

Councils Can




Councils in England face a funding gap of £8 billion by 2025. The simple fact is councils need more money.

No government can deliver its ambitions without councils.

Councils are a powerful ally, supporting government to deliver on its priorities.

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A decorative graphic at the bottom of the page consisting of several overlapping, wavy lines in shades of grey, blue, yellow, and pink, curving upwards from left to right.

COUNCILS ARE...

...leaders of place that make a big difference every single day to people's lives.

By building desperately needed homes, creating jobs and school places, providing dignified care for older and disabled people, and boosting economic growth, councils support local communities to thrive.

The last year has seen Whitehall focused on our exit from the European Union. There has been little in the way of innovation, and the development of domestic policy and funding for local government has continued to decline. Despite this, and the unpredictability of the national agenda, councils' determination to transform lives for the better has ensured that the delivery of hundreds of vital day-to-day services has continued in local communities. Councils are the force that help make every neighbourhood tick.

But the country is crying out for much more. People want real change. They rightly want their communities and families to be healthier, happier and safer. The Government cannot address this without councils. Councils are in the unique position of being able to make the real and effective change needed locally that will ultimately solve some of the biggest problems the nation is facing – shaping the places we live in, improving the environment, making our communities more cohesive and changing the lives of those who live there.

Councils are the only ones who can lead this change, to transform our country into the best place it can be. No government will ever be able to deliver the changes needed at a local level – that is the role of councils. Working together, councils can be a powerful ally, supporting government to deliver on its priorities. At a time when trust in many of our institutions is diminishing, there is evidence that it is local politicians that people trust to make the right decisions for them and their families.¹

However, local government's ability to make important choices is being hampered by the centralisation of powers in Whitehall, dramatically shrinking resources and a lack of certainty about future funding.

Councils in England face an £8 billion funding gap by 2025. Pressures are growing on increasingly fragile services that support the most vulnerable such as children's services, adult social care, and efforts to tackle homelessness. This is leaving less money for councils to fund other services, many of which prevent additional cost burdens on other parts of the public sector such as health, policing and welfare.

There is a lack of clarity over future funding for councils. With further business rates retention, the Spending Review and the outcome of the fair funding review all still to come, local authorities have no reliable basis on which to appropriately plan their budgets, even in the short-term. It is unclear how much funding there will be and how it will be distributed from as soon as next April.

Having already lost almost 60p out of every £1 the Government had previously provided for local services this decade, this is no longer sustainable. It is our communities that are suffering the consequences. It comes as a Local Government Association (LGA) survey ahead of the Spending Review reveals that a quarter of councils (27 per cent) fear that – on the basis of current funding – they will no longer have enough funding to fulfil their statutory duties by or before the end of this Parliament in 2022.

It is inevitable that more and more councils are struggling to balance their books. Money is having to be diverted to plug growing funding gaps. For example, early years' provision, youth services, public health and those services that contribute to the wider wellbeing of our nation, such as parks, libraries and leisure facilities, are being reduced as councils struggle to fund the basics – fixing potholes, improving roads and transport links, keeping people safe and healthy, running bus services and cleaning streets.

¹ LGA resident satisfaction polling, December 2017, www.local.gov.uk/sites/default/files/documents/LGA_Final%20Resident%20Satisfaction%20Polling%20Round%2018_December%202017.pdf

This is not only a false economy but it impacts on our communities' wellbeing and sense of contentment with life in modern Britain. Without councils, inequalities soar, putting quality of life, cohesion and our democracy at risk. Making more money available by allowing councils to raise council tax by incremental amounts will not deliver the major changes that are needed. People want and deserve more than that from their local services.

Despite this lack of funding and uncertainty, councils are ambitious for their local communities. But they need their level of ambition to be matched by national government. As well as more funding, councils need more power devolved to local areas.

When councils have the freedoms and funding to make local decisions, there is clear and significant evidence that outcomes improve and the country gets better value for money. Council-maintained schools deliver better results for our children, council-run public health services are improving the health of our nation and where councils can influence the local skills agenda, businesses can grow to play a major economic role in the nation's future prosperity.

The time is right to reignite the debate on locally-led public service reform – to put the needs and wants of people and their communities at the centre of everything we do – national and local.

With the right funding and powers, councils can continue to lead their local areas, improve residents' lives, reduce demand for public services and save money for the taxpayer. This needs to be the future of local government.

Despite steps towards devolved powers in some areas, we need to make sure that any powers returning to the UK after leaving the EU are devolved beyond Whitehall, Stormont, Holyrood and Cardiff Bay and rest with local communities instead.

This year, the Government will report to the United Nations, setting out the UK's progress towards meeting the UN's Sustainable Development Goals.

These goals can only be achieved with the backing of a properly resourced and empowered local government. By enabling the leaders of our cities, towns and villages to build places fit for the future, the new Prime Minister can take a significant step towards connecting people across the country to greater prosperity and allowing the UK to demonstrate leadership on a global stage.

To deliver the step-change that the country needs, we need a Queen's Speech that sets out the ambitions we share for our communities; we need the Government to prioritise local public services in its Spending Review, giving councils certainty about future funding; we need a social care green paper that tackles the way we look after people who have disabilities or those in later life and how that can be funded; we need a cohesive strategy for the future of education and children's services. We need the fair funding review and business rates retention scheme to be finalised so that councils can develop budgets for the next year and beyond.

The urgency of this cannot be overstated.

Our #CouncilsCan campaign calls for long-term investment in local government, but this is about much more than money. This paper sets out the case for a New Localism Settlement for England that empowers councils, as the democratically elected leaders closest to their communities, to take on greater responsibilities for their places. This needs to be underpinned by an English Devolution Bill that resets the national/local relationship with councils and their communities.

