INSTITUTE FOR GOVERNMENT

Methodology

Public services performance tracker 2025: Local government

General

Public services spending, including estimates of the total spend on public services

To estimate the real cost of public spending, we deflate government spending figures using the GDP deflators published by the Office for Budget Responsibility (OBR) in the Economic and Fiscal Outlook from March 2025.[1] To better reflect the underlying inflation conditions present in 2020/21, we estimate our own figures by generating a mid-point that averages across values from 2019/20 and 2021/22. We deflate spending figures in our financial analysis across the entire report to 2025/26 prices. There are some instances throughout where we put spending into prices from a year other than 2025/26. Where this is the case, we explain our reasoning in the Methodology below.

In cases where we calculate real-terms changes in figures that relate to individuals – for example, wages or the adult social care means test – we use the consumer price index (CPI) rather than the GDP deflator. The CPI that we use also comes from the OBR's Economic and Fiscal Outlook from March 2025.

Core spending power

We use core spending power (CSP) in various calculations throughout the report. Before 2015/16, the government measured local authorities' revenue spending power (RSP) instead of their CSP. To create a comparable CSP for the years before 2015/16, we apply the annual percentage growth in RSP to the first year of the CSP metric until we have an artificial CSP total for 2010/11.

For the outturns between the years 2015/16 and 2025/26, the totals come from the final local government finance settlement 2025/26. For the years between 2026/27 and 2028/29 we use the CSP numbers that come from the 2025 Spending Review document.

Institute for Government interviews

For this report, we conducted around 35 interviews between June and August 2025 with various relevant stakeholders, including subject experts from civil society organisations, civil servants and frontline staff.

Interpreting regression results

Throughout the report, we use univariate and multivariate regression analysis to identify relationships between variables. These regressions do not let us say that one variable causes another, but they do let us see if a high level in one variable tends to occur with a high or low level in another.

Regression tables included in this report should be interpreted as follows:

- The dependent variable (the factor being measured) is listed along the top of the table. There is always exactly one dependent variable per regression.
- The independent variables (the factor we are testing the effect of on the dependent variable) are listed in the 'Independent variable' column. There may be more than one independent variable per regression.
- At the intersection between an independent and dependent variable is the coefficient on that independent variable. This shows the unit change in the dependent variable associated with a one-unit higher independent variable, holding all other independent variables constant.
- We use asterisks to represent the level of significance of an independent variable, as determined by the p-value from our regressions. Three asterisks signify the highest level of significance and one asterisk the lowest.
    - The thresholds are as follows:
      * Weakly significant: $0.01 < p < 0.05$
      ** Moderately significant: $0.001 < p < 0.01$
      *** Highly significant: $p < 0.001$
      A dot signifies that a variable has fallen just short of significance ($0.05 < p < 0.1$).
- We also report the R^2 for univariate regressions (those with only one independent variable). This is the proportion of the variation in the dependent variable that can be explained by variation in the independent variable.

Chapter LG 1 – Local government overview

Figures LG 1.1–1.3: Real-terms change in local authority spending power

To create the 'Spending power per person' time series in figure LG 1.1, we divided the spending power time series described above by the total population for England in each year. From 2023 onwards, we use population projections as there is no population estimates for those years.

For figure 1.2 we carried out the same calculation described above for each local authority and then calculated the median, 5th percentile and 95th percentile for each year. It is not possible to show this beyond 2025/26 because there are no local authority-level CSP settlements until the government publishes the Local Government Finance Settlement in December 2025. We excluded local authorities that reorganised in this time to avoid sharp discontinuities in the time series.

For figure LG 1.3, we took each local authority's spending power as calculated in figure LG 1.2 and divided that by the total population for each local authority in each year. We then calculated the median, 5th percentile and 95th percentile for each year. It is not possible to conduct this analysis beyond 2023/24 because there are no local authority-level population projections.

Figure LG 1.4: Real-terms change in local authority spending power, by decile of deprivation, between 2010/11 and 2024/25

As with the CSP timeline in Figure LG 1.1, we constructed a consistent CSP time series for each upper- and single-tier local authority between 2010/11 and 2024/25. We then used the 2019 English index of multiple deprivation (IMD) to assign a deprivation score to each local authority.

We excluded those local authorities that were either abolished or created during this period and then grouped local authorities into deciles of deprivation, summed their CSP in 2010/11 and 2024/25 and then calculated the percentage change.

Figure LG 1.5: Local authority revenue by source, 2009/10–2024/25 (2025/26 prices)

For the 'council tax' component of this, we take the 'Council tax requirement' total for England in each year from the 'Revenue outturn summary (RS)' for each year between 2009/10 and 2024/25. We subtract the total for 'Other' authorities from the England total to just show upper-, lower- and single-tier local authorities.

To calculate the value of the grants from central government to local government we first sum all the 'revenue grants within aggregate external finance (AEF)' from the

'Revenue outturn specific and special revenue grants (RG) - detailed grants'. From this, we subtract the grants related to education and public health. The first because this is mostly a pass-through grant which flows to local authority-maintained schools and academies and is therefore not funding over which local authorities have any control. We exclude public health to make every year comparable because it has only been a local authority responsibility since 2013/14. We then add other grant income – which is predominantly the Revenue Support Grant – from the 'Revenue outturn summary (RS)'. We subtract any grants that relate to 'Other' authorities from the total. The final adjustment we make is to add 'Better Care Fund' (BCF) funding.

We use the NHS Digital 'Adult social care activity and finance report' (ASCAFR) as the source for BCF funding for England for each year. The latest year for which there is data is 2023/24. We therefore needed to take an assumption about the amount of BCF funding in 2024/25. To do so, we took the BCF planning data published by NHS England[2] to calculate the uplift in spending between 2023/24 and 2024/25. We then applied this uplift to the ASCAFR BCF national total to estimate how much it was worth in 2024/25.

