

FOREWORD TO THE LABOUR ADMINISTRATION REVENUE AND CAPITAL BUDGETS FOR THE BUDGET YEAR 2018

BUILDING ON SUCCESS AND PLANNING A FUTURE

INTRODUCTION

This is the 7th Budget that we have submitted to Council since our Emergency Budget in June 2011. Since then this Council has seen £121M removed from Core Funding including the Revenue Support Grant to Hull City Council, with another £10M to be removed over the next year. Despite repeated promises that Councils will not see continued funding cuts from Central Government; cuts that were supposed to have ended in 2015; by 2019/20 we will have suffered cuts of £131M.

Elected Members and Council Officers have worked tirelessly, in often difficult conditions, to maintain essential services and re-model others so that Hull residents continue to receive services that other Councils have chosen to cut altogether. Nevertheless, these economic pressures have visited enormous challenges on our City and there have inevitably been changes as well. With cuts of the magnitude of £131M that cannot be avoided. Taking all this into account, we stated boldly in 2011 that we would not be 'passive observers' to the doctrine of austerity imposed by Central Government. Instead we promised to chart a different path for Hull, based upon cultural and economic regeneration as enshrined in our City Plan.

The aim was to marry inward investment for new green energy, and other manufacturing, alongside a confident new cultural offer based on a bid for UK City of Culture 2017 and we have seen this year that the delivery on this aim has begun in earnest. The decision made to invest in our city has seen 5,000 more jobs and 6,800 more people in employment since 2013. The city has witnessed 89 new start-up businesses arrive and a growth of 550 jobs in our visitor economy. With well over 1 Million extra visitors to our city the turnaround in trade has been a boon to local businesses and a huge confidence boost.

We knew this would bring new found confidence, and visitors; new ambassadors for our great City. Success, breeds success, and we knew this would set the conditions for new retail, leisure and housing and hotels.

We make no apologies for deciding to invest in our city. Everything that has been achieved has been opposed by the Hull Lib Dems in their budget proposals. This huge capital investment was well within our approved borrowing parameters and has helped turn our city around at a cost of 7 pence per person per week for a Band A Council Tax payer. Unlike the Lib Dems, local companies have chosen to believe in Hull and back the Council's proud investments. Labour understands that you have to plan for success and then build on that success for the future.

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Moving forward; positively and confidently; from this position is our new aim and ambition and this is centre point to what we plan to do, as well as the reason for developing a concrete legacy from our opening year as UK City of Culture 2017.

So much has been achieved, but how much could have been achieved had Central Government chosen to fund local government responsibly and fairly?

CITY OF CULTURE 2017

Our opening year as UK City of Culture 2017 has been a resounding success. 90% of Hull residents have been involved in at least one event so far, as well as the huge numbers of people who have come to Hull to take part. Our museums, galleries and theatres have seen unprecedented visitor numbers and people have gone away from Hull with an extremely positive experience and in some cases great surprise. It has been estimated that this has boosted the local economy by £60 Million over the last year on top of the £1 Billion of investment that has flowed in since we won the title in 2013.

As a Council we committed £4m to the project which, as a result, generated over £31m of private and voluntary sector funding. This means that we got an investment of £7 for City of Culture for every £1 we put in and that is before we take into account the jobs and visitor spend it generated. This great success has meant that a 'Legacy' plan has been developed to ensure Hull continues to benefit into the future.

We continue to be the UK City of Culture until we hand over the title to our successor city in 2020 to Coventry and we congratulate them, look forward to supporting them and wish them the same success that we have experienced.

CITY OF CULTURE LEGACY PROGRAMME

Following and building upon the outstanding success of the city's first year as City of Culture we have decided to provide funding in the sum of £450,000 for six initiatives. The first is to continue the resounding success of extended Sunday opening of the Maritime Museum and Ferens Art Gallery from 11.00 to 16.30.

We are also planning to continue to provide the successful Visitor Welcome Tourist Information Centre in the Interchange, post 2017.

We will fund a 'City Dressing Programme' which will include lamp post banners, signage at transport hubs, event branding, empty shops and eyesore vacant buildings throughout the city centre being dressed to make them look more appealing.

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We will continue the operation of websites hull2017.co.uk and istihullandeastyorkshire.co.uk out of a single team within VHEY to a shared content plan, post 2017.

We will provide funding for an officer presence during daylight hours to undertake; for example; litter picking in Queen's Gardens to ensure this gem in the centre of our city is maintained.

We will provide funding to ensure that our newly installed public realm works in the city centre are cleaned by purchasing new machinery to improve street washing, gully cleaning and gum removing and we will be employing 10 operatives supplemented by 4 "barrow men" to do this.