This new settlement must contain a long-term, sustainable funding package for local government. Without that financial certainty and the right level of funding, councils will not be able to deliver the best outcomes for communities, to which local and national government aspire.

The issues councils and our local services are facing must be top of the Government's and the new Prime Minister's agenda, as well as that of all of our national parties and parliamentarians.

COUNCILS HAVE...

...improved the lives of their residents.

They are responsible to the communities that elect them – delivering more than 800 services that affect millions of lives every day. Communities have a right to expect good quality services and councils have the ambition to deliver these in a way that helps people live the lives they want.

Amid political uncertainty, councils have been 'getting on with the job' of delivering the essential services which are needed to support the best outcomes for everyone in the UK: sustainable inclusive growth, good quality affordable housing, improved air quality, safe and resilient communities, protection for the most vulnerable, and healthy and happy people.

PUBLIC HEALTH

There were **3,323,275** attendances at local authority funded sexual health services in 2017/18. This is **9,105** attendances per day or **379 per hour** or **6 every minute**, at the same time as bringing down the cost of sexually transmitted infection testing and treatment by over **£41m**.

There were **268,390** adults in contact with drug and alcohol services and **15,583** young people in specialist substance misuse services in 2017/18.

883,541 people received an NHS Healthcheck (health MOT for the over 40s) via their council in 2017/18.

274,021 smokers set a quit date via their council funded stop smoking service. The equivalent to **750 every day**.

1.2m children were weighed and measured as part of the national child measurement programme, more than at any other time in its history. Since councils took on this responsibility in 2013/14, they have **reduced** the cost per child measured from **£19 per child** to **£17 per child**.

FOOD

Councils undertook **213,668** food hygiene inspections and took **4,809** food hygiene enforcement actions in 2017/18.

ALCOHOL

Last year councils processed **147,000** temporary event notices, which are used to authorise one-off events involving licensable activities.

Councils issued over **1,000** alcohol licences in 2017/18 bringing the total number of premises that councils have licensed to sell alcohol to **212,000**.

GAMBLING

Councils made **4,917** inspections/visits to gambling premises in 2017/18.

With the dual challenges of increasing demand and falling budgets, councils have found creative and innovative ways of making their neighbourhoods better places to live, work and play.

Priceless local knowledge and relationships with communities and businesses has helped councils make the best use of increasingly scarce resources. Across England, sharing services between councils in areas such as anti-fraud, procurement, revenues and benefits, community safety, trading standards and public health has delivered estimated savings of £1 billion.

By 2020, projects in the One Public Estate programme², which focusses on using all public spaces more effectively, are expected to deliver £615 million in capital receipts and £158 million in running cost savings, create 44,000 jobs and release land for 25,000 homes.

But innovation and creativity can only go so far. From 2010 to 2017, councils have had to bridge a £6 billion funding gap to keep the adult social care system afloat. On average, councils started more than 500 child protection investigations every day last year – up from 200 a decade ago – and the number of children in the care system increased at the fastest rate since 2010. The last six years have seen a 44 per cent increase in the number of homeless households.

Last year there were 4,751 rough sleepers living on our streets, more than double the number recorded in 2010.

It is unrealistic to think councils can continue in this way – unless local government is put on a sustainable financial footing, councils will be forced to scale back and withdraw more and more services.

CHILDREN'S SOCIAL CARE

88 children are taken into the care of councils every day.

Councils receive **1,796** referrals to children's social services every day – more than one every minute.

On 31 March 2018, councils were supporting **53,790** children on child protection plans, and a further **404,710** children in need.

Between 2009/10 and 2017/18 the number of looked after children **increased by 17%**. At the same time overall expenditure on children's social care only **increased by 4%**.

Children's services see more than **500 cases a day** of children presenting with a mental health problem.

CHILDREN'S MENTAL HEALTH

In 2017/18 councils issued **4,900** taxi and private hire vehicle licences and **5,600** driver licences – in total in 2018 councils issued **285,400** vehicle licences and **361,500** driver licences.

TAXIS

² Delivered in partnership by the LGA and the Office of Government Property within the Cabinet Office.

TRANSPORT

Councils fix a pothole every **17 seconds**.

28 people use their **concessionary bus pass** every second.

Councils maintained over **184,000** miles of local roads – this makes up **97.6%** of the total roads network in England.

At the same time local authority expenditure on highways and road maintenance has fallen from approximately **£13,000** per mile to **£9,000** per mile.

WASTE

Just **12.5%** of all local authority waste was disposed to landfill in 2017/18.

The amount of all local authority waste sent for recycling in 2017/18 was **10.9 million tonnes**.

SOCIAL CARE

In 2017/18 councils received **1,843,920** requests for social care support from new clients: more than **5,000 per day**.

The total number of episodes of short term care to maximise independence was **246,035**. Of these, **216,160** were delivered for adults aged 65 and over.

There were **857,770** clients in receipt of long term support. Most of these had been receiving long term support for one year or more.

9 in 1,000 18 to 64 year olds received **long-term support** during the year, while **56 in 1,000** people aged 65 and over received this type of support.



COUNCILS CAN...

...do much more to transform their local communities if Government acts upon the opportunity to give us the ability and money to deliver the best services for people.

Councils have a democratic mandate to ensure that investment in places meets the needs of residents. They know their area like no one else; what their communities need, want and have to offer. Only councils can bring this knowledge together with all local services to deliver what local people need in the most effective way.

