

# Rutland's Budget Consultation 2022/23

Here you can find more information about Rutland County Council's draft budget for 2022/23.

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Please see below for answers to some of the most frequently asked questions about our budget and Council Tax.

## **General questions**

### **1. Why does the Council have to set a budget?**

We have a statutory requirement to set a budget each year and to set the level of Council Tax. These decisions determine how much we can spend on frontline services for residents and businesses. The budget is based on the money we receive from direct Government funding and through Council Tax. We also apply for grants, if they are available.

### **2. Does the Council set the budget and Council Tax levels for the Police and Fire Service?**

No, we only set the precept and Council Tax level for the services that we provide. Parish and town councils set their own individual precepts.

The Police and Crime Commissioner for Leicestershire and Rutland is responsible for local policing and raises Council Tax for that reason. You can find details about the police budget by searching for 'Precept' on the Police and Crime Commissioner website: [www.leics.pcc.police.uk](http://www.leics.pcc.police.uk).

The Leicestershire and Rutland Combined Fire Authority sets Council Tax for the fire service. You can find details about their budget by visiting the Leicestershire Fire and Rescue Service website and searching for 'Budget' ([leics-fire.gov.uk](http://leics-fire.gov.uk)).

We are required by law to collect Council Tax on behalf of the Police, Fire and Rescue Service, and parish/town councils. We do not set their Council Tax rates.

### **3. Where does my Council Tax go?**

A lot of people ask this because they don't realise the large number of services that we, as a Council, have to deliver. We don't just collect bins and fix roads. We also have duties, as a Unitary Council, which District Councils like Melton or Corby don't have. You can see full details of our services on our budget diagram, which shows where we spend our money and what you get for it.

### **4. Why should I pay for services I don't use, like Adult Social Care?**

Council Tax is made up of a general charge, that covers all services – not just the ones people use directly, and a specific charge called the Adult Social Care (ASC) precept. The ASC precept is only spent on adult social care services that help people in later life, as well as with those who need extra support due to illness, disability or hardship.

We all benefit from council services, even though we might not realise it. For example:

- If you eat at a local restaurant, it will have been given a license by the Council and inspected to make sure the food is safe
- We maintain the roads and pavements that we all use every day  
When you or your neighbour wants to extend their house, we make sure they have the right planning permissions
- When a child on your street is living in unsafe conditions, we can take them into care to protect them
- If your elderly relative needs help to carry on living in their own home, we will pay for and provide support, including home visits

These are just some of the services we deliver and which all taxpayers contribute towards. We don't think this is unfair. Even if we did, there is little we could do to change this because the Government has decided these are all legal duties which Councils like ours must carry out.

## 5. Can I get help to pay my Council Tax?

Yes. Many Councils have reduced support for those unable to pay bills but we have not. If you're on a low income you can apply for Local Council Tax Support. This scheme offers financial assistance and is means tested, so we look at your household income and savings to work out if we can help. If you qualify, we could reduce the amount of Council Tax you need to pay. If it sounds like we could help you, please complete an application form on our website: [www.rutland.gov.uk/helpwithcounciltax](http://www.rutland.gov.uk/helpwithcounciltax).

Anyone struggling to pay their Council Tax should come and speak to us or seek advice from the Citizens Advice Rutland. We work closely with them and they may be able to help.

## **Financial stability**

### 6. Is the Council financially stable?

Yes and No. As it stands, the Council can balance the budget for 2022/23, which relies on using less than £100k of reserves. It can afford to pay its bills for now so is not on the verge of bankruptcy. However, the signs are ominous. No household, organisation or business can afford to live beyond its means.

Balancing the books by using reserves is not sustainable in the medium term, it is a sign that we are spending above our funding level. Current projections tell us that we need to do something now otherwise we will run out of reserves. We need to reduce our net spending by about £2.5m. Many Councils are in exactly the same position, so we are not alone.

### 7. What is the Council planning to do to solve its financial problem?

With a funding gap of over £2.2m the Council has to look at all services, prioritise those which it must provide and then either stop or do less of everything else. We have made savings this year (over £1.3m) to balance the books in 22/23 but we still have more to do.

It is the only option available to us without more Government funding and whilst we will lobby for more funding, we don't expect to receive more.

Following our engagement with residents about the Future Rutland vision, we are planning to discuss with residents potential savings options to get some feedback and views.

### 8. What might the impact on residents be of more savings?

You only have to look at other Councils that have been in financial trouble to see what the impact might be. Typically, Councils stop spending on non-essential and do less on statutory services. So if you look at what other Councils have done then libraries have been closed, youth services shut, bins collected less often, road maintenance restricted to emergency works only.

