

Local Government Association

Spring Budget 2017 – On the Day Briefing

8 March 2017



Introduction

The Budget provides a formal update on the state of the economy, responds to the new economic and fiscal forecast from the Office for Budget Responsibility and announces the Government's fiscal measures.

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

The LGA has circulated a number of media statements responding to today's announcement:

[LGA social care media statement](#)

[LGA business rates media statement](#)

[LGA education funding media statement](#)

[LGA 5G and broadband media statement](#)

[LGA urban congestion media statement](#)

Key Messages

- The LGA has been leading efforts to highlight the significant pressures facing adult social care and we are pleased that the Government has started to act on our concerns. Today's announcement of £2 billion for adult social care marks a significant step towards protecting the services caring for older and disabled people in our communities over the next few years. Councils must have full flexibility over how they use this funding. Adult social care is vital in its own right as it helps people of all ages live independently in their communities. Any measures associated with the funding must be proportionate and agreed with local government leaders.
- As helpful as today's announcement is, short-term pressures remain and the challenge of finding a long-term solution to the social care crisis is far from over. To close the funding gap facing social care additional funding needs to be recurrent and put into local government baselines. The publication of a Green Paper will be vital to securing sustainable, long-term funding for the sector. Local government leaders must play a fundamental part in reaching a solution. All options must be on the table and it needs cross-party national support.
- The Chancellor has announced some funding to help mitigate the impact of business rates revaluation, particularly for small businesses most affected. Local authorities are well placed to identify who needs this new discretionary relief funding the most. We are pleased that of the majority of pubs will receive business rates discounts and that councils will be

Briefing

compensated for the loss of income. While measures announced today will not lead to any increase or reduction in funding for local government through business rates, there is a risk that some councils will be left out of pocket because of delays to billing caused by the lack of certainty about relief over recent weeks. It is important that the Government reimburses them for any loss of income or extra costs incurred as a result.

- Councils do not set business rates but any likely rise in appeals as a result of this latest revaluation does pose a risk to the funding of already-stretched local services. We welcome the fact that the Government has said that it will bring forward proposals for setting a fixed time limit on business rates appeals. Local government will retain more of its business rates income by 2020 and could become liable for 100 per cent of refunds. This means a transparent and fair system of valuation and appeals is essential to provide greater certainty of cost and income to businesses and allow councils to release the money currently put aside to cover the risk of appeals to invest in vital local services.
- Local government faces a challenging overall funding gap of £5.8 billion by 2019/20. Within this funding gap the cost pressures associated with homelessness and temporary accommodation, and children's and adult social care, are particularly acute. Plugging this overall funding gap will allow councils to continue to deliver much valued local services including those that contribute to wellbeing in its wider sense, such as maintaining our parks and green spaces and running leisure centres and libraries.
- Today's announcement that additional funding will be provided to repair existing schools is positive. According to the National Audit Office's most recent report, £6.7 billion is needed to rebuild dilapidated schools across the country. The funding announced for new school places is also positive. However, to meet rising demand councils must be given back powers and be appropriately funded so that they can directly commission the building of new schools. To ensure new schools are established in the right places to meet the needs of local communities, local authorities must have a role in determining where new free schools are created and should have a say over whether or not selective schools are introduced in non-selective areas. While councils are extremely supportive of transport being provided to children most in need, any new provision must be fully funded and not place an additional financial burden on councils.
- We are pleased that the Government has listened to the LGA's calls to fund 5G trials in both non-metropolitan areas and urban settings. These areas have a vital role to play in driving the growth of our economy but can be held back by poor connectivity. We also must not forget those outside our larger cities who still struggle to access 4G or even 3G technology. The Government must commit to strengthening its Universal Service Obligation with a minimum download speed which rises in tandem with national averages, and places obligations on suppliers to provide a minimum level of upload speed.

- There are areas that we expected to be announced in the Chancellor's statement but were not covered. It is disappointing that there were no measures to address our concerns on housing, the New Homes Bonus, children's social care and EU funding.

