

**Budget Consultation Response
UNISON West Berkshire Local Government Branch**

11th February 2020

Council Tax Increase

UNISON notes the Revenue Budget, particularly the recommendations that Council Tax should be increased by a total of 3.99%, comprising a 2% adult social care precept. It is heartening firstly that the authority has recognised the abject folly of the self-harming efforts of past administrations in resisting this increase in the hope of some kind of congratulatory indulgence from central government. This damaging approach has led to the council already being worse off than its peers thanks to the comparatively lower base it has forced itself to operate from.

The futility of seeking approval from a government which seems - at best - to be sceptical of public services is no better demonstrated than the withdrawal of West Berkshire from the Business Rates pilot. UNISON believes this further proves the pointlessness of slavishly adhering to a failed austerity model in the hope of catching some crumbs from the top table as a reward. It's hard not to conclude that West Berkshire has been stabbed in the back by central government by the goalposts yet again moving, and the continued absence of the Fair Funding review long-promised only stands to underline the relative priority that the government places upon local government nationally.

It is also true that residents reading these budget papers will be alarmed at further rises in their Council Tax. UNISON has some sympathy for this view, however, the amount of money taken out of local government must be mitigated. Council employees (and UNISON members) are not immune from these rises in tax. It's noted that the least able to pay are scarcely protected from this increase owing to decisions made to re-calibrate and raise the threshold for claiming reductions in liability in 2019/20, which comes after previous erosions of the same scheme. Salient questions on behalf of residents (and staff) will remain, which are noted below.

Staff Impact

UNISON welcomes that redundancies will be kept to a bare minimum. However, the contortions required to maintain a headline of "no cuts to services" conceal the true scale of the impact on staff. Some savings from the £3.24m needed will be feasibly found courtesy of ever dwindling "rationalisation" opportunities and "New Ways of Working", but the hard-edged truth of the matter is that all staff will be asked to again deliver more, with fewer resources, for less reward at greater risk to their personal wellbeing and prosperity.

West Berkshire does not currently have an Employee Assistance Programme in place. The Labour Research Department has found that staff wages for certain roles are in the bottom 25% nationally in an area which is among the most expensive in

which to live. This represents a perfect storm when it comes to attracting and retaining frontline staff. UNISON has evidence of its members turning to food banks to survive and emergency hardship loans needing to be introduced to mitigate bargain-basement salaries.

Further, it's noted that in Appendix D of the Revenue Budget a summary of Savings/Income and Implications is listed. It is clearly untrue to say – for instance – that training budgets savings of £22,000 (R22) will have “no implications” or that directorate efficiency reviews saving “£56,000” (R23) will have “no implications”. These will of course have implications on staff, recruitment and retention. To claim otherwise is disingenuous.

Investment Strategy

Further questions must be asked about the investment strategy. The “windfall” of cheap lending from the Public Works and Loans Board has led to a spree across other authorities which has echoes of the ill-fated PFI in terms of its long term impact on public finances.

Borrowed money is being shunted around the regions via investment by Local Authorities based elsewhere to prop up a commercial property sector blighted by decade-long austerity. I am sure some elected members will remember fondly the trite comments by Margaret Thatcher that “the problem with socialism is that eventually you run out of other people’s money”. Failing a sudden conversion amidst their ranks, it is therefore deeply odd that a Conservative council should abandon such principles and embrace spending “other people’s money” with quite such socialist enthusiasm. Especially on behalf of residents who will incur the debt, and especially where they see no direct benefit from it.

A market in flux and an uncertain economic future has led to the divestment of this large sum being curtailed and a considerable chunk (£38m) of the original £100m swilling around in the council’s pockets incurring interest payments. UNISON again draws attention to the “Preston Model”, where local and in-house solutions were found that actively improved the prosperity of the area which the authority serves. Instead we have a council which would rather commission stationery supplies from Yorkshire than Newbury. Ordering in from various external areas also rather undermines any effort to curtail carbon output in light of the climate crisis it has recently announced.

It seems as though making a problem someone else’s is analogous to “solving it”.

Reserves

Finally, £7.97m is in the general reserve (appendix E) when only £6.5m is recommended. This begs the question as to whether the authority is continuing to make budget reductions, service changes – and a redundancy - regardless of financial necessity and instead by force of habit.