It's virtually impossible to cut net spending by £2m without stopping some services or reducing others. But there are things that we can do that won't affect services. For example, did you know that the average Rutland household produces 50% more waste than other areas which costs us a significant amount of money? Residents can help by reducing waste.

## 9. How can residents and community groups help?

We consult on our budget every year so there's always an opportunity for people to talk to us, ask questions and share their views. Our 2022/23 budget consultation is underway, you can still email comments and suggestions to: [letusknow@rutland.gov.uk](mailto:letusknow@rutland.gov.uk).

You can also lobby our MP, Alicia Kearns, and support our ambition to get fair funding for Rutland.

## Actions to save money or increase income

### 10. Where does the Council get its money from?

We raise money from Council Tax, Business Rates and receive some money direct from Central Government departments. We also charge for many services to help cover costs. However, most of our money comes from Council Taxpayers. How much money we get is decided by Government.

### 11. Doesn't the Council get money from the Government?

Yes, but all councils are getting less money from Government each year. If you look at the Governments own figures, the investment in councils was £22.6bn in 2015/16 and today it is £22.1bn. In 19/20 funding dipped to £18.4m. The investment is going down in cash terms. Rutland got £9.44m core funding in 2015/16 but today we are getting just over £7.89m. In the Budget year 2022/23, government has increased the money they provide to Rutland direct by £800k but we still get much less than we did in 2015/16.

### 12. How does Government expect to Councils to manage on less funding than they got in 2015/16?

The Government argues that Councils have more money, not less. This is because they expect councils to raise council tax by the maximum amount each year.

The Government makes the rules about how much Councils can raise council tax. This year we can raise council tax by up to 3% (plus an extra 2% for social care). The Government assumes that Councils will do this. It argues that it's a local choice but it's not really because if we don't raise taxes, we would be bankrupt very quickly.

### 13. How can the Government expect residents to cope with council tax rises?

We don't know but we don't think it's right at all. The Government doesn't want to raise tax nationally for core local government services and give more money to Councils. Yet is it happy to tell Councils that their funding assumes taxes will be raised. It wants to leave local politicians to raise taxes and then say "it's a local choice, we are not forcing councils to raise taxes".

We have expressed our views in the strongest possible terms about the lack of fair funding for local government and for Rutland.

#### **14. Why is our Council Tax so high?**

The Council receives £444 Government funding per household compared to the Unitary average of £773. The Government formula gives us less funding because our “needs” are less and our relative resources are greater. It’s largely because of this inequality that we rely heavily on Council Tax to fund services. Otherwise, we wouldn’t need to raise Council Tax to the extent we do.

Around 79 per cent of Rutland’s £38.2million available resources for 2022/23 comes from your Council Tax contributions. On average, councils with our responsibilities receive around 41 per cent of their funding from the Government, meaning the remaining 59 per cent comes from local taxpayers.

#### **15. The whole funding issue doesn’t seem fair, so what is the Council doing about it?**

We continually lobby Government directly on various matters including the disparity of funding between rural and urban authorities and the unfair burden placed on local taxpayers in respect of council tax. We also respond to Government consultation on funding matters.

We believe the local government funding system is broken, it doesn’t work at all for any Council. The Government doesn’t invest enough funding into local government and the amount it invests isn’t fairly distributed.

Our MP, Alicia Kearns, is arguing with Ministers to get the best deal for Rutland. We are trying hard to make our concerns known and will keep trying.

#### **16. Isn’t the Council naive to expect Government to keep bailing it out with more funding?**

We are an agency of Government. The role of local authorities is set out in legislation and regulations made by national government. The services that consume the vast majority of our funding (adult social care, children’s social care, waste management etc.) are all delivered within that legislative framework.

If Council’s are expected to deliver services, surely everyone would agree they should be adequately funded? It’s not controversial. We can’t work out how reducing Government funding meets this requirement.

The Local Government Association say the funding gap is £5.4bn. We have seen neighbouring Council’s go bankrupt and more Councils will follow suit. Every Council is in financial difficulty, some more than others. It’s very easy to say Council X has been wasteful or inefficient but it’s an easy answer and masks the truth.

Funding is inadequate. If the Government can’t contribute properly to the funding of local services then it should reduce the role of Council’s and take services off our hands. Expecting us to deliver more or the same with less funding is untenable.

#### **17. What Government funding will Rutland get beyond 2022/23?**

The Government haven’t told us this yet. It’s almost impossible to plan for the future with any indication of how much funding we’re likely to get. To allow us to make appropriate decisions we would like a 5 year settlement so we have certainty of funding. We know the Government is dealing with the pandemic and has various reviews ongoing including Fairer Funding but we would like more certainty about how much funding we will get in the future.

