

BUDGET SPEECH
SPECIAL COUNCIL MEETING
27th February 2020

Mr Mayor,

Introduction

1. This evening it is my responsibility as Leader of Pendle Council to deliver the budget speech for the next financial year. You will all be thankful that I intend to be brief, not least because I am pleased to say that, for the first time in almost a decade, our budget will not include any further frontline spending reductions.
2. It seems to me that Pendle is continually changing from one year to the next and this year has been no different. Following the results of the last local Elections, our shared Administration [of the Council] with the Liberal Democrats has, once again, come together to provide the bold leadership necessary to drive forward some of the Council's key policy initiatives despite the financial challenges we've continued to face.
3. As well as the leadership we provide, the Council could not operate as effectively as it does without the staff that work here and the partners we work with. I would, therefore, like to pay tribute to the hard work and dedication of the Council's staff and those of our Partners like Liberata and the Pendle Leisure Trust who strive to provide the services that the people of Pendle want and deserve.
4. As you all know, developing the budget is not an easy task and, given the scale of the funding reductions we've faced, we've always believed that we should work together to find the best way of dealing with the budget deficit whilst ensuring that the services we provide to the residents of Pendle remain great (good) value.
5. That's why I am pleased that one of our first acts as a Shared Administration was to reinstate the All-Party Budget Working Group as a way of collectively developing the budget. From the first meeting to the last, we haven't always agreed across the board, or even in our own groups for that matter, but at all times we have debated, discussed and deliberated to find the a way forward in the best interest of the residents of all parts of Pendle. I am grateful to both the Liberal Democrat and Conservative Groups for participating constructively in these meetings.

6. After almost 10 years of austerity, of relentless reductions in funding and of shrinking services, there appears to be some respite next year with a slight increase in funding. I will say more about the one-year financial settlement for 2020/21 later.
7. For now, I want to talk briefly about the prospects for places like Pendle under this new Government. I hear much talk about 'levelling up' and, if my understanding of that is right, I agree that there needs to be much, much more investment in 'left behind' places like Pendle. Of course, there is a need to turn the rhetoric into reality, words into actions and soundbites into spending so that the hard-working residents of Pendle can feel the benefits in their daily lives, for example, with:
 - better wages if they're working;
 - better support if they can't;
 - better transport if they're travelling
 - better environments if they're not
 - better homes that are affordable to live in
 - and better help if they're homeless.
8. The forthcoming national Budget provides the first opportunity for the Government to put its money where its mouth is. For example, we have long talked about the reinstatement of the Colne-Skipton Railway and with all the talk about reversing the Beeching Cuts by restoring local railways, what better example could there be of the Government's commitment to Pendle's economic ambitions by providing the funds to deliver this project.
9. And with the Comprehensive Spending Review planned for Autumn 2020, the Fair Funding Review and changes to the Business Rates Retention system to be implemented in April 2021, there is the opportunity for the Government to at least 'level-up' the resources for a Council like ours so that we can continue to deliver the quality of services that our residents deserve.
10. In the meantime, be under no illusions - if we continue to see reductions in our core grant combined with a reliance on locally raised funding continue, my view is that it will have a significant impact on our ability to continue providing the same services we do now. We will all need to be prepared to take difficult decisions.

11. But, these are matters to consider in the future and I'd now like to focus on the current year's budget and activity.

Revised Budget 2019/20

12. I have said these are difficult financial times so it has never been more important for the Council to manage its money effectively. In January, we reported that savings of £175 thousand pounds had been made as part of our Revised Budget for 2019/20 and I am pleased to say this evening that our continued efforts to reduce the cost of our services are expected to deliver savings of around £210 thousand pounds by the year end.
13. Once again, this is a very creditable outcome and is, in my view, reflective of the sound financial discipline which we have come to expect.

