

Local Government Association briefing Chancellor's Budget 2018

30 October 2018



Introduction

The Chancellor's Budget, delivered on Monday 29 October, provided a formal update on the state of the economy, responded to the new economic and fiscal forecast from the Office for Budget Responsibility and announced the Government's fiscal measures.

The full set of documents is available on the [HM Treasury website](#).

The LGA has published the following media statement responding to the announcements.

[LGA responds to Budget 2018](#)

KEY MESSAGES

- The Chancellor's Budget Statement shows the Government is listening to our call for desperately-needed investment in our under-pressure local services.
- Our Budget submission highlighted the need to urgently plug the funding gap facing councils in 2019/20. The Chancellor has acted to help tackle some of this immediate funding crisis, and more investment will be needed in the long-term.
- While funding and some of the measures announced will ease some of the immediate financial pressure facing our local services, it falls short of what we need in the long-term. Local government in England continues to face significant funding gaps. Rising demand for adult social care, children's services and homelessness support will continue to threaten other services our communities rely on, including libraries, cleaning streets and maintaining park spaces.
- It is good news that the Government has accepted our long-standing call to scrap the housing borrowing cap immediately. We will support councils to build those good quality affordable new homes and infrastructure that everyone in our communities need.
- We are pleased that the Government has acted by providing an injection of desperately-needed funding into revitalising our town centres, and it is important that councils, with their place shaping roles, have full flexibility over how this funding is spent.
- It is critical that the Chancellor takes the opportunity to tackle the long-term financial challenges facing local government in the Spending Review. This will allow councils to play a full part in the prosperity of the nation and through preventative work, reduce the wider costs on public services.
- Investing in local government is good for the nation's prosperity, economic growth and the overall health and wellbeing of the nation. We now urge the Government to use the forthcoming Spending Review to deliver a truly sustainable funding settlement for local government.

Briefing

The Budget in more detail

In the Budget the Chancellor announced the following measures:

Adult social care and support

- An additional £240 million in 2018/19 and £240 million in 2019/20 for adult social care, as well as a further £410 million in 2019/20 for adults and children's social care.
(Page 75, paragraphs 5.15 and 5.16)

LGA view:

- Adult social care is a vital service in its own right and helps people to live the life they want to lead. It also helps alleviate pressures on the NHS and is an important contributor to the local and national economy.
- The LGA has been at the forefront of efforts to highlight the significant pressures facing adult social care and secure funding for both the immediate and the long-term. We welcome this additional funding, which will help tackle immediate challenges and their consequences across the system.
- The continuation of this year's £240 million winter funding is welcome and will allow better planning of services.
- Whilst flexibility in the use of resources is welcome, the £410 million additional funding allocated to support social care can only be spent once and the combined funding gap for adult's and children's social care in 19/20 is £2.6 billion meaning that very significant pressures remain.
- Although welcome, this funding will only address some of the short-term pressures facing adult social care. It does not address the full extent of all immediate pressures, let alone pave the way for a sustainable, long-term future. If we are serious about supporting people to live their lives to the fullest, we need to get serious about the level of investment in social care and support services.
- Councils cannot simply turn services on and off as funding ebbs and flows. Putting in place the right services, that are high quality and delivered by a sustainable provider market and properly skilled workforce, requires forward planning. Adult social care services still face a £3.56 billion funding gap by 2024/25, just to fund the National Living Wage and to maintain existing standards of care. The 2019 Spending Review must tackle the medium-term challenge, and the Government's forthcoming green paper must be bold and ambitious in moving towards a sustainable, long-term future so that people can access the services they need to help them live independent, dignified lives.

Disabled Facilities Grant

- An additional £55 million in 2018/19 for the Disabled Facilities Grant (DFG) to provide home aids and adaptations for disabled children and adults on low incomes.
(Page 75, paragraph 5.17)

LGA view:

- The funding will further help disabled children and adults on low incomes to modify their homes to support prevention and independence. Demand for the DFG is only likely to grow as the numbers of disabled people increases and the vast majority of current and future generations of older people will (and want to) remain in their own home. It is essential that DFG funding enables local areas to keep pace with demand from all age groups as part of a wider response to local housing, health and wellbeing priorities. Increased funding for this purpose needs to be ongoing.

Children's social care

- £84 million over 5 years for up to 20 local authorities, to help more children to stay at home safely with their families. This investment builds on the lessons learned from successful innovation programmes in Hertfordshire, Leeds and North Yorkshire.

(Page 75, paragraph 5.18)

LGA view:

- We have been warning of the significant pressures facing children's services for some time, and have been leading efforts to secure desperately-needed new government funding. It is encouraging that the Government has begun to acknowledge the huge strain on councils across the country, and has committed to addressing this issue for the longer term in next year's Spending Review.
- The announcement of £84 million over five years to expand children's social care programmes in 20 areas is a small step in the right direction, but councils in England face a £1.1 billion shortfall in the next year alone just to keep services running at current levels. While any additional investment is welcome, this will do little to alleviate the immediate and future pressures on services for some of the most vulnerable children and families in the vast majority of council areas.
- It is vital that the Government tackles the funding crisis facing children's services in next year's Spending Review, and delivers a long-term sustainable funding solution that enables councils to protect children at immediate risk of harm while also supporting early intervention to prevent problems escalating in the first place.

Housing

Housing Revenue Account, Housing Infrastructure Fund, strategic housing deals

- The Housing Revenue Account (HRA) cap that controls local authority borrowing for house building will be abolished from 29 October 2018 in England, enabling councils to increase house building to around 10,000 homes per year. The Welsh Government is taking immediate steps to lift the cap in Wales.
- The Housing Infrastructure Fund, funded by the NPIF, will increase by £500 million to a total £5.5 billion, unlocking up to 650,000 new homes.
(Page 62, paragraph 4.56)

- The Government will make £10 million capacity funding available to support ambitious housing deals with authorities in areas of high housing demand to deliver above their Local Housing Need.
(Page 63, paragraph 4.60)

LGA view:

- It is good news that the Government has accepted our long-standing call to scrap the housing borrowing cap immediately. The Government has estimated this will lead to the building of 10,000 new homes each year; and that borrowing levels will step up to £1.235 billion by 2022/23.
- We will support councils to build those good quality affordable new homes and infrastructure that everyone in our communities need.
- Additional funding to the Housing Infrastructure Fund will enable the delivery of new homes. It is crucial that this funding is allocated to projects quickly so that works can continue as soon as possible.
- It is welcome that the government is seeking to help deliver capacity in a number of councils. In our view all councils should have access to support to develop their own capacity, and we look forward to working with the Government, councils and other partners to support this.