The Budget in Detail

Adult social care

The Chancellor announced:

- The Government will provide an additional £2 billion to councils in England over the next 3 years to spend on adult social care services. £1 billion of this will be provided in 2017/18, ensuring councils can take immediate action to fund care packages for more people, support social care providers, and relieve pressure on the NHS locally.
- Building on the approach to the Better Care Fund, councils will need to work with their NHS colleagues to consider how the funding can be best spent, and to ensure that best practice is implemented more consistently across the country. This funding will be supplemented with targeted measures to help ensure that those areas facing the greatest challenges make rapid improvement, particularly in reducing delayed transfers of care between NHS and social care services.
- In the longer term, the Government is committed to establishing a fair and more sustainable basis for adult social care, in the face of the future demographic challenges set out in the OBR's Fiscal Sustainability Report. The Government will set out proposals in a Green Paper to put the system on a more secure and sustainable long term footing. (*Page 47, paragraphs 5.5-5.6*)

LGA view:

- The LGA, working closely with partners from across the care and support sector, has led national efforts to highlight the extreme pressures facing adult social care, their consequences for people and communities, and the urgent need to address them with genuinely new government funding. The Government's announcement of an additional £2 billion for adult social care over the next three years is therefore welcome, and £1 billion in 2017/18 will be of significant benefit to the sector. It will help alleviate some of the pressures within the system, and bring much needed short-term stability to a sector that is universally regarded to be in crisis. The LGA has previously identified a need for £2.6 billion to address social care pressures by the end the Parliament.
- Councils have a track record on value for money and innovation. If there are to be measures to assess councils' performance in the light of this additional money they must be proportionate and efficient and local

government must be part of their design. There is no point introducing costly reporting mechanisms into a system which is in desperate need of resources.

- We fully recognise the need for health and care systems to work well together in the interests of people who need care. However, adult social care is not simply an adjunct to the NHS and is vital in its own right, supporting adults of all ages, with a range of needs, to live independently and well. Equally, delayed transfers of care are not the only issue facing health and care and we caution against an over-focus on this particular problem at the expense of addressing other, more systemic, issues.
- As helpful as this injection of immediate funding is, it does not deal with the full scale of the funding challenge by the end of the decade and beyond. Pressures will therefore remain, including the concerns about the stability of the provider market. To close the funding gap, additional funding needs to be recurrent and put into local government baselines.
- We therefore welcome the Government's intention to publish a Green Paper on adult social care funding to develop a much-needed longer-term solution. To ensure this delivers real solutions which can be implemented local government leaders must be at the heart of the review, and party politics must be transcended so we have a solution that has full cross-party consensus. The review must include an honest debate of all potential options and nothing should be ruled out at the start.
- Councils are committed to providing an adult social care system that promotes everybody's wellbeing and ensures that all people with care and support needs, and their carers, can live independently and with dignity. Today's announcements will certainly help with this aim in the short-term but there can be no room for complacency. We need a system that is fit for future generations and that will not be possible without a long-term solution to how adult social care is funded.

Health and the NHS

Accident and Emergency Capital Investment

The Chancellor announced:

- The Government will provide an additional £100 million to the NHS in England in 2017/18 for capital investment in A&E departments to enable NHS trusts to invest in measures to help manage demand on A&E services and ensure that patients are able to access the most appropriate care as quickly as possible.
- The Chancellor announced that the funding will allow for better assessment of patients when they arrive at A&E and increase the provision of on-site GP facilities. (*Page 48, paragraph 5.7*)

LGA view:

- GP triage is a useful and effective way of directing people who present at A&E departments who do not require A&E towards alternative sources of help and treatment. Additional capital resources for GP triaging is welcome but revenue funding is needed to ensure the services are effective on an ongoing basis.
- Furthermore, GP triaging does not prevent people arriving at A&E services, it seeks to divert them once they have presented at the hospital. It is also important to recognise that GP triaging is effective only if there is a prompt access to community health and support services as an alternative to A&E. The LGA believes that any capital available to help manage A&E demand should be used in accordance with locally determined priorities.

