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# The future of local government: How do we reach 2030 in a sustainable way?

**Mo Baines, Chief Executive, APSE**

# The state of local government finance

- 2023-2024 - 9.2 per cent increase in local government core spending power
- Assumes maximum council tax increases
- During the financial year inflation higher throughout
- Workforce pay – the right thing but unaccounted for
- Does not address the fiscal drag of austerity with historic underfunding

# Adult Social care funding

- A call for a £13 billion injection
- £6 billion to tackle current pressures / immediate and short-term impact
- £7 billion to enable adult social care to deliver its statutory duties – including prevention and escalation of need.
- Rationing of care is controlling cost not improvements in practice

# Childrens services

- The number of looked-after children rose 24% in the decade to 2020-21
- By 2020-21 early intervention spends ( e.g. sure start ) down to 18.5% of spend but in 2010-11 it was 42% of spend
- £1.6bn shortfall – to stand still – not improve children's services
- Children and Young People Now Charity assessed 3.6 million social care assessments – finds that early intervention and prevention is the key

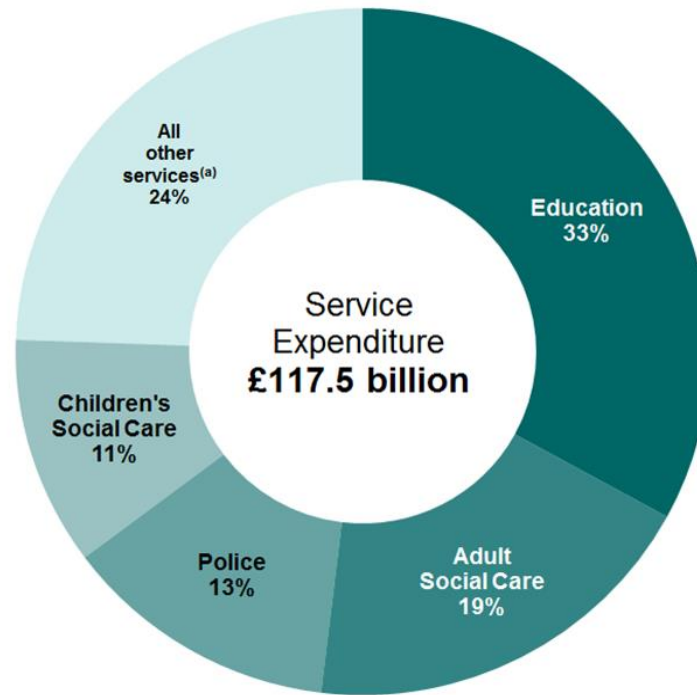
# Housing, homelessness, UASC

- Housing need - the Government's own estimates are that 300,000 new homes are needed per year
- 3.5 Million households live in non-decent accommodation (12% of which with children)
- Rise in relatively unregulated social homes rather than council housing
- APSE / TCPA work suggests 100,000 of the 300,000 homes needed should be social homes for rent through the local authority
- UASC 2017 – around 30 children for single tier and unitary – now above 550 on average for 2023 data

# Unequal misery

- 'Decentralisation' loss of Revenue Support Grant – poorest areas the most reduced
- Less capable of raising council tax
- Less capable of growth in business rates and council tax but increased demand for adult and Childrens' services

# Expenditure by service 2023





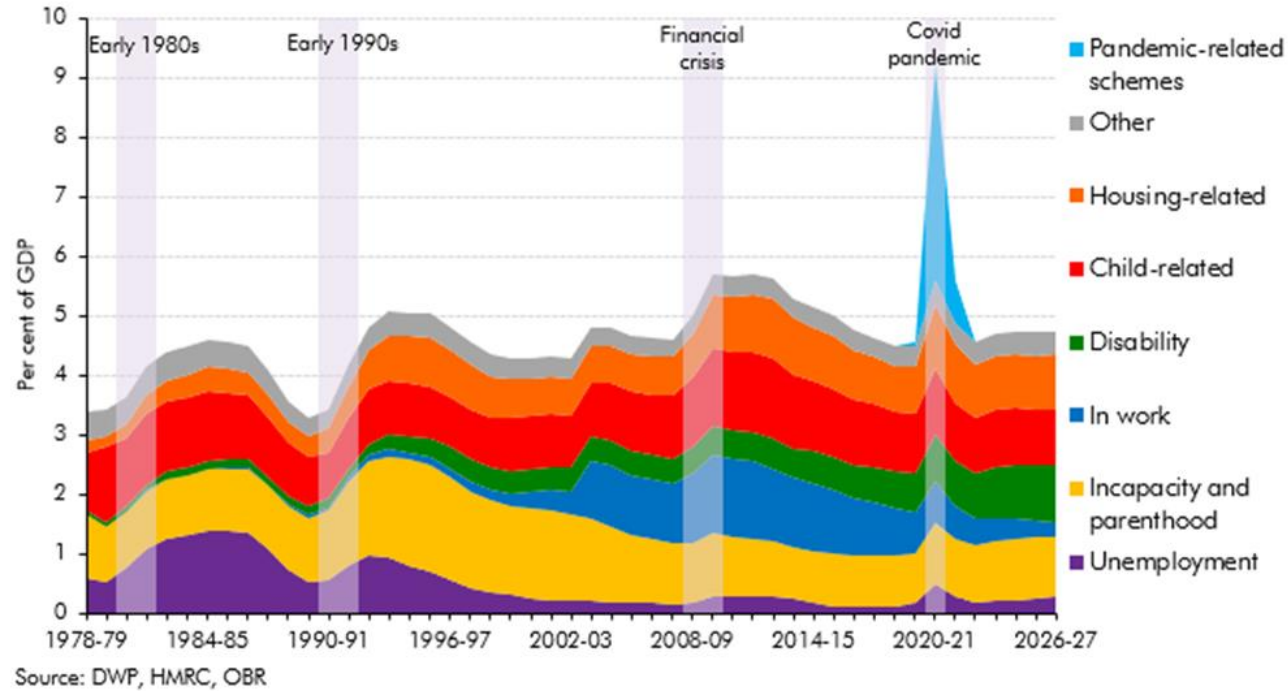
## ‘Other services’

