

# Post-Autumn Statement Temperature Check

Research Report

November 2023



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# Summary

## Background

In November 2023, the Local Government Association sent an online survey to the leaders and chief executives of all councils in England. The purpose of the survey was to assess their reactions to the 2023 Autumn Statement, as well as to understand the impact of the current financial statement on their councils' services. A total of 114 chief executives and 71 leaders responded – a response rate of 36 per cent for chief executives and 22 per cent for leaders.

## Key findings

- Some **7 per cent** of respondents thought that their Section 151 officer was very or fairly likely to issue a Section 114(3) notice in 2023/24, whilst **17 per cent** thought that this was very or fairly likely to happen in 2024/25.
- **More than a quarter** (29 per cent) of respondents were not very confident or not at all confident that their local authority will have enough funding to fulfil all its statutory duties in 2023/24, whilst **50 per cent** were not confident of fulfilling their statutory duties in 2024/25. This includes the provision of statutory services.
- **Nearly two-thirds** (63 per cent) of respondents did not think that there were any announcements in the 2023 Autumn Statement which would help them to deal with their council's financial position.
- **Ninety-five** per cent of respondents saw at least some of the LGA's activity on the day of the Autumn Statement.
- When asked what they need from the Local Government Finance Settlement, respondents requested funding proportional to inflation and rising demands, a greater degree of financial stability and predictability, and greater government strategy and planning to deal with the underlying issues causing financial difficulties for councils and local communities.

## Introduction

In November 2023, the Local Government Association sent a short online survey to the leaders and chief executives of all principal local authorities in England. The purpose of this survey was to assess rapidly the reactions of local authority leaders and chief officers to the 2023 Autumn Statement and to understand the impact of the current financial situation on council services.

## Methodology

Each local authority in England had two opportunities to participate in the online survey, which was circulated to council leaders and chief executives between 23 November and 30 November 2023 and managed by the LGA's Research and Information Team. The survey was anonymous, and did not ask respondents to provide their name or local authority, to allow them to express their opinions and financial situation candidly.

Among the 317 councils in England, 114 chief executives and 71 leaders responded to the survey, equivalent to 36 per cent and 22 per cent respectively. This level of response rate 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: Response rate by type of respondent**

Type of respondent	Number of responses	Response rate %
Council chief executive	114	36
Council leader	71	22

Table 2 shows the response rates for chief executives and leaders, broken down by council type. This shows that levels of response were not even across council types, with 65 per cent of unitary authority chief executives responding to the survey, compared to 10 per cent of county council leaders.

**Table 2: Response rate by type of council**

Type of authority	Number of councils	Chief executives' response rate % (No.)	Leaders' response rate % (No.)
County	21	29 (6)	10 (2)
District	164	23 (37)	20 (32)
London borough	33	42 (14)	18 (6)
Metropolitan district	36	44 (16)	28 (10)
Unitary authority	63	65 (41)	33 (21)

To enhance the extent to which the respondents can be said to represent all councils, their responses were weighted by their role and council type, which they provided at the end of the survey. 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 council leaders and relatively underrepresented authority types were increased in weight, whilst responses from chief executives and relatively overrepresented authority types were decreased in weight. The result was a dataset which gives proportional weight to each authority type based on the total number of each authority across England, and which gives the total responses of leaders and chief executives equal weight.

The largest individual weight given to an individual respondent was 3.06, meaning that the response in question was treated as approximately three responses, and the smallest weight was 0.45, meaning that the response was treated as a little under half a response. The median weight was 1.02, demonstrating that the average respondent received little or no weighting. These findings give confidence that the respondents did not receive unduly excessive emphasis or de-emphasis, as these figures are well within the accepted conventional guidelines.

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.

