

**FOREWORD TO THE LABOUR ADMINISTRATION REVENUE AND CAPITAL
BUDGETS FOR THE BUDGET YEAR 2019**

DELIVERING AND IMPROVING FOR HULL

REVENUE

In this year's statement there is little to say about the Revenue side of the budget as we will be in the fourth year of a four year funding arrangement. There are no new savings to be announced although planned savings identified in years two and three will continue to be delivered.

Despite this we have managed to protect certain revenue funding for key policies that the administration holds dear. We have managed to retain the funding for the anytime pensioner bus pass, ensuring that our pensioners can travel when they want and need to. Labour understands that many families and young people are struggling and that times are getting harder. Previously many young people in further education and training benefited from receiving the Education Maintenance Allowance which assisted in getting young people to college, however, the previous Liberal Democrat and Conservative Coalition Government stripped this small allowance away, leaving many unable to manage. In response to this Labour listened to members of our Youth Parliament who flagged up the unaffordability of transport costs as a major reason young people were struggling to get by. In January, this council launched a 'KAT Card' bus pass which enables hard pressed young people aged under 19 years to purchase a weekly rider ticket for £10; a reduction of 33%. The subsidy for this is being met jointly by Hull City Council, Stagecoach and East Yorkshire Motor Services with council funding coming from the fines raised from bus lane enforcement. The KAT Card is usable across both bus service operators in the city and can be topped up on board. Additionally, it allows young people to travel outside of the Hull City boundary to those areas that are Hull's natural suburbs. This scheme, flagged up by Young People in Hull and acted upon by Labour, is one of the first such schemes in the country where bus operators and the local council have chipped in together to deliver a reduced cost scheme for young people studying to get on.

Perhaps two of the most popular services we have maintained is the free bulky item services for household waste.

We reintroduced this scheme in 2011 after the Lib-Dems scrapped it when they run the Council. We are now one of only two Council's in Yorkshire and the Humber whom offer such a scheme and one of only 15 nationally. Additionally the extra fly-tipping blitz team which we introduced 18 months ago is retained. We believe that

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these excellent policies are contributory factors to Hull having the highest recycling rates of any City in the UK.

Rubbish and anti-social behaviour can often be found in greater quantities where bigger houses are often sub-divided into flats or HMOs. We were alarmed by the unregulated proliferation of smaller shared dwellings. We have got Council agreement for a consultation on an extension to Article 4 to prevent the proliferation of unregulated HMOs. This would require future changes to have to obtain planning permission. We have also established a multi-agency team of private housing staff, benefits staff and social care staff, to ensure there is greater enforcement where landlords are claiming enhanced housing benefit levels as they are providing care and support. Often these people are vulnerable and are ripe for exploitation. We hope this scheme will help improve standards in our communities.

We also support the Police enforcement of the PSPO order in key areas of the City where street drinking leading to ASB can be tackled by the Police. In a similar vein the S222 on Hessle Road, the first Court order nationally under this legislation to enforce against street prostitution will be renewed. Police resources are stretched due to the cuts imposed by the LibDems/Tory Coalition which led to hundreds of job losses in Humberside Police's area. We are pleased that a local fight back has started with Keith Hunter the Labour Police Commissioner, starting to recruit many new Police Officers. We will reluctantly support Keith's plan to put up the Police Precept, recognising that without it and the relentless budget cuts from Government, he needs the extra funding to arrest further decline in Police numbers. We know for many locally money is tight, but austerity, and the crime rises it often fuels, requires us to have sufficient police to keep us safe.

Hull City Council has suffered from reductions in Revenue Support Grant (RSG) and Core Funding of £131M since 2010, which represents a cut in funding of 55%. This process of hollowing out the council's funding began with the Comprehensive Spending Review initiated by the Liberal Democrat and Conservative Coalition Government in 2010 and continued after the 2015 election. This dramatic and systematic process of cutting core funding to local councils was part of the imposed ideology of Austerity, welcomed nationally and locally by the Liberal Democrats.

