Rt Hon DAVID CAMERON MP

HOUSE OF COMMONS
LONDON SW1A 0AA

Cllr Ian Hudspeth
Rannoch Lodge
Bladon
Oxon OX20 1RD

Monday, 14th September 2015

Dear Ian,

Oxfordshire County Council budget

I wanted to write further to the 2016-17 Budget Briefing that your office kindly sent across.

The local government finance settlement will not be determined until after the Spending Review and, as in previous years, it will be published in draft in December, subject to the approval of the House of Commons in February. As we made clear in the 2015 Conservative manifesto, every part of the public sector needs to continue to play their bit to help pay off the deficit that the last Labour Government left, including local government which still accounts for a quarter of all public spending.

I was disappointed at the long list of suggestions floated in the briefing note to make significant cuts to frontline services – from elderly day centres, to libraries, to museums. This is in addition to the unwelcome and counter-productive proposals to close children's centres across the county. I would have hoped that Oxfordshire would instead be following the best practice of Conservative councils from across the country in making back office savings and protecting the frontline.

Your briefing note suggested that £204 million had been taken out of the budget since 2010. Yet this is a cumulative figure that includes efficiency savings from cutting waste. The fact of the matter is that Oxfordshire's spending has actually increased in recent years.

Based on financial returns your Council has sent to the Department for Communities and Local Government, Oxfordshire County Council's net current expenditure fell from £823 million in 2009-10 to £772 million (budgeted) in 2015-16, a 6 per cent change. Yet this fall is due to the re-allocation of school funding from local education authorities to academies. Excluding education, the County's net current expenditure actually rose from £341 million in 2009-10 to £438 million (budgeted) in 2015-16. There has been a slight fall in government grants in cash terms, but this has effectively been made up for in other fiscal streams. Indeed, the county's spending power has increased this year by +1.3% in 2015-16, compared with a headline national average reduction of -1.7%.

The briefing note made no mention of the work that could be done to generate savings in a more creative manner. I note that the statutory Local Government Transparency Code 2015 requires councils to produce and publish a full property asset register. This process is an opportunity for the Council to undertake a comprehensive review of all its public property, to dispose of surplus assets, generate capital receipts, reduce overhead costs, increase rental rates of return, and identify brownfield land for regeneration and development in partnership with the private sector.

There is also significant scope for more locally-led joint working and sharing of services between other local authorities and other public authorities inside and nearby Oxfordshire. This is not just about councils – for example, much can be done to improve co-operation and sharing between the blue light emergency services, generating savings and improving the effectiveness of emergency responses.

I note that social care accounts for a quarter of all the County's spending, and adult and children's social care net current expenditure rose from £201 million in 2009-10 to £266 million (budgeted) in 2015-16. An ageing population is a challenge for all councils, putting pressure on funding for other services. The Government is already taking forward pilots for the integration of health and social services in Greater Manchester and for elderly care integration in Cambridgeshire. As part of a devolution deal, such an initiative could potentially be available to Oxfordshire, provided there was reassurance that the County was taking a constructive approach to protecting frontline services.

In that context, I would be happy to initiate a further dialogue with advisers in the No10 Policy Unit and yourself – please contact Sheridan Westlake (swestlake@no10.x.gsi.gov.uk) if you wish to take this up.

Given the settlement will not be determined until December, I hope that the County will move cautiously in setting out its Budget plans, listening to both public opinion and the views of my fellow Parliamentary colleagues from across Oxfordshire.

Yours,

David

David Cameron

cc. Oxfordshire MPs