

Correspondence with the Sheffield Greens on a No Cuts budget

1. Letter of invitation to the Sheffield People's Budget conference

Dear Green Party councillor,

Despite the small increase in central government funding in the Three Year settlement and proposal to increase council tax by an over-inflation amount of 5% for the next 3 years, it's clear that the Labour led Council will once again be forced to make cuts in its budget as well as use more reserves.

During the 14 years of Tory austerity, Sheffield Labour council said there was no alternative to implementing cuts in jobs and services until we got a Labour government. But after 18 months of this Labour government, it is clear that due to their commitment to their self-imposed fiscal rules, there will be no significant restoration of lost central government funding.

Sheffield Green Party councillors have always said that they are anti-austerity but unfortunately when it comes to setting the annual budget have either voted for cuts or abstained, mistakenly claiming that a No Cuts budget would either be illegal or would automatically lead to commissioners taking over.

However, now that Zack Polanski is leader of the Green Party with more radical 'socialist' policies, we appeal to you to consider taking the bold stand of proposing a legally balanced No Cuts Needs budget by using reserves and prudential borrowing powers. Such a People's budget could mobilise support from local trade unions and local communities to pressure the Labour government into restoring lost funding, and by your example inspire other councils facing the same or worse budget situations, to follow the same course of action. This government has already made several policy U-Turns under the threat of parliamentary revolts, how much more pressure would be several large councils standing up for local people refusing to implement any more cuts. Set a No Cuts budget and demand the government fund it.

To this end, we would like to invite you to attend, and speak if you would like to, at the No Cuts, Peoples budget conference initiated by Sheffield Your Party, being held in Sheffield at SADACCA on Saturday 21 February from 11am until 4pm.

The morning session, 11 until 1pm, will discuss Why we need a No Cuts budget, What is a Needs budget, and how can it be actually implemented.

The afternoon session 2pm until 4pm will split into three workshops covering Jobs & Training, Housing, and Services (including bringing privatised services back in-house). These will report back with policies discussed to form the basis for a proposed Peoples Budget based on what Sheffield needs, as an alternative to implementing government cuts.

We are inviting all the Sheffield councillors who claim to be anti-austerity (Labour, Greens, and Independent) to attend, as well as local trade unions, tenants associations, and community groups.

We would really be pleased if you can/will attend to consider the case for a No Cuts Peoples budget as an alternative to more cuts and over inflation council tax increases.

Please contact me for any more information and/or to confirm attendance

Yours in Solidarity,

Alasdair Cook (Conference Organiser)

2. Reply from the Sheffield council Green Group

Dear Alasdair,

Thanks for your email regarding a “Needs-Based Budget”. I am responding on behalf of the Green Group following a discussion at our Group Meeting on Monday.

This is a topic we have considered extensively as a Councillor Group and local party, as we are opposed to austerity. We would like nothing more than for funding to be restored to Sheffield Council so we can invest in our communities, rather than make cuts or “savings”, as Council’s have been forced to do since the advent of neoliberalism, and especially since 2010.

We are really disappointed that austerity has continued under Labour and that they continue to frame the economy as similar to a household budget, and to impose fiscal rules which harm the majority and benefit the few. At the Full Council in November 2025, we passed a motion challenging Labour’s budget and Sheffield Labour’s claim that austerity is over.

As you recognise in your email, this year the Council “will once again be forced to make cuts in its budget as well as use more reserves”. You then say that the Council should set a no cuts budget by using more reserves, and through “prudential borrowing”.

On reserves, we don’t think that it would be responsible to spend reserves at an even less sustainable level, as this could hasten bankruptcy and lead to a Birmingham-style situation, with huge council tax rises, industrial disputes and the withdrawal of essential services (Birmingham for example has completely withdrawn transport for post-16 students with SEND).

On prudential borrowing, as a council we’re not allowed to borrow to pay for our revenue budget, and can only borrow for capital schemes:

"Local council borrowing is governed by the Local Government Act 2003 and the CIPFA Prudential Code. These frameworks establish that borrowing is permitted only for capital expenditure—long-term investments such as building schools, roads, or purchasing equipment. It is strictly prohibited for revenue expenditure, which covers daily costs like staff salaries, social care services, and building maintenance."

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In our assessment, it is therefore not possible to set a legal, balanced, no-cuts budget, and setting an illegal budget would result in the chief finance officer issuing a "Section 114 notice.". There would then follow a freeze of all non-essential spending, central government intervention and the imposition of a commissioner to manage finance. This would lead to decisions being taken away from elected Sheffield representatives and no ability to protect those most vulnerable.

If you have any evidence or advice that this is not the case, please do share this with us, so we can consider it and potentially get advice from the Section 151/chief finance officer and the Local Government Association.

Finally, thanks so much for the invitation to the Needs-Based Budget Conference on 21st February. Unfortunately I won’t be able to attend, but I hope it goes well – other colleagues may get in touch separately if they can make it.

Very best wishes,

Alexi Dimond (he/him)