One of the most distressing effects of the 'Austerity' imposed by the Liberal Democrat and Tory Coalition Government on the communities in our city is the additional strain on already hard pushed families and the hollowing out of funding to support services for vulnerable young people and children. In Children's Social Care the national spike in the numbers of children looked after is also reflected in Hull. Last year we rebased the budgets for these services despite these reductions to the overall revenue position.

In addition to residential care services, Labour is committed to strengthening education infrastructure in our city. Our aim is not just to 'maintain' but to 'improve'

and so Labour commits £10.172M in the coming financial year and a further £9.668M across the following two years as well. This major investment is needed to support success in the future for all our young people including those with Special Educational Needs and Disabilities; (SEND).

In respect of children in the SEND cohort, it is vital that they are supported to take part in education and the experience of education environments alongside other young people and this is an important socialisation and inclusion principal in society that benefits those with disabilities and those without in learning to live together and respect one another. Labour is committing £287,000 in the coming financial year and £288,000 in the following year to support this important work in our city's schools.

There will be a further investment of £450,000 in education infrastructure generally in the coming financial year and £283,000 in the following year.

Labour will also be investing in improving our Adult Education and Training provision to ensure local people have access to good quality training and re-skilling throughout life. Labour will continued to fund youth services across the City provided by both the voluntary sector and directly as the Council. This prioritisation is vital as many Council have got rid of such services across the land.

The Council continues to subsidise primary school meals by up to £1m a year from Council revenue and public health funds. The amount the Council invests in this service has been protected.

While Labour has managed to reach a balanced position, the picture after this three year funding agreement is uncertain and as yet unclarified by central government. So called 'Fair Funding' starts to be implemented from 2020 and the details of what this will entail remain murky.

Labour's careful planning and financial prudence has resulted in a balanced financial position, with potential overspends covered, in part, with money generated from our highly successful Enterprise Zones. Labour's approach in Hull contrasts the position of some other local authorities; including Conservative ones; that are going bankrupt with one Conservative Council having to make an urgent £80M worth of cuts to survive even with additional Conservative Government assistance.

It is worth underlining that Labour has achieved financial balance while also delivering services and vast improvements to our city and its potential as a place to live, work and visit. It is also worth pointing out that the last Liberal Democrat Budget for our city had 55% greater funding than that we have now as well as over £100m in reserves from the second KC shares windfall and they still needed to use £10m of reserves to balance the books while delivering no improvements or transformation of services.

The intention from the Government is to phase out RSG leaving local councils reliant on two key taxes, Council Tax; (CT); and Business Rates; (BR). Over future years

BR retention will increase and RSG will reduce. For well positioned local authorities that have a majority of houses in the higher CT brackets, land sufficient to accommodate many businesses and a strong business support hinterland, the ability to generate income from these key taxes may actually result in a greater level of overall funding. For most local authorities, including Hull City Council, this is not and will not be the case.

The tight boundary of the city not only restricts the availability of land for potential investment and growth in Business Rates, and provides for a concentration of deprivation, but also has resulted directly in the disproportionate impact on our Council of national reductions in local authority funding. Percentage reductions in grant funding strike hardest at the areas with high need and low property values, as such authorities are inevitably in receipt of high levels of current grant support. The current Council funding regime also means that the Council is dependent upon a Business Rates Top-up Grant of £40M per annum and the continuation of this redistributive mechanism is absolutely critical to the financial sustainability of the Council.

CAPITAL

Given the pressure on the revenue budgets, the Labour Council has used its capital budget to continue the regeneration of the City. We said we would not be passive observers in the Tory/Lib Dem austerity. Our bold regeneration plans, and good partnerships with retailers that have seen the footfall figures in Hull City Centre buck the national trends with an 8% increase last year. It is this bold vision and sense of partnership that persuaded House of Fraser to change their closure plans. This has also resulted in Hull receiving the REVO Gold Award from the retailers' Trade Association for the best regeneration nationally. Hull Council has also been shortlisted for the Council of the year. Our opponents have opposed all our major regeneration projects. We are seeing the plans coming to fruition.

Delivering Improvement to Digital Support & Frontline Services

Local people have been clear that they want it to be easier to communicate with the council on issues that affect them and their communities. Labour has listened and is committing £1.422M to better develop our Information and Communication Technology; (ICT). This will see the development and rollout of applications and mobile technology that will allow much greater ability and capacity to inform us what needs to be done and where, in all our communities.

