

The Chancellor's 2024 Spring Budget

Purpose of Report

For information.

Is this report confidential? No

Summary

This report provides a summary of the work by the LGA ahead of the Chancellor's 2024 Spring Budget.

LGA Plan Theme: A sustainable financial future

Recommendation(s)

Recommendation

That Members of the Executive Advisory Board note this update.

Action

Officers will proceed with the delivery of the LGA's work on local government finance.

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The Chancellor's 2024 Spring Budget

Background

1. This report provides a summary of work by the LGA in the lead up to the Chancellor's 2024 Spring Budget.
2. The Budget will take place on 6 March. As Executive Advisory Board (EAB) takes place the following day it is not possible to include a written summary of the announcements in the Chancellor's Budget in this paper. The LGA's on-the-day briefing will be sent to EAB members on the day of the announcement and will also be tabled at the EAB meeting.

LGA Spring Budget Submission

3. The Chair and Group Leaders agreed that the LGA's submission to the 2024 Spring Budget would be a letter setting out:
 - 3.1. the financial challenges faced by the sector; and
 - 3.2. how local government can support the Chancellor in delivering his budget.
4. The [letter](#) was cleared by the Chair and Group Leaders. In order to meet HM Treasury's official submission deadline, the letter was submitted before the £600 million of additional funding in the Final Local Government Finance Settlement was announced.

Financial challenges

5. The first part of the letter set out the financial challenges currently faced by the sector including the £4 billion funding gap facing local government over this year and next, and the pressures on social care, home to school transport and homelessness services. We also referred to the innovative actions such as transforming the way services are delivered through greater digitalisation and introducing shared service arrangements.
6. To address the pressures we have called on the Government to:
 - 6.1. Provide funding for councils that reflects current and future demands for services
 - 6.2. Provide multi-year and timely settlements for councils to allow them to plan and make meaningful financial decisions;
 - 6.3. Ensure that funding is sufficient for councils to recruit and retain appropriate numbers of skilled staff;
 - 6.4. Ensure that any new policy on the National Living Wage is matched by funding for councils to cover the cost; and

- 6.5. Adopt a renewed focus on prevention to address existing and future demand for services such as social care and homelessness support.

The offer from councils

7. The second part of the submission focused on the contribution that councils can make to the delivery of key government policies while also protecting the public purse. This section drew on early thinking for the LGA's White Paper identifying three core areas where we feel there is strong evidence that investing in and empowering councils will deliver a strong return for government:
 - 7.1. Driving economic growth including through skills and housing
 - 7.2. Delivering better life opportunities while protecting the public purse through sport and cultural services, and preventative public health; and
 - 7.3. Convening power and understanding place to improve public services including delivering net zero and special educational needs and disabilities.

Lobbying activity ahead of the Spring Budget

8. There has been a continuous programme of lobbying activity on local government finance from the lead up to the 2023 Autumn Statement onwards. The Board was last given an update on this activity at its meeting on 25 January.
9. Since then, we have continued to lobby in support of our key lines. In particular, LGA engagement with DLUHC, in concert with a small number of other sector bodies, was instrumental in the sector receiving the additional £600 million ahead of the 2024/25 Final Local Government Settlement.
10. Our main **news media activity** included:
 - 10.1. Briefing ITV News, Sky News and Politics Home on the funding pressures facing councils and our response to the 2024/25 Provisional Local Government Finance Settlement.
 - 10.2. Briefing LGA Vice-Chair Cllr Joe Harris ahead of an interview with the current affairs podcast Pod saves the UK.
 - 10.3. [BBC Online](#) reported our lines on the need for government to come up with a longer-term plan to sufficiently fund local services, following its analysis showing UK councils owe a combined £97.8 billion to lenders. Our statement was also issued to LBC News and reported across BBC local radio. LGA Vice Chair Cllr Joe Harris was interviewed live about this issue on LBC.

