

Budget speech 2014-15

Madam Chairman and fellow councillors

The Annual Budget meeting is one of the most important dates in the Council year.

This year marks the 125th anniversary of Essex County Council.

125 years of serving the needs of our communities.

125 years of helping improve the environment in which we live, work and study.

125 years of caring for and supporting those in need, whether young or old.

125 years of making a positive contribution to Essex.

And Madam Chairman, today's Budget is one that demonstrates our commitment to all of these traditions but also looks ahead.

It is a budget of difficult decisions but is a Budget which balances our priorities, makes people's money go further and keeps as much money in the pockets of our residents as possible.

Today's Budget sets out how we propose to spend a total of £1.86 billion over the next 12 months on public services to the people of Essex: public services that support the lives of vulnerable people across Essex and helps maintain and improve the environment in our towns and cities.

It is a budget that invests a further £211 million on capital projects to improve the fabric of our roads, school buildings and enhance our waste facilities.

And it is a budget that freezes council tax for the fourth year running to protect people's disposable incomes at a time when the Economy is just starting to grow again.

Difficult decisions

Madam Chairman, there is no denying that this has been a difficult budget.

Like thousands of hardworking people across Essex, our finances are under pressure.

Our income from central government has continued to fall and we have nearly £30 million less in income than last year.

At the same time the bills we need to pay continue to go up.

Inflation is rising and so is the demand for our services.

So the gap between the money we have, and the money we need, will grow over the next three years.

By 2017, that gap – or savings requirement – is forecast to be at least £235m.

And I warn Members now that that figure will likely continue to grow in the future.

Over the next 12 months, Essex County Council will need to achieve savings of some £107 million to balance our budget. That is a demanding challenge. And further work will be required to balance our budgets in the following years.

In January, the Chancellor of the Exchequer said that 2014 would be “a year of hard truths” and that there would be a need for further significant cuts after the 2015 General Election.

The Council cannot avoid taking difficult decisions now in the naïve hope that the next government will be able to give us more money. Our budget is getting smaller and it will continue to get smaller.

And there is more to come. The Care Bill, currently going through parliament, will place new duties on councils which in Essex could add over £40 million in additional costs in 2015/16 alone, without full funding to meet these costs.

If we do not meet those challenges now, the impact on services is unimaginable.

That is why this is a Budget of difficult choices.

It is a Budget that involves some decisions which in an ideal world we would not choose to take. But it is one designed to ensure that we can sustain quality services in the future.

We cannot – and we will not – live beyond our means.

This is an administration taking responsibility to make the savings demanded of us by the national economic crisis and the disastrous decisions of the last Labour Government.

And this is the only administration that has the credibility and the track record to steer the council through these difficult times.

Consultations and engagement

Madam Chairman, members will be aware that in recent months we have been in consultation to seek residents’ views on a range of services.

That process of engagement began with the launch of our *Your Essex: Let’s Talk* campaign last year, when we met residents across the county to talk to them about the problems we face and the actions we need to take to solve them.

Since then we have ran a number of public consultations to inform our decisions on individual services.

Thousands of people have taken the time to engage with us. They have told us what they value and why.

They have given us cause to think again on certain issues.

We have consulted on changes to the rules around access to free Home to School Transport, bringing us into line with most other local authorities

We have started the process of consulting the public on subsidised bus services to find out which parts of the service they most value and need.

We have consulted parents, families and communities about changes to the opening hours of our children's centres.

We have begun to roll out part-night street lighting across Essex with lights switched off between the hours of midnight and 5 am to save the Council – and save the taxpayer – millions of pounds from reduced energy bills and help improve the environment in the process.

And we have consulted on the need to reduce spending on youth services, a consultation that has generated significant interest from young people across Essex.

And we have listened to their ideas and their concerns.

So while recognising that we have to make savings, this budget invests £1 million in better equipment and facilities for young people and creates a consultation reserve to allow us to properly consider the valuable feedback we have received from young people.

Council tax

Madam Chairman, this Administration's promise to the people of Essex is simple: "If we can keep as much of your hard-earned money in your pockets as possible, we will do. We want you to live and work in a low tax Essex and we want to avoid increasing your council tax if possible."

That is why for the fourth year running we are freezing council tax bills for Essex residents. Recent improvements in economic growth means there are more people in jobs and less people claiming benefits. Higher returns from our district and borough council partners at the beginning of February mean we can invest an additional £10.7 million in our front line services which matter to you.

