



Forwards not Backwards

Response to Newcastle City Council proposed budget 2018/19

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Introduction: look forwards, not back to failed solutions

The City Council's budget proposals are rooted in the ideology of *growth economics*. The Chief Executive's introduction describes the Council's approach as, "driving growth and reforming services," expanding this as follows:

"a clear strand of our proposals continue to recognise the importance of investing in the city's economy, its infrastructure and assets to create business growth, jobs and homes for a growing population."¹

This dependence on growth to deliver benefits for the city's people and communities runs throughout the *Newcastle 2020* document, and can be summarised with the phrase *inclusive growth*.²

'Inclusive growth' has much to be recommended. It purports to share the benefits of growth more fairly and recognises that many have been excluded from most recent 'economic growth'. But it puts a growing economy at the heart of its programme, and for that reason will repeatedly fail. Growth has failed to protect our communities from the ravages of austerity. Growth has failed to distribute the benefits of booming businesses in the city centre into our poorer neighbourhoods. Growth has failed to tackle inequalities in income, health or life expectancy. And the city's previous growth-based budgets have delivered worse social isolation for the city's older residents, and fewer opportunities to thrive for those hit by cuts to benefits. They have also led directly to degraded environments for most residents. There are two key reasons for this:

- x Conventional growth can only be delivered by loading increased burdens on 'externalities' that are not factored into the economic equation: air pollution, climate change, car dependence, increased waste. These impact worst on those who are poorest or most marginalised.
- x Inclusive growth can only deliver benefits via the 'trickle down' effect. But this can only deliver tiny benefits at huge cost and so widening inequality. In addition, 'trickle down' too often becomes 'trickle away', as money leaves the city to benefit the largest corporates and the deepest pockets.³

Greens recognise that we have to learn to deliver prosperity without growth. Within a city context, that means:

- ✓ Promoting redistribution and sharing
- ✓ Localising investment to support neighbourhood economies
- ✓ Reducing our environmental impacts

This response sets out a few proposals to take us away from failed growth and towards sustainable prosperity.

1 *Newcastle 2020: Investing in a fairer future – One year on* (November 2017, hereafter *Newcastle 2020*) p.4. This and all other Council budget documents can be found online at www.newcastle.gov.uk/budget.

2 "A city that acts as an exemplar for inclusive growth," *Newcastle 2020*, p.11

3 For further analysis on these two points, in light of the RSA's *Inclusive Growth Commission*, see *Green House* report at http://www.greenhousethinktank.org/uploads/4/8/3/2/48324387/beyond_inclusive_growth_final.pdf

Redistribution and sharing

Combating austerity – for a fairer distribution of national resources

The cuts to Local Government funding have been unfair and short-sighted. They are having severe impacts within our communities, with poorer neighbourhoods now at risk of turning back into ghettos of social exclusion as services are withdrawn. We call on our three local MPs to sign the cross-party Early Day Motion tabled by Caroline Lucas MP, which summarises the level and impact of local government funding cuts, and calls on the Government “to heed warnings from the LGA of real and growing uncertainty about how local services will be funded beyond 2020, and to urgently provide local councils with the money to protect services and restore spending on community and frontline services to sustainable levels.”⁴

We re-iterate the call made in our 2013 budget submission, for an intelligent, cross-party lobby of government, to be sustained alongside and beyond the current budget debate.⁵

Supporting the community – the need to protect universal services

Our budget response last year explained how universal services need to be retained, so that all residents 'buy in' to the principle of collective action in order to deliver welfare and services for the most vulnerable.⁶ The impact of not getting this right during the last two years has been evident in the management of bin collections, during which residents have endured inaccurate advice from Envirocall in early 2017 (in relation to use of black caddies for glass), the ‘go-slow’ by binmen facing a new working hours pattern during summer 2016, problems with collection rounds meaning that some recycling has been collected in refuse vehicles, very delayed supply of replacement blue bins and black caddies, and degraded levels of street cleaning. The result is that many residents have given up on the Council’s ability to provide a recycling service, are no longer trying to ‘do the right thing’ in relation to glass recycling, and are consigning more of their recyclates to the general waste bin, or else contaminating the blue bins with broken glass – all of which costs the Council more money and reduces recycling levels further.