Achievements in 2019/20

14. Councillors, it has been a very busy year under my leadership of the Shared Administration and I would like to take a moment to reflect on some of what we have achieved. In doing so, I will provide an update on some of the key projects in the 30 point '**Plan for Pendle**' which we set out at the beginning of the year.

Economy

- The delivery of the extension to **Lomeshaye Industrial Estate** has long been an aspiration of the Council and I am pleased that everything necessary is in place to deliver Phase 1. Just to remind you, this is expected to provide the space to create around 500 jobs and more than 100 thousand square feet of industrial space to help our growing business base;
- And talking of big strategic projects, there has been nothing much bigger in Pendle for the last few years than the £32 million pound redevelopment of the former Brierfield Mill or **Northlight** as it is now known. This 400 thousand square foot mill has been transformed into the Head Offices for Lancashire Adult Learning, Burnley Football Club in the Community's Leisure Box, now complemented by a new Gym and an outdoor 4G football pitch, the base for the nationally recognised Arts organisation In-Situ and, more recently, 36 modern stylish Apartments.

- These two projects are a big part of our drive to increase economic growth in Pendle, a key objective of this Administration in our '**Plan for Pendle**'. And helping businesses grow remains one of my top priorities. So we've:-
 - continued to provide funding for the **Gearing Up for Growth Programme** providing 12 Growth Grants worth almost £50 thousand pounds and supported 13 businesses with Start-Up Grants worth nearly £10 thousand pounds;
 - we've continued to support **Growth Lancashire** which is chaired by Barnfield's Tim Webber and which, with the BOOST range of products, has helped a number of Pendle's businesses accelerate their growth plans;
 - our **Pendle Connects** business breakfasts bring together a wide range of Pendle businesses to share their experiences in the business world and to provide networking opportunities for our local business people. These events continue to attract a lot of interest and have proved to be a great success. And just to note, the next event is planned for 4th March at Park High School in Colne;
 - in conjunction with the **Pendle Vision Board**, the Council has launched its '**Made in Pendle**' Campaign to showcase the goods, products and services that are made right here in Pendle and to show other Companies what a great place Pendle is for doing business.
 - And business is central to the Colne BID which is now in the second year. As part of our 'Plan for Pendle', we said we'd look to develop a **BID in Barnoldswick** and the feasibility work for that is now well underway.

Housing

- We said we would launch a new drive to increase the supply of social housing across Pendle. Our joint venture arrangement with both Together Housing and Barnfield Investment Properties, which you all know as **PEARLTogether**, is at the forefront of this work.

- At **Harrison Drive** in Colne, PEARLTogether will develop 79 eco-friendly affordable two- and three bedroom homes. These homes are expected to take advantage of the latest in green technologies for their power and heating and it is the first project that will be undertaken by the partnership;
- And at **Further Clough Head** in Nelson, around 40 of the 98 properties proposed for this site will be affordable housing.
- And just to remind you that PEARL has:-
 - just completed – and sold – all the 36 new houses at Clitheroe Road, Brierfield;
 - is on site developing 32 new houses at Langroyd, and 21 new houses on Carry Lane, both in Colne;
 - demolished the former Colne Health Centre which will be replaced by 12 Apartments for the Peter Birtwistle Trust and 4 retail units.
- These developments will build on the success of our other **PEARL joint ventures** which are celebrating 10 years of regeneration.
- And in leading the way on housing development, PEARL is providing the confidence for **other public and private developers** to build much needed new housing in Pendle. For example:-
 - Persimmons are well on their way to developing out their site on Knotts Lane in Colne;
 - Seddons have completed their development at Salterforth;
 - McDermotts are on site starting the development of around 100 units on Windermere Avenue in Colne;
 - Together Housing have completed their 22 affordable housing development at Warehouse Lane, Foulridge;
 - Calico have completed their 33 affordable housing development on Priory Chase, Nelson;
 - And we have received reserve matters planning applications for Barnsey Shed in Barnoldswick and Trough Laithe in Barrowford which should see almost 400 new homes built.
- But whilst delivering new houses provides residents with the ability to climb the housing ladder, our '**Plan for Pendle**' also focussed on efforts to continue the reduction in the number of empty properties. And I am pleased this has paid off with the number of long term empty properties now less than 3% of the housing stock.

