



NEWS RELEASE

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Deprived Councils subsidise wealthier London Boroughs on Social Services

A telling report published today shows that under current government social services grant arrangements some of the country's most affluent local authorities (such as Richmond upon Thames) are being subsidised by some of the poorest (such as Rotherham).

The government has previously recognised there was an anomaly in the way Social Services funding was calculated and agreed a new formula based on need during 2005. However, the changes were not implemented because the Blair government felt that the councils being overpaid needed time to adjust. SIGOMA is now saying that period of adjustment has been long enough.

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 particularly on the children's and younger adults social services.

The table below lists some examples of the most extreme 'losers' and 'gainers' from the current funding formula and the amount of funding they are away from their target based on needs:

	<i>Distance from target grant in 2007/08 %</i>	<i>Distance from target grant in 2007/08 £m</i>
<i>Richmond upon Thames</i>	<i>+130</i>	<i>13.6</i>
<i>Wandsworth</i>	<i>+57</i>	<i>49.1</i>
<i>Kensington & Chelsea</i>	<i>+21.1</i>	<i>16.8</i>
<i>Blackburn with Darwin</i>	<i>-11.4</i>	<i>8.3</i>
<i>Rotherham</i>	<i>-11.1</i>	<i>10.0</i>
<i>Wigan</i>	<i>-8.3</i>	<i>10.1</i>

"It's time DCLG supported Gordon Brown's commitment to social justice," said Cllr Stephen Houghton, chair of SIGOMA. "DCLG is currently consulting on options for the next three years' funding and we shall be submitting our views.

"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 & Chelsea, Richmond upon Thames and Wandsworth, and the fact that authorities such as Rotherham, Wigan and Blackburn with Darwin are effectively subsidising these very affluent parts of the country cannot be morally right.

“This cannot go on as some of the most vulnerable individuals in our society are suffering and SIGOMA will be presenting its case to DCLG with the aim of getting equality for our members in the funding regime,” he added.

Neil Turner MP, chair of the SIGOMA group of MPs, said: “The government’s aim to eradicate child poverty by 2020 is unlikely to be met if immediate changes are not made.

“We shall be discussing this in Parliament and I call on Members from all parties to support the fair and equitable distribution of resources so that all local authorities can support those most in need.”

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NOTES TO EDITORS:

SIGOMA is a campaigning network of urban local authorities, we are open to all metropolitan districts outside London and to urban unitary councils sharing similar characteristics with our existing members.

We have metropolitan and unitary councils with a total of 45 members, stretching from the north-east and north-west , through Yorkshire and the Midlands to the south-west coast. Our members have a combined population of 13 million people, making SIGOMA one of the largest special interest groups (SIGs) within the Local Government Association (LGA) and accountable for about 25% of local government spending in England.