

# **COUNCIL 14 SEPTEMBER 2016 – WORK OF THE CABINET**

## **LEADER'S SPEECH**

Turning now to the work of the Cabinet since the last Council meeting...

Mr Mayor there have been two meetings of the Cabinet and these focussed on issues surrounding the Council's resources and assets.

In July we considered the 2015/16 revenue and capital outturns and also the Treasury Management Annual report.

Our revenue spending was £61,000 below budget and our capital spending was within £13,000 of budget.

The very clear conclusion that can be drawn from these reports is that the Council and its officers have done an outstanding job managing our finances.

And that isn't just for last year.

No, despite Cllr Daly's comments in the Bury Times, under Labour control this Council has a proud record of sound financial management. We have consistently stayed within budget as far back as 2008/09, when the Council last reported an overspend...and that was when the Tories were in control!

And at the same time that we have delivered this excellent financial management we have also produced some superb outcomes for the people of this borough. Many of our services are amongst the best in the country and we do this whilst also delivering outstanding value for money...and don't just take my word for that.

Our external auditors, KPMG, issue an annual VFM statement and the latest one says "we are satisfied that, in all significant respects, Bury Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources".

Of course Mr Mayor we are acutely aware that at the Cabinet's most recent meeting we discussed the month 3 monitoring report for the current year and noted that the report contained a forecast overspending of £6.4m.

The reason for this position is set out in the report but basically it results from the complexity of implementing several of the cuts options used to support the budget; it reflects additional demands for key Council services and it reflects reductions in income resulting from the difficult economic situation the country as a whole faces.

However, it is very important that Council understands that we have not yet overspent and that swift action is being taken to address the situation.

We are also in the fortunate position that our finance team has constructed a balance sheet position that recognised the need to provide sufficient reserves to meet unexpected demand and other budget shortfalls.

We are even more fortunate that previous Tory budget amendments weren't passed by this Council because if they had been then our reserves would have been massively depleted and the situation would be much, much worse. So much for Tory prudence (joke).

Whilst the causes behind the forecast are issues that we know we need to address, the whole position is made worse by the fact that this year's budget was set against a backdrop of yet another £12m cuts on top of the £52m we have already had to cut since the opposition came to power in 2010.

Mr Mayor, Bury is one of the poorest funded metropolitan Councils in the country and the sad fact is that the Unfair Deal for Bury is now hitting home, and hitting home hard.

Every man, woman and child in this borough is short changed by the Government to the tune of £32 compared to other similar areas.

If we received the same funding as neighbouring Rochdale then we would have an additional £28 million to spend on local services. If we received the same as neighbouring Blackburn then we would have £34 million.

These are game changing figures Mr Mayor, especially at a time when the Council is facing a further £32m of cuts over the next three years.

And sadly Mr Mayor, the Government's betrayal of Bury isn't just limited to Council services. The NHS in this country is now at a critical point in its fight for survival with experts predicting that the flagship 7 day a week NHS is little more than a pipe dream and our very own CCG is facing its own funding shortfall, amounting to £11m a year, and is having to take its own difficult decisions to bridge the gap.

For a number of years we have been warning the Government that their blinkered and politically motivated decimation of our local funding would leave many services unsustainable and that is exactly what is happening.

And again, don't just take my word for it. The Parliamentary Public Accounts Committee looked into the financial sustainability of Councils and said "Councils with the greatest spending needs – the most deprived authorities – have been receiving the largest reductions. Further cuts could not just undermine the entire viability of most optional services, but might threaten some statutory services in these areas."

"Looking to the future, if funding reductions were to continue we question whether DCLG would be in a position to provide assurance that all local authorities could maintain the full range of their statutory services."

"The Department cannot at present satisfy us that it understands whether it is feasible and practical for local authorities to deliver the service transformation necessary to maintain financial sustainability. Nor does it understand what the effects on service users would be."

To be fair to the Government, they did respond. They introduced a Transition Grant...but only for their mates in the leafy south! That well-known 'Deprived' borough, Richmond-upon-Thames, got £30.47 per person from the Grant...and everyone in Bury got 14p!

Mr Mayor there are three simple reasons why we are where we are. Firstly the Government's austerity agenda, secondly a funding formula that rewards failure and thirdly the ever increasing, and un-funded, demands that are being placed on our services.

And let no-one in this room be under any illusion...public services in this country, and in Bury, are at a tipping point.

Unless the Government takes action then services that people need and value simply won't be there.

Mr Mayor, I can assure Council that in Bury we won't go down without a fight. We will be brave, we will be bold and we will be radical. I just hope that the Government follows our lead because if they don't then anything we do may not be enough.

On a more positive note, the Cabinet also received reports showing how we are investing in our most important asset...our staff. We approved improvements to the Bury Behaviours model and we noted the progress made on implementing the People Strategy.

Finally we considered reports setting out plans to invest in a new Extra Care scheme at Haworth Close, an extension to Butterstile School, and a Highways Asset Management Plan for the Borough.

Even in these incredibly difficult times this Labour Group recognises that we must continue to exploit invest to save opportunities and make radical changes to services so that they have the best chance of surviving Theresa May's 'return to the 50s' agenda.