

Tendring District Council 15 February 2022
Budget Speech – Cllr Neil Stock OBE

I suspect that probably everyone feels this to some extent, but due to the COVID 19 pandemic the last two years have sort of rolled into one with many of the activities we so proudly discussed last year continuing throughout 2021/22.

I spoke last year about how, almost instinctively, we all came together to ensure we were there for our residents and businesses, and this has been the case again over the past 12 months, and just like last year, we have continued to respond to COVID 19 issues but also seamlessly continued with the provision of our day-to-day services.

As the 48 members of this Council we all bring our individual perspectives and we have a wide range of backgrounds and experiences that form our opinions and views, so hence we often have different ideas on the best ways of delivering for our residents, which is the key marker of any robust democracy; it is not only OK that we don't always agree, it is good and healthy, although I do like to think it goes without saying that any disagreements should always be handled with the utmost respect and courtesy. I have known most of you here tonight for many years and I think it is fair to say that we are all on the same side in terms of genuinely having the interests of our residents, businesses and visitors at heart, so when we do sometimes have conflicting views on tackling the many issues that we face as a Council, it is also helpful that we bring those different viewpoints to how we respond – and at the end of the day that is the benefit of having 48 voices contributing to this Council's future and progress.

That brings me to the budget. At the heart of an effective Council and its ability to provide quality services, deliver on its objectives, and respond to the challenges and the expectations of residents and businesses, is a strong financial position. This is what enables us to keep the Council evolving and moving forward progressively. This is usually in a planned and programmed way but sometimes it may be in a reactionary way, as in Local Government the world around us is always shifting. You could say that is what makes our roles even more exciting, as I cannot think of such diverse organisations in the private sector.

One minute we may be talking about regeneration in Jaywick, the next minute on major projects such as Freeports. We may then find ourselves discussing the Local Plan, constitution reviews and waste and recycling. With only a cup of tea in between, we may then be asked to turn our minds to the demolition of a multi-storey car park and its replacement with quality new houses, the creation of a Garden Village or incineration issues at the crematorium, and then perhaps on to more operational matters such as Careline and seafront activities.

When you stop and think, we are effectively running a significant number of individual businesses, each of which are wildly diverse and varied, which would be a huge challenge for any private sector organisation.

These not only require us to think about issues such as social value, health and inequality, climate change and social inclusion, which highlights only a few examples, but all of this has to be built on and captured in the budget and financial forecast - a complex jigsaw puzzle I think it is fair to say.

When making such lists of the disparate range of activities we undertake and provide, it brings you back round to the same point that we touch on most years and that is we do all of this for just £182.64 a year – the level of council tax we are considering tonight. I think that is pretty impressive and we should remind ourselves of this more regularly. It is also worth remembering that despite Council Tax bills being issued in the name of Tendring District Council, it's only about 8% of those bills is down to us.

In delivering services and responding to our priorities we also have to remain fiercely ambitious; but I think it is fair to say that with great ambition comes great financial responsibility.

What I mean by this is that all of us here tonight want to do the right things and spend our limited financial resources in the right places, but this has to be done in a balanced and proportionate way. As I think I say most years, we are just the current stewards here at Tendring District Council and that includes managing our finances well for the benefit of those that come after us.

Recent years have seen some Councils getting this balance wrong. Some have embarked on quite risky investments or not taken a prudent approach to using their resources wisely and at the right scale and speed – a form of reckless financial vandalism it could be said.

As you have heard me say before, digging yourself out of such a mess does not serve your residents and businesses well, as it usually takes a number of years to recover the lost ground.