To calculate business rates income, we use the line 'Retained income from Rate Retention Scheme' from the RS. We subtract any income that relates to 'Other' authorities from the total.

For the years 2020/21 and 2021/22, we identify the Covid grants from the RS and sum those to find the grant funding. We subtract any amount that relates to 'Other' authorities from the total.

We deflate every year's income into 2025/26 prices using the GDP deflator.

Figure LG 1.6: Real-terms change in local authority spending per person, by service, since 2009/10

To calculate this, we take total net current expenditure for each year. We then subtract education and public health grants for the reasons described above. We then calculate the sum of spending on adult and children's social care and subtract that from the remaining total. This gives us spending on 'Other local authority services'. We subtract any spending relating to 'Other' local authorities.

We deflate every year's spending into 2025/26 prices using the GDP deflator.

Figure LG 1.7: Real-terms change in spending on selected local authority services, by service, since 2009/10

This is the same approach as for figure LG 1.6, just split into services. Spending on 'Youth services' comes from the 'Section 251 return' published by the Department for Education (DfE). We use this because it gives a more complete picture of local authorities' spending on those services.

We deflate every year's spending into 2025/26 prices using the GDP deflator.

Figure LG 1.8: Local authority spending on children's services, by type, 2009/10–2023/24 (2025/26 prices)

This shows the sum of local authority spending on children's services in each year. We classify 'Children's centres and children under 5' and 'Services for young people' as more preventative services; 'Family support services' and 'Youth justice' as a mix; and 'Safeguarding children' and 'Looked after children' as more acute. This excludes 'Other' local authorities.

We deflate every year's spending into 2025/26 prices using the GDP deflator.

Figure LG 1.10: Band D council tax, by local authority, 2000/01–2025/26 (2025/26 prices)

We calculated the median, 5th percentile and 95th percentile of local authorities' band D council tax for each year and then deflated every year's rate into 2025/26 prices using the GDP deflator.

Figure LG 1.11: Local authority usable reserves as a proportion of service expenditure, by local authority type, 2009/10–2024/25

Usable reserves in each year is the sum of 'Unallocated reserves' and 'Other earmarked financial reserves'. Service expenditure is the sum of all net current expenditure minus education and public health funding. In all cases, we subtracted 'Other' authorities' spending from the total.

For the Covid-affected years, we subtracted the below lines that can be found in the RS from the total usable reserves to give a picture of underlying usable reserves, following discussion with the Ministry of Housing, Communities and Local Government (MHCLG). These were as follows:

2019/20:

- COVID-19 emergency funding first trance [sic] £1.6bn, 27/3/2020
- Brought forward s. 31 grants for 2020-21 business rates relief, 27/3/2020

2020/21:

- COVID-19 Business Rates Reliefs (-)

2021/22:

- Other earmarked reserves: authority's share of expanded retail relief grants 2020-21 and 2021-22 at 31 March
- Other earmarked reserves: authority's notional share of COVID-19 additional relief fund 2021-22 at 31 March

2022/23:

- Other earmarked reserves: authority's share of expanded retail relief grants 2020-21 and 2021-22 at 31 March
- Other earmarked reserves: authority's notional share of COVID-19 additional relief fund 2021-22 at 31 March

2023/24:

- Other earmarked reserves: authority's share of expanded retail relief grants 2020-21 and 2021-22 at 31 March
- Other earmarked reserves: authority's notional share of COVID-19 additional relief fund 2021-22 at 31 March

Figure LG 1.13: Local authority usable reserves as a proportion of expenditure, by whether they have claimed exceptional financial support, 2009/10–2024/25

To calculate this, we classified each local authority by whether they had ever claimed exceptional financial support (EFS). We then summed the usable reserves and service expenditure in each year for both EFS and non-EFS authorities and divided the former by the latter.

We did this for only upper- and single-tier local authorities because shire district councils' levels of reserves are so much higher as a proportion of service expenditure that it made them incomparable with other local authorities.

Figure LG 1.14: Upper-tier local authorities that drew down usable reserves, by number of years they made consecutive draw-downs, 2012/13–2024/25

For each year, we calculated whether the value of local authorities' usable reserves declined in real terms compared to the previous year. If they had, we then calculated how many consecutive years they had drawn down reserves.

We started this analysis in 2012/13 because this was the first year after the time series started for which there was at least three years of data.

We deflate every year's reserves and spending into 2025/26 prices using the GDP deflator.

Figure LG 1.15 Cumulative deficit on schools' budgets as a proportion of in-year schools' budgets, by local authority, 2015/16–2023/24

The gross expenditure column for line '1.9.3 Dedicated Schools Grant carried forward to next year' of DfE's section 251 returns[3] contains the cumulative deficit on the Dedicated School Grant (DSG), for a given financial year. This dataset covers only upper-tier local authorities in England. Positive figures are deficits, negative figures are surpluses. DfE have confirmed that they believe the vast majority of DSG deficits stem from local authorities' high needs spending outstripping their high needs block funding.

We divide 1.9.3 by line '1.9.1 Dedicated Schools Grant for year' for each local authority, and the nation as a whole, to reach the cumulative deficit on schools' budgets as a proportion of in-year schools' budgets. The City of London and Isles of Scilly are excluded from the calculation of the percentiles, due to small population sizes.

Figure LG 1.18: Local authority borrowing as a multiple of spending power, by whether they have claimed exceptional financial support, 2013/14–2024/25

To calculate this, we classified each local authority by whether they had ever claimed exceptional financial support (EFS). We then summed the borrowing and spending power (calculated as per the methodology for figure LG 1.1) in each year for both EFS and non-EFS authorities and divided the former by the latter.

