

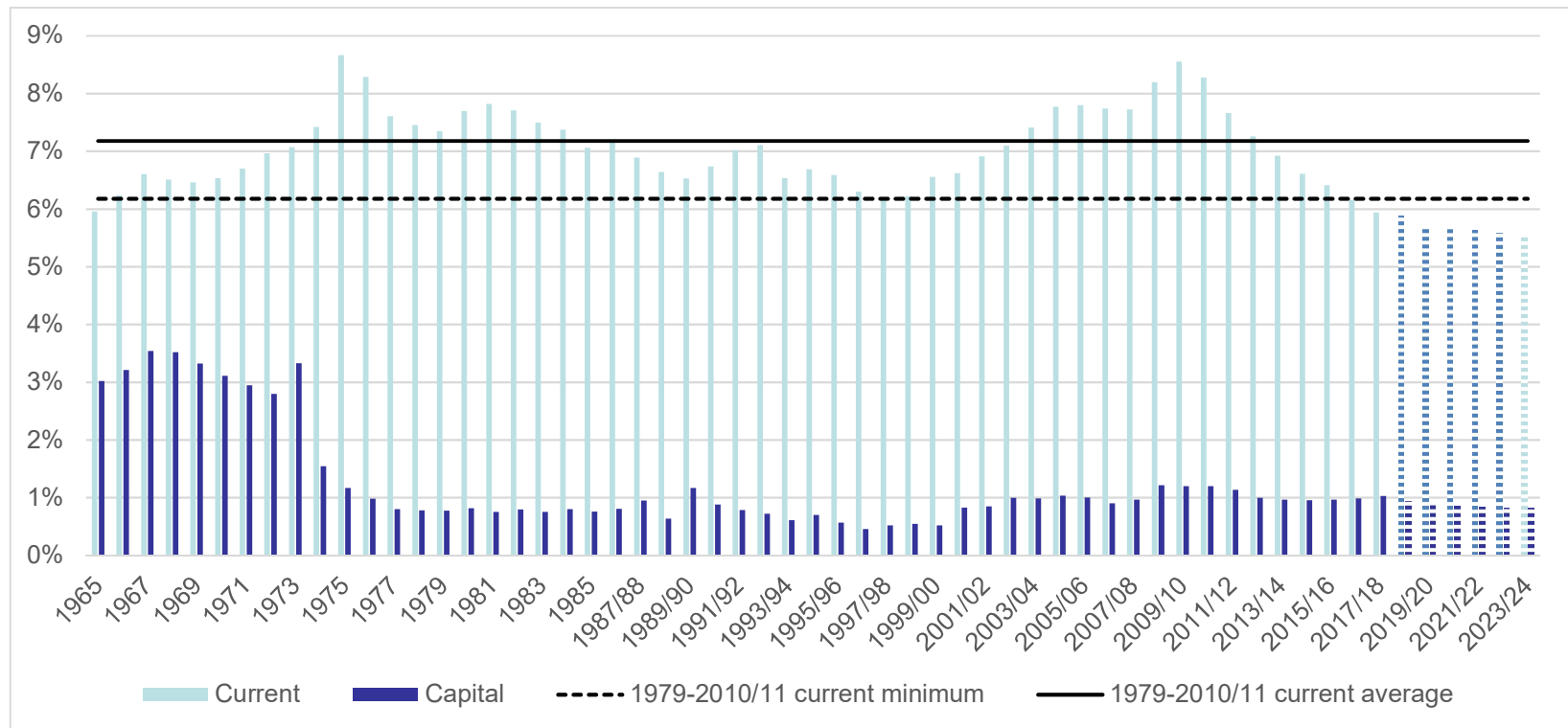


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# Financial reliance v income reliance

