



SIGOMA Submission to the 2024 Spring Budget

Submitted by Zoe Adams

SIGOMA Assistant Research and Communications Officer

Email: zoadams@barnsley.gov.uk



SIGOMA Submission to the 2024 Spring Budget

1. About SIGOMA

- 1.1. SIGOMA represents metropolitan and unitary authorities outside London, from the Southern Ports, the East Midlands, West Midlands, North West, North East and Yorkshire & Humber. The 48 SIGOMA councils are home to 14 million people and represent around 25% of council funding.
- 1.2. We represent large urban cities and many of the surrounding towns. Our authorities typically represent areas that have suffered most during post-industrial decline and benefitted least from the policy of linking funding to local prosperity. Whilst funding has fallen by 18.9% in real terms since 2010 for all local authorities, the fall for our members is much greater, -24%.
- 1.3. Deprivation continues to blight the prospects of many of our authorities. 44 of our 48 authorities are in the lower half of Government's 2019 Index of Multiple Deprivation (IMD) ranking¹, with 13 of the most deprived decile being SIGOMA members, including the top 6 most deprived.
- 1.4. Significantly, our authorities became relatively more deprived in the latest publication of the IMD, due in part to worsening conditions of our members but also due to the relative improving conditions of other authorities, placing us firmly in the "left behind" category.
- 1.5. As funding for authority services has fallen since 2010, reliance of residents on vital local services has increased due to austerity. There is a strong, pervasive and well documented link between deprivation and the demand for (and cost of delivering) services by local authorities. Our members have worse outcomes in health, education and employment.
- 1.6. SIGOMA councils, like all upper tier councils, have been held back from the brink of failure by successive one-off adult social care additional funding grants and the ability to raise an adult social care precept. However, we are starting from a lower, weaker tax base and generally benefit less from funding which is earned relative to local taxes such as business rates and Council Tax. Whilst additional funding is always welcome, a lack of certainty and weak funding base, increasingly unrelated to need, is undermining our services.

2. Household Support Fund

- 2.1. Local government makes a huge contribution to society through the provision of local public services. Working at the local level, they are able to work closely with residents to meet community needs, drive change and make services better.

¹ 2019 Index of Multiple Deprivation produced by MHCLG, measured in Chart 1 at county level

- 2.2. Through the Household Support Fund, local authorities have been able to provide support to low-income households, such as free school breakfasts, food vouchers, energy costs support, and items such as white goods. Although initially a cost-of-living support, this funding has become a lifeline for many deprived households.
- 2.3. Our members strongly welcome the Household Support Fund and would like to see it continue on a long-term basis.
- 2.4. The Household Support Fund is due to end on 31st March 2024, with no clear decision provided on its future. If the Fund is to end, there will be significant consequences:
 - Local authorities will not have the budgets to continue to provide the schemes they have delivered through the Household Support Fund. Therefore, the schemes will need to be shut down or significantly scaled back, leading to the withdrawal of vital support for low-income households.
 - The loss of the Household Support Fund schemes could see demand for other council services increase as low-income households seek support from other council services.
 - Many local authorities have employed dedicated staff to deliver their Household Support Fund schemes. The end of these schemes will mean a loss of employment for these staff members.
- 2.5. Therefore, we urge the Chancellor to continue the Household Support Fund in the Spring Budget, with a clear long-term future for its continuation.

3. Children's Services

- 3.1. Local authorities are currently under extreme financial pressure, with the Local Government Association citing a £3bn funding gap for local government over the next two years just to keep services standing still². This has been driven significantly by funding cuts, high inflation and rising demand for services.
- 3.2. Many local authorities are now warning of their risk of a Section 114 notice over the next two years without a material increase in support from government. The provisional local government finance settlement failed to deliver this.

² LGA (2023). 'LGA analysis - Councils face almost £3 billion funding gap over next two years'.



- 3.3. Children's Services is a driving force of these budgetary pressures for many upper-tier local authorities. For SIGOMA authorities, the percentage of Core Spending Power they spend on Children's Services has increased from 15% in 2010-11 to 29% in 2022-23. For some of our members, this figure can be as high as 45%.
- 3.4. Our members have told us that the cost of delivering children's social care is reaching unsustainable levels, caused by demand and inflationary-led pressures.
- 3.5. Without support for children's social care in the Spring Budget, many local authorities will be facing a Section 114 risk, and vulnerable children will be put at risk.

4. Our asks for the Spring Budget

- 4.1. Continue the Household Support Fund beyond 31st March 2024, ensuring vital support for the most deprived households does not come to an end.
- 4.2. Make the Household Support Fund permanent so local authorities have certainty over the future of the Fund, and low-income households have a lifeline.
- 4.3. Provide additional funding for children's social care, similar to the additional funding provided for adult's social care at the 2022 Autumn Statement, to relieve the cost pressures of this area for local authorities and prevent further Section 114 notices.
- 4.4. Change the Adult Social Care Precept added to Council Tax to the Social Care Precept, giving local authorities the opportunity to use funding raised through the precept on children's and adults social care, wherever it is most needed.