

Cllr Keith Reynolds
Deputy Leader and Cabinet Member for Corporate Services

Thank you Mayor. I am pleased to present to Council this evening a balanced budget, which I believe positions this authority at the fore in terms of effective public sector budget management.

Local authorities across the country are facing unprecedented financial challenges, having been presented with the worst financial settlement in October last year since 1996.

Members, let's be frank – you'll be aware, as a council we received a reduction in our Revenue Support Grant for the forthcoming financial year of almost 3%, which in monetary terms equates to a reduction of over £8.1million. It is clear that local government in Wales faces a period of severe austerity. There certainly is no getting away from that.

However despite this, our proposed budget for 2014/15 remains wholly deliverable, efficient and manageable, and is keeping to an absolute minimum the impact of the severe cuts imposed by the UK Government upon our residents.

What's more, it is one which will help enable us to continue to deliver key council services that provide value for money for the people we service, the residents of Caerphilly county borough.

Implementing a medium term strategic approach over recent years has undoubtedly enabled us to adopt a very forward thinking and proactive approach to impending government cuts.

The last 12 months have been very difficult for this authority, but I would like to take this opportunity to formally acknowledge the sterling work that has been delivered by our Interim Chief Executive Mr Stuart Rosser and his Corporate Management Team of Mrs Sandra Aspinall, Mr Dave Street and Mrs Nicole Scammell who have all

remained steadfast in their commitment to deliver continuous improvements, and I wholeheartedly pay tribute to them for this.

I must also of course thank our Heads of Service and Service Managers right across the organisation and their teams for their commendable work in managing their budgets so effectively.

Members, it is important for me to reinforce that these budget proposals before you this evening are as a result of a process of consultation with a vast range of audiences – from members as part of the Scrutiny and Cabinet functions, through to our trade unions, tenants, partners and of course our county borough's residents – and I want to assure you that these views, opinions and objections really have been taken into account.

As you will see in Appendix four of the report, there are a list of savings proposals, which following the consultation process, were withdrawn. I'm certainly not going to list them all, but among the proposals withdrawn was an increase in Meals on Wheels charge, which originally proposed an increase of £1 per meal. Following consultation, we instead put forward a much more affordable increase of just 25 pence per meal.

Similarly, proposals to impose a charge for replacement waste containers, a charge for garden waste collection and a charge to treat rat infestations were withdrawn following the consultation process, as was the casual mileage rate reduction from 55 pence per mile to 45 pence for our staff, which I know was the subject of much concern for employees and trade union colleagues.

Again, we listened to these concerns, and as a result, we put before members this evening a revised proposal of a reduction of 55 pence per mile to 50 pence per mile in casual mileage allowances for our staff. Despite this reduction, it is important to note that this still makes this authority one of the highest payers in Wales in respect of travel expenses.

Again, this list certainly isn't exhaustive, but I hope these few examples will help illustrate that we really have taken views, comments and concerns on board when putting together these budget proposals. Although they may not necessarily always be popular decisions, and there have undoubtedly had to be compromises made in order to ensure the financial pain is shared fairly, we have always sought throughout to minimise the impact these savage UK Government cuts have upon our residents, local businesses and council staff.

Capital investment projects across the country are in decline, yet by balancing our budgets year on year and through a prudent approach, we are able to support a number of key strategic capital projects totalling almost £13.5 million for 2014/15. These include ongoing town centre regeneration schemes that are transforming areas like Bargoed and Newbridge, grants for capital projects to the Voluntary Sector, various road safety speed management schemes and extensive carriageway resurfacing through the LGBI funded scheme.

The development of the £6million Ystrad Mynach Centre for Sporting Excellence in partnership with the WRU and the Newport Gwent Dragons continues at quite a pace, and we have recently of course also delivered the brand new library and customer service facility in Caerphilly town centre, which is a truly landmark facility for residents of the Caerphilly basin and beyond.

We are working extremely hard to ensure that these developments, and others, including welcoming the flagship Morrison's store to Bargoed at the end of last year, help in stimulating growth and in increasing employment levels locally and we continue in our commitment to this.