Sustainability and Transformation Plans

The Chancellor announced:

- The Government will invest £325 million over the next three years to support the local proposals for capital investment in those Sustainability and Transformation Plans that have made the “strongest” case to deliver real improvements for patients and to ensure a sustainable financial position for the health service. The Chancellor announced that there will be a further round of local proposals in autumn 2017. (*Page 48, paragraph 5.8*)

LGA view:

- The additional £325 million for the NHS is welcome but it is a just a tiny proportion of the approximately £9.5 billion identified by STPs as additional capital requirement. The LGA supports further investment in transformation of NHS services but this needs to be directed towards community-based and preventative services that maintain health and independence and support people in the community. We recognise that the Government needs to be sure that the additional resources will be used to greatest effect but it is important that they do not focus just on health economies that are in the strongest position.
- It is essential that any additional money for NHS transformation is invested in services that have the full support of local citizens and their democratically elected representatives. The next stage of development for STPs must prioritise local engagement and a careful focus on governance and effective implementation.

Business rates

The Chancellor announced:

- £435 million of support for businesses facing increases in bills from the English business rates system. This includes:

- Support for small businesses losing Small Business Rate Relief to limit increases in their bills to the greater of £600 or the real terms transitional relief cap for small businesses each year;
- Providing English local authorities with funding to support £300 million of discretionary relief, to allow them to provide support to individual hard cases in their local area;
- A £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2017. The majority of pubs will benefit from this change.
- Local government will be fully compensated for the loss of income as a result of these measures.
- At Budget 2016 the Government announced an aim to deliver more frequent revaluations of properties – at least every 3 years. The Government will set out its preferred approach for delivering this aim at Autumn Budget 2017 and will consult ahead of the next revaluation in 2022. *(Page 33-34, paragraphs 3.16-3.19)*
- Separately the Government has published its [response](#) to the consultation on the draft regulations for the new system of business rates appeals, which will apply from 1 April 2017. The Government says that they intend to review the early implementation of the new system before bringing forward proposals by April 2018 for setting a fixed time limit for appeals.

LGA View:

- We welcome the support for business facing increases as a result of the 2017 revaluation and the Government’s assurance that local government will be fully compensated. We await further details on how the discretionary fund will be distributed to councils.
- We have long argued that giving councils the freedom and funding to set discounts and reliefs locally would help them better support small businesses and local economies. Local authorities are well placed to identify who needs this new discretionary relief funding the most.
- While measures announced today will not lead to any increase or reduction in funding for local government through business rates, there is a risk that some councils will be left out of pocket because of delays to billing caused by the lack of certainty about relief over recent weeks. It is important that the Government reimburses them for any loss of income or extra costs incurred as a result.
- The Chancellor’s announcements are in response to concerns from many businesses about the impact of the 2017 revaluation. The LGA is concerned that the impact of the revaluation could lead to a large number of appeals. The huge volume of appeals from previous revaluations shows that too many businesses are unhappy with the current system of business

rates valuation. This has forced councils to divert £2.5 billion over the past five years to cover the risk of appeals. Councils have to fund half the cost of any backdated refunds at the moment; this could increase to 100 per cent by 2020. It is vital that the Government works with councils and the LGA on how the provisions to allow central government to pay local authorities for any losses on appeals, as set out in the Local Government Finance Bill, will operate prior to the implementation of the new system.

- We await the details on how the Government will deliver its aim of a revaluation at least every three years. In our response to the 2016 discussion paper on delivering more frequent valuations the LGA said we would not support more frequent revaluations unless there is a significant change to the way valuation is done and a limit on speculative appeals. It is vital that any changes fit into the development of 100 per cent business rates retention which will start in 2019/20.
- We welcome the fact that the Government has said that it will bring forward proposals for setting a fixed time limit on business rates appeals. In Scotland this is six months; we would look forward to similar proposals for England.

