

Appendix 2

Councillor Prue Bray – Budget Speech

I would like to thank officers for their assistance with answering our questions in the past week, which is all the time we have had to prepare for this meeting. The Conservatives like to make it hard for us to scrutinise the budget properly. You will be glad to know that, as usual, we have risen to the challenge.

In May I will have been a Councillor for 16 years. This is the 16th year I have been through the Council budget. I cannot remember ever in those 16 budgets celebrating Wokingham getting good financial support from the government. We have always had to rely heavily on what we can raise from Council Tax. However, never before has a government announced not just a cut to what government pays councils in grant but an intention to reverse the flow so that councils pay grant to the government instead in future.

Something else that is new this year is that this is my first budget meeting under a Conservative-only government. And yes, those two things – an onslaught on council funding and a Conservative-only government - are connected.

The Conservatives on this Council cannot blame others for a 3.94% increase in Council Tax and a vice-like financial squeeze here in Wokingham. They have got exactly what they not only wanted, but what they actively went out and campaigned to get: a Conservative majority government which can do exactly as it likes unfettered by the Lib Dems. And it is doing exactly as it likes, and as the last majority Conservative government liked too: slashing and burning local government, privatising public services, damaging education, killing the NHS, punishing the poor and the vulnerable, and decimating social housing.

It is social housing, and the Housing Revenue Account, that I want to talk about next. I want to highlight three things the Conservative government is doing which are going to affect this Council's finances badly.

First, the government has arbitrarily forced councils to reduce council house rents by 1%. Great if you are a tenant, not so great if you are a landlord. This change reduces the money available in the Housing Revenue Account for maintenance and future major projects, so it harms the poor Anthony by not allowing us to maintain their houses for them.

Second, the government is going to grab our money. Each year some council houses become temporarily empty as tenants change over. If the government decides such a house is "high value", as most of ours are likely to be, it will expect the council to sell it. And give the government the money. If the council doesn't sell the house, it will still have to give the money to the government. This is not in the Housing Revenue Account yet, as the Housing and Planning Bill is still going through Parliament.

Third, the government wants developers to build so-called "starter homes" for sale to satisfy the requirement for affordable housing, instead of housing association homes for rent or shared equity. This is a direct threat to the affordable housing commuted sums income anticipated to come to the council, worth £18.5 million in the next 3 years alone.

If the Bill becomes an Act without major changes, not only will next year's Housing Revenue Account be appallingly squeezed but the Wokingham Housing Limited and affordable housing parts of the capital programme will have to be completely rewritten.

One part of the capital programme has been rewritten tonight by taking out £3m for a project on car park barriers which we are pleased to see the back of. £250k for looking at it is a reasonable figure and that is still there, but £3m for doing it? I don't think so. I am very glad that we have just voted to remove it.

The other thing which I do wish *would* be rewritten is the regeneration of Wokingham town centre. I have spoken many times about this. This is a regeneration which is supposed to make a profit which can be spent on other areas, until Philip said tonight that it wasn't, it was going to be spent on services. I think he said that in answer to a question. In the next 3 years there is no projected profit at all. All the regeneration will generate is a net extra debt of £46.789 million. I was slightly surprised, and, Keith, you may wish to tell me that I was wrong, but I think you just said that £2.5m was going to be made out of it. So, I am a bit confused, as there is nothing in the Medium Term Financial Plan which says that.

Let's move from capital to revenue. Adult social care is clearly an area of critical concern because of rising numbers of people needing help. The move to integrate the delivery of some care services with the NHS will help with the cost containment – but the Council does need to get that integration moving more quickly than it is.

In a different sort of integration, the Council has a number of services shared with other councils now, something which we have encouraged as a way of providing resilience and containing cost. There is still scope to do more in that direction – and to be more imaginative about it. And that brings me to my final point.

There are a relatively small number of children requiring residential care, but they have increasingly complex needs. One additional child can result in additional cost of over £200,000. Last February the budget for children's residential care was reduced, but the saving could not be achieved. The budget is overspent and money has had to be added back in.

The Council has no option but to arrange residential placements for children who need them. With small numbers of such children, Wokingham is never going to be able to exert much influence on providers. We are not the only council in this position. So, in the same spirit in which we have in the past urged you to consider more shared services as a way of promoting resilience and reducing costs, without reducing quality, we are proposing an amendment to the budget, as follows:

To amend the Medium Term Financial Plan to take £50,000 from General Fund reserves as a Special Item added to the Children's Services budget for one year, to fund an investigation into the feasibility of building a collaborative arrangement with other local authorities, primarily, but not exclusively, in Berkshire and across the Thames Valley, to find new ways of commissioning and procuring children's residential care placements

Until last week you were expecting to have to take nearly £2 million out of reserves, but the transitional funding has plugged that gap with a small amount to spare. Let's use a tiny part of that unforeseen income to look to the future and see if we can set up something with

other nearby councils to look at children's residential placements. Individually, councils in the Thames Valley do not have the breathing space to think about models of commissioning and delivery. We would be, to coin a phrase, better together. Among the things that could be looked at would be joint commissioning to get the best prices, and even setting up a jointly owned company to deliver residential care – drawing its inspiration from the Optalis model. It must be worth investing £50,000 now to try to achieve the prize of long term savings, resilience and quality of service, mustn't it? I urge you to vote for this amendment.