So what are we doing?

We are freezing council tax for a fourth consecutive year under this administration

We are investing a further £4.8 million in our roads to help us deal with the impact of the recent bad weather. This is in addition to £12 million extra money that this Budget has already allocated.

£1 million will be invested in an Essex School Improvement Fund, targeted at raising standards and leadership skills in our schools – especially primary schools – so that more of our primary schools will be rated good or better, giving Essex children the best start in life.

And £2 million will be invested in flood management across the county to help us put in place protective measures at a time of unprecedented and prolonged bad weather.

On top of this, due to the recent bad weather, I intend to release £1 million now from emergency funds to alleviate highways flooding issues.

Madam Chairman, members will be aware that a few weeks ago the Cabinet considered increasing council tax by 1.49%. An amount that would have raised nearly £3 million more than accepting the Government freeze grant.

But with news received in early February of higher returns of council tax across Essex, we can ensure that neither the council nor the people of Essex are worse off.

It is a deal that is good for Essex residents and good for the Council.

I hope that Council will welcome the proposal today to freeze council tax bills for our residents.

It ensures Essex residents continue to pay the lowest council tax in the Eastern region.

And there is more good news.

Our Energy Switching Scheme offers residents the opportunity to make significant savings of over one hundred pounds a year on their energy bills.

I encourage all Members to highlight this to people in your communities and to remind them that the deadline for signing up is 17 February.

Madam Chairman, Essex residents can be confident that this administration – and only this administration – has the track record of dealing with the financial problems we face in a fair, responsible and open way and in a way that doesn't ask more of you than is required

Our successes

Madam Chairman, this administration is proud of our record at managing the council's finances and avoiding many of the drastic cuts adopted by other councils.

Our vision is for a county where innovation brings prosperity and our continual focus on transformation, on change, and on innovation, has enabled the Council not just to *react* to pressures, but to *anticipate* them.

We delivered £364 million savings over the three years up to March 2013 against an original target back in 2010 of achieving £200 million savings. That was an incredible achievement with nearly half of the savings achieved through re-negotiating and reducing the number of our contracts.

We have been making every pound go further. Our ambition is to help people live independently and without complete dependence on the state.

Our social impact bond is an example of how Essex lead while others follow, raising millions to finance interventions with children on the edge of care with the simple aim of keeping them safely out of care.

We have modernised the way we work so we are more efficient and productive by embracing mobile and flexible working. And this helps us to reduce the need for property space, reducing costs and delivering capital receipts in the process.

Our work with partners on community budgets, troubled families, and health and social care integration are designed to make public services more accessible to those who need them.

That is where we want to be and is why the drive to integrate health and social care is so important to this council.

Investing in your priorities

Madam Chairman,

This administration has a vision that innovation brings prosperity.

We want an Essex where public services support and enable people to live independently and actively in their communities, rather than live in dependency on the state.

Where public services work together to ensure that Essex communities and residents are safe.

And where public services enable and support the private sector to deliver sustainable economic growth in Essex.

And from that comes a prosperity gained not only through more people in work and off benefits, but more prosperous and resilient communities.

It is this vision which has informed the development of our corporate outcomes.

These are our 7 aspirations for Essex. Seven aspirations – or outcomes – that will guide us in what we want to achieve over the next year and beyond:

1. That children in Essex get the best start in life
2. That people in Essex enjoy good health and wellbeing
3. That people have aspirations and achieve their ambitions through education, training and lifelong-learning
4. That people in Essex live in safe communities and are protected from harm
5. That we have sustainable economic growth for Essex communities and businesses
6. That people in Essex experience a high quality and sustainable environment
7. And that people in Essex can live independently and exercise control over their lives

Seven outcomes in which we are investing with this Budget:

Madam Chairman, there can be few bigger priorities for any society than the young people it nurtures. We want to ensure that Essex children get the best start in life and that they are supported to achieve their aspirations through education and training.

Over the last year the proportion of primary schools in Essex judged good or outstanding has increased from 62% to 70%. All special schools in the county are judged to be good or outstanding, and almost 83% of pupils in our secondary schools achieved 3 or more A Levels at A* to E grade – some 3.6% above national average. We can be proud of the hard work of Essex teachers and children.

