

**COUNCILLOR JOHN PACKMAN**  
**COUNCIL TAX SPEECH 2011**

Mr Mayor – I have great pleasure in presenting the Budget Report for the Municipal Year 2011/12. However, before dealing with the budget proposal I would like to summarise some of the issues that we have successfully dealt with in finally arriving at a balanced budget, and even allowing for the uncertainty we face look into the future at the issues that lie ahead.

In the face of significant grant cuts, the 2011-12 budget has been the hardest budget this Council has ever had to set certainly since I have been a councillor. The temptation would have been to dip into reserves. However, we know that a solid and firm financial base must underpin everything the Council does. Put simply, if we don't balance the books we cannot continue to provide the full range of services to our residents both now, and in the future, which is always uppermost in my mind a view I hope shared with all councillors. We are constantly reviewing everything we do, how we do it, and whether anything can be done better, often in partnership with others.

Whilst always seeking to keep the Council's finances on a sustainable basis, I don't think there is anybody in the Chamber tonight who hasn't been affected in some way with the impact of the economic downturn on local residents and businesses. That is why we are extending for a second year our Council tax freeze. I must emphasise that our council tax increase will once again, be zero. Our ability to do this has been assisted by the Council tax freeze grant we will be receiving for 2011-12

In my speech a year ago I said that balancing the budget for 2010-11 was the greatest challenge the Council has faced yet, with hindsight that was relatively easy compared to the challenge we have had to face in setting the 2011-12 budget. I am proud to say Cabinet, managers and staff have come together, tackled and overcome this challenge in a most professional way. To all of you on behalf of the residents I say THANK YOU.

What is not widely known is that it is local government that has proportionately made the greatest contribution to the Government's deficit reduction programme aimed at putting the nation's finances on a sustainable basis following the mess left by the Labour

Government. This Council has a general grant cut of 16% for 2011-12 and is a net underlying reduction of £700,000 in grant. We know we face a further 10.7% reduction in 2012-13 and being a forward thinking administration work has already started on this

It has been said before and our residents need to know this that it is well worth repeating that the grant funding we will receive will be just £44.75 per head of population for 2011/12; this is 24% below the national average of £58.78. This means we are losing £1,300,000 per annum against the average district council. Yet again Districts, and this Council, fared particularly badly in the settlement, with the average cut for districts being 15% compared to the overall average of 9.9%. We did successfully challenge the initial settlement which did help in achieving an improvement worth £124,000 relating to the adjustment made for transferring concessionary fares to the County, but this still means we have had to take on board a cut of 16%.

As we are all acutely aware interest rates remain at historically unprecedented low levels. The UK Base rate remains at just half of one percent. Just like businesses this has hit the Council's ability to

continue to receive the high levels of investment income which it had been achieving and which has previously helped fund the provision of many of the general services for the public. In previous years some cynics have questioned our policy on this. Are they really suggesting that we should not earn interest on our reserves, if so they are living in a fool's paradise. Currently our portfolio is achieving an average rate of interest of 2.43%, i.e. nearly 5 times the base rate and we are beating our benchmark target. However, as some of our investments will mature in the coming year, and our ability to generate new capital receipts is currently under threat with our budgeted investment income likely to drop by £60,000 for 2011-12. This is why it is justifiable for the Council in the forthcoming year (during a period of low interest rates) to use a small amount of its interest equalisation reserve, to support the revenue budget, which was built up over recent years from above target investment performance, A fine example of prudent investment by this Council's administration.. At some point interest rates will start to rise and our investment income will recover.

Some have queried why councils appear to have relatively large reserves? Councils such as ourselves need reserves to enable us to fund an ongoing capital programme and, to have contingency monies to cope with unexpected pressures, particularly important in the uncertain times that we are now facing. I would remind Councillors that a few years ago the Council were using more than £2million general reserves to support the revenue budget. We could not go on haemorrhaging reserves so we have been gradually reducing use of reserves. Hopefully 2012/13, we will not use any general or specific reserves. The next step in our strategy will be to move to making revenue contributions to reserves to replenish them. That is the challenge we have set ourselves.

Like households and businesses, facing the impact of the recession, the Council has had to tighten its belt and seek out even more savings than the savings it has already delivered over the last few years. From last summer onwards members of the Cabinet have been working closely with the Council's Management Team and heads of service to scrutinise all services budgets and to identify savings and additional sources of income. I can assure you no stone

has been left unturned. This budget being presented to the Council today is underpinned by additional savings of £1.6m (approximately 12% of budget). Savings have been found across all services and at every level from Management Team downwards. There will also be regular quarterly monitoring throughout the coming year to ensure that we successfully deliver these savings.

We are putting in place more focused arrangements for driving forward partnership working with other councils and other partners both private and public sector. We are reviewing our assets to look at those which might be under-used or surplus, and which might have an alternative use. This will include looking at ways of using our assets to generate ongoing income streams. This Council is actively supporting the Surrey wide project looking at the use of public sector assets across Surrey.