Notwithstanding this, delivery is important against our existing ‘cash backed’ promises and the following list details some examples of key projects that we will be able to get underway very soon, obviously dependent upon this budget being agreed tonight, as well as some that have commenced and should be able to complete very shortly. That list includes:

- The provision of a covered market and managed workspaces in Jaywick.
- The development of the former Starlings site in Harwich.
- Various projects set out within the Back to Business action plan.
- Supporting the development of the major Freeport project, centred on Harwich.
- Replacing the all-weather pitch at Clacton Leisure Centre along with wider investment in the centre.
- Supporting celebratory events such as Clacton 150 and Mayflower 400 in Harwich.
- The replacement of our cremators at Weeley.
- Supporting our heritage assets such as the Treadwheel Crane in Harwich.
- Undertaking cliff stabilisation work along Clacton and Holland seafronts.
- Demolition of a multi-storey car park in Harwich, to be replaced with housing; and
- Disposal of the former Weeley Council office site, which will not only provide us with additional housing, but will also enable us to secure the full savings from disposing of that site.

As I said to the Resources and Services Overview & Scrutiny Committee just last month, it is essential that the Council has a clear set of priorities, and that those priorities are properly budgeted for. It should be printed in bold on page one of the “How to be a good Councillor handbook” that there is absolutely no point in a Council having a clear and specific priority, if there is no money in the budget to make it happen. And equally as important, there is also no point in having an amount identified in the budget for a specific idea or project, if that scheme is not also identified as a priority for the Council.

So, looking ahead, we are aiming to implement a Corporate Investment Plan, a framework in which we can consider all the things we have to do, or would like to do, to support our ambitions and to further our priorities. This will be a key element in strengthening how we prioritise where we want to spend our money, which I am sure most economists would describe as a scarce resource – especially for us in the public sector! This approach will also start to see our existing Back to Business Plan merge with this new plan as we head into 2022/23.

We have already seen a change in the timing and reporting of our corporate priorities. This year we have brought them together to strengthen that all important link to the budget. The Corporate Investment Plan therefore aims to build on this approach.

During the course of the year, we often see ideas, projects and schemes come forward, and long may that continue, as this is a much better way of thinking than promoting a culture where people are hesitant to put things forward by self-editing their hopes and aspirations or where raising expectations are feared. There is nothing wrong with raising expectations and confidently promoting what we would like to do, as long as we balance that with the long-term financial sustainability of the Council; I am sure that is an approach we can all embrace.

It is also worth highlighting that when ideas come forward, they can sometimes be viewed in isolation. When you view things in isolation, they can often appear to be good ideas that have strong links to our priorities, which they may well be. However, we need to place them next to other potential schemes and projects as only that way can we judge them consistently and squeeze as much value from every pound of investment we make. Taking a bank manager’s approach, each idea put forward is competing with every other idea put forward and we clearly cannot fund them all. Therefore, what we do need to do is see where

the investment gives us the biggest ‘bang for our buck’ in terms of delivering high quality services and delivering against our priorities.

With the above sound logic in mind, which seems a prudent and sensible approach to me, I would be happy to consider any new items and budget amendments that have been put forward by members this evening. However, this will not be on the basis of their inclusion in the budget we will be considering tonight, but alternatively for inclusion in the Corporate Investment Plan. This will be maintained on a ‘live’ basis with the first iteration planned to be considered by Cabinet on 25 February 2022. This will also be a good place to consider how we effectively use the New Homes Bonus we will be receiving from the Government in the next financial year.

In terms of the New Homes Bonus, this is included in the budget before us tonight, which enables me to confirm the funding previously identified to support the Jaywick Workspaces scheme to enable it to now be progressed, as well as the demolition of the Milton Road car park and its replacement with high quality new housing as part of the Starlings re-development project in Harwich.

