

# Local government budget setting surveys 2024/25

Research Report

January – February 2024



To view more research from the Local Government Association Research and Information team please visit: <https://www.local.gov.uk/our-support/research>

# Contents

- Local government budget setting surveys 2024/25 ..... 1
  - Summary..... 1
    - Background ..... 1
    - Key findings from the first survey: ..... 1
    - Key findings from the second survey, after the funding announcement: ..... 2
  - Introduction ..... 3
  - Methodology ..... 3
- The Local Government Budget Survey 2024/25 ..... 5
  - Difficulty setting a balanced budget..... 5
  - Use of reserves ..... 6
  - Council Tax Support Schemes ..... 6
  - Impact on service areas: survey one..... 7
  - Service-specific impact..... 8
  - Areas of growth ..... 11
  - Further comments: first survey ..... 13
- Follow-up survey: £600 million funding announcement ..... 15
  - Support for lobbying work..... 15
  - Helpfulness of the additional funding..... 15
  - Continued cost savings ..... 16
  - Impact on service areas: survey two ..... 17
  - Further comments: second survey ..... 21
- Annex A: full breakdown of neighbourhood services ..... 23
- Annex B: Questionnaires ..... 24
  - The 2024/25 Local Government Budget Survey..... 24
  - Follow-up survey: £600m funding announcement ..... 27

# Summary

## Background

This research report presents the findings from two surveys of council chief executives conducted by the Local Government Association (LGA) in early 2024.

In January 2024, the LGA sent an online survey to the chief executives of all member councils in England. The purpose of the survey was to understand the decisions that councils were making to balance their budgets for the next financial year, and how these decisions might impact the services that councils provide to residents. A total of 96 chief executives responded – a response rate of 30 per cent.

On 24 January 2024, the government announced an allocation of £600 million in additional funding for councils for financial year 2024/25.

Following this announcement, in February 2024, the LGA sent a second online survey to the chief executives of all member councils in England. The purpose of this follow-up survey was to assess what impact, if any, this funding had had, and what challenges, if any, still remained. A total of 102 chief executives responded – a response rate of 32 per cent.

Despite the additional funding, the results from the second survey demonstrated that the majority (85 per cent) of respondent councils still anticipated having to make cost savings to set their budgets; therefore, although the first survey was conducted before this announcement, the findings still offer a valid insight into the decisions that councils are having to make in order to set a balanced budget for 2024/25.

## Key findings from the first survey:

- **Three quarters** (74 per cent) of respondents reported that they found it very or fairly difficult to set a balanced budget for the upcoming financial year, and **71 per cent** expected to use their reserves.
- Prior to the additional funding announcement, **over four in five** (81 per cent of) county and single tier respondents, and **almost three in five** (58 per cent of) district councils reported that it was very or fairly likely that at least one neighbourhood service would be negatively impacted by cost savings.
- **Three in five** respondents (59 per cent) reported that their ability to help relieve pressure on the NHS would be impacted to a great or moderate extent. This figure was **83 per cent** among county and single tier councils.
- Given the opportunity to provide any further comments about their budget, **more than half of all comments** expressed worry and concern about balancing their budget in the medium term: that is, in the financial year 2025/26 and beyond.

## Key findings from the second survey, after the funding announcement:

- A **large majority** of respondents (85 per cent) reported they would still have to make cost savings to balance their 2024/25 budget after the announcement on 24 January of an additional £600 million in funding.
- **Three-fifths** of respondents (58 per cent) reported that this additional funding was helpful to a small extent.
- Respondents were nonetheless supportive of the work undertaken to secure this funding, as **99 per cent** of councils responding to the second survey reported that they supported the lobbying work of the LGA, County Councils Network (CCN) and District Councils Network (DCN).
- **Two-thirds** (67 per cent) of respondents anticipated making cost savings in at least one neighbourhood service<sup>1</sup>, despite the additional funding: **more than three-quarters** (77 per cent) of social care councils reported this, as well as **three in five** district councils (59 per cent).
- Of the respondent social care councils, **three-quarters** (75 per cent) reported that even with this funding, cost savings would be needed in their adult social care budget, and almost **seven in 10** (69 per cent) reported that savings would be needed in their children's social care budget.
- **Half** (50 per cent) of all respondent social care councils reported that cost savings would be needed in four or more neighbourhood services.
- Of the respondent councils with responsibility for the following services, and despite the additional funding:
  - **More than half** (55 per cent) reported that cost savings would be needed in their sport and leisure service provision.
  - **Around half** (48 per cent) reported that cost savings would be needed within their library services.
  - **Around half** (48 per cent) reported that cost savings would be needed in their parks and green spaces service provision.
  - **Over a third** (34 per cent) reported the need for cost savings in their provision of museums, galleries, and theatres.
- Given the opportunity to provide any further comments about their budget, many respondents expressed that the additional funding had minimal impact on the challenges they faced in balancing their budget for 2024/25. As with the first survey, some respondents in the second survey also expressed worry and concern about balancing their budget in the medium-to-long term.

---

<sup>1</sup> For the purposes of these surveys, we defined 'neighbourhood services' as waste services, road and pavement repairs, sport and leisure services, parks and green spaces, library services, museums, galleries, and theatres, and regulatory services.

