

Council, 8 September 2009

Administration Policy Item: Councillor Lynne Hillan

Public Debt

Council notes that the British economy faces an unprecedented level of debt, which is continuing to grow rapidly as income from taxes fall and public spending rises. The UK government has, in the first seven months of 2009, borrowed an additional £50 billion, with an additional £8 billion borrowed in July alone. Public debt is at its highest rate since 1974 and rising £5,000 every second.

Council further notes that the Labour government ran a deficit in years on economic growth leaving the United Kingdom exposed to the economic downturn with one of the biggest budget deficits in the advanced world.

Council believes that the priority for the incoming government will be to restore responsibility to the public finances and that this will require the reduction of the unsustainable level of public debt, and consequently public expenditure will have to be restrained.

Council notes that Barnet Council has moved ahead faster than most other local authorities in cutting out waste, reducing expenditure and developing the comprehensive future shape programme to address the expected reduction in the government grant.

Council believes the magnitude of the debt crisis facing the United Kingdom requires local authorities to act in order to prevent front-line services being affected. Accordingly, Council requests that Cabinet:

- Commission in-depth reviews into high expenditure areas
- Assess the best way to make use of powers to be devolved from the centre under a Conservative government
- Review of revenue streams