

Managing the council: finance, budgets and delivering services

What we stand for

- A well managed Council that uses money and resources as efficiently and effectively as possible.
- The delivery of the highest possible quality of services to meet the needs of all York's residents.
- Creating a 'can do' rather than a 'can't do' approach and ensuring that *all* Council staff are aware that their rôle is to serve the public of York.
- At the same time, fully supporting, funding and resourcing Council staff in whatever work they are required to do.
- Recognition of the Council's responsibility as a major guardian of York's heritage through its ownership of public spaces and buildings in the city.
- Opposition to the selling off of valuable assets and the privatisation of public services, through the Private Finance Initiative (PFI) and other means.
- Fair levels of local taxation, sufficient to fund the city's needs.
- Proper national funding of local government and the return of the business rates to local government control.
- Greater public participation in budget setting processes through participatory budgeting (see *Local democracy*).

What's happening now

Financially the Council is in a very difficult situation. We believe this is for four main reasons:

- The failure of the Labour Government to properly fund local authorities across the country. Whilst local authorities have been given significant new responsibilities (including for social care, licensing and waste disposal, in total almost 40 new legal responsibilities), they have not been allocated sufficient funds to compensate for this, or for the increased demands on their services through demographic changes eg: an increasing elderly population.
- This has added to the historic under-funding from the Thatcher years, when the Conservative Government attempted to destroy effective local government. Indeed the trend has continued alongside a Government push towards private funding through PFI, putting services into trusts, off-loading services to the voluntary sector, and 'Section 106' agreements with private developers through the planning process.
- An historically low Council Tax in York compared with other similar authorities, (partly a result of splitting from North Yorkshire in the local government reorganisation of 1996).
- Less than effective management of the resources available over recent years, including a failure to invest sufficiently across the council in proactively seeking funds from other sources.

Managing the council: finance, budgets and delivering services

Privatisation

The Council's commitment to the privatisation agenda over the last four years is only going to serve to make the situation worse in the longer term, with a downward spiral of long-term fixed contracts, debt repayments, diminishing assets and demoralised staff.

PFI contracts for three of York's schools are now done deals, with possibly more on the horizon. Huge funds are being put into preparing a PFI on waste disposal, and late in 2006 a bid was put to the government to privatise all our highways and street environment services via another PFI.

Whilst removing direct local control from these services, the contractual PFI payments to private companies over the next twenty years or more will further limit any room for manoeuvre in the overall budget.

Against this background, any increase in York's council tax level has been held by the Government to a maximum of 4.6% for 2007 (and may be subject to similar limits in the following years). Whilst council tax accounts for only a quarter (26%) of the council's budget, it is the only area of income which is currently locally controlled and therefore requires a disproportionate increase to bring in significant additional funds.

What we will do

Given the limitations of the Government policies outlined above, and the financial mess that any new administration will inherit, we believe it is only honest to say that further Council Tax rises may well be necessary in the short term to provide adequate services in York.

In the longer term we would aim for moderate levels of council tax in line with other comparable authorities.

We would also do the following:

- Review *base budgets* across the council's departments. At present budgets are set by requiring proposals for cuts/savings and additional spending from departments and even sections. This can result in important but relatively cheap services being cut, whilst very large sums of expenditure are left unexamined.
- We would review expenditure at the corporate level across departments, and may well identify new priorities, as well as potential efficiency savings.
- Review the use of external consultants across the authority. Employing staff directly is likely to be more cost effective, providing a better service for less money.
- Instigate a process of participatory budgeting, which would involve local people in a meaningful way in helping to arrive at budget decisions. (See *Local Democracy*).
- Put an end to involvement in all PFI initiatives where no contracts have been signed. Transfer the significant sums already being spent on this to service delivery and seeking additional funding. Use prudential borrowing as part of an alternative package of funding for capital projects, as have other authorities around the country since 2003.
- Invest a small sum in setting up an external funding unit to seek additional funding from other sources, for example for an open space / heritage development at Clifford's Tower.

Managing the council: finance, budgets and delivering services

- Review the list of properties on the Council's list for disposal for capital funds. Whilst sometimes it makes sense to sell-off property, many sites are assets that should be retained for the future and used for providing services. For example, we would look seriously at the potential for developing a city centre Youth Centre at the Bonding Warehouse (if it has not already been sold off for unallocated capital receipts – bids were invited in February 2007).
- In relation to service delivery, we would look at ways of improving staff morale, including filling vacant posts where at all possible and appropriate and improving communications.
- We would also ensure that *all* staff across the council are trained to deal directly with the public in a positive and helpful manner and encourage cross-departmental working.
- We would continue to work closely with the voluntary sector on service delivery, reviewing and improving the 'York Compact' with the voluntary sector and seeking innovative ways to improve services.
- Push forward the review of the Council's procurement policy with an emphasis on promoting the local economy and sustainability.
- Develop an ethical investment policy for the Council.

Green councillors have:

- Consistently put forward budget amendments to remove cuts to front line and community services.
- Proposed ways of finding additional funding to prevent at least some of the cuts in recent years.
- Questioned the need for the Council's excessive use of external consultants.
- Proposed ways of saving money by better organising services such as council transport, school transport etc.
- Consistently opposed the privatisation of Council services and selling-off of land and buildings which the Council holds in trust for the people of York.