

Needs are not determined by Whitehall budgets

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We have just posted this article on Substack. It was co-authored with James Murphy:

A government that treats the protection of vulnerable children as a financial inconvenience has lost sight of what government is for, but that [is what the dispute](#) between Hartlepool Council and Steve Reed, who is Secretary of State for Housing, Communities and Local Government, suggests has happened. It is a window into a system that is failing by design, which is turning blame on those forced to operate within it.

Firstly, let's be clear about cause and effect. Hartlepool has one of the highest numbers of children in care in the country because it is one of the most deprived places in England. Poverty creates demand for care. Instability creates demand for care. Lack of opportunity creates demand for care. None of this is accidental in the case of Hartlepool. It is what we would expect.

So, when a minister suggests that councils should not be "rewarded" for having more children in care, what is really being said is that need itself is a problem to be discouraged. That is not just wrong. It is a profound misunderstanding of the role of the state. Children are not entries on a balance sheet. They are people to whom the state owes a duty of care. That duty does not diminish because the bill is inconvenient.

Secondly, the financial reality needs to be stated plainly. Local authorities cannot create the money they spend. They are dependent on central government for the resources required to meet their obligations.

When those resources fall short, councils are left attempting the impossible task of balancing budgets whilst responding to rising and unavoidable demand. In Hartlepool, that demand includes care placements costing up to £20,000 per week, driven by a national failure to provide sufficient public provision. This is a systemic failure.

And when central government responds by saying funding has increased, or that councils must manage better, it is missing the point. The question is not whether funding has risen in cash terms. The question is whether it is sufficient. Clearly, it is not.

Thirdly, we need to address the fiction that underpins all of this: that there is a fixed pot of money which constrains what government can do. There is not. The UK government has the capacity to ensure that the resources required for social care are made available. The limits it faces are real, but financial affordability is not the binding constraint it is so often claimed to be. What we are seeing, instead, is a political choice to restrict funding and then pass the consequences downwards.

That choice has consequences.

It means councils in deprived areas are left carrying disproportionate burdens.

It means vulnerable children are placed in expensive and often unsuitable provision because the system has not invested in alternatives.

And it means that when failure occurs, blame is redirected onto those with the least power to change outcomes.

That is what is happening here.

So, when Hartlepool's leaders talk about "moral bankruptcy," they are not engaging in rhetoric. They are identifying something real.

A system that allocates fewer resources to areas with greater need is not neutral. It is unjust. And when ministers dismiss the consequences, whether explicitly or by implication, they reinforce that injustice.

What follows from this is not complicated.

If the state accepts responsibility for protecting children, then it must also accept responsibility for funding that protection. Not partially. Not conditionally. But fully.

That requires central government to do what only it can do: ensure that funding matches need.

It also requires an end to the pretence that local authorities can solve structural problems without structural support. They cannot. And continuing to suggest otherwise is not just misleading. It is a way of avoiding responsibility.

There is, in the end, a simple test of any government.

Does it ensure that the most vulnerable are protected?

If the answer is no, then no amount of rhetoric about efficiency, fairness, or redistribution can disguise the failure. Because the real moral bankruptcy here is not in local government. It is in a political system that knows what is required, has the capacity to deliver it, and chooses not to.