



Virendra Sharma MP, Rupa Huq MP,  
James Murray MP  
House of Commons  
London  
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### Leader's Office

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Dear Virendra, Rupa and James,

We are writing to you regarding the Comprehensive Spending Review (CSR) and its implications for London's local services.

London boroughs have been at the forefront of the response to Covid-19 pandemic, leading local emergency action to deal with the public health crisis and supporting residents and local businesses struggling due to the economic shutdown. This has come at huge financial cost, with boroughs facing a £1.4 billion funding gap as a result of increased spending and lost income in 2020-21, putting their financial sustainability at risk.

In Ealing, the budget gap for 21/22 is estimated at £27.8m, the equivalent of 11.2% of the Council's net revenue budget. This follows a decade of austerity, where Ealing has lost 64p in every pound of funding we used to receive. Despite continued efforts to be innovative and provide services differently, this gap is forcing us to consider straight service cuts through a Duties and Powers review. The Council's limited remaining reserves will be further heavily depleted in this year as a result of the unfunded pressures resulting directly from our response to COVID-19 – this is currently estimated at c£15m and can only be used once. We are therefore writing to seek your support for, and help with, our urgent asks of Government ahead of the CSR this autumn.

We would very much appreciate it if you would make representations to MHCLG and Treasury Ministers, drawing attention to our concerns and encouraging them to implement London Councils' suggestions on behalf of communities in London.

We know the immediate focus for the Government at the CSR must be to deliver national economic recovery from the consequences of the pandemic. London has a vital part to play in this recovery. London Councils' submission calls for a combination of direct funding, finance for key projects and greater local empowerment to ignite productivity and growth in London, tackle local inequality and have a positive impact on the rest of the country.

Specifically, it asks Government to use the CSR to:

- Boost councils' core funding to allow us to continue to deliver essential services
- Take immediate steps to shore up London's economy
- Equip boroughs to drive a green recovery
- Boost housing delivery in London
- Support longer term job creation and productivity
- Invest in London's strategic infrastructure and roads.

The health and social impact of the virus on the capital has been stark, with 8 of the 10 local authorities in England with the highest rates of excess deaths as a result of the disease in London. The pandemic has put further pressure on services - such as social care and homelessness - that were already under huge strain.



We think it is important to highlight the effect on London's local services - and the businesses and communities they serve - if councils are not fully compensated for the initial and ongoing financial impact of the pandemic at the CSR.

London Councils is therefore asking for:

- Immediate compensation to cover the £1.4 billion funding gap caused by the pandemic, including lost Council Tax and Business Rates.
- Certainty around funding for 2021-22, including grants and council tax principles.
- Resources to fulfil councils growing roles in managing the on-going pandemic in future years.
- Above-inflation increases over the 3 year period that also take account of underlying demand pressures in key services, including Adult and Children's Social Care (£430m), Public Health (£130m), Homelessness (£200m), High Needs education funding (£100-200m) and supporting people with No Recourse to Public Funds (£50m).
- A new approach to the long-term funding of local government including new sources of revenue and greater fiscal devolution.

Details of how all these goals can be met are found in London Councils' Comprehensive Spending Review representation to Government.

It would be appreciated if you could amplify these messages on behalf of our local communities, residents and businesses. We would therefore be very grateful if you could write to MHCLG and Treasury Ministers or speak to them in the Chamber, or highlight these issues in any other way you think best.

If you would like to discuss this in more depth, please do let us know. We and London Councils would be happy to meet with you or a member of staff, or provide additional briefings which you may find useful.

Yours sincerely,



**Cllr Julian Bell**  
Leader of Ealing Council



**Cllr Bassam Mahfouz**  
Cabinet member for Finance and Leisure