

CCC BUDGET AMENDMENT 2017-18

POLITICAL PARTY/PARTIES	Labour
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TOTAL ADULT SOCIAL CARE PRECEPT INCREASE	+3%
TOTAL GENERAL COUNCIL TAX INCREASE	+1.99%

TOTAL ADDITIONAL INVESTMENT	£7,507,000
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CHANGES TO FUNDING: (compared to S151 Officer proposed budget)		
ASC PRECEPT	+£2,577,000	
GENERAL COUNCIL TAX	+£5,115,000	
MRP FUNDING		
RESERVES*	-£245,000	
OTHER	+£60,000	
TOTAL CHANGES TO FUNDING		+£7,507,000

*This is a contribution to the general reserve.

Cambridgeshire County Council Labour Group Alternative Budget 2017-18

Overview

Cambridgeshire County Council has now faced seven years of relentless austerity. All Revenue Support Grant provided by national government – once the main source of funding for all councils – for the County Council will no longer exist by the financial year 2019-20. In 2010-11, the County Council's Revenue Support Grant was £111m per year. In 2014-15, it was £72m per year. By 2019-20, it will not exist.

Over the same period, Cambridgeshire County Council has experienced a growth in the number of adults and children in need of social care – yet all the government has done is cut the grant given to the County Council to meet that need. Due to a combination of the reduction in Revenue Support Grant, inflation, and growing demographic need, Cambridgeshire County Council slashed £225m a year between 2011/12 and 2016/17.

In social care, this meant cuts for all age groups worth £175m a year – with a further £26m a year added in 2016/17. More than two-thirds of the £26m savings were assessed by officers as having the highest level of risk in their impact on adults and children in need. In 2017-18, cuts worth £29m a year are required with £20.5m coming from Children Families and Adults Services – rising to £99m by 2021-22. Meanwhile, the Better Care Fund simply recycles existing funds and provides no new financial support for care services.

These devastating should not be dressed in Orwellian double-speak as 'transforming lives', 'service improvements', and 'building community resilience'. Let nobody make any mistake: these are immoral and unfair cuts impacting savagely upon the most disadvantaged and vulnerable in society. At the same time, councillors must stand up for Cambridgeshire by demanding proper funding for a civilised level of public services.

We regret that the government is essentially forcing councils to raise council tax in order to remain fiscally solvent. Raising council tax should always be a last resort but the government has left councils without any choice. The costs of failing to deliver proper services now will generate far bigger costs in the future. District councils also have the power to provide discretionary welfare support for those struggling to pay council tax. Labour-run Cambridge City Council provides such support and Tory district councils across Cambridgeshire should follow suit. The government also needs urgently to re-band council tax thresholds, since council tax rates now reflect property values poorly.

However, in the end, raising council tax is a more progressive measure than denying vital help to the neediest and most vulnerable. These services should be provided by government grant. But until the government wakes up to its responsibilities, Cambridgeshire County Council must step up to the plate.

As well as investing in public services, another way to reduce poverty and inequality is to grow the county's economy fairly and sustainably. But congestion and poor bus

services in our urban centres are holding our economy back. The City Deal and devolution agenda aim to reduce congestion and pollution but the County Council could do much more to make its contribution by making bus travel more affordable and incentivising public transport.

Cambridgeshire Labour's budget amendment is designed to use what little power the County Council has to raise revenue in order to save crucial services and grow the economy fairly and sustainably. The government may be trying to reduce whatever revenue sources the County Council might have but we are determined to fight them with a responsible series of budget proposals funded from a combination of council tax and revenue-raising investments.

This budget amendment aims to protect vital frontline services for the neediest and most vulnerable in our county. It also aims towards financial prudence. We propose to establish a substantial commercial property investment fund on similar principles as the commercial property strategy currently being pursued by Labour-controlled Cambridge City Council. This will allow the County Council to use commercial rents in order to fund services independently either of council tax or national government funding. We also propose to increase the County Council's reserves from their current dangerously low levels so that the County Council is prepared for the unexpected and can invest more into services, such as its looked-after children, as and when it is required.

