



CAMPAIGN BRIEFING

#BreakingPoint

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Labour Councillors Fighting Austerity

Council budgets are now at #BreakingPoint – and Labour councillors are saying that enough is enough

Councils are facing a funding crisis and the Tory government is to blame. Austerity has caused huge damage to communities up and down the UK, with devastating effects on key public services that protect the most defenceless in society – children at risk, disabled adults and vulnerable older people – and the services we all rely on, like clean streets, libraries, and children's centres.

Now the Tories are lying about their record – with Tory Treasury minister Liz Truss falsely stating 'We are not making cuts to local authorities'ⁱ, and the Prime Minister claiming that 'austerity is over' even while planning a further £1.3bn cutⁱⁱ to council budgets next year.

Ahead of the Budget statement, the '**Breaking Point**' campaign and petition has been launched by Labour councillors, demanding that the Prime Minister and Chancellor truly end austerity in local government by:

- Using the Budget to reverse next years planned £1.3bn cut to council budgets;
- Immediately investing £2bn in children's services and £2bn in adult social care to stop these vital emergency services from collapsing;
- Pledging to use the Spending Review to restore council funding to 2010 levels over the next four years

COUNCILS ARE AT BREAKING POINT

After almost a decade of Tory cuts to local government many councils are now facing a crisis in funding – Northamptonshire has already gone bust, and many others are now facing bankruptcy

- Tory cuts mean councils have lost 60p out of every £1 that the last Labour Government was spending on local government in 2010
- Councils overspent on vital services to protect children by over £800m last year (10%), despite councils increasing annual budgets by 2.5% by making cuts elsewhere;
- With an aging population and growing demand adult social care faces a gap of £3.5 billion – with only 14% of council workers now confident that vulnerable local residents are safe and cared for;
- Government cuts have seen over 500 children's centres and 475 libraries close, potholes are left unfilled, and 80% of councils workers now say have no confidence in the future of local services;

- Northamptonshire has already gone bust due to Tory incompetence at both national and local level, and more councils are predicted to collapse without immediate emergency funding;
- Councils now face a further funding gap of £7.8 billion by 2025 just to keep services ‘standing still’ and meeting additional demand. Even Lord Gary Porterⁱⁱⁱ, the Conservative Chair of the Local Government Association, has said ‘Councils can no longer be expected to run our vital local services on a shoestring’

TORY AUSTERITY SINCE 2010

Austerity has been a disaster for our country – and the Tories have handed local councils the biggest cuts of all

- Tory cuts mean councils have lost 60p out of every £1 that the last Labour Government was spending on local government in 2010. By 2020, local authorities will have faced cuts to core funding of nearly £16 billion over the preceding decade;
- Cuts to councils have been strikingly uneven in their distribution - the poorest local authorities (which tend to be Labour-run) have had their spending cut by £228 per person since 2010, but the richest councils have had their spending cut by only £44;
- In 2013, the responsibility for delivering public health services was transferred to councils, but while NHS funding will increase, funding for public health will be reduced by around £531 million (over 14%);
- Council tax support schemes are no longer fully funded, with £1.7 billion (nearly half of the original funding) removed between 2013 and 2020. More than 573,000 low income households no longer receive any council tax support.

LABOUR COUNCILLORS FIGHTING AUSTERITY

Labour councillors have been at the frontline of the fight against Tory cuts since austerity began

- Labour councillors and councils are improving people’s lives every day. The work we do is municipal socialism in action.
- Austerity has forced Labour councillors to make hellish choices - but we have listened to communities and worked to stretch every pound left available. Labour councillors have organised protests, attended marches, and spoken out against Tory cuts every year since 2010.
- We’ve been attacked by Tory ministers for making sure that people understand that council cuts are Tory cuts.
- In 2017 over 100 Labour council leaders wrote to the Chancellor demanding a decent pay rise for council workers – and Labour councillors voted for a public sector pay cap-busting 4% pay increase for local government workers despite opposition from Tory councils.

It doesn’t have to be like this – ‘On Day One’, a radical manifesto for local government from the LGA Labour Group, set out the case for significant re-investment in local government by the next Labour government through complete reform of the local government funding system, with a shift to a needs-

based funding methodology, replacement of council tax, the end of ring-fencing, and more freedoms to borrow to build housing and infrastructure

- Demanded that Labour should urgently commit to reversing the cuts made to local government, and address the £7.8bn funding gap faced by 2025;
- Any new system of local government finance should also increase the independence of local government from the Treasury [...] with a new and fairer way of redistribution based on need;
- Council tax itself needs complete reform – it results in distorted and unfair comparisons between neighbouring areas, made worse by the widespread misunderstanding that council tax is how councils get the majority of their income;
- There should be increased freedoms for councils based on recognition that councils are democratic, transparent, and accountable, and that councillors can be trusted not to overstep the boundaries of acceptability set by regular interactions with the ballot box. This should include immediate abolition of the council tax referendum limit, increased powers to levy higher council tax on empty homes, and the ability to look at local taxes such as land value tax, tourism tax, and possibly even local retention of a portion of income tax;
- Councils should also be freed to borrow capital where it will be used to invest in infrastructure that will support future growth. We should be able to use the combined spending power we have from procurement, investment and pensions to the maximum benefit for community wealth building in our local economies;

Labour Councillors are asked to support the campaign at:

www.councilsatbreakingpoint.com

Tweet using: **#BreakingPoint**

For more information visit <http://www.councilsatbreakingpoint.com/> or contact the LGA Labour Group office: <http://local.gov.uk/labour>

ⁱ <https://www.independent.co.uk/news/uk/politics/liz-truss-local-council-cuts-budget-treasury-minister-newsnight-conservative-conference-tory-party-a8566111.html>

ⁱⁱ <https://www.mirror.co.uk/news/politics/philip-hammond-make-13billion-cut-13338183>

ⁱⁱⁱ <https://www.ft.com/content/9c6b5284-6000-11e7-91a7-502f7ee26895>