



Department for Levelling Up, Housing & Communities

Simon Hoare MP
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Our reference: MC2024/02850

Rt Hon Sir George Howarth MP
House of Commons
London
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February 2024

Thank you for your email of 26 January to the Chancellor of the Exchequer, the Rt Hon Jeremy Hunt, on behalf of your constituents, regarding funding for local services. Our correspondence has been transferred to the Department for Levelling Up, Housing and Communities. I am responding as the Minister responsible for this policy area.

As you will have seen, the final Local Government Finance Settlement for 2024-25 was released on 5 February. This makes available up to £64.7 billion, an increase in Core Spending Power of up to £4.5 billion or 7.5% in cash terms on 2023-24. For Knowsley Council, this represents an increase in Core Spending Power of up to £16.9 million (8.1%) - making available a total of up to £225.5 million in 2024-25.

This above-inflation increase demonstrates how the Government stands behind councils up and down the country.

Having listened to the views of local government, on 24 January the Government announced additional measures for local authorities in England worth £600 million. As your constituent points out, this includes £500 million of new funding for councils with responsibility for adult and children's social care, distributed through the Social Care Grant. This new funding should be used to deliver vital local services.

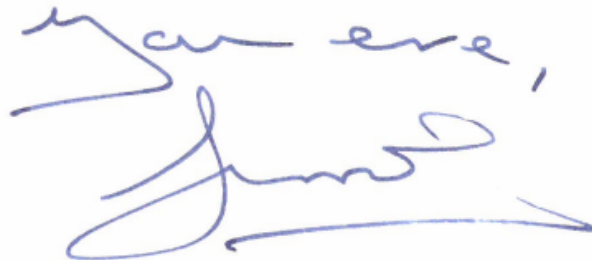
Taking into account this additional funding, this Settlement will provide £1.5 billion in additional grant for social care compared to 2023-24, in recognition of pressures facing both adult and children's social care.

We are supporting all of local government through the sector-wide Funding Guarantee, ensuring all local authorities will see a minimum 4% increase in Core Spending Power before local council tax decisions - an increase from the 3% Funding Guarantee in 2023-24.

Local government will have seen a real-terms increase in Core Spending Power (the Government's measure of funding available to local government) over the period 2019-20 to 2024-25. To assess the amount of funding required for local government ahead of fiscal events, we estimate the additional resource required to fund the expenditure needs of local authorities. We use a range of forecasts and indices to estimate demographic and unit cost pressures facing local government. This includes considering the effect of inflation.

Your constituent raises concerns regarding 114 notices. We monitor the financial health of councils on a regular basis using a range of data as well as through extensive direct engagement. We stand ready to speak to any council that has concerns about its ability to manage its finances or faces pressures it has not planned for.

Thank you for writing on this important matter. I hope that this information is helpful to your constituents.

A handwritten signature in blue ink, appearing to read 'Simon Hoare', with a stylized flourish underneath.

SIMON HOARE MP
Minister for Local Government