to any difficult decisions which would have to be taken. He advised that 'back-office' savings alone would not result in the necessary savings of £79 million.

The Local agreed, however, that the comments raised at the Meeting be forwarded to the Executive Director for Resources, to be considered by the Cabinet as part of the process for finalising the Cabinet's Budget proposals.

44. Resolved: Lancashire Local-Preston agreed:-

- a) that the comments raised at the Meeting be forwarded to the County Council's Executive Director for Resources, to be considered by the County Council's Cabinet as part of the process for finalising the County Council's Cabinet's Budget proposals; and
- b) that a further Report on the County Council's Cabinet's specific Budget proposals be presented to the Local on the 27th January, 2010.

**I M Fisher
County Secretary and Solicitor
Lancashire County Council**

County Hall

Lancashire Local – Ribble Valley

Meeting held on 2nd December 2009

Extract from the minutes:

The County Council's Spending Priorities for 2010/11 and Beyond

Mr Ainscough, Head of Combined Finance, from the County Council presented a report in relation to the two stage consultation on the County Council budget for 2010/11.

It was reported that while financial forecasts beyond 2010/11 were difficult because of a lack of firm information about the level of central government support for local authorities together with the current economic uncertainty, indications were that a range of savings of between £79m and £142m may be required over the four years to 2013/14. Mr Ainscough informed the meeting that such savings represented between 11% and 30% of the County Councils budget, excluding schools funding which was ring fenced. He added that whilst the County Council would continue to pursue identifying efficiencies across all services it was unlikely that the savings required would be achieved solely from such efficiencies.

With regard to the consultation process Mr Ainscough reported that the Local were being asked to provide an indication to the Cabinet of those areas where

- Services which might be maintained or enhanced;
- Services which might be reduced or withdrawn;
- Services for which charges might be introduced or increased;
- Specific areas where efficiencies might be sought.

It was further reported that the views of all Lancashire Locals would be forwarded to the County Councils Cabinet for consideration at the meeting on the 7th January 2010 when specific budget proposals would be determined. A report on those proposals would then be presented to the next meeting of the Lancashire Local with any further comments being submitted to the Cabinet for further consideration before the final budget was determined by the Full County Council in February 2010.

In response to a query from the Chair Mr Ainscough confirmed that the anticipated 5.13% increase in Government grant settlement for 2010/11 had recently been confirmed, though he added that the settlement had been included into the budget projections which indicated the need to secure savings of between £79m and £142m over the next four years.

In considering the report several members of the Local expressed their concern regarding the process and were reluctant to identify any area where services could be reduced or withdrawn. As a result there was general agreement that the Local would focus attention on identifying those areas which were considered to be high priorities in terms of Ribble Valley.

40. Resolved:

1. That the County Council's Executive Director for Resources be informed that the following areas are considered by the Lancashire Local Ribble Valley to be priorities in relation to the 2010/11 budget.
 - a) Services for older people
 - b) Children's social care
 - c) Services for children with special educational needs
 - d) Repairs to roads and bridges
 - e) Services involving vulnerable adults and children
 - f) Waste management (household waste disposal and recycling)
2. That the above priorities are included in a report to the County Council's Cabinet on the 7th January 2010 as part of the process for finalising the County Council's Cabinet budget proposals.
3. That a further report in relation to the specific budget proposals agreed by the County Council's Cabinet be presented to the next meeting of the Lancashire Local.

Lancashire Local – Rossendale

Meeting held on 7th December 2009

Extract from the minutes:

The County Council's Spending Priorities for 2010/11

Gill Kilpatrick of the County Council's Resources Directorate outlined a report in relation to the County Council's Cabinet, who in considering the Council's medium term financial strategy had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term. The report invited the Lancashire Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

The deadline for the receipt of comments in this first phase of consultation was the 14th December. There would be a subsequent consultation in January when the Lancashire Locals would have the opportunity to consider the Cabinet's specific budget proposals.