## Post-Autumn Statement Temperature Check

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

### Likelihood of issuing a Section 114 notice

Respondents were asked how likely or unlikely they thought it was that their Section 151 officer would issue a Section 114 notice, either in the current financial year, 2023/24, or the following financial year, 2024/25. A Section 114 notice is a public announcement that the council is at risk of failing to balance its budget. There are different types of Section 114 notice, and the type of notice relevant to this survey is the Section 114(3) notice.

Tables 3 and 4 show the results for this question by financial year, including the overall results as well as a breakdown between chief executives and leaders. This demonstrates that 7 per cent of respondents thought their Section 151 officer was very or fairly likely to issue a Section 114(3) notice in 2023/24, compared with 17 per cent in 2024/25. Council leaders were slightly more likely than chief executives to anticipate a Section 114 notice being issued, although the difference between them was modest.

**Table 3: Likelihood of issuing a Section 114 notice in 2023/24**

Type of authority	Overall %	Chief executives %	Leaders %
<b>Very or fairly likely</b>	<b>7</b>	<b>6</b>	<b>8</b>
Very likely	4	3	6
Fairly likely	2	2	2
Not very likely	24	22	26
Not likely at all	68	71	64
Don't know	2	1	2

Base: all respondents (185 respondents, 114 chief executives and 71 leaders).

**Table 4: Likelihood of issuing a Section 114 notice in 2024/25**

Type of authority	Overall %	Chief executives %	Leaders %
<b>Very or fairly likely</b>	<b>17</b>	<b>15</b>	<b>20</b>
Very likely	7	6	8
Fairly likely	11	9	12
Not very likely	41	36	45
Not likely at all	39	46	33
Don't know	3	4	2

Base: all respondents (185 respondents, 114 chief executives and 71 leaders).

For comparison with the past record, Table 5 shows the number and percentage of councils which have issued a Section 114(3) notice in the past, broken down by year. This shows that seven individual councils have issued at least one Section 114(3) notice since 2010, equating to around 2 per cent of local authorities. A total of 11 notices have been issued since 2010, because some of the seven councils have submitted multiple notices.

No notices were issued between 2010 and 2017/18, while between 2017/18 and 2022/23 there were at most two notices issued per year, equating to less than 1 per cent of councils. As of the time of writing this report, in the 2023/24 financial year, four notices had already been submitted (equating to a little over 1 per cent). If all councils whose leaders and chief executives anticipated submitting a Section 114 notice in the current and following financial years did so, this would represent a significant and unprecedented increase in the number of notices being submitted.

Several respondents noted in the open text comments at the end of the survey that the only reason they did not anticipate issuing a Section 114 notice in 2023/24 or 2024/25 was that they were using reserves to cover the shortfall in funding for those years, but that they would be at a significantly greater risk of being required to issue a notice in future, as a result of using up their reserves. This suggests that, in addition to the more immediate financial risks, the pressures councils are facing are significantly increasing the risk of financial unsustainability in future years.

**Table 5: Volume of historic and anticipated Section 114 notices since 2010**

	Number of councils	% of councils
<b>Councils which have already submitted at least one notice since 2010</b>	<b>7</b>	<b>2</b>
<b>Total notices already submitted since 2010</b>	<b>11</b>	<b>-</b>
in 2017/18	1	<1
in 2018/19	1	<1
in 2019/20	0	0
in 2020/21	2	1
in 2021/22	1	<1
in 2022/23	2	1
to 29 November in 2023/24	4	1
in remainder of 2023/24 (anticipated, estimated from respondents)	-	7
in 2024/25 (anticipated, estimated from respondents)	-	17

Base: all councils (existing Section 114 data); all respondents (185 respondents).



## Lack of confidence in fulfilling statutory duties

Respondents were asked how confident or not they were that their local authority will have enough funding to fulfil all its statutory duties in the 2023/24 and 2024/25 financial years. Statutory duties include the requirement to deliver a balanced budget, as well as the requirement to deliver a wide range of statutory services.