## Introduction

This research report presents the findings from two surveys of council chief executives conducted by the Local Government Association (LGA) in early 2024.

In January 2024, the LGA sent an online survey to the chief executives of all member councils in England. The purpose of the survey was to understand the decisions that councils were making in order to balance their budgets for the next financial year, and how these decisions might impact the services that councils provide to residents.

On 24 January 2024, the government announced an allocation of £600 million in additional funding for councils for financial year 2024/25. Of this £600 million, £500 million is reserved for social care budgets, so that £100 million is available for other service areas.

Following this announcement, in February 2024, the LGA sent a second online survey to the chief executives of all member councils in England. The purpose of this follow-up survey was to assess what impact, if any, the announced funding had had, and what financial challenges, if any, still remained.

## Methodology

Each local authority chief executive in England had an opportunity to participate in each online survey. The first survey was circulated to chief executives between 15 January and 22 January 2024. Following the government announcement on 24 January 2024, the second survey was circulated to chief executives between 1 February and 12 February 2024. Both surveys were managed by the LGA's Research and Information Team, and both were anonymous, to allow respondents to express their opinions about their financial situation candidly.

Among the 315 member councils in England, 96 chief executives responded to the first survey, equivalent to a response rate of 30 per cent, whilst 102 chief executives responded to the follow-up survey, equivalent to a response rate of 32 per cent. For both surveys, this level of response means that it should not be assumed that these results are more widely representative of the views of all councils. Rather, they are a snapshot of the views of this particular group of respondents.

Table 1 shows the response rate of both surveys broken down by council type, which respondents were asked to provide. This shows that levels of response were not even across council types and across both surveys, with over half (52 per cent) of county council chief executives responding to the first survey, compared to a third (33 per cent) for the second survey. London boroughs had the lowest response rate, as 12 per cent responded to the first survey, increasing to 18 per cent for the second survey.

**Table 1: Response rate by type of council**

Authority type	Number of councils	Survey one: number of responses	Survey one: response rate %	Survey two: number of responses	Survey two: response rate %
County	21	11	52	7	33
District	164	43	26	46	28
London borough	33	4	12	6	18
Metropolitan district	36	12	33	13	36
Unitary authority	63	26	41	30	48

To enhance the extent to which the respondents can be said to represent all councils, their responses to both surveys were weighted by their council type. Weighting makes a set of responses more representative of a given population by increasing the weight of responses from under-represented groups, whilst decreasing the weight of responses from over-represented groups.

In this case, responses from overrepresented authority types, such as county councils, were decreased in weight, whilst responses from underrepresented authority types, such as London boroughs, were increased in weight. The result was a dataset which gives proportional weight to each respondent based on the total number of each authority type across England.

For the first survey, the largest individual weight given to an individual respondent was 2.44, meaning that the response in question was treated as approximately two and a half responses, and the smallest weight was 0.55, meaning that the response was treated as just over half a response. The median weight was 0.91, demonstrating that the average respondent received a slight down-weighting. Respondents therefore did not receive unduly excessive emphasis or de-emphasis, as these figures are well within the accepted conventional guidelines. For the second survey, these figures were similar, with 1.73 for the largest individual weight, 0.68 for the smallest weight, and 0.93 for the median weight.

The results in this report are based on the weighted data, although bases provided refer to the unweighted number of respondents who answered each question.

Please also note that, throughout the report, percentages in tables may add up to more than 100 per cent due to rounding.

## The Local Government Budget Survey 2024/25

This section contains analysis of the full results from the first survey, which took place in January 2024.

### Difficulty setting a balanced budget

In the first survey, after the Provisional Local Government Finance Settlement but before the announcement of the additional funding, respondents were asked how difficult or not it had been to set a balanced budget for financial year 2024/25. Councils are required by law to set a balanced budget for each financial year.

Table 2 shows the results for this question. The results show that almost three quarters (74 per cent) of chief executives reported that their council had found it very or fairly difficult to set a balanced budget for the next financial year. Just four per cent found it not difficult at all, whilst 22 per cent found it not very difficult.

**Table 2: Difficulty setting a balanced budget for 2024/25**

	%
<b>Very or fairly difficult</b>	<b>74</b>
Very difficult	36
Fairly difficult	39
Not very difficult	22
Not difficult at all	4
Don't know	0

Base: all respondents (96 respondents).

Table 3 shows the results broken down by council type. This table shows that respondents from county and single tier councils had greater difficulty setting a balanced budget, with 97 per cent of respondent councils reporting that the process was very or fairly difficult, compared to 53 per cent of district authorities.

**Table 3: Difficulty setting a balanced budget for 2024/25, by council type**

	District %	County and single tier %
<b>Very or fairly difficult</b>	<b>53</b>	<b>97</b>
Very difficult	14	59
Fairly difficult	40	38
Not very difficult	40	3
Not difficult at all	7	0
Don't know	0	0

Base: all respondents – district (43); county and single tier (53).



## Use of reserves

Respondents were also asked, in the first survey, whether or not they expected to use their reserves to set a balanced budget for the upcoming financial year.

