

15/11/2022

Dear Chancellor,

Ahead of the Autumn Statement, I am writing to you as the Cabinet Member for Finance and the Cost of Living at Lambeth Council to highlight my concerns around the impact of planned government cuts on local services in Lambeth.

Councils like Lambeth have been working relentlessly to support local people impacted by the cost-of-living crisis – from putting together local support packages and expanding existing programmes to co-ordinating support for local families in partnership with our voluntary and community sectors.

Despite this support, without significant Government intervention more families will fall into poverty this year. Currently, 39% of Lambeth children are in low-income families, which is 10% higher than the average for England. Approximately one in four Lambeth pensioners are in receipt of Pension Credit, which is double the average for England. A third of Lambeth households are already experiencing food poverty and insecurity following the latest energy price cap rise.

Councils like Lambeth want to do more and are best placed to know of and meet the needs of our local communities. But for local authorities, pre-existing demands have increased on services in children and adults social care, health services, and services supporting people who are homeless adding to the budgetary pressures that Lambeth and many other local authorities across the country are facing.

After a decade and more of austerity, increased demand in essential services, and rising inflation, there remains increasing uncertainty around the long-term, sustainable level of funding needed for local government.

As a local authority we are having to plan financially in a very uncertain environment. London Councils' analysis shows that surging inflation and demand for services mean boroughs in the capital need to make over £400m of savings this year, rising to £700m next year.

We have estimated that without additional government support or certainty on funding, we will be required to find over £40 million of savings over the next few years – more than we spend on community safety, recycling, libraries, parks, and children's centres combined.

All of these factors will have a significant long-term impact on the council's finances and the services it provides.

I am urging you to protect local services in the Autumn Statement this week and to act to expand the range of cost-of-living support available to struggling families instead of imposing cuts to services and tax rises as has been widely reported.

In particular, I urge you to:

- Extend the energy price freeze beyond April 2023 for households, small-to-medium sized businesses, and voluntary and community groups
- Increase benefits in line with inflation to mitigate widening inequalities even further
- Provide funding for councils to cover lower rent rises for social housing tenants, ensuring that we can continue to safeguard services and invest in improving existing homes and delivering more genuinely affordable homes
- Implement a policy of universal Free School Meals (FSM), providing support for increasingly financially vulnerable families and providing the greatest level of benefit, as well as returning FSMs to include holiday entitlement, funded outside of Household Support Fund allocation so that councils can target further support to residents who need it most
- Ensure the financial sustainability of local government by increasing local authority funding in line with inflation and give councils sustainable grant funding to enable them to tackle the cost-of-living crisis that residents face, rather than the existing programme of ad-hoc funds that come with grant conditions that do not give councils the flexibility to act according to the needs of their local area
- Fund pay rises for all public service workers to at least match the cost of living and begin to restore earnings lost over the last decade
- Support businesses facing rising costs, providing business rates relief targeted at the sectors most impacted and compensate councils for the lost revenue
- Relax the housing benefit cap and increase the Local Housing Allowance (LHA) to prevent an increase in homelessness.
- Establish a national Home Decarbonisation Advice service to provide impartial advice on options available for home insulation, alternatives to gas for heating, generating renewable energy and energy storage.

I urge you to take this action to expand the range of support available to local people in Lambeth facing impossible choices this winter and to support local authorities so that we can protect local families from the impact of the cost-of-living crisis.

Yours sincerely,



Cllr David Amos

Cabinet Member for Finance and Cost of Living

Lambeth Council