Tables 6 and 7 show the results for this question, demonstrating that 29 per cent of respondents were not very confident or not at all confident that their council would deliver its statutory duties in 2023/24, and 50 per cent were not confident in delivering statutory duties in 2024/25. As was the case with anticipated Section 114 notices, council leaders tended to have significantly lower confidence than chief executives, although the prevalence of low confidence among both groups was substantial. Because some respondents who lacked confidence in one financial year did not in the other, a total of 54 per cent (100 respondents) reported not being confident of meeting their statutory duties in at least one of the two financial years.

**Table 6: Confidence in fulfilling statutory duties in 2023/24**

Type of authority	Overall %	Chief executives %	Leaders %
<b>Not at all or not very confident</b>	<b>29</b>	<b>22</b>	<b>36</b>
Not at all confident	8	10	6
Not very confident	21	12	30
Fairly confident	38	40	36
Very confident	33	38	28
Don't know	0	0	0

Base: all respondents (185 respondents, 114 chief executives and 71 leaders).

**Table 7: Confidence in fulfilling statutory duties in 2024/25**

Type of authority	Overall %	Chief executives %	Leaders %
<b>Not at all or not very confident</b>	<b>50</b>	<b>46</b>	<b>55</b>
Not at all confident	21	21	22
Not very confident	29	25	33
Fairly confident	30	32	28
Very confident	19	22	17
Don't know	0	0	0

Base: all respondents (185 respondents, 114 chief executives and 71 leaders).

## Evaluation of the 2023 Autumn Statement

Respondents were asked whether there were any announcements in the 2023 Autumn Statement that they thought would help them deal with their council's financial position.

Table 8 shows the results for this question, demonstrating that a majority of respondents (63 per cent) said that there were not any announcements in the Autumn Statement that would help deal with their financial situation. Responses to this question were almost identical between chief executives and leaders.

**Table 8: Were there any announcements in the Autumn Statement that you think will help you deal with your council's financial position?**

Type of authority	Overall %	Chief executives %	Leaders %
Yes	35	36	35
No	63	63	63
Don't know	2	1	2

Base: all respondents (185 respondents, 114 chief executives and 71 leaders).

Of the 61 respondents who said that there were some announcements in the Autumn Statement, 59 (97 per cent) provided text comments to identify the announcements that they thought would be helpful. Their comments can be classified into the following broad themes:

- A large majority (86 per cent, 51 comments) mentioned the increase in Local Housing Allowance (LHA) rates. Although 41 of these comments (69 per cent) were straightforwardly positive, 10 comments (17 per cent) noted some ways in which this increase is not as helpful as it could be:
  - It was mentioned that whilst helpful, the increase in LHA rates remained a relatively small help compared with the scale of the financial challenges which they faced.
  - It was also stated that the increase is not helpful in dealing with the immediate crisis of short-term pressures.
  - Conversely, the measure was also described as a “short-term sticking plaster” that would also not be useful in the long term unless accompanied by further policy developments.
  - It was observed that more detail would be needed in this development to fully gauge its usefulness to local councils.
  - It was also mentioned that it was difficult to predict the subsequent behaviour of landlords in response to this policy change.
- A significant minority (19 per cent, 11 respondents) mentioned the announcement allowing councils guarantee the decision dates for major planning developments in exchange for a fee. Nevertheless, one respondent observed that the refund of fees, if timescales are not met, would further increase the financial risks faced by councils.

- A number of other announcements were mentioned by smaller number of respondents:
  - The Levelling Up package
  - Investment Zones
  - The extension of the Freeports tax reliefs
  - The homelessness prevention funding
  - The implied rise in the adult social care precept
  - The additional capital grant for highways following the cancellation of HS2
  - The changes to the New Homes Bonus
  - Some of the other grants, with water treatment being provided as an example.

## LGA activity on the day of the Autumn Statement

Respondents were asked which of a range of the LGA's activity on the day of the Autumn Statement that they had seen. They were able to select as many of the activities as they had seen.

