

Budget Speech 22nd February 2022

(3,759 words/28.9 minutes)

Members and officers of the Council,

In my final address to you last year, I said that we must commit to making 2022 a year of transformation as we emerge from the coronavirus pandemic. With the release of the council's Budget for the next financial year, I believe that tonight we are taking our first step toward making good on that promise to Tameside and our residents.

But these efforts must first and foremost be built on a solid foundation of financial sustainability, and our Budget recognises that realistic decisions still need to be made if we wish to continue our proud record of delivery.

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We cannot hide from the fact that the challenges we face over the next few years are formidable indeed. Tameside Council, along with local authorities across the country, is still having to bear the consequences of almost twelve years of austerity, which has seen our budget cut by £200 million and counting.

This has been exacerbated in recent times by the impact of the coronavirus pandemic and the emerging cost of living crisis, both of which have reduced several of our income sources while simultaneously increasing the demand for services, particularly in areas such as adult and children's social care.

The government has provided another one-year financial settlement for local government. This does include some increases in funding, and while this is undoubtedly welcome, the fact remains that growth in cost and demand pressures continue to significantly exceed funding levels afforded to us.

This means that trying to carry out the same work with diminishing money and resources is no longer an option. We must instead strive to invest in the development of preventative services to provide better outcomes at a lower cost. To give just a couple of examples; in social care services this will involve giving our staff the support they need to work within communities to keep children out of care, and allow our elderly and vulnerable residents every opportunity to live in their own homes in dignity and comfort.

The scale of this transformation programme cannot be understated, and it will undoubtedly require a certain level of upfront investment. However, I believe it is a necessary and important step to guarantee the financial sustainability of our most vital services.

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As we all know, we are required by law to set a balanced budget, taking into account sound and sustainable assumptions about income and expenditure, the delivery of savings and the use of reserves.

For this reason, the council's Budget for 2022/23 has identified £8 million of new savings through the rescaling and remodelling of services. When combined with existing savings proposals of £9 million last year, this results in a total spending reduction of £17 million over the past two years alone.

Even after taking into account these cuts, as well as additional funding and income, we still face a Budget shortfall of more than £3 million.

This remaining gap will need to be closed with a 1.99% increase in general council tax and 1% increase in the ring-fenced Adult Social Care Precept. For a Band A property in Tameside, this will equate to an increase of £31.97 a year or 61p per week.

This is not a decision that we have made lightly, and I know that a Budget that contains both further cuts and tax rises is not going to be welcomed by many households already grappling with an unprecedented cost of living crisis.

It is for this reason that I want to go into a bit more detail about how the government has forced us, and the majority of other local authorities in the country, into making this decision.

The government's own funding plans, as laid out in their Provisional Local Government Finance Settlement, assume that every council will raise their council tax by the maximum permitted without a referendum.

In layman's terms, this means that the government could have provided the necessary funding themselves, but in a deliberate move chose instead to make local authorities, and by extension the local council tax payer, face the burden themselves.

What this amounts to is the government using councils as the conduit for a continuation of austerity. It isn't fair, it isn't sustainable, and it should be called out for what it is.

Furthermore, ever-increasing council tax rises – particularly the adult social care precept – have never been the solution to the financial pressures we face. Not only is the money raised inadequate to the task at hand, but the nature of council tax means that areas like Tameside that can raise the least money from it are also usually the areas where service demand is at its highest.

The case has been made before, by myself, by the GMCA, by the LGA and by local authorities of all political stripes that another way can and must be found. We have still yet to hear the results of the long-delayed Fair Funding Review, and I truly hope that the government has listened to our concerns and is now willing to take necessary action. The alternative is a crisis in local authority funding, particularly in the areas of children's social care and Special Educational Needs and Disability, which will be as catastrophic as it was avoidable.

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There are a number of areas where I believe that more needs to be done by the government to take decisive action to grapple with both the tail-end of the coronavirus pandemic and the beginning of the cost of living crisis.

The government has indicated that funding for coronavirus activities – particularly practical and financial support for those who are eligible and require assistance to self-isolate – will end in March.

While it is true that the rollout of vaccinations and boosters has meant that we may finally be at the beginning of the end of the pandemic, infection rates in Tameside were still recorded at 245.2 per 100,000 people as of 21 February.