- And we said we would tackle the bottleneck in the delivery of **Disabled Facilities Grants**. Again, it gives me pleasure to report that, for the first time in a number of years, we will have committed most if not all of the funding allocation we have received this year by the year end.

Town Centres

- We all know that a great housing offer can make for a great place. And that same principle applies to our **Town Centres**. We recognised some time ago, with the development of a 10 year vision for Brierfield and Reedley and development of a Masterplan for Nelson, that some of our Towns need help to redefine themselves given pressures on the high street from changing shopping habits, changing communities and changing needs.
- Thankfully, the Government has now accepted that Towns need investment. Our bid last year to the **Future High Street Fund for Nelson Town Centre**, which promised investment of up to £25m pounds, was successful. But, it is disappointing that we're now being told we'll [*only*] get between £5m and £10m pounds and we still have to bid for that! I can tell the Government now that we have the ambition, we have the commitment, we just need the investment.
- And investment is the name of the game with the **Nelson Town Deal**. Again, we're told there's up to £25m available. I, for one, will be actively working with our new Nelson Town Deal Board to make sure that we have a comprehensive investment plan to secure that and more funding so that we have a great 'deal' with the Government for Nelson.
- But I recognise that Pendle is polycentric and the other Town Centres are just as important to Pendle's prosperity; unfortunately, despite what I would consider to be high quality bids from both the Town Councils in Barnoldswick and Colne, their bids to the **High Street Heritage Action Zones** were not successful. But, I am known for my perseverance and I will ensure that, where we can, we will work to secure more investment for each of our Town Centres.

Maintaining Front Line Service Provision

- But, talking about investment – or the lack of it! – we continue to face a significant financial challenge as a local authority. Despite that we are keen to ensure that services and facilities are maintained and improved wherever possible.
- This approach has been at the heart of our partnership working with Town and Parish Councils who, once again, have risen to the challenge of taking on more responsibility for services and facilities. I want to thank those Town and Parish Councils that have worked constructively with us to protect local services and would encourage others to learn from those that have done this so successfully for the benefit of the residents in their areas.
- Our '**Plan for Pendle**' set out a range of other priority actions which I am pleased to report back on:-
 - we've reviewed the **operation of litterbin and dog waste emptying**, ensuring the service is operating as efficiently as possible;
 - having successfully renegotiated a new deal, we have agreed to extend our contract with **District Enforcement** to deal with recalcitrant litterers. In the current year, the success of this arrangement has not only resulted in more fines for littering, but it has freed up our own Environmental Crime Officers to deal with even more cases of fly-tipping;
 - we reversed the unfair and unreasonable increase in **Cemetery charges** pushed through by the last Administration as part of their budget;
 - having successfully lobbied for the Victoria Clough Culvert in Earby to be repaired, we have secured European funding for **further flood alleviation measures in Earby** which we hope will be more than matched by the Environment Agency. And we continue to lobby the Government, the Environment Agency and anybody else for that matter who can provide the funding necessary to provide the flood alleviation measures required to manage flooding once and for all in Earby;

- And at the turn of the year, we supported residents in the Essex Street Area of Colne with their bid for a Pocket Park on the Council's surplus land on that street. I wish them good luck with their bid.
- we reversed the [daft] decisions to dispose of the ACE Centre and Number One Market Street which we believe would have cost the Council money and, because of our entrepreneurial instincts, we have agreed a **Property Investment Strategy** of which I'll say more later backed up by £10m of new borrowing;
- in partnership with other Pennine Local Authorities, we've become a **trailblazer for dealing with Childhood Obesity** and we're fully signed up to the campaign for promoting a healthy weight in our population too as part of the drive to improve health outcomes in Pendle;
- in responding to the Climate Emergency declared by the Council, we've set up the **Climate Emergency Working Group** to focus our efforts in this area. I will say more about this latter but one of their first actions resulted in the Summit for Schools on Climate Change and this was a resounding success.
- Our '**digital transformation**' of the Council is advancing at an incredible rate with over 100 services [and counting] now available online 24 hours a day.
- And as part of our campaign to connect with residents, **improving that two-way communication**, myself and other leading Councillors along with senior Council Officers have held a series of '**Let's Talk**' events to listen and act on their concerns.