Engaging with residents – more transparent budget setting

We congratulated Labour for consulting on a three-year budget in 2013, and called on them to commit to three-year budgets as the norm last year. Again, they have not followed through on this, hiding behind uncertainty about future government funding and business rates retention in the post-2020 period. So we now call on the Council to publish any work that it has done on modelling different funding scenarios, so that residents can see what might be ‘round the corner’, in terms both of potential future cutbacks, and future additional funding if 100% retention of business rates is offered to the city.

The cuts consulted on this year are particularly opaque, because some of the cuts agreed last year have not been set out in the main budget documents, but only within the background documents. For instance, cuts to ward budgets are not included within Appendix 2 (summary of service proposals), but are in the detailed budget summary by directorate (on the Communities Team

4 EDM 664 at <https://www.parliament.uk/edm/2017-19/664>. At the time of writing, none of Newcastle’s MPs had signed.

5 See discussion within Newcastle Green Party budget response, January 2013, available at <https://newcastleupontyne.greenparty.org.uk/resources.html> (p.3)

6 *Taking Back Control*: Newcastle Green Party budget response, December 2016 (available as above), p.5-6

detailed budget page). This is not sufficiently transparent and discourages close scrutiny of this year's proposals by either councillors or other residents.

Localising investment and the neighbourhood economy

“Plugging the leaks” – stopping trickle-away

We repeat the calls made last year, and the steps set out in our budget response, for combating 'trickle away' economics by building more resilience into planning frameworks, NE1 (BID) funding and use of capital funding.⁷

Devolution – what it could look like

Our response last year was entitled *Taking Back Control*, and led with a call for radical devolution from central to local government – giving full powers to local authorities, to set and manage local taxation, benefits and work programmes, and public services. This year, the stop-start North East devolution deal has decayed into a proposal for a 'North of Tyne' authority, with an elected mayor and a small pot of (welcome) additional money, but very limited additional powers.

The proposed deal is full of missed opportunities, in relation to housing, transport, schools and local regulations more generally. It also risks considerable 'reverse devolution', with only a very limited brake on the transfer of powers from individual local authorities to the new Combined Authority, and is nothing like the true devolution of national powers to local levels, which Greens are calling for. We will set out our response in full as part of the separate 'North of Tyne' consultation.⁸

Neighbourhood Fund to support those left behind by social care cuts

Increased 'rationing' of social care budgets has left many more elderly and vulnerable people having to buy their own care packages, or simply unable to access the care services that they were previously entitled to. The Healthwatch statement on the council's 2014/5 report into adult social care⁹ highlighted increased indicators of social isolation within neighbourhoods, and the impacts of loneliness have been increasingly highlighted by Age UK and others over the last few years.

We believe that 'bottom up' approaches can often be more responsive to local needs. We are therefore proposing that a Neighbourhood Fund be established, along similar lines to the Newcastle Fund for giving grants to the voluntary sector. This fund would be specifically to support initiatives and projects being run by local businesses or community groups, which aim to tackle social isolation – by bringing elderly or vulnerable people together, enabling them to meet on equal terms with other members of the local community, encouraging a sense of confidence and local belonging. Different solutions would suit different groups and neighbourhoods, which is why an approach based on small grants for specific projects and events is considered most appropriate.

The Neighbourhood Fund would not be a substitute for the properly-funded social care service that we desperately need. But it would be more than a 'sticking plaster' in the face of the social care funding crisis, as it would have lasting benefits for both individuals and communities, and could contribute to the prevention of mental and physical illness caused by isolation.

