

**BUDGET SPEECH  
SPECIAL COUNCIL MEETING  
23rd FEBRUARY 2017**

Madam Mayor,

**Introduction**

1. As Leader of Pendle Borough Council, I stand here this evening to deliver my second budget speech. I would like to say that the circumstances in which I deliver this speech are different to last year; that a change in personnel at the top of Government has resulted in a recognition of the value of good quality, well-funded local Councils providing much needed services to local residents. Sadly, that's not the case. It would appear that austerity remains as much a part of the new Government's plans as it was with the old and despite the damaging impact on local services, the cuts in funding continue.
2. Reluctantly, in the last year, we accepted the Government's offer of a four-year funding settlement. Yes, this gives the Council some certainty of funding over the medium term and that is welcome. What is not welcome is the certainty that this will bring a funding reduction which will mean that, since 2010, this Council's core funding from the Government will have reduced by 68% by 2020.
3. And it is laudable of the Government to talk about the added certainty provided by the 4-year offer on the one hand and then on the other to introduce reforms to the New Homes Bonus that are more than likely to further undermine the future income of this Council along with most other District Councils in the Country. It is clear this is more about funding Social Care than incentivising housing growth. But just shuffling the funding around is not the answer. Social Care in this Country is vastly underfunded and more funding is required.
4. But, as a pragmatist, these are the issues we are faced with and whilst I will not stop highlighting the inherent unfairness of the way in which funding reductions have been made and which have impacted on Pendle more so than most Councils, I do accept our responsibility to ensure the books balance.
5. As you would expect, the budget before us this evening is the result of a lot of hard work by the Labour and Liberal Democrat Groups. I would like to thank the Members of each Group for their input. At the heart of our budget, we will demonstrate our commitment to maintaining essential frontline service provision ensuring that local hardworking residents continue to receive value for money for the Council Tax they pay.
6. I will say more about the detail of our budget proposals later. But, before I go any further, I would like to take this opportunity to pay tribute to the Council's staff and those of our Partners Liberata and the Pendle Leisure Trust.

7. The Council's staffing resource is now at its lowest since the Council was formed in 1974. Yet, the residents of Pendle continue to receive outstandingly good services and this is a credit to the staff of this Council. Likewise, our Partners Liberata and the Pendle Leisure Trust continue to play their part in helping to maintain the high standards of service we have all come to expect despite the pressures on funding.
8. In particular, I would like say thank you to Mr Green and his staff in Financial Services, not only for the extra work they put in at this time of year to ensure we have all the information necessary to agree the budget but also for the advice and guidance they offer throughout the year. Thank you.

### **Revised Budget 2016/17**

9. In these difficult financial times, managing the money effectively is crucial and I would like to thank Cllr Greaves, the Deputy Leader and Executive Portfolio Holder for Resources for his efforts. As you would expect, He above all of us has a grasp on the Council's financial position and I am grateful for his diligence in this area.
10. In December, we reported savings of £102 thousand pounds as part of our Revised Budget for 2016/17. But we have not rested on our laurels; I am pleased to report that we expect to save a further £50 thousand pounds by the end of the current financial year, a good outcome given these challenging times.
11. And I know this may not sound as much as in previous years and I could say that it's because the budgets are getting tighter. But, I firmly believe that when we set the budget each year, it is our job to use the money that's available to deliver the best possible services and I am confident we have achieved that.

### **Achievements in 2016/17**

12. But, important that managing the money is in these austere times and despite our continuing focus on the delivery of efficiencies, making sure we get value for every pound we spend, it is action on the ground that makes the difference to the lives of our residents. With our colleagues from the Liberal Democrat Group, at the beginning of this municipal year we set out a ten-point programme for action and I am pleased to report that, despite the significant financial challenges faced by the Council, we continue to make progress to deliver our plans.
13. I would like to take an opportunity to update on you some of the highlights so far:-

## *Maintaining Front Line Services and Facilities*

- Finding innovative ways to keep services going and facilities open must be at the heart of what we all should do. We accept we cannot do this alone. Working collaboratively with Town and Parish Councils to transfer services so that they can be sustained locally is the right thing to do.