Service performance

Our performance metrics

Our analysis of high-performing local authorities looks at one performance metric from each of nine different public services:

- Adult social care – the percentage of the over-65 population that receive long-term care
- Children's social care – the percentage of care placements that are more than twenty miles from a child's home
- Homelessness – the percentage of relief or prevention duties that ended in accommodation being secured for longer than 6 months
- Drug and alcohol treatment – the percentage of the total numbers of alcohol users in treatment who leave successfully (free of dependence) and who do not then re-present to treatment within 6 months.
- Health visiting – the percentage of births that receive a new birth visit within 14 days
- Libraries – the number of libraries per 100,000 people
- Planning – the percentage of non-major development decisions that are made within 8 weeks, or within agreed time
- Road maintenance – percentage of B and C classified roads where maintenance should be considered
- Recycling – percentage of collected household waste that is recycled

We excluded bus miles, because lots of local authorities with integrated transport authorities do not report them.

We extracted these metrics for 2023/24, or the most recent year for which data was available, and only for single-tier local authorities. Some local authorities do not have data across all nine services.

Standardising the performance metrics

We then standardised each metric, to allow us to compare performance in one service to performance in another service. This involves taking each local authority observation of e.g. adult social care performance, subtracting the mean adult social care performance from that, and dividing by the standard deviation in adult social care performance.

We ensured that, for each metric, a positive standardised score meant better than average performance and a negative standardised score meant worse than average performance.

Adjusting for contextual factors

We then ran nine regressions to see how each standardised performance metric was correlated with various 'contextual factors'. These factors were:

- Core spending power per capita in 2023/24
- Rurality – a categorical variable derived from the 2011 rurality classifications
- Deprivation (IMD 2019 average score)
- The proportion of the population aged over 65
- The proportion of the population aged under 18
- Housing density
- Housing affordability (The ratio of average private rent to residence-based earnings)
- Overcrowding (Measured using the 'bedroom standard', comparing the number of bedrooms a household has with the number it needs based on ages and relationships of household members)
- Housing benefit (Proportion of households on housing benefit)
- Personal Independence Payments (Proportion of households claiming personal independence payments)
- English as an additional language (The proportion of the population speaking English as an additional language)
- Ethnicity – crudely measured as the proportion of the population from white UK ethnic backgrounds.
- Accessibility of key services by public transport (The average minimum travel time to reach the nearest key services – hospitals, primary schools, secondary schools, further education, GPs, food stores, medium-sized centres of employment and town centres – by public transport)

Each of the nine regressions had one of the standardised performance metrics as a dependent variable, and then all of these contextual factors as independent variables.

The R^2s were as follows:

- Adult social care: 0.78
- Children's social care: 0.58
- Homelessness: 0.38
- Drug and alcohol treatment: 0.20
- Health visiting: 0.11
- Libraries: 0.36
- Planning: 0.16
- Road maintenance: 0.34
- Recycling: 0.52

We then predicted each local authority's performance for each metric, based on those contextual factors. The extent to which each local authority under- or over-performed in each metric was calculated by subtracting the predicted value from the actual value.

We have chosen not to name consistent under-performers in our report because we think doing so would be unlikely to support improvement, and because our analysis is not comprehensive and varies subject to the performance metrics that we choose to include or exclude.

Chapter LG 2 – Adult social care

Figure LG 2.1: Spending on adult social care, actual and projected, 2009/10–2025/26 (2025/26 prices)

For the outturn spending between 2009/10 and 2023/24, we use the net current expenditure from 'Appendix C - Expenditure on adult social care, 2009-10 to 2023-24' from NHS Digital's 'Adult social care activity and finance report' (ASCAFR) 2023/24.[4]

For the projection we take a different approach to estimate spending in 2024/25 and 2025/26.

For 2024/25, we calculate the percentage increase in local authority spending between 2023/24 and 2024/25 from the 'Local authority revenue outturn'. This measure accounts for the majority of spending on adult social care that we show from the previous dataset. We then apply that percentage increase to the outturn data we have for ASCAFR data from 2023/24.

For 2025/26, there is no revenue outturn spending from local authorities. Instead, we take the percentage increase in local authorities' core spending power between 2024/25 and 2025/26 from the 'Local government finance settlement – final', 2025/26. We then apply that percentage change to the estimate we have for adult social care spending in 2024/25. This effectively means that we think that local authorities will maintain the proportion of their 2024/25 spending on adult social care in 2025/26. We do this because we think it is reasonable to expect that local authorities' spending on adult social care will increase by at least the amount of their core spending power. This is likely an underestimate, as the proportion of local authority spending that has gone on adult social care has increased substantially since 2009/10.

Figure LG 2.5: Cost pressures on the estimated increase in spending on adult social care in 2025/26

The estimated cash uplift for spending on adult social care in 2025/26 comes from the calculation described above for figure LG 2.1.

To calculate the impact of economy-wide inflation, we take forecast spending in 2024/25 (again, calculated for figure LG 2.1) and put this into 2025/26 prices using the GDP deflator. We then subtract the cash number from the real terms number. This then gives the amount of extra money the government would need to spend to maintain the same level of activity in the sector.

We take the indirect employer NICs cost from Nuffield Trust's work estimating the impact for 2025/26.[5]

To calculate the indirect impact of the National Living Wage (NLW) increase in 2025/26, we took the number from the same work carried out by Nuffield Trust described above. We then took an assumption that wages would grow in line with economy-wide inflation and therefore adjusted Nuffield Trust's estimate by the amount that the wages would have grown by if they had followed the increase in the GDP deflator.

Figure LG 2.6: Change in spending on long-term care compared to change in the number of people receiving long-term care, by local authority, 2022/23 to 2023/24

We took the spending on long-term care from table T44 in the 2022/23 and 2023/24 ASCAFR outturns. We then put this into real terms using the GDP deflator and calculated the real-terms change in spending for each local authority between those two years.

