

Mr Chairman

In last year's budget speech, I spoke about the need to deal with the present and to deal with the future. I laid down an ambitious plan to help transform this District over the next 10-15 years, balancing that with the ongoing needs of the various communities in our area. I am glad to say that this Council, at that and the following meeting, endorsed that plan under the banner of Project Tendring, the first stage of which was the creation of the District's regeneration company, INTend.

I also expressed my worries about the gathering economic and financial storms and their impact on the Tendring area. Our current national situation is worse than probably anybody predicted, but a small crumb of comfort comes from recent analysis that suggests that we, in this area, may be less affected than most. Whether that is correct remains to be seen.

However, I also described the "once in a lifetime opportunity" that we had then to help soften the immediate negative economic effects, but also allow us to take advantage of renewed and greater prosperity when the economy turns the corner.

Those words ring as true today as they did this time last year. What that means is taking the next important step to ensure that Project Tendring is not blown off course, not only by what is happening in the world at the moment, but also by the siren-songs that call for knee-jerk reactions to events as they happen. It is the duty of this Council to show leadership, with as much an eye for the long-term as for the short-term, and now - more than ever - is the time to reinforce and strengthen that leadership.

With that in mind, I shall enlarge on the next stage of Project Tendring a little later on.

First, I'd like to express my appreciation once again for the solid financial foundation that we are based on and I direct my thanks to both officers and members for the invaluable contribution that they have made, individually and collectively. It has enabled the Cabinet to present a budget to you which, echoing my comments of last year, is affordable and appropriate for our current circumstances, yet retains the ambitions to transform the lives of our residents in the future.

Nevertheless, let me address the issue, face on, of our proposed Council tax increase of 4%. Yes, you will see from your papers that the overall impact on ratepayers' bills is much less, at 2.4%, and that what we are talking about (if we were to follow our colleagues at County to come in at 1.9%) is just under £3. Not £3 a week, £3 a month, but £3 a year. Even so, I readily accept there is a principle at stake, even if the increase was only 30 pence a year.

But, talking of our colleagues from County, it is difficult not to smile when the least virtuous, all of a sudden, hope we can forget the past and concentrate on how virtuous they are being today. The plain facts are, in the past 10 years, Essex County Council (adjusted for the County Fire Authority precept) have increased their Tendring Band D council tax at a 50% higher rate than this council. And, when you look at the money involved, that's a 50% increase of a very, very large sum.

Also, recent headlines (that this year's increase of 1.9% is the lowest in 20 years) show uncharacteristic modesty from County Hall. In 2004/5, they actually cut their demand by ½%

- so why haven't they told us about that? Well, it obviously did not suit the headlines, but perhaps it is was more to do with the fact that it was uncomfortably squeezed between a record 16.7% increase in tax and the 2005 County Council elections.

Having demonstrated that the "holier than thou" are frequently not, it remains the case that our ratepayers are just not interested in who is the most virtuous of all – they correctly demand a tight control of our expenditure and a maintained, if not improved delivery of services. It is not just a matter of how we raise and manage our revenue, but also how we spend it. That is what I wish to explain that now.

Mr Chairman, I do not propose to go through the entire document before you in the agenda tonight. Much it is familiar to you, was foreshadowed in the Cabinet papers of February 5<sup>th</sup> and members have had plenty of time to look at those.

In response to the Corporate Management Committee's comments, a lot of what has been suggested has either been incorporated in these recommendations or addressed in a different, but (I hope) equally robust way. This leaves a few final, but important items to bring to you tonight.

Before I do that, I wish to record my thanks on behalf of this Council for the hard work put in by the Corporate Management Committee, under the chairmanship of Graham Steady, and to all officers (but especially to Richard Walker, and to Karen Neath and her team in Finance) for the outstanding support given to the Committee during their several days of deliberation.

Returning to the budget itself, I first want to talk about the support that has been earmarked for the voluntary and community sector.

Last year, we completely overhauled the Small Schemes Grant system, giving every member a £2,000 budget to spend in their own wards, making the process more equitable and administratively much simpler. This has been enormously popular, both with councillors and with local community groups, and it is my proposal to continue that scheme in line with my commitment last year, with the same £2,000 per member, at an extra cost of around £27,000.

I also propose an additional one-off sum of £60,000 to CVS Tendring, over and above the core budget of nearly £50,000, to administer and distribute grants to the voluntary sector on our behalf. This is a significant sum in support of the excellent work done by so many people.