Accelerating housing delivery

- Sir Oliver Letwin has published his independent review of the gap between housing completions and the amount of land allocated or permissioned.
- The review concluded that greater differentiation in the types and tenures of housing delivered on large sites would increase the market absorption rates of new homes – the binding constraint on build out rates on large sites – and has set out recommendations to achieve this aim.
- The Government will respond to the review in full in February 2019.
(Page 62, paragraph 4.57)

LGA view:

- We will respond to the Letwin Review fully over the coming weeks. However, we support the overall drive to ensure greater diversity on large sites, and enabling councils to have further levers through the planning system to help deliver this.

Land value uplift

- The Government is simplifying the process for setting a higher zonal Community Infrastructure Levy in areas of high land value uplift, and removing all restrictions on Section 106 pooling towards a single piece of infrastructure.
- The Government will also introduce a Strategic Infrastructure Tariff for Combined Authorities and joint planning committees with strategic planning powers.

(Page 63, paragraph 4.59)

LGA view:

- Councils have long argued for reforms to the viability process and for further opportunities to capture the increases in land value for investment in community assets.
- While these are welcome steps, council's ambitions are greater. It will be important to amend the 1961 Land Compensation Act to ensure that future increases in land values are captured for community gain.

Stamp Duty Land Tax, and the Help to Buy Equity Loan

- The Government will extend first-time buyers relief in England and Northern Ireland so that all qualifying shared ownership property purchasers can benefit, whether or not the purchaser elects to pay SDLT on the market value of the property.
(Page 46, paragraph 3.39)
- From April 2021, a new Help to Buy Equity Loan scheme will run for two years before closing in March 2023. The new scheme will be available for first-time buyers only, and for houses with a market value up to new regional property price caps. The Government does not intend to introduce a further Help to Buy Equity Loan scheme after March 2023.
(Page 63, paragraph 4.61)

LGA view:

- Councils are supportive of home ownership and for promoting options that work for local communities.

Planning

- A consultation on new permitted development rights to allow upwards extensions above commercial premises and residential properties, including blocks of flats, and to allow commercial buildings to be demolished and replaced with homes.
(Page 63, paragraph 4.58)
- £8.5 million of resource support so that up to 500 parishes can allocate or permission land for homes sold at a discount. Neighbourhood plans and orders are approved by local referendums, and the government will update planning guidance to ensure that these cannot be unfairly overruled by local planning authorities. The Government will also explore how it can empower neighbourhood groups to offer these homes first to people with a direct connection to the local area.
(Page 64, paragraph 4.63)

LGA view:

- Conversions of property to residential uses can play a critical role in helping create prosperous places, however this has to be a managed process as part of the wider local plan.

- Permitted development allows conversions that ignore local community wishes and can have a range of unintended consequences; they also make zero contributions to local infrastructure, services or affordable housing which are all so critical in maintaining local support for development.
- We will respond to the permitted development rights consultation in the coming weeks.

Roads and transport infrastructure

- The government will hypothecate English Vehicle Excise Duty to roads spending, announcing that the National Roads Fund will be £28.8 billion between 2020/25. The Fund will provide long-term certainty for roads investment, including the new major roads network and large local major roads schemes, such as the North Devon Link Road.
(Page 55, paragraph 4.8)
- The Budget is announcing the draft Roads Investment Strategy 2. This will enable the government to build on the Roads Investment Strategy 1, such as the A1(M) link to Newcastle, and progress transformative projects like the A66 Trans-Pennine, the Oxford-Cambridge Expressway, and the Lower Thames Crossing. The government expects to spend £25.3 billion on this strategy, funded by the National Roads Fund, between 2020/25.
(Page 55, paragraph 4.9)
- The government will allocate £420 million to local authorities in 2018/19 to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe. To support projects across England that ease congestion on local routes, the government will also make £150 million of NPIF funding available to local authorities for small improvement projects such as roundabouts.
(Page 55, paragraph 4.10)
- As part of the NPIF, the government is extending the Transforming Cities Fund by a year to 2022/23. This will provide an extra £240 million to the six metro mayors for significant transport investment in their areas: £21 million for Cambridgeshire and Peterborough, £69.5 million for Greater Manchester, £38.5 million for Liverpool City Region, £23 million for West of England, £71.5 million for the West Midlands, and £16.5 million for Tees Valley. In addition, a further £440 million will be made available to the city regions shortlisted for competitive funding. Ten city regions are eligible for this funding, and the government will shortly be announcing a further two.
(Page 55, paragraph 4.11)
- To support the Industrial Strategy Future of Mobility Grand Challenge, £90 million from the NPIF will be allocated to the Transforming Cities Fund to create Future Mobility Zones. This will trial new transport modes, services, and digital payments and ticketing. £20 million of this will be allocated to the West Midlands.
(Page 55, paragraph 4.12)

LGA view:

- This extra funding for local road upgrades and repairs will help councils tackle one

of the most important issues for local residents, with the severe cold weather from earlier this year continuing to create additional costs due to further resurfacing work needed. However, there continues to be a severe imbalance between investment in our local and national roads network and this risks creating a two-tier transport system which creates extra congestion in our town, cities and villages and does little to improve public transport, tackle air quality or tackle the £9 billion roads repair backlog.

- The additional funding for some of our cities will help to modernise local transport in those areas. However only through long-term, consistent and fairer government investment in transport in all areas can councils embark on the widespread improvement of our local roads and transport networks that is desperately needed. We now look forward to working with the Government to ensure the forthcoming Spending Review delivers future-proof funding for the vital maintenance of local roads and investment in local transport infrastructure.

