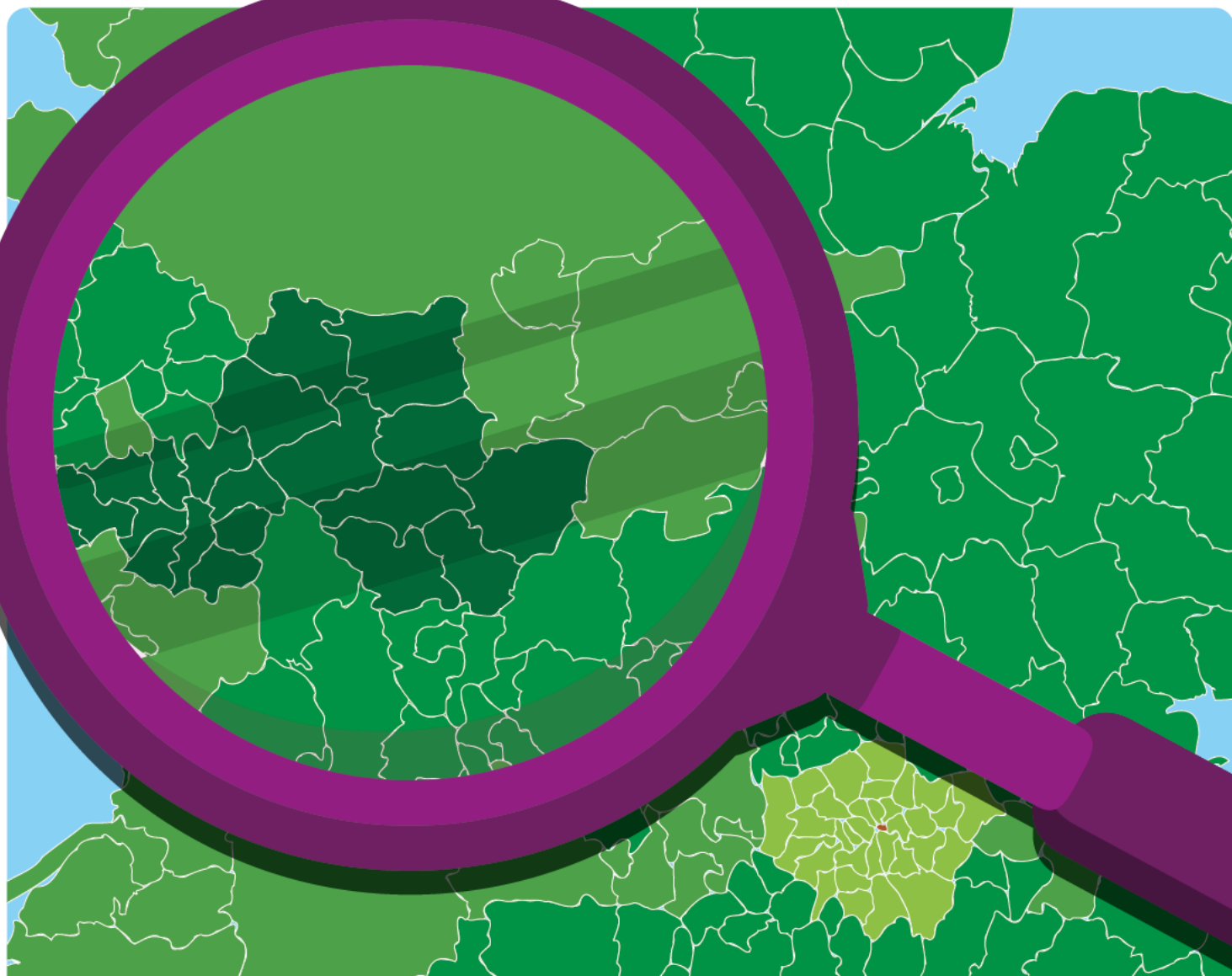


Council finances and Autumn Budget 2024

Survey of chief executives



Research report

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Summary

Background

In September and October 2024, the Local Government Association (LGA) distributed an online survey to all council chief executives in England. The purpose of the survey was to gauge councils' financial positions in advance of the 2024 Autumn Budget, and in particular their likelihood of needing to apply for exceptional financial support (EFS) from the Ministry of Housing, Communities and Local Government (MHCLG) in the next few financial years, if they do not receive additional funding. A total of 195 councils responded – a response rate of 62 per cent.