Education

The Chancellor announced:

- ***Schools investment:*** The Government is committed to giving parents greater choice in finding a good school for their child, and will deliver the manifesto commitment to open 500 new free schools by 2020. The Government will extend the free schools programme with investment of £320 million in this Parliament to help fund up to 140 schools, including independent-led, faith, selective, university-led and specialist maths schools. Of these 140 schools, 30 will open by September 2020 and count towards the Government's existing commitment. The new free schools will be located where they are most needed to improve the choice of schools available to parents, following a rigorous assessment of local factors.
- ***School maintenance:*** To improve the condition of the school estate, the Budget provides a further £216 million investment in school maintenance, taking total investment in school condition to well over £10 billion over this Parliament.
- ***School transport:*** The Government wants to ensure that children from disadvantaged backgrounds have every opportunity to access the best possible education, without the cost of transport acting as a barrier. Pupils typically travel nearly three times as far to attend selective schools. The Government is therefore expanding the current 'extended rights' entitlement for children aged 11 to 16, who receive free school meals or whose parents claim Maximum Working Tax Credit. They will now get free transport to attend the nearest selective school in their area, bringing it in

line with free transport provision for those travelling to their nearest school on faith or belief grounds. (*Page 42, paragraph 4.14*)

LGA view:

- Today's announcement that additional funding will be provided to establish new schools and repair existing schools is positive. However, to meet rising demand for school places councils must be given back powers and be appropriately funded so that they can directly commission the building of new schools.
- According to the National Audit Office's most recent report, £6.7 billion is needed to rebuild dilapidated schools across the country. The additional £216 million announced by the Chancellor today is a step in the right direction. However, government must commit to devolving school capital funding to a single local pot to allow schools and councils to work together effectively to tackle local challenges.
- Councils have a statutory duty to ensure every child has a school place available to them but they fear that they will no longer be able to meet the rising costs for the creation of places if they are not given the money or powers to do so, and have to continue to rely on the Secretary of State in Whitehall to take all the final decisions.
- To ensure new schools are established in the right places and meet the needs of local communities, councils must have a role in determining where new free schools are created. Local authorities know their areas best and are eager to work with applicants with a strong track record to identify potential school sites.
- Councils are clear that they must have a say over whether or not selective schools are introduced in non-selective areas. As champions of local families and children councils should have a say on the type of school introduced to their area, this should not be left to individual free school proposers.
- While councils are extremely supportive of transport being provided to children most in need, any new provision must be fully funded and not place an additional financial burden on councils.

5G and full-fibre broadband

The Chancellor announced:

- A new 5G Strategy setting out steps for the UK to become a world leader in the next wave of mobile technology including running 5G testbeds and trials in rural as well as urban areas. (*Page 43, paragraph 4.19*)
- The Government will create a new National 5G Innovation Network to trial and demonstrate 5G applications investing up to £16 million in a cutting edge 5G facility with the technology to run the trials. (*Page 43, paragraph 4.19*)

- Starting in 2017, the Government will invest £200 million to fund a programme of local projects to test ways to accelerate market delivery of new full-fibre broadband networks. This will combine a range of approaches including offering full-fibre broadband connection vouchers for businesses, and opening up public sector assets, such as existing ducts, to allow fibre to be laid more cheaply. *(Page 43, paragraph 4.20)*
- This will be complemented by the Digital Infrastructure Investment Fund to be launched in spring 2017, which will see government investment of £400 million matched by private sector investors, and will accelerate the deployment of full-fibre networks by providing developers with greater access to commercial finance. *(Page 44, paragraph 4.21)*

LGA View:

- Extending excellent digital coverage across the country is key to ensuring all residents and businesses have access to 21st century digital connectivity.
- We are pleased that the Government has listened to the LGA's calls to trial 5G in both non-metropolitan and urban settings. Non-metropolitan areas have a vital role to play in driving the growth of our economy but can be held back by poor connectivity. By trialling 5G in rural areas, Government can better understand its rural replicability, and determine its potential to improve broadband and mobile coverage to the benefit of residents, businesses and crucial services like remote healthcare.
- The new full-fibre funding announced for local projects to accelerate market delivery is a step in the right direction for delivering future-proofed digital connectivity across the country. Local government has already committed over £700 million through the Superfast Broadband Programme to help ensure commercial suppliers provide connections for hard to reach residents. The sector also works with the alternative network providers to connect communities in some of the most challenging areas and will be able to play a key role in the new programme. However, to ensure fast and reliable connectivity for all, the Government must also commit to strengthening its Universal Service Obligation with a minimum download speed which rises in tandem with national averages, and places obligations on suppliers to provide a minimum level of upload speed.