Some parts of the country have benefited from devolution deals and have been able to demonstrate what more can be done when local leaders are empowered to take on greater responsibilities and join up services across a wider area. But more generally across all councils, public health, schools and housing demonstrate how, when given the opportunity, councils can be trusted to improve outcomes for people while making savings for the public purse.

89% OF COUNCILS HAVE TRANSFORMED ONE OR MORE SERVICES USING DIGITAL/DATA SOLUTIONS

61% OF COUNCILS HAVE OUTSOURCED OR INSOURCED SOME SERVICES/ PART OF SERVICES

100% OF COUNCILS HAVE SHARED SERVICES OR MANAGEMENT WITH OTHER AUTHORITIES OR LOCAL PUBLIC SERVICES

70% OF COUNCIL SERVICES HAVE IMPROVED IN THE LAST 10 YEARS DESPITE A 40% CUT IN FUNDING³

65 PROJECTS INVOLVING 97 COUNCILS GENERATED £6.63 MILLION OF SAVINGS OR INCOME OVER THREE YEARS OF DIGITAL FUNDED PROGRAMMES



3 Based on 100 metrics.

Build the homes the nation needs

Where government has listened to councils, real and lasting change is possible. The LGA has been clear in its message to national government that if given the powers to do so, they would kickstart housebuilding across the country.

Councils are uniquely placed to deliver more new homes than the country has seen in a generation. Since lifting the Housing Revenue Account (HRA) borrowing cap in 2018, 94 per cent of housing stock-owning councils have said they will use the new powers to accelerate or increase their housebuilding programmes to build homes desperately needed in their communities.⁴

This will give councils the ability to support the Government to tackle homelessness and address the growing need for high quality, affordable homes.

Council housebuilding is the only way to boost housing supply, help families struggling to meet housing costs, provide good quality homes to rent, reduce homelessness and tackle the housing waiting lists many councils have.

However by giving more powers to councils, they can build even more homes for our future generations.

Improve lives and save money through prevention

Six years ago, following a long campaign by the LGA and others, responsibility and funding for public health was passed to councils. The re-statement in June 2019 by the Rt Hon Matt Hancock MP, the Secretary of State for Health and Social Care, that these arrangements should stay in place shows that the Government trusts council-run public health services to deliver more effectively at a local level. Councils are able to work closely with other partners, such as the NHS, to consider what their local priorities should be and to address them in a focused way.

The successful joint working of health and wellbeing boards has seen significant transformation in issues such as smoking rates, hospital stays or early deaths through joint work between councils and health partners. Despite a reduction to public health grant funding of over £700 million in real terms between 2015/16 and 2019/20, public health teams have seen real improvements in the health and wellbeing of people. A number of key health outcomes have improved since the transfer, helping people to live healthier lives, having a positive knock-on effect to the NHS, including reductions in the number of premature deaths, cases of sexually transmitted infections and adult smoking prevalence.⁵ To date, the focus has been on tackling NHS priorities, such as reducing A&E attendance and addressing organisational deficits. But with the right powers and funding we know councils can do even more. Imagine what could be achieved if the £700 million was reinstated to councils?

Deliver brighter futures for all children

Councils have the ability to bring together services to give young people the best start in life. Sure Start centres have prevented 5,500 hospitalisations a year among primary school aged children. The reduction in hospitalisations for children aged 5-11 saves the NHS approximately £5 million a year, about 0.4 per cent of average annual spending on Sure Start. But the types of hospitalisations avoided – especially those for injuries – also have big lifetime costs both for the individual and the public purse.

Including these savings as well, the financial benefits of Sure Start's effects on hospitalisations amount to 6 per cent of its budget.⁶

Frustratingly, changes and the funding to support them have been generally standalone and piecemeal. In some cases, previously local services have become more centralised over the last decade.

4 Housing Revenue Account Cap Removal, survey results, March 2019 www.local.gov.uk/sites/default/files/documents/Publications%20-%20Research%20-%20Housing%20Revenue%20Account%20Cap%20Removal%20-%20Survey%20Results%20-%20March%202019.pdf

5 Public Health Outcomes Framework (PHOF) <https://fingertips.phe.org.uk/profile/public-health-outcomes-framework>

6 Institute for Fiscal Studies (IFS) 'The health effects of Sure Start' www.ifs.org.uk/publications/14139

In education, previously led by local councils, a series of policy changes has meant Whitehall now attempts to set the budgets of 22,000 schools, tries to build and repair schools through national commissioning and runs about half of schools directly. Councils have a strong track record in school improvement, with 89 per cent of council-maintained schools rated as good or outstanding.⁷ Maintained schools are better at keeping or improving their Ofsted ratings compared to academies. With the right powers and funding, councils could realise further improvements.

Supporting people and communities at the earliest point of need is done best by councils – helping people to live healthier lives and avoiding greater costs. Councils have worked with care and police services to develop a locally integrated approach which has seen year-on-year reductions in the number of children in care entering the criminal justice system. While it is universally understood that prevention is better than cure, and despite councils showing how they can improve outcomes, the funding available for early intervention and prevention has been cut dramatically by central government alongside the wider cuts to the funding available for local government.

Since there has been no reduction in statutory duties, councils up and down the country have been forced to find savings from non-statutory or discretionary budgets, which includes valuable early intervention and prevention support that can stop people needing more acute health and care services.

Improve jobs and growth

Councils have an ambitious but practical programme to improve employment and skills, but are still working in one of the most centralised systems in the developed world.

A more devolved employment and skills service which is organised locally and allows councils to integrate employment advice and information with skills, apprenticeships and jobs could help as many as 8,500⁸ more people into work and have a benefit to the economy of £420 million in just one average sized local authority.