If we want to continue offering the best help we can for people – both to ensure their own well-being and prevent a new spike in infections – we need to keep being provided with the financial resources to do so.

We also require urgent clarification about some of the policies announced by the government to support our residents to make ends meet in the face of rising prices for essentials such as food and energy.

I support the measure announced by the Chancellor to provide a one-off council tax rebate in April, however questions remain about how councils will be empowered and resourced to deliver it to as many of our residents as quickly as possible. In particular, I believe that more needs to be done to ensure that the payments go to residents who do not pay council tax in the traditional manner, including people living in Homes in Multiple Occupation whose council tax bills and utilities are rolled into rent payments, students who are in receipt of council tax exemptions, those who do not have a bank account or a direct debit arrangement, and other complex situations.

While I believe the council tax rebate will be a progressive and positive step if implemented properly, I have deep concerns about the Energy Bills Rebate.

Let's be clear as to what it actually is. It is not a rebate its a loan. Here's how it will work. In October, everybody will receive £200 off their energy bills – either as a direct reduction or as a credit. Then from April 2023, and for the next five years afterwards, your bill will automatically be increased by £40 a year to pay it back.

There are a number of issues with this. Ofgem's own figures predict that energy bills will rise by as much as £693 for some households this year, making it incredibly unlikely that a single payment of £200 will cover the cost. Especially if, as predicted, prices continue to increase for the next 18 months to 2 years.

But there is a broader principle at stake here as well, and it goes back to what I said earlier about the government's financial sleight of hand. They could have chosen to find the money another way, such as through a windfall tax on energy companies that have recorded literally billions of pounds of profit this year. They have decided instead to force residents to take on debt to pay for a crisis that they had no responsibility for creating.

This isn't a solution. It is the logic of austerity on steroids. And it will be the poorest and most vulnerable who will end up, quite literally, counting the cost.

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I want to turn our attention now to our carers. They have been on the front lines of the coronavirus pandemic, and it is no exaggeration to say that their tireless efforts have saved the lives of potentially thousands of our most elderly and vulnerable residents.

For too long the men and women that carry out care services have been treated as second-class workers. Despite the considerable physical, technical and social skills required to do their job effectively, they often remain overworked, underpaid and disregarded. In some cases, this has become so pervasive that carers have been forced to resort to food banks to make ends meet.

This can no longer be accepted. Our care workers expect, and deserve, to be treated with respect. Not just in terms of social status, but in terms of pay as well.

It's important to note that elevating carers in this fashion does not just benefit them, it benefits us as well.

As a country, it is no secret that one of the most serious challenges we face is a labour market that has become defined by poverty wages, gender and ethnicity pay gaps and widening inequality. For a number of reasons, care services have found themselves at ground zero of this national injustice.

As a local authority, transforming the popular perception of caring from just a "job" into a recognised and respected career path will allow us to not only retain experienced and dedicated workers, but give those entering a caring role the chance to build their own skills and expertise. This will help to guarantee the quality of service that can be delivered to those who need it the most.

I therefore want us to be part of the solution, because it is both the right and the necessary thing to do. Over the next few months I intend to meet with all stakeholders to discuss how we will make this a reality in time for the Council's next Budget at the latest.

In a similar vein, over the next year we will be continuing our work to reform and enhance our health and social care services as a whole, particularly in regards to the new Integrated Care System and access to Mental Health support. The precise details of this are worthy of an address to Full Council on their own, and I will be sure to provide you with a full update on our progress and ambitions at the earliest appropriate opportunity.

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I want to discuss as well the news that has come out recently about the government's push of the "Levelling Up" agenda, and what we as a local authority believe needs to be done. While we undoubtedly welcome the government finally giving us an indication of what "Levelling Up" will mean in practice, the White Paper released at the beginning of this month continues to disappoint and fall short in a number of areas.

In particular, I believe the government continues to massively underestimate the ambition and finance required to reverse decades of economic, political and social neglect in the North.

