

Where to now for English Local Government

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A New Dawn?



“Black hole” in public finances amounting to £22bn

Our challenges

- Councils under **severe** financial strain
- Inflation, wage pressures, growing demand, complexity of need
- **Funding gap of £6.2 billion over next two years**
- Councils have made £24.5 billion in cuts and efficiencies in service spending between 2010/11 to 2022/23
- 18 councils reliant on Exceptional Financial Support. Financial failure becoming systemic
- Capacity is becoming an issue (recruitment, retention, NLW)

Specific service pressures

- **Children's social care** – complexity of need and increases in placement costs. Budgeted spend increased by 25.7% from 2019/20 to 2024/25 – £2.8 billion
- **Home to school transport** – 62.7% increase children with a plan from 2018/19 to 2023/24 resulting in £543m increased spend on transport
- **Adult social care:** budgeted net spend increased £3.7bn in real terms from 2019/20 to 2024/25
- **Homelessness** (asylum, resettlement, insufficient supply affordable housing) – 117,000 households in temp accommodation, Net spend up by £604m from 2019/20 to 2024/25

No sign of pressures subsiding in these service areas

Speaking the Government's language

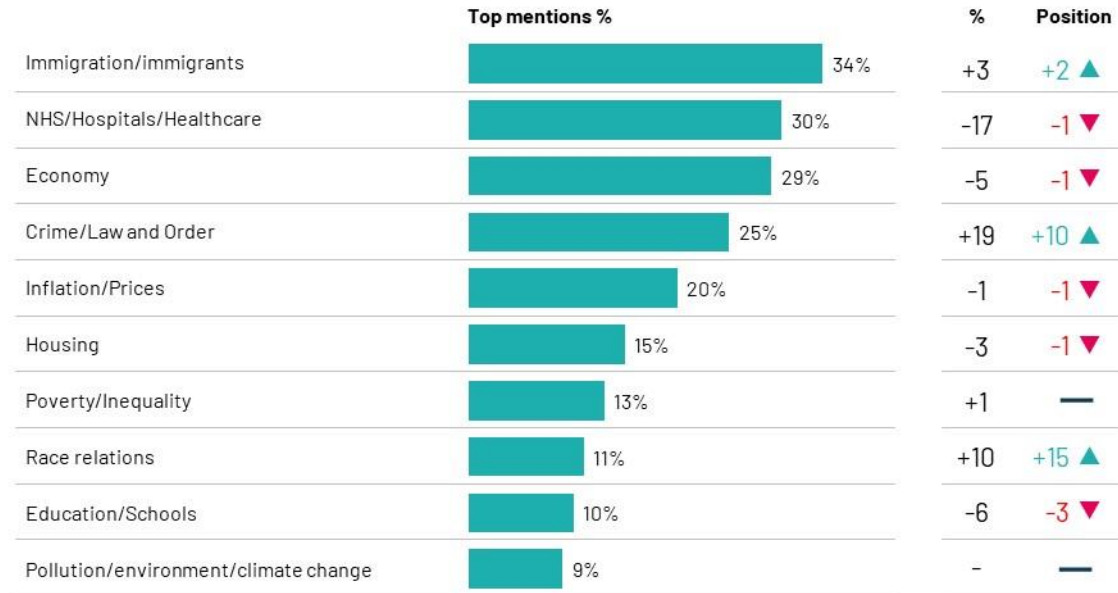
- **Mission driven government:**
Kickstart economic growth/ Clean energy superpower/ Take back our streets/ Break down barriers to opportunity/ NHS for future
- **Projects moving at pace: NPPF, devolution, net zero**
- **Reacting to the unplanned: summer riots**

Local government can help

Are our priorities shared by the public?

August 2024

What do you see as the most/other important issues facing Britain today?



Base: 1,010 British adults 18+, 7-13 August 2024

Delivering for our communities

- Difficult balance to strike
- Need immediate delivery on:
 - Significant and sustained increase in overall funding that reflects current and future demand
 - Multiyear and timely finance settlements
 - General rather than ring fenced grant funding, reduce fragmentation of funding and end competitive bidding for grants
- Update data and formulae in allocation model
- Provide additional freedoms and flexibilities
- Options to improve the local government funding system

What is our offer?

- A new central local partnership
- Embrace devolution
- We are going to have to improve – failing councils (regulation mind set)
- Public service reform – AI, public expectations
- Invest in prevention –compelling evidence
- Role to play in growth – build the houses, deliver the infrastructure
- Difficult conversations for us – what is local government for? What can we afford in the future?

We must look to the future