

12th January 2024

Rt Hon Rishi Sunak MP,
Prime Minister,
10 Downing Street,
London, SW1A 2AB

Rt Hon Michael Gove MP,
Secretary of State, DLUHC,
2 Marsham Street,
London, SW1P 4DF.

Dear Rishi and Michael,

Impact of the Autumn Statement on County and Unitary Council Finances

We are writing to you as MPs representing county and rural areas, as we are keen to ensure that the funding needs of local authorities in our areas are properly recognised during the upcoming Local Government Finance Settlement.

In the lead up to the Autumn Statement we were exceptionally concerned about evidence produced by the County Councils Network (CCN) on the financial situation facing county and unitary councils. This showed that as a result of the prolonged higher inflation and escalating demand for services, county and unitary councils were facing overspending their budgets by almost £650m this year. In total, they face a funding shortfall of £4bn over the next three years, with planned savings only reducing this by half.

Whilst there were many brilliant announcements in the Autumn Statement, we were disappointed that it did not provide any additional support to local government, despite the strong rumours that had circulated in advance.

Furthermore, the national Living Wage increase that was announced, whilst welcome to the individuals and families that we represent, will add hundreds of millions of additional, unplanned, costs to councils' budgets.

On December 5th, Leaders of CCN member councils collectively wrote to you clearly setting out that this has left county and unitary councils in our areas significantly worse off than before the Autumn Statement and called on the government to provide further funding at the Provisional Local Government Settlement.¹ However, the provisional settlement, published on 18th December, did not bring forward any further financial support.

The past twelve months have been tough financially for many of the communities that we represent given the unprecedented level of inflation and demand for services. We are therefore exceptionally concerned that without any additional investment, the overwhelming majority of upper tier councils in our areas are planning service reductions and higher council tax in order that they can pass a balanced budget for the next financial year, as they are legally required to do.

There is still an opportunity to rectify the situation and ensure MPs are able to support the vote on the Local Government Settlement within the House of Commons in early February. We would therefore urge you to do all you can to use the Final Local Government Finance

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/>

Settlement to provide additional funding for local government to ensure that the councils in our areas can continue to provide the services that our residents depend upon on a regular basis.

Furthermore, given the pressures that are being exerted on budgets we believe that any additional funding you are able to secure should be directed towards children's services and home to school transport as combined these are exerting unprecedented pressure on local government services.

As a fellow MP for a county area, we are sure that you will find the prospect of residents in county and rural areas being impacted in such a way at this time concerning. We hope that you will be able to work with the Treasury to ensure that these points are addressed as part of the LGFS process and ensure that vital services in county areas continue to receive an appropriate level of funding for the coming year.

Yours sincerely,

Cllr Ben Bradley MP, Chair, County APPG
Peter Aldous MP
Caroline Ansell MP
Harriet Baldwin MP
Sir Jake Berry MP
Steve Brine MP
Rt Hon Greg Clark MP
Rt Hon Dr Thérèse Coffey MP
Alberto Costa MP
Dame Caroline Dinenage MP
Flick Drummond MP
Sarah Dyke MP
Vicky Ford MP*
George Freeman MP
Mark Garnier MP
Rt Hon Damian Green MP
Rt Hon Sir Robert Goodwill MP
Sally Ann Hart MP
Gordon Henderson MP
Darren Henry MP
Tom Hunt MP
Rt Hon Robert Jenrick MP
Danny Kruger MP

Pauline Latham OBE MP
Andrew Lewer MP
Tim Loughton MP
Rt Hon Sir Brandon Lewis MP
Sir Julian Lewis MP
Ian Liddell-Grainger MP
Chris Loder MP
Karl McCartney MP
Rt Hon Kit Malthouse MP
Nigel Mills MP
Rt Hon Caroline Noakes MP
Neil O'Brien MP
Rt Hon Priti Patel MP
Dr Dan Poulter MP*
Tom Randall MP
Bob Seely MP*
Andrew Selous MP
Rt Hon Sir Desmond Swayne MP
Derek Thomas MP
Robin Walker MP
James Wild MP
Heather Wheeler MP
Daniel Zeichner MP

**These names were added after the initial submission to government*