Spending

A1. The £8.25 pay rate set by the Living Wage Foundation instead of £7.20 for all direct County Council employees: £562k recurring

We propose to pay all County Council employees a proper living wage of £8.25 per hour instead of George Osborne's phoney 'living wage'. The proper living wage is set by the Living Wage Foundation in accordance with the Centre for Research in Social Policy at Loughborough University as the amount needed in order to pay for life's essentials. By paying public-sector workers a decent wage, the County Council will act as a positive role model for the private sector. A living wage would also contribute to kick-starting economic recovery by putting money in people's pockets and reducing the cost of living. In order to include agency-contracted workers, we will push to reform the County Council's agency policy so that only employers accredited by the Living Wage Foundation win contracts.

A2. Five new apprenticeship posts for the County Council: £102k recurring

We propose to create five new apprenticeship posts across all the County Council's service directorates in order to mitigate the impact of staffing cuts at the County Council and to create much-needed opportunity for young people in Cambridgeshire. These employees would be paid the proper living wage. Again, the County Council would be contributing to economic recovery and acting as a model employer for the private sector.

A3. An emergency urban roads and pavements repair fund: £10m over four years

Over the next four financial years, we plan to plough an extra £10m into repairing roads and pavements in our urban centres. Roads and pavements in Cambridgeshire's towns and cities are a disgrace. In the busiest parts of the county, tripping hazards present a constant danger to the elderly and some streets are virtually inaccessible for wheelchairs and the disabled. Cyclists are at risk on roads and dual-use pavements. While hundreds of millions of pounds would be needed to reverse the county's backlog of repairs on roads and pavements, this fund is designed to provide an emergency measure for the most dangerous hazards.

A4. Restore Cambridge city centre shuttle bus service: £300k recurring

Together with the Labour Group on Cambridge City Council, we continue to regret the abolition of the city centre shuttle bus service by the Conservative administration several years ago. The service operated in an area not served by the commercial transport network and helped reduce congestion in Cambridge city centre. It also improved accessibility especially for the elderly and disabled.

A5. Reverse £1 Park and Ride charge: £1.2m recurring

The Park and Ride charge was imposed in the dying days of the minority Conservative administration despite howls of protest from the residents of Cambridge and the Labour Group. Implementation of the charge was a complete fiasco. Usage of the sites has plummeted. It has never raised the predicted levels of revenue. This has generated extra parking problems for nearby residents and worse congestion and pollution in the city centre. It is time those who supported the Park and Ride charge owned up and reversed their position. This budget line may come down by half in the event that the City Deal agrees to fund the other half of the cost of removing the charge.

A6. Fund streetlights on residential roads in Cambridge to 80% not 60% between 10pm and 2am: £10k recurring

Although the County Council rightly reversed its decision to switch off the streetlights at night at a recent full council meeting, many streetlights remain too dim. In a busy urban centre like Cambridge, it remains too dark between the hours of 10pm and 2am for young people, students, women, and other vulnerable groups.

A7. Remove the cut of £325k in spending on new library stock in B/R.6.209: £325k recurring

This is a decision only a total philistine would support. It is as good (or as bad) as closing libraries. Libraries are not simply the foundation of a civilised society. They provide vital recreational and employment opportunities for everyone – rich or poor.

A8. Reverse the cut to the Cambridgeshire Local Assistance Scheme in A/R.6.160: £163k recurring

The County Council nearly abolished the Local Assistance Scheme altogether before a motion from the Labour Group at full council rescued it. This is a last-resort, emergency crisis welfare fund for the neediest and most vulnerable victims of almost unimaginable circumstances. We opposed the remodelling of the service and, in the context of huge cuts, we believe the contingency is necessary and more should be done to advertise the fund.

A9. Reverse the cut to voluntary sector contracts for mental health services in A/R.6.167: £130k recurring

The voluntary sector is under too much pressure at present in delivering mental health support and the renegotiation of contracts risks resulting in deleterious outcomes for services which should be provided by local authorities.

A10. A £29m commercial property investment fund: £29m over five years

Over the coming four years, we propose to establish a commercial property investment fund and plough £29m into it. This fund would invest in commercial property primarily within Cambridgeshire but also within other opportunity areas in order to generate revenue from commercial rents which can be reinvested to deliver services. It would also be used to invest to increase revenues on County Council assets like the publicly-owned county farms estate. Each investment would produce a return of at least 6% per year. In the event that commercial opportunities exceed the budget allocated for the investment fund, the County Council might use prudential borrowing powers in order to purchase property and produce a further investment. This policy is currently being pursued by Labour-run Nottingham City Council.