Members of the Lancashire Local discussed aspects of the report and made the following comments:-

- Lancashire Local - Rossendale had been asked to perform a very difficult task, in that it would be difficult in the economic situation of the country, to provide any indication of the highest and lowest priority areas for spending, but to ensure Winter maintenance in Rossendale was a priority
- That the Cabinet had identified a requirement to deliver significant savings over the next four years, and in order to achieve the savings the County Council would need to consider its spending priorities.
- That to state which four services should be the highest and lowest priorities from a list of all the County Council's services was very difficult as they perceived all of them to be first class, essential and in need of maintaining. Any savings would have to be made from back office staff, efficiency savings, greater use of IT for communications and Video conferencing.
- That it would be useful for the County Council and the Borough Council to look at ways in which they could share tasks and achieve savings through the delivery of services in a different way. Jerry Smith the County Council's District Partnership Officer indicated that he would be happy to pursue the preparation of a Locality Plan at the request of the Borough Council.
- There was a majority view that there should be a zero rate increase in the County Council's Council Tax for 2010/11.

- Should any member on the Lancashire Local wish to respond individually to the consultation, comments be forwarded to the District Partnership Officer no later than 14th December 2009, and these would be forwarded to the Executive Director for Resources at the County Council
- That a further Report on the County Council's Cabinet specific Budget proposals be presented to the January meeting of the Lancashire Local.

46. Resolved:- 1) That the views now expressed be passed to the County Council's Cabinet meeting in January, 2010.

2) That members be asked to send in a response to this phase of the budget consultation individually if they so wish.

3) That a report on the County Council's draft budget be considered by the Lancashire Local at their meeting in January.

Lancashire Local – South Ribble

Meeting held on 19th November 2009

Response:

Lancashire Local South Ribble

a) Which three or four of the following services should be the highest priorities for spending in 2010/11? PLEASE TICK UP TO FOUR BOXES

b) And which three or four of these services should be the lowest priorities for spending in 2010/11? PLEASE TICK UP TO FOUR BOXES

	a) Highest spending priorities	b) Lowest spending priorities
Nursery education		2
Primary and secondary education	1	
Pupils who are socially disadvantaged and children with special educational needs	3	
Children's social care (protecting vulnerable children)	1	
Libraries		1
Museums		2
Adult education		1
Services for adults with disabilities	1	
Services for older people (including care in their own homes and in residential homes)	5	
Repairing roads and bridges (including emergencies and fixing potholes)	6	
Traffic management (making road travel safer and reducing congestion)	1	
Keeping local bus services running	2	1
Waste management (household waste disposal and recycling)		
Country parks, open spaces and picnic sites		4
Support for businesses and attracting investment to Lancashire	1	
Crime prevention (working with partner organisations to help prevent crime and disorder and reduce the fear of crime)	2	
Trading standards (consumer protection)		1
Welfare rights (helping people get the financial support they are entitled to)		1
Youth and community services (activities and support for young people)	3	
None of these		
Don't know		

Lancashire Local – West Lancashire

Meeting held on 18th November 2009

Extract from the minutes:

The County Council's Spending Priorities for 2010/11

Phil Halsall, the County Council's Executive Director of Resources outlined a report in relation to the County Council's Cabinet, who in considering the Council's medium term financial strategy had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term. The report invited the Lancashire Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

The deadline for the receipt of comments in this first phase of consultation was the 14th December. There would be a subsequent consultation in January when the Lancashire Locals would have the opportunity to consider the Cabinet's specific budget proposals.