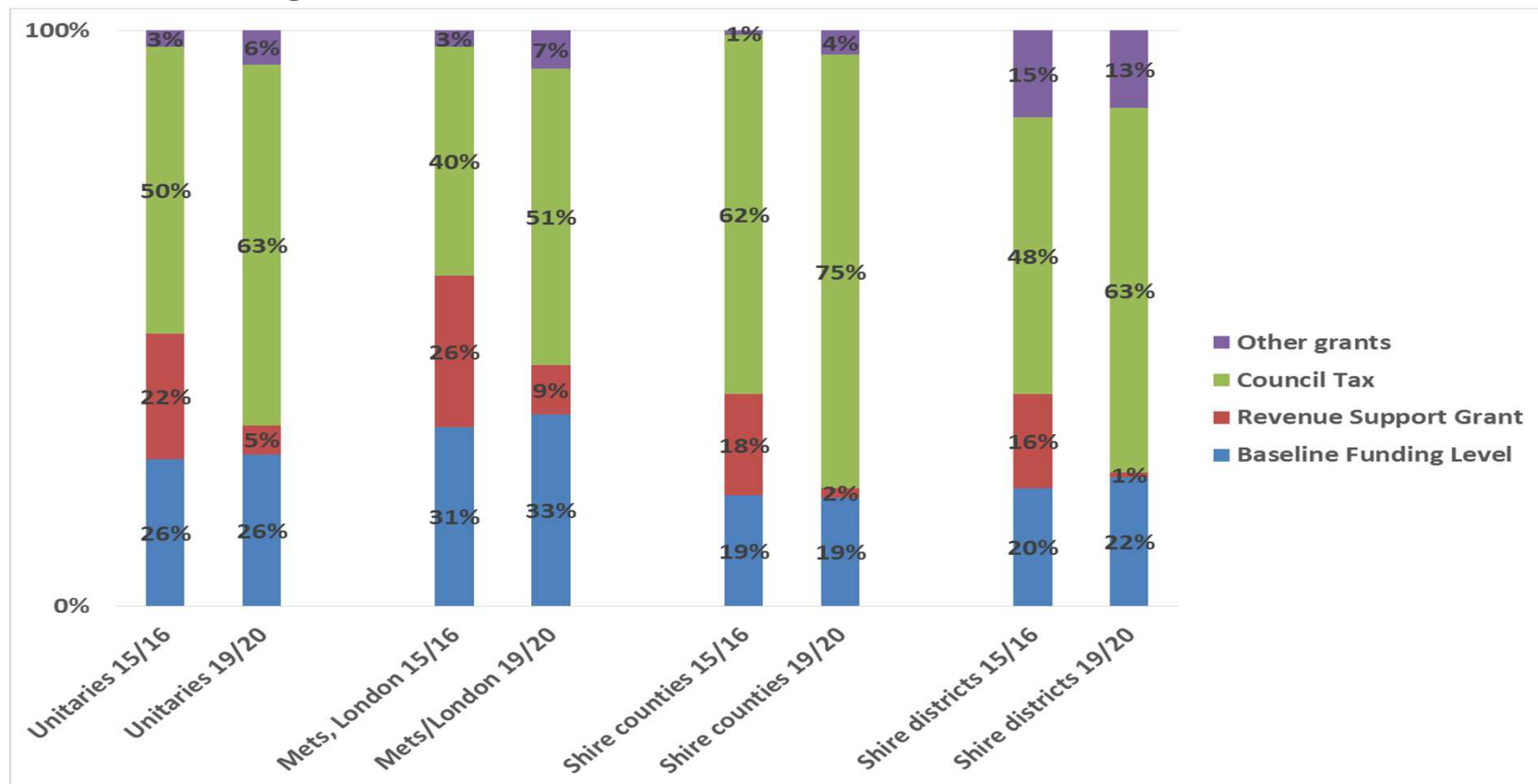
Paul O'Brien, Chief Executive, APSE

## UK local government spending as a share of GDP: current spending, already below the 1979-2014 minimum, is projected to go on falling to 2020 and beyond