In addition to this Labour is implementing a new way of working across frontline service provision. This will free members of staff to be far more flexible and responsive, to work more efficiently and in a more environmentally friendly way. This

will assist frontline professionals, such as Social Workers to practise more effectively and responsively. Over the next two years 'Work Smart' will see an investment of £3.4M to provide hand held devices and allow flexible working across different workspaces and communities in our city, benefiting service users directly, reducing time spent travelling on congested roads and improving efficiency in service delivery. This innovation is a 'spend to save' initiative expected to provide savings in the region of £3M over five years and £7M over ten years.

Labour is committed to keeping pace with technological change and has set up a three year programme of renewal and improvement of equipment costing £4.1M to achieve this. This represents an additional £1M to ensure all services are supported in delivering to local people. This is an increasingly vital area that was ignored by the Liberal Democrats up to 2011. Preferring instead to make no investment against strong professional advice that our systems faced catastrophic failure, the Liberal Democrats simply "kicked the can down the road" and hoped it would not all fall down. In 2011/12 and 2012/13 Labour had to take action to prevent system failure. It is time again now to make further improvements to keep pace and Labour will not shirk our responsibility to deliver systems fit for the modern environment and increasing demands.

Delivering New and Improving Existing Children's Homes

Over recent years the pressure on providing safe places for children in need of care away from their families has dramatically increased, proving to be a significant problem as places are not available locally or affordably, meaning some young people are forced to live far away from their community, family connections and friends. In response to this growing concern, Labour is providing new, quality places for our looked after children that need to be away from home for a while and these will be provided directly by the local authority. By doing this we are better protected from increasing market financial pressures and better able to deliver on our duty as a Corporate Parent. Labour has committed £880,000 to this end which will become a reality within the coming financial year.

Delivering Improvement in Culture, Leisure and Tourism.

One of the most successful areas of Hull City Council delivery has been ensuring the survival and further development of our cultural and leisure offer which has taken place against a backdrop of continued central government funding cuts. Elsewhere in the UK these cuts have seen facilities closed down on an unprecedented scale with many towns and cities closing leisure centres, libraries and many other cultural attractions. This would have been the story in Hull had Labour not reversed many of

the decisions contained in the Liberal Democrat Budget of 2011, changing the direction of travel of the authority in a more positive way.

As part of continuing the theme of promoting our city, its unique cultural heritage and our healthy leisure provision, Labour will invest a further £3.75M to deliver and improve on commitments, such as re-opening the much loved Lido which is currently only used by Kingston Kayak Club who will continue to use the facility. This popular development is part of a significant re-vamp of the Albert Avenue site, which will see a major remodelling of the centre protecting its long term future. We have agreed these plans with the Kayak Club, fantastic volunteers, who will be part of the steering group that implements these plans. Hand in hand with this is another investment to make improvements at Beverley Road Baths, and an overhaul of Ennerdale. Labour believes in community based leisure facilities serving the whole City. The huge success of the investment and improvements of Woodford, which our opponents sought to close a decade earlier, shows the public agree with this vision.

Labour additionally commits to ensuring that the Ice Arena can continue until it is replaced with a modern facility as part of our continued investment in facilities for local people. Labour will also invest further funding in local parks and renew and upgrade library equipment because this is what local people have told us they need.

The Council has continued to receive “Heritage lottery funding” for a number of projects an external endorsement of our strategy and plans. As well as receiving significant funds for Pearson Park, the Council has agreed to match the plans for the Yorkshire Maritime Museum project which will see a major overhaul of the Maritime Museum, and a new dry dock siting for the Arctic Corsair. This major project offers volunteer, training, and major tourism opportunities. A number of jobs will be created in developing the project and then after it is finished.

Labour’s continuing delivery and improvement of services to all communities in our city demonstrates our commitment to the city and is one of the reasons that the city council, under Labour, is the second most improved council in the whole country.

Delivering Improvement to Regeneration and Our Local Economy.

Hull City Council is a significant property owner in this area and these properties must be properly maintained and kept compliant with legislation. To achieve this, Labour is committing £5M in the coming financial year; with a further projected investment of £2.85M in the next financial year.

