

Rt Hon Michael Gove MP
Secretatry of State for Levelling Up

By Email

Friday 15th December 2023

Dear Michael,

Councils across the country are seeing unprecedented increases in demand for services, the impact of inflation, and reductions in real terms funding levels equivalent to at least 25% since 2010.

As a consequence, a number of authorities are facing real sustainability issues.

You have indicated that the coming Local Government Finance Settlement (LGFS) will mirror the shape of last year. But we know that it needs to grow to keep up with significant demand pressures on local public services. Council services underpin economic growth and play a vital role in protecting the most vulnerable in society. We must find a sustainable funding model to support them.

This means providing adequate and sustainable funding through the LGFS, to enable local authorities to meet the costs of their core functions. This needs to include appropriate increases in areas such as children's and adult social care where cost increases and increasing demand for services exceed headline inflation levels. The 2017 Fair Funding Review needs to be revived, to make sure funding levels for services, and the formulae that determine them, take account of the higher cost of provision in areas of high deprivation.

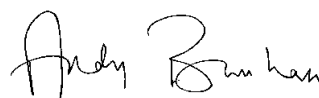
Funding is not the only answer and we need to look at reform. Abolishing ringfencing, introducing multi-year LGFS grants and providing local authorities with the flexibility to be able to freely direct resources such as capital receipts, would help local authority financial planning.

And of course, the need to find a financially sustainable model for children's and adults' social care, which now make up the lion's share of funding, is key to reducing substantial cost pressures facing local government.

Yours sincerely,



Tracy Brabin
Mayor of West Yorkshire



Andy Burnham
Mayor of Greater Manchester

Steve Rotherham

Steve Rotherham
**Mayor of Liverpool City
Region**

Oliver Coppard

Oliver Coppard
Mayor of South Yorkshire

Nic Johnson

Nic Johnson
**Mayor of Cambridgeshire
and Peterborough**

Jamie Driscoll

Jamie Driscoll
Mayor of North of Tyne