So far, we've transferred responsibility for Passenger Shelters, Roadside Seats, Playgrounds and Multi-Use Games Areas, CCTV and, in some cases, a number of prominent buildings in some of our localities like Brierfield Town Hall, Barnoldswick Civic Hall and, imminently, Colne Town Hall. I know I speak on behalf of my own Group and the Liberal Democrats when I thank all Town and Parish Councils for working so constructively with us to ensure that services and facilities are retained despite the swingeing cuts in funding being imposed on us.

- And Town and Parish Councils are not alone in rising to the challenge of taking on services that we can no longer afford to provide. Local voluntary groups such as the Trawden Forest Community Group are playing their part by taking on the Trawden Forest Community Centre and, hopefully, the Library and Children's Centre from the County Council. What an example they are setting for others and what a credit they are to their community!
- I would also like to take this opportunity to thank the many volunteers, social entrepreneurs, Friends Groups, In-Bloom Groups, Pendle Pick-up Teams, the list goes on....who give up their time, roll up their sleeves and demonstrate the 'can do' attitude that I like to think is the hallmark of the Pendle-spirit.
- But, as Councillors are all too aware, we are not the only Council that is struggling to fund essential services and facilities. Lancashire County Council is faced with massive funding reductions from the Government and so I am glad that we have been able to influence them to ensure that some of these services continue in each part of our Borough, particularly in some of our most deprived communities where the most vulnerable people would be affected.

## *Housing*

- The supply of **social housing** remains a key issue for our Groups and one which we will continue to pursue. We are pleased that over the last 12 months we saw the delivery of over 120 new affordable homes in Pendle – 74 in Barnoldswick on Valley Road and the old Hope Technology site, 23 properties on Edgar Street in Nelson and work is underway to deliver 27 properties in Colne, on Carry Lane and the White Grove Garage Site. It is disappointing, however, that following the recent changes to the New Homes Bonus Scheme, the Council will not be receive the full 'bonus' for these new properties but more of that later.

- We all agree that we should work hard to find ways of bringing **Brownfield Sites** back into use. Whilst we've yet to receive the promised millions for brownfield redevelopment from the Government, we have just got on with it. For example, planning permission has been given for Oak Mill in Colne and our innovative Brownfield Redevelopment Grant Fund is up and running with a number of applications either agreed or being actively considered.
- We all know the impact that **empty homes** can have on our communities and so I am pleased to say that we have continued to make significant progress with measures to bring these homes back into use. By the last count, the number of empty homes was 2.7% of our housing stock, now almost at the national average and just goes to show that our Strategy is working;
- But it is not only empty homes that can have such a detrimental impact on the lives of our residents. The management and standard of some of our tenanted properties in some areas of Pendle is simply not good enough. That's why in the last year we have been consulting on the introduction of a **Selective Licensing Scheme** in Colne which will be considered by the Executive in March, 2017.

#### *Supporting and growing the Local Economy*

- At the outset of this year, we prioritised the redevelopment of Brierfield Mill – or **Northlight** as you will now know it. It was incredibly pleasing to see the work to convert the buildings start last September. A brand new Multi-million pound sports and leisure facility run by Burnley Football in the Community will be a real asset for Pendle and with Lancashire Adult Learning relocating from Chorley; it is really pleasing to see a new lease of life being breathed into this old mill complex.
- Demonstrating our commitment to supporting businesses, whether starting or growing, moving or staying, we agreed a 3-year £700 thousand pound extension to our award-winning **Gearing up for Growth Programme**. This will not only support new and growing businesses, it will also:-
  - support our key partnerships such as the Pendle Vision Board and Growth Lancashire
  - provide match funding for our work with the DWP to help the unemployed get back into work;
  - and see the introduction of the Pendle Business Class Hub and the Careers Enterprise Advisor Network, both of which will provide vital links between schools and business with the aim of raising the aspirations and employability of Pendle's future workforce.