These investments include improvements to the energy efficiency of buildings which will reduce costs in the future and help protect the environment.

Labour has embarked on a plan to rationalise our managed spaces more effectively and will invest in improving them city wide to ensure they remain viable and marketable.

As part of ensuring all our communities are well protected from environmental threats, Labour is providing a further £1M for the Holderness Drain Flood Works. This builds upon works completed and underway that are funded by the Environment Agency and the UK Government to improve flood resilience in Hull. This successful joint partnership has seen a £42m flood prevention scheme recently passed by Planning which will bring security and peace of mind to thousands of residents and local businesses alike.

Delivering Improvement to Neighbourhoods, Communities and the Environment.

Labour continues the commitment it began to local wards by providing further Community Initiative Budget funding. In the coming financial year this is £2.053M and funding is committed for the coming three years. This funding allows local ward councillors to identify whatever project need to be funded in their ward area and provide the funding to deliver it. In wards where this has been used to good effect it has proved to be a great benefit to local residents in meeting locally identified need.

Delivering and Improving Operational Services

Investments in our public realm, becoming UK City of Culture and the huge improvements in our cultural and heritage facilities has seen a massive upsurge in visitors and the attendance figures at our Museums, the Ferens Art Gallery and Hull New Theatre. This incredible upsurge in local people using our cultural and heritage facilities, as well as people from across the country and the world, has significantly raised the profile of our city beyond anything that anyone could have foreseen. Such is the increased demand from visitors that our city now needs to re-establish a coach park for day-trippers and others who come here. Labour will accordingly invest £200,000 to establish a suitable coach park to meet this demand.

Hull has one of the best CCTV coverages outside of the City of London. This has helped in reducing crime in our city and in the apprehension of offenders, making our streets and communities safer for local people and visitors. Amazingly, when this scheme was first proposed in 2000 it was vigorously opposed by the Liberal Democrats who, in power from 2002-2003, refused to progress the project and almost lost all the government funding to deliver it. Labour saved the funding and the scheme in 2003, delivering the CCTV system which Labour and expanding it since. Technology, however, moves on and our investment of £350,000 over the next two financial years will upgrade our CCTV system, delivering improved equipment and

clarity of image to help in crime prevention and detection. This is yet another demonstration of Labour delivering to improve public safety rather than scaremongering in communities whilst opposing improvements to public safety.

Last year Labour committed funding of £23M to a three year highways improvement scheme which has now begun. The first years' worth of projects is on schedule to be delivered as planned. £7.8M of this fund will have been delivered by the end of the current financial year. Labour's continued commitment to improve our road infrastructure will see a further £4.8M will be added to this meaning that we are extending this by a further year, making this an investment of £27.8M over four years.

Highways maintenance and improvement are a recognised national problem and it is an area of government funding that has suffered continued cuts as well as project cancellations with funding diverted to projects that will, in the main, benefit the South East, London and one or two larger cities.

It is recognised by the Association of Public Service Excellence; (APSE); that many local authorities have wasted money on simply filling in potholes without dealing with the underlying problems of an old and decaying road infrastructure. Under the Liberal Democrats this policy also prevailed in Hull, with public money used to simply pour tarmac into potholes that returned because the problems with the structure of the road beneath was never addressed. While this approach appeared to allay immediate concerns and generate short-term headlines, it actually resulted in problems being built up which in the medium to long-term benefited no one and was a waste of public money.

If that was not bad enough, the Liberal Democrats also cancelled a £35M highways investment programme proposed by Labour in 2006/07. The proposal would have gone a long way to rectifying our decaying road system before it got too bad. Indeed from 2006/11, when in charge of highways repairs, the Liberal Democrats failed to spend all the funding they had committed to on road repairs in our city, adding to the road repairs backlog and the problems we have been addressing since 2011.

Labour's commitment to repairing roads and pavements, not just filling holes, was a brave one that was attacked by short-sighted opposition parties; however; it is delivering improved roads and pavements, gradually, across our city.