15. I could go on but I'm mindful that I said I would be brief so let me turn to our financial settlement for the next financial year.

Financial Settlement 2020/21

16. The Government confirmed details of their financial support for Local Government in 2020/21 earlier this month. As I said earlier, whilst it represents a small uplift in funding, it is for one-year only and so we will have to live with the uncertainty that has plagued our financial planning over recent years, at least for another year.

17. The settlement also includes another 'one-year' offer. Unlike previous years, next year's allocation of New Homes Bonus will be paid for one-year only as the Scheme looks likely to end. This is disappointing on a number of counts but not least because the number of new homes built in Pendle last year was the highest for the last 15 years. So, whilst we should have received around £740k of New Homes Bonus over the next four years, it will only be £184k in 2020/21.
18. And I have to say that, whilst this payment of New Homes Bonus and the small uplift in funding is welcome, it does nothing to replace the millions of pounds of funding this Council has lost in the last decade. In that context, the Comprehensive Spending Review, the Fair Funding Review and the Review of Business Rates Retention later this year all provide the Government with the ideal opportunity to address the imbalance in funding and to deliver on the funding promises they made prior to the General Election.

The Big Picture

19. I mentioned earlier that the message from this new Government is about 'levelling up', about investing in the North of England and particularly the 'left behind' places like Pendle. We need to make sure that they are held to account for the promises they made so in unleashing Britain's potential, we can unleash Pendle's potential to continue being a great place to live, learn, work, play and visit.
20. Growing the local economy remains at the heart of our plans. The economic success of Pendle as a place will not only reap financial rewards for the Council, it will provide the opportunities for local businesses to grow and for local people to find employment in rewarding careers. It is for everybody's benefit to have a prosperous Pendle.
21. But, it is clear to me that Pendle Council alone cannot deliver economic growth and prosperity in the Borough. It is the strength of our partnerships, the network of organisations with which we collaborate and the inspirational leadership within our communities that have proven to be so effective in recent years and which we will need to deliver sustainable economic growth.

22. As a Council, like the rest of Lancashire's local authorities, we are committed to supporting the development of the **Greater Lancashire Plan** and to making an effective contribution to the **Lancashire Local Industrial Strategy**, both of which will present a case to Government for investment in Lancashire and, in turn, Pendle. Combined with the development of a **Pennine Lancashire Economic Prospectus** and the imminent refresh of the Council's own **Jobs and Growth Strategy**, I am confident that our plans for investment in Pendle's strategic economic development objectives [are being clearly made].
23. And, the last time I stood here, I talked about my hope that a **Lancashire Combined Authority** with a substantial devolution deal would be the best opportunity to secure the investment we need to achieve our strategic objectives. Indeed, I think we all agreed that devolution of funding and responsibilities closer to those that are affected by decisions is the right thing to do. Sadly, at that time, a number of Councils did not support that view.
24. But, with the prospect of the Government's **White Paper on Devolution in England** this year, I am pleased to say that there is renewed interest in a Combined Authority amongst Lancashire Authorities and I am hopeful that, once again, Councils will start working together in the best interests of Lancashire.
25. And a fundamental part of our approach to economic growth is a need to keep listening to the voice of our Business base in the knowledge that we must act together to lobby for the investment needs of Pendle.
26. Once again, I must thank Dennis Mendoros for championing Pendle's interests so effectively both in his position as a former member of the LEP Board but also as the long-standing Chairman of the Pendle Vision Board. I should also like to thank Amanda Melton for not only running one of the best Further Education Colleges in the Country here in our Borough but for continuing to represent Pendle's interest at the LEP Board.
27. And with that in mind, I am clear that the **Lancashire LEP** is here to stay and with a new Chairman and Chief Executive providing the necessary leadership, I am hopeful that we can build on the relationship that has seen multi-million pound investment projects like junction improvements on the M65, the rejuvenated Northlight in Brierfield and the expansion of Lomeshaye Industrial Estate delivered in Pendle.