- Ensuring we support our **Town Centres** is another important step we can take to support the local economy. With the help of PEARL, the Colne Shopping Precinct – or Hartley’s Square – is now fully occupied and plans to redevelop the old Colne Health Centre for both retail and residential use are now well developed with a planning application due in the near future. And as a sign of the progress we are making, I am extremely pleased we will have the first ‘Costa Coffee’ shop in Pendle, right in the heart of Nelson.
- We’ve continued to build our relationships with both **Lancashire County Council** and **the Lancashire Enterprise Partnership** throughout the year. to develop and implement our strategic ambitions. In addition to over £2m of Growth Deal funding previously obtained for the improvements to both Junction 12 and 13 of the M65, we have secured almost £10m of Growth Deal funding for Brierfield Mill and the extension to the Lomeshaye Industrial Estate.
- And, with an eye to the wider strategic benefits of a potential devolution deal for Lancashire, and which Pendle can only benefit from if we are involved, we have been working with other Councils in the County on the development of the **Lancashire Combined Authority**. I’ll say more about this later.
- In partnership with Lancashire Business View, we held the inaugural **Pendle Hotspots event** to showcase the Pendle economy. Over 70 people from Pendle and beyond attended this event which showcased many of the Boroughs strengths – good location, good connectivity, great housing choice, diverse business base to name but a few;
- And I would like to thank the Economic Development Team for organising the fantastic **Pendle Business Awards** last May. Innovation, entrepreneurial spirit and good old hard work were all on show as we recognised some of our outstanding businesses and exceptional business people. Wellocks, Riggs Autopack, Science in Sport and Unique Clean were just some of our winners on the evening.

### *Neighbourhoods*

- Cracking down on street level issues – those things that all of us hear on the doorsteps of our residents - such as nuisance dogs and dog owners, litter and other general anti-social behaviour have not been ignored. We have taken a proactive approach to the use of **Community Protection Warnings and Notices** and we are well on the way to introducing **Public Space Protection Orders** for parks, sports pitches, town centres and back streets.
- Following the devastating **floods** on Boxing Day 2015, we have provided support to both businesses and residents to help them get back on their feet. At the last count, we had approved almost 50 grants totalling £215 thousand pounds for flood alleviation measures in various parts of the Borough. We’ve help deliver the ‘bund’ in Barnoldswick and we continue to work with the various Agencies to deliver the much needed flood alleviation schemes in Earby.

- And, as promised, we've supported the East Lancashire CCG in their bid for funding for a ***new health facility in Barnoldswick*** and are pleased that funding has been identified to undertake a feasibility study for the project.

14. And that's not all.

- As part of the drive to improve the way residents do business with the Council, we have introduced e-billing, digital access to Council Tax services and online Housing Benefit and Council Tax Support claims, all of which will make it easier for residents to access their information and transact with the Council;
- we have provided refuge for 10 Syrian families as part of the Syrian Refugee Settlement Programme, with a further 10 families expected to come to Pendle in 2017/18. This is a prime example of Pendle opening its arms to those less fortunate than ourselves and I, for one, am proud to do that
- we agreed to reinstate a discount on Council Tax for empty properties;
- we've agreed the disposal of Red Lane in Colne and Halifax Road in Brierfield, both of which should lead to much needed new housing in the Borough.
- and a Cycling Legacy Strategy has been agreed, following on from the successful Stage 2 of the Tour of Britain.

15. All in all, as I think you'll all agree, this has been a very busy year.

### **Financial Settlement**

16. I mentioned earlier that we have, reluctantly, accepted the offer of a four year settlement from the Government. So, confirmation of the continuing reduction in Revenue Support Grant was no surprise to us. What was a surprise to us, and to local government in general, was the announcement of changes to the New Homes Bonus Scheme.
17. New Homes Bonus is intended to reward Councils for building new homes and bringing empty homes back into use. And our success with this was earning the Council a bonus of almost £1.2m in the current financial year. But, in contrast to the current scheme, the new scheme is likely to cost this Council over £3m in the period to 2019/20. Let me repeat that, it will cost this Council over £3m in lost income. So, not only has the Council suffered a cut in its grant, the Government is also cutting our bonus too.
18. With the changes to New Homes Bonus in mind, I do hope that when the Government does eventually allow Councils to keep 100% of the business rates they generate in their own area, that they actually mean that and there won't be a nasty sting in the tail. Indeed, I understand that there is a Fair Funding Review underway as part of this work – I just hope the Government recognises that places such as Pendle warrant a funding settlement reflective of the needs of the Borough and its population and not just our ability to grow.

