

Leader's Budget Speech 2016/17

A foundation for the future

Mr Chairman, fellow Members

The budget challenge in 16/17 and beyond is huge. We need to save over £1 million each week. Every week. For the next four years.

But this administration has proven we are up the challenge.

It is a budget that makes some of the difficult decisions we need to take to secure Essex's future.

We are continuing to deliver huge savings by making more efficiencies and remodelling services.

We have taken difficult decisions so that we can deliver a budget that will protect frontline services and care for the vulnerable as much as possible.

A budget that will deliver £1 billion of investment in more schools, better roads, superfast broadband, and protection from flooding.

A difficult budget in difficult times

Our funding from Government has been reduced by a further £50 million in 2016/17 – around a third less of what it was in 2015/16.

We have additional burdens. The National Living Wage will cost us £16 million and changes to National Insurance will cost us £5 million in 16/17.

All in the context of a rapidly ageing population that is placing increased pressure on social care services.

Mr Chairman, without the responsible and forward looking measures included in this budget, the council would face a funding black hole of £122 million in 2016/17 alone.

By the end of this decade, we must find over £300 million worth of savings.

And that's on top of more than £500 million in savings we've already made since 2010.

We will play our part

Britain now has one of the fastest growing economies in the OECD.

There are 2.6 million more people in jobs than at the start of the decade.

Unemployment stands at 5.1% compared with 8.0% in 2010.

By the end of this Parliament, the country will be out of the red and back in the black.

As the Leader of one of the largest councils in the country, I recognise that local authorities must continue to play their part to pay down the deficit. And we will.

In 2016/17, we have identified £76 million worth in savings, challenging every assumption about our expenditure.

And we have taken the decision to use £24 million from our general reserve.

Mr Chairman, I don't write to a Prime Minister lightly.

But I took that decision because I will always fight for a fair deal for Essex.

And because of this and the support of our Conservative Essex MPs, David Cameron and George Osborne have listened to our calls and responded with transitional funding for Essex of £14 million over the next two years.

A low tax record

Mr Chairman, we seek to build a foundation for the future. And if we are going to build for the future we must start by understanding the past.

In the past 10 years, under our administration, Essex has consistently been a low tax authority.

We have delivered council tax freezes for the last five years running.

We did this because it was the right thing to do. Wage growth had slowed and we understood that hard-working Essex families were under financial pressure.

Although the national economy is improving, council finances are under severe strain.

So it is with deep regret that we have taken the difficult decision to increase council tax by 1.99% as well implement the Government's 2% Social Care Levy.

This means that the average resident will pay 84 pence more each week in council tax.

It is a difficult decision because we hate raising taxes.

We believe that our residents know best how to spend their money.

But we have decided to increase council tax this year because we want to do everything we can to protect frontline services.

In the coming years, there will be more difficult decisions.

We must be honest about that. Because in the future we may not be able to continue to shield our communities from cuts to services.

Investing in the future

Mr Chairman, despite these unprecedented challenges, this budget outlines £1.8 billion pounds of spending on public services for Essex residents.

And a billion pound capital investment plan for the next three years.

Mr Chairman, we will use this investment to deliver five priorities for Essex.

Five priorities that will help us build the future our residents and businesses need.

An economic engine room

Our first priority is to build an even stronger economy in Essex.

We want to boost the Essex economy from £33 billion to £60 billion by 2025.

Because economic growth is the key to creating a prosperous and healthy county.

We are investing over £200 million in an Essex growth package to boost economic growth by creating jobs, investing in roads and infrastructure, stimulating trade, and supporting business growth to cement Essex as the best place to invest.

We are investing in innovation centres in Harlow and Colchester. Improving skills provision in Harwich and Benfleet so our young people are equipped with the skills they need to succeed. And we are regenerating town centres in Basildon and Hadleigh.

We are creating 1,500 jobs and over 500 apprenticeships.

Extending superfast broadband to cover over 95% of the county.

Investing £43 million in a pioneering housing programme to boost growth and provide homes that will support people to live independently.

Thanks to our investment over the last three years, our 5,000 mile road network is now among the best maintained in the whole country.

Our £114 million highways maintenance package will keep Essex moving by busting traffic congestion and improving local roads, footpaths, and bridges.

Mr Chairman, devolution is a once in a generation opportunity to shift power away from Whitehall and down to Town Halls.

We are continuing the excellent work with partners across Essex to develop the case for a Greater Essex devolution deal.

Devolution means more jobs, faster growth, and better services.

We have heard a lot about the Northern Powerhouse, but I want us to become an Essex Powerhouse with the fastest growing economy outside London.