It is unsurprising that government has struggled to make the changes needed when responsibility for jobs and growth sit across a number of departments and funding streams. Where councils and combined authorities have developed their own local programmes, there is clear evidence that they can remove the barriers to work by joining up services locally and this has resulted in more people finding work. The wider economic benefits are clear. Councils can do more, but the Government has to make the changes needed to enable them to do so.⁹

Create places where people want to live

Councils rely on being able to provide good public services to make their areas places people want to live. As statutory services, especially children's and adult social care, take up more of council budgets, other local services that residents value and rely upon are at risk of being reduced or withdrawn.

Councils are also best placed to respond to the public's growing concerns about the environment and issues such as climate change. At a local level councils can bring together partners to deliver leadership and direction on the specific environmental issues in a locality.

Innovative examples of locally-run waste partnerships have shown how councils can make the most of shrinking resources, but efficiencies can only go so far and it has to be matched by a government ambition to reduce waste.

Challenges remain. Individual councils do not have powers over all sources of pollution when it comes to issues such as air quality – for example some roads are operated by Highways England – and despite further funding from government, a lack of consistent and long-term funding for practical actions remains an issue. Despite this councils are doing much to address the issue and reduce emissions by providing access to services locally, public transport, supporting reduced energy use and use of renewable energy sources through street design, installing electric vehicle charging, introducing low emission zones; and promoting cycle-friendly measures. As environmental issues move further to the top of the new Prime

7 www.local.gov.uk/sites/default/files/documents/Academies%20and%20LA%20maintained%20schools%20-%202019%20WEB.pdf

8 L&W analysis for Work Local, LGA, 2017

9 For examples see www.local.gov.uk/sr19-case-studies

Minister's in-tray, local government can play a leading role in delivering a better environment for everyone.

Fast and reliable digital connectivity is no longer a nice-to-have. It's a necessity of our modern-day life, a driver of growth, and enabler of public sector transformation. A lack of reliable digital connectivity is a problem often faced by rural residents and businesses but can also exist in urban areas including town and city centres.

Councils are best placed to understand the digital needs of their local areas. They have been at the centre of delivering the Superfast Broadband Programme, having committed £740 million to extending connectivity to the hardest to reach. They are also increasingly working with mobile network operators to help improve coverage provided to their residents and roll out the next generation of connectivity, 5G. We believe there is more that government can do to empower local government to help catalyse the spread of digital connectivity and hold telecommunications providers to account on their coverage.

Support adults of all ages to live the life they want to lead

The LGA's green paper, 'The lives we want to lead' and accompanying consultation demonstrated why people believe adult social care matters. Some called it a moral responsibility, a hallmark of a civilised society and an issue of human rights.

Our consultation also showed that – in its current state – these ideals are at risk from years of significant financial pressure. The consequences of underfunding impact across the board and, most importantly, on people with a lived experience of care and support. But this can only happen if the public fully understands what adult social care is, why it is important and how it operates. We need an honest national conversation with the public, supported by cross-party cooperation at the national level, in order for proposals to emerge that may finally resolve the question of sustainable adult social care funding for the long-term.

Reform of social care funding to secure the long-term sustainability of the service should be an urgent national priority. With sufficient funding, both through the Spending Review and, longer-term, through the

green paper, councils will be better able to work with the people who use services, providers, voluntary and community sector partners and the workforce to improve care and support. This would mean sustaining and improving quality, helping to tackle under-met and unmet need, stabilising the provider market, addressing workforce challenges, and helping to mitigate demand pressures facing the NHS.

Caring for our older and disabled residents is the biggest issue facing our nation and councils need government to tackle this as a matter of urgency.

Build cohesive communities

Bringing all these services together alongside their natural place-shaping role enables councils to work with their residents to build cohesive and sustainable communities. Education and children's services combine with councils' jobs and growth work to help foster the sense of security, aspiration, opportunity and social mobility that is fundamental to integrated and cohesive communities. Regulatory, environmental services and community safety teams can help ensure communities abide by accepted standards of behaviour and feel safe where they live, addressing the factors that can cause tensions and undermine people's enjoyment of their areas; and cultural services can help create places that people want to live and provide opportunities to bring communities together.

But the ability for councils to influence key issues such as social and economic exclusion and poor life chances is constrained by the lack of levers available to them in key service areas such as education, local growth and housing; and in other areas their work has been scaled back due to funding cuts. The LGA's response to the Government's Integrated Communities Strategy called for faster and deeper progress on devolution to enable local councils to address their specific local challenges more effectively. This must be accompanied by sustainable funding that enables councils to maintain those services that impact on people's quality of life and enjoyment of their areas.

Current constraints

The budget to deliver services has shrunk dramatically in recent years, in stark contrast to increasing demand. Between 2010 and 2020, councils will have lost almost 60p out of every £1 the Government had

previously provided to run services – far more than other parts of the public sector. At the same time, councils are experiencing a record low in employment in contrast to a record high in central government.¹⁰ Councils have developed ever more innovative ways to improve efficiency, but have been forced to make increasingly difficult decisions about how to scale back their services while still supporting their communities.

In some cases, valued services have disappeared altogether in order to fund the most critical needs of the people they serve. This is disastrous for our communities. In reality, communities will cease to be communities at all if we are forced to strip them of parks, libraries and other non-statutory services.

And while we know that Government has listened to some of our calls and, at times, responded, this has not nearly gone far enough. Changes and the funding that supports them have been piecemeal and at times have not been implemented in a way that could help councils make a difference. For example, mental health funding for children and adolescents has been increased but granted to the NHS. Yet if it was granted to councils, the subsequent investment in preventative services could prevent young people needing NHS care in the first place.