## The Big Picture

19. With the forthcoming changes to business rates, creating the conditions for economic and housing growth in Pendle remains a top priority for me and will remain so for as long as I am Leader of the Council. I am also of the view that confidence is key. And so it is pleasing to see that some of our most prominent businesses are showing confidence in Pendle as a place to do business, confidence in the quality of local supply chains and confidence in the skills of the local Pendle workforce.
20. Last December, **Rolls Royce** started work on the construction of its Wide Chord Fan Blades Factory extension, part of almost £50million pounds worth of investment at the site in Barnoldswick. This investment, which will also lead to the creation of a Centre of Excellence in Structures and Transmissions on the site, will almost double the manufacturing capacity of their Trent Fan Blades and is a reflection of the quality, dedication and flexibility of the workforce in this area along with a commitment to innovative technology and world class facilities.
21. In the same month, Nelson-based **Daisy Communications** continued their fantastic acquisition-led growth by acquiring Alternative Networks Plc in a multi-million pound deal. From very humble beginnings here in Pendle in 2001, Daisy is now arguably one of the Country's fastest growing digital technology businesses.
22. And last year, **Silentnight** celebrated its 70<sup>th</sup> Anniversary by recording its best ever sales. The Barnoldswick-based Bed and Mattress manufacturer employs around 750 people making half a million beds and mattresses each year and, not only that, it has an award-winning Apprenticeship Scheme
23. Whilst I am talking about the success of our local businesses, it is only right that I put on record my congratulations to Philip McIvor, the owner of Farmhouse Biscuits, who received an MBE in the Queens New Year's Honours List recently. **Farmhouse Biscuits** is another one of Pendle's fantastic businesses that through sheer hard work, commitment and the entrepreneurial spirit of its owners has become a trusted brand nationally and internationally.
24. These are really excellent examples of success in our local economy and well and truly prove that Pendle is a place to do business. But whilst I acknowledge our role in helping businesses to grow and create jobs, I am acutely aware that we are only one part of a network of organisations that must work in partnership, collaborate and provide effective leadership to exploit the growth opportunities that exist.
25. I have already mentioned our growing partnerships with our Town and Parish Councils. Business partnerships are also key. We already have in place an effective **Pendle Vision Board** acting as the voice of Pendle Businesses and led so effectively by Dennis Mendoras. Despite the sale of his own business, Dennis continues to demonstrate his passion for Pendle. As well as chairing the Vision Board, he remains a crucial link to the Lancashire Local Enterprise Partnership and has been instrumental behind the scenes in lobbying for funding for this Borough.

26. **Growth Lancashire**, led by Pendle's own Tim Webber, is another successful partnership and one which has continued to support Pendle businesses and complement our own Gearing up for Growth Programme.
27. **Nelson and Colne College** goes from strength to strength under the Chairmanship of our former Chief Executive Stephen Barnes and their ebullient Chief Executive, Amanda Melton. Once again, they are top performers in the Country for 'A' level results and the recent launch of their University Centre will mean that Pendle's students can gain access to University-level qualifications locally, flexibly and at an affordable price.
28. And, as I mentioned earlier, we have continued to work with both **Lancashire County Council** and the **Lancashire LEP** to deliver the Council's economic growth ambitions. But, it is clear to me that the greatest dividend from our partnership working could be earned from our involvement in the emerging **Lancashire Combined Authority** and the potential this gives for a substantial devolution deal for the area. There is no doubt in my mind that this could lead to more investment in education and skills, housing, connectivity and business support and can only benefit Pendle. Both the Lancashire Combined Authority, working with the Lancashire LEP, and the devolution of funding and powers from the Government represent our best opportunity to achieve some of our strategic objectives – more jobs, better housing and greater economic prosperity for our residents – and we should be an active and influential member of it.

