

Leaders Executive Statement – Changing Times

Mr Chairman,

We are living in a period of unprecedented political change and uncertainty.

But while there are significant challenges to face, there are also a number of opportunities.

The outcome of the EU Referendum has led to a number of questions that have yet to be answered.

But I can assure Members that **Essex is open for business and is well-placed for the future.**

Essex has the fourth highest total GVA of the 13 counties in East Anglia and the South East outside London, based on historic geographic county boundaries. At £35.9bn in 2014 it is the same as Kent and only exceeded by Hampshire, Surrey and Sussex.

There are 870,000 people employed in Greater Essex. The participation rate in Greater Essex is 76.4% which is higher than the average UK rate of 73.5%.

At 4.3% in 2016, the unemployment rate in Greater Essex is below the UK average of 5.3% and well below that prevailing in metropolitan areas.

As a council, we will continue to support residents and businesses to take advantage of opportunities as they arise.

We will also continue to offer support and advice to businesses looking to invest in Essex and those that already contribute to the growth of the local economy and those who wish to export within and without the EU.

We have a long standing track record of supporting business in Essex:

- Rolling out superfast broadband to 65,000 businesses and homes across the county.
- Supporting the work of the Essex Partnership Board to strengthen communities and look at ways to address the demand and cost pressures facing public services in Essex
- Continue our capital investment programme in schools and highways infrastructure, investing tens of millions into our schools and roads.
- We have been working to understand the factors that affect housing supply and demand across the County and how we work proactively with partners to enable and facilitate the delivery of the estimated 130,000 new homes over the next 15 years to sustain economic growth and meet locally-determined housing need.'
- And 58.4% of our external spend is with local Essex businesses

Essex will continue to welcome people who want to come here to live and work, regardless of their background.

As a council, our finances will continue to be under pressure. We need to save more than £1m a week, every week, for the next four years.

So we know that **we will need to continue taking difficult decisions to live within our means and ensure economic prosperity for Essex.**

This means that we will continue to drive forward innovation and investment in Essex to strengthen local communities, reduce the budget gap and create new ways of delivering public services.

New Ways of Working

We can't just afford to do things the way we have always done and so are starting to work in new ways.

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.

Business Rates

Last week Government announced a consultation on 100% business rate retention for local authorities. That is something we have long called for.

The ability for local government to keep 100% of the business rates would be a game changer for the way we fund our services.

The Government wants a system that provides strong incentives to boost growth and rewards authorities that take bold decisions to further increase growth.

Mr Chairman, as all of us in this chamber know Essex is one of those areas that has great potential to boost growth, and yesterday I met with Lord Heseltine and Mark Francois to discuss the Thames Estuary 2050 Growth Commission that will be formally launched on Thursday.

The Thames Estuary area is, potentially, the largest regeneration site in Europe – growth in this area is a huge opportunity for Essex, London, Kent and the UK as a whole.

The Commission is a significant opportunity that will draw on best practice from around the world, including Docklands and Canary Wharf, as it looks to transform the estuary area by boosting economic activity, training and attracting skilled workers, and maximising planned infrastructure, including a new river tunnel.

The proposed changes to business rates and local government finance give us the opportunity to:

- Take on more responsibility such as skills commissioning in exchange for retained business rates.
- Redress the current imbalance between the funding formula and demographic changes; historically places like Essex, with a fast growing elderly population have been disadvantaged.
- Gain a settlement that keeps pace with, and meets the demands of, rapidly growing areas.

However, there is a risk that County areas in particular will be disadvantaged by the new system as:

- we have an older population so we may see higher demographic growth than business rates growth;
- we have a larger number of small businesses, many of whom will be eligible for business rates relief, so even if we see business growth we might not see growth in our income from business rates

We are working closely with CCN, the LGA and other councils in two tier areas to ensure that our voice is heard in Westminster, and we have already started to raise our concern with MPs.

Digital Innovation

We must also modernise our council so it is fit for the digital age. Who would have thought that just a few years ago that we would now see cars that park themselves, robots that are smarter than people, and software that can predict disease outbreaks?

Our challenge is to embrace the potential that digital technology provides us, to transform how we provide services.

We have already digitised much of our customer interaction – parents seeking information about where their child is on a school waiting list can find this information out real time through the web. We saw a reduction in calls to our contact centre of 80% as a result of this development. Other digital applications include renewals for skip and scaffolding licenses and dropped kerb applications, bookings for adult learning courses, events at our country parks and appointments for births, deaths and marriages. And we have plans for more – one of our largest projects is to digitise the way our social care teams work to save £4 million.

Collaboration

Finally Mr Chairman, we not only need to work much more closely with our partners, but we need to work closely with our residents to help shape and design the solutions to individual and community needs.

This means that often the council of the future will be less about intervening directly in people's lives, and more about providing the means to help people help themselves, each other, and their communities.

Our ambition is of an Essex with strong and resilient communities. We want a county where people are able to 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 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.

Conclusion

In summary Mr Chairman, we are facing a period of political and financial uncertainty. There are many questions that remain unanswered in the wake of Brexit.

As a local authority we also cannot lose sight of the need to save over £1 million each week. Every week. For the next four years.

But this administration has already proven it is committed to delivering the best value services we can for residents and businesses and will continue to do so.