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The Future of Local Government Frontline Services

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.

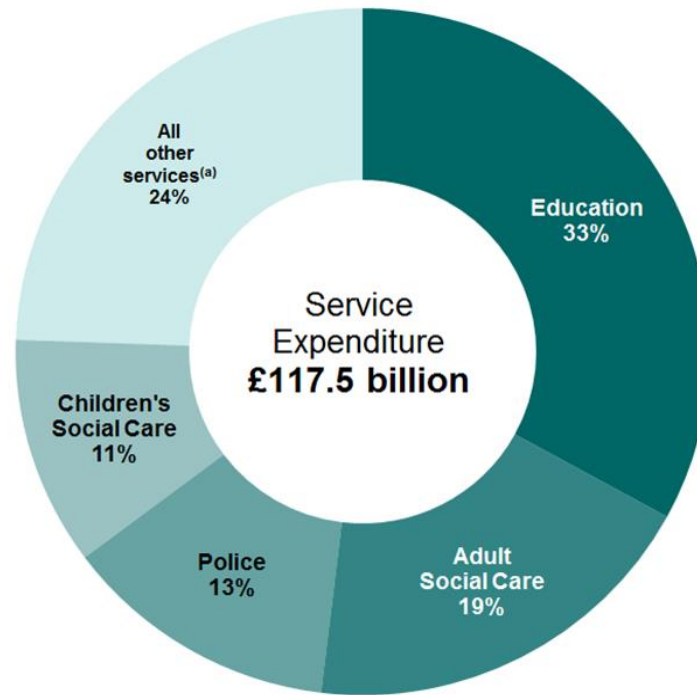
Childrens services

- 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 .

Unequal misery

- ‘Decentralisation’ reduction in 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
- Wales, Scotland and Northern Ireland would argue the impact of funding decisions through the Barnett formula have just transferred inequalities of funding

Expenditure by service 2023



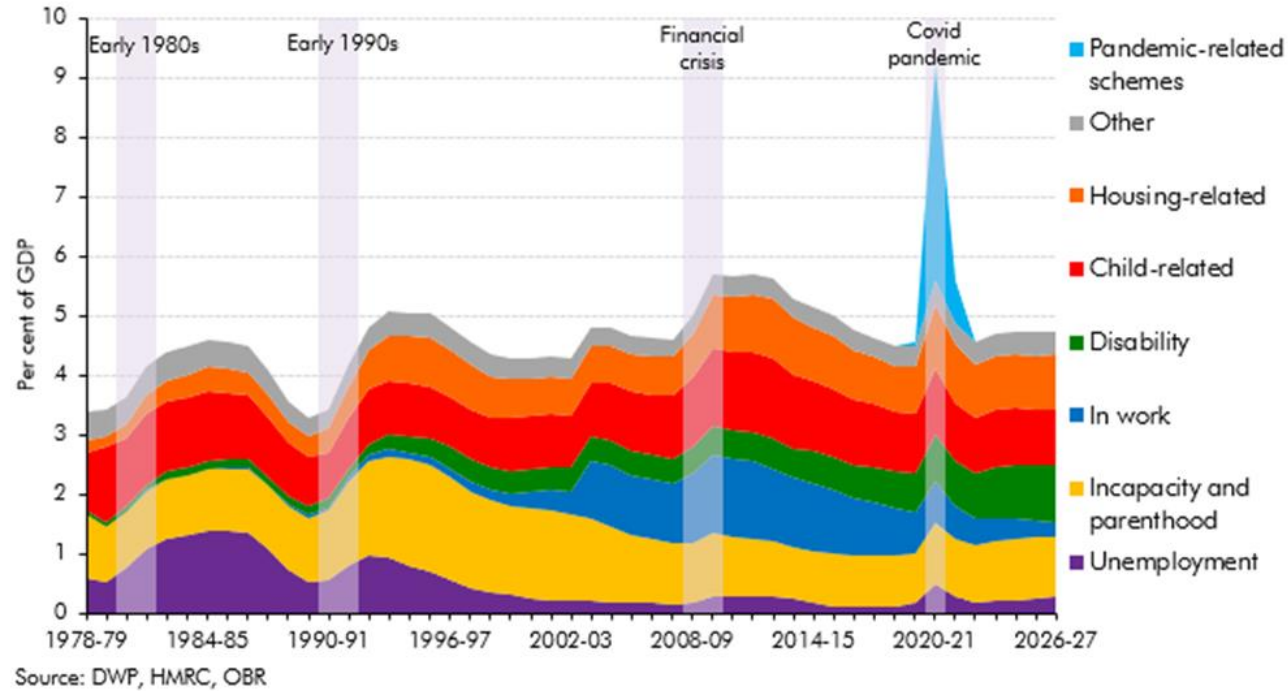
'Other services'

- Broad neighbourhood services dependent on much reduced overall budgets
- 'Subsidy' replaced by trading accounts or surplus positions
- DFE swallows up increases – not passported through DLUHC
- 30% overall – out with education – swallowed by Adults and Childrens' services