### **Capital Spending, Regeneration, Housing**

29. So, building relationships and using partnerships is vital in helping us to achieve our objectives.

#### Joint Venture

30. One such partnership is our joint venture arrangement with Barnfield Investment Properties. The PEARL Group of companies have proven themselves invaluable in recent years as we attempt to cope with the reduction in funding. The last year has been another busy year for them and with the plans we have in place, 2017/18 will be no different. For example:-
  - following the recent consultation, PEARL will soon be submitting a planning application so that work to renovate the former **Colne Health Centre** can start later this year. I am confident that, once renovated, this site will be a sparkling addition to the Colne retail offer which, in recent years, has proven to be more resilient than most.
  - I mentioned earlier the significant progress we've made with the redevelopment of Northlight. And what a journey it has been. To date, we have secured funding of over £8 million pounds for the refurbishment of the site. Along with our own funding of £1.5m, there's £1.5m from Lancashire County Council and £5 million from the Growth Deal.



There is further work to do and I am confident that PEARL can deliver the plans for the rest of the site. But I look forward to the opening of both BFCC's Sports and Leisure Facilities and the Lancashire Adult Learning College later this year which will be a real boost for that part of the Borough.

- preparatory work for **Clitheroe Road, Brierfield** is near to completion so I expect to see the first few of almost 40 houses to be built on the site appearing in the next 12 months;
  - early in the new financial year, we should see the completion of the 12 properties on **Carry Lane, Colne** for the Peter Birtwistle Trust and the start of work to deliver a further 19 properties for open market sale;
  - And I expect the development of **Oak Mill in Colne** will start imminently where another 32 new houses will be developed. Not only that, extra space will be made available to NR Engineering, another one of our leading SMEs, so that they can achieve their growth aspirations;
31. Given the return on our investment in PEARL with the recycling of funds from earlier successful development like Quaker Heights and Holden Road being used to fund new projects, our capital programme for next year will include a relatively modest contribution of £100 thousand pounds for PEARL. Remember, this will leverage a further £233 thousand pounds from our private sector partners, Barnfield.

### Housing Investment

32. As these last examples demonstrate, once again our joint venture PEARL is leading the way in the delivery of new housing. But we will do more. Having achieved **Housing Zone Status** and being nominated as a **Starter Homes Pilot**, we will work with the Homes and Community Agency to maximise the investment available to Pendle for the delivery of new homes, whether affordable or for sale on the open market. We are told by the Government that there is £7 billion pounds of funding available and I am adamant that Pendle and its partners should get a fair share of this funding for investment in the Borough.
33. Using the **Brownfield Development Fund** we will continue to work with land owners to bring forward developments to ensure as many brownfield sites as possible are re-used. We've already committed £500 thousand pounds to the Brownfield Grant Fund and £280 thousand pounds for 32 homes at Oak Mill in Colne. We will look to use the balance of over £700 thousand pounds with our partners at the HCA to ensure we maximise the number of new houses delivered on brownfield sites.
34. I said earlier that the number of **empty homes** in Pendle was at its lowest for some considerable time. But we're not complacent – we know that empty homes are an important part of the housing supply and so we will continue to make funding to those with empty properties to help bring them back into use. Almost £600 hundred thousand pounds will be available in 2017/18.

### Other Capital Investment

35. And there will be other capital investments as well:-
- we will continue to provide funds for Area Committees to deal with the small-scale capital improvements in each Area of our Borough. This will complement the investment from the Revenue Budget which will remain unchanged;
  - likewise, we recognise the importance of investing in our ICT infrastructure to ensure that Council services can be transformed to meet the needs of residents. Indeed, I will continue to support our 'digital by default' agenda to ensure that our services are as accessible as possible;
  - And we will ensure that all the funding we receive for Disabled Facilities Grants will be paid out to those who are entitled to receive it.