Skills

The Chancellor announced:

- Funding to increase the amount of training for 16-19 year olds on new technical education routes [T-Levels] by more than 50 per cent to over 900 hours a year, including completing a high-quality industry work placement. The routes will be rolled out from 2019/20 starting with investment of £100 million, rising to £500 million per year by 2022 when all 15 routes are in place. *(Page 41, paragraph 4.11)*

- Piloting new approaches to encourage lifelong learning to reflect the fact that the changing nature of work makes retraining and reskilling essential. A fund of up to £40 million will be invested to test different approaches to do this. *(Page 41, paragraph 4.12)*

LGA view:

- New resources for technical education and lifelong learning are positive. Adults wanting to upskill or reskill have little access to funding and so we welcome the announcement to explore lifelong learning pilots and want to work with the Government on its proposals. Funding on technical education will replace 13,000 separate qualifications with 15 technical routes including construction. This simplification is welcome.
- The whole English skills and employment system now needs an urgent and radical review. LGA analysis shows that by 2022 there will be a widening skills gap in England. Closing this gap requires increasing average skill levels from an equivalent of five GCSEs to three 'A' levels.
- Councils will be central to bringing all partners together across a local area – employers including local enterprise partnerships, education and training providers and other local stakeholders – to ensure the supply of training provision meets the needs of employers and local economic priorities. There is currently £10.5 billion of national skills and employment funding spread across 20 different national schemes.

Transport

The Chancellor announced:

- The Government has announced £690 million for new local transport projects, to improve congestion on roads and public transport. Councils will be invited to competitively bid for the money with £490 million made available by early autumn 2017. *(Page 44, paragraph 4.22)*

LGA view:

- The increase in funding for our local roads is a step in the right direction. Further detail is needed as to how councils will be able to use this additional resource to improve local roads and public transport to help local people and businesses.
- We are pleased that the Government has recognised the importance of investing in local roads, particularly those that are heavily congested. This is something the LGA has repeatedly called for. However, competitive bidding is a time consuming process and does little to provide the certainty of funding needed to attract additional private sector investment or plan vital roads infrastructure for the long term. It is also out of step with investment on the strategic roads network and our rail network, who have the certainty of funding to plan long-term improvements. Councils need to be able to plan for the long term in order to build the road network we

need.

- The backlog of repairs on existing roads remains. This is predicted to reach £14 billion within two years and it would currently take 14 years to fix the backlog of potholes. Over the remaining years of the decade the Government will invest more than £1.1 million per mile in maintaining national roads which make up just 3 per cent of all total roads. This level of investment contrasts starkly with the £27,000 per mile investment available to councils in maintaining local roads which make up 97 per cent of England's road network.

Devolution

The Chancellor has announced:

- The Government will shortly be announcing a Midlands Engine Strategy and will continue to build the Northern Powerhouse. *(Page 45, paragraph 4.27)*
- The Government has agreed a Memorandum of Understanding on further devolution to London, which includes joint working to explore: locally-delivered criminal justice services, action to tackle congestion, the piloting a new approach to funding infrastructure, options for devolving greater powers and flexibilities over the administration of business rates, greater local influence over careers and employment support services. *(Page 45, paragraph 4.28)*
- The Government and London partners will agree a second Memorandum of Understanding on Health and Social Care. *(Page 45, paragraph 4.28)*
- The Government is also in discussions with Greater Manchester on future transport funding. *(Page 45, paragraph 4.28)*

LGA view:

- Devolution has a key role to play in connecting communities to the decisions that matter and to the public services that can make a real difference to peoples' lives. The EU referendum gave a clear message that there are communities that feel disconnected from the benefits of national growth. We now desperately need a clear vision from government on the role devolution to all areas will play in driving inclusive growth and readying local places for post-Brexit Britain.
- The announcement of further devolution to London will be seen by many as a testament to the hard work of London boroughs and the Mayor of London and provides greater scope for the nation's capital to meet its significant public service and investment challenges. We look forward to the agreement of a second Memorandum of Understanding on Health and Social Care and recognise the continued support for place-based integration to prevent ill health by improving health and care services.