## 18. Will Rutland have to put up Council Tax again?

The Settlement for 22/23 gives us some additional funding but it is not enough to protect key services we will have to raise Council tax again. We are proposing 5% so we can continue to protect key services for now. If we do increase Council tax, then as in the prior year we will set aside additional funds to support those in financial hardship.

## 19. What's the difference between the Adult Social Care precept and increase in National Insurance for health and social care?

We are allowed to increase council tax by up to 2% usually for adult social care. This is the Adult Social Care precept. The money we raise we keep and spend on social care. The national insurance 1.25% increase is paid by employers and employees. The money will go to central government to be spent on health and social care. From what we know so far, most will go to the health service in the next two years.

## 20. Why does the Council keep spending more if it is saying it is receiving less funding?

This is a good question and we do need to spend much less but let's explain some of the challenges we face:

### There are lots of things we **must** do

We have some statutory services that we have to deliver (such as social care, road maintenance) and then there are other services we must provide to enable other statutory duties to be met. The LGA, Guidance for New Councillors, stated that local authorities in England are subject to "1,300 different statutory duties and responsibilities". So we don't have free reign to pick and choose what services to provide.

### Many services are demand led

Many of the services we provide are what we call demand-led i.e. the amount we spend depends on the level of customers we have and their needs. For example, if a child is at risk of harm and we have to take them into care, we have to do it whether we have the money or not. It's the law. If someone is homeless, then we must help them get off the streets. We have to even if we don't have the money. The demand for local services is increasing, as the result of a growing and ageing population.

### Cost of services is increasing

The Council is just like any household in the UK which finds that the cost of its bills go up every year. Our services are delivered through a combination of our staff and suppliers, or contractors. Contractors and suppliers pass on cost increases to cover pay rises for their staff or inflation on goods.

Changes to the national minimum wage and pensions have also increased the cost for suppliers, who, in turn, pass these costs on to us. We try to resist the increases where possible. The Council, like every household in the country, has felt the impact of higher prices.

## 21. Why doesn't the Council cut salaries?

We spend around £12m on staff salaries. We often get feedback saying that our staff earn too much, or that pay increases are too high and rise and we should cut these. It sounds simple but the reality is somewhat different.

Firstly, the pay rises given to staff are decided at a national level and agreed with the Unions. Council staff do not give themselves pay rises. The Unions ask for significant pay rises that cover the cost of living but rises have been kept minimal. The average pay rise has been at 2% or lower

for the past eight years. There has been no increase at all in some years. We are still waiting for the 2021/22 pay negotiation to complete.

Secondly, salary levels are decided by a Job Evaluation system. If we don't apply the right salary for a job, we can end up paying more. For example, in the past, we have pitched social worker salaries too low and struggled to fill social care vacancies as a result. Because we have a statutory duty to provide social care services, we had to pay higher rates for agency and interim workers while we continued trying to recruit full time staff. This issue has now been resolved by offering the right salary for social workers.

Cutting salaries may be a simple solution but may have a different impact in reality. We want to recruit and retain the best staff so that we can provide the best possible services.

## **22. Why can't the Council raise more money by increasing charges for some services and introducing new sources of income?**

This is something we are doing. We review all charges every year and look for areas where it would be appropriate to increase them, to try and generate more income to cover costs. The "cover costs" bit is important. We aren't allowed, for the most part, to make profits. The best example of this is our charge for green waste collections, which was introduced in 2018/19. This has generated nearly £400k of extra income and allows us to cover our costs. We don't make a profit. However, changing charges alone is not enough to fill the budget gap. We've also had to make savings.

## **23. What is the Council doing differently to cut costs?**

All Council services have been reviewed to try and find ways of doing things differently. We're also working with the voluntary sector, parishes, neighbouring councils and other partners to see what savings can be made by sharing services, providing them in different ways and by generating income.

We have made £11m of savings since 2011/12, without cutting your frontline services. This year we are saving over £1.3m. Despite these savings, we've still had to raise Council Tax due to Government funding cuts.

## **24. Why can't house builders and developers help pay towards the cost of local services?**

Developers do pay to help fund the cost of capital to provide the new buildings, roads, etc we need to serve our growing population. However, they don't pay towards the cost of staffing and running schools or other council services, this is where Council Tax from those new homes helps. We don't have the power to change this.

## **25. If Rutland's population is growing, won't you get even more income from Council Tax and Government grant to pay for services?**

We will, and our financial projections already take account of this extra funding. However, this still falls short of the extra money we will need to find to pay for services to meet demand and make up for reduced government funding and inflationary costs.

**ENDS**