Key findings

- One in four councils (25 per cent) were very or fairly likely to apply for EFS within the next couple of financial years.
- Over four in ten social care councils (44 per cent) were likely to apply for EFS in this time period.
- One in ten (10 per cent) reported having a conversation with MHCLG to discuss the possibility of requesting EFS during the current financial year.
- The five service areas of most concern in budget setting for 2025/26 for social care councils were children's social care (ranked in the top five by 93 per cent of respondents), adult social care (90 per cent), special educational needs and disabilities (SEND, 80 per cent), home to school transport (65 per cent), and homelessness and temporary accommodation (64 per cent).
- The five areas of most concern in budget setting for district councils were homelessness and temporary accommodation (85 per cent), waste collection and disposal (82 per cent), planning and development (62 per cent), capital expenditure (50 per cent) and culture and leisure (47 per cent).

- Two thirds (66 per cent) of all relevant councils said that parks and green spaces in their area are likely to be negatively impacted by cost savings needed for their 2025/26 budget, while 62 per cent said the same of sport and leisure services.
- Almost 8 in 10 (79 per cent) of social care councils said that services to support disabled adults and/or older people are likely to be negatively impacted by 2025/26 cost savings, with 68 per cent reporting the same about home to school transport and 63 per cent about services and support for children, young people and families.
- Over half (55 per cent) of districts said that museums, galleries and theatres would be negatively impacted in 2025/26, with planning and development and building control services also negatively impacted in this way (reported by 35 per cent and 27 per cent of districts respectively).

Introduction

In September and October 2024, the Local Government Association (LGA) distributed an online survey to all council chief executives in England. The purpose of the survey was to gauge councils' financial positions in advance of the 2024 Autumn Budget, and in particular their likelihood of needing to apply for exceptional financial support (EFS) from the Ministry of Housing, Communities and Local Government (MHCLG) in the next few financial years, if they do not receive additional funding.

Methodology

On 23 September 2024, the LGA's Research and Information Team distributed the online survey by email to all council chief executives in England. The survey was completely anonymous, so that no council's response could be identified. Chief executives responsible for more than one council were asked to complete separate surveys for each council they represent.

Of the 317 councils in England, a total of 195 responded to the survey – a response rate of 62 per cent. Whilst these respondents may not be fully representative of all councils, this level of response means that the results are likely to provide a good indication of the position of the sector more widely.

Table 1 shows the response rates for each type of council, showing that, whilst response rates varied between council types, all had a response rate of at least 50 per cent, ranging from 52 per cent of county councils to 75 per cent of unitary authorities. To make the results more representative of council types, the data was weighted to increase the influence of disproportionately underrepresented types, such as county councils, and to decrease the influence of disproportionately overrepresented types, such as unitary authorities. All results in the main body of the report have been weighted in this manner.

Table 1: Response rate by type of council

Type	Total number of councils	Number of responses	Response rate
Unitary authority	63	47	75%
Metropolitan district	36	23	64%
District	164	91	55%
County	21	11	52%
London borough	33	22	67%

Note: one respondent did not provide their council type, so the breakdown above adds up to 194.

In addition, the following should be considered when interpreting the findings of this survey:

- Where tables and figures report the base, the description refers to the group of councils who were asked the question. The number provided refers to the unweighted number of respondents who answered each question. Please note that bases can vary throughout the survey.
- Throughout the report, percentages may not appear to add up to exactly 100 per cent due to rounding.

Council finances and Autumn Budget 2024 survey

This section contains analysis of the full results from the survey.

Exceptional financial support – recent actions

Respondents were asked to indicate which actions relating to exceptional financial support their council had taken either before or during the 2024/25 financial year. As Table 2 shows, almost one in ten (9 per cent) reported having had a conversation with MHCLG to discuss the possibility of requesting EFS before 2024/25, whilst 10 per cent reported doing this during the current financial year. It should be noted that the period before 2024/25 covers a longer time period than the 2024/25 financial year itself, so these apparently similar figures may in fact represent a sharp increase in conversations regarding EFS. Four per cent of respondents reported submitting an application for EFS to MHCLG prior to 2024/25, compared with two per cent during 2024/25.

Table 2. Has your council taken any of the following actions in this or previous financial years relating to exceptional financial support (EFS)?

	Before 2024/25	2024/25
Conversation with MHCLG to discuss the possibility of requesting EFS	9%	10%
Application for EFS to MHCLG submitted	4%	2%
Application for EFS from MHCLG rejected	1%	0%
Awaiting response to application for EFS from MHCLG	1%	1%
Received confirmation of EFS (wholly or partially) from MHCLG	4%	2%

Base: all respondents (195).