Labour is pleased to announce that a new fund is being created to provide reactive repairs and proactive maintenance to the city's bridges. The fact that this has never been done before is slightly less surprising than the fact that there are over 200 bridges spanning water courses in our city. This long overdue funding of £500,000, generated over two years, will greatly assist in keeping our bridges safe and fit for purpose.

As was trailed in the news in October 2018 and in the Portfolio Holder Priorities Briefing to the Overview & Scrutiny Commission, Labour has pledged to revamp, repair and renew cycle routes and the network in our city. We propose a bold two year £2.5M scheme that will include the reinstatement of forward stop lines on cycle routes to improve safer city cycling. Labour's commitment to promoting cycling in our city contrasts starkly with the approach of the Liberal democrats whose Councillors in Boothferry Ward actively ran a campaign to block plans for a state of the art brand new cycle track at the Costello Leisure Centre. Part of this scheme will also see investment in a new team of Council Workers who will increase the capacity of the Council to keep on top of our grass verges, enhancing our local communities. Labour has responded to local concerns despite years of imposed cuts and the loss of 120 street scene workers cut by the Liberal Democrats whose job it was to maintain local green spaces.

As part of Labour's commitment to public transport there will be funding to identify and work up a 'Northern Park & Ride' which will complement the Priory Way Park & Ride, which will also benefit from a revamp in the area to the tune of £1.8M.

In addition to this, Labour is also committed to improving bus reliability and information by providing funding for 'Real Time Bus Timetables' which will enable passengers to be kept fully up to date on waiting times, departures and arrivals.

Delivering and Improving Local Housing.

Under Labour, Hull is one of the few areas which is making its target for new House Building starts. There are many building sites across the City, and there is also renewed interest in City-centre living.

We recognise there is a housing crisis which is why we have committed funding, to continue our popular and ground breaking scheme to refurbish some private terraced housing with off-street terraces. Building upon the recent successes of Tyne and Ribble Street, we are completing a large number of properties off Sculcoates Lane, after lobbying from Central's Councillors, along with some other schemes City-wide. This work is breathing new life into these terraces, making them more attractive places to live again. Whilst this scheme is smaller scale and does not compensate fully for the Gateway Pathfinder national funds which were axed by the Lib Dem/Tory Coalition Government, we are making a difference using Council funds

We have also committed to start building Council Houses again, with ambitious plans to build 250 new start Bungalows on smaller sites City-wide. We have also used our resources to assist other Social Landlords to build houses, by providing a loan to Goodwin enabling them to access Government subsidy leading to 40 new households on Thornton Estate at affordable rent levels.

As stated earlier we have used some Revenue to support our allied private housing proposals.

Labour will support the 'Hope for Heroes' Veterans village by supporting this valuable project which will offer housing, work training and rehabilitation for veterans. We have committed to include the land for this scheme if it achieves planning consent. We are particularly pleased that this scheme will improve flood prevention for the surrounding community.

The partnership development that is Kingswood is one of the city's success stories. So much so that continued development means that further road building in the area is essential for this development to progress. Under Labour, our council in providing funding for this to happen and to reduce the impact on local existing residents, across the whole area.

Delivering and Improving Our City as a World Class Visitor Destination.

Hull City Council's progressive plans, under Labour, for our city continues to attract National Lottery investment. £1.1M has been committed to improve the historic vista and properties of Beverley Road, along the length of which the development of our city is recorded. This includes the Brunswick Arcade which has seen better days. These unsafe properties have been purchased for renewal and for the site to be developed in order to deal with this blighted area at the foot of Beverley Road. Further up Beverley Road, the council has taken ownership of the National Picture House site which is the last remaining WWII bombsite in the UK. This presents an important historical reference to Hull's experiences in the second world war which have recently been highlighted. This site could be developed to represent this period of history, which so dramatically affected Hull, to school children, students, historians, visitors and Hull residents alike.

In an allied programme, Pearson Park is in receipt of Heritage Lottery Funding for improvements to the historic park and this includes the iconic arched entrance from Pearson Avenue off Beverley Road which has now been temporarily removed for renovation before re-installment with gates.

