



Levelling Up, Housing and Communities Committee

Ian Hughes
Director of Policy
Local Government Association
18 Smith Square, Westminster, London
SW1P 3HZ

27 November 2023

Dear Ian,

I write regarding changes to local government financing announced during the [Autumn Statement](#) on 22 November 2023. As was [reported](#) in *The Observer* over the weekend, local government representatives have expressed serious concerns over its impact on their finances including that it may:

- Trigger a 'fire sale' of public assets
- Reduce councils to an 'emergency service'
- Put vulnerable people at greater risk
- Result in more councils going bankrupt
- Require the imposition of big council tax increases

It was also previously [reported](#) by the Institute for Fiscal Studies that non-protected government departments in England face an annual cut of 3.4% over five years as a result of the plans laid out by the Chancellor, with local government among those "likely to suffer the most."

We believe that this is particularly concerning given the recent high profile cases of local authorities having to issue 114 notices after entering into financial distress, into which we are running an [ongoing inquiry](#), as you may be aware.

As such, we would appreciate if you could write to the Committee to confirm whether you share these concerns, as well as summarising any other key impacts to local government financing you anticipate from the plans laid out in the Autumn Statement.

The Committee will be putting questions to the Secretary of State for Levelling Up, Housing and Communities Michael Gove on this topic on Wednesday 6th December. As such, **if you could get back to the Committee by end of day this Thursday, 30th November, that would be very much appreciated.** We acknowledge that this is short notice but would find a response from you invaluable to help inform our line of questioning ahead of this session.

Kind regards,



**Levelling Up, Housing
and Communities
Committee**

Clive Betts MP
Chair, Levelling Up, Housing and Communities Committee