I also wish to allocate £90,000 as an additional one-off sum, over and above their core budget of nearly £70,000, to the Citizens Advice Bureau to support the recent huge increase in demands on their capacity. The CAB has multiple roles, some of which are very specific to the turbulent economic times we find ourselves in – helping people to manage their finances better (thus limiting their call on the public purse), lessening the impact of sudden unemployment by ensuring that all benefits are claimed by those that need it, but giving assistance to those that wish to get back into employment.

However, I'd like to pause and note that, when calls are made to tighten belts, it is nearly always the non-statutory costs that go first. The three very worthy items I have just

mentioned, if we chose not to support them, would have enabled me to announce a 1% cut in our tax demand tonight, rather than an increase. You will understand and, I hope, agree that is something that we should not do.

“But”, you might say, “what about the £250,000 headline sum for Project Tendring – surely we can use that to lower or eliminate any council tax increase?” Well, yes, but only if you want to indulge in short-termism, with no eye to the wider picture.

Within the papers released to you tonight, you will see various sums allocated to help support and promote the whole economy of Tendring, which is substantially made up of small businesses that tend to bear the brunt of any downturn. Their budgets are under pressure and it is often the case that marketing and promotional expenses are amongst the first to go. This is where the Council can help pick up the slack, to promote the whole District as a business and recreational venue – not just now, but for the future. Clearly, that needs to be done in a structured and coordinated manner.

In the same vein, TDC-managed websites could be overhauled to make them more open to voluntary organisations and community groups to promote their own activities. For example, a lot of hard work and time is put into fetes and music festivals, but the response is often not as widespread as organisers and volunteers would hope. By this mechanism, and at no extra cost, a virtual “What’s On in Tendring” could be of considerable help and support, hopefully leading to the ancillary benefit of boosting the proceeds that these events raise in support of local charity and community groups.

Similarly, we need to re-examine the way that we communicate with our residents using Tendring Matters, making the information that we provide more relevant, timely and interesting to each and every one, but also ensuring the new version also links in closely with our other methods of communication. Using a partnership approach, it may be that it becomes part of a totally new format, highlighting a whole range of activities that take place throughout the period in question, over and above what the Council does itself. What is clear, in many instances, is that it will, in part, be down to the Council to provide the financial support itself, which is why we wish to provide for it now.

Another issue to address is the appearance of the District as a leisure destination, which needs maintaining at a high level if we are to attract more visitors and enjoy the economic stimulus to the local economy. When tightening budgets, it is always tempting to let standards slip – we feel that is a mistake and should be resisted as far as possible. Attending to the principal gateways which welcome people to our area and maintaining the general appearance of the area is a perhaps mundane, but nonetheless important part of this.

We also feel a renewed and more invigorated approach is needed to the Clacton Air Show, the Tour de Tendring and other events that we hold during the year. Not only are they a focal point and magnet for increased numbers of visitors, benefitting the wider economy of Tendring in a variety of ways, but they are the headline events of the many leisure activities available to our various communities.

Another significant contribution will be the sum of money that we have allocated to extending the number of free parking spaces available around Clacton Town Centre. As our major urban centre, the major shopping centre and the principle economic driver of the

District, the creation of over 550 one and two hour parking spaces in Clacton, along with 39 new disabled parking spaces, will not only be a major boost to businesses in the town, but it provides our residents, both local and from around the district, with the opportunity for convenient short-term parking facilities, whether visiting the town centre or, equally as importantly, Clacton Hospital.

Yet another way to encourage more social and economic activity is to help theatres and, in addition to a one-off contribution of £30,000 to the Westcliff Theatre, we have allocated another £10,000 of discretionary spending for similar activities elsewhere.

In very much the same manner, we feel it is important to provide £20,000, apportioned over the next three years, in support of our young athletes who are likely to be part of the 2012 Olympics. The time, effort and dedication to be a top-class athlete is enormous and often places huge financial pressure on them and their families.

As ambassadors for our District, it seems right to offer some financial support to these world-class athletes who, if I can use the phrase, are our own sons and daughters, brothers and sisters or nephews and nieces.

In return, it seems equally right to ask for their support, by helping us promote the many and various sporting activities around the District as part of our overall efforts to improve the health and social well-being of all our residents. Hopefully, in terms of both medals and increased sporting participation across the district, it will truly be a win-win situation.