Tables 4 and 5 show the results of this question. Table 4 demonstrates that just over seven in 10 respondents (71 per cent) expected to use their reserves to set a balanced budget for 2024/25. Twenty-eight per cent of respondents did not expect to use their reserves to set a balanced budget, whilst 1 per cent of respondents were unsure whether or not they would expect to use their reserves. Table 5 demonstrates that district councils were almost equally as likely as county and single tier councils to need to draw on reserves.

**Table 4: Councils expecting to use their reserves to set a balanced budget for 2024/25**

	%
Yes	71
No	28
Don't know	1

Base: all respondents (96).

**Table 5: Councils expecting to use their reserves to set a balanced budget for 2024/25, by council type**

	District %	County and single tier %
Yes	70	72
No	28	29
Don't know	2	0

Base: all respondents – district (43); county and single tier (53).

## Council Tax Support Schemes

Respondents were asked, in the first survey, how likely or not it was that their council tax support scheme would be negatively impacted by cost savings needed to set their 2024/25 budget. Council tax support schemes help those on low incomes or those who receive certain benefits with their council tax bill. Each council with responsibility for council tax manages their own scheme and determines the level of support available to those in their area. Negative impact was defined as higher eligibility criteria or reduced budget.

Table 6 shows the results from this question. The majority of respondents with responsibility for council tax collection (82 per cent) reported that it was not very or not at all likely that their support schemes will be negatively impacted by the cost savings needed to set their 2024/25 budgets, yet one in five respondents (18 per cent) with responsibility for council tax collection reported that it was very or fairly likely that their schemes would be negatively impacted.

**Table 6: Likelihood that a council’s Council Tax Support Scheme will be negatively impacted by cost savings needed to set their 2024/25 budget**

	%
<b>Very or fairly likely</b>	<b>18</b>
<b>Not very or not at all likely</b>	<b>82</b>
Very likely	4
Fairly likely	14
Not very likely	34
Not likely at all	48
Don’t know	0

Base: all respondents from councils with responsibility for council tax billing (district, unitary, metropolitan and London borough councils) (85 respondents).

### Impact on service areas: survey one

Both surveys, before and after the funding announcement, asked respondents to indicate which service areas would be negatively impacted by cost savings. The first survey asked respondents to rate how likely or not it would be that a selection of services, including social care and a range of services hereafter defined as neighbourhood services, would be negatively impacted by cost savings.

Neighbourhood services comprises waste services, road and pavement repairs, sport and leisure services, parks and green spaces, library services, museums, galleries, and theatres, and regulatory services.

Tables 7 and 8 show the results for this question. The figures are based on the total number of respondent councils who provide each service. Respondents were only shown service areas for which their council type has responsibility.

Table 7 shows a summary of the results for this question from the first survey. The table shows that, prior to the funding announcement, 81 per cent of single tier and county councils reported that it was very or fairly likely that their neighbourhood services would be negatively impacted by cost savings. This was higher than social care, as three quarters (75 per cent) of respondents from social care councils reported that it was very or fairly likely that cost savings would have a negative impact on their adult social care provision, and two thirds (66 per cent) of councils with social care responsibility reported that it was very or fairly likely that cost savings would negatively impact children’s social care. The table shows that neighbourhood services were more vulnerable to cost savings within county and single tier budgets compared to district council budgets.

**Table 7: Service areas where it was very or fairly likely that cost savings would have a negative impact (first survey)**

	District %	County and single tier %
At least one neighbourhood service	58	81
Services and support for disabled and/or older adults	-	75
Services and support for children, young people, and families	-	66

Base: all respondents – district (43); county and single tier (53).

Neighbourhood services comprises waste services, road and pavement repairs, sport and leisure services, parks and green spaces, library services, museums, galleries, and theatres, and regulatory services.

Table 8 shows the number of neighbourhood services which were indicated by respondent councils as very or fairly likely to be negatively impacted by cost savings needed to set their 2024/25 budget. This table shows that half (50 per cent) of all respondent councils reported that it was very or fairly likely that three or more neighbourhood services would be negatively impacted by cost savings, whilst 45 per cent reported that four or more services were likely to be negatively impacted. This figure is higher among social care council respondents, as 69 per cent reported that three or more services were likely to be negatively impacted, and 64 per cent reported that four or more services were likely to be negatively impacted.

**Table 8: Number of neighbourhood services where it was very or fairly likely that cost savings would have a negative impact (first survey)**

	All councils %	District %	County and single tier %
At least one neighbourhood service	69	58	81
At least two neighbourhood services	60	47	74
At least three neighbourhood services	50	33	69
Four or more neighbourhood services	45	28	64

Base: all respondents – district (43); county and single tier (53).

Please see Annex A for a breakdown of the figures for neighbourhood services for the first survey.

### Service-specific impact

To understand more about how services would be impacted by cost savings, the first survey offered respondents the opportunity to detail what this impact would be for swimming pools and leisure centres, libraries, and museums, galleries, and theatres.

Respondents were given a list of options to choose from and able to select as many options as applicable, with the opportunity to detail any other impact not included in

this list. The percentages have been rebased on the total number of respondents who provide each service. Results are shown in rank order, from the highest percentage to the lowest.