CULTURE AND LESIURE

Our new HCAL [Council Owned Leisure Company] continues to run our facilities and has seen success grow this year. We have also invested money on updating our facilities throughout Hull over the last year and will continue to do so.

WOODFORD: The new 25 metre, six lane swimming pool and learner pool will be ready to open in the spring of 2018 and will provide state of the art disabled access. It will be a centre of excellence for East Hull prior to the closure of East Hull Pools which offers poor disability access and out of date facilities. We committed £8.1 Million **Capital** investment in Woodford which The Lib Dems opposed; indeed following the floods of 2007 the Lib Dems intended to close the whole of this facility completely. Other Councils across the country are closing such facilities but we are not.

OTHER SWIMMING FACILITIES:

We have also committed in this budget to invest a further £1.9m in our existing swimming and leisure facilities such as Ennerdale, Beverley Road and Albert Avenue, which will keep them open and allow for improvements. This spend; whilst announced in 2017; will happen this year in 2018 when the new Woodford is open because we have chosen not to disrupt more than one site at any one time for the convenience of the public.

FERENS: The Council chose to borrow £3.4 Million to invest in the Ferens Art Gallery. This bold commitment of **Capital** borrowing investment drew in a further £1.5m from the Arts Council. Last year we decided that we would support our new investment by extending opening hours for 2017 and beyond. We are happy to confirm the 2018 Budget contains proposals to sustain the Sunday opening hours piloted in 2017. This is brave at a time of unprecedented cuts, especially as the Lib

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Dems had slashed opening hours when we took power, a cut we had to reverse in June 2011. As was said at the Ferens re-opening, we will protect culture and the arts “on our watch” because of the huge tourism, visitor, and economic regenerative benefits it brings and following the renovation works the Ferens has gone from strength to strength; holding the 2017 Turner Prize and drawing in visitors from across the UK and the World; placing Hull at the forefront of cultural attention yet again.

NEW THEATRE: Our investment of £11 Million of ‘Capital’ funding; which drew down a further £5 Million from the Government; allowed the huge improvements to the theatre to take place and it opened to host the Royal Ballet in September with great success. Without this investment this would not have happened and we can look forward to hosting world class events in a world class venue in the future. These improvements secure the future of the New Theatre and make it likely that it can be unsubsidised going forward. As already clearly stated this is **Capital** money, and was a project opposed by the Hull Lib Dems, who scathingly referred to it as ‘a shiny big project’.

VENUE: This exciting ‘new build’ conference and entertainment facility is rapidly nearing completion and will provide another first class venue to attract events to the city.

PARKS: The cuts imposed by the Coalition Government; and implemented by the Lib Dems in Hull prior to 2011; saw a third of the workforce in Streetscene services made redundant. Such cutbacks in staff cannot result in a continuation of the standard of service that existed before them. Since 2011 we have struggled to keep up with what is needed in our parks. Hull has a very large number of official parks and open spaces that also have play equipment for public use compared to other places. Something has to be done to address the issue of maintaining these valued play and recreation areas and unfortunately it does not look like the Government will provide anything to do this, so this year labour is committing an additional £1.2m to the maintenance of designated parks and open spaces with play equipment. This investment will also include the recruitment of additional staff to work in Queens Gardens to deter litter and anti-social behaviour because currently there are no dedicated staff for this area.

We have also bid for Heritage Lottery Funding and set aside the match funds needed for Pearson Park

LIBRARIES: Labour has also committed to its Library network and will relocate its Mount Pleasant library to East Park after the lease lapses on the current building.

YOUNG PEOPLE

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The national numbers of Children in Care are at the highest levels in over 30 years. This picture is repeated across the Country and reflected in Hull. Given this we will be investing £2m extra in Children's Services as we recognise the pressure on this service area where we have over 749 children in care [nearly 50 more than there were at the same time last year]. This increase can be seen as a result of this Tory Government's continued austerity programme and their constant attacks on welfare benefits for the more needy and vulnerable in our society.

Like all good parents we have a duty to keep our children safe from harm. This is an area of spending that has always proved difficult to keep down as demand rises and overall funding to the Council dramatically reduces. We are seeking to save long-term expenditure by strengthening our early intervention services when there is first contact with families in need of help or support. We invested in a new computer system; [Liquid Logic]; which is now in place and staff are being trained to use it effectively. This should mean that more time is spent with families and less entering data on a screen.