Business Rates

- Bills will be cut by one-third for retailers including shops, cafes and restaurants in England with a rateable value below £51,000, benefiting up to 90% of retail properties, for 2 years from April 2019, subject to state aid limits.
(Page 46, Paragraph 3.33 and [policy costing document](#))
- 100 per cent business rates relief for all public lavatories will be introduced from 2020/21.
(Page 46, Paragraph 3.35)
- The government will continue the £1,500 business rates discount for office space occupied by local newspapers in 2019/20.
(Page 46, Paragraph 3.36)
- Local authorities will be fully compensated for the loss of income as a result of these business rates measures.
(Page 46, Paragraph 3.37)
- To ensure that second properties are subject to the appropriate tax, the government will consult on the criteria under which self-catering and holiday lets become chargeable to business rates rather than council tax.
(Page 46, Paragraph 3.38)

LGA view

- We welcome the business rate relief for retail properties, public conveniences and local newspapers, and that local government will be fully compensated for these. It is vital that these reliefs and others are reflected in the arrangements for further business rates retention.
- We look forward to contributing to the review of the criteria for self-catering and holiday lets.
- It is imperative that the Government finds a better way to deal with the impact of business rates appeals as we move towards greater local business rates retention.

Councils are currently having to take billions of pounds away from already stretched local services to cover the financial risk and uncertainty arising from the backlog of appeals.

- The Government also needs to tackle business rates avoidance more generally; which the LGA has estimated to be at least £230 million per annum.

Support for high streets

- The Government will launch a new Future High Streets Fund to invest £675 million in England to support local areas to develop and fund plans to make their high streets and town centres fit for the future. This will invest in town centre infrastructure, including to increase access to high streets and support redevelopment and densification around high streets. It will include £55 million for heritage-based regeneration, restoring historic high streets to boost retail and bring properties back into use as homes, offices and cultural venues.
(Page 67, paragraph 4.76 and [MHCLG website](#))
- The Government will consult on planning measures to support high streets to evolve. As part of this, it will consult on creating a more flexible and responsive 'change of use' regime with new Permitted Development Rights that make it easier to establish new mixed-use business models on the high street. It will also trial a register of empty shops with selected local authorities, and trial a brokerage service to connect community groups to empty shops.
(Page 67, paragraph 4.77)

LGA view:

- We are pleased that the Government has acted by providing an injection of desperately-needed funding into revitalising our town centres, and it is important that councils, with their place shaping roles, have full flexibility over how this funding is spent.
- The LGA has called for more flexible planning powers that will help councils and their communities to shape vibrant town centres and will work with the Government, councils and other stakeholders to help secure a prosperous long-term future for our high streets and town and city centres.
- Many councils throughout the country are already leading the way in transforming the future potential of their town centres in the face of unprecedented changes in shopping habits and the retail landscape.

Preparing for Brexit

- To support Brexit preparations, the Government has already allocated £2.2 billion to departments and devolved administrations. At Autumn Budget 2017, the Government set aside a further £1.5 billion to be allocated for preparations taking place in 2019/20. The budget confirms an additional £500 million of funding from the reserve for 2019/20, meaning the Government will have invested over £4 billion in preparing for EU exit since 2016. This funding will help departments manage pressures and contingencies arising from EU exit preparations which fall in the 2019/20 financial year, as well as ensuring that the UK is prepared to seize the

opportunities available when we leave the EU.
(Page 28, paragraph 1.49)

LGA view:

- Through our analysis of the impact of Brexit on councils, we have identified opportunities to do things differently and the risks to councils. We have identified where costs can be saved (for example, through the reform of procurement rules) and we have identified a number of risks of unfunded, added responsibilities (such as increased checks under our port health responsibilities, new tariffs on goods and ensuring that staff are prepared for new UK systems).
- In our Budget submission we stated that any new responsibilities or added financial pressures for councils must be fully funded.
- The LGA will be working with MHCLG to ensure that the needs of councils are fully recognised in the allocation of the new Brexit resources to departments.
- There was no detail in the Budget on the UK Shared Prosperity Fund (UKSPF), the Government's replacement of EU funding from 2021. The LGA has urged the Government to set out the detail of the UKSPF. EU funding has, and continues to be, a critical funding resource utilised by local authorities and their partners to create jobs, support enterprises, deliver skills, build infrastructure and boost local growth.
- An £8.4 billion UK-wide funding gap for local communities would immediately open up from the point we officially left the 2014/2020 European Structural and Investment Fund (ESIF) programme in December 2020, unless a viable, locally driven, domestic successor to EU funding is in place. It is therefore essential that the Government launches the consultation immediately to ensure that there is adequate time for local areas to prepare for the new UK fund to be introduced on 1 January 2021.
- UKSPF should be a localised, place based, flexible fund that should provide the same long term stability and quantum of funding that the ESIF programme delivered. It should complement other inclusive growth funding streams and strategies to fully prepare local areas for the economic opportunities and challenges in a post-2020 economy.

Mental health

- The NHS will invest up to £250 million a year by 2023/24 into new crisis services, including: 24/7 support via NHS 111; children and young people's crisis teams in every part of the country; comprehensive mental health support in every major A&E by 2023/24; more mental health specialist ambulances; and more community services such as crisis cafes. The NHS will also prioritise services for children and young people, with schools-based mental health support teams and specialist crisis teams for young people across the country.
(Pages 74 and 75, paragraph 5.10)

LGA view:

- We understand that this funding is part of the £20.5 billion that the Chancellor previously announced as part of the NHS funding deal.
- We support the provision of additional funding to help adults, young people and children who experience mental health issues. Today's announcement will help to ensure that people experiencing a mental health crisis can access timely, effective and integrated services. The NHS should work closely with councils and local partners to ensure that crisis care funding is joined-up with wider mental health community support and locally-led suicide prevention strategies.
- To achieve a step-change in this country's mental health, we also need to prevent people from reaching a crisis point. There needs to be a re-focus in mental health services away from medicalisation and treating mental ill health to early intervention and support for recovery through integrated community based services.
- Councils are key to the mental wellbeing of our communities and it is important that the Government provides a long term commitment to invest in local government to help address and prevent mental illness and ensure suicide rates are further driven down and lives saved.
- We need to ensure that the new mental health support teams help more children rather than just creating new structures. [The LGA's Bright Futures campaign](#) has been calling for the Government to provide funding to councils to allow them to work with schools to commission independent school based counselling in every secondary school.

Prevent and counter extremism

- An additional £160 million in 2019/20 for counter-terrorism policing.
(Page 76, paragraph 5.27)

LGA view:

- The Budget makes no mention of additional funding for Prevent or counter-extremism work. The significant increase in far right extremist activity in the past year, coupled with sustained levels of Islamist extremism, means communities are facing an increased extremist threat with no increase in resources. This will put even greater pressure on anti-terror policing. Councils need to be better resourced in fulfilling the Prevent duty and countering extremism if they are to tackle the problem at its roots and safeguard vulnerable people from being drawn into violent extremism.
- The level of funding for police services is also critical and we look forward more detail on this in the police funding settlement to be announced by the Home Secretary.