After a number of years of seeking to share provision of services with other local authorities in order to make savings, we are now making progress in finding willing partners. From April Spelthorne managers

will be leading joint Human Resources and Information Technology teams with Runnymede. This builds on our Audit and Spelride partnerships with Elmbridge, and our CCTV and SPAN partnerships. We also are now sharing an Emergency Planning Officer with Runnymede. In turn, Runnymede will be providing asset management services to us. These partnerships will help save the Council an additional £200,000 per annum, with the potential of greater savings in future year.

The Council has also made great progress in freeing up office space at Knowle Green which can be let out to partners to generate revenue income for the council. Last autumn Surrey Police moved into the top floor. Not only does this generate income for the Council, it enables the police to work alongside our Community Safety Team, whom we have relocated adjacent to the Police. To date, we have freed up 26% of space at Knowle Green. I have now set the Management Team a target to increase this to 45% within two years. I have confidence they will achieve it. We are also exploring the possibility of co-locating Council independent living staff with Surrey County Social Services staff and voluntary sector staff. This will not only assist the

budget position, but should help provide a more joined up service for our residents. Other opportunities for integrating services are also being looked at.

We have sought to offset the impact of rising fuel cuts through an extensive programme of energy saving measures including voltage optimisation, sealing of windows, energy efficient lighting. This has delivered significant financial savings at Knowle Green, the depot and our multi-storey car parks. Not only does this help our budget position but helps minimise our impact on the environment, as well as setting an example to other businesses in Spelthorne.

In 2010/2011 we continued to make further efficiency savings of £40k on our grounds maintenance contract without reducing standards and will continue to work with our contractors to improve the overall appearance of many of our parks & open spaces”

As part of our belt tightening, this Administration is recommending that both Councillors and staff again forgo any annual increase in pay or allowances for the second year running. Here I must stress this does not in anyway reflect on the value we place on the dedication and commitment of our staff, in fact I wish to publicly record my

thanks and appreciation for their valued contribution. It is a strong message to our residents that we appreciate the strain on households at this difficult financial time for the country..

As part of ensuring that our finances are sustainable, I am pleased to say that despite the grant cuts and pressures on the Council, we have reduced our use of specific reserves by £400,000 and are on track to have nil use of specific reserves in the following year. This follows on the achievement of not using any general reserves in setting the 2010-11 budget.

Whilst we have achieved a balanced budget for 2011-12 we know the future is looking extremely difficult. We know we face a 10.7% grant cut in 2012-13 and further cuts in following years. However, we have already undertaken work in relation to reduce future financial pressures in the future particularly in 2012-13.

The media have continued to focus on the costs of local government pensions. I must stress that the Council is part of a **national** local government pension scheme and we are required to comply with the

national regulations determining employer contributions. However, it is pleasing to highlight, that partly as a result of particularly impressive investment performance, the Surrey Local Government Pension fund is able to maintain local authority pension employer contributions unchanged for the next three financial years. We had been fearful that they would be increase. In contrast over the next few years the employees contribution rates are expected to rise. I must stress that it is a legal requirement and part of the fair conditions of service in place to ensure that Spelthorne can recruit and retain staff to deliver the Council's services.

We have been reviewing management structures and have reduced by 11% the underlying employees budget by £1.1m between 2009-10 and 2011-12; I should remind councillors that here in Spelthorne we have the lowest ratio of staff to residents compared to all the other districts in Surrey that operate Streetscene services in house, however, more than a dozen posts are already being deleted in 2011-12 and other reviews are currently being undertaken.

I would like to briefly touch on the progress we have made on delivering some of our key projects:

In October 2010 the new Benwell Day Centre at Mitcheson Court opened. This is a truly excellent facility greatly appreciated by users. We have delivered a better facility than the previous centre and saved taxpayers considerable money. Thirty nine extra care dwellings for the elderly have been delivered, which are much in need.

The Benwell Centre provides a range of community activities for the over 50s and a restaurant is open seven days per week for residents and the community. In fact I am told that some councillors have been seen having their breakfast there.

We are also on track for completion later this year the high quality, state of the art Stanwell Health and Community Centre, which brings together many agencies to provide in an area where health facilities needs to be improved

Phase 1 of the Stanwell New Start has completed and we are now looking ahead to phases 2, 3 and 4 which will undoubtedly transform Stanwell. To those residents I say Thank You for your patience and understanding of what is a large scale development. It will be worth it.

2010-11 saw further consolidation on the successful bedding in of alternate weekly collection with our recycling rate rising to 35.5% and a significant reduction in the number of remaining difficult to collect properties, reducing from 8000 to 3,500 properties. 2010-11 also saw the successful implementation of a second garden waste collection round. Furthermore, we continue to provide a clean and green environment for our residents by continuing to raise our cleaning standards, maintaining highway verges and keeping pressure to prevent green belt developments.

