

Councillor Keith Baker – Budget Speech

Setting this year's budget has been like sitting on a financial rollercoaster. In the end we had 3 different financial settlements which we had to work with – one bad, one even worse, and one slightly better but with much room for improvement. The officers and my fellow Executive Members have managed have worked extremely hard on getting to this final budget. They have had to be extremely flexible as the financial landscape changed. I would like to personally thank them all for their supreme efforts.

It has been an interesting year where for the very first time we embarked on a resident engagement programme specifically on our financial position. This engagement consisted of a number of events across the borough where the Chief Financial Officer would first “paint the picture” of our financial situation. Afterwards Executive Members and Directors engaged in individual conversations with those who attended. It was extremely helpful and the feedback from those who attended was extremely positive. As it was the first time we had ever embarked on such an endeavour, it was inevitable that we wouldn't get everything right but we have already learnt many lessons from it which will be incorporated into next year's events.

As you know, out of 383 councils we are the lowest funded authority in the country and we will continue to be in that position right through to 2019/20, and probably beyond. In 2015/16 73% of our Core Spending came from the residents in the form of Council Tax payments. By 2019/20, which is the end of the 4 year settlement, 91% of our core spending will come from our residents Council Tax payments. In contrast the figures for Reading are 55% of Council Tax payments in 2015/16 increasing to 70% in 2019/20. In absolute terms, by 2019/20 Reading will receive £32m, whilst Wokingham Borough will get just £7m.

This Council has always believed in “doing their bit” to achieve the Government's goal of a country living within its means, and we have always expected to be virtually self-funding sometime in the future. Unfortunately with the initial settlement almost all councils were surprised at the front loading of the government cuts within the 4 year settlement. We had planned for a reduction in the Revenue Support Grant of a third but it has ended up being reduced by half and removed altogether in 2018/19.

I joined all the leaders of the Berkshire Authorities in a face to face meeting with the Minister to lobby for a change in that front loading. At the same time our 4 MP's made representations on our behalf. The most active of them, John Redwood, had several meetings with the Secretary of State putting across this timing issue. I would like to publicly thank John on behalf of our residents for all his efforts on this matter. The Government listened to our case and took on board our arguments. As a result, the Government recently announced through the final settlement which did not change any of the grant reductions but did provide a one-off transitional payment for the next two years. This transitional payment provides a breathing space for this council to plan how they are going to cope with the planned reductions in the government grants which, remember, have not changed at all.

Whilst we welcome the transitional payment it is important to note that it is not there after the second year. Why is this important? Well our services have to be funded for every single year. So if you use this payment to directly fund services they will have to be replaced when this payment is removed. That means either more cuts or increased income or a mixture of both. That figure over these 4 years is £36 million. With the 4 year settlement in place we can start looking beyond the next year with some degree of certainty about what we need to do to balance the books.

Later on you will hear from my fellow Executives the details of our achievements over the past year on a tightened budget, as well as our future plans to ensure that our Borough remains one of the best places to live and work in the country. Over the last 5 years we have made savings of £31m and our budget for this year includes making additional savings of £10m. Those savings are primarily made up of a reduction in grant of £6.3m and a growth in Health & Wellbeing demand (mainly Adult Social Care) of £2.4m. Combined they are 86% of that £10m savings.

All achieved without any cuts to essential services for next year. This is a testament to the ongoing efficiency and careful financial management of the Council by a committed Conservative administration and committed officers.

But what of the capital investments? A total of £85m which will add to the £56m carried forward from this year making a total of £141m in 2016/17 alone. We all know about the investments in Wokingham Town Centre, funded by developer contributions or by borrowings that will be more than repaid in future years. These investments will provide much needed income through rents which will be part of the financial package required to balance future budgets and invest in other parts of the Borough. I note that the Liberal Democrats want to cut this investment so I am looking forward to their alternative budget. I wonder where in their alternative budget they say how they are going to replace the estimated £2.5m of annual income from regeneration of the town centre.

But we also continue to invest in town and villages across the borough. Here are just a few of those investments. Fosters in Woodley will provide much needed care facilities; A new community hub including a library in Twyford is progressing; Expansion of primary schools in Earley; New affordable housing in Woodley; A new play area in Earley which fully integrates children with special needs with mainstream children; new allotments in Earley; The regeneration of the North End of Woodley Town Centre; And of course all areas will benefit from borough wide activities such as road maintenance and street light replacement. It shows the ambition the Council has for regenerating the borough and our innovative ways of generating Capital funding.

Our companies continue to grow and mature. Optalis is the most advanced of them now beginning to win various contracts outside of the borough ranging from consultancy on how to set up such a company through to providing services. With our neighbouring councils suffering similar financial pressure, they are increasingly engaging in a dialogue with Optalis. They have also been delivering savings of £900K over the past 4 years. These

companies were the brainchild of my predecessor, David Lee, who should be congratulated on having such a vision when all around him, especially our Opposition, were saying it could not work! Thank you David.

Whilst you will be hearing from each of the Executive Members on their areas I wanted to highlight a few key projects in Children Services. Every one of us are Corporate Parents to the Boroughs Children and without exception we take that role extremely seriously.

We are making an increasing Investment in our programme to tackle Child Sexual Exploitation. This is an area that I have worked closely with Charlotte on. The work that we and our partners have already completed was recognised in the recent Ofsted inspection. But more needs to be done. We must continue to be vigilant to the differing types of complex exploitation that is happening in our borough and around the country. One step is to invest in a Multi-agency safeguarding hub here in Wokingham which is a great step to sharing intelligence and fighting this abhorrent crime.

Members from Earley, Woodley and the South West know that there is an increasing demand for places in our primary schools. This need will be addressed by extensions to existing schools.

Some of you know I am a long standing Governor at Addington Special Needs School so I am extremely pleased that a new ASD provision is planned with its planning application now submitted. Bridges in Woodley is one of the very best facilities for children of 8 years and above with disabilities for Short Breaks. Last year they were again graded outstanding by Ofsted at Christmas. This is several years in a row. My thanks to all the staff for such an amazing achievement again!

When you read the newspapers or watch TV you often hear about council cuts to things like Children Centres. Well, we continue to fund our early help services including the targeted Youth service, parenting support, our children's centres and our early help hub. These are all leading to better outcomes for our families by making earlier interventions.

This is indeed an ambitious, bold and achievable budget. And none of it would have been possible if we hadn't kept our finances under control and the books balanced. We owe it to our residents to invest in our community and help them steer out of financial difficulties to a more prosperous and brighter future.

Each year it is getting harder and harder to keep the Council Tax low but we will continue to do this to the best of our ability. What we won't do is engage in a trade-off with our services for lower Council Tax for the sake of a cheap headline. Our residents deserve better than that. These are difficult times for everyone in the country but I have every confidence in my Executive, fellow Councillors and officers to put in the effort to get this Council into a financial position we need to be in 2019/20.

Oh and did I tell you we are the lowest funded authority in the country. Thank you.