The NHS and Public Health

- As also set out in June 2018, the Government will consider proposals from the NHS for a multi-year capital plan to support transformation, and a multi-year funding plan for clinical training places. The Government will also ensure that public health services help people live longer healthier lives. Budgets in these areas will be confirmed at Spending Review 2019.
(Page 74, paragraph 5.9)

LGA view:

- By 2020, local authorities will see a cut of £531m to their ring-fenced public health grant between 2015/16 and 2019/20. Cuts to the public health budget are short sighted and will undermine the objectives we all share to improve the public's health and to keep the pressure off the NHS and adult social care. We urge the Government to reverse reductions to councils' public health budgets and give local authorities more funding to further cost-effective prevention and early intervention work. Any extra funding for the NHS should go hand in hand with increased public health funding for councils as the two are so intrinsically linked.

Teachers Pensions

- For state schools, the Department of Education are proposing to provide more funding to cover pension costs for the rest of this Spending Review period. To supplement this, the Budget allocates extra DEL to the reserve for 2019-20 to cover an expected £4.7 billion of additional costs. The Spending Review next year will settle the funding for costs beyond 2019-20 arising from the valuations.
(Page 32, paragraph 1.60)

LGA view:

- This confirms discussions we have already had with DFE. We await confirmation that this funding will cover the cost of Centrally Employed Teachers.

Fire and rescue service pensions and pay

- A reduction of the discount rate for calculating employer contributions in unfunded public service pension schemes, to 2.4 per cent plus CPI (in line with established methodology to reflect OBR forecasts for long-term GDP growth). The valuations indicate that there will be additional costs to employers in providing public service pensions over the long-term.
(Page 32, paragraph 1.59)
- The Chancellor made no announcements on pay for fire and rescue service employees.

LGA view:

- The impact of the Treasury amendment of the [scape rate](#) from 2.8 per cent to 2.4 per cent will be a sizeable increase in the employer contribution from 17.6 per cent to an expected 30.2 per cent.

- The full increase is not yet confirmed because this will be impacted by changes to the pension scheme currently being consulted on by the [Firefighters Scheme Advisory Board](#) and the Home Office.
- This will have a major impact on the funding challenge facing Fire and Rescue Authorities, whilst the Home Office has confirmed there will be some funding for the first year, funding after this period will form part of the Spending Review.
- It is disappointing that the Government has not recognised the need to address the issue of rewarding fire employees to reflect the positive impact that the broader work of fire and rescue services in collaborating with health providers and other partners could have.
- We will continue to make the case and work with the Government in order to secure a positive outcome as soon as possible.

Universal Credit

- The amount that households with children, and people with disabilities can earn before their Universal Credit award begins to be withdrawn – the Work Allowance – will be increased by £1,000 from April 2019. This means that 2.4 million households will keep an extra £630 of income each year.
(Page 77, paragraph 5.32)
- The Budget also announced a package of extra support for claimants as they make the transition to Universal Credit.
(Page 77, paragraph 5.33)

LGA view:

- It is positive that the Government has taken this step towards ensuring that households on Universal Credit are better off in work.
- We continue to have concerns about the impact of wider welfare reforms that underpin Universal Credit, both on councils and the low income households they serve. In particular the continued freeze to the Local Housing Allowance (LHA) rate and other reductions in the housing costs component of Universal Credit.
- We will continue to press Government for a more devolved and integrated approach to employment support, aligned with Universal Credit, so that councils can work more effectively with the Department for Work and Pensions to improve in-work progression and address in-work poverty.
- The LGA is pleased that the Government has heard the considerable concerns that local authorities have raised about the next phase of Universal Credit implementation. Households who have been on legacy benefits throughout the full service roll-out may, in many cases, have considerable additional support needs, which will need to be carefully considered within the approach to Managed Migration.
- Councils have a central and continued role both in administering existing legacy benefits, in particular housing benefit, and in providing support and services to these households, for example through housing, social care and public health provision.

- Councils have worked consistently and supportively alongside the Department for Work and Pensions throughout the design and implementation of Universal Credit. The vital role that councils play is often under-recognised and under-resourced.
- The LGA and councils have made it clear that councils must be adequately and appropriately funded for both their administrative role, and for the support they provide to claimants. As highlighted by the Public Accounts Committee last week local authorities currently bear a number on unfunded costs associated with the implementation of the Government's welfare reforms.

Housing Benefit

- The Government continues to ensure that housing benefit is targeted most effectively to support those who need it. This includes:
 - Revising the timetable for transferring rent support from Housing Benefit to Pension Credit – The Government will delay the transfer of rent support from Housing Benefit to Pension Credit by 3 years, to ensure that this transfer aligns with the full implementation of Universal Credit.
 - Retaining funding for supported housing in welfare – As announced in August 2018, the Government has decided to retain funding for supported housing within the welfare system, rather than moving to a local funding model.
 - Reinstating automatic entitlement to housing support for 18 to 21 year olds – As announced by the Secretary of State for Work and Pensions in March 2018, the Government will reinstate automatic entitlement for housing support for 18 to 21 year olds. This group will therefore be entitled to claim support for housing costs under Universal Credit.
(Page 78, para 5.39)

LGA view:

- The LGA highlighted in its Budget submission the considerable pressure placed on councils by the persistent and considerable shortfall in the Housing Benefit administration subsidy. Councils currently receive only an estimated 36 per cent of what it costs to administer Housing Benefit.
- It is disappointing that the Budget contains no provision for ensuring that councils are fully funded for the administration of Housing Benefit. This is particularly the case in light of the further slow-down of Universal Credit implementation, and the announcement that councils will now retain responsibility for administering Housing Benefit to pensioners for a further three years.