Table 9 shows a summary of the results, whilst tables 10, 11, and 12 show the breakdown for each service. Table 9 shows that over a third (36 per cent) of respondent councils anticipated reducing the hours of operation for at least one of these locations, whilst 30 per cent anticipated reducing staff numbers, and 29 per cent reported anticipating reduced maintenance and repairs.

**Table 9: Impact on at least one library, swimming pool or leisure centre, or museum, gallery, or theatre**

	%
Reduced hours of operation for at least one location	36
Reduced staff numbers for at least one location	30
Reduced maintenance and repairs for at least one location	29
Complete closure of at least one location	22
Reduced grant funding for third party providers	20
<b>At least one option</b>	<b>54</b>
<b>Other impact</b>	<b>13</b>

Base: all respondents (96). Note: respondents could tick more than one option.

### Swimming pools and leisure centres

Table 10 shows the results of this question for swimming pools and leisure centres. Almost one quarter (23 per cent) of respondents who provide swimming pool and leisure centre services stated that at least one location would be impacted by reduced maintenance and repairs. One in five (19 per cent) respondents who provide these services stated that there would be reduced operating hours for at least one location, whilst 13 per cent stated that at least one location would suffer reduced staff numbers. Eight per cent of respondents who provide these services stated that they would have to close at least one location completely, whilst 6 per cent reported that third party providers would receive reduced grant funding to provide these services on behalf of the council.

Of the respondents who detailed any other impacts, the majority of these comments reported an increase in fees and charges for these services. One council reported a reduced ability to expand their offering in line with a growing population, whilst another reported that they were undertaking a complete service review to streamline and reduce costs.

**Table 10: Impact on swimming pools and leisure centres**

	%
Reduced maintenance and repairs for at least one location	23
Reduced hours of operation for at least one location	19
Reduced staff numbers for at least one location	13
Complete closure of at least one location	8
Reduced grant funding for third party providers	6
<b>At least one option</b>	<b>42</b>
<b>Other impact</b>	<b>11</b>

Base: all respondents who provide this service (85). Note: respondents could tick more than one option.

### **Museums, galleries, and theatres**

Table 11 shows the results of this question for museums, galleries, and theatres. This table shows that the greatest impact on these cultural services would be reduced hours of operation for at least one location, reported by 21 per cent of respondents, closely followed by reduced staff numbers for at least one location, reported by 20 per cent of respondents. Seventeen per cent of respondents reported that there would be reduced grant funding available for third party providers to provide these services, whilst one in ten council who provide these services would resort to reduced maintenance and repairs for at least one location. Six per cent of respondents who provide museums, galleries, and theatres reported that they would have to close at least one location.

Other impacts detailed by respondents included price increases, merging of two different services (i.e., a museum and art gallery), updating the delivery model, and dedicating more hours to commercial bookings to generate income.

**Table 11: Impact on museums, galleries, and theatres**

	%
Reduced hours of operation for at least one location	21
Reduced staff numbers for at least one location	20
Reduced grant funding for third party providers	17
Reduced maintenance and repairs for at least one location	10
Complete closure of at least one location	6
<b>At least one option</b>	<b>40</b>
<b>Other impact</b>	<b>6</b>

Base: all respondents who provide this service (85). Note: respondents could tick more than one option.

## Libraries

Table 12 shows the results for this question for libraries. Over a third of respondents who provide library services (34 per cent) reported that at least one location would see reduced hours of operation, whilst just under a third (32 per cent) reported that at least one location would see reduced staff numbers. A similar proportion (31 per cent) reported that at least one location would see reduced maintenance and repairs, whilst almost a quarter of respondents who provide library services reported that at least one library location would be closed. One in 10 respondents who provide library services (11 per cent) reported that there would be reduced grant funding available for third party providers.

Only one authority described any other impact, reporting that their book fund would be reduced.

**Table 12: Impact on libraries**

	%
Reduced hours of operation for at least one location	34
Reduced staff numbers for at least one location	32
Reduced maintenance and repairs for at least one location	31
Complete closure of at least one location	23
Reduced grant funding for third party providers	11
<b>At least one option</b>	<b>58</b>
<b>Other impact</b>	<b>3</b>

Base: all respondents who provide this service (53). Note: respondents could tick more than one option.

## Areas of growth

To understand further about the impact of cost savings, in the first survey, respondents were asked to what extent (if at all) the financial challenges they faced in setting their 2024/25 budget would limit their council's ability to engage in a selection of broad areas of community growth.

Table 13 shows the results for this question. Local housing provision was the area which would be most impacted, as 60 per cent of respondents from councils with responsibility for housing provision reported that their ability to support this would be limited to a great or moderate extent. This was closely followed by helping to relieve pressure on the NHS, as 59 per cent of respondents reported that their capacity to support this would be limited to a great or moderate extent in the next financial year's budget, whilst 54 per cent of respondents reported that their ability to support community safety and policing projects would be limited by their financial challenges. Just under half of all respondents (48 per cent) reported that their ability to engage in local economic growth would be limited to a great or moderate extent, whilst 47 per cent reported that their support of local high streets would be limited.

