

# Executive Committee

## Spending Review 2015 submission

Item no: 5

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**Date:** 8<sup>th</sup> September 2015

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### Summary

Leaders agreed the structure of London Councils' submission to Spending Review 2015 at the July Leaders' Committee. This followed a discussion of future options for local government finance at June Leaders' Committee.

This submission is primarily in respect of the finance and resource issues for London in advance of the Spending Review. It is a separate document from the London proposition on Devolution and Public Service Reform.

The submission puts forward the case for London local government at the forthcoming Spending Review, which will set departmental spending limits for the next four years. It contains a number of specific asks of government relating to funding.

The draft submission is being considered by the Group Leaders in their roles as the relevant portfolio holder and shadow portfolio holder in order that a submission can be made in accordance with the HM Treasury deadline of 4<sup>th</sup> September. The agreed document will be sent to the Executive in advance of the meeting on 8<sup>th</sup> September.

### Recommendations

Executive Committee is asked to:

- a) note the content of the draft submission; and
  - b) comment on the asks it contains throughout and offer guidance on future work.
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## Background

1. The Spending Review (SR15) will set the parameters of the public finances and related changes to public service delivery for the period 2016-17 to 2019-20.
2. In June, Leaders commented on a paper which examined the future options for local government finance and, following the Summer Budget, Leaders' Committee agreed the structure of London Councils' submission to Spending Review 2015 at the July Leaders' Committee. This paper was also sent to London Treasurers for comment.

## Spending Review submission

3. The draft spending review submission (attached at Annex A) puts forward the case for London local government at the forthcoming Spending Review, focusing on where Government spending priorities should lie for the next four years.
4. It contains a number of specific asks of government relating to funding which are separate from the proposals for devolution and public service reform set out in the *London Proposition*.
5. It outlines the pressures caused by population growth in London and new burdens relating to new government policies, and asks for reform of the finance system to give councils a stable platform to maintain public services, raise productivity and drive economic growth during a period of continued spending reductions.
6. Chapter 1 looks at London's unique circumstances with regard to:
  - its contribution to the wider UK economy;
  - the scale of the financial challenge facing London local government; and
  - the disproportionate growth in demand for public services in London.
7. Chapter 2 outlines how these particular pressures manifest themselves in specific services in London, and what the Government must do to ease this pressure.
8. Chapter 3 sets out the three overarching solutions needed to maintain and improve public service delivery across London:

- devolving power and responsibilities to drive public service reform;
  - reforming the local government financial system; and
  - exploring long term fiscal devolution for London Government.
9. The draft submission will be sent to the portfolio and shadow portfolio holders for finance for comment and agreement by the submission deadline of 4 September. The detailed submission will be sent to Executive members in advance of the meeting on 8 September.

## **Recommendations**

10. The Executive is asked to:
- a) note the content of the draft submission; and
  - b) comment on the asks it contains throughout and offer guidance on future work.

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### **Financial Implications for London Councils**

There are no financial implications for London Councils.

### **Legal Implications for London Councils**

There are no legal implications for London Councils.

### **Equalities Implications for London Councils**

There are no equalities implications for London Councils.