



Carla Denyer MP
Member of Parliament for Bristol Central
House of Commons, London SW1A 0AA

Rt. Hon. Angela Rayner
Secretary of State for Housing, Communities and Local Government

27th August 2025

By Email

Dear Angela,

Funding and Sustainability of Local Government Finance and delivery of services - Bristol City Council

I am writing following the publication of the recent landmark report by the Housing, Communities and Local Government Committee, entitled: [*The Funding and Sustainability of Local Government Finance, HC 514 24-25*](#).

I am extremely concerned about the dire funding situation faced by local councils, including Bristol City Council. After years of underfunding by successive governments, councils are at breaking point. Councillors in Bristol, like those from all parties across the country, are working incredibly hard in an impossible financial situation to provide the services that their communities rely on. But this is not sustainable.

You will no doubt be aware of the [research last year from the Local Government Association](#) which found that, without government help, one in four English councils could face bankruptcy in the next two years. This crisis requires urgent action from the Labour Government to prevent our communities from suffering further.

This letter highlights how key recommendations in the HCLG Committee's Report, on the vital need for further financial devolution and greater financial flexibility, relate to Bristol City Council. High strains on core services caused by increasing deprivation make clear the need for financial sustainability, local flexibility and investment in prevention.

Below are some key matters raised by Bristol City Council to illustrate the urgency of the situation (all the statistics below can be found in BCC's [submission](#)¹ to the Committee unless otherwise referenced):

- **Homelessness/temporary accommodation (TA):** Rates of homelessness in Bristol are rising, with 1,621 households in TA in September 2024. As you will know, this is in the context of recent data revealing that the number of children in TA has hit another [record high](#).²
- **Rough sleeping:** Rough sleeping is a significant problem in Bristol and one that is seriously affecting women as well as men. As you may have noted in the press, St Mungo's, The Nelson Trust, One25 and Shelter worked with Bristol City Council on research that found there are about [349 women sleeping rough](#)³ in Bristol - compared with just 15 recorded by government snapshot counts. At the last bi-

Carla Denyer MP
Bristol Central
Parliamentary Issues: carla.denyer.mp@parliament.uk
Local issues & Casework: bristolcentraloffice@parliament.uk
Constituency Office Phone: 0117 440 3977



monthly count in July 2025 there was 98 people sleeping rough, and since 2024 there has been a 7% increase in rough sleeping in Bristol.

- **Social Housing waiting list:** Bristol has over 20,000 households waiting.
- **Cost of private renting in Bristol** increased by 52% between 2011 and 2021.
- **High land value, house prices and rents** driving up homelessness, as well as skewing housing development. Student housing and investor-led buy-to-let properties dominate new residential applications, at the expense of social housing.
- **People living in vehicles has quadrupled.** In 2024 there were approximately 600-650 vehicle dwellers, up from approximately 100-150 in 2020.
- **Supported housing:** Bristol requires 2,300 new Specialist Supported Housing units annually
- **Impact of deprivation:** Bristol has 41 areas in the most deprived 10% in England, including 3 in the most deprived 1%; this affects 15% of Bristol residents - 19,000 children and 7,800 older people; severe food insecurity affects 11% of households across the city.
- **Housing Revenue Account (HRA):** HRA overspends due to the need to invest in existing stock are a serious challenge and BCC urgently needs both more flexibility and grant funding from government to deliver new council homes. The current administration prioritises investing in existing homes recognising the C3 regulatory judgement from the Regulator of Social Housing, new buildings safety standards and decades of under investment owing to the previous government's social rent policy. While the rent settlement is hugely welcome, it does not make up for the funding lost over the decade of rent cap. Bristol City Council calculated that over the rent reduction and rent cap period, Bristol's Housing Revenue Account lost around £850m over the 30-year business plan, the new rent settlement will add about £440m over the 30-year business plan. The [Future of Council Housing Coalition](#) is asking the government to provide HRAs with an urgent £644 million one-off rescue fund – an ask I support.
- **Special Educational Needs and Disabilities (SEND):** It is obvious that the SEND system is in crisis with many children not having their needs met and families having to fight for help and support. In common with other areas, Bristol has a significant deficit in the high needs block element of the Dedicated Schools Grant. This is due to more children with more complex needs being diagnosed. While the Council is working hard to meet needs, wholesale change in how schools work with children with SEND is needed, which has both the time and the capacity to deliver meaningful change. Sufficient capital funding is also needed for the places children need. Bristol City Council welcomes that the statutory override has been extended, however government must create a longer-term plan to