In the five years to 2019/20 alone London received investment equivalent in £12,147 per person compared to just £8,125 per person of investment in the North. By the Treasury's own data, that amounts to the North missing out on £61 billion of funding. Indeed, the White Paper itself makes few commitments beyond those that were already made in the latest Spending Review, and the £0.5 billion delivered through the Levelling Up fund so far amounts to less than £32 of additional funding per person.

Others have drawn the comparison to Germany following the countries reunification, and I want to echo their points because it provides a real life parallel to the situation we face in Britain today. Since 1990, German governments from a variety of political parties and traditions have spent almost £70 billion a year, approaching £1.5 trillion in total, to bring the formerly Communist parts of the country back up to speed. If that was what was needed then there's no reason why we shouldn't expect a similar commitment to be necessary for "Levelling Up" to be successful.

But while money is absolutely vital, it is not the only ingredient for success. For too long, national governments have treated local authorities as supplicants instead of equals. Councils have been forced to compete against each other for shrinking pots of funding that, even if they are successful in accessing them, come with stringent conditions on how they can and cannot be spent.

The devolution deals in Greater Manchester and other parts of the country have been a step in the right direction. But to truly address our regional inequalities we must be elevated to full partners in the “Levelling Up” process, and be given the decision-making power for spending and investment to match. This will put leadership into the hands of those with the knowledge and motivation to make every penny count in their local area, working with elected mayors, local councils, communities and other partners to focus on delivering prosperity for all.

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These are national issues that we can, and will, raise at every opportunity. But we are also using the financial and political powers we have at our disposal here and now to drive real investment and improvement in Tameside. Tameside’s towns are the economic engines of our communities, hubs for social and leisure activities, and sources of deep civic pride.

Reflecting these simple truths, our investment plans for 2022 are focused on securing the long-term future of our town centres, building on their unique strengths to attract new businesses, increase visitor footfall and develop a vibrant and varied cultural offer. In order to support these ambitions, advisory groups have been established in Ashton, Stalybridge and Hyde to allow communities and businesses to have their say as work develops.

I was delighted to hear the news that Stalybridge has been nominated as Greater Manchester’s Town of Culture for 2022. Our successful bid, developed in partnership with The Bridge Cultural Consortium, will use the funding now made available to us to commission activities such as artist-led walks and trails, community growing projects and outdoor events including theatre and storytelling.

This will complement the existing work and events taking place in the town, including securing the continuation of the hugely successful monthly food event in Stalybridge starting again in March, the creation of a Heritage Action Zone combined with brownfield development and Evergreen Surplus funding to renovate and improve the town centre, Market Hall, shop fronts and western gateway, and working closely with residents and organisations on the ongoing Greater Manchester Town Centre Challenge.

Meanwhile, we are already seeing the promised economic benefits from the Godley Green Garden Village bear fruit. The GMCA has agreed to submit a business case to the City Region Sustainable Transport settlement fund for three schemes to support delivery of a London-style integrated transport network. This includes £6 million for the A560 Stockport Road Corridor, £5 million for the refurbishment and widening of the Hattersley Viaduct, and a further £5 million for an access improvement package for Hattersley Station.

All three are closely linked to the Garden Village scheme, and by supporting its development these transport projects will improve connectivity and enable the provision of new homes to drive further regeneration and investment in Hyde, Hattersley and Longdendale, complemented by the Hyde Master Plan and our further ambitions for both the town centre and Union Street. The final decision is due at the end of March, and I look forward to sharing the details with you as soon as they become available.

The Executive Cabinet has also approved plans to establish a Greater Manchester Mayoral Development Zone encompassing Ashton Moss, St Petersfield and Ashton town centre. This will bring together a number of relevant organisations, both private and public, to create a joined-up approach to realise the full potential of the area.

In terms of practical objectives this will include, but is not necessarily limited to, mixed-use, office-led regeneration in St Petersfield encompassing residential, employment and hotel space as well as food and beverages; transforming Ashton Moss into an hub for high-wage high-quality employment, and the use of Levelling Up investment to restore and repurpose Ashton Town Hall, the market ground and vacant land formerly occupied by the bus station before completion of the new Ashton Interchange. All this will be tied together by extensive public realm improvements and upgrades in walking, cycling and public transport infrastructure.