- We also recognise that additional support for the Northern Powerhouse and the Midlands Engine alongside the potential devolution of further transport funding to Greater Manchester has the potential to play a key role in driving a balanced national economy able to keep pace with our global competitors.
- However, while councils in areas with devolution deals like London and Manchester can be justifiably proud of their achievements many others, particularly in non-metropolitan and rural areas, will continue to struggle with the Government's insistence on a top down approach to devolved governance. This has seen progress on deals outside the big city regions grind to a halt in recent months, hampering councils' abilities to create jobs, build homes and strengthen communities.

Public health

Soft Drinks Industry Levy

- The Chancellor announced that the Government will fund the Department for Education with £1 billion raised from the levy this Parliament, to invest in school sports and healthy living programmes. (*Page 35, paragraph 3.37*)

LGA view:

- We welcome Government's commitment to allocate funds raised from the soft drinks industry towards programmes to tackle physical inactivity and encourage healthy eating. However, we believe the funding could be used even more effectively if distributed through local authority public health services rather than allocated direct to schools. Local government is uniquely placed to bring together a broad coalition of partners required to tackle obesity and physical inactivity.
- Councils carry broader responsibilities for sport and leisure beyond the school gate, and our concern is that if schools see the levy in isolation they may not capitalise on those wider community links. To ensure the Levy is targeted appropriately at those communities with the greatest challenges, an allocation based on deprivation or some other proxy measure to give more to schools with poorer health and wellbeing outcomes should be considered.

Alcohol duty

The Chancellor announced:

- The Government will consult on introducing a new duty band for still cider just below 7.5% abv to target white ciders, and on the impacts of introducing a new duty band for still wine and made-wine between 5.5% and 8.5% abv. (*Page 35, paragraph 3.33*)

LGA view:

- We welcome the announcement of a consultation on an additional tool to address the problems associated with high strength ciders, including the impact on disorder and health. We have called for the Government to introduce new tiers of alcohol duty, while protecting specialist ciders. Several councils have introduced 'Reducing the Strength' style schemes to seek to reduce the local impacts of these products.

Workforce announcements

Return to Work

The Chancellor announced:

- The Government will work with business groups and public sector organisations to identify how best to increase the number of "returnships", supported by £5 million of new funding. "Returnships" offer people who have taken lengthy career breaks a clear route back to employment. *(Page 41, para 4.12)*

LGA view:

- We welcome the initiative on "returnships" and will explore with the Government how local authorities can help their own employees to take advantage of the opportunities provided. The LGA has already piloted a return to work programme for social workers and is looking at initiatives in other skills shortage areas.

Tax and National Insurance

The Chancellor announced:

- Further efforts to bring about more equal tax burdens between employees and the self-employed:
 - ***Class 4 National Insurance contributions (NICs):*** The Government has already announced that it will abolish Class 2 NICs – a flat-rate charge on the self-employed – from April 2018. To reduce the differential and reflect more equal pension entitlement, the Budget announces that the main rate of Class 4 NICs will increase from 9 per cent to 10 per cent in April 2018, and to 11 per cent in April 2019. *(Page 31, para 3.5)*
 - ***Dividend allowance:*** The tax-free dividend allowance will be reduced from £5,000 to £2,000 from April 2018. This will reduce the tax differential between the employed and self-employed on the one hand and those working through a company on the other. *(Page 32, para 3.6)*

LGA view:

- We will identify any implications the announcement might have for local councils.

