

**North Tyneside Council
Report to Council
Date: 19 February 2015**

Title: 2015-2018 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 2015/16 General Fund Revenue Budget, the proposed Council Tax Level for 2015/16, the Investment Plan for 2015-2019 and the Treasury Management Statement and Annual Investment Strategy for 2015/19

Conservative Objection to Mayor's Budget 2015/16

1.0 Introduction

The Budget proposed by the Labour Mayor and Cabinet is set in the context of the Coalition Government's long term economic plan. This plan is ensuring the UK's economic recovery , tackling the massive national debt, (created by the Labour Government over 13 years, but now completely forgotten by Ed Miliband) . The Government's economic plan has prevented the UK enduring a lengthy recession and collapsing financially as countries such as Greece have done.

The Government's economic plan has proved successful: trade is increasing and there are hundreds of thousands of new jobs : unemployment has fallen dramatically. The last Labour Government left nearly half a million people unemployed, yet now, after Conservative measures, there are more than 1.75 million more people in work. Ed Miliband claimed that the Government's economic plan would "lead to the disappearance of a million jobs" – he could not have been more wrong. The economy is growing at the fastest rate in Europe. Prosperity is returning across the UK generally, and in the north east total employment has risen by 39,000, some 27,000 new businesses have begun trading and over 143,000 apprenticeships have started – all under this Government.

Welfare reform is ensuring that work now pays and the number of benefit claimants has dropped. Moreover, 24 million people pay less tax – the state allows us all to keep more of what we earn. The pupil premium has provided huge sums for our local schools -over £22 million has already been received, with a further £9million expected in 2015/16. This is additional funding. The Troubled Families Programme has enabled many families to dramatically improve their life styles and provide a

much better start for their children, giving much higher prospects for achievement as they grow. So successful has this Programme been in North Tyneside that even more families will benefit from the extension to the work, funded by central taxation, with long term benefits for the families and society as a whole.

Investment in the North East is also increasing in a clearly focussed way, showing a confidence in the north and a real desire for tangible improvements which was sadly lacking under the last Government - witness the huge road improvement programme in North Tyneside now being financed by central Government, in addition to the dualling of the A1. All this will further encourage business growth and employment. This is very welcome. And we welcome the continued use of council tax Freeze Grant, against which Labour used to rail – this has been of enormous benefit to residents. Under the Labour Government, council tax doubled.

We have serious concerns about the Budget proposals of the Labour Mayor and Cabinet.

1. We are alarmed at the £120,000 cuts in environmental standards, by “changing maintenance regimes” when residents are already concerned at pavements and gutters full of weeds and uncut grassed areas; the appearance of the Borough will deteriorate further, disappointing residents and deterring visitors .
2. The proposal to “design differently” grass verges sounds ominously like neglect of these areas.
3. We are opposed to the changes in public swimming time at Tynemouth Pool – this clearly discriminates against swimmers in the coastal area.
4. The rise in swimming charges proposed to be imposed at Waves only is again unfair and discriminatory. This policy militates against joint efforts with the NHS to encourage swimming as part of a healthy lifestyle.
5. The huge inflation-busting rise in bereavement costs is unjustifiable.
6. The cut of £165,000 to the Town Centres budget will result in a 66% reduction in events which attract people to our shopping areas. These events, established by the Conservative administration, have successfully attracted people to the town centres and thus we have a lower vacancy rate here than in other parts of the north east. To reduce events so savagely is a backward step.
7. We are concerned that parking charges are to be raised massively, by £230,000 to yield a parking revenue profit of over £1m. Parking charges are levied in commercially active areas – in our town centres and along the coast – and their increase will deter shoppers visiting our town centres and visitors to our coastline. The previous Administration increased the amount of parking space available, providing a greater parking facility both in our town centres and along the coast. In 2015/16, the proposal is simply to increase parking charges, which will fill the Council’s coffers but at the cost of residents and the Borough’s traders alike.

8. The staggering increase in parking permit costs is unfair to residents who already experience difficulty in parking near their homes; the change from two year to one year permits will increase administration costs for the Council.
9. Street Lighting -We note that the Cabinet is now a convert to street lighting economy and pursues the street lighting policy established by the previous Administration. In particular the adoption of greater efficiency lamps, the Mayflower control system, the reduction of street lighting levels and the move to the use of LED lighting, once technical verification, pricing and public acceptability issues have been resolved. We are, however, concerned that only modest progress has been made on the Coast Road where a high proportion of the Borough's lighting energy is consumed. We urge the Cabinet to raise the pace of this work.
10. Warm Zone -_We note that the ECO regime began in 2012 (just before the new Labour Administration) with an enlarged range of energy saving opportunities. It is disappointing therefore to note that Warm Zone energy savings since then are running at less than a quarter those achieved during the previous Administration. Moreover, residents' additional energy benefits are only one third achieved previously. We think the Cabinet should give greater attention to these energy saving, cost saving and health enhancing objectives.
11. Carbon Reduction Policy – we are concerned that the carbon and energy saving policy of this Administration is woefully inadequate. The three main National Political Party Leaders have declared that they are united in pursuing the national and international agreements by which to reduce carbon emissions and to take carbon reduction out of party politics. We are concerned that the carbon saving reduction agreed in 2010, for the Council's own operations, will increasingly fail to be met by the Council. The target is not being achieved by this Labour administration and the investment standstill proposed by the Cabinet Member in this year's Budget fails further to meet the target imperative. We urge the Administration to re-examine its carbon/energy saving policy.
12. We have concerns about the feasibility of saving £210,000 from the Electronic Data Management System, and note that the risk is rated "red". We note that in the current year, the review of outsourcing contracts, similarly rated, failed to achieve the predicted savings.
13. We are concerned that, yet again, a massive increase in debt is proposed by the Labour Mayor and Cabinet, an extra £10.2 million borrowing.
14. We are astonished and appalled that the Labour Mayor and councillors are prepared to increase councillors' allowances, at the expense of residents and tax payers, whilst making all these cuts in services and rises in charges. 350 employees may lose their jobs. We remind members that the motto of this Council is "We Serve".

We would not take the steps which the Mayor proposes; we urge the Elected Mayor and Cabinet to reconsider their plans, not to reduce services but strategically to review all assets in an open manner to ensure better provision, and to have a better, more beneficial sense of priorities when using public money."

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