

Liberal Democrat amendment to Labour Motion C

Fair Funding for Haringey Council

Proposer: Councillor Morris

Seconder: Councillor da Costa

This Council notes:

A recent report commissioned by the Local Government Association (LGA), 'Local Government Funding, moving the conversation on', **outlines the significant challenges that Local Authorities have faced over the last decade due to cuts to local government funding.** ~~outlines the significant challenges that Local Authorities face as a result of eight years of cuts to local government funding, forced through by the Conservative and Liberal Democrat Coalition and the current Conservative Government.~~

These cuts equate to a 'reduction to core funding from the Government of nearly £16 billion over the preceding decade', with Councils losing '60p out of every £1' that 'the Government had provided to spend on local services in the last eight years'.

In Haringey, these cuts mean a 40% real term reduction in Government funding since 2010.

Simultaneously, central Government is intending to reduce the funding for Public Health by 14% from 2015-2020, which ~~after 2013 is~~ **became** the responsibility of the Council **in 2013**. And has removed the £1.7 billion from Council Tax Support schemes, ~~both~~ increasing the Councils spending requirements in order to look after those most in need of support.

That revenue support grant funding has now been phased out in London and Haringey Council is a pilot in the business rates pool.

The LGA recently published research outlining that 87 per cent of Councils believe national taxation is the only solution to funding adult social care properly.

That the Government has launched a 'Fair Funding review' to assess the relative needs of Councils but that this does not guarantee that any local authority will not be worse off, nor that there will be any extra funding available to local authorities.

The LGA estimates that at current trajectories 'local services face a funding gap of £7.8 Billion by 2025', merely to keep the services at the same level as currently provided.

Based on the Sunday Times rich list, between 2011 and 2018 the total wealth of the top 1000 had increased from £396 billion to £724 billion.

This Council Believes:

Cuts to local Government funding have a detrimental effect on the lives of residents, making it substantially more difficult for Haringey Council to invest in preventative measures.

Austerity is a political choice, not forced by economic circumstances **and the degree of retrenchment being expected of local authorities by central government is not sustainable or deliverable.** ~~, pursued by the Coalition and the current Conservative Government.~~

That a more generous funding settlement for local government will be easier to achieve in a context of strong economic growth. Therefore, any risk to the health of the UK economy, such as Brexit, is also a threat to local government finance and the services funded from it.

The principle of business rate retention is to be welcomed and is a positive step towards increased independence for local government. However, the devolution of additional taxes would provide councils with broader and more stable tax bases that would give rise to fewer inequities between boroughs.

~~Reliance on Local Business rates increases the council's financial risk, particularly given the crisis in numerous high street retailers.~~

The removal of revenue support grant funding significantly **increases** ~~increasing~~ the council's funding challenges, meaning funding no longer matches actual deprivation.

The up to 3 per cent increase in Council tax afforded by the Government to pay for adult social care fails to address the significant funding problems that Councils face in this sector.

That models designed to grow the tax base, for example through housing developments, may generate an initial boost to locally collected tax revenues but often this will be balanced out by a later draw down on services and these fail to address the structural problem Councils face.

~~In the short term, increases to Council tax provide the only means to mitigate the impact of local Government cuts but that this alone is not sustainable in the long term.~~

Government restrictions on how the Council is allowed to spend money effectively cost the Council more, for example, restrictions on right-to-buy ~~Buy~~ receipts, stop **Councils** ~~us~~ replacing housing stock which **has been** ~~is~~ sold off, effectively forcing **an increased spend** ~~us to spend more money on~~ temporary accommodation.

In light of the unusual challenges faced by London boroughs in terms of rapidly growing populations, atypically high delivery costs and above average levels of deprivation, any formulas that result from the Fair Funding Review should provide for 1) dynamic population weightings, 2) income deprivation measures that account for housing costs and 3) Area Cost Adjustments that continue to give proper weight to higher delivery costs in London.

Any future funding settlement for Haringey must address the situation of Haringey, which has the needs more akin to an inner-London borough but only receives the funding for an outer-London Borough, whilst having fewer businesses to rely on than an inner-London Borough.

This Council Resolves:

To proactively work with the Leader of the **Her Majesty's** Opposition, **the Leader of the Liberal Democrats**, the Mayor of London, the LGA, other Local Authorities, **the Members of Parliament for Tottenham and Hornsey & Wood Green** Local elected Representatives, Trade Unions, Charities and Voluntary Organisations in order to lobby **the Ministry of Housing, Communities and Local Government** the Department for Communities and Local Government, the Chancellor of the Exchequer and the Prime Minister **to meet the following requests:** by doing the following:

- **Give local government extra funding from next year.**
- **Initiate a review into reforming council tax and business rates and consider new options such as a land value tax, to ensure local government has sustainable funding for the long term**
- ~~Explicitly call for the restoration of all money cut from Haringey Council since 2010 (plus inflation) whilst also addressing the historic underfunding of Haringey Council relative to other boroughs.~~
- To support calls by the LGA to lift the referendum on raising Council tax **above** ~~about~~ the Government imposed limit.
- Call for an end to restrictions on how a Council is able to spend money, such as limitations on right-to-buy receipts, which effectively limit the ability of a Council to replace **its** ~~its'~~ social housing stock.
- Restore Revenue Support Grant funding for local authorities to ensure funding matches need in their local area.
- Lift the restrictions on Council borrowing through the Housing Revenue Allowance.

For the Leader of the Council to write to the Prime Minister, and the Leader of Her Majesty's Opposition, to outline the potential repercussions for the Council and its finances from Brexit and to ask them to desist from supporting it.

~~To educate and inform local residents through a public campaign on the impact of central government cuts and legal restrictions on how a Council is able to spend its' money, and the impact these both have on how the Council is able to deliver services in Haringey.~~