

# SIGOMA calls for end to 'gross injustices' in social services funding

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SIGOMA calls for end to 'gross injustices' in social services funding

Campaigners are calling on the Government to keep their promises to end gross injustices in social services funding so that help 'actually reaches the people who need it most'.

Currently, £686 million intended for the country's neediest areas is being unfairly given to some of London's wealthiest boroughs, according to the Special Interest Group of Municipal Authorities outside London (SIGOMA).

SIGOMA members attended a meeting at the House of Commons today to discuss potential changes in local government finance.

SIGOMA has been campaigning for the fair allocation of grants to local authorities based on need particularly on the children's and younger adults' social services.

The government agreed a new funding formula in 2005 but so far no changes have been implemented because it was felt that councils being overpaid would need time to adjust.

SIGOMA feels that the time for adjustment has now come to an end and its MPs agree.

Neil Turner, MP for Wigan and chair of the SIGOMA parliamentary group of MPs, said: "How can it be right for Wigan with its social and deprivation problems to be subsidising an affluent London borough like Kensington & Chelsea to the tune of £10.1 million?"

MPs threw their weight behind the campaign 'Caring for All' and called on the Department of Communities and Local Government to address the inequities in its forthcoming three year funding settlement.

Councillor Stephen Houghton, leader of Barnsley Metropolitan Borough Council and chair of SIGOMA said: "We are seeing little or no benefit despite the recognition of our needs.

"The grants we currently receive increasingly bear little relationship to the needs identified for our local communities and we are calling on government to right these wrongs.

"We welcome the promise of an overall extra £2.6 billion in funding for adult social care announced by Alan Johnson, but under the current funding model, areas most in need will still be significant losers.

"It is a fact that SIGOMA areas receive significantly less resources than others. In fact Richmond upon Thames receives a staggering 130% more than its needs warrant, and if we are to help the government achieve its goals, particularly on child poverty, then it must acknowledge that we need the additional funding to be targeted where most needed.

"We are only asking for what has already been acknowledged we should receive," he added.

## £22m shortfall to squeeze services

<http://new.edp24.co.uk/content/news/story.aspx?brand=EDPOnline&category=News&tBrand=EDPOnline&tCategory=news&itemid=NOED25%20Sep%202007%2008%3A21%3A25%3A690>

### SHAUN LOWTHORPE

25 September 2007 08:18

Norfolk's essential services could be squeezed once again after financial experts warned that the county faced a £22m government funding shortfall next year.

Early calculations suggest Norfolk County Council will endure its annual round of "difficult choices" to maintain the level of services in areas including schools, care homes and roads maintenance.

The warning comes as the council seeks to lobby ministers to reconsider changes to funding for roads maintenance which could see Norfolk lose more than £2m a year in government cash.

The county is the biggest loser under the new formula being put forward by the Department for Transport, and this week there was cross party support to lobby ministers against the changes.

Council leader Daniel Cox said: "We're looking at a shortfall in the region of £22m for the year 2008/9. There's some difficult financial decisions to be taken."

Council departments were being advised to plan their services on the basis of a forecast 2.3pc increase in their funding - some way short of the true increase in costs. Departments may yet face a more "pessimistic forecast" if funding turned out less.

The squeeze comes as a report shows that the inequalities in government funding meant that counties such as Norfolk are subsidising some of the country's richest local authorities in areas such as social services.

The government previously recognised there was an anomaly in the way social services funding was calculated and agreed a new formula based on need during 2005.

But changes were not implemented because ministers felt that the councils being overpaid needed time to adjust.

Now the Special Interest Group of Municipal Authorities within the Local Government Association (SIGOMA), who carried out the research, is campaigning for fair allocation of grants based on need.

The report said that Norfolk was £32.4m adrift of where it would be if ministers had funded the county as originally promised in 2005.

Stephen Houghton, chairman of SIGOMA said: "We understand that change needs to

be gradual but it

also needs to be fair. Despite the acknowledgement by government that our member authorities need higher social services funding, we have not seen any real increase since the new formula was agreed two years ago."

Chris Mowle, Norfolk County Council's cabinet member for adult social services, said switching funds from the NHS to social services would help bridge the gap."

"This is something we have been thumping the table about for a long time," he added.

## North short-changed on care services cash

Sep 11 2007

by **Adrian Pearson, The Journal**

SOCIAL services in Northumberland are losing nearly  $\pounds 5m$  as the Government diverts money to London councils.

This year Northumberland County Council was awarded  $\pounds 4.8m$  less than it asked for to run the essential services.