There was some variation in responses to this question by council type, with 14 per cent of single-tier and county council respondents reporting having a conversation with MHCLG (26 per cent of unitary authority respondents), and 5 per cent reporting requesting EFS (10 per cent of unitary respondents).

Likelihood of applying for exceptional financial support

Respondents were asked how likely their council was to apply for EFS in the 2025/26, 2026/27 and 2027/28 financial years. As Table 3 shows, 17 per cent of respondents said they were likely to apply for EFS in 2025/26, rising to 24 per cent in 2026/27 and 32 per cent in 2027/28. 'Very likely' and 'fairly likely' were roughly equal in proportion, apart from in 2026/27, when 'fairly likely' was slightly more prevalent. The proportion who answered 'not at all likely' fell steadily from 57 per cent in 2025/26 to 22 per cent in 2027/28.

Table 3. How likely, if at all, is your council to apply for EFS in the following three financial years?

	2025/26	2026/27	2027/28
Very or fairly likely	17%	24%	32%
Very likely	10%	9%	16%
Fairly likely	8%	15%	16%
Not very likely	23%	28%	27%
Not at all likely	57%	34%	22%
Don't know	2%	14%	19%

Base: all respondents (195); all respondents who did not answer 'don't know' (180 in 2025/26, 160 in 2026/27, and 150 in 2027/28).

An aggregate measure was created which measured the percentage of councils (including those who answered 'don't know') who said they were very or fairly likely to apply for EFS in either or both of the financial years 2025/26 and 2026/27. As Table 4 shows, one in four (25 per cent) of respondents said they would be likely to apply for EFS at least once in these two financial years. This figure was higher among some council types, including 31 per cent of county councils and 41 per cent of single-tier councils (and 44 per cent of single-tier and county councils).

Table 4. Likelihood of applying for EFS in either or both of 2025/26 and 2026/27

	Per cent very or fairly likely in 2025/26 and/or 2026/27 (including 'don't know')
All councils	25%
County	36%
District	7%
Single-tier	45%
Single-tier and county	44%

Base: all respondents (195); all respondents for each council type.

Issuing of Section 114 notices if EFS did not exist

Respondents were asked how likely or not they thought their Section 151 officer would be to issue a Section 114 notice in the four financial years from 2024/25 to 2027/28, if EFS did not exist. A Section 114 notice means that a council is at risk of failing to balance its budget. As Table 5 shows, the responses to this question were roughly similar to those in Table 3, with the addition of 6 per cent of respondents who would have been likely to issue a Section 114 in the 2024/25 financial year.

Table 5. If EFS did not exist, how likely or not do you think your Section 151 officer would be to issue a Section 114 notice in the following financial years?

	2024/ 25	2025/ 26	2026/ 27	2027/ 28
Very or fairly likely (including 'don't know')	6%	18%	27%	33%
Very likely	5%	9%	10%	18%
Fairly likely	1%	9%	17%	15%
Not very likely	22%	26%	33%	32%
Not at all likely	71%	55%	28%	17%
Don't know	1%	2%	13%	19%

Base: all respondents (195); all respondents who did not answer 'don't know' (180 in 2025/26, 160 in 2026/27, and 150 in 2027/28).

As with the previous question, the percentage that said they would be likely to issue a Section 114 notice in either or both of the following two financial years if EFS did not exist was calculated. As Table 6 shows, approximately one in four respondents, and as many as 44 per cent of single tier and county councils, felt they would be likely to issue a Section 114 notice at least once in that time if EFS did not exist.

Table 6. Likelihood of issuing a Section 114 notice in either or both of 2025/26 and 2026/27, if EFS did not exist

Per cent very or fairly likely in 2025/26 and/or 2026/27 (including 'don't know')	
All councils	25%
County	38%
District	9%
Single-tier	42%
Single-tier and county	40%

Base: all respondents (195); all respondents for each council type.

Ranking of service areas of budgetary concern

Councils were asked to select the five service areas of most concern in setting their council's budget for 2025/26, and to rank these five areas in order of priority. These rankings are presented separately below for different council types, due to the different services and functions that they provide.

It should be noted that the percentages in Tables 7 to 10 refer to the percentage of respondents who ranked each service area in their top five. As such, a low percentage does not necessarily mean that a particular service area does not also face substantial financial pressures, simply that other pressures are perceived as relatively greater.

Table 7 shows the results for county councils, showing that the top five service areas of concern among counties were adult social care, children's social care and special educational needs and disabilities (SEND), all ranked in the top five by 100 per cent of county respondents, followed by home to school transport, ranked in the top five by 92 per cent, and highways and transport, at 54 per cent.