A11. Invest £6.5m for adults with learning disabilities in A/R.6.114: £6.5m over four years

The County Council is proposing to cut funding for adults with learning disabilities by £8.036m over the next four financial years with the ostensible aim of 'increasing independence and resilience'. This cut would deny independence to those with learning disabilities and removal of services undermines their resilience. We believe this cut goes far too deep and will be counterproductive. The cut will be unachievable without hitting frontline services for adults with learning disabilities. We aim to mitigate the cut to more manageable levels with a savings target of £1.536m.

A12. Reverse the £2.191m cut for people with physical disabilities and autism in A/R.6.111: £2.191m over four years

The County Council's budget paper claim this cut will support people with physical disabilities and autism 'to live more independently' by slashing investment in their personal budgets. It is obvious to any sensible person that this will simply hit the most vulnerable the hardest.

A13. Reverse the cut for looked-after children by inflation savings in A/6.6.213 (savings of £418k by 2019-20) and add further investment (£1.5m) in the look-after children's budget: £1.918m over five years

This cut relies on the unachievable aim of the County Council to reduce the number of children in care to 453 by 2020/21. We propose to reverse this cut and reallocate the funding within the look-after children's budget in anticipation of a likely failure to achieve this aim. We would also add a further £300k per year into the look-after children budget in light of the difficulties faced by the County Council to reduce the number of look-after children. The Department for Education's own research into children's services concluded: 'In the future, the local councils face risks such as the growing need among some groups in the population, for example child sexual exploitation and mental health, which are particularly uncertain and have implications for future spending. The capacity to forecast and prepare for these risks is very limited.' We propose, therefore, to improve Cambridgeshire County Council's capacity.

Revenue receivable

B1. Raise council tax to the full maximum amount allowed by the government without triggering a referendum

We propose to accept the freedom allowed to primary-tier authorities by the Conservative government to raise council tax by 1.99% over the coming three years and to raise the adult social care precept at 3% over the coming two financial years. The government has indicated that the adult social precept can only be raised by 6% in total over the coming three financial years. The limits on council tax increases is not clear beyond 2019-20 and the County Council's Medium Term Financial Strategy (MTFS) prudently assumes that the County Council will not be able to raise council at all in 2020-21. This budget amendment concurs with the caution of the MTFS and the Labour Group will reassess the situation as 2020-21 approaches.

B2 (A10): Return from the £29m commercial property investment fund

The £29m commercial property investment fund would produce a return of at least 6% on each investment.

FINANCIAL IMPACT

*The figures below are the **differences** to the S151 Officer proposed budget and are in absolute figures.*

Increases in expenditure and corresponding increases in funding are shown as positive figures.

Expenditure

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000
A1 – Pay Living Wage Foundation rate for all direct CCC employees	562	562	562	562	562
A2 – Five new apprenticeship posts	102	102	102	102	102
A3 – Emergency urban roads and pavements repair fund	500	4,500	2,000	3,000	3,000
A4 – Restore Cambridge city centre shuttle bus service	300	300	300	300	300
A5 – Reverse £1 Park & Ride charge	1,200	1,200	1,200	1,200	1,200
A6 – Fund streetlights on residential roads in Cambridge to 80% not 60% between 10pm and 2am	10	10	10	10	10
A7 – Remove the cut in spending on new library stock	325	325	325	325	325
A8 – Reverse the cut to the Cambridgeshire Local Assistance Scheme	163	163	163	163	163
A9 – Reverse the cut to voluntary sector contracts for mental health services	130	130	130	130	130
A10 – A £29m commercial property investment fund	1,000	5,500	8,000	6,500	8,000
A11 – Invest £6.5m for Adults with learning disabilities	2,000	1,500	1,500	1,500	-

A12 – Reverse the cut for people with physical disabilities and autism	791	1,231	1,736	2,191	2,191
A13 – Reverse the cut for looked-after children by inflation savings and add further investment in the looked-after children budget	424	534	630	718	718
TOTAL*	7,507	16,057	16,658	16,701	16,701

Funding

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000
B1 - Raise ASC precept increase from 2% to 3%	2,577	5,347	5,449	5,449	5,449
B1 - Raise General Council Tax increase from 0% to 1.99%	5,115	10,695	10,898	10,898	10,898
B2 - Return from the £29m commercial property investment fund	60	330	480	390	480
Contribution to the General Reserve**	-245	-315	-169	-36	-126
TOTAL*	7,507	16,057	16,658	16,701	16,701

*Totals must be equal as all budget amendments must balance.

**This is a contribution to the general reserve.