address the historic deficit. The Government's White Paper, [promised for this autumn](#) must make clear how councils facing deficits because of the growing demand for these services will be supported.

- **Social care costs:** Nationally, around [70%](#) of local authority spending is going towards social care.⁴ In Bristol, since 2021/22 the number of people requiring support has increased by 17% and unit costs have increased by 24%, meaning BCC is spending increasing amounts on social care (ASC) as the population of older adults increases.

To expand on the last point about social care, it is a crucial point that increasing council tax by the legal maximum amount does not cover the increasing cost of providing social care, which legally the Council must do. This puts the Council in a terrible situation and leaves other vital services suffering, all in the context of very serious concerns about unmet social care need across the country⁵. Meanwhile, residents who do not require care see an impact on the day-to-day services they interact with, despite council tax increases. This is serious issue. As the Select Committee warns, this poses a risk to the vital link between tax and service delivery.

Solutions – a case study of up-front investment for profound long-term gain

The above is not an exhaustive or comprehensive list of the problems the Council is grappling with, but I hope it demonstrates the urgent need to invest in local authorities to take forward the prevention agenda. **Investing in local government is an effective use of Treasury funds.** [LGA analysis](#) has shown that approximately £3.17 could be saved for every £1 spent on preventative work.⁶

With the right support and funding from central government, local authorities can both transform lives and get far better value for money.

Case study - Specialised Supported Housing (SSH)

For example, in [written evidence](#) to the Committee inquiry, Bristol City Council pointed to a case study demonstrating their successful delivery at Oldland Common working with Elim Housing to develop a SSH site comprising of purpose-built self-contained bungalows. This work included the creation of a bespoke, lifelong home in the community for a young woman with severe learning disabilities and autism who had spent over 22 years in a locked hospital ward.

More central government funding and support to help the delivery of Specialist Supported Housing enables people to live safely and with dignity and independence, while reducing reliance on institutional care and consequently, financial challenges. SSH consistently delivers better outcomes for individuals with complex needs and is more cost effective in the long term, once the initial capital investment is made.



Carla Denyer MP
Member of Parliament for Bristol Central
House of Commons, London SW1A 0AA

As I understand it, currently no public subsidy by way of discounted land or grant, aside from NHSE grant, is allowed into SSH. Amending this criterion would dramatically improve delivery and I sincerely hope you will look at taking this practical step.

This is just one example of how investment and reform would replace a vicious cycle with a virtuous one.

Conclusion

The evidence being provided by those running our local services bolsters the findings of the Select Committee Report. Urgent and bold action is needed to protect and shore up local government so our councils can deliver in both the immediate and longer term.

I urge you to:

- respond urgently to the recommendations of the Select Committee Report, including giving councils the power to re-value unfair and grossly outdated Council Tax bands;
- in the longer term replace regressive Council Tax with a progressive system that recognises the pressures people face making ends meet and that ensures those with the broadest shoulders pay a fair share;
- provide more up-front central government investment to deliver long term sustainability and improved outcomes;
- ensure funding accurately and fairly matches duties and local need;
- explore and deliver greater local fiscal powers/devolution.

Thank you for taking the time to read this letter. I look forward to your response to the points raised.

Yours sincerely,

Carla Denyer MP
Member of Parliament for Bristol Central

Carla Denyer MP
Bristol Central
Parliamentary Issues: carla.denyerp@parliament.uk
Local issues & Casework: bristolcentraloffice@parliament.uk
Constituency Office Phone: 0117 440 3977