

Budget Statement by Julian McGhee-Sumner – Leader of the Council

Before I move on to talking about the Budget, I would like to welcome our newest Councillor to the chamber - Councillor Sarah Kerr. Welcome. I'm sure you will make a valued contribution to the opposition benches and to this Council.

General Financial Picture

As most of us in this chamber will know we have been the worst funded authority in the country for a considerable number of years and we went into the 2019/20 settlement period with the very distinct possibility of seeing our Revenue Support Grant (RSG) turning negative to the tune of £7.2 million which would have not been helpful to us in continuing to provide the services valued by our residents and which they have come to expect. Just when we thought in that the Government couldn't reduce our grant below zero, we found that they could.

However, following consistent representations by this authority and successive Leaders of the Council, including my predecessor Charlotte Haitham Taylor, we have been successful in persuading the Government that this course of action is not good or helpful to our residents and it has been confirmed that our RSG will not turn negative in 2019/20.

However, we will need to continue making representations since the agreement is only for one year and any change in the methodology for calculating our spending power could see this reduction in our income return next year in a different guise. History has taught us that it is more likely to happen than not.

It is useful to put our funding into context – the average unitary authority has seen a reduction in RSG of 41.28%. However, in Wokingham we have seen a reduction of 100%.

Because of the way the Government settlement operates the assessment of our finances has changed in such a way that Council Tax now accounts for 100% towards the calculation of our spending power. It is, therefore, vital that we continue to see a healthy income from Council Tax and we are fortunate, then, that we have a strong tax base, and that we have efficient officers whose collection rate of 98.85%, is one of the highest in the country.

Budget Pressures

Increases in demand for Children's Services and Adult Social Care continue to place budget pressures across these services and it is, therefore, vital that we continue to spend the limited resources we have wisely. We must look after those who need our services the most whilst protecting future generations who will need this Council to help and support them in the future.

Whilst all budgets continue to be robustly challenged before being approved and each Director and Executive Member have to sign off on their budget prior to approval, it is worth noting that we have made savings of £26m (or 33%) over the last 5 years. But when you factor in inflation at 2% and growth in demand at 6.8% you can see from these pressures why we need a long term robust financial plan if we are to continue to deliver all the services our residents expect.

My fellow Executive Members have worked hard to get to this final Budget. They have had to be extremely flexible as the financial landscape has changed. I would like to thank them and their Officers for their efforts and continued focus.

We know we will continue to face challenges ahead, particularly as our population grows and gets older and it is, therefore, vital that this authority takes every opportunity to be flexible and innovative in its approach.

Response - 21CC

Two years ago, the Council realised that making efficiencies in individual service areas in isolation, euphemistically called “salami slicing”, was no longer viable and a major change in our processes was necessary.

WBC is the first Borough Council in the country to adopt the ambitious 21CC programme. As part of this every single process within the Council has been examined and streamlined wherever possible, whilst having the same common aim – to deliver better for our residents.

The aim of 21CC was twofold:

- 1) To deliver better customer service to residents by enabling them to access services digitally and by simplifying our processes to ensure their request is passed to the person best placed to deal with it;
- 2) To save money through better systems and investment.

Progressive technology will continue to be introduced so that the Localities Team accessing the Borough systems can manage the majority of calls in real time at the first point of contact. A key integral part of 21CC is that 85% of all calls from residents are resolved at the first point of contact.

Customers are now able to deal with all their Council Tax issues, order blue bags, report fly tipping and report potholes (to name just a few) on line, which makes the lives of our residents easier and us more efficient.

The programme is expected to save £4m every financial year once it is fully implemented. Phases 1 and 2 have already been delivered. The principles and methodology will continue in Phase 3 which will now focus on adult and children’s services.

Housing

In line with the Government’s 2015 budget settlement our Council House tenants’ rents continue to be reduced by 1% per annum with the last period for this settlement occurring in 2019/20. Whilst this is indeed good news for our tenants, it places additional pressure on our housing maintenance programme. I am, however, pleased to announce that we have managed to deliver our maintenance programme with continued investment from our reduced rental income whilst maintaining a safe and prudent budget.

We continue to focus on delivering more affordable housing for our Borough and Wokingham Housing Ltd. (WHL), our private housing company, are in the process of reviewing the next sites so we can deliver more sites like Phoenix Avenue. Building 21st Century housing that meets the needs of a modern family will continue to be a priority for this Council.

Capital Investment

We on this side of the chamber know that it is our duty, even in times of financial difficulty, to invest. By investing in our infrastructure and services, we are investing in our residents' future and wellbeing.