We are nearing the completion of our three year area regeneration programme, in the Ashford, Shepperton and Sunbury projects. These are expected to be completed by the end of the financial year, delivering significant improvements to the highstreets in these areas. We have invested £300,000 of the Council's money in the regeneration programme and were successful in levering in matched funding from Surrey County to increase the programme to £600,000. By improving the environment and the local scene hopefully this will encourage residents to support their local shops and maintain business in these communities during this difficult time. I am

confident you will agree that has been money well spent when you see the completed projects.

Despite the efficiencies we have delivered we have maintained our capacity to deliver excellent frontline services. For example, during the cold snap in January, we continued to provide our core services such as refuse collection, meals on wheels, and running Spelride, which many of our residents recognised and complimented us on.

#### Other achievements

1. Supporting younger people: Increase healthy activities and to increase satisfaction amongst young people living in Spelthorne
2. Cleaner and greener environment: Boost recycling, improve local bio-diversity, improve street scenes
3. Supporting housing needs: Encourage the construction of sustainable new homes which are affordable, re-generation schemes to improve
4. Help for older people in need: To supply meals on wheels, to provide personal alarm services

5. Economic development: Working with partners and the Spelthorne Business Forum to encourage employer presence in the borough
- **Procurement partnerships:** Partnerships formed with Elmbridge and Epsom and Ewell Councils. This is to encourage savings and to improve services and efficiencies and pooling together resources.
  - **Development of a modern Health and Community Centre in Stanwell:** Increasing benefits and opportunities for the community.
  - **The Local Development Framework:** The Council was successful at placing all new developments in the urban area and so maintaining Green Belt spaces within the Borough.
  - **Regeneration programme:** Focusing on regenerating Ashford, Shepperton and Sunbury where residents from these areas have a chance to shape the proposals of the regeneration programme.
  - **Partnership with SLM:** Introducing free swimming for under 16s and over 60s for a period of 2 years from 2009-10.

- **Surrey First initiative:** To oversee the working arrangements of parties and to improve good joint work practice amongst parties and to improve income generation.
- **Re-accreditation of the Investors in People:** Spelthorne received re-accreditation of the Investors in People for a further three years until 2013.
- **Accommodation leases at Knowle Green:** The Successful renewal of Trevor Baylis until 2013 and a 20 year period lease to Surrey Police starting from September 2010.
- **Laleham Park:** Proposals to substantially improve Laleham Park having thorough consultations with the Public.
- **Partnerships:** Using Surrey First as an example to form partnerships with other Local authorities and external partners.
- **Community engagement:** To replace the Have Your Say with thematic meetings (resident association meetings) and to encourage the use of electronic mediums to encourage a broader age range to participate in the community meetings.
- **Spelride and partnership with Elmbridge Borough Council:** The approval given to partner with Elmbridge Borough Council to administer the Spelride services.

## Crime Down

Over the last 4 years overall crime down from 9572 to 6909 crimes (06/07 – 09/10) and most recent qua been reduced by over 600 cases now than 3 years ago.

Neighbourhood Watch – Over 12,000 people now members of over 220 Watches – 100 more Watches than 4 years ago.

A solid performance that we can be justly proud of.

I would like now to return to the detail of our budget and Council Tax proposals for 2011/12.

Our net expenditure next year is projected to be £12 million. Grants of approximately £1.3m and Business rates of approx. £3.3m produces around £4.6 million. We plan to use £0.65 million from interest earnings and reserves, a reduction of £400,000 on previous budget. This leaves £6.774 million to be met from the Council Tax, which, after taking account of £7,700 from this year's collection and a tax base of 40,489 properties at Band D, will require a Band D Council Tax of £167.30 to be levied. Once again this administration has DELIVERED I REPEAT this is a nil increase, for the second year running. It is perhaps interesting to note that if we still kept all of the business rate collected in the borough, we could levy a nil absolute Council Tax and still have lots of money left over! We welcome the Government's forthcoming Local Government Finance Review and

hope it will address the issue of allowing local authorities the ability to retain some of the business rates they collect. This will encourage local businesses to take a more active part in the community

To our own part of the Band D Council Tax will be added the precept from Surrey County Council and the Surrey Police. These are £1,116.36 and £198.54 respectively, which gives a total Band D Council tax of £1,482.20 – an overall freeze. A welcome message for our residents

In conclusion, I would like to place on record my thanks to Councillor Mrs Leighton for her valued support and all Cabinet Members as well as the Chief Executive and his management team and all the staff for their support and assistance in assisting in preparing this budget.

I now formally move the recommendation of the Cabinet set out at paragraph 2.4 on page 15 of the Council agenda, as amended by the Budget Book circulated to all Members.