



## £57 Million Council Budget Blackhole...

The metaphorical chickens have finally come home to roost for this incompetent Green-Independent coalition and the result is a projected deficit of some £57 Million per year by

for the excesses and whims of those in charge, the "mitigating action" will almost certainly be further rises in council tax and reduced services across the board.

**"This council has squandered millions of our money"**

2026/7 unless "mitigation action is taken". As the reserves have already been plundered to pay

If the coalition had focused on the basics and delivered for its residents perhaps we wouldn't be in this mess. Still at least when the money finally does run out we will have some cycle lanes to show for it.



**£57m Council Budget Blackhole:** Where to begin with this one? Well, perhaps let's start with a **wealth warning: Council Finances are dull and complicated – but they are good for you to understand.**

The council's budgeting process is a rolling one which starts in earnest for the following year about halfway through the current financial year– so that's around September.

The problem every year is that government doesn't start to signal what it is intending to settle on local government in terms of grants and payments until late November and doesn't formally provide any real information until – usually – Christmas Eve ... I kid you not!

**Our administration has made the process more open and transparent,** and we have involved all councillors in the shaping the difficult choices as early as possible. So in October last year - even though the income side of the picture from Government was still a mystery - **we presented how the cost picture was shaping up to the Scrutiny Management Board –** chaired by a Tory.

With inflation then at 14% and fuel and supplier prices going through the roof we presented a 4-year Medium Term Financial Strategy a look ahead (something the Tories never did) showing that – as at October – stating:

*"The draft MTFs presents a challenging position; with early forecasts identifying a **gap between resources and pressures of £21.6m in 2023/24, rising in subsequent years to around £57m by 2026/27 if no mitigating actions are implemented.** This draft position is based on a number of variables and assumptions which are subject to change and these are detailed later in this report."*

It is this early October view of the figures which the Tories have now used in an attempt to paint us as somehow mismanaging the council's finances, rather than the reality that **we were being open and transparent and engaging all parties in the emerging financial picture.** Again, something the Tories never did.

Following the Chancellor's financial statement in November and the draft local government settlement published in late December, the areas of uncertainty started to shrink and the future financial position became somewhat clearer. Although inflation and service pressures remained screamingly high across all areas of the council's operation. In early January we gave scrutiny a view of the detailed budget when the 4-year look ahead showed:

*"Whilst a balanced budget is proposed for 2023/24, there is **a total funding gap of almost £16m** over the period from 2024/25 to 2026/27 and this must be addressed through future reductions in spending, savings or transformation of services."* ... the only mitigating actions we have available to us.

**This represents an uncertainty of only 2% of gross revenue looking out beyond two years into the future.** The REALLY IMPORTANT thing to note here is that even this level of uncertainty is **based upon an assumed level of inflation of 8% - that's 2% lower than at present, AND future years council tax rises of only 2%!**

Compare this to the **Tory position in their last budget** for 2019/20, where – despite inflation being only 1.8% at the time – they stated **their assumptions were to increase Council Tax every single year by 4.5%.**

It is disappointing that **our openness regarding early uncertainties has been so selectively quoted to misrepresent the position.** We note that the Tories provided no shadow budget to show how they would do things differently and made no challenge to our financial plans through scrutiny, cabinet or full council. **The truth is that we are being more innovative, equitable and strategic in how we are managing the finances than the Tories ever were.**

**PS:** The cycle lanes we have delivered are actually THEIR CYCLE LANES ... just made complaint to safety standards.





The Conservatives published their own 'newspaper' full of misleading nonsense. For a full explanation of why their claims are such utter rubbish, go to the Myth Busting page. Meanwhile here are the headlines...



Planters were paid for out of a covid grant to improve the city centre, not from your council tax.

The 'bypass' was a Conservative waste of money. It would have encouraged more traffic at a time when we need to find ways to encourage less. Plus it would still take another 10 years to do and cost another £250 million+

Conservatives raised council tax by the full amount every year they were in power. Plus inflation was lower then.

Government directed all councils to reorganise bin collections with a greater emphasis on recycling. The public were consulted on the plans and a majority agreed with the new arrangements



Money spent on Hereford city centre is aimed at actually solving the cities transport problems, which these roads schemes never would.



Conservatives approved a massive increase in poultry farming without thinking of the effect of phosphates on our rivers. Now they try to blame us!

The new cycle lane was not our 'vanity project'. It was actually part of a scheme designed by the Conservatives. Costs went up because their design needed improvement.

Our Children's services have been in trouble since long before the Coalition took over. The headline cases date back to when the Conservatives ran the council. Funding has been under pressure for over 10 years.

The reason our rivers are so polluted is because Thatcher sold off our water to companies who want profit over nature. The Government still refuses to take the pollution of our rivers seriously, letting these companies discharge raw sewerage into our rivers.



Rural areas are undervalued by Government. It is they who spend billions on HS2 rather than local bus services. Not your council

Basically every story in their 'newspaper' is a total misrepresentation of the truth. Even the 'potholes have potholes' story conveniently forgets to mention that the government has slashed the money available to sort out roads while the cost of materials has gone up.

Find out more about Independents for Herefordshire on our website: [www.i4H.org.uk](http://www.i4H.org.uk)