

Leader's Priorities to Resources Scrutiny

19 June 2013

As members may be aware, the issues of Exeter's low wage economy was recently raised and discussed at Economy Scrutiny and at last night's Executive.

It was here that we agreed to set up a Forum to look at low pay within our City.

The impact of a low wage on the economy is well understood and the recent changes to the benefits regime can only make matters worse. Low wages and benefit changes together have the potential to push citizens of Exeter into real poverty.

I believe that this Council should set an example on this issue. Therefore I will be instructing officers to implement the Living Wage for employees on Exeter City Council.

You may ask how we can afford this in the current times of austerity.

Over the last 2 years we have saved £1 million in reducing the senior management posts. I believe that we should use £100,000 of this to help raise 56 Exeter City Council employees out of poverty and away from dependence on in work benefits.

We are the Labour Party and we believe that work should pay. We brought in the Minimum Wage and we are now building on that legacy with the Living Wage.

By setting an example to other employers I hope that we can influence wage levels, take individuals out of poverty and reduce the impact of the benefit changes on the citizens of Exeter.

Further to this the Forum, which has been set up by this Council, will start a dialogue with local businesses about how we can work together to spread the message across our City.

I now turn to the economy of the City. We continue to buck the trend nationally and we have remained in growth despite the recession and the austerity measures of this Tory and Lib Dem Government.

Whilst other sources of revenue, such as car parking income and property income, are relatively substantial in Exeter, they are very much dependent upon the health of the local economy and we must therefore do all we can to continue to support new investment in the City.

As of yesterday we now know that IKEA are determined to come to this City which will bring 300 more jobs and 200 more homes to Exeter.

I have set the new Senior Management team three clear priorities:

- To deliver growth in the city
- To ensure that financial discipline continues to be at the heart of service delivery
- To ensure that business transformation become the everyday role of managers in the Council.

Thanks to this Tory and Lib Dem Government, like many other Councils we have lost a third of our funding roughly meaning £2 million falling out of our budget this year. We are also expecting we will need to make further savings of £2.7 million by 2016/17.

Members will note however that in the revenue outturn reports being presented to this Scrutiny Resources Committee that the Council has performed extremely well.

We have thankfully already found these required savings for this year and we are confident that with our strategy for the future we can deliver the savings required of us.

The new funding arrangements brought in this year including the localisation of business rates present a real opportunity for us.

Under the new system this Council will be able to retain a share of any growth in Business Rates revenue in Exeter, as opposed to the old system where all Business Rates revenue went straight to the Government.

I am already optimistic that business rates income this year should exceed the target given to us by the Government meaning extra revenue for us to keep.

I believe our Living Wage strategy will be a path finder to challenge low pay in the South West.

Our new management team will use systems thinking to transform this Council into one of the best councils of its type in the country.

This is the second year of the corporate plan driven by our manifesto. With the new management structure I am confident that Labour will continue to deliver on our promises for our City.