

COUNCILLOR SHARON TAYLOR OBE

SPEAKING NOTE – LGA EXECUTIVE – 18TH JULY 2013

SPENDING ROUND

Members of the Executive will be familiar with the Spending Round announcements made at the end of June.

Despite the bad news, the LGA made some important lobbying gains and members of the Executive were visible providing the local government response in the media following the announcements.

I would like to make a few points about those announcements:

- Firstly, we really got across our point that the 10% cut to the core local government budget will stretch some council services to breaking point. There is much more media commentary and interest in local government finances and the impact on services. To give a specific example, Paul Johnson Director at the Institute for Fiscal Studies has come out against council tax freezes and stressed the importance of local taxation;
- Colleagues worked hard to secure the announcement on social care. There is now more work to be done – firstly to negotiate the conditions that attach to the funding with NHS England and government departments and to make sure that the money flows locally (where some members of the Finance Panel have commented on local difficulties in engaging health partners)
- The diversion of £400 million of the New Homes Bonus (in 2015-16 into the Single Local Growth Fund) is disruptive to both local plans to either invest in growth or in providing services and of course weakens the incentive to promote housing growth. A consultation is expected before the summer break where we can make our points about the need to protect investment where NHB is committed;
- The cut to Education Services Grant is unwelcome. We need to highlight the important role local authorities play in schools and attainment during the consultation exercise;
- More positively, we have been to the fore in building a consensus that we need to integrate services locally and in doing so they will deliver better outcomes at less

cost. We have championed community budgets. The decision to extend the Troubled Families Programme and the NHS transfer to social care show that our work is paying off and that local integration is now part of government's thinking about public service reform. It is also good to see more investment in road maintenance which we have promoted;

- Finally, there are some issues which are so important we must keep on banging the drum. The Housing Revenue Cap is a frustration to many of us (given the strength of the economic case for house building) but it is proving very difficult to persuade the Treasury to relax any constraints on borrowing;
- Officer will now be working on the detail. There are consultations on the New Homes Bonus, capital receipts and Education Services Grant. The paper invites the Executive to comment on the announcements and the LGA response.

Thank you.

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