National Living Wage

- Following the recommendations of the independent Low Pay Commission (LPC), the Government will increase the NLW by 4.9 per cent from £7.83 to £8.21 from April 2019. The LPC estimate that this will benefit around 2.4 million workers. In total, the annual earnings of a full-time minimum wage worker will have increased

by over £2,750 since the introduction of the NLW in April 2016. The Government will also accept all of the LPC's recommendations for the other NMW rates to apply from April 2019,14 including:

- Increasing the rate for 21 to 24 year olds by 4.3 per cent from £7.38 to £7.70 per hour.
- Increasing the rate for 18 to 20 year olds by 4.2 per cent from £5.90 to £6.15 per hour.
- Increasing the rate for 16 to 17 year olds by 3.6 per cent from £4.20 to £4.35 per hour.
- Increasing the rate for apprentices by 5.4 per cent from £3.70 to £3.90 per hour
(Page 79, para 5.44)

LGA view

- The extra costs for council staff and commissioned services in local government, especially in adult social care, need to be understood and allowed for in funding for social care in future years.

Serious Violence

- Building on the Serious Violence Strategy, which was published in April 2018, £200 million for a Youth Endowment Fund (YEF) to help young people avoid a life of violence. The YEF will fund activities for 10 to 14 year olds in England and Wales over at least 10 years, specifically working with those most at risk of youth violence to steer them away from becoming serious offenders.
(Page 76, paragraph 5.22)

LGA view:

- Tackling serious violent crime is a key priority for councils, which has become even more vital due to rising levels of this type of crime, and the harm it causes to victims and young people drawn and exploited into committing it.
- This funding is a positive step to help the multi-agency approach needed. Through this we can begin to identify and tackle the main drivers and risks of people committing serious violence, such as acid attacks, knife and gun crime, robbery and 'county lines' drug gangs.
- However, councils are facing a £3 billion funding gap in children's services by 2025 which means they are increasingly having to divert funding away from preventative work into services to protect children who are at immediate risk of harm. If we don't invest fully in children and youth services, we will not be able to tackle serious violence in our communities.

Education

- £400 million for schools in England this year to spend on their equipment and facilities
(Page 76, paragraph 5.20)

LGA view:

- While a small amount of additional schools capital funding is welcome, the Government must go much further and replace the existing highly fragmented school capital funding system with a single local funding pot, bringing together existing programmes to create additional places, and rebuild, maintain and repair schools.

Culture and tourism

- £120 million to a UK Festival of Innovation and Creativity; a programme of events on arts, culture, design and tech across the country, which will help attract new inward investment.
(Page 59, paragraph 4.38)
- An investment of £8.5 million in Coventry's plans to showcase the city when it hosts the UK City of Culture in 2021.
(Page 68, paragraph 4.84)
- £100,000 to support the development of proposals for an 'Eden Project North' centre in Morecambe. (Page 68, paragraph 4.89)

LGA View

- The announcement of the Festival of Innovation and Creativity continues the positive recognition of the impact that cultural-led regeneration can achieve, enhancing local communities and boosting international recognition. Councils will need to be at the forefront of coordinating activities, and able to complement the funding through investments from the Arts Council England and the Heritage Lottery Fund, as well as the Government's previously announced £20 million Cultural Development Fund. The objectives and delivery of these funding streams should be aligned as far as possible to ensure the maximum impact, and also be accessible to those communities that have not previously benefited from large scale investment.

Local infrastructure rate

- Following the announcement at Autumn Budget 2017 that local authorities could bid for access to a local infrastructure rate to support infrastructure projects that are high value for money, five local authorities have been successful in the first round of applications. The Metropolitan Borough of Calderdale, Luton Borough Council, St Helens Council, Transport for London and the West Midlands Combined Authority will be able to borrow a total of £275 million at the new discounted interest rate of gilts +60 basis points.
(Page 67, paragraph 4.80)

LGA view:

- When the Government announced the local infrastructure rate in 2017 we welcomed the initiative as it had the potential to reduce costs. However, the positive impact of this could be made greater if the amounts available under the scheme were increased, the rate offered was improved, and the types of qualifying investment widened.

Digital Infrastructure

- The Budget allocates £200 million from the National Productivity Investment Fund (NPIF) to pilot innovative approaches to deploying full fibre internet in rural locations, starting with primary schools, and with a voucher scheme for homes and businesses nearby. The first wave of this will include the Borderlands, Cornwall, and the Welsh Valleys.
- Alongside the Budget, the Government is publishing consultations to mandate gigabit-capable connections to new build homes and speed up the delivery of upgraded connections to tenants, making it quicker and easier for communications providers to roll out full fibre networks.
- Suffolk is the first local area to be awarded £5.9 million of funding from the third wave of the Local Full Fibre Networks challenge fund, enabling next-generation full fibre connections to key public buildings.
(Page 56, paragraph 4.13)

LGA view:

- We are pleased the Government has allocated £200 million to continuing the innovative work councils are carrying out with broadband providers to utilise public buildings or voucher schemes to improve rural digital connectivity.
- The LGA has been calling for councils to be given statutory backing to ensure all new build homes are connected to future-proofed digital infrastructure. We are pleased therefore that the Government will formally consult on plans to legislate for all new builds to be connected to full fibre broadband.
- The Government did not announce any investment to improve poor mobile coverage in rural areas. Councils are keen to work with mobile operators to improve their residents' and businesses' mobile connectivity. To do this they will need the backing of Government and Ofcom to pilot new solutions and ensure mobile operators provide accurate local coverage reports.

Remote Gaming Duty

- As announced in May 2018, in order to ensure funding for public services is maintained following the implementation of a £2 maximum stake on B2 machine games, the rate of Remote Gaming Duty will increase to 21%. Both the reduction in maximum stake and increased duty rate will come into effect in October 2019.
(Page 50, paragraph 3.68)

LGA view:

- Waiting a year for these measures to be implemented is too long. Not only will it hinder efforts to reduce problem gambling and its devastating impacts on individuals and communities, it could also see HM Treasury miss out on more than £100 million while bookmakers continue to profit from vulnerable people and gambling addiction.
- The Government made the right decision to impose a £2 stake limit; however, we urge the Government to move more quickly to keep its promise to cut maximum stakes from £100 to £2 which will help prevent vulnerable players from losing £100 in seconds in a single play, which many people cannot afford to lose. The harm and anti-social behaviour FOBTs can cause has become an issue of growing national concern, while research has shown that problem gambling, often linked to FOBTs, creates huge costs for the NHS, councils and the criminal justice system.

