

Chancellor must reverse cuts to local authorities in spending review, Greens warn



24 November 2020

The Chancellor must reverse the decade-long cuts and hand greater control over taxes to local authorities in the Autumn Spending Review on Wednesday, the Green Party has urged.

Ahead of Rishi Sunak's announcement on Wednesday [November 25], the Greens have highlighted how the centralisation of power and funding has hampered the country's response to the coronavirus and climate crises.

Phélim Mac Cafferty, Green Party leader of Brighton and Hove Council, said:

"The repeated failures of the Conservative government throughout the pandemic have made it clear it is local councils which are effectively responding on the ground to their communities.

"From running effective test and trace services, to providing food and personal protective equipment (PPE), councils have risen to the challenge where national government policy, and outsourcing to private contractors, have clearly failed.

"Despite this, years of cuts to public services have now left many councils on the brink. Councils have lost one in two pounds in real-terms since relentless Conservative government cuts began in 2010. News that Croydon council filed for bankruptcy only weeks ago should come as a warning to Conservative ministers that public services are at breaking point – precisely at the point when they are needed most.

"From adult social care to children's services, libraries and public health, the Covid-19 pandemic has underlined that for many these services are a lifeline. It's also at a local level that real change is happening on

critical issues like the climate emergency and the crisis in housing and homelessness. With proper funding, councils can continue to lead the way, but cuts hold our communities back.

“To steer us through this crisis we don’t just need emergency cash bungs, we need a complete rethink of how funding is provided to local communities, so they can not only survive but thrive in the world beyond Covid-19. Councils haven’t yet been offered ‘more’ money, they have been handed a sticking plaster for a broken bone.

“While we call for the greatest possible recognition of local public services in the spending review, we know that a decade of cuts to local services are not going to be swept away overnight. Most of all, it’s high time that the government put trust in our local communities and public services, who after years of cuts, deserve nothing less than genuine investment.”

Local authorities have seen a reduction in core funding of almost £16 billion over the last decade [1]. It has now been estimated that councils face a £2bn gap between the funding provided and the pressures faced as a result of Covid. [2]

At the same time, local authorities in England have extremely limited power to raise revenue compared to other countries. In 2014 every other G7 national collected more taxes at either a local or regional level.[3]

Green Party deputy leader Amelia Womack said:

“Over the past decade this government has done everything it can to undermine local authorities and concentrate power in Downing Street.

“We have now seen the disastrous impact this has had on our health, wellbeing and local economies.

“It is time for government to recognise just how damaging this approach is and start to reverse the huge cuts it has made to local authority budgets since 2010.

“From developing renewables and making homes energy efficient to building an effective test and trace system, it is local councils that know what their areas need and how to communicate with their communities.

“That’s why we are urging the Chancellor to restore council funding to sustainable levels that will protect communities and frontline services, fulfil the government’s guarantee to reimburse all Covid-related spending and announce a review into the balance of taxation between national and local government.”

ENDS

Notes

1

https://www.local.gov.uk/sites/default/files/documents/5.40_01_Finance%20publication_WEB_0.pdf

2

<https://www.ifs.org.uk/publications/15041>

3

<https://www.instituteforgovernment.org.uk/explainers/tax-and-devolution>

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