We then calculated the change in the number of people receiving long-term care packages at the end of the each of those years, using table T38 in the 2022/23 and 2023/24 ASCAFR outturns.

Figure LG 2.14: Index of the proportion of adults requesting social care support from local authorities, by age group (2017/18=100)

This shows the number of unique clients requesting support from their local authority in each year divided by the size of the adult population (split into adults aged 18-64, adults aged over-65 and total adults).

We use the number of unique clients – which came from table T13 in ASCAFR – instead of the total number of requests in each year because that is a clearer view of underlying demand since a client can make multiple requests for support in a year, presenting an artificially inflated view of demand in a local authority.

Figure LG 2.16: Index of the proportion of adults receiving long-term care from local authorities, by age group (2003/04=100)

For the numerator of this calculation, we took the numbers from 'Appendix D – Methodology for the Long-term user number time series by supporting setting' from ASCAFR 2023/24. We then divided this by the relevant populations for each year to give a rate of access. We then divided each year by the starting year of the time series to give an index.

The government changed the methodology for collecting data on the number of people accessing long-term adult social care in 2014/15 with the introduction of the Care Act 2014. We have included this as a single unbroken time series because NHS Digital constructed this data set specifically with the intention of making it as comparable as possible, though they acknowledge that the comparison between pre- and post-2014/15 data might be inexact. For more details on NHS Digital's approach, please see their methodology which can be found in the footnote at the end of this paragraph.[6]

Figure LG 2.18: Proportion of adults receiving long-term care that are using community care, compared to self-reported quality of life, 2023/24

To calculate the proportion of adults in long-term care that receive community care, we summed the four columns:

- Community – Direct Payment Only
- Community – Part Direct Payment
- Community – CASSR Managed Personal Budget
- Community – CASSR Commissioned Support Only

From table T38 of ASCAFR, which shows the number of adults in each local authority that were receiving long-term care at the end of 2023/24. We then divided that by the total of that number, and the number of adults that were nursing and residential care in the same year.

Figure LG 2.19: Average annual change in the number of adults receiving long-term care, by age group, 2003/04–2023/24

For this, we used the data from 'Appendix D – Methodology for the Long-term user number time series by supporting setting' from ASCAFR 2023/24. We then split this into the relevant time periods and calculated the average annual change in the number of care packages in those periods. We chose the first period because this was the time in which the last Labour government had control of the adult social care system. We chose 2009/10 to 2016/17 as the second period because this came after a change of government, and was when funding for local authorities

experienced the greatest decline. The period from 2016/17 to 2023/24 was one that was characterised by, first, flat and then rising funding for local government.

Figure LG 2.23: Results of CQC inspections of local authorities' adult social care services, as at 25 September 2025

There is no collated dataset of these scores. The analysis follows manual collection of the data from the CQC website.

Chapter LG 3 – Children's social care

This section focuses on children's social care in England, at a national, regional, and upper-tier local authority level. The City of London, Isles of Scilly, and Rutland are excluded from all local authority-level analysis in this section, as a result of the small numbers of children in receipt of social care services in those areas.

We have not used data from 2024 on care placement type or on placement provider throughout the chapter, since 2023 is the most recent year for which data on residential care placements and private provision are definitely comparable with previous years. In 2024, that data was affected by the introduction of registration requirements for supported accommodation providers. The number of placements recorded as private or residential dropped in many areas where providers missed the deadline for registration (these were instead recorded as 'Other'). But in many cases, that drop does not reflect a meaningful change in service provision.

Figure LG 3.1 Spending on children's social care, 2009/10–2023/24 (2025/26 prices)

We generally define spending on children's social care as net current expenditure on '3.1.11 Total Children Looked After', '3.3.4 Total Safeguarding Children and Young Peoples Services' and '3.4.6 Total Family Support Services', as recorded in local authority section 251 returns, published by DfE.[7] These returns cover upper-tier local authorities, the administrative level at which children's social care is delivered, in England. Spending figures were then deflated in line with our standard approach.

Figure LG 3.2 Proportion of local authority spending going to children's social care, by local authority, 2011/12–2024/25

We use a slightly different data source (MHCLG's local authority revenue outturns[8])for spending figures here than in figure LG 3.1, to ensure that we can generate figures for spending on children's social care that are directly comparable to wider local authority spending figures. To make the data as comparable as possible with LG 3.1, we only analyse upper-tier local authorities.

The numerator is net current expenditure on children's social care, the denominator is the sum of net current expenditure on highways and transport services, adult and children's social care, housing services (GFRA only), cultural and related services, environmental and regulatory services, planning and development services, central services and other services. The denominator excludes spending on education, public health, police and fire services and spending from the Better Care Fund – areas of local authority spending where funding is essentially ringfenced.

The time series starts from 2011/12 as local authorities received funding from 'Valuing People Now' in 2009/10 and 2010/11, which was spent on a range of services including children's social care, but spending is not split out by service.

To calculate the percentile figures, we exclude the City of London, Isles of Scilly and Rutland, and all local authorities that underwent a reorganisation.

Figure LG 3.3 Overspend on children's social care as a proportion of budget, by local authority, 2015/16–2023/24

This uses the same definition of spending as in LG 3.1, and takes an equivalent approach to planned expenditure, using the equivalent data release.[9] It then calculates overspend as the actual expenditure for a given financial year, minus the planned expenditure for that financial year. This is then divided by the planned expenditure, to get the figures as a proportion of the budget.

As before, the City of London, Isles of Scilly and Rutland are excluded from the calculation of percentiles.

While section 251 returns are the best available source of data, there are recognised reporting issues with the source, particularly at a local authority level. [10] Local authority comparisons should therefore be treated with some caution.

Figure LG 3.4 Overspend on children's social care as a proportion of budget, by local authority, 2022/23 and 2023/24

Overspends are calculated as for figure LG 3.3, with the City of London, Isles of Scilly and Rutland excluded.

