I am writing on behalf of the Association of County Chief Executives (ACCE) in response to your call for evidence on local government finance. ACCE works to bring together the Chief Executives of over 30 large English upper tier and unitary authorities.

We would like to endorse the evidence submitted by the County Councils Network. The Committee’s inquiry will prove to be a key milestone for local government as the sector heads into the spending review and fair funding review, and as such we would also seek to reiterate the following points.

Firstly, the 2019 Spending Review comes against a background of sustained reductions in the amount of central government funding that is available for local authorities. Between 2010 and 2015 there was a 40% reduction in this funding, and this has continued over the course of the current spending review period. Chief Executives and local authority officers have worked hard alongside elected members to ensure that councils pass a balanced budget as they are legally required to do. However, this has become increasingly difficult over the past nine years and as a result we would urge a significant uplift in the total funding for local government through the spending review.

Secondly, the reductions in central government support has meant that councils have had to reprioritise spending to ensure that councils are meeting their statutory responsibilities to provide certain key services, in particular adults and children’s services. These two areas have been subject to significant demand-led pressures that have further added to the financial pressures that councils have been subject to. As a result an increasing number of councils are focussing on a ‘core offer’.

Thirdly, whilst the whole of the local government sector is experiencing increased difficulty to balance its budget, we would urge the Committee to consider whether these have fallen evenly across the sector. We believe that these financial pressures have fallen hardest on county authorities. This is a result of the way that the current funding formula is unable to take account of unmet need, and the relative weighting it gives to density and sparsity, amongst other factors.

The overall impact of this is a situation where counties receive £148 in central government funding per head compared to £437 for councils in inner London. As a result the upcoming Funding Review must seek to ensure that county councils receive a fairer share of funding as an outcome.

Finally, we would welcome a measure of certainty as a result of the Spending Review and Fair Funding Review. A longer Spending Review period will help to provide local government with a degree of certainty that will make planning for the future easier, and will also help to ease the introduction of the Fair Funding Review.

Please do not hesitate to contact me if you require any further information. We would of course be happy to give oral evidence to the Committee.

April 2019