28. On that point, we all know that a crucial part of our growth story has to be better connectivity, westward to other parts of Lancashire and eastwards into Yorkshire. I do not wish to steal Cllr Greaves's thunder with his motion later on, but with the appointment of Pendle's MP, Andrew Stephenson as Rail Minister, surely now is our best opportunity to get the funding necessary to deliver the reinstatement of the Colne to Skipton Rail line. To coin a phrase, *'No more dither and delay, give us our [new] railway!'*
29. Along the same lines, after consultations on the Strategic Road Network, the Major Road Network and Transport for the North's Strategic Plan, options for better road connectivity between the M65 and Yorkshire are now, again, being considered by Highways England. I am of the view that this matter has been studied to death and delivery of the Colne-A56 Bypass is now well overdue, not only to support our economic growth ambitions but to relieve the significant congestion currently experienced by those travelling through Colne. Again, to coin a phrase *'Let's get the Bypass done'*
30. And talking about our growing business base, it is only right that we celebrate the contribution that our businesses make to the local, national and international economy. That's why I am pleased we will be holding the Pendle Business Awards again in July of this year. This year's event will again be held at the award-winning Fence Gate – another of our local success stories – and will celebrate what's great about Pendle's businesses.

Revenue Budget 2020/21

31. Turning now to our budget proposals for next year. Firstly, I would like to take this opportunity to thank the Management Team for bringing forward proposals early in the financial year to address the budget shortfall. It is right that we should consider these matters carefully so that the impact of budget reductions on the residents of Pendle can be minimised wherever possible.
32. In September, we agreed a package of savings totalling nearly £300 thousand pounds and these will be implemented in full.
33. And recognising the strength of our shared Administration of the Council, my Group has been able to agree a budget with the Liberal Democrat Group for next year, providing a sensible way forward for this Council. We have considered the further recommendations from the Management Team in some detail. In particular:-

- I would like to thank the Leisure Services Working Group for the work they've undertaken on the strategic review of leisure services in Pendle. This has been a worthwhile task and confirms my view that the Pendle Leisure Trust remains the best option for the delivery of leisure and sports services in Pendle;
- We will revisit the recommendations of the review in due course but I do agree with the view that our facilities are ageing and in need of some care and attention. A review of the condition of the facilities is underway and I await recommendations from Officers on this.
- But, for now, we have no desire to reduce the level of service provision by the Pendle Leisure Trust and will, therefore, not accept any of those proposals put forward that seek to do so. We believe there is a balance between sensible savings, with the Trust using some of its reserves, and continuing to maintain services. We will, therefore, accept the proposals to reschedule loan repayments, reduce the cost of irrecoverable VAT along with a small price increase;
- We will not increase cemetery charges. Whilst we acknowledge the Management Team's objective for this service to become self-financing, we do not believe in burdening those people who have lost loved ones even more than they are burdened now. The charges will stay the same for the next 12 months;
- Likewise, we will not be making any reduction to the street cleansing service this year. I think we all agree that this is a vital service and one which we should protect wherever possible. I commend the Management Team for developing options which will both save money and minimise the impact on the service but I, for one, don't believe we have yet got to the point where this service needs to be changed.

