

Motion on Local Government Funding

1. Motion: Local Government Funding

**Councillor Catherine West, Leader of the London Borough of Islington
and supported by Councillor Gillian Brown, Leader, Arun District Council.**

Proposes that:

“The Local Government Association

1. acknowledges that councils throughout the country have taken very difficult decisions to cut spending and are delivering substantial efficiency savings;
2. acknowledges too that – as the Prime Minister has said – local government is the most efficient part of the public sector;
3. recognises that councils have been the hardest hit part of the public sector taking 28 per cent cut over four years compared to only 8 per cent across all Government departments;
4. congratulates councils for working hard to protect the most vulnerable parts of the community from the full force of the cuts forced upon them;
5. calls upon the Government to ensure that in the next Spending Review, any spending reductions are focused on areas that will have the least impact on local communities. “

LGA Comment

Councils have faced the large cash spending cuts made necessary by the Government's deficit reduction strategy in a responsible and exemplary way. They have built on their existing achievements as the most efficient part of the public sector to secure further efficiency savings and improvements in procurement practice. The LGA's research suggests that two-thirds of councils are now engaged in shared service arrangements. Council employees have faced a two year pay freeze and the sector has shed significant numbers of jobs. This has allowed councils to shelter front-line services to the public from the full extent of the spending reductions.

This cannot go on indefinitely. The LGA believes it is wholly unrealistic, simply as a matter of arithmetic, to expect back-office savings to continue to provide the necessary savings. Council central services only account for a small proportion of

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council spending. Further deep cuts would inevitably bring the future of services into question. In particular, it is clear and widely-recognised that care for older people is a service in crisis that faces a severe structural funding problem.

It is the view of the LGA that councils have faced deeper cuts, and taken more action to reform themselves, than most other parts of the public sector. Further deep cuts to councils will damage frontline services to vulnerable people and highly-valued community services. If the Government wishes to make further significant savings after the existing spending review period, it must turn its attention to the as-yet unreformed parts of the public sector and look to departmental budgets where high cost bases, old working practices, and low productivity remain to be properly addressed.