Albion Square in Hull was a popular acquisition by Hull City Council which includes the former Cooperative site and the long derelict Edwin Davis Building. Development plans for this area continues apace and after 30 years of dereliction and decay in much of the area, a Public Sector led initiative will see demolition begin on the Edwin Davis part of the site before the end of 2019. Asbestos removal on the rest of the site continues to enable development to begin. This is an exciting plan which includes a new, state of the art Ice Arena to replace the current one, residential property and retail provision, all of which were approved in January 2019.

Labour has oft repeated that we will not stand idly by and observe decline where there is an opportunity to intervene. This is exactly what we have done in terms of the proposed closure of House of Fraser. Under Labour, our council brokered a deal to save the store and for it to continue trading as well as developing alternative residential development on its upper floors. This successful outcome is an example of confidence in the viability of Hull City Centre which has, in fact, seen an increase in footfall year on year, bucking the national trend. This is further evidenced by the fact that there has been a reduction in the number of vacant retail units in the city centre, contrasting other cities, even York.

Previous decisions by Labour in Hull such as investing in Trinity Market, Humber Street, Trinity Square, The Bonus Area, The Ferens Art Gallery, our Museums and Hull New Theatre; many of which were openly opposed by other political parties or criticised in favour of doing nothing; have created a momentum in our city that allows us to be bucking the national trend and providing a platform for further advancement.

As a consequence, Hull has been recognised by winning the retail industry's most prestigious award for our revamped and redesigned city centre. The job creation and business start-up rate in our city; which has seen a huge increase in real jobs across the whole city; has been stimulated and sustained by these actions.

Building on this success, there are other bold plans for Whitefriargate which include remodelling and encouragement for smaller local businesses to take up residency in what could become a charming area that connects parts of the city centre and allows small businesses to thrive again and contribute to an area of unique appeal.

Some have cynically chosen to belittle the work done to change the nature of the city centre which will allow it to thrive where others are seriously faltering. Labour is pleased that our decisions have acted as a stimulus for greater investment and an upsurge in interest in our entire city. More people are returning to Hull who had previously left and others are choosing it anew as a vibrant and progressive place to live, work and raise a family. Our population has continued to grow despite uncertainties about the outcome of Brexit for this area and the fact that there has been a fall in the number of residents from Eastern European counties living in Hull.

Summary

The sustained and unrelenting pressure on Council Revenue budgets remains intense and the move by central government to completely remove the Revenue Support Grant; (RSG); from local authority funding calculations is a serious concern. This means that local councils will rely for funding on just two key funding streams – Council Tax and the retention of Business Rates. As RSG to councils ends, councils will be allowed to retain greater amounts of locally raised Business Rates. Clearly, those local authorities with the potential to house more and/or bigger businesses in

their area will benefit from this formula. Other council areas that have limited estate to develop on at the levels needed to off-set the removal of RSG, or who do not benefit from location and connectivity will suffer. While Labour in Hull have taken decisions over the last several years to strengthen our business rate generation and grow our local economy our artificially tight borders and available development space restricts us in a way rarely seen elsewhere and presents us with a problem that has not been dealt with by central government. Councils like Hull are still largely unclear what the compensation factors in funding may be for those in our situation. It seems likely that some type of 'top-up' funding will be provided to meet the drop in funding that reliance on BR will produce but this may mean that funding does not then increase until BR retention can fully compensate for this top-up funding. If this is the case then council's like Hull may see no real term increase in funding for a considerable period of time. It is important, however, for any National Government to ensure they plan to support all areas of the nation fairly and equally and we will continue to call for this alongside many other local authorities.

Unlike other Councils, Hull has managed to safeguard vital services and even enhance key priorities. We have protected libraries, museums, sport centres, welfare advice and parks and will always put the children we are corporate parents for first.

We remain committed to the view that the time to invest is in a recession. Austerity is always a race to the bottom but Hull; under Labour; will continue to offer a different narrative in which the creation of jobs and opportunities demonstrates that there is a better way. People have started to believe in their City, their community and their Council, which seeks to unleash potential for the brighter better future we envision and aim for. One that the people of this City deserve.

We commend our budget for approval.

Cllr. Philip Webster, Portfolio Holder for Finance.

on behalf of Cllr. Steven Brady the Leader of Hull City Council.

January 2018