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The Rt Hon Philip Hammond MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

20<sup>th</sup> November 2017

Dear Chancellor,

**Re: Autumn Budget 2017**

We are writing to you as Labour Cabinet Members and Opposition Spokespeople responsible for Finance in 22 London boroughs to urge you to act in the Autumn Budget to help local councils tackle the issues that matter to local people.

Since 2010, local government in London has shouldered a disproportionate burden of funding cuts. By 2019/20, core funding from central government will have fallen by 63 per cent in real terms. The cumulative effect of these funding cuts, inflation and rising demand for services will create a further funding gap in London local government of approximately £1.5 billion in 2019/20 – three times the estimated general fund unallocated reserves available. Local government faces an impending funding crisis if the Government fails to provide adequate resources to deliver vital local services.

Despite these unprecedented cuts to funding, local councils in London have worked hard to protect many frontline services that support our residents. Labour-run councils have also continued to build more new genuinely affordable homes, help people into work and tackle other issues that matter to working people. By taking innovative approaches to service provision and cost-cutting, Labour-run councils have attempted to shield our residents from the impact of austerity.

However, there are further challenges that we face that require you to act urgently.

**- Local Government Pay –**

Local government employees do some of the most important work in our society. However, they have not seen a real terms increase in their salaries since 2008/09. This near decade of stagnation in wages means that a Social Worker has faced a real terms cut of over £9,500; a Refuse Collector over £6,600; and a Homelessness Prevention Officer over £11,100.

We urge you to announce a local government pay settlement that delivers a real terms increase in salary for these dedicated working people, and that this is fully funded by new resources from Central Government.

- **Housing –**

London faces a housing crisis. Too many people are unable to access homes to rent and buy, despite the efforts of local councils to build more genuinely affordable homes. Labour-run local councils stand ready to deliver much-needed new homes for Londoners.

In order to allow us to deliver more genuinely affordable homes, we urge you to lift the borrowing cap on the Housing Revenue Account to help us build thousands of new council homes. We also call on you to allow local councils to retain the full receipts of Right to Buy sales without restrictions, if the regrettable policy of Right to Buy is to persist; and to stop the planned forced sale of 'high value' void council homes.

- **Children's Social Care –**

Local authorities support some of the most vulnerable young people in our society and always will. However, children's services are under increasing pressure. The Local Government Association (LGA) has estimated that there will be a £2 billion national funding gap by 2020, and 27 of 30 London boroughs have reported overspends in children's social care budgets in 2016/17. This has been driven by a 140 per cent increase in the number of children subject to child protection enquiries in 10 years; the number of children on child protection plans increasing by almost 24,000 over the same period; and the total number of looked after children in the country reaching a new high of 72,670 in 2016/17. We urge you to announce additional funding to meet the immediate pressure on children's social care budgets.

London is proud to accommodate around 45 per cent of the Unaccompanied Asylum Seeking Children (UASC) in the UK – young people who are often fleeing horrendous circumstances. However, Government funding only covers 50 per cent of cost of supporting these young people, and there are no financial resources to support UASCs when they reach the age of 18, despite local authorities remaining responsible for them until they are 25. We call on you to both provide full funding to local authorities to support UASCs and to extend this support to the age of 25.

There are many other issues that face the communities we represent, from the impact of Universal Credit and the Benefit Cap, to cuts imposed on the Metropolitan Police Service that are hitting community policing and cuts to the NHS and Public Health budgets. We will continue to urge Government as a whole to address such issues, and we will continue to provide services that seek to mitigate the impact of short-sighted, government-imposed austerity.

Local government in London has risen to the challenge that massive Government cuts have placed on us. The Autumn Budget on 22<sup>nd</sup> November is your opportunity to recognise that councils require policy changes and additional resources to deliver the vital services on which local people rely.

We look forward to your response.

Yours sincerely,

Cllr Andy Hull, London Borough of Islington  
Cllr Fiona Colley, London Borough of Southwark  
Cllr Andy Gibbons, London Borough of Wandsworth  
Cllr Margaret McLennan, London Borough of Brent  
Cllr Robert Atkinson, Royal Borough of Kensington & Chelsea  
Cllr Adam Swersky, London Borough of Harrow  
Cllr Richard Olszewski, London Borough of Camden  
Cllr Dominic Twomey, London Borough of Barking & Dagenham  
Cllr Kevin Bonavia, London Borough of Lewisham  
Cllr Angela Wilkins, London Borough of Bromley  
Cllr David Boothroyd, London Borough of Westminster  
Cllr Rebecca Rennison, London Borough of Hackney  
Cllr Mark Allison, London Borough of Merton  
Cllr Alan Deadman, London Borough of Bexley  
Cllr Dino Lemonides, London Borough of Enfield  
Cllr Barry Rawlings, London Borough of Barnet  
Cllr Kam Rai, London Borough of Redbridge  
Cllr Denise Hyland, Royal Borough of Greenwich  
Cllr Imogen Walker, London Borough of Lambeth  
Cllr Clare Coghill, London Borough of Waltham Forest  
Cllr Jason Arthur, London Borough of Haringey  
Cllr David Edgar, Tower Hamlets London Borough Council

