

Supplementary Information **Opposition Reply to Budget Speech**

HAVANT BOROUGH COUNCIL
COUNCIL
21 February 2018

Dear Councillor

I am now able to enclose, for consideration at the next meeting of the Council to be held on 21 February 2018, the following supplementary information that was unavailable when the agenda was printed.

Agenda No Item

8	Leader's Budget Speech - Opposition Reply by Councillor J Perry	1 - 6
----------	--	--------------

This page is intentionally left blank

Deputy Mayor, elected representatives of the Conservative, Labour, Liberal Democrat and UKIP political parties, officers of the council, the press and ladies and gentlemen in the public gallery, I am here to respond to the budget.

I must say that this is the most depressing budget that I have witnessed in this Council.

The proposed rise in Council tax is directly attributable to a flawed and ill-conceived secretive privatisation policy of the Cabinet that has now been aborted. This budget betrays the hard-working people of Havant who are proposed to now pay more for the Conservative's failed policies.

Therefore, I will propose an amendment to the affected recommendation (a, c and d) and seconded by Cllr Carpenter that the 2.99% rise in Council Tax be cancelled.

Budgets in subsidiary companies cannot be taken seriously; licence fees, cross charges and royalties can be manipulated to suggest a subsidiary is either loss or profit making.

It follows that Havant Council's budget cannot be considered in isolation from those of Hampshire County Council and the Government as a sizeable portion of the revenue of HBC and the cost obligations of HBC are set by Central Government. It therefore follows that Central Government finance absolutely must be considered in this budget response.

It is you, the Conservative representatives, that promote, support and determine the funding you grant to HBC, and the cost obligations of HBC, so all the Conservative members here today are responsible for the situation we face.

I have debated roles and responsibilities of the Leader with the deputy-leader and I rebut his assertion that HBC's role is to manage the finances as given. I refute this on the basis that it is you, and only you who agreed your Revenue Support Grant with your Tory leaders in Westminster, and if you believe the funding cuts are too deep, then that is a reflection of your failure to convince your own leaders in Westminster.

This past year you made savage cuts to the education budgets of our schools in Havant so they cannot now afford necessary books, perform essential maintenance or properly heat rooms.

The Borough has the lowest percentage of students in the country applying to university. Yes, we are the worst at 17% with Wimbledon the highest at 70%.

We need to help our students here in Havant with increased funding for schools, instead of your continued cuts. Stop squabbling and stop lobbying yourselves over funding; commit yourselves to increase the funding for schools. Havant students deserve better, clearly you don't agree.

The NHS is being deliberately underfunded with ambulance queuing, up to 23 at a time at QA; this is exacerbated by the closure of hospitals, the closure of A&E departments and bed blocking, and with QA suffering the worst A&E waiting times in the country.

Meanwhile, HCC fail to provide care packages to Havant residents, leaving patients who are medically fit to leave hospital blocking beds that are urgently needed by desperately sick patients. Even the National Audit Office has recognised the increased need for social care budgets; but you fail to provide the necessary help to the most vulnerable; it is almost as though you just do not care.

But, you have the influence and power to improve the situation for our Borough. You are all from the same party. You have a direct line of communication right through to Tory Central Government, so I urge you, all of you here, to use your influence to improve the conditions for Havant residents.

I also urge Havant residents who are unhappy with the cuts to the NHS, Schools, Social Care and Council services to write to their Conservative Councillors as well as their MPs to demand they change their party policy.

You, the Conservatives, have this ethos of believing that the provision of service by the public sector is bad and that provision by the private sector is good. Our party and I are absolutely opposed to your insatiable drive for privatisation of Havant Council services.

However, in your push for privatisation, you allow the private sector to cream off the profits while the ordinary Havant taxpayer covers the losses. This is not Capitalism, which must have competition and risk to exist, this is taxpayer insured theft, on heads they win, tails we pay more tax and lose services.

Your national flagship privatisation partner Carillion, who issued a profit warning, is now in liquidation; meanwhile your preferred Havant privatisation partner Capita has issued a profit warning and is in trouble with their share price plummeting since January and a mere one fifth of what it was two years ago.

Can I suggest that in future you stop ignoring opposition group members in new risky experimental projects purely on the grounds that we are the opposition. Opposition in a democracy has a noble and constructive role. Oppositions are not wrong all the time; they get it right sometimes. Don't fall into the trap of becoming a local one-party state.

Let me identify some savings opportunities.

- For the last two full Council Meetings I have raised questions under Standing Order 23 about the Borough of Havant Sport and Leisure Trust, the BHSLT. Cash is owed and due from the BHSLT to HBC from the 13 June 2008 Partnering Agreement and the 7 May 2014 Counterpart Lease agreement. Annual sums should have been identified and paid within one month of the approval of the annual accounts since 2010 using the clear and precise formulae contained within the Partnering Agreement.

You, the Cabinet have now allowed eight years to elapse and have completely lost focus on the money that is rightly due from this independent organisation to HBC. Indeed, the BHSLT is so flush with cash, that they have transferred one million pounds into short term interest bearing deposits.