Different forms of remuneration

The Chancellor announced:

- The Government is considering how the tax system could be made fairer and more coherent, including by looking at the taxation of benefits in kind and employee expenses. They are consulting on the following:
 - **Taxation of benefits in kind:** The Government will publish a call for evidence on exemptions and valuation methodology for the income tax and employer NICs treatment of benefits in kind, in order to better understand whether their use in the tax system can be made fairer and more consistent.
 - **Accommodation benefits:** The Government will publish a consultation with proposals to bring the tax treatment of employer-provided accommodation and board and lodgings up to date. This will include proposals for when accommodation should be exempt from tax and to support taxpayers during any transition.
 - **Employee expenses:** The Government will publish a call for evidence to better understand the use of the income tax relief for employees' expenses, including those that are not reimbursed by their employer. *(Page 32, para 3.7)*

LGA view:

- We will seek the views of councils and will respond to this consultation.

Violence against women and girls

The Chancellor announced:

- An additional £20 million will be provided to support organisations working to combat domestic violence and abuse, and to support victims, increasing the total funding for implementing the Government's Ending Violence Against Women and Girls Strategy to £100 million over the Parliament. *(Page 49, paragraph 5.13)*

LGA view:

- The announcement of additional funds to tackle violence against women and girls is positive and we look forward to further details about what areas of support this will cover.

- Councils can play a vital role in ensuring this money is well spent, building on their work with statutory and voluntary sector partners to tackle violence against women and girls.

Centenary fund

The Chancellor announced:

- The Government will create a new £5 million fund for projects to celebrate the centenary of voting rights being extended to women for the first time in 1918. (*Page 48, paragraph 5.12*)

LGA view:

- We agree that it is important to celebrate the significant anniversary of the 1918 Representation of the People Act which gave women over 30 the right to vote. These celebrations should be used to inspire a new generation of women to engage with and enter into politics. The LGA's 'Be A Councillor' campaign will use these celebrations to encourage women to stand and do the best for their communities. We will continue to work with Women's Local Government Society to support the 'From Suffrage to Citizenship' project to identify and celebrate 100 pioneers in women's suffrage and their impact on their local communities.

Local government issues not covered in the Budget

Housing

The Chancellor made no announcements on housing.

LGA view:

- We acknowledge that the Government has recently launched its White Paper *Fixing our broken housing market*, and that this followed an Autumn Statement allocating new funding for house building. While many of the proposals are encouraging, we remain disappointed with the absence of some substantive measures that allow councils to enable house building and by the decision not to reverse damaging reductions in New Homes Bonus.
- We will continue to push for an even more ambitious vision that enables local government to build the genuinely affordable homes that would resolve many of the challenges facing communities, the economy, and public services. This includes the freedoms to borrow to invest in house building by removing the Housing Revenue Account from counting towards public sector debt, and the flexibilities to retain and to use 100 per cent of sales receipts to rapidly replace homes sold through Right to Buy.
- Alongside the Budget, the OBR has forecast that house price rises will continue above increases in income over the next five years making housing less affordable. Councils are increasingly having to pick up the

pieces of our broken housing market, spending £2 million a day housing vulnerable homeless families in expensive Temporary Accommodation. Local government would much rather invest this scarce resource in building affordable homes and preventing homelessness happening in the first place.

Children's services

The Chancellor made no announcements on children's social care.

LGA view:

- Looking after our children is one of local government's most important statutory duties and councils have sought to protect spending on children's social care where possible. However, demand continues to rise. Councils have seen a 60 per cent increase in the number of children requiring child protection plans since 2008 and an increase in the number of children with learning and other disabilities. The gap local authorities are facing for children's services by 2019/20 is £1.9 billion. For many councils, this is bigger than the gap they face in adult services.

EU funding

The Chancellor made no announcements on the successor arrangements for EU regional funding.

