

**North Tyneside Council
Report to Council
Date: 20 February 2014**

**Title: 2014-2018 Financial
Planning and Budget Process:
Conservative Group Notice of
Objection**

Report of: The Conservative Group

Wards affected: ALL

Conservative Group Notice of Objection for the 2014/15 General Fund Revenue Budget, the proposed Council Tax Level for 2014/15, the Investment Plan for 2014-2018 and the Treasury Management Statement and Annual Investment Strategy for 2014/18

Conservative Objection to Mayor's Budget 2014/15

1.0 Introduction

The Budget proposed by the Labour Mayor and Cabinet is set against a national background where the Coalition Government is tackling the massive national debt, (created by the Labour Government over 13 years), to prevent the UK collapsing as countries such as Greece and Spain have done.

The Government's policies are working: unemployment has fallen dramatically, there are more people in work than ever before, the number of benefit claimants has dropped and the economy is growing at the fastest rate in Europe. The Budget proposals, presented to Cabinet by the Labour Mayor and Cabinet Member for Finance on 15.1.14, acknowledge the improving situation " Growth rebounded during 2013 to surpass all expectations, propelled by recovery in consumer spending and the housing market. Growth prospects remain strong, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. "We welcome the progress made by the Conservative and Liberal Democrat Coalition Government.

However, the Budget proposals of the Labour Mayor and Cabinet are cause for serious concern:

1. Casting adrift many vulnerable children and young people, cutting by half the number of staff in the Mental Health Service, reducing the staff dealing with young offenders, ceasing to fund youth activities , reducing Children's Centres' activities, withdrawing funding for holiday play schemes and the

Woodlawn swimming club; combined, we are seriously concerned that these measures will lead to an increase in youth offending and associated anti-social behaviour

2. Slashing the numbers of Fostering and Adoption staff, including those assisting children leaving care, a particularly difficult time in their young lives; increasing likelihood of needing expensive agency staff when the inevitable emergency arises. We will be back to the days of a previous Labour administration which spent £5million a year on agency fees.
3. The reduction in the funding for alcohol and drug rehabilitation, at a time when alcohol abuse is the highest in the country.
4. The attack on community facilities which have been built up and invested in over many years. There is an unsubstantiated hope that Marden Bridge Sports Centre will be taken over by the school, with no guarantee whatsoever that this will happen; local theatre and pantomime groups will be prevented from using the Playhouse, which was refurbished with taxpayers' money on the basis that these popular groups would be able to rehearse and perform there
5. The cuts in social care including dementia care, as our population is ageing, and residential care for those with learning difficulties, whose families rely on this service. There is a very risky assumption that Health will double its contribution to many services for families with complex needs.
6. The cuts in library services, including the book fund; the continuing review of library services of unspecified duration with its underlying threat of closure of branch libraries in the coming months
7. The £500,000 cuts in environmental standards, including reducing grass cutting; the appearance of the Borough will deteriorate, disappointing residents and deterring visitors
8. The review of the outsourcing contracts ,to save £1.3 million without specific plans but based apparently on an expectation of lower standards
9. The unexplained gap in the savings required; the budget refers to £20million of savings being required but only £16.5million is identified. Despite repeated requests, assurances have not been forthcoming to keep the Middle Schools at Valley Gardens, Wellfield, Marden Bridge and Monkseaton, with their valuable sites; meanwhile the review of education across the Borough continues.
10. The failure to provide for emergencies. Who can have failed to notice the horrific floods in parts of the UK? Yet the Mayor's proposals will leave this Council with no "rainy day" money. The contingencies proposed are woefully inadequate: at £1.9 million, (part of which is already earmarked for a pay award and thus cannot accurately be described as a "contingency") this could not cope with emergencies, such as another Thunder Thursday . Already in the current year, the Labour administration has spent over £4million from contingencies.

A major area of concern is the massive increase in debt proposed by the Labour Mayor, up by 70% . This will create an enormous burden for council taxpayers, who will have to pay the interest and eventually repay the debts. We recall that just over a decade ago, this Council was virtually in administration and financial collapse due to mismanagement of a previous Labour administration – this huge increase in debt now is worrying.

The Mayor claimed, during the election campaign, to be prudent but in 6 months she has increased the cash borrowed by £6million and these budget proposals make clear that this is how she intends to go on, committed to borrowing a further £53 million.

We would not take the steps which the Mayor proposes; we would retain the services at a high standard – our record in office shows this can be done. For example, efficiencies were made in Environmental Services which resulted in money being saved whilst attaining a Gold Star Award, the first time this borough had received such an accolade.

We urge the Elected Mayor and Cabinet to reconsider their plans, not to close services but to review the whole estate in an open manner to ensure a better use of assets to provide services. In the last four years, the Conservative administration managed to do this, yet after a matter of months in office, the Labour Elected Mayor is increasing borrowing while proposing savage cuts in services.

This is therefore an objection submitted by the Conservative Group to the Cabinet's proposals.