But there is more to be done and we are committed to further improving Essex schools, especially our primary schools, so that we close attainment gaps with national averages. That is why this Budget is investing £1 million in the development of an Essex School Improvement Fund.

This budget also invests in our school buildings. The £96 million awarded to Essex for the next 3 years will increase school places and improve school facilities for our children.

And we are investing an additional £1 million to provide more equipment and better facilities for young people, showing that we have listened to their views.

We are supporting vulnerable young people in new and better ways.

In the last two years we have safely reduced the number of children in care by a quarter. That means more children living in a family environment and with a better chance of a good education, less chance of offending behaviour and an increased chance of employment and independence.

This budget protects those vital services.

Madam Chairman, we want to see sustainable economic growth for Essex businesses and communities.

There are positive signs that the UK Economy is starting to grow again and to grow at a faster rate than previously forecast. But we cannot be complacent.

We have worked hard to increase the number of young people in education, training and employment. We have worked closely with Essex businesses to set up an Employment and Skills Board so that we have a business view of where there are skills gaps and opportunities. And we have already invested £1 million as a sign of our commitment.

This budget protects those services and invests £500,000 extra to support young people looking for jobs – this will support 260 apprenticeships and allow us to deliver more than 500 new apprenticeships in 2014/15 over and above the 2,000 we've delivered so far. These apprenticeships will be in key industries such as engineering, digital technologies and care services.

Our £6 million investment in high speed broadband will this year bring better connections to rural areas, increasing business opportunities and opening up a world wide web that can have a positive impact on education and in reducing isolation.

Madam Chairman, we want people in Essex to experience a high quality and sustainable environment.

And we know that the condition of our roads is one of the major concerns of our residents.

So this is a budget investing in better roads.

Last year we announced £35 million extra investment in road maintenance over two years.

That investment has been good for drivers. Between September and December we fixed twice as many defects than in the previous quarter.

Our priority routes – the main roads that you use to get to work each day - are safer, clearer and ready to deliver growth across the county.

And I am delighted to announce that this Budget invests an additional £17 million in our roads and pathways to fix more potholes, enhance our highways and help residents and businesses move around the county safely and smoothly.

£8 million will go to local highway panels, giving them the freedom to decide what's best for them.

Madam Chairman, we want all people in Essex to live independently and enjoy good health and wellbeing. Our biggest area of spending is on adult social care.

Overall, we are investing £378 million in our adult social care services, including an extra £1.4 million investment for people with physical and mental care needs to support and enable them to live as independent a life as possible,

And over the coming year we will be working closely with our health partners to join up services even more to ensure that those who need care can access services as easily as possible so they can lead as independent and active lives as possible.

When people ask me what our Council Tax is spent on, I am proud to say it is invested in better care for people across Essex when and where they need it most.

We have eliminated waiting lists for occupational therapy assessments, increased investment in Reablement Services and reduced the number of older people admissions into long term residential care.

We are working intensively to better integrate health and social care, developing a “virtual ward” in Tendring to provide the early interventions that will save money through reductions in demand for acute care.

And we set up an independent commission, chaired by Sir Thomas Hughes Hallett, to look at the future of social care in the county. Over the next year we will be working with partners to take forward key elements of his recommendations.

This Budget is investing in these seven outcomes

The County Council cannot achieve these outcomes on our own. It will require joint efforts and contributions from public agencies, from communities, from the voluntary and community sector, from businesses, and from residents themselves.

Madam Chairman, we have taken tough decisions in putting this budget together and future decisions about what we spend our limited – and diminishing – pot of money on will be difficult too.

Our funding continues to fall as demand for our services and the prices we pay continue to rise. We have to save £107 million in 2014-15 alone and further work is needed to balance the budgets in future years.

I want to say thank you to all of our hard working employees who have worked tirelessly over the last 12 months to keep this Council in good shape. As members, we should never forget the dedication and hard work of this Council's employees as they strive to deliver great services for Essex.

Madam Chairman, this budget does involve difficult decisions.

But I am confident it invests taxpayers' money wisely and responsibly.

This administration has the credibility and the track record to continue to deliver for the people of Essex and this budget puts money in place to do that.

It is a budget that invests in people and infrastructure.

A budget that invests in jobs.

And it is a budget that continues our track record of keeping your council tax low and freezes the Council's share of council tax for the fourth consecutive year.

I commend the Budget to the Council and move the recommendations set out in Section 2 of the Budget report.