Blocking scams and nuisance phone calls

- As part of the government's efforts to tackle nuisance calls, National Trading Standards will receive further funding to extend their project providing telephone call blocking technology to vulnerable people.
(Page 79, paragraph 5.50)

LGA view:

- The LGA supports this extension of funding. Fraud, including scams, is now the most common type of crime in the country with more than two scams and attempted scams being reported to some councils every day.
- There is a huge challenge facing Trading Standards in dealing with scams, with new and convincing scams emerging all the time. Investigating fraud and scams cases can be lengthy and time-consuming. With the number of Trading Standards officers having more than halved since 2009 and a 46 per cent budget cut in the service for councils since 2011, the service is under significant pressure in maintaining its vital but varied role protecting local residents.

Hidden economy and licences

- Following the consultation 'Tackling the hidden economy: public sector licensing' published in December 2017, the government will consider legislating at Finance Bill 2019/20 to introduce a tax registration check linked to licence renewal processes for some public sector licences. Applicants would need to provide proof they are correctly registered for tax in order to be granted licences. This would make it more difficult to operate in the hidden economy, helping to level the playing field for compliant businesses.
(Page 52, paragraph 3.89)

LGA view:

- We support the Government's increased focus on preventing businesses from entering the hidden economy, alongside its existing compliance activity in this area.

- Introducing tax registration as a condition of access to some licences or permits is equivalent to other checks (for example, Disclosure and Barring Service checks, or checks on the right to work under the Immigration Act) and we therefore agree it could in principle be incorporated into the licensing process.
- Our consultation response made it clear that this should not increase burdens for authorities. Any new rules should enable licensing authorities to undertake a simple check on an applicant's tax status, with cases referred to HMRC in the event of any discrepancies.

Waste and recycling

- A tax on the production and import of plastic packaging from April 2022. Subject to consultation, this will apply to plastic packaging which does not contain at least 30 percent recycled plastic.
(Page 48, paragraph 3.56)
- Reform of the Packaging Producer Responsibility System, which will aim to increase producer responsibility for the costs of their packaging waste, including plastic.
(Page 48, paragraph 3.56)
- The Government recognises the important role incineration currently plays in waste management in the UK, and expects this to continue. However, in the long term the government wants to maximise the amount of waste sent to recycling instead of incineration and landfill. Should wider policies not deliver the government's waste ambitions in the future, it will consider the introduction of a tax on the incineration of waste, in conjunction with landfill tax, taking account of the possible impacts on local authorities
(Page 48, paragraph 3.58)
- The Government has concluded that a levy on all cups would not at this time be effective in encouraging widespread reuse.
(Page 49, paragraph 3.59)
- The Government is providing £20 million to support measures in this Budget to tackle plastics and boost recycling. Of this £10 million will pioneer innovative approaches to boosting recycling and reducing litter, such as smart bins.
(Page 65, paragraph 4.69)

LGA view:

- We share the Government's ambition to increase recycling and reduce waste. The best mechanism to achieve our shared objectives of increasing recycling is through extended producer responsibility and the reform of the packaging regulations. It is the producers, manufacturers and retailers of packaging that should incur the costs of compliance with the objectives of a circular economy, not local authorities.
- The Government's recognition within the Budget that wider policies should be used to deliver this rather than a tax on incineration is welcomed by local government. A tax on incineration would prejudice its use as a legitimate waste treatment option. Significant investment has been made into infrastructure for turning waste into energy and it is a reliable and cost effective waste management option.

- The LGA has been calling for the reform of packaging content. It is encouraging to see measures proposed that should support the greater use of recycled plastics in products and packaging so that a market is encouraged for these items, and they develop an innate value which helps pull them through their life cycle. The Government could go further and consider a ban on types of plastic packaging that cannot be recycled.
- Producers need to step up and take responsibility for increasing recycling rates for disposable cups, including for 'on the go' use. We encourage packaging producers and retailers to work directly with the LGA and councils to explore financially viable solutions.
- The additional funding for innovation in plastic and waste innovation is welcome. We look forward to discussions with Government on how this funding can best be used.

Tree planting

- The Government will provide £10 million funding between 2019/20 and 2022/23 for local community street trees and urban trees.
(Page 65, paragraph 4.71)

LGA view:

- We support the ambition to plant more trees. Councils must have flexibility on the use of additional funding so they can plan for the years of investment necessary to keep trees healthy and well maintained.

Business-Backed Development Corporations

- The Government will consult on the legal framework for Development Corporations. It will also launch a £10 million competitive fund, supported with advice from Sir George Iacobescu, to enable local areas to generate locally-led proposals for new business-backed Development Corporations and similar delivery bodies.
(Page 67, paragraph 4.79)

LGA view

- Development Corporations have played a significant role in driving infrastructure delivery in key projects such as the London Olympics, and have drawn significant strength from a partnership with local leaders. We await further details on this proposal from the Government, but retaining democratic accountability while working with business, will be critical to ensuring long term success.

City and Growth Deals

- £150 million to allow a Tay Cities Deal to be agreed. The Government will also begin formal negotiations with local partners and the Scottish Government towards a Moray Growth Deal. The government continues to make good progress towards

growth deals for Ayrshire and the Borderlands, and is working with the Scottish Government to achieve this, alongside local partners in England for the Borderlands.

(Page 70, paragraph 4.103)

- The Government commits £120 million to allow a North Wales Growth Deal to be agreed, the third deal to be agreed in Wales. The government is also working with local partners and the Welsh Government towards a Mid Wales Growth Deal.
(Page 70, paragraph 4.107)
- The Government commits £350 million for a Belfast City Region Deal, and will work with local partners to progress the deal, including establishing robust governance, accountability and transparency arrangements, to ensure this can be spent in the absence of a Northern Ireland Executive. The government will also begin formal negotiations with local partners towards a Derry/Londonderry and Strabane City Region Deal.
(Page 71, paragraph 4.110)

LGA view

- While it's positive to see the benefits of local devolution available to the whole UK, the Government announced no new devolution, city or growth deals in England. The seven elected Mayoral Combined Authorities have demonstrated the benefits of bringing power and investment closer to local communities and businesses. Devolution to all parts of England is now critical to ensure local leaders across the country are able to drive the best outcomes for their residents.

Strength in Places Fund

- The Government will invest an additional £120 million through the Strength in Places Fund. This will support clusters of science and innovation excellence across the UK and enable them to further develop their strengths. This funding extends the existing programme until 2021/22.
(Page 58, paragraph 4.28)

LGA view:

- The importance of collaboration between universities, local government and businesses was evidenced in the successful [Leading Places programme](#) led by the LGA, Higher Education Funding Council for England and Universities UK.
- The Autumn Budget's commitment to further invest in this place-based approach to funding research and innovation is therefore encouraging.
- While driving economic growth is a key area of focus for collaboration between local institutions, the Government should also consider how the Industrial Strategy and associated funding streams can foster and support collaboration between local institutions to deliver public service reform.

