

Many thanks to the Directors and the Finance team especially Ruth Watkins, Peter Robinson and Terry Neaves for producing a transparent and honest budget. Given the content of the proposed budget I would say it's the first one, in many years, to give **all** members the **true picture** of our finances.

It is a pity that we did not have sight of the full budget until the 30th January. The opposition would have welcomed the chance to submit an alternative budget but.... 15 working days is not enough time to produce a viable budget... you have taken 4 months and hours of officer time.

This year, for the first time, the truth is set out for us in the budget paper..... on page 192.

Without the government allowing you.. to raise council tax above the 2% cap ..you must identify 14m of savings from your revenue budget of approx. 90m ...by Feb 2022.... to prevent the council from having 'negative reserves'.

Negative reserves means the council will be bankrupt. The financial decisions made by the Conservative Administration are the sole cause of the council being in this disastrous financial situation.

And how are you intending to make those savings

Increasing council tax for the most vulnerable – but we will discuss this in more details in the following paper.

Removing residents parking discounts – I am glad that this is to be revisited and hope it is brought forward immediately.

Charging for parking permits – only last year you were all over social media saying that you would never charge residents to park outside their own home.

Reducing grants to arts, voluntary and community groups.

Cutting subsidies for bus routes..

Removing staff from York House, Windsor....what was the face of the council in Windsor.....and turning it into commercial rental

Removal of the Childrens centre and youth sessions

Reduction in Community Wardens

Cllr Hilton stated last year that transparency was important....

Transparency was not evident in previous budgets

You were were promising no cuts to Arts and Culture – Yet now we see cuts to the grants to Norden Farm and The Old Court

You promised a leisure centre in Ascot – I cannot see any expenditure for ‘The Oaks’ in our Capital Budget over the next 3 years despite its planning application being approved.

You promised 12.7m a year for road maintenance for the next 4 years..... the budget for Highways works and Maintenance for next year is £3.1m

You promised to not cut Library services But you **are** reducing opening hours

You stated that there was a 3 year agreement with the Citizens advice bureau and the council was increasing their grant to support their vital work.... Not so vital now when you are cutting their grant.

...and Lastly you said that while more than 50 % of councils planned to use reserves to support the budget..... the Conservative administration planned to increase reserves by 3.5m.... to put the council in a strong position for the coming year..... Well that didn't happen In fact you have raided reserves by 550k this year so far So that's £4m adrift.... and you are looking to use over 2m of reserves to balance the budget next year..... so much for your ‘excellent budget’... that... ‘deserved unanimous support’.

Borrowing is costing the council £6m... in 20/21... and the Major Capital Cashflow (Appendix G) is not expecting any major Capital receipts for 10 years. The assertion, made in February 2019 by the then Lead Member for finance,that capital receipts from regeneration investments and developer contributions would fully fund all infrastructure investment

the borough required.... leaving the council debt free, including the pension deficit, in the medium term future..... should it wish to be so..... Now seems recklessly speculative.

In Factwithin the Budget Strategy (Page 177).... it states that the council should undertake a review of its property portfolio.... As an increasing share of the councils budget is taken up with servicing debt.... the council will need to consider whether to liquidate assets.... to reduce the 'heavy burden' of debt repayments.

That sounds like a firesale to me

You may try and make excuses that 'many' councils are in the same situation due to demand in Adult & Childrens social care... but that is all it is, just an excuse. Yesthere is demand but, unlike you, many councils acknowledged the trend for demand some years ago (remember that graph in the 2015 /16 budget that spelt out in black and white the risk of ignoring the forecast demand to those services).

Unlike you..... many councils have refused to plunder their reserves to prop up the revenue budget 'year on year'.

Unlike you..... many councils have not used Capital funds for maintenance items.....

and unlike you..... 'many' councils have sufficient reserves to cover any funding shortfalls.

On page 194 paragraph 7.6..... it states the 'key messages' we must be aware of

- 1) The council may need to deliver ongoing (not one off.... ongoing) savings of £15m in the next 4 years unless we can increase council tax above the 2% cap
- 2) The council has insufficient reserves to sustain the scale of budget deficit for more than one year
- 3) The level of reserves mean that it is likely to face a financial tipping point earlier than many other councils.

This is not a debate about quality of services, I congratulate the Ofsted 'Good' for our Childrens Services, its whether you can afford to deliver them in the future and what will need to be cut next year...

As Cllr McWilliams stated last year, in a speech read out in his absence,whilst all local authority ships were sailing into difficulties of increasing pressures of social care..... they didn't all have the strong sails of RBWM,his soundbite was 'Nothing simply happened in politics, everything was a choice' And you chose to ignore the warnings..... you chose to set budgets to win elections without a clear direction of travel You chose to provide services on 'the never never', hoping to be bailed out by a significant capital cash receipt. **That was your choice.**

The council is legally not allowed to go bankrupt so the bad decision making has necessitated making unwanted cuts to our budgets your so called difficult decisions..

A table was produced for corporate scrutiny (Paragraph 4.2.1) that highlighted that RBWM is already a low spending council, spending significantly less per head of population than our nearest statistical neighbours and yet we are looking to reduce further.

At Cabinet Cllr Hilton was blasé about the ability of the Conservative administration to deliver these cuts... in fact he mentioned that they had delivered before so couldn't see an issue.

I beg to differ, there is 1.6m of 'pressures' in the 20/21 budget book that can be attributed to unviable savings, and budgeted income shortfall, from this year ... 1.6m that you said was deliverable last year that wasn't..... if you fail again, this year, to deliver your 'savings' then it will hasten the plunge into negative reserves.

Funding is made up of Council tax income (approximately 75%), Business rates income and grants. Unfortunately when it comes to the complex funding formula the government assumes each council will raise a certain amount locally. As stated on page 170 4.14.2 With our Band D being

much lower the Government assumes the council is generating 26.6m more funding when it allocates grant to the Royal Borough.....(sigh)

Paragraph 7 of the Report summary (Page 160) states that if the government funding settlement for the period 21/22 to 23/24 reduces funding..... and does not lift the 2% cap on council tax.... the council will not be in a position to set a balanced budget in 21/22.... unless further significant savings are identified.

....and I do hope you have all read paragraph 4.5 of the Medium Term Financial Strategy (Page 189)where the finance department have set out the reasons why we are at tipping point... insufficient reserves, covering the pension deficit, servicing debt, maintaining low level of council tax.....they then go on to say that more recent pressures around Childrens & Adults are widening the gap even further.

If the council cannot set a balanced budget in 21/22 or its financial position markedly deteriorates next year to a point where reserves did not cover any overspend, the Councils S151 officer would have to issue a S114 notice..... There it is.... The elephant in the room.... The S114 notice ...that takes the control of the finances out of your hands.... could be issued as early as next January

Cllr Saunders, as Finance Lead last year, took exception at Hartlepool apparently completely abdicating its responsibility for their council tax rise by blaming underfunding by the Conservative Government The Opposition expect you to take full responsibility for the inexcusable financial situation you have allowed to happen and not offer up excuses.