

Date: 28th October 2024
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The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
1 Horse Guards Road
Westminster
London
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Dear Chancellor

Financial support for Suffolk County Council in your Autumn Budget

I write to urge you on Wednesday to use your Autumn Budget to address critical funding issues affecting Suffolk residents and businesses.

Suffolk County Council endorses the submissions made by the Local Government Association, County Councils Network and Society of County Treasurers ahead of your Autumn Budget and Spending Review.

We accept fully that demand for funding for public services is universal, with all eyes looking towards the Treasury for urgent financial relief. Local Government, and with it, Suffolk County Council, is a critical part of that demand – with vital frontline public services struggling to cope with ever increasing demand, rising costs and diminishing financial resources.

In Suffolk, we have a particular challenge with the cost of social care, home-to-school transport and special educational needs and disabilities. Our 'need to spend' in children's services has increased by 28% and adult care 14%. But with council funding only increasing by around 6% this year, it is evident that our budget gap is growing so significantly as to render efforts to maintain a balanced budget almost impossible.

Our overall budget this year is £752 million - of which £105 million alone is down to cost pressures caused by inflation and increased demand. This year and next, we are making £65 million of savings to the county council's budget by cutting staffing, further changing the way we work, stopping funding for community activities and raiding our ever-depleting reserve funds.

Let me be clear, we are a well-run council and over the last five years, we have saved over £66 million by working smarter and leaner. Indeed, 77p in every £1 we now spend goes on caring for and supporting adults and children. But the financial pressures we now face mean we need to go even further. There are still more savings to identify and these relentless year on year budget gaps are increasingly unsustainable, risking our ability to deliver vital services for our communities.

You have an opportunity to right many historic and unjust wrongs in terms of local government core funding, including in social care, education (particular the case in Suffolk), special educational needs and disabilities, home to school transport and highways. We therefore ask you to heed the calls from local authority leaders and address this funding crisis before more councils go bankrupt through Section 114s processes. There is a very real possibility of this happening more frequently during your tenure as Chancellor of the Exchequer.

The council feels it essential that the pressures facing local authorities are fully recognised by government and reflected in the local government settlement. It would be of great concern if, instead, the government chooses to lift the council tax referendum limit and pass the cost to local residents.

We eagerly anticipate your Autumn Budget statement on Wednesday and trust that, however challenging, you will back local government with the financial resources it needs to continue to provide vital public services.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Smith', with a horizontal line extending to the right.

Cllr Richard Smith MVO

**Deputy Leader and Cabinet Member for Finance, Economic Development and Skills
Suffolk County Council**