⁷ *Taking Back Control* (as above), p.4-5

⁸ <https://northoftynedevolution.com/consultation/>

⁹ Presented to City Council, 6 January 2016, as at <http://democracy.newcastle.gov.uk/ieListDocuments.aspx?CID=218&MId=6201&Ver=4> (item 9)

Reducing environmental impacts

Saving money with a better waste strategy

Our presentation to the Newcastle Waste Commission was titled *Recycling Under Austerity*, and highlighted two broad options facing local authorities within the current climate of budget cuts:¹⁰

- 1) Continue to chase ‘quantity’ of recycling and the bottom end of the market, but with cuts to the service. This is likely to entail fewer and bigger long-term contracts, and to lead to falling quality and flat-lining recycling levels – indeed, that is exactly the pattern that Newcastle has experienced this year.
- 2) A ‘quality’ focus, with a range of Reduce, Reuse and Recycling initiatives, an emphasis on innovative, flexible and ambitious approaches, and maximising community engagement.

We reiterate calls to pursue option (2), which would include the following as key components of a higher-quality recycling service:

- Separate glass, paper and cardboard at source. These materials will earn the Council high prices for quality recycling.
- Weekly food waste collections. This can be used to generate energy, avoid pollution and stop the bins smelling.
- Limit costs of garden waste collections, to ensure as full take-up as possible. The current budget proposes a doubling of these charges: such a sharp increase may lead to significant drop-out from the brown bin service, which could in turn undermine the service as a whole (as well as causing increased collection needs and costs if garden waste is put into green bins). For that reason specifically, we oppose the proposed doubling of this charge, but would support a smaller inflationary uplift.
- Recycle a wider range of plastics, to prevent pollution of our oceans. These can be mixed with metals for collection.
- Fewer collection rounds needed for the remaining materials, saving money.¹¹
- Managing local services better, to reduce litter and win support from residents.
- Shorter contracts, so that we are not locked into yesterday's solutions.
- Community involvement is key to successful recycling. That means clear information, regular engagement from Council managers, creative public awareness campaigns and a well-motivated workforce.

Other aspects of our presentation (and a follow-up submission) to the Newcastle Waste Commission related specifically to food waste, localised ‘reuse’ schemes, improvements needed if Household Waste Recycling Centres are to play a fuller role, avoiding the false promises of the incineration or ‘energy from waste’ industry, and proposed targets and KPIs for the city’s waste strategy. We don’t repeat those points here, as there is already allowance within the budget for implementing proposals that emerge from the Newcastle Waste Commission’s final report. But we support suggestions

¹⁰ See presentation slides and notes, available at <https://newcastleupontyne.greenparty.org.uk/resources.html>

¹¹ See Eunomia report to Somerset Waste Partnership with costs appraisal (2015), available at <https://dmrecycling.info/reports/2003-17/>

made orally by the Commission Chair that a continuing body will be needed, to provide scrutiny, innovation and community engagement going forwards, and this should be factored into the Council's budget process.

Investing for warmer housing

We repeat the call made last year (and in 2013) for capital funding to deliver mass insulation and energy efficiency programmes, both for Council-owned buildings and community assets (so that they are cheaper to run), and for domestic dwellings (to reduce fuel poverty).¹²

Joined-up working for cleaner air

Regulation and monitoring services are rarely prioritised for support when budget cuts bite, and Newcastle is no exception. The dangers inherent in cutting regulatory services were tragically and shamefully exposed by the Grenfell Tower fire in June 2017.

We do not have the figures or budgeting detail available to scrutinise the council's regulatory services budgets. However, we highlight here an issue that has reached dangerous levels in many cities (including parts of Newcastle), for which local monitoring remains patchy, but which has attracted increased public attention over the last year. That is air pollution, and specifically traffic-related air pollution – chiefly NO_x and particulates.

We request the Council to budget for increased monitoring across many more parts of the city, including at strategic points on all our main shopping streets and the most heavily-used school routes. Because of the increased public interest in this issue, this would not all have to be undertaken by the Council, but would be partly achieved by partnership working. The Council's roles would include:

- enabling members of the public and community groups to access robust (calibrated and properly maintained) monitoring equipment, and training them to undertake the routine activity required (for instance, changing NO diffusion tubes in key locations);
- working with the universities to harness their technical expertise and equipment where available, and to coordinate with research projects carried out by them;
- managing and publicising the monitoring data; and
- ensuring that other parts of the city (where interested community groups have not come forward), or particular monitoring activities (where the nature of the equipment makes public engagement harder) are carried out.

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¹² *Taking Back Control* (as above), p.3