

LGA Autumn Statement submission

Purpose

For discussion and direction.

Summary

This paper sets out the background to the LGA's Autumn Statement Submission and highlights the fire and rescue service element of the submission.

Recommendation

Members are asked to:

1. consider the LGA Autumn Statement submission; and
2. take a decision on whether to write to Brandon Lewis emphasising the submission's fire and rescue service related statements.

Action

As directed by the Committee.

Contact officer:

Eamon Lally

Position:

Senior Adviser, LGA

Phone no:

020 7664 3132 / 07799768570

Email:

eamon.lally@local.gov.uk

LGA Autumn Statement Submission

Background

1. The Chancellor of the Exchequer, George Osborne has announced that he will give his annual Autumn Statement to Parliament on 4 December 2013. The statement provides an update on the government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility. These forecasts will be published alongside the Autumn Statement.
2. The LGA has prepared a written Autumn Statement submission which was published on 4 November 2013. The submission is set out in **Appendix A**. Lead Members had early sight of the draft submission.
3. The government is currently consulting on the 2014-15 and 2015-16 local government settlement and the LGA has also responded to this consultation. The technical consultation has caused widespread concern within local government. This is because the cut in 2015-16 appears to be around 5% greater than the amount stated in the Spending Round announcement, meaning that there will be a 15% real reduction for most local authorities as opposed to a 10% real reduction for local government as a whole. This will impact on county council-run fire and rescue services and could also affect other fire and rescue services because, in part, the further reduction is related to the Government's decision to set aside an additional amount for the safety net in 14-15.
4. Fire and Rescue Authorities will have the opportunity to mitigate to some extent against these cuts by bidding into a top-sliced £30 million "resource fund" which is to encourage joint working between fire and rescue authorities and collaboration with other blue lights services. The Government has indicated that it will be publishing bidding guidance shortly.

The LGA Autumn Statement submission

5. The LGA Autumn Statement submission was agreed by the LGA Executive at its meeting on 24 October 2013.
6. The LGA submission focuses primarily on the broad issues for local government. It highlights that:
 - 6.1. in the period of the current Parliament, local government core funding will fall by 43 percent;
 - 6.2. Council tax has fallen on average by 5.8 per cent in real terms between 2010/11 and 2013/14;
 - 6.3. in the 2013 Spending Round the Government announced reductions of 10 per cent in 2015/16 to core local government funding (this reduction also applies to Fire and Rescue if the money set aside for one-off bidding rounds is excluded); and
 - 6.4. Councils face real terms reductions in core funding of 21 per cent across 2014/15 and 2015/16.

Item 4

7. The submission sets out proposals for:

- 7.1. financial stability (this includes the removal of the referendum cap and the ability to vary locally all council tax discounts including the single person discount);
- 7.2. promoting growth;
- 7.3. Social Care and Health;
- 7.4. Children's Services; and
- 7.5. Fire and Rescue Services.

Fire and Rescue Services

8. The LGA Autumn Statement submission draws on the position set out by the Fire Service Management Committee in previous submissions to government and to the Communities and Local Government Select Committee. The LGA Autumn Statement Submission proposes:

- 8.1. the Government work alongside Fire and Rescue Authorities (FRAs) to remove the barriers to greater collaboration across the emergency services;
- 8.2. exploring with FRAs the impact of the funding reductions on risk levels taking account of the analysis in the Knight Efficiencies Review; and
- 8.3. a bottom-up approach to governance reforms rather than the Knight Efficiencies Review options for wholesale governance reform, which would divert attention away from efficiency reforms.

Next steps

9. Members are asked to:

- 9.1. consider the LGA Autumn Statement submission; and
- 9.2. take a decision on whether to write to Brandon Lewis emphasising the submission's fire and rescue service related statements.