Public Finance Initiative

- The Government has considered the Private Finance Initiative (PFI) and its successor PF2, in light of experience since 2012, and found the model to be inflexible and overly complex. The OBR's FRR (Financial Risks Report) also identified private finance initiatives as a source of significant fiscal risk to government. PF2 has not been used since 2016. The Budget announces government will no longer use PF2 for new projects. A new centre of best practice in the Department of Health and Social Care (DHSC) will improve the management of existing PFI contracts.
(Page 29, paragraph 1.51)

Centre for Public Service Leadership

- The Government welcomes the recommendations of the Public Service Leadership Taskforce chaired by Sir Gerry Grimstone, published alongside the Budget. The Budget will provide £21 million to establish and run a new Centre for Public Service Leadership as a home for the development of public service leaders. The Centre will support leaders to improve productivity and transform the outcomes of the services they run.
(Page 76, paragraph 5.24)

LGA view

- The LGA has a strong track record of developing leadership capacity within local government, particularly councillors and senior officers and look forward to continuing to share our expertise so that the Centre provides complementary support to public sector leaders.

Skills and employment

- The Government will introduce a package of reforms to strengthen the role of employers in the apprenticeship programme, so they can develop the skills they need to succeed. As part of this:
 - The Government will make up to up to £450 million available to enable levy paying employers to transfer up to 25 per cent of their funds to pay for apprenticeship training in their supply chains.
 - The Government will make up to up to £240 million, to halve the co-investment rate for apprenticeship training to 5 per cent.
 - The Exchequer Secretary to the Treasury and the Minister for Apprenticeships and Skills will work with a range of employers and providers to consider how they are responding to the apprenticeship levy across different sectors and regions in England, as well as the future strengthened role of apprenticeships in the post-2020 skills landscape.
(Page 61, paragraph 4.48)
- The Budget allocates £100 million for the first phase of the National Retraining Scheme (NRS). This will include a new careers guidance service with expert advice to help people identify work opportunities in their area, and state-of-the-art courses

combining online learning with traditional classroom teaching to develop key transferable skills.

(Page 61, paragraph 4.49)

- The Government will fund £20 million of skills pilots in Greater Manchester.
(Page 61, paragraph 4.50)

LGA view:

- The announcement on apprenticeships is good news for smaller employers, but will not have a significant impact for councils as direct employers. It builds on earlier flexibilities announced in October to increase the amount employers can transfer. These are all positive signs that the Government is listening to council concerns around the need for flexibility to ensure the Levy is genuinely effective.
- However we are calling on the Government to go further and faster so councils can make apprenticeships work for the local economy. In particular by:
 - Using the upcoming Levy review to enable local areas to pool Levy contributions across local economies, so that employers can plan provision together more strategically for the good of the local area and residents.
 - An extension on the two year limit (from April 2017) to spend the Levy against key standards for local authority workforces, some of which have only just been approved or are still in development.
 - The power for local areas to use the Levy more flexibly to recognise the full costs of apprenticeship programmes and administration including on pre-apprenticeship training, so long as there is a final apprenticeship outcome.
 - Making transparent how much Levy underspend there is and that local areas retain the Levy underspend rather than handing it over to Whitehall.
- The National Retraining Scheme will be critical in supporting adults to retrain and upskill so they can keep pace with the changing demands of their local labour markets. We particularly welcome plans for a new careers guidance service which will help people find jobs in their area.
- Devolving funding for skills pilots confirms the Government's recognition of the need for local areas to have devolved funding to more effectively target support towards their local communities.
- As well as apprenticeships and the National Retaining Scheme, there are a range of other reforms, initiatives and pilots including technical levels, skills advisory panels, and digital skills partnerships. These are all positive and important in their own right, but without sufficient join up or focus on 'place', they risk being stand-alone and less effective. There needs to be a better way of coordinating policy and provision.
- We believe a far more place based and integrated approach to policy and funding is needed to coordinate the myriad of initiatives. In *Work Local (2017)*, we recommended devolving and integrating employment and skills policy and funding through the establishment of Local Labour Market Agreements which would be negotiated between local areas and national Government. We will continue to engage with employers, Government and providers to ensure councils and combined

authorities are included in the initiatives announced in the Budget and to promote the Work Local principles.

Digital Services Tax

- From April 2020, the government will introduce a new 2% tax on the revenues of certain digital businesses to ensure that the amount of tax paid in the UK is reflective of the value they derive from their UK users. The tax will:
 - Apply to revenues generated from the provision of the following business activities: search engines, social media platforms and online marketplaces.
 - Apply to revenues from those activities that are linked to the participation of UK users, subject to a £25 million per annum allowance.
 - Only apply to groups that generate global revenues from in-scope business activities in excess of £500 million per annum.
 - Include a safe harbour provision that exempts loss-makers and reduces the effective rate of tax on businesses with very low profit margins.
(Page 44, Paragraph 3.26)

LGA view:

- The LGA has called for measures to be taken on retailers who may not pay business rates on retail premises, and we welcome this as a first step. A portion of the money raised from this measure should be used to fund local services.

Parental bereavement leave and pay

- The Government will introduce a new statutory entitlement to two weeks' of leave for employees who suffer the death of a child under 18, or a stillbirth after 24 weeks of pregnancy. Employed parents will also be able to claim pay for this period, subject to meeting eligibility criteria. This entitlement will come into force in April 2020.
(Page 78, Paragraph 5.40)

LGA view

- We welcome the Government's decision to introduce this new entitlement. We will study any implications for the terms and conditions set out in the local government national agreement, including cost implications.

Mental health of Veterans

- To mark the centenary of the First World War Armistice and the sacrifices made by so many men and women, the Government will commit £10 million to support veterans with mental health needs, and will make available an additional £1 million for First World War battlefield visits for school students.
(Page 81, paragraph 5.66)

LGA view:

- Funding to help address the mental health needs of those who have served in the Armed Forces is welcome. We urge the Government to make the funding available to veterans through councils who want to work with armed forces charities, health and other local partners to further strengthen mental health support for veterans and ensure it links to wider mental health activity.

