

WOKING BOROUGH COUNCIL

BUDGET STATEMENT

2011/12

COUNCILLOR JOHN KINGSBURY
LEADER OF THE COUNCIL
17FEBRUARY 2011

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BUDGET STATEMENT BY THE LEADER OF THE COUNCIL

Mr Mayor, fellow Councillors, Ladies and Gentlemen.

In February 2010 when I presented the Budget for 2010/11 I made it clear that we were going to have to take a very long term view of how we do things and how we invested in our future economic vitality if we were to protect the interests of Woking residents. I did not know then how significant the events of the following months would be.

In May 2010 we saw a seed change in the national political scene with the formation of a Coalition Government by the Conservatives and Liberal Democrats. That's right two parties working together in the national interest! (Who would have thought that a possibility during the General Election campaign)

The Coalition Government has sought to address the structural Budget Deficit within the term of this Parliament but effectively, as far as Local Government is concerned, within two years. This, whilst understandably necessary in national terms, has placed a great strain on the finances of Local Government with some 28% reduction in support from Central Government over 2011/12 and 2012/13.

Thanks to our previous joint working at a local level, where we agreed increased investment in affordable homes and in improving the retail sector in the Borough, we are well placed to cope with these reductions, at least in 2011/12, and hopefully 2012/13 if we can continue to jointly agree investment led growth.

The acquisition of Wolsey Place, together with the development agreement with the Peacocks, was the first step on that investment in our future. This action was designed to underpin the medium to long-term financial stability of the Council and to strengthen the economic vitality of the town. We have succeeded in establishing a sound foundation upon which to build. Our investment activity has attracted new retailers into the town, generated more jobs for local people and stimulated a growth in car park income; up some 12% upon what we had expected when we set the budget last year. The improved "Next" store, the new "H & M" store and the new "Superdry" Store are amongst the successes so far.

The Conservative Administration of the Borough Council has provided a coordinated and managed response to the economic climate and reduction in Central Government support. We have created a positive environment within which Woking can continue to thrive. We have maintained commitment to ensure that appropriate capital investment is made whilst achieving the savings in running costs necessary to deliver a balanced revenue budget. As a direct result of this we do not need to cut any services for the residents of Woking in 2011/12; indeed we are able to include some modest growth which I will explain later. I hope, with continued proactive Conservative leadership, we can both invest in the long term and secure

operational efficiencies to meet the needs of Woking residents in 2012/13 and beyond.

We are approaching yet another local election; if only we could have agreed a four year cycle last year when we had the opportunity to do so. It is with regret that at this time of year we enter a debate in public which does not concentrate on the great success we have had working together in this Council but on our minor differences; as if they were all that mattered. Sadly it will be the differences and the negativity that is reported and not the good work that we have done to meet the needs of residents of Woking in a period of serious economic downturn and significant constraint on public finances. But I suppose to quote a well used expression “we are where we are”!!

The Budget and Council Tax proposals for 2011/12 demonstrates another year of positive Conservative leadership and management, which enables the presentation of a balanced and measured approach to maintain and improve services; improve cost effectiveness and take pro-active intervention to support our local community in these difficult times. Before commenting upon this further, I would like to take a short “look back” over the last year and comment upon the success we have had in delivering our priorities, despite the economic downturn.

In my address to the Annual Council Meeting on 24 May I described the Conservatives’ priorities for the year. I propose to deal with these in turn and demonstrate to the Council and the people of Woking why it is in their best interests to keep the Conservatives in control: -

Waste and Recycling

We said we would “Increase recycling to 60% by 2012.”

Achieved! We are well on target with very successful food waste and green waste service and some 55% being recycled this year.

We said we would “Continue to work with LA21 and other local bodies to identify measurable ways that improvements can be made to Woking’s environment.”

Achieved! The low carbon programme for homes and schools, “Act on CO₂” programme is underway with over 1,300 residents having joined the scheme and proposals having been developed for investment in renewable energy which will be considered by my Executive at its meeting on 10 March 2011.

Affordable Housing

We said we would “Continue to use Woking Borough Homes to deliver affordable homes and the pursuit of PFI funding, being always sensitive to the concerns of existing local residents and the ability of the infrastructure and local services to bear additional development.”