We are also in the process of consulting on ambitious proposals to transform secondary education in the Islwyn West area of our county borough. Under the proposals, pupils in this area would benefit from a brand new facility fit for the 21st Century, which would be built on the Oakdale Retail Plateau, and would come about as the result of us, this council, having secured over £18 million in funding for the development. I am pleased to confirm that these budgetary savings proposals do not in any way impact upon the funding for this proposed development.

Last year we also become the first council in Wales to implement the Living Wage, which has significantly benefitted thousands of our lowest paid employees. Subject to Members' voting in favour tonight, we have financial provision in place to further increase the Living Wage to £7.65 per hour, backdated to 1st November 2013 – which would be an additional 20 pence per hour on the current minimum wage of £7.45 an hour.

What's more, through starting early, and having a clearly defined vacancy management strategy in place, means that as a council, for the forthcoming year 2014/15, I am pleased to say that we anticipate very few, if any, compulsory redundancies.

We also continue to deliver on our promise to transform homes, lives and communities as part of the Welsh Housing Quality Standard, and in 2013/14 this council has so far carried out improvement works on a total of 351 kitchens, 355 bathrooms, 122 heating systems and 290 home re-wirings to the tune of over £3.3 million.

We have recently also updated our business plan in relation to the Welsh Housing Quality Standard, and it is pleasing to note that as a result of identified HRA surpluses – again, through sustained prudent financial management - , we will be able to deliver our £10million programme of environmental works associated with this ambitious project by 2019/20.

In addition, we invested almost £500,000 in leisure facilities during 2013, with improvements having been made at a number of centres including Risca, Newbridge and Cefn Fforest, and in excess of £10.5 million was spent on school improvements across the county borough over the last year. All of these investments – and more – continue to deliver real and very tangible benefits for our communities.

In relation to Council Tax, it is this reports recommendation that an increase of 3.9% be introduced. I am under no illusions that this recommendation will be questioned by some, after an indicative increase of 2.35% was previously detailed in the

Medium Term Financial Plan. However, I am confident that not one person in this room can fail to acknowledge that we are in a completely different financial situation than even 12 months ago, and it is for this reason that I feel it is entirely appropriate to support this revised proposal.

This rise would equate to an increase of just 69 pence per week for a Band D property in our county borough. Let me stress that almost 60,000 homes in our county borough, 59,685 to be exact, fall into council bands A, B or C, so would pay an even smaller increase per week – the Band A increase would be just 46 pence per week, Band B would be a 54 pence increase and the Band C increase just 61 pence per week.

Let me also stress members, that not so long ago, councillors at a local authority not too far away from us approved a radical 5% increase in their council tax rate – to my knowledge, this 3.9% increase, which admittedly is higher than we would have liked, would still make Caerphilly's council tax increase among the lowest in Wales.

It is also vital that we consider in this, the Council Tax Reduction Scheme, which offers financial support to among our most vulnerable residents. Through this scheme 15,000 homes across our county borough will pay no council tax what so ever, and in excess of a further 5,000 households will receive partial support under this scheme.

I would like to conclude by emphasising that in order to set a balanced budget for 2014/15, we have had to deal with cuts in funding at a totally unprecedented level within a very short space of time. Despite this situation however, every effort has been made to limit these savings requirements on the key services which directly support our core priorities, which I truly believe we have achieved this aim in these budget proposals before you this evening.

Moving forward into 2015/16 and 2016/17, we must acknowledge that we still have a long way to go, however through starting early, prudent financial management, strong leadership from both Members and Officers and a dedicated workforce, I am confident that we have the ability to manage staffing and continue in delivering first

class services, and as the saying goes, work together for the good of all in minimising the impact of these cuts for all concerned.

And as I mentioned earlier, yes, we cannot fail to acknowledge that this council has faced difficulties over the past year, and yes, we have some tough times ahead – that is inevitable. But I firmly feel that if we put these difficulties to one side for a moment and reflect upon our financial situation in comparison to the vast majority of others across Wales, we could be seen as none other than a beacon and an example of best practice as to what can be achieved with sound financial management, forward planning and a robust medium term financial strategy.

Mayor, may I conclude by proposing the recommendations of the budget report.

I so move.

Cllr Keith Reynolds – 26/02/2014