Table 9 shows the results for this question. This demonstrates that a large majority (84 per cent) of respondents saw the LGA's 'On the day briefing', and significant minorities saw the other forms of activity, including social media (45 per cent), print and online media (37 per cent) and broadcast media (19 per cent). A small minority (5 per cent) said that they had not seen any of these forms of activity.

**Table 9: Finally, which, if any, of the LGA's activity on the day of the Autumn Statement did you see?**

Type of authority	Overall %	Chief executives %	Leaders %
LGA On the day briefing	84	91	77
Items on social media (for example, on X – formerly Twitter – LinkedIn or Threads)	45	38	52
Items in print and online media (newspapers or websites)	37	38	36
Items on the broadcast media (TV/radio)	19	15	23
None of these	5	1	8

Base: all respondents (185 respondents, 114 chief executives and 71 leaders).

## Further comments

Respondents were asked to describe any financial pressures their council was facing and its impact on their residents and services, as well as what they need from the Local Government Finance Settlement. The most commonly mentioned service areas affected were:

- Adult social care
- Children's social care
- Special Educational Needs and Disabilities (SEND)
- Homelessness
- Support for migrants and refugees.

The most commonly mentioned sources of cost pressures were:

- Inflation and pay increases, including minimum wage uplifts
- Support needed for residents to cope through the cost of living crisis
- The steep rise in energy costs in recent years
- Rising costs of housing and temporary accommodation
- Rising demand for services, particularly homelessness and social care
- Increasingly complex demands in the field of social care
- A need to reinvest in service areas with significant capital and maintenance costs, such as waste services
- Lack of funding proportionate to the extent of need.

Respondents mentioned a wide range of negative impacts on their residents as a result of these issues, including:

- Receiving a lower level of service
- The most vulnerable being unable to access critical support
- Greater risk of not being able to obtain support at the time of need
- Loss of valuable non-statutory services
- Job reductions from the council contributing to unemployment in the local community
- Undermined job security, pay level and morale among employees, leading to lack of labour market competitiveness and thus widespread recruitment and retention difficulties
- Lack of affordable housing to deal with rapidly increasing homelessness
- Difficulty caused by the necessity of increasing Council Tax to ensure stability, further impacting residents' cost of living.

Respondents asked for the following from the Local Government Finance Settlement:

- A sooner announcement of the settlement before any changes take effect
- Increased funding, reflecting increases in demand as well as inflation
- Most urgently, increased funding for adult and children's social care
- Recognition of the complex needs of deprived communities, and a scale of funding proportional to those needs
- A longer-term settlement, applying for more than one year, such as a three-year settlement
- A cap on charges for residential social care
- Greater government planning for overcoming systemic issues that are the source of many financial pressures.

## Annex A: Questionnaire

1. Following the Autumn Statement, how likely or unlikely do you think it is that your Section 151 officer will issue a Section 114 notice this year or next year?

Very likely

Fairly likely

Not very likely

Not likely at all

Don't know

2023/24

2024/25

2. Following the Autumn Statement, how confident are you or not that your authority will have enough funding to fulfil all your statutory duties in the following years?

Very confident

Fairly confident

Not very confident

Not at all confident

Don't know

2023/24

2024/25

3. Were there any announcements in the Autumn Statement that you think will help you deal with your council's financial position?

Yes

No

Don't know

Which announcements were helpful?

4. In your own words, tell us about any financial pressures your council is facing and the impact on your residents and services; and tell us what you need from the Local Government Finance Settlement.

We reserve the right to use these quotes in our media, social media and campaigning work. All quotes will be anonymous.

5. Finally, which, if any, of the LGA's activity on the day of the Autumn Statement did you see?

Items on social media (for example, on X – formerly Twitter – LinkedIn or Threads)

Items on the broadcast media (TV/radio)

Items in print and online media (newspapers or websites)

LGA On the day briefing

None of these



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