

Council 17th October 2023

Administration motion in the name of Councillor Arjun Mittra Local Government Finance

Council Notes that:

- Ten councils have had Section 114 notices issued since 2018, denoting that they had, in effect, run out of money.
- That the ten councils that have issued 114 notices include Conservative Thurrock, Liberal Democrat Woking and Labour Birmingham.
- No councils issued Section 114 notices between 2001 and 2017.
- That the Special Interest Group of Municipal Authorities – Sigoma – estimate that 26 more councils could issue section 114 notices over the next two years.
- The dramatic rise in the number of section 114 notices over recent years appears to be related to central government grants to councils having been cut in real terms by 50 per cent since 2010.
- That there are media reports that the Government may seek to cut taxes such as inheritance tax. Such cuts in taxes, if not funded by borrowing, could be funded by further cuts to local government, pushing more to issue Section 114 notices.

Council Resolves to:

- Write to the Prime Minister, pointing out that there has been a cut to Government grants of 50 per cent over the last 14 years, and urging him not to pass on further cuts to local government.