Tackling Air Quality

- £20 million additional funding will be allocated to support more local authorities to meet their air quality obligations.
(Page 64, paragraph 4.67)

LGA view:

- Councils recognise the impact that harmful emissions have on our communities and are determined to tackle it in all its forms and this additional funding will help local efforts. However, if the Government's air quality plans are to be successful, they not only need to be underpinned by local flexibility and sufficient funding but also accompanied by robust national action, including action to help the country transition to low-emission vehicles and power generation. We look forward to further details and how councils will be able to access this new funding.

Flood risk management

- The Budget allocates £13 million to tackle risks from floods and climate change, through pilot projects to ensure property owners have the best information on protecting their homes, and expanding the flood warning system to an additional 62,000 at-risk properties.
(Page 64, paragraph 4.68)

LGA view:

- The funding to expand the flood warning system to an additional 62,000 at-risk properties is welcomed. We look to the Spending Review to provide greater local flexibility of how flood risk management funding is spent to better reflect local needs.

Breathing space

- Following the Financial Guidance and Claims Act 2018, the Budget announces a consultation on a breathing space scheme for people in problem debt. The scheme will introduce a 60-day period of protection from creditor action to recover debts to help people make plans to pay back their debts in a sustainable way.
(Page 80, Paragraph 5.58)

LGA view

- The LGA will consider the views of member authorities on this proposal, particularly given the policy's interaction with local authorities' current debt collection processes.

Wedding venues

- The Government has asked the Law Commission to propose options for a simpler and fairer system to give modern couples meaningful choice. This will include looking at reducing unnecessary red tape and lowering the cost of wedding venues for couples.

(Page 80, paragraph 5.52)

Village halls

- The Government will provide up to £8 million to help with the cost of repairs, alterations to village halls, Miners' Welfare facilities and Armed Forces organisations' facilities.

LGA view

- We welcome any additional funding for local communities.

Public finance

- The Budget sets out the path of day-to-day spending by departments in aggregate for years beyond the current Spending Review period.
- From 2019/20 to 2023/24, Resource DEL spending will grow at an average of 1.2% per year in real terms. However, this includes the decision to increase NHS funding which has an impact on the settlements for other departments, which are on average likely to rise in line with inflation.
- This does not represent the final envelope for Spending Review 2019, which will be set in due course. The government will use the Spending Review to ensure that funding is directed to its priorities within that overall envelope.
(Page 25, paragraph 1.42)
- The Spending Review will confirm the government's priorities for the years ahead, ensuring the provision of high quality public services while bringing down debt. In conducting this review, the government will build on experience and lessons learnt from previous Spending Reviews. It will aim to ensure that policy issues are considered across departmental boundaries, and that performance and outcomes achieved for the money invested in public services are tracked systematically.
(Page 27, paragraph 1.47)

Total managed expenditure

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£ billion					
Current expenditure						
Resource AME	397.8	403.1	412.3	426.0	441.0	456.7
Resource DEL excl. depreciation	310.8	325.4	336.8	347.0	357.9	369.9
Ring-fenced depreciation	23.0	23.4	24.6	25.1	25.5	26.4
Total public sector current expenditure	731.5	751.9	773.6	798.1	824.4	853.1
Capital expenditure						
Capital AME	19.8	14.7	15.8	15.2	14.6	19.0
Capital DEL	61.5	75.0	77.6	80.1	82.7	83.1
Total public sector gross investment	81.3	89.7	93.5	95.2	97.2	102.2
Total managed expenditure (TME)	812.8	841.6	867.1	893.4	921.7	955.3
<i>TME % of GDP</i>	<i>38.2%</i>	<i>38.3%</i>	<i>38.1%</i>	<i>38.0%</i>	<i>37.9%</i>	<i>37.9%</i>

(Page 28, table 1.9)

Aggregate departmental resource budgets

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£ billion					
Total resource DEL excluding depreciation	313.0	327.0	338.4	348.7	359.5	371.6
NHS England resource DEL	114.6	121.8	128.2	134.4	141.1	149.0
Resource DEL (excl. NHS Eng.)	198.4	205.3	210.3	214.3	218.5	222.6
OBR allowance for shortfall	-2.2	-1.7	-1.7	-1.7	-1.7	-1.7
OBR resource DEL excluding depreciation forecast	310.8	325.4	336.8	347.0	357.9	369.9

(Page 25, table 1.7)

Changes to public sector net borrowing since March 2018

	Outturn 2017/18	Forecast					
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
£ billion							
March 2018 forecast	45.2	37.1	33.9	28.7	26.0	21.4	n/a
Classification changes	0.4	-0.8	-1.1	-1.1	-1.2	-1.2	n/a
March 2018 forecast restated	45.6	36.2	32.9	27.6	24.8	20.2	n/a
October 2018 forecast	39.8	25.5	31.8	26.7	23.8	20.8	19.8
Like-for-like change	-5.8	-10.8	-1.1	-1.0	-1.0	0.6	n/a
Underlying revisions to receipts	-0.4	-7.4	-8.0	-8.0	-11.2	-14.1	n/a
Underlying revisions to spending, of which	-5.3	-4.5	-4.1	-3.7	-3.5	-4.1	n/a
<i>equilibrium level of unemployment</i>	<i>0.0</i>	<i>-0.3</i>	<i>-0.6</i>	<i>-0.6</i>	<i>-0.6</i>	<i>-0.5</i>	<i>n/a</i>
<i>debt interest</i>	<i>0.8</i>	<i>-1.9</i>	<i>-0.3</i>	<i>-1.2</i>	<i>-1.7</i>	<i>-2.2</i>	<i>n/a</i>
<i>departmental spending changes</i>	<i>-3.5</i>	<i>-0.2</i>	<i>0.2</i>	<i>-1.3</i>	<i>0.6</i>	<i>0.6</i>	<i>n/a</i>
<i>other changes</i>	<i>-2.6</i>	<i>-2.0</i>	<i>-3.4</i>	<i>-0.7</i>	<i>-1.8</i>	<i>-1.9</i>	<i>n/a</i>
Underlying revisions to spending without debt interest	-6.1	-2.5	-3.8	-2.6	-1.8	-1.8	n/a
Total effect of Government decisions	n/a	1.1	10.9	10.7	13.7	18.8	23.2

(Page 95, table C.4)