I estimate that between £500,000 and £1.25 million pounds is due to the council which you, the Cabinet, have not prioritised for collection, but you are very quick to take away the meagre but much appreciated £1,000 Councillor grants that we have put to good and effective use across the Borough.

When will the Council pursue the monies due and when will the monies be paid?

- Your policy of borrowing to invest in Commercial Property is potentially catastrophic. You have clearly opted to be in the real estate investment business, competing with savvy experienced private sector investors.

Real Estate is one of the most volatile sectors and more so because of BREXIT. Arguably asset prices are inflated from low interest rates. Not only can interest rates rise substantially; the markets expect them to rise.

What if rental income falls from a downturn. Has Havant performed a financial stress test to ensure it can cope with a shock? If not, that is

serious recklessness and if anything goes seriously wrong, every Tory councillor here will be jointly responsible.

- I have been involved and coordinated merger/acquisition work and systems transfers so why don't you involve councillors from all parties, and not just your own when setting policy and advising on procedures? Had you done so, you may not have incurred the £300k extra IT costs and the continuing preventable IT issues of today where neither members nor officers can access the Intranet outside the plaza causing falling morale and a significant adverse productivity impact.
- I suggest that you include opposition Group Leaders in discussions on future risky ventures like the 5 Councils outsourcing contract. We, that is Labour, LibDem and ourselves in UKIP were denied any knowledge of the project until you had agreed and signed the contract, which is now being terminated and which has caused unnecessary and untold harm and distress to the morale of our valued staff.

We do not know the termination costs of the Vinci contract; however, my estimates, based on my prior work on commercial outsourcing contracts is that the costs are very unlikely to be under £250,000 and could be as high as £1,000,000 or could even be higher. The cabinet must contribute to any potential termination costs as prescribed in the Motion under Agenda item 16.

Your ideology of an aggressive privatisation policy is putting the financial stability of the Council at risk as we have just £3.75 million of reserves and prudent accounting dictates that we maintain a reserve balance of at least £2 million. I do not believe Havant Council Tax payers should pay for your recklessness.

- We should abolish in-borough travel expenses for members. We get a generous allowance to cover travel, and besides, business mileage costs are reclaimable from the Inland Revenue.
- We have eight cabinet members, one more than last year. Meanwhile, employee numbers have dropped by over a third. I therefore recommend reducing the cabinet to six members for 2018-19 onwards. After all, surely productivity savings should be targeted at cabinet members as well as the officers.

There are some revenue generating policies that I disapprove of:

First, the Budget Scrutiny report identified your secret policy of giving Parking Wardens a £25,000 PCN revenue generation target. Parking wardens are there to effect and maintain the smooth flow of traffic and absolutely must not be incentivised to raise revenue from minor parking infringements when words of advice may be more appropriate.

Before participating in ten hour shifts with the Road Policing Unit, I had assumed their primary role was enforcement and issuing fines. However, I was proved very wrong on the shifts as the Police implemented their policy of minimising road injuries and deaths and offered genuine help to motorists. Not one speeding ticket was issued on my shifts, but had motorists been reckless they would rightly have been ticketed. Please learn from the Police's ethos of serving the public, which is our strap line.

I resent the Council policy of issuing high fines for minor transgressions, including littering; I would like to see full details of a fair policy for the issuance or non-issuance of FPNs for littering on our website.

I will now identify cost saving opportunities for officers and the organisation of the council as this is the path we should be taking instead of privatisation of our staff:

- Can we further explore the opportunities to increase the staff to manager ratio to allow staff greater levels of responsibility to grow their skills?
- Is there the opportunity to merge similar departments to increase the skills and improve resilience of the services during staff illness and holidays?
- I am encouraged about the Council's use of Zero-Based Budgeting. I am sure a 5% compound productivity saving can be achieved each year and this would allow for a well-deserved 2-3% salary growth.
- It is my strong preference to halt and reverse the privatisation of people to the private sector where the emphasis is on profit and minimising cost.
- What is right is maintaining employees within the council with their public service ethos of being helpful and going that extra mile to help. We need to nurture and not disdain our precious human capital.

Let me finish by saying a few words about my experience here as a councillor.

Call me naive, but it wasn't until I'd been a councillor for over a year that I realised that all councillor work is political. My experience is that opposition parties are always excluded from local press events, meetings and community events whenever possible. This saddens me, as I had thought we all worked together for our community.

Secondly, and this is for the benefit of the press and residents, I want it recognised that all the officers we have communicated with over the years have displayed professionalism, and have been hard working, efficient and courteous in helping us.

Sandy and her team have hard-working staff, with their public sector serving ethos, and who have real vision and make the best use of their limited resources in doing their very best for the Borough. Please accept our gratitude and convey our thanks.

The prime objective of UKIP was to have the UK exit the EU; we are close to realising that prime objective, and that makes me very happy indeed.

I will close in announcing, that effective midnight on 28th February that I shall be standing down as UKIP Group Leader and from 1st March, Cllr Malc Carpenter has agreed and will assume the role of UKIP Group Leader on this Council.

My future political career will be revealed over the coming weeks.

I reject this Budget.

Thank you.