The high level of consensus between county council respondents was notable: despite being offered a number of services, they identified the same top concerns.

As a result, a number of the other services were not selected at all, and therefore these are excluded from the table below.

The small number of respondents from county councils means that these results should be interpreted with some caution.

Table 7. Of the following service areas, please choose and rank the top five of most concern in setting your council’s budget for 2025/26 – results for county councils

County council services	Per cent
Adult social care	100%
Children’s social care	100%
Special educational needs and disabilities (SEND)	100%
Home to school transport	92%
Highways and transport	54%
Waste collection and disposal	38%
Capital programme	31%

Base: all county council respondents (11). Note: the other services listed were not ranked in the top five by any respondents from county councils, and have hence been omitted.

As Table 8 shows, the five service areas which were most frequently ranked in the top five as budgetary concerns by district council respondents were homelessness and temporary accommodation (ranked by 85 per cent in the top five), waste collection and disposal (82 per cent), planning and development (62 per cent), capital programme expenditure (50 per cent) and culture and leisure (47 per cent).

Table 8. Of the following service areas, please choose and rank the top five of most concern in setting your council’s budget for 2025/26 – results for district councils

District council services	Per cent
Homelessness and temporary accommodation	85%
Waste collection and disposal	82%
Planning and development	62%
Capital programme	50%
Culture and leisure	47%
Housing services (excluding homelessness)	38%
Environmental and regulatory services (excluding waste)	29%
Central services	18%
Other (please specify)	13%

Base: all district council respondents (91).

Table 9 shows the results for single-tier councils, showing that the top five areas of concern for these councils were children’s social care (91 per cent ranked this service in the top five), adult social care (89 per cent), SEND (77 per cent), homelessness and temporary accommodation (74 per cent), and home to school transport (60 per cent).

Table 9. Of the following service areas, please choose and rank the top five of most concern in setting your council's budget for 2025/26 – results for single-tier councils

Single-tier council services	Per cent
Children's social care	91%
Adult social care	89%
Special educational needs and disabilities (SEND)	77%
Homelessness and temporary accommodation	74%
Home to school transport	60%
Capital programme	19%
Waste collection and disposal	19%
Highways and transport	9%
Housing services (excluding homelessness)	6%
Environmental and regulatory services (excluding waste)	4%
Central services	2%
Planning and development	2%
Culture and leisure	1%
Public health	1%
Other (please specify)	6%

Base: all single-tier council respondents (81).

Single-tier authorities and county councils were looked at together, as they are social care authorities. As Table 10 shows, the five service areas of most budgetary concern to respondents from single-tier and county councils overall were children's social care (ranked by 93 per cent), adult social care (90 per cent), special educational needs and disabilities, or SEND (80 per cent), home to school transport (65 per cent) and homelessness and temporary accommodation (64 per cent).

Table 10. Of the following service areas, please choose and rank the top five of most concern in setting your council's budget for 2025/26 – results for single tier and county councils

Single-tier and county council services	Per cent
Children's social care	93%
Adult social care	90%
Special educational needs and disabilities (SEND)	80%
Home to school transport	65%
Homelessness and temporary accommodation	64%
Waste collection and disposal	21%
Capital programme	20%
Highways and transport	15%
Housing services (excluding homelessness)	5%
Environmental and regulatory services (excluding waste)	3%
Central services	2%
Planning and development	2%
Culture and leisure	1%
Public health	1%
Other (please specify)	5%

Base: all single-tier and county council respondents (103). Respondents from county councils are excluded from the calculation base for services where they do not have a responsibility.

'Other' areas of concern identified by respondents included:

- agency workers and staff costs
- costs of debt financing
- equal pay
- exempt accommodation
- increased re-tendering costs
- landscape and tree management
- property and estates, including reduced rents and increased maintenance and utility costs
- reductions in investment income and interest earned.
- salary growth and national living wage (NLW) provision
- schools, including high needs dedicated schools grant (DSG) and school deficits.

Negative impacts to services

Respondents were asked how likely or not it was that a range of service areas would be negatively impacted by cost savings needed to set their 2025/26 budget.

Negative impact was defined as involving one or more of the following: reduced hours of operation, reduced frontline staff numbers, longer waiting times, a reduced or less frequent level of service provision, or increased fees and charges. These results are presented below for the respondents overall and by council type, as applicable.

As Table 11 shows, the service areas most likely to be negatively impacted in 2025/26 were services for disabled adults and/or older people, grants to third sector and/or cultural organisations, services and support for children, young people and families (excluding SEND), road and pavement repairs, parks and green spaces and home to school transport.