Even when there is money available, councils are still having to grapple with overly complex bureaucracy to get the funding they so desperately need. Initial research commissioned by the LGA reveals that between 2015 and 2017 over 300 separate grants were handed out from national government to councils, based on figures from HM Treasury's spending database. The grants came from 14 different Whitehall departments and more than one third were for £10 million or less, with a vast array of different objectives, timetables and rules. This is why the system needs to change. Councils need much greater control so they can keep communities running, leaving the Government to deal with national issues that require so much of its attention.

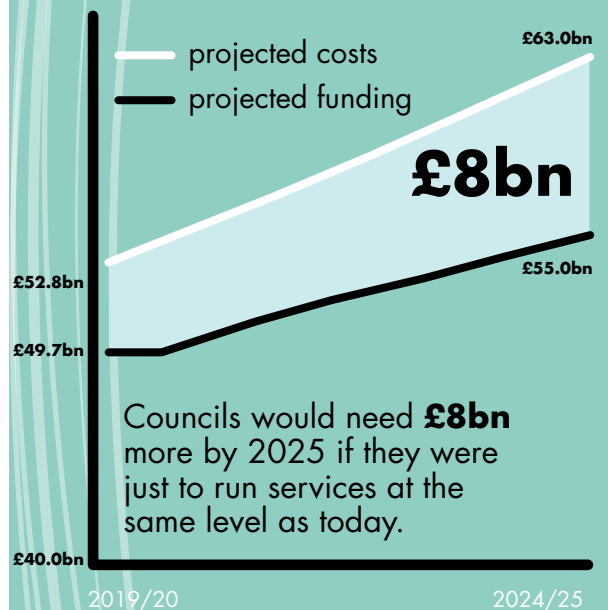
Councils provide more than **800 services**

Between 2010-2020 councils will have lost almost **60p out of every £1** of funding the government provided for local services.



At the same time demand has risen

On average, councils started more than 500 child protection investigations every day last year – up from 200 a decade ago – and the number of children in the care system increased at the fastest rate since 2010. The last six years have seen a 44% increase in the number of homeless households.



In children's services the shortfall by 2025 is **£3.1bn** and in adult social care it is **£3.6bn**.

¹⁰ www.ons.gov.uk/employmentandlabourmarket/peopleinwork/public-sectorpersonnel/bulletins/publicsectoremployment/march2019

COUNCILS NEED...

...a new package which places the right power and funding with local communities in order to unlock better opportunities for the areas we live in.

This must include clarity on the continuation of key funding streams, the quantum of resources, fair funding review and business rates retention so councils can properly budget for the year ahead and don't have to reduce access to much valued and worthwhile services.

We urgently need a social care green paper and a properly aligned prevention green paper which puts funding back into giving people the best start in life and caring for people who need support. The Government has to recognise that building cohesive and resilient communities can only be delivered through, and with local government – this cannot be successfully led from the centre.

The costs of failing to provide that support outweigh by far the costs of keeping it in place – we need only to consider the human cost of knife crime and a growing culture of youth and serious violence to see the real cost of cuts to youth and other preventative and early intervention services.

If we are to move to a new relationship between people and the state, councils are a natural place to start. On average, more than half a councillor's time is spent engaging with local people individually and in groups.¹¹

The three most important roles that councillors see themselves taking on are representing residents, supporting local communities and listening to the views of local people.

Even in England's largest council, North Yorkshire, County Hall is little more than 50 miles from the furthest residents. Westminster and Whitehall, where so many decisions are made that have a tangible impact on people's daily life, are far further away and much less accessible in every way.

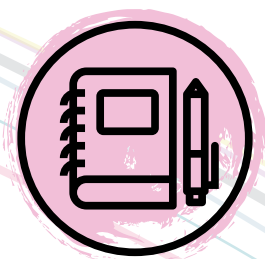
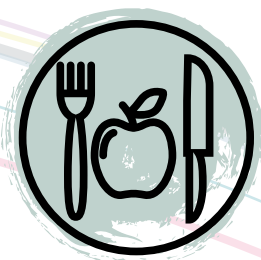
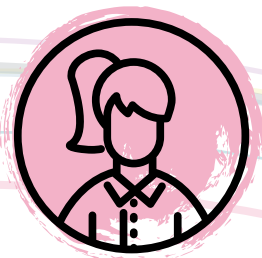
A new settlement for local government

It is clear that the challenges and opportunities of increased productivity, improved health outcomes, meaningful employment and vibrant high streets – to name but a few – remain.

Whitehall has been absorbed in EU Exit preparations, preventing it from fully addressing the long-standing challenges and opportunities facing communities and businesses in their daily lives. It is time to reignite the public debate on locally led public service reform.

In a step-change from much of government's recent devolution policy, a new localism settlement needs to move beyond individual deals to a package of sustainably-funded, locally-led public service reform that is available to all of English local government.

With Whitehall set to be focused on responding to the demands of EU Exit for the foreseeable future, there will not be the capacity at a national level to negotiate individual deals. With more than a quarter of the population already able to access the benefits of devolution through devolution deals, government must now legislate to ensure that the rest of England is no longer left behind.