**Table 13: The extent to which councils' ability to engage in community growth would be limited by financial challenges faced in their 2024/25 budget**

	Providing local housing %	Helping relieve pressure on the NHS %	Supporting community safety and policing projects %	Growing the local economy %	Supporting local high streets %
<b>To a great or moderate extent</b>	<b>60</b>	<b>59</b>	<b>54</b>	<b>48</b>	<b>47</b>
To a great extent	23	31	21	20	18
To a moderate extent	37	28	33	27	29
To a small extent	25	22	24	36	29
Not at all	14	13	19	17	20
Don't know	0	0	1	0	1
Not applicable	1	6	2	0	3

Base: all respondents with responsibility for each area (supporting local high streets, growing the local economy, helping relieve pressure on the NHS, supporting community safety and policing projects – 96 respondents; providing local housing – 85 respondents).

Table 14 shows a summary of the results for this question, using the net figure for those who reported that each area would be limited to a great or moderate extent. The table shows that, in every case, county and single tier respondents were more likely to report that their ability to engage in each area would be limited by their 2024/25 budget. The difference is most evident when it comes to helping relieve pressure on the NHS, as more than four in five (83 per cent of) respondents from county and single tier authorities reported that their ability to help relieve pressure on the NHS would be limited by financial challenges in their 2024/25 budget, compared to 37 per cent of respondents from district councils.

**Table 14: Areas in which councils anticipated that their ability to engage would be limited to a great or moderate extent in their 2024/25 budget, by council type**

	District %	County and single tier %
Providing local housing	56	66*
Helping relieve pressure on the NHS	37	83
Supporting community safety and policing projects	35	74
Growing the local economy	35	61
Supporting local high streets	35	60

Base: all respondents with responsibility for each area (supporting local high streets, growing the local economy, helping relieve pressure on the NHS, supporting community safety and policing projects – 96 respondents; providing local housing – 85 respondents (\*this figure does not include county councils)).

### Further comments: first survey

Respondents had the opportunity to provide any additional comments about their 2024/25 budget, or examples of how the spending decisions in their 2024/25 budget will impact residents in their council area. A total of 33 respondents offered additional comments or examples of the impact on residents. Comments were grouped into common themes; the following themes emerged most frequently from respondents' comments, organised in descending order from the most common theme downwards.

By far the most commonly cited theme, over half of all additional comments in the first survey, expressed concern about balancing their budget in the medium term, for financial year 2025/26 and beyond. Respondents reported that the pattern of yearly settlements and the lack of certainty over government funding make it difficult to plan past the upcoming financial year, therefore even if a council has balanced their budget for 2024/25, uncertainty remains over the next year's budget. As one chief executive of a unitary authority reported, 2024/25 has been the "hardest budget setting I have ever seen, with the next three years even worse".

Some respondents detailed the impact that their spending decisions would have on residents in their council area. For some respondents, residents would be impacted by increased costs, either through increased council tax or by introducing or raising fees and charges for council services. Some respondents expressed that residents would see a deterioration of service provision through cuts. Specific examples of this deterioration include:

- Lack of investment in ongoing maintenance of assets, leading to either higher replacement costs down the line, or closure.
- Withdrawing from school catering.
- Reducing home-to-school transport provision.



Some respondents reported a reliance on reserves in order to balance their budget. In some cases, chief executives expressed that they are using most or all of their reserves for their 2024/25 budget, which adds to the uncertainty over future budgets, whilst one metropolitan authority chief executive reported that they are not using any reserves “because they have already been exhausted”.

Another theme which emerged from these additional comments was the extreme difficulty of the budget-setting process for respondents. Some chief executives reported needing Exceptional Financial Support (EFS) due to their inability to set a balanced budget, whilst another metropolitan authority chief executive reported that the amount of effort that goes into the budget setting process “significantly reduces the capacity to focus on other services”.

A few respondents expressed the inadequacy and uncertainty of government funding as an obstacle in the budget-setting process. Specific examples cited by respondents included:

- Reduction in the Services Grant
- Inadequate Core Spending Power increase.

Smaller themes mentioned by respondents included:

- Emphasis on the cost pressures of adult social care
- Reduction in staff, creating uncertainty for the council workforce
- Concern over potential reform to business rates and the drop in income that may follow
- Cost burden of the Internal Drainage Board levies.

## Follow-up survey: £600 million funding announcement

This section contains analysis of the full results from the second survey, which took place in February 2024.

### Support for lobbying work

After the announcement of the additional funding, in the second survey, respondents were asked how strongly, if at all, they supported the lobbying work undertaken by the LGA, the County Councils Network (CCN), and the District Councils Network (DCN) to secure this additional funding. Table 15 shows the results of this question, demonstrating that almost all respondents (99 per cent) supported this work very or fairly strongly, including over 70 per cent who supported it very strongly. One per cent of respondents supported this work not very strongly, whilst no respondents supported this work not at all strongly.

**Table 15: Strength of support for the lobbying work of the LGA, CCN, and DCN**

	%
<b>Very or fairly strongly</b>	<b>99</b>
Very strongly	71
Fairly strongly	29
Not very strongly	1
Not at all strongly	0

Base: all respondents (102).

### Helpfulness of the additional funding

Respondents were asked in the second survey to what extent this additional funding was helpful in setting a balanced budget for 2024/25. Table 16 shows the results for this question, demonstrating that for the majority of respondents (58 per cent), this funding was helpful to a small extent, whilst one in five respondents (19 per cent) reported that this funding was not at all helpful. Just under a quarter of respondents (23 per cent) reported that the funding was helpful to a great or moderate extent, including 5 per cent who reported it was helpful to a great extent.