Regression LG 3.1

Independent variable	Overspend on children's social care, 2023/24
Overspend on children's social care, 2022/23	0.5235***
	(0.0802)
Constant	12.6251***
	(2.0335)
Observations	146
R^2	0.2285

Source: Institute for Government analysis of DfE, 'LA and school expenditure 2023-24' and DfE, 'Planned LA and school expenditure 2023-24'. • Notes: Ordinary least squares regression. Both the dependent and independent variables are the overspend on children's social care as a proportion of the budget for that financial year. Upper-tier local authorities are the unit of analysis - Isles of Scilly, City of London and Rutland are excluded due to small population sizes. There are known data reporting issues with this dataset - see the Methodology for more detail. Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Similar relationships (all with highly significant independent variables, coefficients ranging between 0.36 and 0.59, and R^2s between 0.24 and 0.13) hold between every consecutive pair of years for which we have data, back to 2015/16. Data was not published in 2020/21.

Per-capita costs of care

We calculated per-capita costs of care by dividing inflation-adjusted net spending on children in care (from section 251 returns, as above) by the number of children in care as at 31 March in the relevant year (from DfE's 'Children looked after' release).[11] This is not quite a unit cost as it does not account for the number of days in care, data on which is not publicly available.

These per-capita cost figures are likely to be skewed by a small number of placements that are extremely high-cost. However, we see that the local authorities with higher per-capita costs in one year tend to also have higher per-capita costs the next year. Regression LG 3.2 shows this for 2022/23 and 2023/24, but similar is true for each pair of consecutive years since 2015/16 ($R^2 > 0.57$ and association is highly significant). This level of consistency suggests that the per-capita cost figures are not particularly volatile.

Regression LG 3.2

Independent variable	Per-capita cost of care, 2023/24
Per-capita cost of care, 2022/23	0.9508***
	(0.0382)
Constant	13896.7085***
	(3628.533)
Observations	146
R^2	0.8111
Per-capita cost of care, 2015/16	0.8268***
	(0.0757)
Constant	38228.2436***
	(5974.0712)
Observations	139
R^2	0.4655

Source: Institute for Government analysis of DfE, 'LA and school expenditure 2023-24' and DfE, 'Children looked after in England including adoptions', 2024. • Notes: Ordinary least squares regression. The dependent and independent variables are the net spending on care (in 2025/26 £s) in each financial year, divided by the number of children in care as at 31 March in the relevant year. Upper-tier local authorities are the unit of analysis - Isles of Scilly, City of London and Rutland are excluded due to small population sizes. Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Regression LG 3.2 also shows us that the ranking of local authorities in terms of per-capita care costs has not shifted much between 2015/16 and 2023/24: those with the highest costs in 2015/16 still generally have the most expensive care, while those with the lowest costs in 2015/16 have stayed relatively cheap.

Figure LG 3.6 Annual spend per child in care, by local authority, 2015/16–2023/24 (2025/26 prices, adjusted for varying area costs)

This analysis takes the per-capita costs of care for each upper-tier local authority, in each financial year, and divides it by the 2024 children's services area cost adjustment (ACA) values.[12] According to MHCLG, the ACA is "a tool used to measure the variation in the cost of providing services for local authorities in England".[13] It accounts for varying costs of labour, rent and accessibility around England – see the ACA explanatory note for more details.[14] The resulting figures can be roughly interpreted as the per-capita cost of care if the area had average (for England) labour and property costs. In the figure, the City of London, Isles of Scilly and Rutland are excluded from calculations of the percentiles.

Figure 3.12 Rate per 10,000 children of various care events, 2023/24, compared to proportion of children living in income deprivation, 2019, by local authority

This figure uses the 2019 English indices of deprivation at an upper-tier local authority level – the most up-to-date version of that data available at the time of writing.[15] Specifically, we take the 'Income deprivation affecting children index' or

IDACI, which shows the proportion of children living in income deprivation in each area. This is taken as the independent variable in four regressions, all listed in Regression LG 3.3 below.

The dependent variables are the rate per 10,000 children, in 2023/24, of: section 17 assessments completed, section 47 enquiries, episodes of need as at 31st March, and children in care as at 31st March. Data on the first three of these come from DfE's 2024 'Children in need' release,[16] data on children in care from DfE's 2024 'Children looked after' release.[17] See the main body of the report for definitions of these care events.

Regression LG 3.3

Independent variable	Section 17 assessments	Section 47 enquiries	Episodes of need	Children in care
Proportion of children living in income deprivation	2023.5957***	664.5251***	1112.9501***	360.4032***
	(245.8384)	(100.5979)	(111.638)	(34.8644)
Constant	204.4173***	86.6446***	163.406***	11.3088.
	(47.2474)	(19.3338)	(21.4556)	(6.6836)
Observations	142	142	142	143
R^2	0.3261	0.2376	0.4152	0.4311

Source: Institute for Government analysis of DfE, 'Children in need' 2024; DfE, 'Children looked after in England including adoptions', 2024 and MHCLG, 'English indices of deprivation 2019'. • Notes: Ordinary least squares regressions. The dependent variables are all from 2023/24, and are rates per 10,000 children in the area - see the methodology for more detailed definitions. The independent variable is from 2019. Upper-tier local authorities are the unit of analysis - Isles of Scilly, City of London and Rutland are excluded due to small population sizes. Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Average number of risk factors recorded per episode of need

'Risk factors' or factors identified at the end of a section 17 assessment, are additional factors that social workers record as being relevant in a case – data comes from dataset C3 of DfE's 'Children in need' release.[18] Each factor can only be counted once against a given case. However, as a child can be assessed under section 17 more than once during the year (ending 31 March), the same child can be recorded more than once for a given factor.