Finally, but quite significantly, under Item 5 c) on Page 48, the Cabinet is proposing replicating the successful refurbishment and development of the Clacton Leisure Centre in our next two largest conurbations and their outlying rural areas, specifically at the Walton Pool and across two sites in Harwich and Dovercourt.

In terms of finance, grants and matched funding will be sought, but these ambitious schemes will also require a borrowing facility of up to £1.25 million and the approval of this is being sought from the Council tonight. The simple aim is to provide a wider range of sporting and exercise activities closer to where people live, reducing health inequalities and improving residents' quality of life. At a time when many councils across the country are closing down their leisure centres, our hope is that, by offering a more diverse range of facilities, it will also reinforce the financial viability and durability of even our smallest centres.

Mr Chairman - that concludes the specific proposals for this year's budget - fuller details of this and the other proposals that I have outlined above will be brought forward in due course by my Cabinet colleagues, some very soon.

I believe this is a budget that supports very many, if not all of our aims under the banner of Project Tendring and, as I said earlier, we have to address the long term as well as the short term. I shall be talking in greater detail about it all in my speech to the Council next month, but it is also critical to highlight the next steps to underpin a sustainable and prosperous future for our area.

However self-congratulatory we might be about this year's budget, that doesn't mean that we can be complacent – our own forecasts indicate difficult times to come. And, if we

needed any reminder of how things can go badly wrong, there are examples, within 75 miles of this town hall, of councils with substantial budget shortfalls, forcing them to slash costs and services, whilst raising fees and charges (in some cases, several times the rate of inflation) – all to be done by the beginning of April.

If that was not bad enough, figures from one particular council suggest that, after all these savage financial cuts, the pain of laying off so many people, the reduction or loss in services to the public, the increases in fees to residents and the fall in reserves, they will still have forecast deficits that are considerably worse than our own. It is an incredible situation, but one that we cannot ignore.

In Tendring, we have delivered a substantial range of efficiencies over the last few years, in parallel with increased demands on our services. Thanks to our management and staff, this has been done without any dilution of quality – rather, the reverse. In short, we have managed our finances well and delivered increasing value for money over many years.

However, everyone knows that extraordinary times require extraordinary actions. This is why I have initiated a wholesale review of the way the Council does its business and requested an action plan in support of this review.

I would anticipate that the first phase of the action plan will include two elements:-

- The first element would be a review of the Senior and Middle Management Structure of the Council which will be designed to reduce management and ‘back office’ costs with a low or no impact on frontline services.

Any Management review will need to take account of succession planning. Due to the current senior officer age profile, opportunities need to be taken so the Council stays in control of events and exercises choice, rather than reacting to enforced change. It would seem an opportune time to capitalise on our resource of able managers.

- The second element would be Phase One of an Operational Efficiencies Review, aimed at maximising reductions in expenditure without substantially impacting on frontline services.

I have asked that the draft action plan is reported to Cabinet shortly and would anticipate that, with the Human Resources Committee taking the lead role, the detailed proposals for the first phase of the plan will be reported in June. This is the next major stage of Project Tendring that I spoke about earlier.

In light of its long term impact, I would also like to involve the two opposition leaders in the discussions about this proposal.

Mr. Chairman – to summarise, this budget, its current proposals and its foreshadowing of the future that faces us, gives much food for thought and, inevitably in turbulent times, much cause for debate. That’s not to say that one individual proposal is better than another, but what is important, when facing competing priorities, is to find the right balance. I believe that what we have presented tonight does exactly that.

This budget addresses the needs and demands of our various communities across Tendring, but balances the difficult times the local economy faces currently with the long-term prosperity and social well-being equally demanded by our residents once these difficult days have passed.

As such, Mr. Chairman, I am pleased to commend this budget to you and this council and move the recommendations on page 47 and 48 - Items 5 a) to c) inclusive of your agenda, as amplified in my speech and in particular the further detail on the sheet I have handed out.

## **Budget Addendum 2009**

### Jaywick

This time last year, the Council supported the allocation of £1 million from future capital receipts to support the economic regeneration and social transformation of Jaywick.

That commitment remains, but is clearly impacted in the short term by the national economic downturn.

To mitigate against that, £150,000 has been placed in our core budget as a recurring annual item.

This money will form a key part of the building blocks currently being put together by the Jaywick Strategic Leadership Group to create, working closely with local residents, a better future for the people of Jaywick and West Clacton