**Table 16: The extent to which this additional funding was helpful in setting a balanced budget for 2024/25**

	%
<b>To a great or moderate extent</b>	<b>23</b>
To a great extent	5
To a moderate extent	18
To a small extent	58
Not at all	19

Base: all respondents (102).

Table 17 shows the results for this question broken down by council type. This table shows that district council respondents were most likely to report that this funding was not at all helpful, as a third of respondents from district councils (33 per cent) gave this response, compared to 5 per cent of respondents from county and single tier councils. By contrast, 28 per cent of respondents from county and single tier councils reported that the funding was helpful to a great or moderate extent, compared to 17 per cent of district councils. This difference is explained by the fact that the majority of the additional funding has been earmarked for social care, for which district councils do not have responsibility. It should be noted, however, that prior to this funding announcement, district council respondents were less likely than county and single tier respondents to report that it had been very or fairly difficult to set a balanced budget, as shown in table 3.

**Table 17: The extent to which this additional funding was helpful in setting a balanced budget for 2024/25, by council type**

	District %	County and single tier %
<b>To a great or moderate extent</b>	<b>17</b>	<b>28</b>
To a great extent	4	5
To a moderate extent	13	24
To a small extent	50	67
Not at all	33	5

Base: all respondents – district (46); county and single tier (56).

### Continued cost savings

Respondents were asked whether they thought they would have to make cost savings to set their 2024/25 budget, despite this funding announcement. Table 18 shows the results of this question, demonstrating that the vast majority of respondent councils (85 per cent) reported that they would have to make cost savings to set their budget for the next financial year, despite this funding. Fifteen per cent of respondents reported that cost savings would not be needed.

**Table 18: Whether cost savings would be needed to set the 2024/25 budget, notwithstanding the additional funding**

	%
Yes	85
No	15
Don't know	0

Base: all respondents (102).

Table 19 shows the results of this question broken down by council type. This table shows that 99 per cent of respondent county and single tier councils reported that cost savings would be needed even with this additional funding, compared to 72 per cent of district council respondents.

**Table 19: Whether cost savings would be needed to set the 2024/25 budget, notwithstanding the additional funding, by council type**

	District %	County and single tier %
Yes	72	99
No	28	1
Don't know	0	0

Base: all respondents – district (46); county and single tier (56).

### Impact on service areas: survey two

Both surveys, before and after the funding announcement, asked respondents to indicate which service areas would be negatively impacted by cost savings. The second survey asked those who reported that cost savings would be needed, despite the additional funding, simply to select the service areas in which cost savings would be needed. Tables 20, 21 and 22 show the results for this question. The figures are based on the total number of respondent councils who provide each service. Respondents were only shown service areas for which their council type has responsibility. The results present a basket of services, hereafter defined as neighbourhood services. This comprises waste services, road and pavement repairs, sport and leisure services, parks and green spaces, library services, museums, galleries, and theatres, and regulatory services.

Despite the majority of the additional funding being earmarked for social care, table 20 shows that, after the funding announcement, 75 per cent of social care councils reported needing to make cost savings in adult social care. Prior to the announcement, the same proportion (75 per cent) of social care councils reported that it was very or fairly likely that adult social care would be negatively impacted by cost savings. Considering children's social care, prior to the announcement, two thirds (66 per cent) of councils with social care responsibility reported that it was very or fairly likely that cost savings would negatively impact this service area before the funding announcement, whilst a similar proportion (69 per cent) reported needing cost savings in this area after the announcement.

Table 20 shows that neighbourhood services were more vulnerable to cost savings within county and single tier budgets compared to those of district council budgets as, even after the funding announcement, three in four county and single tier council respondents (77 per cent) anticipated making cost savings to at least one neighbourhood service, compared to three in five (59 per cent) district council respondents.

**Table 20: Service areas where cost savings would be needed to set the 2024/25 budget, notwithstanding the additional funding (second survey)**

	District %	County and single tier %
At least one neighbourhood service	59	77
Services and support for disabled and/or older adults	-	75
Services and support for children, young people, and families	-	69
Other service, please specify	39	40

Base: all respondents – district (46); county and single tier (56).

Neighbourhood services comprises waste services, road and pavement repairs, sport and leisure services, parks and green spaces, library services, museums, galleries, and theatres, and regulatory services.

Table 21 shows the number of neighbourhood services which were indicated by respondents as where cost savings would be needed. This table shows that, after the funding announcement, over half (52 per cent) of all respondent councils anticipated having to make cost savings within at least three different neighbourhood services, whilst over two in five (41 per cent) anticipated making cost savings in four or more services.

In every service area, respondents from single tier and county councils were more likely to select a greater number of services than district council respondents, as half (50 per cent) of all county and single tier respondents reported having to make cost savings in four or more neighbourhood service areas, compared to a third (33 per cent) of district councils.