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As well as this work within the borough, there are a number of projects taking place in Greater Manchester to progress Levelling Up on the regional stage. Most of them, such as last week's formal submission of the final Places for Everyone framework to the Secretary of State, promise significant benefits to Tameside.

Like many of you, I was shocked and dismayed by the news that, as part of the development of the new High Speed Rail 2 line from Crewe to Manchester, there is a very real possibility that the Metrolink service to Ashton-under-Lyne could be suspended. While it is estimated that this would last up to two years, given the nature of such major infrastructure projects I suspect that it could actually end up being far longer than this.

While I am, and remain, a supporter for HS2 and the potentially transformative benefits it could deliver to Manchester and the North, the severing of one of our vital public transport arteries is a threat to our plans for investment and growth that cannot go unchallenged.

To that end an Extraordinary General Meeting of the Council has been called for 21 March, at which time we will all have the chance to present our thoughts and, if necessary, register our formal opposition to the Bill as it stands which was laid before Parliament on 24 January.

Following recent discussions between the GMCA and the Government's Joint Air Quality Unit (JAQU), a decision has been reached that the implementation of the Clean Air Zone will be paused for a short period to further assess the impact of the coronavirus pandemic and global supply chain challenges.

Air quality in the city region remains one of the biggest environmental and health issues we face, and our commitment to tackling it is unwavering. However, we are in agreement that more time and funding is required to deliver an effective and comprehensive solution that is fair to businesses and residents.

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We must also not lose sight of the obligation we have to improve the lives of our residents and communities here and now, particularly in making sure that Tameside is, and remains, a safe place to live, work and get on for all.

Last year I committed the Council to working closely with the Greater Manchester Police, Greater Manchester Fire and Rescue Service and other partners to take swift and decisive action in tackling key issues of concern such as road safety, anti-social behaviour and violence against women and girls, burglary, knife crime, in fact all crimes that directly impact on Tamesides residents, businesses and Communities.

While it is still early days I am glad to say that thanks to the expertise and dedication of Tameside Council's Community Safety officers and local police, ably led by Chief Superintendent Rob Cousens, our efforts are starting to bear fruit.

As of February 2022, Tameside has the best arrest rates for burglary, robbery and vehicle crime of all the local authority areas in Greater Manchester. From October 2021 – January 2022, 467 more arrests were recorded compared to the same four-month period a year ago. Recorded incidents of hate crime decreased by 25.4% in December 2021 than in December 2020. This is not only the biggest reduction across the city region, but also brings our rate of hate crime to the joint-lowest of any local authority area alongside Wigan. The same time period has also seen a reduction of 89 cases of anti-social behaviour, equating to an 18.2% drop in incidents.

These are incredibly encouraging figures, but our joint mission is only just beginning. Our routine activity has been complemented by a number of Days of Action involving the deployment of highly-visible, multi-agency presences in known hot-spot areas and targeted neighbourhoods. This includes Operation Safer Tameside, which took place just before Christmas, and Operation Avro last Thursday. In addition to arrests and other enforcement action, officers from the Police and Council were on hand to discuss concerns and share crime prevention and safety advice with residents.

Our Community Safety Strategy, which was approved by the Executive Cabinet last month and ratified by Full Council tonight, will also build upon this work by supporting the growth of stronger communities, encouraging residents and visitors to make a positive contribution to the borough, and bringing our diverse population together so that everybody feels safe, included and supported by the Council and GMP to live free from the spectres of crime, hate and abuse.

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Members and officers of the Council, it is clear that this has been a challenging Budget. Perhaps one of the most challenging in recent memory. Difficult decisions have had to be made, and even despite this a number of significant risks still remain.

Our residents deserve to know the full picture, which is why I make no apologies in elaborating upon the wider context of the financial challenges we face and where I believe that we, and the local government sector as a whole, have been failed at a national level.

But this cannot, and can never be, an excuse for despair or inaction. Opportunities to make a real difference to the lives of Tameside's residents still exist, and we must continue to have the boldness to seize them. We must also never cease to make the case for true "Levelling Up", to drive home the point again and again that a different, better way is possible.

It is in this spirit of optimism for what could be tomorrow, tempered by realism and resolve to do what needs to be done today, that I commend this Budget to the Council.

Thank you.