Table 11. Likelihood of council service areas being negatively impacted by 2025/26 cost savings

Per cent responding 'very likely' or 'fairly likely'	All relevant councils	County	District	Single-tier	Single-tier and county
Services and support for disabled adults and/or older people	79%	91%	n/a	75%	79%
Grants to third sector and/or cultural organisations	69%	90%	57%	73%	79%
Services and support for children, young people and families (excluding SEND)	63%	85%	n/a	59%	63%
Road and pavement repairs	69%	69%	n/a	69%	69%
Parks and green spaces	66%	n/a	57%	73%	73%
Home to school transport	68%	64%	n/a	69%	68%
Library services	68%	62%	n/a	70%	68%
Waste services	58%	82%	45%	70%	71%
Sport and leisure services	62%	n/a	52%	70%	70%
Welfare support	51%	90%	34%	63%	68%
Museums, galleries and theatres	63%	50%	55%	68%	66%
Employment and skills support	57%	n/a	43%	60%	60%
Regulatory services	47%	50%	32%	60%	59%
Housing services (excluding homelessness)	47%	n/a	35%	56%	56%
Planning and development	45%	n/a	35%	52%	52%
Homelessness provision	40%	n/a	33%	46%	46%
Building control	33%	n/a	27%	35%	35%

Base: all respondents (195) and all respondents for each council type. Results were omitted where a small minority of respondents reported on a service area their council type does not normally provide.

Autumn 2024 Budget recommendations

Respondents were asked what one thing they would like to see in the Autumn 2024 Budget that would benefit their council, excluding additional funding. These actions were provided in the form of free text, and the actions provided fell into the following broad categories, in approximate order of prevalence from more frequent to less frequent:

- Long term, stable funding arrangements to help ensure better financial planning.
- Earlier and multi-year settlements for councils.
- Increasing flexibility in using existing funds, such as consolidating grants.
- Simplifying funding streams and removing ringfencing, particularly for social care, public health, and education.
- Measures to improve local direction on council tax and business rates.
- Reform and clarification of the system around special educational needs and disabilities (SEND) and Educational Health Care Plans (EHCP).
- Raising the Local Housing Allowance (LHA) rate to help to fund temporary accommodation.
- Supporting the increased housing supply through removal of Right to Buy, or full compensation to build new homes.
- Committing to the Fair Funding Review and business rate reset, along with reforms to the business rate retention system.
- Confirmation of continued or permanent funding for key grants such as New Homes Bonus (NHB) and Household Support Fund (HSF).
- Rolling specific grants into core funding for better planning.

- Extending capital receipts flexibility to help support investments in housing and local transformation projects.
- Finding solutions for controlling rising service costs, especially in independent placements, housing and care.
- Introducing a 'floor' for core spending power, to prevent reductions in councils' budgets.
- Changing regulations governing home to school transport, children's residential care, and SEND services to reduce pressuring demands on councils.
- More certainty on how funding from discontinued projects will be redistributed to councils and major infrastructure programmes.
- Supporting infrastructure development and long-term housing projects through grants and other funding mechanisms.
- Fairer distribution of grants based on deprivation.

Further comments

Respondents were invited to share any further comments they had on the topics covered by the survey. Their responses fell into the following broad categories, arranged in approximate order of prevalence, from more frequent to less frequent:

- Observations that councils face unsustainable financial pressures, calling for central funding for pay increases and statutory service demands
- Supporting urgent action on social care funding to ease unsustainable pressure on local services and the NHS
- Observations that housing and temporary accommodation costs need central funding; lift housing benefit caps to ease local taxpayers' burden
- Addressing the SEND funding crisis; clarity on national reforms needed before the 2026 statutory override ends
- Observations that councils seek more control to raise taxes and business rates without unsustainable restrictions
- Support for long-term funding stability; frustration over uncertainty, seeking timely decisions for financial planning
- Recognition that competitive grant bidding is inefficient and that councils want streamlined resource allocation processes
- An observation that councils deserve recognition for managing services efficiently despite budget cuts and high fees, and a call for balanced media coverage
- Support for funding needed to address wage pressures, rising National Living Wage strains council finances and service quality

- Concern that IT suppliers have disproportionate power over smaller councils, reducing competitiveness
- An observation that National Planning Policy Framework (NPPF) uncertainty is raising costs and slowing affordable housing projects
- Recognition that funding uncertainty is affecting infrastructure and road development projects
- A concern that exceptional financial support adds long-term debt, increasing future budget risks without promoting stability
- Reductions in NHS preventative budgets are harming essential health and well-being services



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