**Table 21: Number of neighbourhood services reported to be impacted by cost savings, notwithstanding the additional funding (second survey)**

	All councils %	District %	County and single tier %
At least one neighbourhood service	67	59	77
At least two neighbourhood services	59	54	65
At least three neighbourhood services	52	43	61
Four or more neighbourhood services	41	33	50

Base: all respondents – district (46); county and single tier (56).

Neighbourhood services comprises waste services, road and pavement repairs, sport and leisure services, parks and green spaces, library services, museums, galleries, and theatres, and regulatory services.

Table 22 shows a breakdown of the results for each individual neighbourhood service. This table shows the percentage of respondent councils with responsibility for each service who reported that cost savings would be needed in each area, despite the additional funding.

This table shows that sport and leisure was the service area where cost savings were most likely to be needed, as more than half (55 per cent) of all district and single tier council respondents reported this. Of those with responsibility for library services, 48 per cent reported that cost savings would be needed. A similar proportion (48 per cent) of all respondents reported that cost savings would be needed in their parks and green spaces services; this figure was higher among single tier and county respondents, as 55 per cent reported this, compared to 41 per cent of district respondents.

Over a third (34 per cent) of respondent councils with responsibility for museums, galleries, and theatres reported that cost savings would be needed in these areas. Again, this figure was higher among single tier respondents compared to district respondents, as reported by 41 per cent and 28 per cent respectively.

**Table 22: Neighbourhood services where cost savings would be needed to set the 2024/25 budget, notwithstanding the additional funding (survey two)**

	All with responsibility for each service %	District %	Single tier only %	County and single tier %
Sport and leisure services	55	52	58	-
Library services	48	-	-	48
Parks and green spaces	48	41	-	55
Waste services	43	33	-	54
Road and pavement repairs	41	-	-	41
Housing provision and homelessness services	38	33	45	-
Regulatory services	38	35	-	48
Museums, galleries, and theatres	34	28	41	-
Other service, please specify	39	39	-	40

Base: all with responsibility for each service – sport and leisure, housing provision, museums, galleries, and theatres (96); library services, road and pavement repairs (56); parks and green spaces, waste services, regulatory services, other (102); district (46); single tier only (49); county and single tier (56).

Respondents who answered “other service” were given the opportunity to detail any the areas in which they anticipated having to make cost savings. A total of 37 respondents provided comments. The following service areas were cited by respondents, shown from the most common to the least common:

- All services, or general savings across the board
- Corporate services
- Economic development
- Support services
- Community grants
- Back office
- Property/estates
- Digital
- Overall efficiencies, and specifically, procurement efficiencies
- Staff reductions
- Street lighting

- Tourism
- Seafront and coastal services
- Employment support
- Adult social care
- Training and development
- Graffiti removal

Alongside cost savings, three authorities reported that they would be increasing fees and charges for services, and one authority reported here that they would be using their council's reserves. A further two authorities reported that they were supporting service transformation to bring about cost savings, whilst one of these authorities also reported having invested in a long-term strategy of early intervention and prevention measures over the past 14 years.

### Further comments: second survey

Respondents also had the opportunity to provide any additional comments in the second survey. A total of 52 respondents offered additional comments. These have been grouped into common themes; the following themes emerged most frequently from respondents' comments, organised in descending order from the most common theme downwards.

The theme that emerged most commonly was that the extra funding had very little real impact on councils' budgets for 2024/25. One district council reported that the funding helped to close "less than a twentieth" of their 2024/25 budget gap, whilst one unitary authority reported that this funding closed £2 million of their £33 million budget gap. One metropolitan borough reported that they would receive £1.7 million from the £600 million, which would have a minimal impact considering that just one of their 570 looked-after children costs £1.25 million annually.

Many respondents highlighted that their cost savings would have an impact on communities in their council area. Examples of the impact included:

- A reduction in resource for graffiti removal and litter picking
- Council staff redundancies, including customer contact staff
- Reduced opening hours for front-line services
- Increased waiting times for phone calls and email responses
- Inability to replace the support provided by the Household Support Fund, which offered financial support for low-income residents, including school holiday vouchers
- Reduced grant funding for the Third Sector
- Reduction in arts funding



A similar proportion of these comments expressed concern and uncertainty over their council's budgets in the medium-to-long-term, with some emphasising the need for reform of the approach to local government finance and the budget-setting process, driven by a longer-term vision. There was a sense that the custom of annual settlements encourages short-term decision making, which is problematic as one London borough noted that "what can be found to be saved in the short term is not what you would do in the medium to long term". Annual settlements were also seen to inhibit a sense of long-term financial stability, as uncertainty may remain over the following years' budgets even if a council has managed to set a balanced budget for the upcoming year.

Some respondents expressed frustration with the limits on councils' ability to generate their own income, specifically through council tax and business rates. Some councils reported feeling disadvantaged by central government's limits on increases to council tax due to their low council tax base – one unitary authority explained that "as a deprived area, every 1 per cent increase only generates circa £1 million of revenue" which does not offset their rising costs. Others expressed how their council tax income is presently restricted by historic decisions to have lower rates which "bear no relation to the current environment" due to the fact that annual increases are limited to a certain percentage. In addition, two authorities expressed concern around the potential reset of Business Rates, which "could be catastrophic for councils that have been successful in growing their Business Rates".