### **Economic Development, Skills**

36. As you all are aware, our economic growth ambitions include **extending the existing Lomeshaye Industrial Estate**. In addition to the £1.5 million pounds promised by Lancashire County Council, our successful bid for Growth Deal 3 funding has secured a further £4 million pounds for the Scheme. What a massive boost this is for Pendle – extending the estate could create over 15 hundred jobs and will be a real catalyst for growth in our local economy.
37. And again, this is a reflection of the confidence the LEP has in Pendle to deliver growth – investment in the M65 Junctions to create the capacity for growth, investment in Northlight to meet growth now and investment in the Lomeshaye Estate to meet growth in the future.
38. But physical infrastructure improvements alone will not deliver growth. Amongst other things, we have to invest in the education and skills of our existing and future workforce. Having Lancashire Adult Learning in our Borough will be a focus for that but we will also:-
- support local Schools with their **Pendle Challenge** which is aimed at improving educational attainment in Pendle's school;
  - seek to extend the **Pendle Business Class Hub** to other Schools with the support of Business in the Community and the Careers Enterprise Company;
  - encourage as many businesses as possible to participate in the Careers Enterprise Advisor Network so that our local school children can be inspired by the experiences of some of our most successful business people.

## Budget Proposals

39. Now, returning to our main budget proposals for next year. Firstly, I would like to acknowledge the work of the Management Team in continuing to bring forward proposals for us to consider that address the budget shortfall. In particular, I applaud their innovative and creative thinking.
40. I have already explained the context in which our budget has been developed – significantly less funding from Government but a commitment to maintaining essential frontline service provision so that local hardworking residents continue to receive value for money for the Council Tax they pay.
41. Setting aside our disappointment with the changes to New Homes Bonus, knowing what our funding will be for the next four years has meant that we have had to ‘grasp the nettle’ and take action to deal with the financial challenge we’re faced with. That’s why we’ve taken action early this year - at our meeting in October, we agreed a package of savings totalling £550 thousand pounds and at our December meeting, we agreed a further £624 thousand pound savings. This additional £1.2m savings is on top of £7m saved by the Council since 2010.
42. Just a couple of points about some of these savings we’ve agreed. I know there has been some scepticism about buying that part of the ACE Centre occupied by the Pendle Leisure Trust. But it is simple really – it’s just a change in the way we’re paying for the Centre that will save the Council almost £100 thousand pounds a year. And the extension of our contract with Liberata and the acquisition of the Number One Market Street is a win-win-win. Savings of over £500 thousand pounds next year and each year after that, more investment in services to make them better for our residents and securing over 300 jobs in Pendle for years to come.
43. But we acknowledge our responsibility to have a balanced budget and so our budget for next year includes further reductions in spending – admittedly not all of those suggested by the Management Team – and details of these are in the paper being circulated. But, these spending reductions belie what the budget is about – it’s not what we don’t do, it is what we do with the funding we have. So, just a reminder of some of the services we will provide in the next year:-
  - we’ll collect waste every week from over 39,000 households across the Borough;
  - we’ll keep the streets of Pendle clear of litter;
  - we’ll process over 500 planning applications annually;
  - we’ll conduct over 300 visits to the many food outlets in the Borough to ensure they’re up to standard;
  - we’ll issue almost 400 Taxi licences;
  - we’ll answer over 150,000 telephone calls and deal with more and more online enquiries
  - we’ll provide advice, guidance and support to the many businesses in the Borough and those who are looking to relocate here;
  - we’ll process over 6,000 new benefit applications and deal with around 50,000 changes in circumstances

- in partnership with Town and Parish Councils, we'll continue to maintain Parks, open spaces and recreation grounds;
  - And with the Leisure Trust, we will continue to provide a range of leisure facilities to complement the many other events and activities provided by Town and Parish Council and local community groups.
44. And whilst mentioning the Pendle Leisure Trust, I would again like to thank them again for their contribution to our savings target. Again, innovation and creativity has meant that the impact on the front-line has been minimal and the Trust continues to provide a range of excellent leisure, culture and sports services.
45. So, these are just examples some of the services this Council and its partners will continue to provide to the residents of Pendle and, as promised, demonstrates our commitment to maintaining investment in frontline services.

### **Conclusion**

46. Madam Mayor, in conclusion, I am incredibly proud to be the Leader of Pendle Borough Council and I have pride in the work of this administration.
47. I said at the outset of this speech that at the heart of the budget is our commitment to maintaining essential frontline service provision ensuring that local hardworking residents continue to receive value for money for the Council Tax they pay. That commitment remains as strong as ever.
48. So I would like to move the budget and call upon Councillor Greaves to second the motion.