

MHCLG June financial information survey – breakdown of results

Introduction

The LGA is working with the Government to ensure that all councils have the funding they need to do whatever it takes to keep supporting communities, local economies, the care sector and health service during the COVID-19 crisis.

In order to provide the most robust evidence to government on the financial challenges they face, councils have been completing detailed monthly returns to the Ministry of Housing, Communities and Local Government.

The LGA's analysis of the latest returns shows that

- The overall financial impact of COVID-19 could be as much as £11 billion, This figure will need to be kept under review and is subject to change depending on how the pandemic develops.
- Around 60 per cent of the financial challenge related to lost tax income (council tax and business rates) and non-tax income (mostly sales, fees and charges). The rest would be needed to cover extra cost pressures as a result of the pandemic.
- Different councils will face a different mix of pressures, but overall the majority of the cost pressures (and the largest part of the spending of the £3.2 billion grant) is related to adult social care.

The survey was conducted before the Government announced its newest package of measures on 2 July, including a further £500 million to help with cost pressures and an arrangement to share losses of sales, fees and charges.

While these measures are a step in the right direction, we maintain our call to Government to meet all extra cost pressures and income losses from fees and charges and other sources, including taxes and commercial activity, in full if councils are to avoid having to make tough decisions on in-year cuts to services to meet their legal duty to set a balanced budget this year.

Technical notes

Data used in the analysis has been taken without any adjustments from the responses submitted by councils to MHCLG, with two exceptions:

- Business rates cash loss figures have been adjusted to net off the loss attributable to COVID-19 reliefs, as councils were asked to report on a gross basis. Not doing so would have resulted in double-counting of around £12 billion.
- In two-tier areas, district councils were asked to account for the full impact of non-collected tax, including the county share, while counties were asked to report £0. We have made adjustments to assign part of that cash loss to county councils. For council tax, this was based on the relative share of county precepts in council tax bills in each district area. On business rates, standard 50% retention-based tier splits were used to allocate a share of the districts' business rates to the counties.

In this dataset, the billing authority figures still carry the tax loss impacts potentially attributable to other preceptors and the central share. Any solution to this specific aspect of the financial challenge will need to keep the impact on all the stakeholders in mind and until a solution is found, the billing authority carries the potential cash exposure in this year and future years.

Total financial challenge in 2020/21 (before grants)

	Total projected cost pressures, 2020/21 £ million	Total projected income losses (non-tax), 2020/21 £ million	Total challenge before lost tax income £ million	Lost tax income (excludes COVID-19 reliefs) £ million	Total financial challenge (before grants), 2020/21 £ million
Total	4,400.21	2,820.70	7,220.91	3,717.39	10,938.29
Shire Counties	1,338.58	270.60	1,609.18	586.63	2,195.81
Unitary Authorities	1,079.55	713.76	1,793.31	710.92	2,504.23
Metropolitan Districts	1,009.89	645.09	1,654.98	643.52	2,298.51
London	739.96	558.49	1,298.44	1,186.18	2,484.62
Shire Districts	232.24	632.75	864.99	590.13	1,455.12
South East	659.21	450.09	1,109.30	542.51	1,651.81
South West	440.69	274.79	715.48	293.62	1,009.10
North West	688.68	463.83	1,152.50	431.55	1,584.05
North East	215.96	134.90	350.86	111.94	462.80
East of England	415.71	297.52	713.23	369.50	1,082.73
London	739.96	558.49	1,298.44	1,186.18	2,484.62
Yorkshire and the Humber	397.78	224.42	622.20	330.08	952.27
East Midlands	378.02	197.21	575.24	198.61	773.84
West Midlands	464.21	219.45	683.66	253.41	937.07

	Projected cost pressures as a share of the total challenge, 2020/21 %	Projected non-tax income losses as a share of the total challenge, 2020/21 %	Projected tax income losses as a share of the total challenge, 2020/21 %
Total	40.2%	25.8%	34.0%
Shire Counties	61.0%	12.3%	26.7%
Unitary Authorities	43.1%	28.5%	28.4%
Metropolitan Districts	43.9%	28.1%	28.0%
London	29.8%	22.5%	47.7%
Shire Districts	16.0%	43.5%	40.6%
South East	39.9%	27.2%	32.8%
South West	43.7%	27.2%	29.1%
North West	43.5%	29.3%	27.2%
North East	46.7%	29.1%	24.2%
East of England	38.4%	27.5%	34.1%
London	29.8%	22.5%	47.7%
Yorkshire and the Humber	41.8%	23.6%	34.7%
East Midlands	48.8%	25.5%	25.7%
West Midlands	49.5%	23.4%	27.0%