In terms of putting things forward for inclusion in the Corporate Investment Plan, I am going to kick off by making my own suggestion. Given the success of the Member’s Small Grant Scheme as a strictly targeted resource, and which I extended last year, I would like to extend it again – however, this will be for much more positive reasons than Covid. I would like to make an additional £1,000 available to each member of the Council in the coming financial year to enable them to support Her Majesty the Queen’s Platinum Jubilee celebrations within their wards. I know that we will all wish to play a part in congratulating Her Majesty for her lifetime of dedication and devotion to our nation and to join in the celebrations within our local communities. We will also be making ‘celebration packs’ available to all those wishing to arrange street parties, but this funding goes above that by directly supporting the various celebrations I am sure people will be looking forward to later in the year – especially after the difficult two years we have all endured.

This is also a good point to revisit a couple of points made by the Resources and Services Overview and Scrutiny Committee when they reviewed the budget a few weeks ago. It is a terrific piece of work that they do on that committee, going through the budgets with a fine-tooth comb and I want to thank them for their efforts, it really is an essential part of the process. And to prove I was listening, they suggested the inclusion of potential seafront enhancements and improvements in public conveniences within the Corporate Investment Plan, so again I will ask Officers to bring those initiatives forward as part of the associated strategies.

As I mentioned earlier, we have to place all the things we want to do side by side, so we can take a properly informed decision of where we spend our limited resources. The Corporate Investment Plan will remain as a ‘live’ document so nothing that gets added will necessarily be removed, so it can be considered for funding in the future on a prioritised basis.

We now also have the Government’s Levelling Up agenda to consider going forward. Although the devil will always be in the detail, it is likely that we will need to have some funding headroom within the Corporate Investment Plan as there will hopefully be opportunities to lever in Government funding on the back of us also committing money to schemes and projects that support this major Government agenda.

In terms of prioritisation of the Corporate Investment Plan, further details will be set out within the report to Cabinet in February, but it needs to take into account a number of key priority ‘drivers’ such as financial viability and sustainability, non-financial consequences such as reputation or health and safety, the outcome from external assessment and regulatory reviews along with being outcome-driven. This approach, therefore, aims to form the basis of a consensus of what we can fund.

It also needs to be done in an holistic way looking across the whole of the district. Let us not forget, supporting one area of the district often has a knock-on impact elsewhere in the district, such as the local economy, so we must remain alert to this as part of our decision making.

The Corporate Investment Plan approach will also guide us in terms of chasing external funding, as we will have a ready-made, properly thought through list that we can use to go out and make a coherent case to our partners and potential funders.

It is also worth highlighting that the Corporate Investment Plan approach will also be supported by the Accelerated Delivery 'fund' that we set up last year to ensure the right capacity in the right places at the right time across the Council.

I hope you are happy to indulge me for a few minutes as I change the tone by taking a quick look at our financial governance arrangements which I am told will please Richard and Lisa. Good financial governance does not happen by accident and is something that is laid down over time.

I mentioned about stewardship earlier, and although potentially not the most exciting subject in the world, it provides the strong foundations to always work from. We have made many improvements over recent years that we have captured in our Annual Governance Statement.

We need to continue this approach at Tendring; it has taken us a long time to get into a position that is as strong as it is right now; like many things in life it takes a long time to build solid foundations, but they can easily be destroyed overnight. We must remain on the right path against which the financial forecast and budget can be 'built on' year after year.

During the budget cycle for 2022/23, a review of reserves was undertaken which was set out within the report to Cabinet back in December. Hopefully, this adequately responded to the simplistic but dangerous view that could have been taken, that we have money just sitting around doing nothing. All our reserves serve a vital purpose and are crucial in supporting the Council's overall financial standing. Our reserves will play an important role going forward, such as helping us look after our assets and to help us deliver our climate change ambitions.

Turning to the details of the general fund budget we are considering tonight, although the budget sets out an estimated annual deficit of £431,000 in 2022/23, it is significantly lower than last year.

The position recognises the significant income receivable from the Government as part of the Local Government Finance Settlement.

This, however, presents a double-edged sword, as although the additional funding is welcomed, we can only really treat it as one-off income. Future years' settlements will be based on the Government's planned spending review and along with the proposed reform of the retention of business rates, the level of funding we may receive in future years is unclear.

