

## **Council – 31 January 2024**

### **Liberal Democrats Group Amendment to motion 7c – Local Government Funding**

This Council notes that:

1. A Fair Funding Review for local government was first promised by the government in 2016 but has still not been delivered and there is no indication of when it will be.
2. In 2015, the government set out plans to reset business rates baselines for council in 2020, but this has still not happened.
3. The government's Autumn Statement in November 2023 failed to provide any new funding for local councils, meaning there is a £4 billion funding gap facing councils just to maintain current services.
4. Almost one in five council leaders and chief executives in England surveyed by the Local Government Association think it is very or fairly likely that they will need to issue a section 114 notice this year or next.
5. The provisional Local Government Finance settlement announced by the government on 18 December 2023 assumes that all councils will increase their council tax by the maximum allowed in 2024/25, following the same assumption used in previous years.
6. For the last six years, the government has only issued one-year settlements which makes it difficult for councils to plan their future financial sustainability.
7. Responding to the settlement, the Local Government Association noted that it "does not provide enough funding to meet the severe cost and demand pressures which have left councils of all political colours and types warning of the serious challenges they face to set balanced budgets next year".
8. More than 40 Conservative Members of Parliament have signed a letter to the Prime Minister, warning they are "exceptionally concerned" that their local Councils are facing financial crisis.

This Council further notes that:

1. Trafford is one of the 20 worst funded councils in the country, one of the lowest spending councils and its council tax levels are the second lowest in Greater Manchester. The Institute for Fiscal Studies identified Trafford as the lowest funded local authority compared to 150 similar authorities, meaning it receives £11 million less each year on average than similar authorities.

2. Since 2010, Trafford has suffered a 60% real terms reduction in its budget and had to close budget gaps totalling £288 million.
3. Between 2010-15, when the Conservatives led the council, council tax in Trafford was frozen. This has meant the council has £15 million less in income each year.
4. Increases in demand for adult social care and children's services, high levels of inflation and increases in the National Living Wage are costing the council around £12 million each year. Increases in council tax, business rates indexation and certain grants only provide around £6 million each year, meaning the council budget has an underlying structural deficit, where it has to find £6 million of savings every year just to stand still.

This Council resolves to:

1. Launch a public campaign alongside other Greater Manchester authorities:
  - a. calling on the Government to fix the broken system of local government finance and give Trafford a fair funding settlement.
  - b. highlighting the cuts made to Trafford Council's budget, despite increases in council tax and the increasing demand for key services.
  - c. To highlight what the Council and residents can do to support reducing costs and demands on local services.
2. Ask the Leader or Chief Executive to write to our Trafford Members of Parliament and Greater Manchester Mayor requesting that:
  - a. they support our campaign, lobby Ministers and publicly call on the government to deliver a fair funding settlement for Trafford.
  - b. they reply to indicate their position to the Council.
3. **Ask the Leader or Chief Executive to write to Trafford's MPs asking them to add their signatures to cross-party Early Day Motion 67 in Parliament entitled "Council budgets and audits" to register their support for a motion which 'calls on the Government to ensure local councils are adequately funded'.**