¹¹ www.local.gov.uk/sites/default/files/documents/Councillors%27%20Census%202018%20-%20report%20FINAL.pdf

Key elements of the settlement:

English Devolution Bill in the first Queen's Speech to give all communities across England access to the benefits of a localist approach to services. This should present options for devolved powers to at least the level of the Scottish Government and be underpinned by statute to ensure that these powers and the powers already devolved through existing deals cannot simply be rolled back by a change in government policy. Local governments across the UK agree that powers must be devolved beyond Whitehall, Cardiff Bay, Stormont and Holyrood and rest with local communities instead.

Sustainable funding settlement

- Regardless of how funding is distributed, it is simply insufficient to ensure the sustainable delivery of council services.
- Councils should have more freedoms and flexibilities on council tax. Most importantly, the referendum limit needs to be abolished. Councils should also have the ability to set discounts which are currently fixed by statute, such as the compulsory 25 per cent discount where there is only one council tax payer in a property.
- We want to see a business rates system which is responsive to local needs and fair to all, which promotes growth through incentives. We support the increase to 75 per cent business rates retention planned from April 2020. The remaining 25 per cent of business rates should also be retained by local government to bridge the funding gap which we estimate to be over £3 billion in 2019/20, and £8 billion in 2024/25.
- It is critical that the Government provides more freedom for councils to set planning fees to at least recover their costs.
- Government must make the case for national tax rises or some form of social insurance to secure the long-term future of adult social care services. It should also look at the case for other local taxes being developed by the LGA and individual councils, in particular a tourism levy as is being consulted on in Scotland.

- Government should consider allowing areas to retain a proportion of nationally collected taxes paid by their residents, such as income tax or stamp duty, along with appropriate redistribution arrangements and control over discounts and reductions.

England after leaving the EU

- Government must give urgent clarity on successor arrangements for EU funding to communities post-Brexit of at least £8.4 billion, equivalent to current funding levels, including in Wales.
- We need a simplified and more proportional approach to financial management, removing the bureaucracy and silos of current EU funding.
- We need a new English land management policy to ensure communities have a say on how the replacement of the £1.7 billion Common Agricultural Policy funding for farmers is spent.
- There must be a formal process for local government in formulation of post-EU Exit domestic policy following our loss of powers through the Committee of the Regions, including on key issues such as State Aid, procurement and trading standards.

Reinvigorating locally led public service reform

- The Government must, as an absolute minimum, close the care provider market gap and the projected funding gap created by core pressures, totalling £3.6 billion by 2024/25.
- We need an honest national conversation, backed up by cross-party cooperation, about the value of adult social care, how it operates and how best to fund it so that adults of all ages can live the lives they want to lead. This would provide the impetus and 'safe space' for proposals to emerge aimed at resolving the long-term sustainability of adult social care and support. With the longer-term secured, councils would be able to better realise the full ambitions of the Care Act and their key role within it – of leading local efforts amongst the public and partners to drive the wellbeing agenda forward.
- Government must plug the growing £3.1 billion funding gap for children's services, reverse the cuts to early intervention funding, and urgently review high needs funding for those with special educational needs and disabilities (SEND).

- People across all parts of the skills and employment sector agree that the current system isn't working to close skills gaps and support more people to enter and progress in work. To address this critical issue, Government must work with local government to agree: pathfinders for the LGAs 'Work Local' vision by 2024 at the latest, a single set of readiness criteria for future devolution, and for service provision to align to the Work Local footprints of combined authorities and groups of councils.
- Government needs to recognise the value of health and wellbeing boards. They are working with partners across public services and the voluntary and community sector to tackle the wider determinants of health, often linking this to wider place-based agendas, such as growth, prosperity, community resilience and sustainable environments. They are also driving health and social care integration and making sure that prevention is at the heart of everything they do.

Enabling inclusive and sustainable growth

- Government must move from siloed growth funding pots to joined up funding based on place and led by councils and combined authorities.
- To put all parts of the country on a fair footing to help create the conditions for growth, Government must work with councils to simplify national and sub-national export support to ensure that it is responsive to the needs of all economies.
- To ensure people have access to the right mix of housing, councils must be able to retain 100 per cent of Right to Buy receipts to invest in new and existing stock as it is needed locally.
- Planning departments are severely under-resourced and taxpayers are subsidising the costs of planning applications by around £200 million a year. In order to adequately resource their planning departments to enable sustainable growth supported by the right infrastructure, councils need the ability to set planning fees locally.
- An efficient transport network is a fundamental requirement of a well-functioning economy. To ensure people and goods can get where they need to go, Government must introduce measures to boost our public transport network and tackle poor air quality and congestion. It should properly fund the concessionary bus fares scheme, which currently faces at least a £652 million funding gap, to prevent more people being socially isolated and unable to access work. A properly resourced national air quality support scheme for councils with appropriate legislative and policy changes to support more effective enforcement and alternative modes of transport is also needed. This must happen in parallel with the full implementation of moving traffic powers for councils to make our roads safer and allow traffic to move more freely. This has the dual benefit of reducing harmful vehicle emissions and improving fuel efficiency, which helps tackle climate change through reduced carbon emissions.
- Despite further funding from government, a lack of consistent and long-term funding, especially revenue funding, for practical actions around air quality remains an issue. A further challenge is that individual councils do not have the powers over all sources of pollution.
- The £9.3 billion backlog of repairs on our local roads acts as a constraint to local growth. Existing funding is fragmented and insufficient. The Government can go further by diverting the equivalent of 2p of fuel duty to local roads to help bring our roads up to scratch. This needs to be coupled with a long-term commitment to funding for local roads. Councils support the National Infrastructure Commission's recommendation on giving local authorities long-term funding certainty over transport spending. Their National Infrastructure Assessment recommended that local transport authorities outside London should have stable, devolved infrastructure budgets, as Highways England and Network Rail have.¹²

¹² www.local.gov.uk/sites/default/files/documents/Moving%20the%20conversation%20on%20-%20LGA%20Autumn%20Budget%20Submission%202018.pdf

WE KNOW THE COUNTRY WILL LOOK DIFFERENT...

