

County Councillor's Notes – December 2006

It's that time of year again when the County Council is setting its budget for the next 12 months. We have all been aware that this would not be an easy thing to do this time. The Government Minister, Phil Woolas, has said that Local Councils will be compensated for inflation to the tune of 2.4% increased Grant but that their own Council Tax increases will be capped if they exceed 5%. This Grant is a payment from Whitehall which forms nearly 70% of our income.

This "compensation" is not what it seems. The Government uses a measure called the Consumer Price Index (CPI) as its measure of inflation. This device leaves out big-bill items in family expenditure like mortgage payments and council tax. The much more reliable Retail Price Index (RPI) is made up from what families really spend and shows a 3.7% rate of inflation. The RPI is the "gold standard" for tracking the cost of living. Indeed the RPI used to be called the Cost of Living Index. It does leave out some groups in the community, for example, the very rich and people with no children under 18 – and that includes pensioners. A family with a student at university faces inflation of 5.2%. For the record, pensioners have seen their living costs rise by 8.9% this year.

The County Council has seen inflation in its services average 4.8% but for Social Services the rate is 5.4%. We provide care services to people whose need is "Substantial" and "Critical" and the number of them is increasing. We know who they are and quite accurately when they are likely to flow on to our books. With people living longer in Cambridgeshire than most other areas of the country, the demand on our social care budget is firmly upwards. With the Government choosing to pay our Grant determined from a frankly dishonest measure; a council tax ceiling which they impose; and rising demand for some of our most expensive services, anyone can work out that something has to give.

A rise in Council Tax of the full 5% will still mean a slimming-down of some services. And there is something else:

The Primary Care Trust, which pays doctor's and hospital bills, is now county-wide (with the exception of Peterborough). It was formerly three PCTs but the new set-up has taken on the debts of the old one. They have a disarmingly-named "Turnaround Plan" in place looking for massive savings in patient care. Unfortunately they are seeking to partly offset their liabilities by not paying their bills. One of them is to the County Council. At the time of writing (December 10th.) they still owed us £1.4 million and showed no sign of paying it though it was due in August. The County Council provides care in "partnership" with the PCT and this is why we're short of the money. In private-sector business, a firm like the PCT would have been sued for bankruptcy long ago.

We, as a County Council, must balance our books and until the PCT pays up we have had to suspend road maintenance (except for emergencies), cut the Book Fund to our libraries and reduce some Social Services to needy folk. We looked at other ways of covering the shortfall like hoping for a mild winter and cutting the road-gritting reserves.

Hinchingbrooke

As Conservative Lead Member on the Health Scrutiny Committee, I have been working with Hinchingbrooke as they grapple with overwhelming and mounting debts. There seems little doubt that services will be slimmed-down with Maternity and Accident being the front-line casualties. This is so deeply sad as there are 165,000 people who depend on Hinchingbrooke for care and all the hard-working Staff who spend their working lives providing it. Many of

you will realise that Huntingdon's hospital is not alone in facing a cut-back in health services. Across the UK there are nearly 100 similar stories. The Government is overspent on the NHS by at least £800 million and is forced to cut expenditure if this runaway-train is to be stopped. They present the cuts as reforms and "reconfiguration" claiming that health care will be improved. If this is true I'll accept that the Earth is flat.

Lifting the lid on the Government's "Green Agenda"

New taxes on petrol, diesel and flying are presented as worthy ways to find more money for schools and reduce pollution. Congestion-charging and new tolls on main roads hit those families who are least well-off most. These measures are designed to stop people doing what they want, otherwise there'd be no point in them. If the UK disappeared for ever, world carbon emissions would fall by just 2%. The Government is looking for new ways to raise money because it's run out – I just hope they don't start to tax fresh food. It's a tempting prospect but will hit the poor hardest. Remember you read it here first.

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