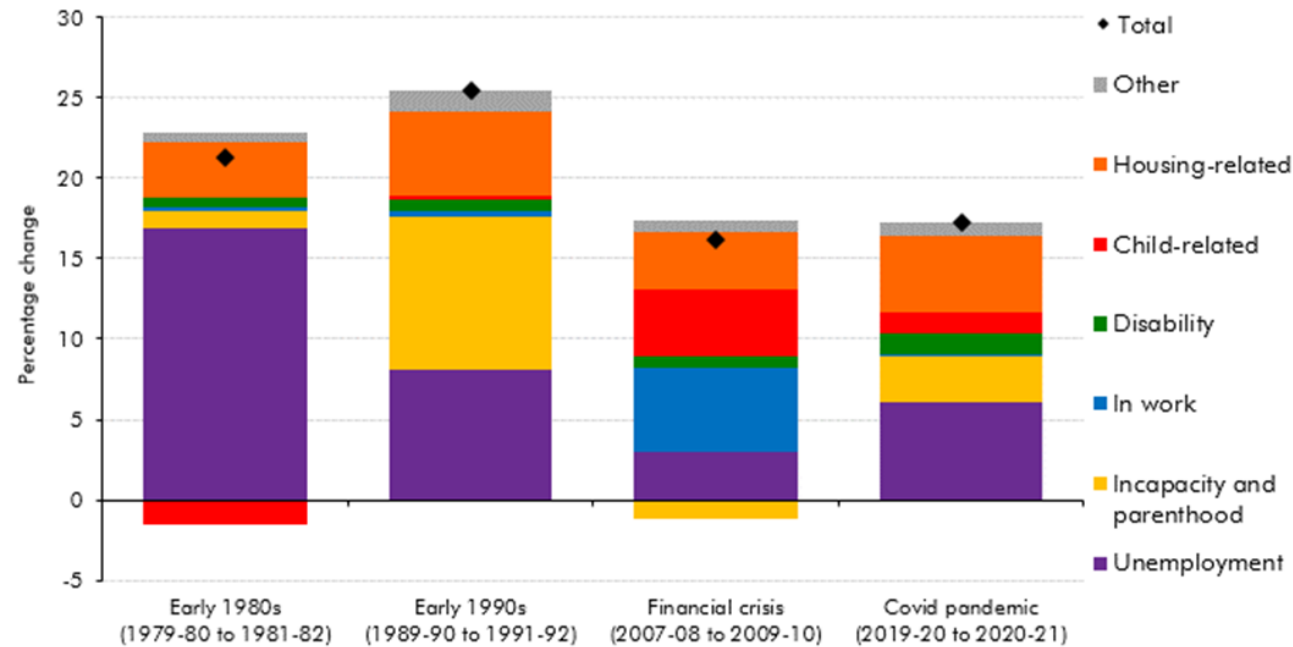
Outcomes

- Areas most in need receive the least
- Prevention is missed
- Demand increases
- Welfare nets are frayed and failing

Welfare spend by category



Welfare spend by 'recessions'



Source: DWP, HMRC, OBR

Child poverty

- 4.2 Million children living in poverty
- 48% of children living in poverty are from BAME families
- 71% are from working families
- 450,000 could be lifted out of poverty if child benefit went up by £10.00 a week

* *Source Child Poverty Action Campaign*

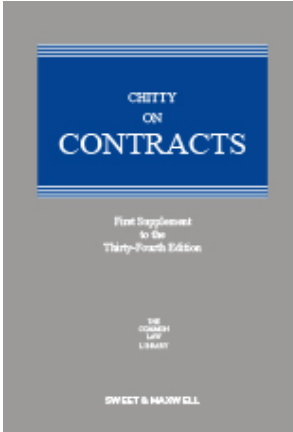
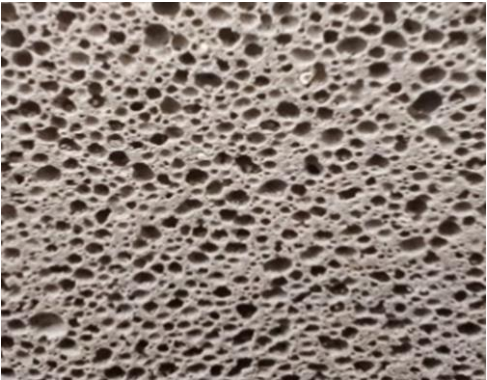
The tipping points...

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

Levelling up



Fragmentation of the traditional role of local councils.



APSE vision

- Reboot local government finance – not fit for purpose
- Give councils the real ability to build council housing again
- Tip towards interventions and prevention not reaction
- Strengthen and reinstate the role of the LEA
- Strengthen the role of councils as ‘stewards of place’ – the facilitator role on developments
- Care of Adults and Young People is everyone’s business!
- Invest in neighbourhood services
- Invest in the workforce and apprentices

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Delivering for local people and local economies



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