Total financial challenge in to date (before grants)

	Total projected cost pressures, March-June 2020 £ million	Total projected income losses (non-tax), March-June 2020 £ million	Total challenge before lost tax income, March-June 2020 £ million	Lost tax income (excludes COVID-19 reliefs), March-June 2020 £ million	Total financial challenge (before grants), March-June 2020 £ million
Total	1,896.29	1,403.69	3,299.98	1,502.46	4,802.45
Shire Counties	473.17	151.52	624.68	207.30	831.98
Unitary Authorities	490.26	356.98	847.24	318.56	1,165.81
Metropolitan Districts	504.21	304.81	809.02	225.69	1,034.71
London	319.35	282.25	601.60	488.22	1,089.82
Shire Districts	109.31	308.12	417.43	262.70	680.12
South East	259.53	237.87	497.40	231.44	728.84
South West	201.04	136.69	337.73	105.66	443.39
North West	289.66	176.53	466.19	151.96	618.14
North East	87.40	66.57	153.97	47.98	201.94
East of England	164.35	141.79	306.14	154.42	460.55
London	319.35	282.25	601.60	488.22	1,089.82
Yorkshire and the Humber	199.44	113.70	313.13	135.02	448.16
East Midlands	135.12	107.10	242.22	94.84	337.06
West Midlands	240.41	141.22	381.63	92.94	474.57

	Projected cost pressures as a share of the total challenge, March-June 2020 %	Projected non-tax income losses as a share of the total challenge, March-June 2020 %	Projected tax income losses as a share of the total challenge, March-June 2020 %
Total	39.5%	29.2%	31.3%
Shire Counties	56.9%	18.2%	24.9%
Unitary Authorities	42.1%	30.6%	27.3%
Metropolitan Districts	48.7%	29.5%	21.8%
London	29.3%	25.9%	44.8%
Shire Districts	16.1%	45.3%	38.6%
South East	35.6%	32.6%	31.8%
South West	45.3%	30.8%	23.8%
North West	46.9%	28.6%	24.6%
North East	43.3%	33.0%	23.8%
East of England	35.7%	30.8%	33.5%
London	29.3%	25.9%	44.8%
Yorkshire and the Humber	44.5%	25.4%	30.1%
East Midlands	40.1%	31.8%	28.1%
West Midlands	50.7%	29.8%	19.6%

How councils have prioritised their share of the £3.2 billion

	Adult social care	Children's social care	Education	Housing and homelessness	Highways and transport	Public health	Cultural services	Environmental and regulatory (incl death management)	Police, fire and rescue	Planning & development	Finance and corporate services	Other	Unallocated
Total	40%	8%	5%	5%	5%	1%	6%	6%	0%	1%	5%	17%	2%
Shire Counties													
Shire Counties	53%	9%	7%	0%	4%	0%	1%	4%	0%	0%	4%	16%	0%
Unitary Authorities													
Unitary Authorities	42%	8%	6%	4%	6%	1%	5%	5%	0%	2%	3%	16%	1%
Metropolitan Districts													
Metropolitan Districts	39%	10%	4%	5%	3%	1%	7%	6%	0%	1%	4%	18%	2%
London													
London	30%	7%	4%	11%	5%	1%	4%	7%	0%	1%	7%	19%	3%
Shire Districts													
Shire Districts	0%	0%	0%	13%	10%	0%	23%	8%	0%	4%	14%	17%	10%
South East													
South East	41%	9%	4%	4%	8%	0%	6%	4%	0%	2%	7%	13%	2%
South West													
South West	45%	8%	6%	4%	4%	2%	3%	6%	0%	2%	3%	16%	1%
North West													
North West	46%	9%	7%	5%	3%	2%	6%	5%	0%	0%	6%	12%	0%
North East													
North East	41%	9%	6%	1%	3%	0%	5%	5%	0%	3%	2%	17%	8%
East of England													
East of England	43%	7%	4%	4%	6%	0%	6%	5%	0%	1%	4%	20%	1%
London													
London	30%	7%	4%	11%	5%	1%	4%	7%	0%	1%	7%	19%	3%
Yorkshire and the Humber													
Yorkshire and the Humber	39%	9%	5%	4%	3%	0%	9%	5%	0%	0%	3%	20%	1%
East Midlands													
East Midlands	38%	8%	6%	2%	4%	0%	5%	7%	0%	1%	5%	21%	3%
West Midlands													
West Midlands	37%	8%	6%	4%	6%	0%	7%	8%	0%	1%	3%	18%	1%