This Budget includes a significant level of new capital investment in the Borough for 2019/20. A total of £500 million shows our commitment to the provision of infrastructure, regeneration across the Borough and the creation of an investment portfolio. Each of these areas are based on sound financial principles and comes with income streams which will repay any borrowings and deliver a surplus for investment back into Council services. All of our borrowing is undertaken at fixed interest rates, at a time when these rates are incredibly low – so there is no danger of the Council being affected by a sudden rise in interest rates.

Infrastructure

Much of this is funded by developer contributions or forward funded by borrowings which will be repaid in future years from S106 and Community Infrastructure Levy (CIL). The Town Centre Regeneration will transform Wokingham Town and the work around the town hall in partnership with Wokingham Town Council has been at zero cost to the Council Tax payer.

All communities across the Borough will benefit from this Capital Investment Strategy. They will get the benefit of improved highways infrastructure, new school places in our high performing schools and leisure facilities – all at a time when other authorities are reducing or closing theirs. This shows the ambition this Council has for regenerating the Borough and our innovative ways of generating Capital funding.

Wokingham Town Centre

Wokingham Town Centre regeneration is nearing completion with two tenants already operating and five others exchanged with more in the pipeline. Wokingham Town residents told us in no uncertain terms that the town centre was dying and that more needed to be done if we were to have a thriving town centre and night time economy and, although we have borrowed to regenerate Wokingham Town Centre, we have an asset that is appreciating and we have the flexibility to reduce debt should we decided to do so. If we choose not to sell, we can service the debt whilst generating additional income for this authority and provide options of where we can invest the income in other parts of the Borough or Council services.

Whilst there are still residents who are unhappy to see the regeneration, many residents are actually pleased that the Council has undertaken this work at a time when other towns are declining and although the work hasn't always proceeded as we would have hoped we have learnt the lessons so we can better deliver these projects in the future.

Property Investment

The Council has an investment programme, similar to other councils, in commercial assets in order to build up additional future capital assets and new sources of rental income which, though not currently included in this MTFP 2019/22 to support services to residents, could in future years be used to support services to residents in the event that a future Government removes even more of the Council's business rates and Council Tax to support other councils' services in other parts of the country. This is a prudent approach to long term financial planning at a time of rising needs.

Local Authority Trading Companies (LATCO's)

Our Council owned companies continue to grow and mature, setting a high standard for local authority companies across the country.

Windsor and Maidenhead joined Optalis in 2017, making it a £50 million company, with the consequent improvement in service quality and resilience in service delivery. We are the only LATCO who deliver the full range of local authority adult social care services, including statutory services, in the country. A first for us! Optalis has had detailed discussions with other local authorities interested in the Optalis model and we are hopeful that they will be keen to utilise the service model which has been successfully developed as an adult social care provider which will increase turnover providing greater security to the company, its staff and the quality of services it provides. Optalis is a great success that will save our taxpayers' money whilst improving our social care services.

Wokingham Housing continues to build on the excellent work completed at Phoenix and Fosters. They have already identified sites for their next phase of housing developments which will see further social housing delivered for our residents.

Sustainable Alternative Natural Green Spaces (SANGS)

We are investing in approaching the magic figure of 100 hectares of new country parks (or SANGS) paid for by developer contributions. It is important to note that residents can get a lot of their daily exercise by simply walking for short periods of time which they will be able to do in these new parks.

Leisure Centres

The Leisure contract for managing the Council's leisure centres has been renewed and we are pleased with our new leisure partner. This contract includes provision of a capital budget to upgrade or rebuild existing centres such as Ryeish Green Leisure Centre, opened last September, Arborfield Green Leisure Centre opened in Summer 2017, Bulmershe Leisure Centre and the further investment in Loddon Valley and Carnival Pool. These are sizeable investments and will provide a significant upgrade to the facilities which Wokingham residents have available and contrasts with the closure of facilities in neighbouring Reading. Wokingham invests rather than closes.

Waste

Our residents have consistently told us that they value the retention of the weekly waste collection and want to see more opportunities for recycling. This Council

remains committed to improving our recycling rates and to aid us in this delivery we will be introducing the collection of Food Waste starting in April. By recycling food waste we can divert up to 30% of the current contents of blue bags away from landfill. This equates to 100,000 tonnes annually saving £100 per tonne. Our target is to increase our recycling rate year on year with the aim of achieving at least 50%.

Community Hubs

Our Community Hubs saw 470,000 visits to our libraries last year. In January 2019 there were 58,248 items out on loan, 2,687 computer sessions booked, 75 event sessions for adults and 31 for families and young people. Again we are investing in our ten libraries compared to other local authorities which are either closing or reducing the library service.

Mr Mayor, this is a highly ambitious, safe and practical budget and I hope all of this chamber will support it.

Note:

At the conclusion of the meeting Councillor McGhee-Sumner notified the Council that Norman Jorgensen would be joining the Executive as the Executive Member for Housing.

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