Achieved! We have taken forward the PFI Non HRA housing scheme but have been delayed by they changes in government and the rules related to the PFI schemes. We are still on track, albeit late, and have been selected as one of the few schemes that are included in the Government’s list to finance through PFI. We have also continued our investment in Woking Borough Homes and authorised it to seek to secure external finance, subject to the terms being acceptable to the Company and the Executive, and to continue to receive Council investment

over the next two years.

In 2009/10 we completed the eco home development at Brookwood Farm with, subject to contract, the two Executive homes being sold outright and the remaining ten sold on a shared ownership basis helping local people who support our economy gain access to the housing market.

Economic Vitality of the Borough

We said we would “Focus on economic regeneration in terms of employment, leisure, recreation, retail environment and climate change initiatives and seek to improve the quality and extent of the retail offer in the town.”

Achieved! We are on track. We have new shops and have more planned. We have delivered more homes. We have stimulated activity as evidenced by lower unemployment and greater use of our car parks. We have started the Hoe Valley project including building new community facilities. We have maintained our extensive support of some £2m for the voluntary and community sector. Most importantly we have achieved this without cutting any services, either in 2010/11 or in our proposals for 2011/12. We have the foundations for the Big Society; but more of that later.

Pride of Place

We said we would “Work with the Police to combat anti-social behaviour” and that we “Would invest in children’s play facilities”.

Achieved!

We have continued our extensive work by the Police and our Neighbourhood Officers and public confidence in how effectively we work together continues to grow. We have supported the Police and the People of Faith in Woking with the launch of “Woking Street Angels” whose first night on the street will be Friday 18 February. These are local unpaid volunteers willing to help their “neighbours” who get into difficulty or are at risk in Woking’s thriving night time economy. It’s relatively safe now and will be safer still with the help of the Woking Street Angels.

Achieved!

We have invested £500,000 and completed new and enhanced play facilities across the Borough. The most exciting new play space is in Byfleet and is a great credit to the officers of the Council and members of the community who helped design and implement it. Byfleet is also to benefit from the new sports facilities for juniors at Kings Head Lane on the former Astra site where £600,000, which we have secured from the Football Foundation and S.106 contributions, is being invested to provide a new pavilion and two junior size football pitches due for completion later this year.

Finance

We said we would “Prepare the Business Plan for 2011/12 on the basis that the target for any increase in Council Tax to be the CPI target set by the Bank of England.”

Achieved! There is no Council Tax increase before the Council tonight. By keeping to our

target we have been able to claim the Coalition Government grant to enable the Council Tax increase to be set at NIL; that's right No Increase in council tax whilst protecting and enhancing services for the residents of Woking. Another clear demonstration of Conservative leadership and management at its best.

We also said we would "Drive improved cost efficiency in the provision of Council services."

Achieved! We have maintained and improved Council services and kept the Council's finances sound despite the ravages of the economic downturn. With the Budget and Financial Strategy before the Council tonight, we will build upon this success.

We also set out to restore the Council's reserves.

Achieved! For 2009/10, despite the severest economic downturn, we set out a path to restore the reserve fund to £3m within three years. The Budget before the Council tonight demonstrates we are well on target to meet this ambition.

I said I would return to the Budget that we, the Conservative administration of the Council, have recommended tonight. The Budget ensures continuity of services and necessitates a continuing need to improve cost efficiency and invest in the future. We have achieved this position through the success of our investment in both the Thamesway group and the acquisition of Wolsey place. The budget before the Council has over £1m of net income from the Thamesway Group and nearly £1.8m from Wolsey Place; neither would have been possible without leadership and cross party support.

I know there has been recent concern amongst Members and in the press, about the activities of our Thamesway Group companies. The benefits of these "arms length" companies has been significant both in the revenue that has been obtained to support other services and the direct services they have provided to residents and the capital costs they have saved us. Remember the Thamesway Group also saved us £2.7m when we acquired Wolsey Place. As a result of the benefits we derive from these companies I am able to stand here tonight and confirm we have protected services, avoided significant increases in fees and charges, provide the resources necessary to pay our low paid staff an additional £250 per year and maintained a solid platform to work our way out of the current economic challenges all public services face. We need to ensure whatever we do going forward we make more effort to help residents understand the significant benefit of these "arms length" Thamesway Group companies.

We will continue to do all we can to ensure the community of Woking receives the services and support it needs in the most cost effective way possible. It is clear, given the state of the national finances, that we must be more self-reliant and less dependent on Central Government. It is therefore essential that we continue to stimulate the economic vitality of the Borough if we are to ensure that the services the community needs are sustainable.