To further support those young people who have been in our care we have decided to scrap Council Tax for 18-21 year old care leavers. This is a move to level the playing-field. Most people do not leave home until they are adults; the average age being 25, and so benefit from living with their parents and carers who pay the households Council Tax. Often Children leaving care have to live independently much earlier and they can now do this without one more bill that their peers don't have to face.

Children's health remains a key policy objective and; along with our revamped leisure and sport commitments; the 50p Primary School Meals offer remains a policy commitment that we will maintain in 2018/19.

This year we are delighted to announce a subsidised Bus Pass for young people, with the cost of reduction shared between the Council and the bus companies. The Council Share will be paid for from the Bus Camera levy. This should see fares for young people with a weekly rider fall from £13 to; hopefully; £10. Our decision to do this came after young people; reeling from having lost EMA thanks to LibDem/Tory cuts; told us they were really struggling to afford travel costs to stay in education or apprenticeships. We do not have the ability to replace the full amount of EMA, but we have pitched in to help our youngsters.

As most Humber neighbours have shut down their Youth Services we are proud to be able to confirm that; as well as an in-house Youth Service; we have managed to maintain our Youth Commissioning budget for the voluntary sector. We also saw the opening of the newly built Derringham Youth Centre which was funded by this Labour Council. Our external youth commissioning budget is maintained but with just the reduction that was agreed last year with our voluntary sector partners.

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We will continue to support the Hull School Music Service which the Hull Lib Dems planned to shut by removing its budget in 2011. In November the Music Service took 700 pupils representing every secondary school in the city to perform at the Royal Albert Hall as part of the Music for Youth's Schools' promenade concerts. This is a prime example of the outstanding work this service does.

PUBLIC HEALTH – JOINT COMMISSIONING

The Council is faced with budget shortfalls in 2018/19 and 2019/20 of £3m and £5m respectively. This primarily reflects the Council's rising costs relating to the care of vulnerable children, the demand pressures within the wider adult and children's care system and the health sector across the city. This situation is further exacerbated by the Tory Government confirming its intention to reduce the value of the Public Health Grant payable to the Council by 2.5% in each of 2017/18, 2018/19 and 2019/20 and this is reflected in the MTFP projections. The Council has had to direct an additional £1.2m next year to support the public health initiatives within its existing budgets. This means that, increasingly, public health spend will be to key priority areas. The proposed reductions are consultations at this stage but the size of the spending in this area is fixed and we are listening.

The Council cannot seek to address these issues and cost pressures in isolation and will continue to work in partnership with other organisations; specifically the Clinical Commissioning Group (CCG); to manage demand across the system, putting our reduced resources to best use within the City.

AREA & NEIGHBOURHOODS

We remain committed to seven Area Committees as part of the new Ward boundary settlement and we have also committed to ensure that every Ward will have delegated funds for Councillors to direct spending in their local areas.

WASTE MANAGEMENT, STREET CLEANING AND RECYCLING

The proposed budget manages to preserve the free Bulky Item Collection service for the forthcoming year, which is the only one of its kind nationally. Equally, meaningful consultation has resulted in charities still being able to use our recycling sites at no cost; a policy the previous Lib Dem Administration scrapped in 2011 and which we reinstated in our emergency budget of that year.

Cost pressures have led to closures for two days a week at our recycling centres but we have kept them all open, which is a better option for residents of the City.

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Despite pressures, we have committed to keeping tenfoot collections in the City of Hull and have ordered new vehicles to support these proposals.

Whilst we continue to fund many new waste bins and 'spot clearances' city wide, we were alarmed by rising fly-tipping issues, which has been a problem faced by all Local Authorities. We are pleased to be able to implement a fly-tip clearance scheme; at a cost of £250k per annum paid for out of an additional KWL dividend; after great results following our successful 2017 pilot project.

ROADS, PAVEMENT AND LIGHTING

We make no apologies that the 2016-17 budget helped ready the City's public realm for 2017. The new public realm and footways has helped many new businesses commit to Hull, such as the new Doctor Martens shop. Longer term, this will lead to fewer repair bills, many more visitors, new businesses and the jobs they bring. Not only has the public realm lifted pride in our City but our fountains have become a visitor attraction in their own right to the delight of many children.

Our commitment to 're-light' the city with LED lighting continues apace through yet another Capital Budget scheme that was opposed by the Lib Dems. Whilst others dim their lights; such as in Lincolnshire; Hull's commitment to blazing a shining new path remains.

HOUSING FOR PEOPLE

In the UK there is a major housing crisis with far too many young people having little hope of an affordable home to rent, let alone own.

There are too few houses being built nationally, although in Hull the Labour Council has overseen one of the highest numbers of new build home starts in the Country.