- Broad neighbourhood services dependent on much reduced overall budgets
- ‘Subsidy’ replaced by trading accounts or surplus positions
- DFE swallows up increases – not passported through by government to councils
- Single year settlements
- Competitive bidding pots
- Short-term patches – not a long term plan!

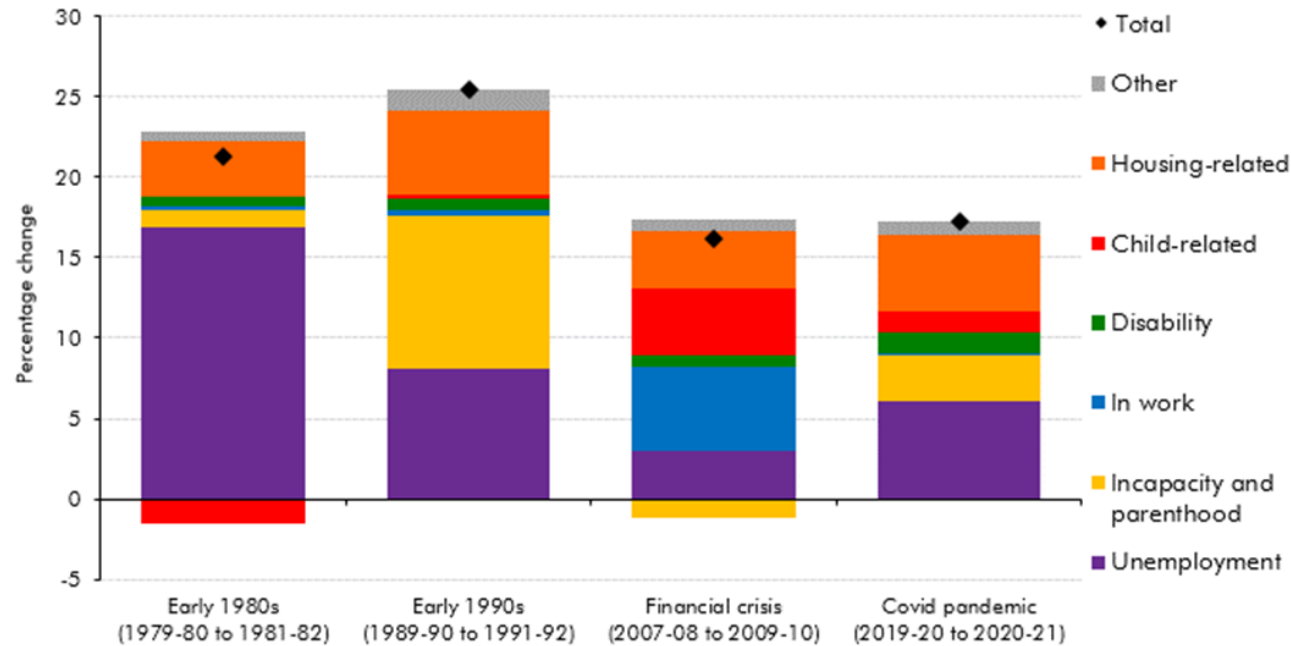
# Outcomes

- Areas most in need receive the least
- Prevention is missed
- Demand increases
- Welfare nets are frayed and failing
- Skills an increasing issue in the public sector
- Local government less attractive than other sectors
- But....most relied upon public services

# Welfare spend by category



# Welfare spend by 'recessions'



Source: DWP, HMRC, OBR

# What do the figures tell local government?

- Housing need is stubborn and growing
- 4.2 Million children living in poverty
- Poverty in working families is increasing - 71% are from working families
- Incapacity is growing alongside unemployment / not in work
- Skills needs
- Care economy – ageing population
- Green economy and investment
- Climate change - costs of inaction

## The tipping points...

- Housing need
- Climate change and ecological emergency
- Obesity and ill-health prevention / inactivity
- Waste and resources
- Social care
- Childrens' care
- Cost of living crisis

# What role for investment in councils to boost growth, jobs and skills in localities?

- Local investment stays within the local economy
- Identifying the skills gaps and sourcing solutions
- Using the power of the public pound to harness procurement spend and what we spend it on!
- Ensuring we green local services – your suppliers, your contractors, your in-house services can set the direction
- Get expert advice on how you can harness your procurement and enhance your skills development!

# The Ensuring (Local) State not the Enabling State

- APSE has previously drawn upon the work of Anthony Giddens ( The Ensuring Council)
- Exploring institutional, functional or regulatory boundaries
- The role of local councils in shaping local places, local economies and acting in BOTH the delivery and coordination of local services
- The future of local government will lie in the recognition of the power for a local ensuring state
- But.....the arguments for radical reform of council powers and resources has not yet been won....



Upcoming research – get involved!



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