However, the Department for Communities and Local Government (DCLG) has handed wealthy London boroughs such as Kensington and Chelsea  $\pounds 16.8m$  more than needed.

The Government has been accused of dragging its feet over plans to change from an outdated funding formula to a more accurate system.

Local government think tank SIGOMA said the figures show some of the country's poorest boroughs are subsidising the richest. They highlighted the case of Richmond upon Thames Council which received 130% more than its target grant, compared to Northumberland which received 5.5% less.

The DCLG agreed two years ago to change the way grants handed out from a central fund are calculated, but has not yet acted on its own recommendations.

Stephen Houghton, chair of the SIGOMA group, which is open to unitary authorities outside London, called for a change in the "social services anomaly".

He said: "We understand that change needs to be gradual but it also needs to be fair. Despite the acknowledgement by Government that our member authorities need higher social services funding, we have so far not seen any real increase since the new formula was agreed two years ago. We are losing out to London Boroughs such as Kensington and Chelsea, Richmond upon Thames and Wandsworth, and the fact that authorities such as Northumberland are effectively subsidising these very affluent parts of the country cannot be morally right."

The Government had planned to change the grant system in 2005 but delayed the introduction of a new formula as

local elections approached.

Last night Blyth Valley MP Ronnie Campbell said: "We've been short-changed for years, regardless of which Government is in. We've been left out of the loop for a long time, something needs to be done."

A Northumberland County Council spokesman said: "The council has been pressing for some considerable time for a fair deal for Northumberland."

A Department for Communities and Local Government spokesman said they intended to gradually change the grant system. "We listened to councils' concerns about the scale of change as a result of the new formula, which is why the new social services grant was phased in by a formula-damping scheme."

**Wednesday October 10, 2007**

[The Guardian](#)

There is a real and urgent need for the government to target social services funding, particularly on the children's and younger adults' social services, more effectively. A recent report shows that under the current government some of the country's most affluent local authorities in London are being subsidised by some of the poorest in other parts of the country. Although in 2005 the government recognised anomalies in the way social-services funding had been calculated, the resulting changes were not implemented because the government thought that the councils being overpaid needed time to adjust.

As directors of children's and young people's services, we believe the period of adjustment has been long enough. It cannot be right that towns such as ours with their social and deprivation problems should be subsidising a wealthy London borough like Kensington and Chelsea to the tune of £10m. Gordon Brown should show his commitment to social justice and ensure that the most vulnerable in our society do not continue to suffer while the more affluent benefit.

**Helen Paterson** Sunderland, **David Brown** Walsall, and service directors for **Bury, Barnsley, Knowsley, Dudley, Gateshead, Oldham and Stockton**

## Government 'short-changing UK's neediest areas'

- Published: 12 October 2007 12:11
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Cllr Stephen Houghton (left) and MP Neil Turner

**Campaigners have called on the government to "keep its promise to end gross injustice in social services funding so that help reaches those who need it most."**

As the government announced a new settlement for adult social care services, the [Special Interest Group of Municipal Authorities](#) (SIGOMA) claims that £686m intended for the country's neediest areas is being "unfairly given to some of London's wealthiest boroughs".

### Background

SIGOMA has been campaigning for the fair allocation of grants to councils based on need. The government agreed a new funding formula in 2005, but so far no changes have been implemented because it was felt that councils being overpaid would need time to adjust.

### 'Adjustment period must end'

SIGOMA is calling on the adjustment period to end. SIGOMA parliamentary group of MPs chair and MP for Wigan, Neil Turner ([Lab](#)), said: "How can it be right for [Wigan MBC](#) with its social and deprivation problems to be subsidising an affluent London borough like [Kensington & Chelsea RBC](#) to the tune of £10.1m?"

SIGOMA chair and [Barnsley MBC](#) leader Stephen Houghton (Lab) added: "We are seeing little or no benefit despite the recognition of our needs. The grants we currently receive increasingly bear little relationship to the needs identified for our local communities. We welcome the promise of an overall extra £2.6bn in funding for adult social care, but under the current funding model, areas most in need will still be significant losers."

### 'SIGOMA areas receive less cash'

Cllr Houghton added: "It is a fact that SIGOMA areas receive significantly less resources than others. In fact [Richmond upon Thames LBC](#) receives a staggering 130% more than its needs warrant, and if we are to help the government achieve its goals, particularly on child poverty, then it must acknowledge that we need the additional funding to be targeted where most needed."