Labour believes more new Council Houses need to be built and in Hull we are building again. There are new Council Houses being built on Orchard Park and Labour is committing to building 250 new build two bedroom bungalows throughout the City. This is complemented by our new extra Care facilities that will be all operational this year following the brave decisions taken by Labour, following our return to power here in 2011.

We recognise; however; that we can also support other social landlords, with the Council loaning Goodwin Development trust the match funding to build state of the art eco-friendly CAT 5 houses in the City Centre and we will look to support other schemes too.

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Elsewhere Labour has unlocked sites to allow for urban living. There is huge interest in the 120 new homes being built for sale in the Fruit Market area, and the Council is supporting plans to unlock new housing as part of the BHS/Co-op site development, alongside new houses and retail.

Without doubt the worst housing conditions in the City are often in the private rented sector. The Labour Manifesto for 2018 commits to investing £750,000 in private streets following the successful improvements to streets such as Airlie and Tyne Street that we have already delivered. This investment has led to a reduction in boarded up and empty homes as we use our Council tax powers to make it a disincentive to keep houses empty.

The Grenfell disaster shone a light on the Government's failure to invest in Social Housing, particularly Council Housing. Hull City Council has checked all its high rise blocks and was pleased that the problem cladding was not evident here in Hull. As a good landlord Hull Council will continue to make all newly required improvements following national safety reviews.

Government benefit changes and lack of housing has led to a big increase in shared houses. Due to loopholes many of these do not have to register as an HMO. This leaves tenants vulnerable to exploitation and streets overcrowded and under pressure. Hull Labour is lobbying Government to close these loop-holes and is proposing a task force to see if we can use some local powers to help communities.

We have also secured £440,000 to help in this vital area of tenancy enforcement.

REGENERATION

Regeneration remains a key to our City's future.

Our City Plan and investment strategy has led to investment of over £1bn in this City. We had the courage and commitment to secure the Siemens plant and are delighted that Smith and Nephew and RB have committed to this City for the long term with exciting new investments as well.

Labour in Hull believed that intelligent use of prudential borrowing; when interest rates have been at a record low for nearly a decade; is crucial in turning around the local economy and we have been proved right!

No one can have missed our newly regenerated City Centre with its new public realm, the revamped Fruit Market and refurbished cultural jewels. This was made possible by borrowing at incredibly low rates to generate hundreds of direct jobs and this investment is now attracting employers back into what was a dying city centre. All this contributes to a longstanding economic benefit and supports a growing city economy with real jobs and real potential to improve further.

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The Labour Council has boldly purchased the Co-op/BHS and neighbouring Edwin Davis building and promise to deliver a new Ice Arena, retail spaces and new housing. For years derelict areas have been a blot on the City's landscape with the private sector singularly failing to resolve these issues on its own. Our Council will act as a catalyst for a new partnership between public and private sectors to breathe new life into this area.

We have also had the fantastic news that we have just successfully landed a £15.2m grant towards a major investment to create a 'Maritime Trail', linking our Maritime Museum to our waterways which will enable us to develop our heritage as a major maritime city much further and by so doing attract new visitors to the historic old town. The provision of dedicated staff to Queens Gardens, which will deter rubbish and anti-social behaviour and complement the excellent Council-run Café that operates from this facility, will improve another valued public area along with plans to improve Queen's Gardens in the future as well.

Success often breeds success and the new Hilton Double Tree Hotel on Ferensway is a good example where a Hilton franchise is opening, with other hotel operators following in their slip-stream. This happens when confidence abounds, as is happening in our revitalised City.

WELFARE, COUNCIL TAX AND ADVICE

This budget includes £350k for "crisis payments" despite the Government's decision to remove this passported funding. We will not stand by and deny this vital relief like many Councils have chosen to do.

In addition we have ended Council Tax Breaks for empty properties completely, thus enabling us to charge only 20% for all those of working age on Council Tax Benefit, rather than the 25% charged elsewhere, like in the East Riding. At the same time the 25% Council Tax discount for Police Specials is retained in our budget. We have applied a 1.99% increase on top of the 3% Adult Social Care precept. We do so to preserve the services in the face of unbelievable and unfair cuts.

We are delighted to be entering a new era of partnership, with our generalist advice services being provided by the Citizens Advice Bureau from January 2018

Summary

The pressure on Council Revenue budgets remains intense. Unlike other Council's, Hull has managed to keep vital services going 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.

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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 shows 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. One that the people of this City deserve.

We commend our budget for approval.

Cllr. Daren Hale, Deputy Leader, Hull City Council, Portfolio Holder for Finance.

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

December 2017