

**From the Leader of the Council and the Cabinet Member
for Finance and Cost of Living**



Rt Hon Jeremy Hunt
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ
[Via Email]

Dear Chancellor,

Open Letter: Fair funding for services in Lambeth

Ahead of your Autumn Statement later this month, we are writing to highlight the increasingly precarious financial position local councils find themselves in. We want to urge you to avoid imposing further cuts on local authorities and instead to fund properly the local services upon which so many Lambeth residents depend.

As the Leader and the Cabinet Member for Finance and Cost of Living at Lambeth Council we have witnessed at first hand the impact more than a decade of austerity has had on the people and services within our borough. We as a council have met this challenge head-on and continued to meet our responsibility to present balanced budgets, whilst protecting our most vital front-line services.

Now, however, amid the lingering effects of the Covid pandemic and the cost-of-living crisis, Lambeth and many more councils face an inflationary storm as we prepare our budgets for the next financial year. We are calling on you to provide the long-term funding we and other local authorities need to protect our communities and to avoid further damaging cuts.

Councils such as Lambeth have been working tirelessly to support local people impacted by the cost-of-living crisis – from providing new packages of vital support to our most vulnerable residents and expanding existing support programmes, to co-ordinating support for local families in partnership with our voluntary and community sectors.

However, this work is being carried out in the context of 13 years of central government-imposed austerity, which has had a devastating impact on our communities and impedes our ability as a local authority to deliver the wider public services that our residents deserve and upon which they rely. The Institute for Fiscal Studies (IFS) has calculated that Lambeth receives significantly less resource compared to our residents' need, which results in shortfall of almost £49 million a year for the borough.

Lambeth is dealing with the harsh realities of stubbornly high inflation, our residents are facing soaring mortgage costs and some of the highest rents in London, and the cost-of-living crisis is driving demand up for our local services. London Councils' analysis shows that, in order to deliver the services their residents deserve, London boroughs face pressures of over £400 million this year – and this is expected to rise to £500 million next year. Over the next four years, Lambeth currently projects a budget gap of more than £38 million. This will require us to find savings over the next few years that represent more than our combined spend on community safety, recycling, parks, libraries, and children's centres.

London Borough of Lambeth
Leader's Office
Lambeth Town Hall
Brixton Hill
London SW2 1RD

Telephone: 020 7926 6985
www.lambeth.gov.uk



INVESTOR IN PEOPLE

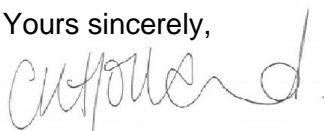
From our children's services facing a £9.2 million pressure due to a broken market in placement provision to over 4,000 households sleeping in temporary accommodation every night adding an additional £13 million pressure on our temporary accommodation budget – we are facing unprecedented demand on significantly reduced resources. Our residents need government to step in to provide councils with an adequate level of funding to support some of our most vulnerable as demand for services increases and complexity of need rises. Local councils have acted by investing in preventative services and reducing spend by providing services more efficiently, but restrictions on our powers and funding leave local councils unable to fund fully this rise in demand.

We are urging you to protect vital, local services in the Autumn Statement this November and expand the support available to struggling families across our borough. In particular, we urge you to provide:

- Three-year funding settlements, as a minimum, so that local authorities can plan for the longer term when setting their budgets.
- Urgent, long-term funding solution to reduce our children's services pressures, together with adequate funding to address new burdens arising from the care system reforms.
- Sustainable and long-term grant funding for our homelessness services, including a substantial increase in the Homelessness Prevention Grant to cope with growing financial pressures and the uprating of Local Housing Allowance (LHA) rates to cover at least the bottom 30% of rents.
- More support and grant funding for council house building including allowing local authorities to retain all Right to Buy receipts to build new homes.
- Planning reform to ensure that developers build the affordable homes they have promised our communities and that supports councils to get on with building the next generation of council homes.
- Financial support for Adult Social Care reform and long term, sustainable funding for Adult Social Care to meet the increasing cost pressures as a result of our aging local population.
- Broader local government funding reform to allow more devolution of revenue raising powers to improve our financial resilience and reduce reliance on regressive and limited funding streams such as Council Tax.
- Government investment in programmes to allow retrofitting to deliver dry, warm, safe homes and supporting Active Travel measures that meet our goal of reaching net zero.

We urge you to put an end to the policies of successive governments and to instead work with us to expand the range of support available to local people in Lambeth so that we can protect local residents.

Yours sincerely,



Cllr Claire Holland
Leader of the Council
London Borough of Lambeth



Cllr Davis Amos
Cabinet Member for Finance and Cost of Living
London Borough of Lambeth