

News release

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A recipe without ingredients

Local democracy think tank the Local Government Information Unit (LGIU) has criticised today's Budget from the Chancellor as "a missed opportunity".

Dennis Reed, LGIU Chief Executive, said: "This Budget was another missed opportunity for the government to make local democracy a central instrument in delivering the improvements to public services that ministers claim to want.

"The sustained funding in health and education is welcome. However, outside its own priorities the Government desires the ends without committing the means. For example, Kate Barker's study on housing supply has pointed to a need for more social housing. The Barker Review has provided a menu with prices. The Government's response is a recipe without ingredients.

"The Government accepts some of Barker's recommendations and is launching yet another review and consultation process on others. However, public spending plans for the next three years indicate that social housing investment will not rise to the challenge. Whatever changes to the planning system are intended, they will amount to little if the investment is not there. Ministers have already been backtracking on the 2010 Decent Homes target for renovating council housing.

"The Government may be 'locking in' stability, but they are also locking in poor housing, rising homelessness, child poverty and a local government system that is hamstrung in being able to play a full role in combating these social evils.

"The Budget also fails to target any help to the low paid or pensioners under 70 to help them with recent council tax increases. Even if the Government grasps the nettle on reforming the council tax, there will still be a few years in which people have to contend with the effects of this regressive tax.

"At the top of these ministerial statements are the words 'check against delivery'. This remains good advice!"

ENDS

For further information contact:

Kevin Morton Tel. 020 7554 2858; Mobile 07958 314846; E mail kevin.morton@lgiu.org.uk

Mary Wimbury Tel. 020 7554 2845; Mobile 07958 521344; E mail mary.wimbury@lgiu.org.uk

Notes to Editors

1. Originally founded in 1983 to campaign against the ratecapping regime that was established in the 1984 Rates Act, the Local Government Information Unit (LGIU) is Britain's foremost independent local democracy think tank, campaigning to extend local authority best practice, freedoms and

responsibilities. The LGIU is working to influence the debate on local government modernisation. The LGIU and its sister organisations The Education Network (TEN) and the Democratic Health Network (DHN) provide research, policy briefings, information, advice, training and lobbying services to local authority and trade union affiliates. Previous LGIU news releases and statements can be viewed at www.lgiu.gov.uk

2. The Kate Barker review of housing supply can be found at http://www.hmtreasury.gov.uk/media//92045/barker_review_execsum_91.pdf.
3. The LGIU called for the following specific measures in the 2004 Budget: *
Treasury support for a Public Service Bill to give financial recompense to employers in a new right to statutory paid leave for council duties.
 - That the Government will match the funding of all participating local authorities in a local government recruitment campaign, similar to the Government's campaign on teacher recruitment;
 - As part of the Government's 'National Grid for Learning', Treasury backing for the establishment of a new dedicated resource to fund training and skills building for councilors, enabling them to gain relevant accredited qualifications;
 - A review of the current classification of all local authority borrowing as 'public borrowing', so that councils can, for example, raise capital for social housing regeneration and provide the extra choice of a 'fourth option' for tenants in meeting the Government's target for 'Decent Homes' by 2010;
 - Government legislation to create a level playing field between council borrowing and the Private Finance Initiative (PFI);
 - Treasury support for radical changes in the balance between central and local funding of councils, including the return of the Business Rate to local control, that may be recommended after the Government's current review of this aspect of local government finance;
 - A firm indication from the Chancellor that the Treasury will fund any transitional arrangements that may be necessary to protect council funding resulting from the Government's review of the council tax;
 - In advance of more substantial reform of the council tax, the Government should make the income and savings threshold for council tax benefit more generous, so that more of those who are hit hardest - pensioners and people on low incomes - are eligible for help to pay their council tax bill.