34. There are a few areas where we believe a small investment is necessary:-

- following the Council's declaration of a climate emergency last year and the emerging Climate Emergency Action Plan, we've put an initial £50 thousand pounds in the Capital Programme to support Climate Change initiatives. We want to add to that by providing:-

- £50 thousand pounds for Community Climate Action Schemes which will be overseen by the Policy and Resources Committee on advice from the Climate Emergency Group;
- £15 thousand pounds next year and the year after to provide 'seed' funding towards more tree planting in partnership with the Ribble Rivers Trust which I wholeheartedly support. And whilst I don't wish to make light of this issue, in the past, we had '*Plant a Tree in '73, Plant some more in '74*' so can I suggest '*Plant a Tree in 2020, Plant some more and we'll have plenty!*'
- We will add £50 thousands pounds to the Disabled Facilities Grant budgets to provide funding for the small number of grants which exceed the £30 thousand pound limit;
- We will remove the administrative charge for replacing wheeled bins which has proven so unpopular;
- And, if we can persuade Lancashire County Council to contribute, we will provide a small amount of funding to provide free bus travel for under 25 years olds.

35. With these proposals, I believe our Revenue Budget balances the need to provide good quality services to the residents of Pendle with the financial prudence necessary given a decade of funding reductions.

Capital Budget, Housing and Regeneration 2020/21

36. Over recent years, our capital investment has been significantly constrained due to the lack of capital funding from Government. In response to this, we have had to be creative to make the best use of our assets and the limited resources we've got to sustain a capital programme.

37. I mentioned earlier that partnerships are critical to the delivery of our economic and housing growth plans. Our PEARL joint venture arrangements are celebrating a 10th Year Anniversary this year and have, by any measure, been a resounding success for this Council in continuing our work to regenerate parts of Pendle.

38. And what an impressive 10 years it has been. Here's some key numbers for you to consider:-

- From Council loans of around £2.2m, there's been around £83 million pounds of investment in a range of residential, commercial and retail properties;
 - Over 70% of the spend by the Companies has been with local suppliers who are local employers with employees who spend their wages in our local economy;
 - Over 1,100 construction jobs have been created over the 10 year period
 - And almost 300 new homes have been built with more to come.
39. Building on that success, and using a combination of our own sites and those we might acquire, our new joint venture with Barnfield and the Together Housing Group expects to deliver over 500 housing units over the next 5 years. And not only that, with the investment from Together Housing and their ability to attract funding from Homes England, it is our aspiration that at least half of the new homes built will be affordable housing.
40. And we will do most of this from rolling forward loans already made to PEARL so we should not need to put new funding into any of the Companies next year!
41. I would like to point out a couple of other items in our proposed Capital Programme that are worthy of note:-
- As I said earlier, our Property Investment Strategy was agreed last year. The Capital Programme includes £10 million pounds to be funded from new borrowing to buy investment assets that will not only repay that borrowing but will make a contribution to our revenue budget and hopefully stave off the need to make even more damaging cuts in service;
 - And we've maintained the funding for Area Committees even though there's likely to be fewer from May onwards than the five we currently have.

Council Tax 2020/21

42. Before I close Mr Mayor, I'd just like to mention briefly our proposals for Council Tax. There is a clear message from the Government: Council Tax can be increased to pay for local services.

43. Reluctantly, we will follow the Government's lead and increase Pendle's share of the Council Tax by 1.99%. This will mean that, for the majority of Council Taxpayers in Pendle, their Council Tax for Pendle's services will be £180.41 for the year or just £3.30 per week. This represents an increase of £3.52 for the year or just 7p per week.

Conclusion

44. Mr Mayor, in conclusion, our budget for next year is balanced, does not include any further funding reductions in frontline service provision and, once again, seeks to keep Council Tax as low as possible ensuring there is enough funding to maintain the essential services for the residents of Pendle.
45. So, I would like to move both the Capital Programme and the General Fund Revenue Budget (Items 6 and 7) for 2020/21 and call upon Councillor Whipp to second the motion.