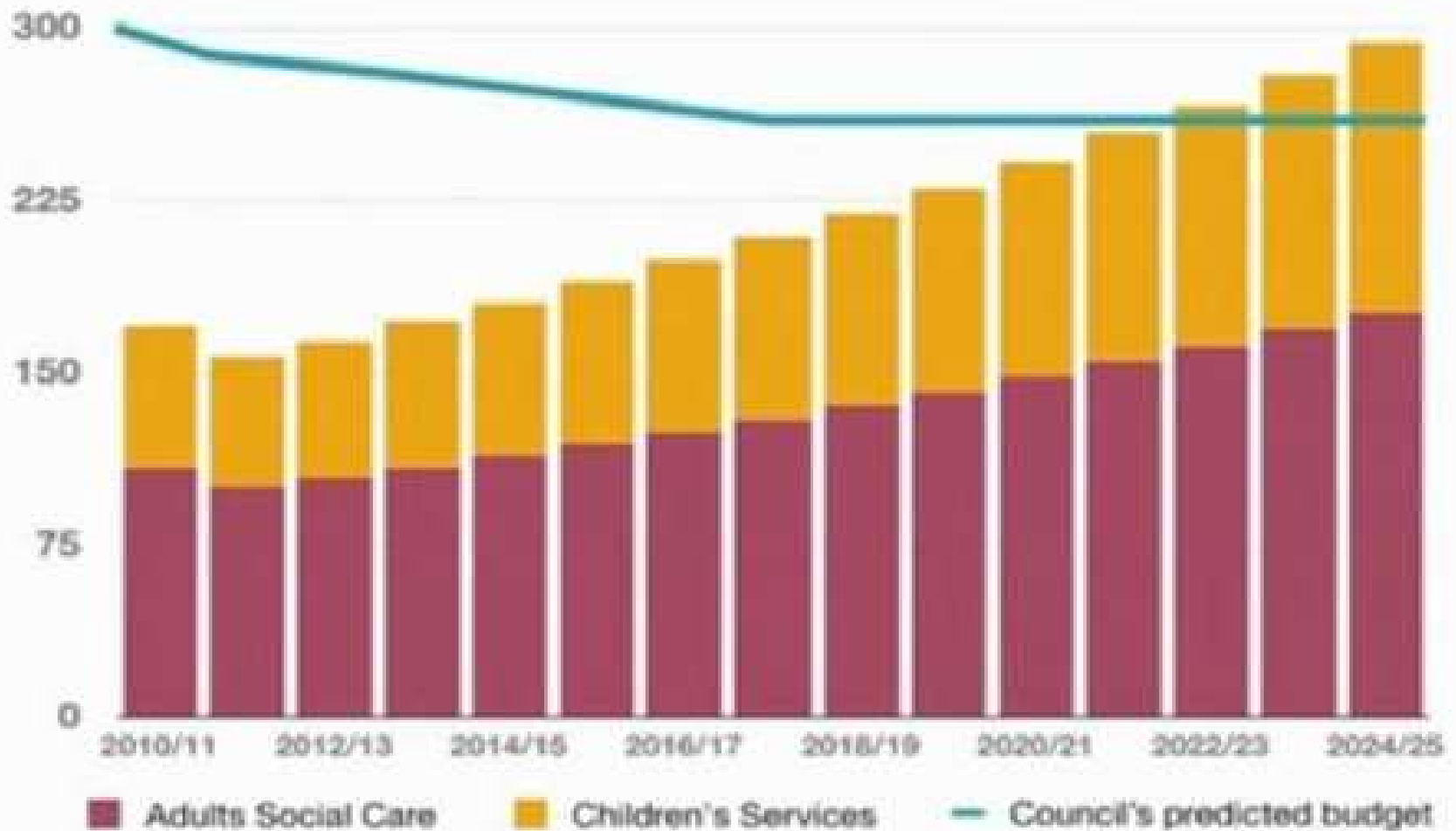




## Balance of core spending power 15/16 and 19/20: as RSG shrivels beyond London and the Mets, most LA funding will come from council tax







## The 'Graph of Doom'





# The cost of Covid-19

- Estimated challenge
- Additional cost £4.4B
- Loss of income £2.8B
- Loss of local tax £3.7B
- (C  I  CT  BR  ) = £10.9B



# Government support... so far

- £1.6B x 2
- £600m social care
- £500m income loss
- CSR irrecoverable debt
- 2020 / 2021 to 2022 / 2023



# Has reliance on income generation gone too far?

- Corporate budgets
- Investment portfolios
- Discretionary services
- Commercialisation, fees and charges
- PAC report



# Where are the answers?

- Government support 2020 / 2021
- Sustainable local government finance model
- Funding social care solution
- Reserves and self financing?





# Conclusions

- Effects of austerity remain
- Need Government support short term
- Need sustainable model long term
- Budgets continuing to drop / on-going uncertainty
- Multiple policy crisis
- Meanwhile continuing need to self support
- Need to think about local finance base, local economies and community wealth

# **NEW MUNICIPALISM**

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