Themes mentioned by a smaller number of respondents included:

- The immense cost pressure of social care services
- The immense cost pressure of housing and homelessness services
- Frustration at the late timing of the announcement, questioning why this funding was not included at the provisional settlement
- Frustration at the requirement to provide a "productivity plan", which will be resource-heavy
- Financial challenges generated by the interest rates on borrowing, as well as the proposed changes to the Minimum Revenue Provision (MRP) rules.

Three authorities provided comments which could not be categorised into these main themes. One comment stated that they were unsure of the allocation of the additional funding, whilst another expressed concern about the dilution of crisis messages, and another expressed frustration that budget conversations that focus on social care often disguise the funding pressures of non-social care authorities.

## Annex A: full breakdown of neighbourhood services

### Neighbourhood services – survey one

**Table 23: Neighbourhood services where it was very or fairly likely that cost savings would be needed to set the 2024/25 budget (survey one)**

	All with responsibility for each service %	District %	Single tier only %	County and single tier %
Road and pavement repairs	64	-	-	64
Library services	60	-	-	60
Sport and leisure services	51	40	66	-
Museums, galleries, and theatres	45	35	58	-
Regulatory services	44	30	-	58
Housing provision and homelessness services	43	35	54	-
Parks and green spaces	41	30	-	52
Waste services	38	33	-	44

Base: all with responsibility for each service – sport and leisure, housing provision, museums, galleries, and theatres (85); library services, road and pavement repairs (46); parks and green spaces, waste services, regulatory services, other (96); district (43); single tier only (42); county and single tier (53).

## Annex B: Questionnaires

### The 2024/25 Local Government Budget Survey

A. Please select your authority type:

County

District

London borough

Metropolitan

Unitary

1. Compared to previous years, how difficult or not has it been to set a balanced budget for 2024/25?

Very difficult

Fairly difficult

Not very difficult

Not difficult at all

Don't know

2. How difficult or not is it that the following service areas will be negatively impacted by cost savings needed to set your 2024/25 budget?

*Negative impact may be in the form of 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.*

Waste services

Road and pavement repairs

Library services

Sport and leisure services

Parks and green spaces

Museums, galleries, and theatres

Housing provision and homelessness services

Regulatory Services

Services and support for disabled and/or older adults

Services and support for children, young people and families

Very difficult

Fairly difficult

Not very difficult

Not at all difficult

Don't know

3. And in what way(s) do you anticipate that the following services will be negatively impacted?

Swimming pools and leisure centres

Libraries

Museums, galleries, and theatres

Complete closure of at least one location

Reduced hours of operation for at least one location

Reduced staff numbers for at least one location

Reduced maintenance and repairs for at least one location

Reduced grant funding for third party providers

Other impact

Please describe the 'other impact' on

Swimming pools and leisure centres

Libraries

Museums, galleries, and theatres

4. How difficult or not is it that your Council Tax Support Scheme will be negatively impacted by cost savings needed to set your 2024/25 budget?

*Negative impact may be in the form of higher eligibility criteria, or reduced budget.*

Very difficult

Fairly difficult

Not very difficult

Not at all difficult

Don't know

5. To what extent, if at all, do you think that the financial challenges you face in setting your 2024/25 budget will limit your council's ability to engage in the following areas?

Supporting local high streets

Growing the local economy

Providing local housing

Helping relieve pressure on the NHS

Supporting community safety and policing projects

To a great extent

To a moderate extent

To a small extent

Not at all

Don't know

6. Do you expect to use any of your reserves to set a balanced budget for 2024/25?

Yes

No

Don't know

7. If you have any further comments about your 2024/25 budget, or examples of how the spending decisions in your 2024/25 budget may impact residents in your council area, please use the space below.

### Follow-up survey: £600m funding announcement

A. Please select your authority type:

County

District

London borough

Metropolitan

Unitary

Last Wednesday the government announced an additional £600m in funding for local government. With this in mind, please answer the following questions.

1. The Local Government Association, County Councils Network and District Councils Network lobbied for this money and worked with central government. How strongly, if at all, do you support the work the LGA, CCN and DCN undertook?

Very strongly

Fairly strongly

Not very strongly

Not at all strongly

2. To what extent, if at all, is that funding helpful in setting a balanced budget for 2024/25?

To a great extent

To a moderate extent

To a small extent

Not at all

3. Do you think you will have to make cost savings to set your 2024/25 budget, notwithstanding this funding?

Yes

No

Don't know

4. In which, if any, of the following service areas do you anticipate cost savings will be needed to set your 2024/25 budget?

Waste services

Road and pavement repairs

Library services

Sport and leisure services

Parks and green spaces

Museums, galleries, and theatres

Housing provision and homelessness services

Regulatory Services

Services and support for disabled and/or older adults

Services and support for children, young people and families

Other, please specify

5. Finally, if you have any further comments about your 2024/25 budget, or examples of how the spending decisions in your 2024/25 budget may impact residents in your council area, please use the space below. This question is optional.





**Local Government Association**

Local Government House  
Smith Square  
London SW1P 3HZ

Telephone 020 7664 3000  
Fax 020 7664 3030  
Email [info@local.gov.uk](mailto:info@local.gov.uk)  
[www.local.gov.uk](http://www.local.gov.uk)

© Local Government Association, February 2024