

Outcome of the Autumn Statement for county and unitary authorities

- In the lead up to the Autumn Statement, the County Councils Network (CCN) provided detailed evidence (see [here](#)) on the financial situation facing county and unitary councils. This showed that as a result of the prolonged higher inflation and escalating demand for services, CCN members councils faced overspending their budgets by a collective £639m this year. This is contributing to a £4bn funding shortfall over the next three years.
- It was therefore disappointing that the Autumn Statement did not provide any additional support to local government. However, the Autumn Statement did include an increase to the National Living Wage, that will add hundreds of millions of additional, unplanned, costs to councils' budgets.
- Following the outcome of our Autumn Statement, CCN has surveyed our member councils the financial position of county and unitary councils. This shows:
 - **Councils are now in a significantly worse than before to the Autumn Statement**, with 93% of CCN members saying it leaves them worse off financially. This is because the survey shows that the National Living Wage (NLW) will add a further £230m of additional costs to CCN member councils next year – an average of £6.3m per council.
 - When asked how they would fund the minimum wage increase, **eight in ten councils said service reductions and four in ten said higher council tax rises**. Before the Autumn Statement, seven in ten councils said they planned to levy the maximum 4.99% council tax rise, with this now rising to nine in ten.
 - When asked what services they thought they were **more likely** to be implemented due to the outcome of the Autumn Statement, seven in ten councils said they would have to propose staff reductions, whilst the same number also said they were now **more likely to cut adult social care services and school transport services**.
 - Five in ten councils said they now were **more likely to pause or cancel major economic growth and regeneration projects**, as well as closing and/or changing the opening hours of **both libraries and household waste and recycling centres**.
 - **But even these measures together might not be enough**. Before the Autumn Statement, four in ten councils were unsure or not confident of delivering a balanced budget in 2024/25 **but this has now risen to seven in ten**. Looking further ahead, almost eight in ten local authorities are unsure or not confident of setting a balanced budget in 2025/26.
- It is often suggested that councils use their reserves to plug funding shortfalls. But after a decade of continuous cutbacks, the scale of reductions and use of reserves needed to fill the funding shortfall is simply unsustainable, as this is money that can only be spent once. Using reserves will also not solve funding issues in the medium term.