- 10.4. Chair Cllr Shaun Davies was interviewed live on BBC Radio 4's World at One programme to discuss the £600 million additional funding announced for councils.
- 10.5. Community Wellbeing Board Chairman, Cllr David Fothergill, was interviewed by Channel 4 News about cost pressures around adult social care.
- 10.6. Cllr Louise Gittins was interviewed on [BBC Breakfast](#) on the findings of Coram's report on the pressure on childcare places for children with SEND.
- 10.7. We have issued a statement in response to a report by the Levelling Up, Housing and Communities Committee on the state of local government finances. The report references much of the LGA's evidence to the Committee. We briefed BBC Radio 4's Today and Good Morning Britain on our lines.
- 10.8. We issued a [press release](#) calling for the continuation of the Household Support Fund. This was in support of an LGA [survey](#) on the implications of the ending of the scheme.
- 10.9. We are currently finalising analysis of two surveys of council chief executives on the 2024/25 budget setting process and the impact of financial pressures on different service areas. Subject to members' approval there will be a range of media opportunities to use this material.
11. In terms of **Parliamentary and departmental lobbying** our main activities have included:
 - 11.1. Disseminating the LGA's [Spring Budget submission](#) to MPs and Peers.
 - 11.2. Briefing external stakeholders such as DHSC, London Councils and Carers UK on the LGA's Spring Budget submission
 - 11.3. Briefing Marcus Fysh MP on the Local Government Finance Settlement and our Budget submission ahead of his Westminster Hall debate on [the funding and governance of Somerset Council](#).
 - 11.4. LGA Chair met and discussed the final Local Government Finance Settlement with the Minister for Social Care Helen Whately MP.
 - 11.5. [Briefing MPs](#) ahead of the House of Commons debate on the final LFGS
 - 11.6. Briefing Steve Double MP ahead of his adjournment Debate on [funding for public services in Cornwall](#).

- 11.7. Submitting written evidence to the Public Accounts Committee inquiry on [reforming adult social care in England](#), which contained our lines on the need for extra funding.
- 11.8. Our evidence on financial distress in local authorities was referenced in the LUHC Committee's [final report](#), specifically in relation to adult social care and the funding gaps faced by councils. We were directly referenced throughout the subsequent [House of Commons debate on the report](#).
12. In terms of **marketing and social media lobbying** our main activity has included:
- 12.1. A thread promoting the [LGA's urgent call for an extension and sustainable funding to the household support fund](#) using our survey results (25k+ impressions) and reshares from a range of mayors, MPs, and relevant organisations (combined 700+ webpage views).
- 12.2. Promotion of our response on Twitter/X to the [announcement on extra £600 million in council funding for 2024/25](#) (2.2k+ impressions) with more than 690 page views on the website.
- 12.3. Dedicated post promoting the [LGA submission to the Spring Budget](#) (1.5k+ impressions), promoted in the Chair and Chief Executive weekly bulletin.
- 12.4. Other social media posts focusing on a range of topics, including calls for long-term sustainable funding following [publication of Coram-commissioned report, public health funding pressures and grant allocation](#), and the [LGA's statement on the LUHC Committee report on local government finances](#) (10.7k+ impressions in total).

Activity on the day of the Spring Budget

13. We will publish an on the day briefing and accompanying press release on the day of the Budget.

Implications for Wales

14. Any new funding announced in the Spring Budget 2024 will have an impact on Welsh councils through the Barnett consequential system and subsequent decisions by the Welsh government. The Welsh LGA is leading on work related to this although we are engaging regularly with the Welsh LGA and the other local government bodies in the devolved nations to exchange intelligence, ideas and consider joint work.

Financial Implications

15. The work described in this paper is part of the LGA's core programme of work and is funded from core LGA 2023/24 budgets.

Equalities implications

16. This paper outlines the lobbying work the LGA has undertaken ahead of the Spring Budget to support council finances. These issues affect councils and their residents as a whole and it is difficult to assess what individual impacts there are on people with protected characteristics. Improving the funding position of councils should help councils to fund work that improves services for those with protected characteristics.

Next steps

17. Members are asked to note this update.

18. Officers will proceed with the delivery of the LGA's work in advance of and following the Spring Budget.