Faith-linked abuse and female genital mutilation were only introduced as factors from 2016/17, and child criminal exploitation from 2021/22. These categories have been excluded from the calculation of the average number of risk factors between 2014/15 and 2023/24 to keep figures as comparable as possible over time.

To calculate the average number of risk factors recorded per episode of need, we have divided the total number of risk factors recorded in any given year (with the exclusions above) by the number of episodes with assessment factor information.

Figure LG 3.19 Child and family social worker agency rate compared to vacancy rate, by local authority, 2024

This figure uses data from DfE's 'Children's social work workforce' release.[19] The vacancy rate is the proportion of FTE total posts (full or vacant) for child and family social workers that are vacant. The agency rate is the number of FTE agency (child and family) social workers, divided by the sum of FTE agency social workers and FTE social workers. All figures are as at 30th September 2024.

Regression LG 3.4 IfG

Independent variable	Child and family social worker agency rate
Child and family social worker vacancy rate	0.8565***
	(0.0409)
Constant	1.9031*
	(0.8557)
Observations	144
R^2	0.7555

Source: Institute for Government analysis of DfE, 'Children's social work workforce' 2024. • Notes: Ordinary least squares regression. Both the dependent and independent variables are percentages as at 30th September 2024 - see the Methodology for more detailed definitions. Upper-tier local authorities are the unit of analysis - Isles of Scilly, City of London and Rutland are excluded due to small population sizes. Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

To explain the findings of the regression more clearly, we have reported the implied effect of one variable on another at the median. To do this, multiply the coefficient on the independent variable by the difference between the 50th and 75th percentile of that variable. We then compare this to the median of the dependent variable to demonstrate the estimated size of the effect.

Figure LG 3.22 Funding for children's social care reform under the Starmer government, 2025/26–2029/30 (2025/26 prices)

To calculate these figures, we first worked out the cash-terms allocations of funding for children's social care reform under the Starmer government:

- In the 2025 spending review,[20] £555m was allocated to children's social care reform via the Transformation Fund – split between 2025/26 and 2027/28 as in the table below.
- The children's social care prevention grant was introduced in 2025/26, with allocations of roughly £270m a year until 2028/29 announced in the 2025 spending review.[21]
- £253m of funding every year between 2026/27 and 2028/29, originally earmarked for the now disbanded Supporting Families programme, was allocated to children's social care prevention in the 2025 spending review.
- The autumn budget 2024 included £44m for 2025/26 to boost foster care recruitment.[22]

- The autumn budget 2024 included £90m in capital funding for 2025/26 to renovate and build children's homes.
- The 2025 spending review included £560m in capital funding between 2026/27 and 2028/29 to refurbish and expand the children's home estate and boost foster care provision. We have assumed this will be split equally over the four years.

Funding for children's social care reform under the Starmer government, 2025/26–2029/30 (cash terms, £m)

Source/ purpose	2025/26	2026/27	2027/28	2028/29	2029/30
Transformation fund	79	271	207		
Children's social care prevention grant	270	270	270	270	
Repurposed spending on supporting families		253	253	253	
Boost foster care recruitment	44				
Renovate and develop children's homes	90				
Refurbish and expand care placements		140	140	140	140

Source: Institute for Government analysis of HMT, *Spending review 2025;* HMT, *Autumn budget 2024* and MHCLG, *Children's Social Care Prevention Grant Determination 2025 to 2026.* • Notes: The final two rows are capital funding. We have assumed that the £560m (cash terms) allocated to refurbishing and expanding care placements between 2026/27 and 2028/29 will be split equally across those four years.

Figures were then deflated in line with our standard approach.

Chapter LG 4 – Homelessness

This section focuses on homelessness in England, at a national, regional, and lower-tier local authority level (the geography at which homelessness services are delivered). The City of London and Isles of Scilly are excluded from all local authority-level analysis in this section, due to small population sizes.

Throughout the chapter, we tend to use four-quarterly rolling averages for figures referring to the number of relief or prevention duties experienced by England, a region, or a local authority. This helps to smooth out seasonal fluctuations in the data, making trends easier to compare over time. We occasionally use unadjusted data to avoid introducing a lag on detecting turning points, and flag where we do so.

By contrast, we do not tend to use four-quarterly rolling averages for figures referring to the number of households in temporary accommodation. These figures fluctuate less with seasons, partially because they are much larger, and also because households tend to stay in temporary accommodation for longer than they can be owed a prevention or a relief duty.

Figure LG 4.1 Total spending on homelessness by category, 2009/10–2024/25 (2025/26 prices)

This figure uses MHCLG local authority revenue outturns[23] and looks at total expenditure on homelessness between 2009/10 and 2023/24. We include spending by the Greater London Authority and all combined and local authorities in England for completeness, although local authorities account for the vast majority (99% in 2024/25).

Spending categorisations changed in 2020/21, and among other changes, a new category (code 89) for total homelessness was introduced. To calculate total homelessness spending prior to 2020/21, we summed service category codes 39 through to 50. We exclude spending data for 2020/21 as it was significantly affected by the Covid pandemic.

The figure splits spending out by 'temporary accommodation' and 'admin and support'. Temporary accommodation spending is calculated as the sum of service category codes 39 through 46 in pre-2020/21 data, and 80 through 85 in data from 2020/21 onwards. Since 2020/21, administrative spending on temporary accommodation has been recorded separately to other administrative spending on homelessness. Since we cannot separate this out prior to 2020/21, we exclude spending on administration for temporary accommodation from total spending on temporary accommodation for all years, and include it in admin and support spending instead. Admin and support spending is calculated as the sum of service category codes 47 through 50 pre-2020/21, and 86 through 88 from 2020/21 onwards.

This data was then deflated to 2025/26 prices using the standard approach.

