



inbrief



Essential County Council briefing information

Devon County Council

We're a 4-star Council not miracle workers!



It's funding Jim, but not as we know it...

We're launching an appeal against the Government's proposed funding settlement which leaves Devon facing a £15 million black hole for vital County Council services such as care for the elderly, the disabled, children in need, roads, public transport, libraries and street lighting.

We're preparing our case and we've been offered a meeting on **Tuesday, January 10** with Jim Fitzpatrick, the Parliamentary Under-Secretary of State at the Office of the Deputy Prime Minister. We're hoping that we can hold the meeting via a video link between County Hall and Whitehall.

Do we think we've got a strong case? Definitely!

Our cash is going somewhere, but not here – again!

Remember 2003/4 when the Government moved millions of pounds of Devon's grant to help councils in the North of England? Well, it looks like it's happening again! The Government's proposed settlement for Devon indicates the county may be set to lose an estimated £6.4 million so that grant can be redistributed to other councils. A grant of £6.4 million means a lot to Devon – it's the equivalent of 2.5% on Council Tax.

Inflation busters

The Government has frozen the overall funding for roads maintenance, but did you know that last year the cost of road maintenance rose by 7.5% and forecasts suggest it could rocket by 14% next year? It's because of rising oil prices plus increased costs in steel and aggregates. Rising energy bills means that the cost of providing over 71,000 street lights across Devon is up by 12%. Devon has the biggest single road network in the entire country and we look after nearly 8,000 miles of it.

And the Government's Landfill Tax on the County Council is set to rise by 16.4% to over £5 million in 2006/7. That's how much the Council has to pay for all the household waste that isn't recycled. It's worth remembering that Devon is one of the top recycling counties in the country and has achieved a record recycling rate of 33% - well in excess of the Government's target—and up a massive 6% on last year.

news service:

County Hall
Topsham Road
Exeter
EX2 4QD

Telephone:
(01392) 383262

Fax:
(01392) 382301

E-mail:
media@devon.gov.uk

fact file (2005/06):

Devon County Council is the largest local authority in the South West.

- Budget £669 million
- Population: 715,000
- County Councillors: 62
- Next County Council election: May 7, 2009
- Schools: 368
- Pupils: over 96,250
- Roads: 12,800km (7,954 miles)
- Adults helped to live at home: over 13,500
- Residential Care: over 4,500 adults
- Children looked after: over 600
- Libraries: 67 (11 mobiles)
- Streetlights: 71,087
- Illuminated road signs: 10,837

Council Tax Myths

1) Devon County Council is a high spending council.

Wrong. The County Council is a comparatively low spending council and our Council Tax bills are about middling for English counties.

2) Council Tax is high to pay for the "bureaucrats" at County Hall.

Wrong. The County Council has comparatively low admin costs. For every one member of staff at County Hall, there are 15 working in local communities. All of our County Hall staff are either working in front line services to the public or providing vital support to keep them running.

3) Council Tax is high to pay for more Council staff.

Wrong. Our schools staff, who are appointed by individual governing bodies, have increased, but all will be paid for by Government grant. The number of non-schools staff has actually gone down this year.

4) Council Tax is increasing to pay for Council pensions.

Wrong. The average Council pension is £75 a week. Contributions to the pension fund comfortably exceed current payments.

5) Council Tax is high to pay Councillors' allowances and pensions.

Wrong. Councillors' allowances, which are taxed and from which they have to pay their running costs, are among the lowest in the region. The change in allowances, proposed by an independent panel, was met entirely from the Council's annual efficiency savings and has had NO effect on Council Tax. It's the third year in a row that the County Council has not implemented in full increases proposed by the independent panel. Councillors rejected proposals for pensions.

Investing in care

Do we want to be a caring society and are we prepared to pay for it? This year major councils across the country, including Devon, will spend £1 billion more on care services than the Government has allowed for. All of that money has to be raised from Council Tax. Here in Devon, 21% of the population is aged 65 and over compared to 16% nationally and the number is rising. BY 2011 the number of residents aged over 80 will have risen by 20%; and thanks to advances in medical science children with disabilities are now living into adulthood. They and their families will need our enduring support and funding.

Can our grant for schools help?

The Government is proposing a 6.5% increase in grant for our schools which is very welcome and much needed, but it is completely ring-fenced for them and cannot be used for any other purpose. Separating the schools grant exposes just how badly under-funded other vital public services such as care for the elderly and disabled, and roads maintenance are.

From the archives...

Remember these...?

"There are a number of external pressures on councils to increase spending, and therefore, council taxes. These include pressure from central Government to spend more to meet Government priorities."

"We found a clear association between the size of grant increase a council received and their increase in Council Tax."

"We found the causes of increased spending by councils included additional demand pressures, including, for example, the need to provide social services to increasing numbers of elderly people."

Who said it? The Audit Commission...in 2004.

Cinderella Devon

The amount of grant we receive from the Government is absolutely crucial to keeping Council Tax bills down – but Whitehall is proposing our grant rise for 2006/7 is just 2.5 per cent – well below real terms inflation. It's less than the average increase for:

- All District Councils at 4.8%
- English Councils at 3%
- All Counties at 2.9%

If we received just the average grant for similar County Councils it would provide around an extra £36 million to support public services—equivalent to about a 14% cut in the average Council Tax bill.

Did you know?

The system for distributing Government grant is still heavily influenced by house prices instead of ability to pay. The system helps areas with high unemployment, but not areas with chronic low pay such as Devon where we have the third lowest average incomes in the country and average house prices are nearly ten times average earnings. This is the biggest single reason why people in Devon pay disproportionately more from their incomes on Council Tax than other parts of the country.

- Devon will get £50 LESS Government grant per person than the average for English counties in 2006/7.

We're good at what we do

It's just as well we're one of the nation's top performing councils, you have to be excellent to deal with financial challenges on this scale. It's worth remembering that we're rated highly by the independent Audit Commission for our prudent use of resources and value for money. We've kept Devon's budget in the black for a record 14 years in a row. In the last three years we've saved nearly £17 million through increased efficiency and reducing overheads, but there's a limit to what even we can achieve.