4th December 2023

Sent by email
Secretary of State for Levelling Up, Housing & Communities, Rt.Hon. Michael Gove MP
CC. Chancellor of the Exchequer, Rt.Hon. Jeremy Hunt MP

Dear Secretary of State for Levelling Up, Housing & Communities

Autumn Statement and Implications for County & Unitary Authorities

As Leaders of England's largest county and unitary authorities, we write collectively to you in response to the announcements made in the Autumn Statement.

Firstly, we want to start by welcoming the announcements on devolution. The County Councils Network (CCN) has worked hard with your officials over many months to secure these announcements. We look forward to powers and funding being devolved to many of our members and, in doing so, ensuring those areas that want a devolution deal secure this as soon as possible.

However, while these are welcome steps on devolution, the statement didn't address the severe and mounting financial pressures facing well run, county and unitary authorities. In the lead up to the Autumn Statement, CCN provided detailed evidence on the dire financial situation facing our councils, and indeed could not have been clearer on the consequences of not responding on our warnings.

As result of inflation permanently scarring our budgets and escalating demand for services, our councils face overspending their budgets by a collective £639m. This is contributing to a £4bn deficit over the next three years. Faced this with this financial outlook, some 1 in 10 of our councils were unsure or not confident they can balance their budget this year, growing to 4 in 10 next year, and 6 in 10 by 2026.

We understand that the public finances are tight, but the government had some fiscal headroom in the Autumn Statement to help ease these pressures outside of our control. However, no direct additional funding was provided to local government, and increases to the national living wage have added hundreds of millions of additional, unplanned, costs to our budgets. Moreover, in the lead up to the Statement, CCN put forward practical suggestions for reform in both children's services and home to school transport to reduce short and long-term costs, which unfortunately have not yet been acted upon.

The results of CCN's post-Autumn Statement budget survey[1] therefore show that our councils' financial position is significantly worse than before the Statement. The majority of CCN councils have no choice but to increase their planned level of service reductions, reduce investment on growth-creating capital projects, and levy higher council tax rises. For an increasing number, even this action will not be enough to balance the books, with CCN's survey now showing that seven in ten of our councils are now unsure or not confident they can deliver a balanced budget next year.

[1] https://www.countycouncilsnetwork.org.uk/councils-in-significantly-worse-financial-position-after-the-autumn-statement-with-seven-in-ten-now-unsure-if-they-can-balance-their-budget-next-year/

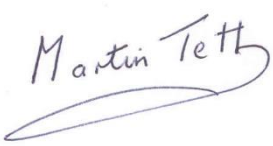
Local government is a vital part of the fabric of this country but every reduction in service erodes the role councils play in society and makes it harder to provide the important services businesses and communities rely on: from protecting the most vulnerable, regenerating their areas, to even the simple things such as keeping our streets clean.

There is still an opportunity to rectify the situation at this month's local government financial settlement. We therefore collectively urge you to make the strongest case possible to the Treasury for additional funding focused on children's social care and home to school transport. This should be coupled with CCN's reform proposals, which could help ease the burden on government finances and reduce long-term costs for councils.

Failure to provide additional funding would mean England's largest councils would face the prospect of outlining painful reductions to frontline services, raising council tax to the maximum permitted, and using reserves at unsustainable levels to balance budgets. This is a situation we would all want to avoid in a General Election year.

Your sincerely,

Cllr Martin Tett
Leader, Buckinghamshire Council



Cllr Lucy Nethsingha
Leader, Cambridgeshire County Council



Cllr Adam Zerny
Leader, Central Bedfordshire Council



Cllr Sam Corcoran
Leader, Cheshire East Council



Cllr Linda Taylor
Leader, Cornwall Council



Cllr Mark Fryer
Leader, Cumberland Council



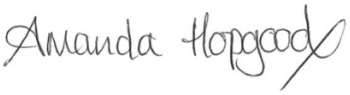
Cllr Barry Lewis
Leader, Derbyshire County Council



Cllr Spencer Flower
Leader, Dorset Council



Cllr Amanda Hopgood
Leader, Durham County Council



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CCN, 18 Smith Square, Westminster, London, SW1P 3HZ
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Cllr Anne Handley
Leader, East Riding Council



Cllr Keith Glazier
Leader, East Sussex County Council



Cllr Kevin Bentley
Leader, Essex County Council



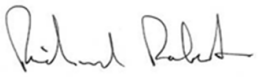
Cllr Mark Hawthorne
Leader, Gloucestershire County Council



Cllr Rob Humby
Leader, Hampshire County Council



Cllr Richard Roberts
Leader, Hertfordshire County Council



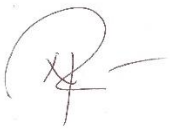
Cllr Jonathan Lester
Leader, Herefordshire Council



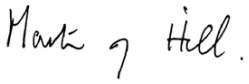
Cllr Roger Gough
Leader, Kent County Council



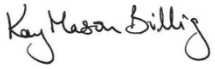
Cllr Nick Rushton
Leader, Leicestershire County Council



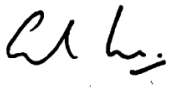
Cllr Martin Hill
Leader, Lincolnshire County Council



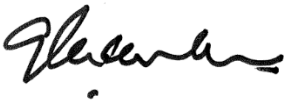
Cllr Kay Mason Billing
Leader, Norfolk County Council



Cllr Carl Les
Leader, North Yorkshire Council



Cllr Glen Sanderson
Leader, Northumberland County Council



Cllr Ben Bradley MP
Leader, Nottinghamshire County Council



Cllr Liz Leffman
Leader, Oxfordshire County Council



Cllr Lezley Picton
Leader, Shropshire Council



Cllr Bill Revans
Leader, Somerset Council



Cllr Alan White
Leader, Staffordshire County Council



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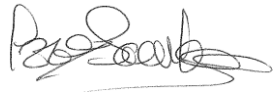
Cllr Matthew Hicks
Leader, Suffolk County Council



Cllr Tim Oliver
Leader, Surrey County Council



Cllr Izzi Seccombe
Leader, Warwickshire County Council



Cllr Jonathan Nunn
Leader, West Northamptonshire Council



Cllr Paul Marshall
Leader, West Sussex County Council



Cllr Simon Geraghty
Leader, Worcestershire County Council



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