...when we leave the European Union, but leaving the European Union cannot continue be a distraction from the funding crisis that is pushing fragile local services closer to the edge.

In an uncertain time for this country, certainty for councils and their residents about what powers and resources they will have to support the Government to keep our communities running will become even more fundamental. Councils cannot continue to provide leadership in a system where resources are exhausted and powers and accountability are diffused.

Councils have proven that they are already leaders of place but they are under insurmountable financial pressure and are having to manage within a system that is still so disjointed. The success of the UK as a whole in its new relationship with global partners and competitors will rely on the ability of local leaders to encourage inclusive and sustainable growth in local economies, invest in the right infrastructure at the right time and help people and their families meet their full potential.

No one else can deliver the changes this country needs. A new localism settlement, and the powers and funding to support it, is desperately needed to ensure that the UK is able to compete on a global stage.

The quality of the places we live in depends on our councils. They are the central cog in a machine which brings together all the elements we need to feel secure, safe and fulfilled. In turn, our councils must have mutual support from government to enable them to get on with the job.

Councils have put their offer on the table to Government, the new Prime Minister and all our political parties. This is no longer about councils having to prove they can do more – it is now the Governments' turn to show it has listened, understood, and cares enough about the millions of people that rely on council services to take action. It is time for the Government to match residents and their councils' ambitions.

Unless national government delivers the changes that councils need, there is a risk that the same level of inertia will pervade in local government as in national government and the country could simply come to a standstill.



Councils have shown they are exemplars in making best practice, common practice. The success of sector-led improvement, which combines a rigorous and authoritative approach has ensured that councils can continuously improve.

The Government must deliver a Queen’s Speech, Spending Review and changes to policy that deliver the funding and powers to enable councils to make the changes that will transform our local areas.

Queen’s Speech

What is needed	What it will deliver
English Devolution Bill	An English devolution settlement enshrined in primary legislation that presents options for devolved powers in England to at least the level of the Scottish Government; that underpins the settlement reached through the devolution deal process and that expands devolution to those areas outside the metropolitan combined authorities. While this paper deals with English policy, we have worked closely with the Welsh Local Government Association (WLGA) LGA, Convention of Scottish Local; Authorities (Cosla) and the Northern Ireland Local Government Association (NILGA). Local government across the UK agrees that after the we have left the EU, powers are devolved beyond Whitehall, Cardiff Bay, Stormont and Holyrood and rest with local communities instead.
Local Government Finance Bill	<p>Full local control over council tax, including abolition of referendum limits, local powers to set levels of discounts and powers over banding.</p> <p>100 per cent business rates retention so councils have a stable and predictable financial outlook and are rewarded for a growing local economy.</p> <p>Greater certainty for councils by making annual, rolling multi-year settlements a legal requirement.</p> <p>Increased local revenues by tackling business rates avoidance.</p>
Education and Skills Bill	<p>Councils given back the powers to build new schools.</p> <p>Reverse the legal ban on councils supporting inadequate maintained schools and helping academies which are struggling.</p> <p>Enable devolution of employment and skills provision through a single set of readiness criteria, which will transfer powers and funding from the Secretary of State to combined authorities and groups of councils.</p>
Electoral Bill	<p>Protection for councillors and candidates from intimidation through a new electoral offence of intimidatory behaviour.</p> <p>Changes to electoral law on undue influence to include intimidation and the strengthening of existing criminal intimidation legislation to protect those in public office and political candidates, including intimidation that takes place on social media.</p> <p>Guidance for the general public on what is reasonable protest and comment compared with abuse, intimidation and harassment, and the sanctions for engaging in such behaviour.</p> <p>Guidance for prosecutors and the police on the seriousness of intimidation crime against public servants and political candidates that takes place as a result of their public role.</p> <p>A consistent and universal standard of conduct that is applied across all public office.</p>

Domestic Abuse Bill	The Bill will provide a statutory definition of domestic abuse, which will include economic abuse, to help provide consistency across all services and will give councils the powers required to tackle domestic abuse and support victims, in particular through focusing on early intervention and preventative work (including with perpetrators) that stops abuse from occurring in the first place.
Building Safety Bill	This will implement the Hackitt Review recommendations by placing new duties on building owners, new regulatory powers with effective sanctions, a new competence regime for industry and tougher product safety and assurance standards. Enforcement remains with council building control and fire and rescue services and reforms are fully funded.

Spending Review

What is needed	What it will deliver
As an absolute minimum, close the provider market gap and the projected funding gap created by core pressures, totalling £3.6 billion by 2024/25	<p>£1.45 billion would tackle the immediate and annually recurring provider market gap (the difference between the estimated costs of delivering care and what councils pay). This would help reverse the worrying trend of providers handing back council contracts to focus just on the self-funder market or ceasing trading completely.</p> <p>Closing the remainder of the gap would enable councils to fund future demand for assessments and care packages (but only at current levels of provision) and the future costs of inflation and the National Living wage. It would also go some way to addressing issues around quality and the workforce, but it would not address them completely, nor wider issues such as unmet and under-met need. The Government should therefore also consult on mechanisms to provide the additional funding.</p>
Provide £3.1 billion of new funding for children's social care by 2025 and reverse the cuts to the Early Intervention Grant (a minimum of £683 million per year)	<p>Allow councils to deliver their statutory duties in the face of increasing demand for children's services by investing in preventative services to support families before they reach crisis point.</p> <p>Improve outcomes for children and families by providing appropriate support to meet their needs.</p> <p>Allow councils to provide more support for vulnerable young people that help to tackle the issue of serious violence, and help avoid them becoming involved in crime.</p>
Invest an additional £1.6 billion in High Needs funding by 2021	Councils are able to adequately support the growing number of children and young people with special needs and disabilities, in line with their statutory duties.
Increased funding for nurseries to address the shortfall of £2,166 per child	<p>Address the shortfall of £2,166 per child a year in private nurseries.</p> <p>Continue the £59 million per year supplementary funding for maintained nursery schools until a sustainable funding solution for them is found.</p>