LGA view:

- EU funding has been utilised by local authorities, Local Enterprise Partnerships, businesses and the community and voluntary sector to support local level growth plans. It is regarded as a vital source of revenue and capital funding and has supported thousands of beneficiaries through schemes to create jobs, build infrastructure and boost local growth across the country.
- The lack of replacement of the £5.3 billion¹ regional funding programme would result in a loss of significant local area transformation initiatives. Central government needs to work with local government to develop a domestic successor programme which replaces all of this EU regeneration funding and gives local areas more say over how it is spent after Brexit. The LGA is working on proposals for how this could be achieved.

Public finance

- Total managed expenditure, as a share of GDP, is forecast to fall over the period to 2021/22. The table below sets out HM Treasury's plans for revenue and capital spending from now until 2021/22. Individual

¹Source: Letter setting out allocations of EU Structural Funds in the UK and to Local Enterprise Partnerships in England: 2014 to 2020 (30 April 2014) <https://www.gov.uk/government/publications/eu-structural-funds-uk-allocations-2014-to-2020>

departmental allocations have only been announced up to 2019/20, as part of Spending Review 2015. (Page 19, Table 1.5)

Total Managed Expenditure (TME)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
£ billion						
Resource (Revenue) Expenditure						
Resource AME	363.6	392.2	400.7	407.5	421.3	440.4
Resource DEL excl. depreciation	305.3	305.4	307.4	308.5	314.0	319.0
Ringfenced depreciation	26.2	21.9	22.8	23.3	21.9	22.8
Public Sector Current Expenditure	695.1	719.5	730.9	739.2	757.2	782.2
Capital Expenditure						
Capital AME	24.7	26.4	27.7	27.1	28.9	30.9
Capital DEL	53.0	56.5	58.6	61.6	69.3	73.2
Public Sector Gross Investment	77.7	82.9	86.3	88.7	98.2	104.1
Total Managed Expenditure (TME)	772.8	802.4	817.2	827.9	855.4	886.4
<i>TME % of GDP</i>	<i>39.3%</i>	<i>39.6%</i>	<i>39.0%</i>	<i>38.2%</i>	<i>38.0%</i>	<i>37.9%</i>

- Public sector receipts in 2016/17 are expected to significantly outperform the Autumn Statement 2016 forecast, especially Corporation Tax, Income Tax and Capital Gains Tax. (Page 13, paragraph 1.38)
- Public sector net borrowing is lower in every year of the forecast compared with Autumn Statement 2016 and expected to fall to £16.8 billion or 0.7 per cent of GDP by 2021/22. (Page 14, paragraph 1.45)
- The table below shows the changes in the borrowing forecast since the Autumn Statement in November 2016. (Page 14, Table 1.2)

Changes to OBR's forecast for public sector net borrowing	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
£ billion						
Autumn Statement 2016 Borrowing Forecast	68.2	59.0	46.5	21.9	20.7	17.2
Forecast Changes	-16.4	-3.8	-7.5	-2.3	0.8	0.2
<i>of which receipts</i>	<i>-7.5</i>	<i>-4.3</i>	<i>-4.6</i>	<i>-1.5</i>	<i>1.5</i>	<i>2.4</i>
<i>of which spending forecasts</i>	<i>-6.0</i>	<i>1.5</i>	<i>-0.7</i>	<i>0.2</i>	<i>-1.5</i>	<i>-1.8</i>
<i>of which accounting changes</i>	<i>-3.0</i>	<i>-1.0</i>	<i>-2.2</i>	<i>-0.9</i>	<i>0.8</i>	<i>-0.4</i>
Effects of Government decisions since Autumn Statement 2016	0.0	3.1	1.8	1.7	-1.0	-0.6
Total changes since Autumn Statement 2016	-16.4	-0.7	-5.7	-0.6	-0.2	-0.4
Spring Budget 2017 Borrowing Forecast	51.7	58.3	40.8	21.4	20.6	16.8

- The Government will deliver £3.5 billion of resource savings in 2019/20, supported by the Efficiency Review. The Government intends to allocate £1 billion of these savings for reinvestment in priority areas. HM Treasury [announced](#) last week that the 'Government also recognises the important role that social care spending plays and so efficiencies found within local government will be used to help meet existing pressures'. (Page 20, *paragraph 1.58*)