Taking care of our elderly and vulnerable

Second, as this budget shows, we want to continue to provide the care and support that the elderly and most vulnerable in our society deserve.

In 2016/17, we will be spending £418 million on adult social care.

This is our biggest area of spend and also our biggest area of pressure.

Over the next decade, our older population is set to grow by 25%, accounting for over half of all population growth.

We owe it to our elders to ensure they are well cared for. But this comes at a cost.

In Essex, the Government's 2% Social Care Levy will raise £11 million. Yet, the increased pressure on social care services is over £40 million next year alone.

So we have to find new ways of meeting this challenge and ensure people of all ages live full and independent lives.

No one wants to see their loved one go into a care home. So we are investing in programmes that will help people live independently in their own homes for as long as possible.

Not only is this better for our older residents, but it will also provide better value for money by reducing the demand on costly long term nursing care.

So we are developing new and innovative programmes focusing on prevention and early intervention.

Whether supporting older people and people with disabilities or through public health initiatives such as falls and stroke prevention, this will save the council over £25 million in 2016/17.

I am proud of the work our social care teams do with families – reducing the number of children in care to just 1,000, when almost every other area in the country has seen an increase.

Mr Chairman, it is these examples of innovative public service reform that allow us to balance the budget while protecting frontline services as much as possible.

A first class education system

Third, we want to make sure Essex has a first class education system.

Education is the key that unlocks the door to opportunity.

That is why we have set ourselves a target of every child in Essex attending a good or outstanding school by 2018.

In the last five years, we have seen the number of primary schools in Essex that are good or outstanding increase by 17% and the number for secondary schools increase by 18%. And we want to see this record of success continue.

We want Essex to have the finest schools with the best teachers in the country.

And we want every child in Essex to have a place in one of those schools.

So we are investing more than £365 million over the next three years in one of the biggest school building programmes the county has ever seen, creating nearly 10,000 new schools places.

We are also looking to radically overhaul and increase the provision of Special Education, spending £57 million on new special schools across the county.

Our aim is to create an education system that prepares our young people for adulthood – to fulfil their potential and contribute to the wellbeing of our great county.

Sustainable public services

Mr Chairman, our fourth priority is to deliver public services that are not only high quality, but are sustainable well into the future.

We will do this by joining up public services. Like we are doing with health and social care – by bringing together carers, GPs, hospitals and community health to provide a seamless service, tailored to local needs.

We will do this by being smarter and leaner and making further efficiencies and back office savings.

For example, in 2009 we had 56 council offices and a property bill of £43 million. We have drastically scaled back to just 9 offices, saving more than £24 million.

In 2016/17, we are taking a further £7 million out of our back office costs.

We are digitising the way our social care teams work to save £4 million.

And we are generating an additional £10 million by tackling council tax fraud and improving collection.

Mr Chairman, we will do this by innovating and finding new ways of delivering services. We just can't afford to do things the way we have always done.

For example, our innovative plans to create community hubs across the county will improve customer experience and save over £1 million by bringing services together under one roof, like moving our registration services into our libraries.

And our ground-breaking housing programme will make the best use of publically owned land to deliver new homes that will help vulnerable people live more independently.

A greater role for local communities

Finally, Mr Chairman, we want people play a greater role in their own lives and that of their communities.

This means looking at who is best placed to provide services – whether that is our districts, town or parish councils, or even communities themselves.

As a passionate advocate of localism, I have committed to exploring with our districts what county services can be devolved locally.

Our ambition is of an Essex with strong and resilient communities. We want a county where people take greater responsibility for their own lives, for their families and for the wellbeing of their neighbourhoods.

Because we recognise that we don't have all the answers here in County Hall.

Many of the solutions to the challenges we face exist out there in our communities.

So in the future, we must help people help themselves and each other, building on the success of innovative initiatives like Community Agents.

Because how we use public resources is a responsibility that we all share. And that means radically rethinking the role of the council.

Securing Essex's future

Mr Chairman, members, I have spoken to you about our record of low tax and responsible financial management.

I have spoken to you about the unprecedented challenges we face.

And I have spoken to you about our plans to secure Essex's future.

As a result of our prudent stewardship of the council, we have been able to protect frontline services and embark on one of the biggest investment programmes in the county's history.

We are building a foundation for the future. A foundation that will provide security, prosperity and opportunity for all.

By growing Essex's economy.

By caring for our growing and ageing population.

By creating a first class education system.

By innovating and reshaping public services so they are sustainable into the future.

And by giving local people a greater role to play in their lives and communities.

Mr Chairman, cabinet colleagues, fellow members.

This is a budget that will secure Essex's future and I commend it to the Council.