The Centre for Homelessness Impact finds that spending on temporary accommodation is likely underreported.[24] Some councils record no cost when using their own stock as temporary accommodation, or report no temporary accommodation spending at all despite indicating its use in other data returns.

Figure LG 4.2 takes the same approach as figure LG 4.1 for total expenditure on temporary accommodation, and the equivalent approach for net expenditure.

Average length of stay in temporary accommodation in London versus elsewhere

This calculation uses the 'Additional Temporary Accommodation Breakdowns' data in MHCLG's 'Statutory homelessness in England: January to March 2025' release.[25] This includes lower-tier local authority-level data on the mean length of stay in each type of temporary accommodation, as at 31 March 2025.

We estimated the mean length of stay in temporary accommodation (regardless of type) as at 31 March 2025, for each lower-tier local authority for which there was data. We did this by, for each lower-tier local authority, weighting the mean length of stay in each type of temporary accommodation by the number of households in that type of temporary accommodation as at 31 March, and averaging across all types.

We then estimated the average length of stay in temporary accommodation in London. We averaged the mean lengths of stay in temporary accommodation across all London boroughs with data, weighting by the number of households in temporary accommodation in each local authority, as at 31 March 2025. We repeated this process for local authorities outside of London.

Length of stay data is missing for just under a quarter of London boroughs, and three non-London councils. These estimates account for only the local authorities with data.

Regression LG 4.1

We ran a two-way within (fixed effects) regression model, which examines how changes within each local authority over time in the rate of households with children in temporary accommodation are associated with changes within the same authority in the likelihood of those households exceeding the six-week limit in B&Bs. The unit of analysis was lower-tier local authorities, and the Isles of Scilly and City of London were excluded due to size. The analysis used quarterly data from Q3 2018 to Q1 2025, although it excluded data from all quarters where data was missing for more than half of local authorities (Q3 2018, Q4 2018, Q1 2019 and Q4 2019).

Regression LG 4.1 IfG

Independent variable	Proportion of households with children in temporary accommodation who have been housed in B&Bs for longer than six weeks
Households with children in temporary accommodation, per 1,000 households	0.2786*
	(0.14)
Observations	4662

Source: Institute for Government analysis of MHCLG, 'Statutory homelessness in England', Q3 2018 to Q1 2025. • Notes: A fixed effects (two ways, within) model, using quarterly data from Q3 2018 to Q1 2025, with quarters removed that had data missing for more than half of local authorities (Q3 2018, Q4 2018, Q1 2019, Q4 2019). Lower-tier local authorities are the unit of analysis - the Isles of Scilly and City of London are excluded. The dependent variable is the number of households with children in temporary accommodation who have been housed in B&Bs for longer than six weeks, divided by the number of households with children in temporary accommodation, expressed as a percentage. Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Cost effectiveness of temporary accommodation

To assess how cost effectively temporary accommodation is being secured across the country, we compared total per-household expenditure on temporary accommodation with the median private rent in each area.

We started with lower-tier local authority level data (from MHCLG's 'Statutory homelessness in England' quarterly releases[26]) on the number of households in temporary accommodation at the end of each quarter in 2024/25. We calculated the mean of this quarterly data for each local authority, and if a value was missing, we calculated the mean of what data there was. This gave us an estimate, for each local authority, of the mean number of households in temporary accommodation on any given day in 2024/25.

We then used lower-tier local authority level data on total expenditure on temporary accommodation in 2024/25, from MHCLG's local authority revenue outturns. We used total expenditure rather than net current expenditure to better capture expense to the public purse. We filtered out local authorities that had recorded zero (or negative) total expenditure on temporary accommodation. These figures were then deflated to 2025/26 prices using our standard approach. Spending on temporary accommodation varies year-to-year at a local authority level, therefore findings may differ depending on the financial year of spending data used.

We then estimated each local authority's total spending on temporary accommodation in 2024/25 per household in temporary accommodation (in 2025/26 prices), by dividing our total expenditure figure by the estimate of the mean number of households in temporary accommodation on any given day in 2024/25. We then divided this figure by 12, to get an estimate of the spend on temporary accommodation per household, per month.

We wanted up-to-date figures on median monthly private rents at a lower-tier local authority level. We wanted to use the median instead of the mean, as private rents are often skewed. However, the most recent local authority level ONS data on median private rents covers October 2022 to September 2023.[27]

To align these median monthly rent figures with 2024/25 rent prices, we assumed they had grown in line with mean rent prices, and uprated them using multipliers. These multipliers were calculated for each local authority, by dividing its mean rent in 2024/25[28] by its mean rent in the period of October 2022 to September 2023.[29] There are doubts over the quality of ONS private rent figures, but they are still the best readily available source. Figures in this section should therefore be interpreted with caution.

These new median monthly rent estimates for 2024/25 were then deflated to 2025/26 prices. Because they were in October 2022 to September 2023 prices, we took the mean of the 2022/23 and 2023/24 deflator as the denominator in our deflation calculations. Finally, for each local authority, we divided our estimate of 2024/25 temporary accommodation spend, per household, per month by our median monthly rent estimate for 2024/25, to calculate the ratio of spend on temporary accommodation to median private rents.