The interventions we have taken and those we may consider over the next twelve months are directly related to this need to ensure continued and enhanced service provision. Woking Town Centre is the major source of our revenue income, a major employment centre and a well connected location for business. We continue to believe we can significantly improve and develop our existing land holdings and provide further improvements in partnership with others if we continue to act in 201/12 as we have over the last two years. We hope to achieve an urban

renaissance in our Town Centre so that in future years our residents can all be proud to be part of our community.

The Coalition Government has confirmed its intention to change the way the Housing Revenue Account operates from April 2012. I welcome this. There can be no-one on the Council that is not aware of my displeasure in seeing £6.1m of our tenants rents being paid to Central Government. At last they are going to allow us to keep these rents which, even after servicing the additional debt we will inherit, we can invest in services for tenants. The Investment Programme before the Council this evening also includes an additional £1m to invest in the heating systems in individual properties to assist tenants in reducing running costs and helping us save CO₂ through more efficient boilers. However whilst all this is good news I remain disappointed that 75% of the Capital Receipts we achieve from our housing stock will continue to be taken by Central Government rather than remain with us to invest in housing in Woking. At least I will still have something to complain about when I read the green book!

The "Big Society" initiative of the Coalition Government has been facing some criticism which I consider misplaced. We have built sound foundations for the Big Society here in Woking with the significant financial and in kind support we already provide to the voluntary, community and faith sectors in the Borough. It is clear the Prime minister is committed to the initiative and Conservatives in Woking share his view. We are determined to make it work and that is why the Executive, at its meeting on 10 March 2011 will consider the first phase of detailed investment proposals to enhance community assets (such as Village Halls, Scouts and Guides Headquarters and too many more to mention tonight) and release the energies of the people of Woking to meet local community needs. The Investment Programme before the Council this evening includes a provision of £5m for investment in community assets over the next four years; hopefully this will just be the start of significant improvements in the community infrastructure across the Borough. In addition we have kept aside the New Homes Bonus which we look forward to receiving from Central Government; this will be another source which we can use to support our efforts to build a strong "Big Society" in Woking.

We are also committed to expand working with partners. The Woking Pilot, initiated under the Surrey Strategic Partnership and overseen by the Woking Partnership, is a major step on the way to seeing how we could do things differently together. The Workstyle proposals incorporated in the Investment Programme will provide better utilisation of existing office and operational space and increase mobile working. Together this will enable more co-location and integration of different statutory and voluntary service providers in the Civic Offices, and other Council owned locations across the Borough, and will both improve services for Woking residents and save public money as well as providing much needed additional income for the Council.

I also said earlier in my speech to the Council that we had been able to provide for some modest growth in services; a notable achievement in the current climate for public finance. We have agreed through a combination of Woking Borough Homes Limited (WBHL), YMCA / YPod and the York Road Project to operate a transitional housing scheme for both young people and homeless people managing a route to long term permanent housing. The provision of a secure and affordable home is the cornerstone of enabling a person, whether young or old, to obtain employment and bring stability to their life. This enables them to follow a pathway to normalisation and to become a contributor to our community. We have invested some £2.5m through WBHL and are providing some £36,000 in annual revenue support from the Council to the voluntary organisations to ensure the service is available to meet the needs of vulnerable people in the Borough. We have also agreed to provide additional revenue resources of

£95,000 to enhance our recycling activities. I am pleased to announce that during March 2011 the food waste service will be extended to over 4,000 apartments throughout the Borough and from late April 2011 residents will be able to place mixed plastic such as yogurt pots, ice cream tubs and food trays in the blue bins. In addition we are examining what further investment may be needed to ensure residents of the remaining apartments, particularly those owned by the Council, can fully participate in these recycling activities.

Before coming to a close I would like to extend my appreciation to all Council staff who have helped us in these considerable achievements which I have outlined this evening. We are one of the few Councils' in the country who have not announced major redundancies or service cuts because of this administration's leadership and the efforts of all our staff. I wish to thank them publicly on behalf of all Members of the Council.

Finally, I hope all the Council can agree, when we have gone through our annual visit to the hustings, that next year will not be a time for party politics. It will continue to be a time for us to come together in the long term interests of Woking residents, as we have much to do to secure the economic vitality that is essential to underpin service levels in 2012/13

Mr Mayor, I have pleasure in commending this Budget and Council Tax proposal to the Council.

Councillor John Kingsbury
Leader of the Council
17 February 2011.