Projected cost pressures, FY 2020/21

Excludes councils not in sample

	Adult social care	Children's social care	Education	Housing and homelessness	Highways and transport	Public health	Cultural services	Environmental and regulatory (incl death management)	Police, fire and rescue	Planning & development	Finance and corporate services	Other	Total
Total	1,788.02	305.04	254.35	205.21	62.46	95.71	191.65	219.78	2.51	14.58	274.04	986.87	4,400.21
Shire Counties	691.35	110.19	108.22	5.18	30.60	5.44	5.21	47.77	1.65	1.35	43.57	288.06	1,338.58
Unitary Authorities	492.83	80.61	74.18	44.30	13.38	26.56	38.94	52.98	0.54	6.81	57.25	191.17	1,079.55
Metropolitan Districts	384.55	68.60	36.22	35.87	7.54	50.23	46.35	53.22	0.00	0.54	84.78	241.99	1,009.89
London	218.55	45.64	35.74	77.60	10.46	12.14	25.16	42.62	0.32	3.86	51.18	216.70	739.96
Shire Districts	0.74	0.00	0.00	42.26	0.49	1.34	75.99	23.19	0.00	2.03	37.26	48.94	232.24
South East	290.00	53.74	33.25	30.30	17.03	4.14	36.33	29.35	0.86	0.49	39.74	123.97	659.21
South West	195.76	33.16	30.70	16.06	5.25	10.20	17.66	23.91	0.67	2.91	29.12	75.29	440.69
North West	303.79	42.06	39.77	23.91	9.30	36.96	31.60	33.07	0.06	1.15	54.39	112.62	688.68
North East	97.81	16.98	16.45	2.21	2.08	3.99	7.68	12.08	0.05	3.87	11.59	41.20	215.96
East of England	201.53	29.33	17.85	14.52	3.52	2.03	13.18	17.75	0.35	0.52	15.66	99.47	415.71
London	218.55	45.64	35.74	77.60	10.46	12.14	25.16	42.62	0.32	3.86	51.18	216.70	739.96
Yorkshire and the Humber	140.03	29.01	19.73	9.55	4.26	11.05	21.29	16.27	0.00	0.24	17.02	129.32	397.78
East Midlands	156.18	26.21	30.39	7.70	6.85	6.04	19.79	16.96	0.01	1.19	21.62	85.07	378.02
West Midlands	184.38	28.92	30.48	23.33	3.71	9.17	18.96	27.77	0.18	0.35	33.73	103.22	464.21

Projected cost pressures, March to June only

Excludes councils not in sample

	Adult social care	Children's social care	Education	Housing and homelessness	Highways and transport	Public health	Cultural services	Environmental and regulatory (incl death management)	Police, fire and rescue	Planning & development	Finance and corporate services	Other	Total
Total	852.55	104.18	49.08	97.25	30.19	17.12	72.94	140.73	1.87	6.92	127.69	395.89	1,896.39
Shire Counties	288.90	23.95	15.45	2.32	12.55	2.73	2.52	32.95	1.05	0.50	24.29	65.99	177.66
Unitary Authorities	239.79	32.75	10.01	25.65	8.14	5.70	17.26	31.46	0.47	2.12	25.13	91.81	180.02
Metropolitan Districts	216.59	32.15	15.80	21.26	5.32	5.16	18.64	35.02	0.00	0.24	34.73	119.32	158.49
London	106.64	15.33	7.81	24.22	3.85	2.52	10.42	29.02	0.34	2.74	20.26	96.21	133.44
Shire Districts	0.63	0.00	0.00	23.80	0.33	1.01	24.10	12.28	0.00	1.31	23.27	22.57	52.71
South East	127.71	8.59	9.50	16.58	7.38	1.91	14.27	17.11	0.53	0.59	21.11	34.27	105.80
South West	101.09	10.95	1.89	9.60	4.70	4.52	7.67	16.51	0.47	0.79	10.40	32.45	78.77
North West	137.71	10.42	8.12	11.54	6.54	4.74	10.69	17.78	0.07	0.38	22.34	59.36	96.52
North East	42.75	6.52	3.02	1.17	2.27	0.70	3.40	5.53	0.08	1.03	4.66	16.28	28.93
East of England	87.52	6.12	2.14	8.59	0.93	0.96	3.90	10.50	0.24	0.28	9.49	33.71	56.15
London	106.64	15.33	7.81	24.22	3.85	2.52	10.42	29.02	0.34	2.74	20.26	96.21	133.44
Yorkshire and the Humber	85.01	12.08	3.53	6.03	1.58	0.43	6.99	9.25	0.00	0.09	9.73	64.72	75.28
East Midlands	53.87	13.40	4.02	4.41	1.55	0.32	5.97	11.44	0.01	0.75	12.45	26.94	52.59
West Midlands	110.25	20.79	9.04	15.12	1.40	1.01	9.63	23.59	0.13	0.28	17.25	31.93	74.85

