

MPWIR – BUDGET 2019/20

Thank you Madam Mayor. Tonight marks the culmination of a long process of budget scrutiny starting back last November, so in the short time available to me I want to reflect on that process, and to consider whether we can improve on it in future years.

The challenge facing us tonight is that a significant proportion of the savings we are about to approve will fail. In the event we will be unable to implement or deliver them. If you doubt me, take a look at the projected out turn for the current year. Against a target for savings of £6.6m we are on course to deliver £5.4m, a shortfall of £1.2m or 18%. And in the previous year 2017/18 against a target of £10.3m we fell short by £2.4m or 23%.

Could we do more to identify the savings that are going to turn out to be undeliverable? We all understand that savings have to be made, unpalatable as that may be. But are we making the right savings? Have a look at some of the savings that have already been replaced between the first and second rounds of budget scrutiny, consider what we might learn from them. Was it ever realistic to think we could reduce staffing in our assessment and commissioning teams for Adult Social Care?

I know we have faced unprecedented cuts in funding from central government over the last decade. We receive our last direct grant of £5m for next year, after that we're on our own. So I fear there's a tendency to react with resignation, fatalism even, to feel there's nothing we can do but accept the proposed cuts to services. But that would be wrong, indeed it would be an abnegation of our responsibility to our residents to scrutinise the budget in their best interests.

Remember – some of these savings will prove undeliverable, and when that happens users will suffer if less palatable savings have to be substituted. It's incumbent upon us to make sure we fully understand how proposed savings will work out in practice, what the risks are and how they can be mitigated. We know we have to set a balanced budget for the year ahead, we accept that, but the MTFS does allow some flexibility for the years from 2020/21 and beyond.

And in case you think it's all doom and gloom, perhaps we can hope for some relief from the Chancellor's spending review next week. The only benefit from the growing income inequality in our society is that tax receipts from the top quintile of taxpayers

in January this year were much higher than anticipated. Is it too much to hope perhaps that a little of the surplus might be redistributed to the public sector, and to local government in particular?

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