

North Tyneside Council Report to Council Date: 21 February 2013

Title: 2013-2015 Financial Planning and Budget Process: Labour Group Notice of Objection

Report of: **The Labour Group**

Wards affected: **ALL**

Labour Group Notice of Objection for the 2013/14 General Fund Revenue Budget, the proposed Council Tax Level for 2013/14, the Capital Plan for 2013-2023 and the Treasury Management Statement and Annual Investment Strategy for 2013/14

Labour Objection to Mayor’s Budget 2013/14

1.0 Introduction

We are unable to make a detailed change to the overall budget financial envelope as we are still awaiting for answers to questions asked at Overview and Scrutiny Committee and answers to our questions at Council on the 21 February 2013.

The Labour Group objects to the details contained in the Elected Mayor and Cabinet’s proposals for the budget 2013/14.

The Labour Group believes, that in pursuing the issue of the massive central government cuts through cost cutting without regard to a council plan for the next five years that the proposals are out of balance with the needs of the people of North Tyneside.

For example we are concerned with

- Massive Outsourcing and the consequential loss of control of vital council services, and leaving the council exposed to private company changes.
- We believe there should be a root and branch review to ensure the remaining council services and support services accurately reflect the new role required for a modern council.
- The use of the consultants is costing £1.45m in 2012/13 so far. We believe that a fundamental review of the need for such a large element of consultancy reflects badly on the knowledge and the experience of the Council’s own workforce. This should be reviewed and consultants only used where there is a demonstrable and short term need for external expertise.

- The use of agency staff is costing £2.43m 2012/13 so far. We believe that a fundamental review for such a large requirement of agency staff could be better handled by a programme of retraining and redeploying existing staff. Service areas that are finding difficulty to recruit should be reviewed to determine why there is a large turnover in those service areas.
- A modern council should not be reliant on increasing fees and charges to generate income. We believe that the increases are having a detrimental impact on individual in the highest need areas and also those residents that are just above the benefits level, are amongst the most detrimentally impacted by these actions.
- The Welfare Reforms will have a detrimental effect on the most vulnerable residents in our borough. We believe the cuts in support services will add to the pressure on these individuals and should be reviewed.
- The transfer of Public Health responsibilities to the Council should have been used to increase the Council's contribution to the overall health and well-being of the residents of our borough. The use of the additional grant to support existing services should be reviewed to allow additional services to be provided.
- We are concerned that the capital plan, again, does not reflect the greater need of the borough. The capital plan is closely linked to the borrowing and investment strategy and this is an area that needs urgent review and control. The spiralling capital financing requirement, (which is debt), is continuing to grow and there are no obvious plans to reduce the amount which will stand at over £603m at 31 March 2014.