References

[1] Office for Budget Responsibility, 'Economic and Fiscal Outlook', OBR.UK, March 2025, retrieved 8 October 2025, https://obr.uk/efo/economic-and-fiscal-outlook-march-2025/
[2] NHS England, 'Better Care Fund: 2023 to 2025 planning data', ENGLAND.NHS.UK, 7 May 2024, retrieved 8 October 2025, https://www.england.nhs.uk/publication/better-care-fund-2023-to-2025-planning-data/
[3] Department for Education, 'LA and school expenditure 2023-24', GOV.UK, 12 December 2024, retrieved 25 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/la-and-school-expenditure/2023-24
[4] NHS England, 'Adult Social Care Activity and Finance Report, England: Appendix C – Expenditure on adult social care, 2009-10 to 2023-24', DIGITAL.NHS.UK, 31 October 2024, retrieved 8 October 2025, https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2023-24/appendix-c
[5] Nuffield Trust, 'Social care providers at risk of collapse as analysis reveals cost to sector of employer national insurance hike', press release, 22 November 2024, retrieved 8 October 2025, https://www.nuffieldtrust.org.uk/news-item/social-care-providers-at-risk-of-collapse-as-analysis-reveals-cost-to-sector-of-employer-national-insurance-hike
[6] NHS England, 'Adult Social Care Activity and Finance Report, England: Appendix D – Methodology for the Long term user number time series by supporting setting', DIGITAL.NHS.UK, 31 October 2024, retrieved 8 October 2025, https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2023-24/appendix-d
[7] Department for Education, 'LA and school expenditure 2023-24', GOV.UK, 12 December 2024, retrieved 25 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/la-and-school-expenditure/2023-24
[8] Department for Education, 'Local authority revenue expenditure and financing England: 2024 to 2025 individual local authority data - outturn', GOV.UK, 18 September 2025, https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2024-to-2025-individual-local-authority-data-outturn
[9] Department for Education, 'Planned LA and school expenditure 2023-24', GOV.UK, 26 September 2024, retrieved 25 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/planned-la-and-school-expenditure/2023-24
[10] Roma A, *Section 251 Data: Testing accuracy and a proposed alternative*, Government Social Research, 2017, retrieved 22 September 2025, www.gov.uk/government/publications/section-251-data-testing-accuracy-and-a-proposed-alternative.
[11] Department for Education, 'Children looked after in England including adoptions', GOV.UK, 14 November 2024, retrieved 25 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/children-looked-after-in-england-including-adoptions/2024
[12] Ministry of Housing, Communities and Local Government, '2024 Children's Services Area Cost Adjustment values', GOV.UK, 18 December 2024, retrieved 26 September 2025, www.gov.uk/government/publications/2024-childrens-services-area-cost-adjustment-values
[13] Ministry of Housing, Communities and Local Government, 'Methodology note: 2024 Children's Services Area Cost Adjustment', GOV.UK, 18 December 2024, https://assets.publishing.service.gov.uk/media/67615cf90345cd72db253435/Explanatory_note_on_2024_Children_s_Services_Area_Cost_Adjustment.pdf
[14] *Ibid.*
[15] Ministry of Housing, Communities and Local Government, 'English indices of deprivation 2019', GOV.UK, 26 September 2019, https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019
[16] Department for Education, 'Children in need', GOV.UK, 31 October 2024, retrieved 25 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/children-in-need/2024
[17] Department for Education, 'Children looked after in England including adoptions', GOV.UK, 14 November 2024, retrieved 25 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/children-looked-after-in-england-including-adoptions/2024

[18] Department for Education, 'Children in need', GOV.UK, 31 October 2024, retrieved 25 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/children-in-need/2024
[19] Department for Education, 'Children's social work workforce', GOV.UK, 27 February 2025, retrieved 26 September 2025, https://explore-education-statistics.service.gov.uk/find-statistics/children-s-social-work-workforce/2024
[20] HM Treasury, *Spending Review 2025*, CP 1336, The Stationery Office, 2025, https://assets.publishing.service.gov.uk/media/686270a608bf2f53761219fc/E03349913_HMT_Spending_Review_June_2025_TEXT_PRINT_CS.pdf
[21] HM Treasury, *Spending Review 2025*, CP 1336, The Stationery Office, 2025, https://assets.publishing.service.gov.uk/media/686270a608bf2f53761219fc/E03349913_HMT_Spending_Review_June_2025_TEXT_PRINT_CS.pdf; Ministry of Housing, Communities and Local Government, 'Children's Social Care Prevention Grant Determination 2025 to 2026', GOV.UK, 14 May 2025, retrieved 7 October 2025, https://www.gov.uk/government/publications/childrens-social-care-prevention-grant-determination-2025-to-2026/childrens-social-care-prevention-grant-determination-2025-to-2026
[22] HM Treasury, Autumn Budget 2024, HC 295, The Stationery Office, 2024, https://assets.publishing.service.gov.uk/media/6722120210b0d582ee8c48c0/Autumn_Budget_2024__print_.pdf
[23] Ministry of Housing, Communities and Local Government, 'Local authority revenue expenditure and financing England: 2024 to 2025 individual local authority data - outturn', GOV.UK, 18 September 2025, https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2024-to-2025-individual-local-authority-data-outturn
[24] Wilkins M, Gray T and Reeder N, *Spending on Temporary Accommodation: Is it Value for Money?*, *Centre for Homelessness Impact*, October 2024, https://www.homelessnessimpact.org/publication/spending-on-temporary-accommodation-value-for-money
[25] Ministry of Housing, Communities and Local Government, 'Statutory homelessness in England: January to March 2025', GOV.UK, 22 July 2025, https://www.gov.uk/government/statistics/statutory-homelessness-in-england-january-to-march-2025/statutory-homelessness-in-england-january-to-march-2025
[26] Ministry of Housing, Communities and Local Government, 'Statutory homelessness in England', GOV.UK, (no date), https://www.gov.uk/government/collections/homelessness-statistics#statutory-homelessness
[27] Office for National Statistics, 'Private rental market summary statistics in England: October 2022 to September 2023 edition of this dataset', Office for National Statistics, 20 December 2023, https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland
[28] Office for National Statistics, 'Private rent and house prices, UK: June 2025', Office for National Statistics, 18 June 2025, https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/june2025#private-rents-for-local-areas
[29] Office for National Statistics, 'Private rental market summary statistics in England: October 2022 to September 2023 edition of this dataset', Office for National Statistics, 20 December 2023, https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland