

Leaders Budget Speech – 23rd February

(2,979 words/22.9 minutes)

Members and officers of the Council,

I'd like to begin tonight by paying tribute to one of the undisputed heroes of the coronavirus pandemic.

As I'm sure you are aware, at the beginning of this month we tragically lost Captain Sir Tom Moore, who raised tens of millions for pounds for the NHS and other charities before succumbing to the virus himself.

In these dark months, the shining light throughout has been the way people and communities have rallied together. In the face of the worst pandemic in living memory, they have responded with solidarity in word and deed. No one exemplified this more than Captain Sir Tom whose funeral takes place this Saturday.

As we mourn his passing, let us commit to supporting our own key workers and communities in Tameside whose efforts have also never wavered over the course of this hard year. Together, we will make sure that his spirit endures.

I'm delighted to announce that we are continuing to make excellent progress on the vaccine rollout within Tameside. As of the last count on 19 February, 60,976 local people have received their first jab. This includes approximately 75% of our 65-69 year olds. All of our care home residents and staff members, over 70s and defined clinically extremely vulnerable individuals have also all been offered the vaccine.

None of this would have been possible without the Herculean efforts, day-in and day-out, of all those involved at every stage of the vaccination programme. My sincere thanks go out to every one of them.

You've helped to protect tens of thousands of our residents from this terrible pandemic, and you've put Tameside at the forefront of the national mass vaccination effort. I promise tonight that you will receive all the support we can offer you to keep this incredible work going.

The speed of the vaccine rollout and the need to pass a Budget for the next financial year means that now is the appropriate time to begin giving serious thought to the post-coronavirus future.

The government has, after a long wait, started to set out the plan to return the Country to normality after a long and painful road. As a Council we are still working through the detail of this latest round of announcements to understand how best we support our communities. I am pleased that people are now able to look to the future and I am optimistic that, with proper support, we will be able to get our local businesses back on their feet and bring back life to our high streets.

However, I harbour a deep concern that the government have underestimated the ensuring legacy this pandemic will have in places like Tameside, we have lost over 600 people and still rates of infection in the Borough are higher than many other parts of the Country. We, along with much of the rest of the Northwest, have endured lockdowns and restrictions far longer than the rest of the Country and we are likely to need support for the foreseeable future.

I will not stand by and see Tameside and places like it left as reservoirs of infection. I will not let our businesses suffer the enduring impact of restrictions while much of the rest of the nation moves on. I will continue to fight for the right support to enable people to protect themselves and their families from the virus.

I expect to see a proper plan to support those who cannot afford to self-isolate and those who continue to need to shield. The evidence is irrefutable, Covid has thrown into sharp contrast the endemic inequalities in our nation and beyond the road map for the next few weeks and months the government must meet this challenge head on and set out a road map for levelling up.

As local Leaders our task is simple. We must focus on efforts not just on the recovery from the pandemic, but to challenge and resolve the injustices, both social and economic, that coronavirus has shone a light upon. It's more than building back better, it is building back fairer.

In Tameside we have begun the process of backing up that promise with action. I want to take the opportunity tonight to highlight some of the great work taking place in the borough to invest, build and redevelop for inclusive growth and better services.

But these efforts can only reach their full potential if they are underpinned with a foundation of sustainable finances. While we are obviously not without our own resources, the fact remains that we are still dependent on the government in one way or another for most of our grants and funding.

It therefore gives me no pleasure to say that, at a time when concrete action on fair funding is needed more than ever, the promise back in March last year that we would be given “whatever it takes” has proven to be hollow words.

Let there be no illusion. The financial pressure faced by local authorities up and down the country as a result of the pandemic remains incredibly challenging. This has manifested in short term impacts, such as the staffing of test centres, and longer scale concerns such as the increase in demand for services and reduction in many of our income streams. The total cost of these has been estimated at over £50 million for the financial year 2020-21 alone.

We also cannot ignore the impact of over a decade of ideological austerity. Despite the additional coronavirus funding we have received over the course of this year, the damage inflicted by the chronic underfunding of our public services has not yet come close to being reckoned with.

This slashing of central grants has led to an increased reliance on local sources of funding, a trend that is especially problematic for local authorities like Tameside with a low council tax base and higher levels of demand. There are no signs at this point in time that this inequality will do anything other than widen in the future without decisive action.

As a result of this, the headline figure is that the budget gap for Tameside in the financial year 2021/22 has increased to £23 million. No matter what anybody tells you, this is not – and has never been – a sign of our inefficiency. Every external audit we have undertaken in recent years has been passed.

We were as prepared as we could have been to handle the impact of the pandemic, but the path ahead of us remains extremely difficult.

This has not being helped by the fact that this years' Local Government Finance Settlement was once again restricted to a single year, and we expect to see a further one year settlement for 2022/23. The promised reviews on fair funding and business rates reform have also been put on hold due to the pandemic.

While the reasons for this are understandable due to the unique situation we face at the moment, it nevertheless deprives us of the certainty we need to plan effectively and efficiency for the long term.

The fact remains as well that the new Local Government Funding Settlement we have received remains fundamentally inadequate to the challenges we face. While on paper it promises a £2.2 billion increase in core funding only £0.3 billion of this, or less than 14%, comes directly from the government. The remainder comes from the assumption that councils will make full use of their allowable council tax increase for this year.

My view on this is clear, we should not be forced into a position where local residents will have to pay for the price of austerity and the economic pressure of coronavirus out of their own pockets. Far from being “whatever it takes”, this is “business as usual” from the government.

In light of this, our Budget for next year must focus on closing our budget gap. While the government persist in sticking with the false logic of austerity outwith Covid-19 funding, this is the only option available to us to secure our financial sustainability.

Hand in hand with this however, the Budget must also be the launch pad to drive economic growth within the borough to open up new income streams, improve services and the quality of life of our residents, and begin the process of building back fairer and better.

I want to now talk about both of these in turn.

The strategy that shapes our efforts to make good on our budget gap is based as much as possible on achieving reductions in demand and working differently, but I must be honest with you in saying that these by themselves will not be sufficient. More cuts are necessary in this Budget, and unfortunately our financial forecasts up to 2026 predict that further cuts will also be required in the years ahead.

That means that it is more important than ever that we are honest with our residents about the financial challenges we face, and what it means for them and the services many of them depend upon. In the run-up to Christmas that process began as we launched our annual Budget Conversation to give people the opportunity to have their say on our spending and saving priorities.

Due to the coronavirus pandemic much of this took place through online discussions with partner organisations, community groups and other virtual engagement sessions. All this feedback has been collected, analysed and fed directly into our decision-making process, and my thanks go out to everybody who took part.

The overriding need to secure our financial sustainability means that it has been agreed that an additional £9 million of cuts on top of our existing savings proposals are to be adopted and delivered this year, increasing to £14 million next year. There will also be no new reliance on reserves in 2021/22 – although we have made allowances for this to be balanced with one-off measures where the case can be justified for it.

In terms of income, the Budget assumes a council tax increase this year of 1.99% and an increase in the adult social care precept of 3%. These are the highest amounts by which we can raise both of these without the requirement to call a local referendum.

This is a choice we would much rather have not had to make, but the impact of a decade of austerity and the betrayal of fair funding promises means that we are not the only local authority that that have had to make it.

The impact of coronavirus has both created serious new inequalities within Tameside and exacerbated those that already exist. Every closed business, every lost job and every mental or physical health crisis has a clear and tragic human cost, but it also carries a cost for the council through greater demand for support or reduced income from council tax and business rates.

In the absence of adequate financial assistance from the government many vital services face the risk of becoming financially unsustainable.

I therefore want to state on the record once again my unhappiness that we have been strong-armed into this by the government's own deliberate and deceptive actions.

And don't believe anybody who tells you that the Treasury's cupboard is bare. Let's not forget that the National Audit Office found that almost £10.5 billion in contracts have been awarded by the government without a competitive tender process. This means that taxpayer's money was left vulnerable to cronyism, conflicts of interest and, although I sincerely hope this is not the case, outright corruption. Even a fraction of the money wasted on failed procurement, contact tracing systems and other extravagances such as private consultants could have funded all of our services and then some.

While we may not have much control over the financial decisions made in Whitehall and Parliament, we do have the opportunity to make our own choices on investment and development within Tameside.

Working in close consultation with residents and partners, we are in the process of finalising our Inclusive Growth Strategy for 2021-26. This will be the guiding star that will help us set the course to building an economy that is not just better, but fairer and greener too.

The history of Tameside, from the Industrial Revolution to the Age of the Internet, is a history of economic leadership and innovation. It is this shared heritage that we are now drawing upon.

We will improve the quality of life, health and happiness of all our people. We will increase the productivity of our businesses. And will we improve and reform our public services to deliver what is needed when it is needed. Despite the financial challenges we face, our commitment to making this a reality remains unwavering.

This commitment has been distilled into a number of key priorities which, as I speak to you tonight, are in the process of being acted upon by our Growth Directorate.

Last year the Cabinet agreed to our latest Strategic Asset Management Plan. This will ensure that all of the council's buildings and assets contribute to the prosperity of the borough and the well-being of our residents.

Many of our ongoing projects focus on our town centres, with the aim of turning them into the economic growth engines and vibrant community hubs that they can and should be.