Total projected income losses for 2020/21 - absolute numbers

	Retained business rates (less COVID-19 reliefs)	Council tax	Sales fees and charges	Commercial income	Other	Total projected income losses
	£ million	£ million	£ million	£ million	£ million	£ million
Total	1,868.35	1,849.04	1,957.60	625.79	237.31	6,538.08
Shire Counties	40.81	545.81	155.65	47.88	67.07	857.23
Unitary Authorities	284.02	426.90	516.24	157.29	40.23	1,424.68
Metropolitan Districts	291.99	351.54	352.62	244.54	47.93	1,288.61
London	859.89	326.29	460.21	64.34	33.94	1,744.67
Shire Districts	391.64	198.497	472.88	111.74	48.14	1,222.89
South East	202.91	339.60	320.20	88.65	41.24	992.60
South West	89.16	204.46	220.19	33.90	20.70	568.41
North West	169.15	262.39	208.02	223.87	31.94	895.37
North East	34.85	77.09	106.24	17.03	11.63	246.84
East of England	139.29	230.21	194.05	85.52	17.96	667.02
London	859.89	326.29	460.21	64.34	33.94	1,744.67
Yorkshire and the Humber	146.07	184.00	176.88	31.94	15.60	554.50
East Midlands	93.44	105.16	123.25	44.01	29.96	395.82
West Midlands	133.58	119.83	148.57	36.53	34.36	472.86

Projected income losses for 2020/21 - breakdown by source

As share of the total projected income losses				
	Retained business rates (less COVID-19 reliefs)	Council tax	Total local taxation	Non-tax
	%	%	%	%
Total	29%	28%	57%	43%
Shire Counties	5%	64%	68%	32%
Unitary Authorities	20%	30%	50%	50%
Metropolitan Districts	23%	27%	50%	50%
London	49%	19%	68%	32%
Shire Districts	32%	16%	48%	52%
South East	20%	34%	55%	45%
South West	16%	36%	52%	48%
North West	19%	29%	48%	52%
North East	14%	31%	45%	55%
East of England	21%	35%	55%	45%
London	49%	19%	68%	32%
Yorkshire and the Humber	26%	33%	60%	40%
East Midlands	24%	27%	50%	50%
West Midlands	28%	25%	54%	46%

Total projected income losses for March - June - absolute numbers

	Retained business rates (less COVID-19 reliefs)	Council tax	Sales fees and charges	Commercial income	Other	Total projected income losses
	£ million	£ million	£ million	£ million	£ million	£ million
Total	783.28	719.19	1,023.14	256.28	124.27	2,906.15
Shire Counties	18.60	188.70	92.09	28.62	30.80	358.81
Unitary Authorities	155.57	162.99	272.88	63.11	21.00	675.54
Metropolitan Districts	93.02	132.67	193.02	78.97	32.82	530.50
London	329.11	159.11	231.22	32.42	18.62	770.47
Shire Districts	186.98	75.72	233.93	53.16	21.04	570.82
South East	109.73	121.72	177.79	42.91	17.17	469.32
South West	39.44	66.22	108.71	20.18	7.80	242.35
North West	57.33	94.63	98.25	56.36	21.91	328.48
North East	15.77	32.20	50.34	8.85	7.38	114.54
East of England	75.01	79.41	98.62	30.32	12.85	296.21
London	329.11	159.11	231.22	32.42	18.62	770.47
Yorkshire and the Humber	62.28	72.75	90.00	16.61	7.09	248.72
East Midlands	48.65	46.19	71.70	25.42	9.99	201.94
West Midlands	45.96	46.98	96.53	23.21	21.48	234.16

Projected income losses for March - June - breakdown by source

As share of the total projected income losses				
	Retained business rates (less COVID-19 reliefs)	Council tax	Total local taxation	Non-tax
	%	%	%	%
Total	27%	25%	52%	48%
Shire Counties	5%	53%	58%	42%
Unitary Authorities	23%	24%	47%	53%
Metropolitan Districts	18%	25%	43%	57%
London	43%	21%	63%	37%
Shire Districts	33%	13%	46%	54%
South East	23%	26%	49%	51%
South West	16%	27%	44%	56%
North West	17%	29%	46%	54%
North East	14%	28%	42%	58%
East of England	25%	27%	52%	48%
London	43%	21%	63%	37%
Yorkshire and the Humber	25%	29%	54%	46%
East Midlands	24%	23%	47%	53%
West Midlands	20%	20%	40%	60%