The annual savings target of £450,000 set out in the long-term forecast therefore remains an important element of our financial future. As discussed previously, we are now embarking on a zero-based approach to the budget, which is aimed at helping us identify the necessary savings. We cannot be complacent; we still have forecast deficits in later years of the forecast and so we all need to play our part in securing savings going forward. We need to find on-going savings, not just one-offs, as on-going items will form part of securing our financial future.

Having talked about the need to find savings, let us not forget one of the main principles behind the long-term approach – and that is providing time for our underlying income from business rates and council tax to grow. We all see growth in these two areas of the budget when we are out and about within the district, especially with new commercial units popping up, like those on Brook Park. Although there are no guarantees that I can give tonight, growth in these two areas of the budget may provide us with the ability to consider the level of savings going forward, or alternatively reflect the scale and speed that we can deliver against our priorities – that was one of the main flexibilities behind the long-term approach we have adopted.

The overall financial position for 2022/23 has also enabled us to build in an additional £352,000 to fund a number of important posts for a further year. These include Community Ambassadors, Street Rangers and a Technical Officer supporting the waste and recycling team, all of which provides additional capacity in some of our key priority areas.

It would not be a budget speech if I did not talk about the necessary £5 increase to council tax that has been built into the long-term forecast. The increase in Council Tax is of course lower than the rate of

inflation, and in real terms is actually the lowest increase in Council Tax for many, many years. The £5 increase is only one ingredient to the overall budget and is a compromise we have to continue to make to help deliver on our promise to protect front-line services.

As I mentioned earlier, our element of the Council Tax is only £182.64, which continues to remain one of the very lowest across Essex and which funds the diverse range of services I highlighted towards the beginning of this speech.

It is also worth highlighting that our Revenues and Benefits Team is currently beaver away on delivering the recently announced council tax rebate of £150 for those in band A to D properties. I understand that the government's measures also include a £144million discretionary fund for councils to support vulnerable people and individuals on low incomes who do not pay council tax, or who do pay council tax and live in band E-H properties. I think it's worth pointing out that £144m is nationwide.

Although only a small part of the forecast, the budget we are considering tonight includes a further year's grant support to Town and Parish councils – I understand that we may be the only Council in Essex that still supports our Town and Parish colleagues by 'passporting' on an element of the revenue support grant we receive ourselves. While we continue to receive revenue support grant, I think it is right that we to continue to support our Town and Parish Councils in this way.

This is just one example of how constructively and positively we engage with our partners; we repeatedly demonstrate that we work effectively across the various strands of Local Government and the wider public sector, and I know that we are seen as a reliable and trusted partner – a good reputation to have especially as it can lever in significant investment that may have gone elsewhere in the county.

I am sure everyone will be pleased to hear that I am coming to the end of my introduction to the budget but with sincerity, I would like to repeat the point I made earlier.

Although our politics may be different and we may not see eye to eye on some issues, we are all on the same side at the end of the day and want to do the best for our residents, businesses and visitors. When we are faced with difficult decisions, I can assure you that they are never taken lightly. There will always be constraints on what we can or cannot do and most often or not that does come down to affordability. In an ideal world we would not have to make such difficult decisions. We quite rightly represent our own wards as members, but we also need to balance this with the needs of the wider district as a whole. When we have to make tough decisions we will always explain the reasons for doing so, but I appreciate not everyone will agree with them.

Through our approach to financial management and planning, priority setting, sound stewardship and ambition we can continue to make a difference for our residents and businesses as well as looking after the district and its natural environment. Although the budget we are considering tonight is only for one year, it represents an important phase within the longer-term plan that has these aims firmly in mind.

Chairman, by considering and agreeing this budget tonight, we can continue with our longer-term plan, supported by the approach of our new Corporate Investment Plan. This will enable all of us to have a stake in this Council's future. I commend this budget to Council.