

Autumn Statement: Dr Catherine Durose



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Response:

The Autumn Statement was an opportunity for George Osborne to re-claim his credibility as Chancellor. Seizing this opportunity was difficult given the disastrous forecasts for growth over coming years.

To tackle the issue of growth, Osborne set out a £5bn programme of capital investment for schools, transport and science. To fund this investment, central government departments will face a 1% cut in 2013/14.

Local government will be spared the 1% cuts now set out for central governments in 2013/ 14, as it is already facing a freeze on council tax. However, town halls will be hit by the full 2% cash reductions also faced by Whitehall in the following financial year.

Local government was already facing unprecedented cuts to their budget, with the prospect now of more to come. Will further cuts force local government to re-think their role and relationships with community or lead to continued 'slash and burn' responses and the cutting of front-line services?

Osborne commended Lord Heseltine's recent growth review and supported his recommendation for Local Economic Partnerships to act as local engines of growth.

In the next Spending Reviews, LEPs will be able to access additional funding for transport and skills. The Regional Growth Fund will also be boosted through further investment. LEPs are shadows of the former Regional Development Agencies, which the Coalition scrapped, is this a U-turn in economic development policy?

The Statement felt like an abdication of responsibility from the Chancellor, who jumped on the Office of Budget Responsibility's claims that the revising down of growth projections could not have been predicted or avoided. There was also little in the budget which suggested empathy for communities already feeling the impact of welfare cuts and growing unemployment.