In Stalybridge we have reached agreement on £1.27 million match funding for the development of the Historic England High Street Heritage Action Zone, which provides financing to restore historical buildings while preserving their unique character and history. Further money has also been secured through the Evergreen 1 fund to undertake the site investigations and land remediation costs needed to bring plots forward for houses within the town centre.

Just down the road in Ashton, the Old Baths Data Centre extension is due to be completed in April. The next phase of our successful renovation of the historic Ashton Old Baths, once online it will accommodate up to 73 new jobs in the media, digital and creative sectors. In St Petersfield, further Evergreen funding will be used to bring forward high quality employment space and new jobs, with initial investigations due to be undertaken by the end of March.

After a number of unforeseen and unfortunate complications, the long-awaited extension to Hyde Pool will be completed in April. The former Denton Pool site, which was been surplus to requirements since the opening of the Tameside Wellness Centre, will be demolished ready to bring forward for housing by May. This will be facilitated by £1.9 million from the GM Brownfield Housing Fund, which will be used to accelerate the clearance and delivery for development of this area as well as two further sites in Droylsden Library and the building footprint of the former Two Trees School. As part of this we are also consulting on the future of Droylsden Library, with the intention of getting resident's views on relocating the service into more modern and fit-for-purpose accommodation in Guardsman Tony Downes House. The GMCA has also supported in principle a bid for £850,000 of further brownfield funding to unlock developments on the sites of the former Stalybridge Police Station, and Egmont Street in Mossley.

As well as investment in our town centres, education and housing are two of the other lynchpins of our Inclusive Growth Strategy. I'm delighted that, even at this early stage, I can announce significant progress has been made in both areas.

Our Employment and Skills service have overachieved on their targets to support the delivery of the government's national Kickstart Programme, which works with businesses to give young people at risk of long-term unemployment an opportunity to receive jobs and training. This is an absolutely tremendous accomplishment, and having spoken to the service I know that they have no intention of resting on their laurels.

Thanks to the tireless efforts of our Housing service, our draft Housing Strategy is also due to be brought forward in May. When signed off, this will implement and deliver a new Housing Provider Framework to supply our children and adult social care needs until 2024. This will help to guarantee that the most vulnerable residents in Tameside never go without a roof over their heads.

But this is only the beginning of our ambition. At the Combined Authority meeting earlier this month, we agreed with Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Trafford and Wigan to form a joint committee to develop a new and long-term plan for jobs, new homes and sustainable growth for all. This project, entitled “Places for Everyone”, will replace and build upon the pioneering work carried during the creation of the former Greater Manchester Spatial Framework.

Last, but by no means least, I want to update you on our two large scale investment areas in Godley Green Garden Village and Ashton Moss. Taken together, these will open up housing and business development in the borough on a scale and scope that is truly unprecedented.

A community consultation on Godley Green has been launched, and following the completion of site surveys negotiation has commenced with landowners on an Options Agreement. We have also commissioned an independent socio-economic study on the Garden Village and its implications for the wider Hyde area, the findings and outcomes of which I hope to be able to share with you in due course.

Evergreen funds have been secured for Ashton Moss, with the investigation and remediation of designated land due to begin in March. We are already managing a significant inward investment enquiry for the area, and we are cooperating closely with MIDAS and the Greater Manchester Combined Authority to draw up a business case to the government for further funding and development.

With this commitment financial sustainability on one side, and inclusive growth on the other, I believe that we have produced a Budget that both manages the significant challenges we face, while simultaneously laying the foundations to fulfil our ambition to build back fairer, better and greener.

We will continue to lobby the government to fully realise the difficulties faced by local authorities up and down the country, and demand that they make good on the promise of fair and appropriate funding for all.

Nobody will deny that 2020 was a year of difficulty and uncertainty for us all, but for all the tragedy unleashed by the pandemic it has also shown us a way forward too.

It has shown us the strength of our communities. From our incredible key workers in the NHS and heroic individuals like Captain Sir Tom, to the unseen acts of kindness done by ordinary people every single day, this year has seen bonds of fellowship and solidarity forged that will never be shattered.

But it has also shown us that, once we emerge from this pandemic, a different and fairer way is possible. We must reject the false comfort of “going back to normal”, because for too many people “normal” means a return to inequality, deprivation and struggle. The world we once knew is gone, so let us take the opportunity to build a better one.

I am not saying for a minute that this will be easy, or that it will not require more incredibly difficult choices in the future. But if we go forward together with a new vision of what is possible, I am confident that we will be equal to the task.

We have all lost much over the past year, but there is much that can be gained.

It is in that spirit that I commend this Budget to the Council.