Members of the Lancashire Local discussed aspects of the report and made the following comments:-

- that to state which services should be the highest and lowest priorities from a list of County Council's services was very difficult as they perceived all of them to be first class, essential and in need of maintaining. Any savings would have to be made from back office staff or efficiency savings.
- that it would be useful for the County Council and the Borough Council to look at ways in which they could share tasks and achieve savings through the delivery of services in a different way. Tracey Jardine, the County Council's District Partnership Officer indicated that she would be happy to pursue the preparation of a Locality Plan at the request of the Borough Council.
- there was a majority view that there should be a zero rate increase in the County Council's Council Tax for 2010/11.
- there was a minority view that there should be an increase in council tax in line with inflation.
- there was a wish for the Lancashire Local to consider the County Council's Cabinet's draft Budget for 2010/11 at their meeting in January.

29 Resolved:- That the views now expressed be passed to the County Council's Cabinet meeting in January, 2010 and a report on the County Council's draft budget be considered by the Lancashire Local at their meeting in January.

Lancashire Local – Wyre

Meeting held on 2nd December 2009

Response:

The County Council's Spending Priorities for 2010/11 and Beyond

Lancashire Local – Wyre were informed that the County Council's Cabinet, in considering the Council's medium term financial strategy, had identified a requirement to deliver significant savings over the next four years. To achieve savings on the scale indicated required the Council to look in detail at its spending priorities for the Medium Term.

A report was presented which invited the Lancashire Local to advise the Cabinet on priorities for maintaining services and spending and areas to consider for savings in 2010/11 and future years.

Details of the levels of service planned to be provided by each of the County Council's Directorates in 2009/10, with the resources allocated in the budget agreed in February, 2009, were presented.

Lancashire Local – Wyre was asked to consider the information provided, and give an indication for the County Council's Cabinet of those areas where the Local would like to see services maintained, and those where they would like to see savings made, for 2010/11 and beyond. The Local was informed that any comments would then be considered by the Cabinet in framing their specific budget proposals, which would be consulted on during January, 2010 – Lancashire Local – Wyre would be consulted further on those specific budget proposals.

It was reported that Wyre Borough Council's Budget Task Group had recently submitted the views of the Borough Council direct.

A suggestion was made that consideration be given to either merge complimentary services and/or look at which services were already being delivered by a range of partners and seek to identify better ways of working to avoid duplication.

29. Resolved:- 1. Lancashire Local – Wyre agreed that individual members let the District Partnership Officer have details of their priorities before the 9th December 2009 and that they be forwarded to the Executive Director for Resources in order for them to be considered by the County Council's Cabinet as part of the process for finalising the Cabinet's Budget proposals; and

2. that a further report on the Cabinet's Budget proposals be presented to the Local on the 27th January, 2010.

a) Which three or four of the following services should be the highest priorities for spending in 2010/11? PLEASE TICK UP TO FOUR BOXES

b) And which three or four of these services should be the lowest priorities for spending in 2010/11? PLEASE TICK UP TO FOUR BOXES

	a) Highest spending priorities	b) Lowest spending priorities
Nursery education		X
Primary and secondary education	X x x x	
Pupils who are socially disadvantaged and children with special educational needs	X x	
Children's social care (protecting vulnerable children)	X x x	
Libraries		X x x x x x x x
Museums		X x x x x x x x x
Adult education		X x
Services for adults with disabilities		
Services for older people (including care in their own homes and in residential homes)	X x x x x x x x x x	
Repairing roads and bridges (including emergencies and fixing potholes)	X x x x	
Traffic management (making road travel safer and reducing congestion)	x	
Keeping local bus services running	X x x	
Waste management (household waste disposal and recycling)	x	
Country parks, open spaces and picnic sites		X x x x x x x x x
Support for businesses and attracting investment to Lancashire	x	X x x
Crime prevention (working with partner organisations to help prevent crime and disorder and reduce the fear of crime)	X x x x x x	
Trading standards (consumer protection)		X x x
Welfare rights (helping people get the financial support they are entitled to)		X x x
Youth and community services (activities and support for young people)	X x	
None of these		
Don't know		

Responses from Lancashire Locals received by 14th December will be reported to the County Council's Cabinet on 7th January 2010. The Secretary to the Lancashire Local can provide details of where to address responses to members who wish to respond individually.