Rt Hon Philip Hammond MP

Chancellor of the Exchequer

HM Treasury

1 Horse Guards Road

SW1A 2HQ

Dear Chancellor, 24 October 2018

**Open Letter – Local Government Funding**

We are writing to express our concern at the ongoing shortfalls in council finances across the country, and to request additional funds for councils in England – and indirectly for councils in Scotland and Wales through the Barnett formula - in this year’s Autumn Budget.

According to the National Audit Office, there has been a 49.1% real-terms reduction in government funding for English local authorities between 2010-11 and 2017-18. The Local Government Association (LGA) has identified a funding gap of £5.8 billion by 2020, which must be filled if councils are to avoid cutting back vital services. An ageing population, more complex needs of residents, and a growing population, mean that there is more pressure on services now than ever.

We note that the Government has given councils more power to raise council tax, and many have now done so. However, we fear that this is not enough – in 2016-17 councils in England overspent their budgets by £816million. Meanwhile, since 2010 more than 220,000 staff have been made redundant in English councils, according to the Local Government Chronicle, and many more posts have been deleted or left unfilled.

The Conservative leader of Somerset County Council, David Fothergill, describes the funding system as “broken”. We welcome the Government’s clear commitment to addressing the overall funding system for local government. However, our fear is that for some councils this will be too late.

We are also concerned about the situation in Scotland and Wales. While we understand that councils in these parts of the UK are not directly funded by central government, through the Barnett Formula, we are also requesting that Scottish and Welsh councils have the opportunity to receive additional funding they need to deliver vital services. We are calling on you to:

* Increase the levels of central government grants to local authorities in this year’s Budget
* Reinvest the surplus generated from business rates, giving the money back to local councils to assist with the social care funding gap

We would like to stress the urgency of this situation, as councils across the country are forced to make difficult decisions to close children’s services, cut housing support, and even struggle to collect council tax on time.

Yours sincerely,

Ruth Cadbury MP

Imran Hussain MP

Karen Buck MP

Anna Turley MP

Jeff Smith MP

Barbara Keeley MP

Kate Green MP

Graham Jones MP

Helen Hayes MP

Conor McGinn MP

Vicky Foxcroft MP

Danielle Rowley MP

Angela Rayner MP

Stephen Lloyd MP

Stephen Kinnock MP

Peter Kyle MP

Liz Twist MP

Tulip Siddiq MP

Ian Mearns MP

Jim McMahon MP

Louise Ellman MP

John McNally MP

Wera Hobhouse MP

Ann Coffey MP

Preet Kaur Gill MP

John Mann MP

David Drew MP

Alison McGovern MP

Mark Hendrick MP

Catherine West MP

Rosie Cooper MP

Eleanor Smith MP

Lloyd Russell-Moyle MP

Alan Brown MP

Emma Reynolds MP

Chris Williamson MP

Emma Dent Coad MP

Layla Moran MP

James Frith MP

Jon Cruddas MP

Laura Smith MP

Kerry McCarthy MP

Vernon Coaker MP

Nic Dakin MP

Mike Hill MP

Melanie Onn MP

Matt Western MP

Marsha De Cordova MP

Maria Eagle MP

Liz Kendall MP

John Spellar MP

Jo Stevens MP

Janet Daby MP

Hugh Gaffney MP

George Howarth MP

Gareth Snell MP

Darren Jones MP

Daniel Zeichner MP

Dan Jarvis MP

Chris Stephens MP

Chris Matheson MP

Chris Elmore MP

Angela Eagle MP

Mary Glindon MP

Siobhain McDonagh MP

Andrew Gwynne MP

Alex Sobel MP

Alex Norris MP

Alex Cunningham MP

Stephen Timms MP

Ruth George MP

Jonathan Reynolds MP

Ronnie Campbell MP

Bambos Charalambous MP

Debbie Abrahams MP

Derek Twigg MP

Ben Lake MP

Mike Amesbury MP

Roger Godsiff MP

Sharon Hodgson MP

Louise Haigh MP

Lyn Brown MP

Lillian Greenwood MP

Madeline Moon MP

Thelma Walker MP

Liz McInnes MP

Caroline Lucas MP

Faisal Rashid MP

Paul Farrelly MP

Naz Shah MP

Ellie Reeves MP

Mike Kane MP

Kelvin Hopkins MP

Thangam Debbonaire MP

Catherine McKinnell MP

Neil Coyle MP

Rushanara Ali MP

Steve McCabe MP

Jim Cunningham MP

Ruth Smeeth MP

Virendra Sharma MP

Hilary Benn MP

Sandy Martin MP

Tony Lloyd MP

David Lammy MP

Emma Lewell Buck MP

Angela Smith MP

Dame Margaret Beckett MP

Joan Ryan MP

Paul Sweeney MP

Mary Creagh MP

Karen Lee MP

Khalid Mahmood MP

Yvonne Fovargue MP

Barry Sheerman MP