<p>The Government to agree successor arrangements for EU funding to communities post-Brexit of at least £8.4 billion, equivalent to current funding levels</p>	<p>A place-led domestic successor to EU structural funding which is democratically accountable to people and places and focused on delivering locally determined outcomes to increase productivity and tackle inequalities, including in Wales.</p> <p>A simplified and more proportional approach to financial management, removing the bureaucracy and silos of current EU funding.</p> <p>A new English land management policy to ensure communities have a say on how the replacement of the £1.7 billion Common Agricultural Policy funding for farmers is spent.</p>
<p>Additional funding for local roads equivalent to 2p of existing fuel duty, which will raise about £1 billion a year</p>	<p>Councils able to tackle the £9.3 billion repairs backlog.</p>
<p>Additional funding of at least £652 million for buses and concessionary fares</p>	<p>Councils are fully funded for concessionary fares.</p> <p>Councils can protect other subsidised bus travel in rural areas and help young people with their travel costs.</p>
<p>Reverse the £700 million cuts in public health funding</p>	<p>Councils are able to reinvest in public health services to achieve more years of healthy life and keep pressure off the NHS.</p>

Policy changes needed

What is needed	What it will deliver
<p>Fully fund adult social care and publish a social care green paper which facilitates a national conversation about the value of social care, how it operates and how best to fund it</p>	<p>A better understanding amongst the public of adult social care, willingness from our national politicians to put party interests aside in favour of the national interest.</p> <p>High quality, person-centred care and support for future generations so that people can live the lives they want to lead and contribute to the communities in which they live.</p> <p>A fully-funded and sustainable adult social care system to relieve pressure on other important council services and help to resolve the future of local government funding overall.</p>
<p>Publish a green paper to deliver a step change on prevention</p>	<p>Put funding back into preventative services for children and adults.</p> <p>Secure effective support to give children the best start in life, keep people of all ages well and enable communities and those who live in them to be safe and to thrive can only be delivered through and with local government.</p> <p>Embed a joined-up prevention approach across government departments.</p> <p>Place-based approaches to prevention led by local government.</p>

<p>A reformed waste strategy</p>	<p>Manufacturers and retailers paying the full cost of recycling and disposing of packaging that they produce.</p> <p>Councils supported to increase recycling and prevent waste in the first place.</p>
<p>Reform housing policy so councils are able to invest in new and existing housing</p>	<p>Devolve Right to Buy, allowing councils to set discounts locally and retain 100 per cent of receipts to reinvest in new and existing housing.</p> <p>Housing Strategy for enabling councils to ensure that 100,000 genuinely affordable homes are created each year.</p> <p>Ensure high quality development by empowering the local planning system, and allowing councils to set planning fees locally to achieve full cost recovery.</p> <p>Reduce likelihood of homelessness by lifting the local housing allowance and reconnecting it to rents.</p> <p>Refocus on homelessness prevention rather than crisis through expanding and combining multiple funding pots into a single grant distributed to councils.</p>
<p>Provide resources and powers for councils to deliver environmental improvements locally</p>	<p>Council leadership and direction at a local level around how communities bring together the wide range of environmental issues such as climate change, biodiversity and green governance.</p>
<p>Devolve transport powers and update air quality policy to tackle harmful air pollution and reduce carbon emissions</p>	<p>Councils allowed to enforce moving traffic offences through devolving powers in Part 6 of the Traffic Management Act 2004, enabling them to reduce congestion and resultant increase in harmful emissions.</p> <p>Enable all areas to provide a better public transport by automatically giving all councils bus franchising powers if they want it and by properly funding the gap in concessionary fares funding.</p> <p>Ensure that planned new environmental legislation makes it easier to tackle harmful air pollution from a range of sources.</p>
<p>New burden funding for local planning authorities to address the expectations around biodiversity net gain, including addressing the skills/knowledge gap</p>	<p>Councils able to carry out the proposed new responsibilities around biodiversity net gain. These will potentially create a lot of additional burden for planning departments.</p>
<p>New powers to enable new local funding to be raised to tackle flooding and coastal erosion</p>	<p>Greater flexibility for councils on local revenue and capital-raising powers, to support their ability to manage local flood and coastal erosion risk management risks.</p>

<p>Reform children and young people mental health and emotional wellbeing policy</p>	<p>Priority given to supporting good mental health through good housing, education and family support, rather than medically treating mental ill health and intervening in times of crisis.</p> <p>Children, young people and their families receiving the necessary support early in life to have a life time of good mental health.</p> <p>Children, young people and their families living in places conducive to good mental health.</p> <p>Every young person receiving the help they need.</p>
<p>Provide stronger powers for health and wellbeing boards</p>	<p>Local plans to implement the NHS Long Term Plan should set out how Integrated Care Systems or Sustainability and Transformation Partnerships will deliver integrated, person-centred care, and should be developed and agreed with their health and wellbeing boards.</p>



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