

## High stakes

The Chancellor's pre-budget report looks likely to be a defining moment in British politics where the Government and opposition strategically repositioned themselves on traditional ground neither has occupied for some time.

Sitting in the public gallery in Parliament, I was fortunate to watch this historic event unfold in front of my eyes; Alastair Darling speaking at the dispatch box on the left of my periphery and George Osborne responding from the right hand benches. A great spectacle and tribal occasion for all concerned. But when all the order paper waving and shrieking had died down what does it all mean for local government?

As part of a £20b package of measures aimed at encouraging a fiscal stimulus the Chancellor brought forward some £3b of spending on public sector infrastructure projects from 2010-11. However, he also outlined plans for greater efficiency savings, calling for an additional £5b to be gathered by the end of the current comprehensive spending review period.

Looking firstly to the positives, the current investment will mean £775m brought forward to this year and the same amount next year for social housing. It also brings forward a welcome £800m investment in schools, along with funding for flood defences and motorways. And in an effort to fix the roof while the storm clouds gather, the Chancellor announced £100m of new money for insulation of homes to improve energy efficiency.

As the Darling acknowledges himself, it will be 2015-16 before the country's budget balances. It is therefore vital that local authorities maximize the public services infrastructure investment that is being brought forward – squeezing every last penny from capital investment for local people and local economies by using measures such as Community Benefit Clauses when drawing up contracts to ensure a long term sustainable yield. APSE has long advocated better use of such clauses so that, for example, construction projects are connected to local employment and training opportunities while also adhering to EU regulations.

On the flip side of the pre-budget coin, local authorities that are already facing increased costs and financial constraints in the tight current spending period will now be asked to find further savings as part of their contribution to the £5b required across public services.

Frontline services will be bracing itself for further cuts while the new targeted investment should make a difference to hard pressed local economies. All in all, the new investment is likely to be welcomed in town halls around the country, although some will be looking a bit further ahead and wondering about the long term impact on frontline services.

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This article originally appeared in The MJ December 2008