

Local Government Association

2021 Autumn Budget and Spending Review: On the Day Briefing

27 October 2021



The 2021 Budget and Spending Review outlines the Government's spending plans for the next three years by setting budgets for each central government department. The full set of documents is available on the [Treasury website](#).

The LGA has [published a media statement](#) responding to the announcements. We have also published press releases on the following:

- [LGA responds to Spending Review announcement of changes to Alcohol Duty](#)
- [LGA responds to Spending Review announcement £500m funding for supporting families](#)
- [LGA responds to £2.6bn funding for new school places for children with SEND](#)
- [LGA responds to Spending Review measures to reduce and prevent crime](#)
- [LGA responds to announcement of funding for the UK's culture, tourism and sport sectors](#)
- [LGA responds to Multiply Fund announcement](#)
- [LGA responds to Universal Credit taper rate change](#)
- [LGA responds to £9 million funding for 100 new urban 'pocket parks' across the UK](#)
- [LGA responds to announcement on adult social care funding](#)

Key Messages

- We are pleased that today's Spending Review has provided new government grant funding of £1.6 billion per annum (total £4.8bn over the period) for councils over the next three years to support vital local services. This will help meet some - but not all - of the extra cost and demand pressures they face just to provide services at today's levels.
- We note that the £4.8 billion funding package includes the £200 million commitment to increase Supporting Families funding, funding for cyber security and funding to improve local delivery and transparency. We are unclear whether the Government intends to use any of this pot of funding to equalise for the differential impact of the council tax adult social precept, as they have done in previous years.
- Noting the caveats above, initial LGA analysis suggests that the increases to core spending power projected by the Government, including all councils increasing council tax to the maximum, will meet estimated forward pressures in 2022/23 to keep services at the at their 2019/20 level of quality and access, but will fall short by more than £1 billion in the last year of the Spending Review period.
- It is disappointing that the Chancellor has not provided additional funding

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to address existing pressures on adult social care services and we remain concerned that the money allocated to social care from the Health and Care Levy will be insufficient to fund reforms. It should be noted that the potential rise in local government core spending power over the next three years will be dependent on councils increasing council tax by three per cent per annum.

- We welcome the £2.6 billion for school places for children with special educational needs and disabilities (SEND), which will help councils provide places locally, rather than children having to travel to get the support they need. The Government should urgently complete its ongoing review of the SEND system, setting out reforms that increase mainstream inclusion, provide councils and schools with long-term certainty of funding to meet the needs of all children with SEND, and give councils the power to hold education and health partners to account if their provision for identifying and supporting children with SEND is not adequate.
- It is pleasing to see that the Government has listened to our urgent calls for investment in the early years and the need to provide more comprehensive support for new parents. The new funding of £208 million by 2024/25 is a positive step towards maximising the life chances of all children, regardless of their background, as part of our shared ambition with government to level-up communities and reduce inequalities across the country.
- Councils have been reporting increasing difficulties in finding suitable residential children's homes placements for children in their care for some time. We are therefore pleased that the Government has listened to our call for additional funding to expand capacity in these homes and to take forward welcome reforms to unregulated provision. However, core revenue funding and workforce shortages continue to be a challenge in the children's homes sector and we look forward to working with the Department for Education to address these.
- The LGA welcomes the assurance that local government will be fully compensated for all the business rates measures announced. We note that the decision to freeze the multiplier once again removes buoyancy from the business rates system and without alternative means of funding council income would reduce.
- The release of the first £1.7 billion of the Levelling Up Fund gives those councils who were successful in the bidding process an opportunity to deliver much needed improvements for their communities. The forthcoming Levelling Up White Paper presents an opportunity to reset the relationship between central and local government and put councils at the heart of delivering the Government's ambitious programme to improve opportunities in all parts of the country. However, for levelling up to be a success, the Government needs to move away from a pattern of piecemeal and fragmented funding streams, many of which fund very

similar activity.

- We are looking forward to the commencement of the UK Shared Prosperity Fund (UKSPF) in 2022/23. Using local government's vast knowledge and expertise to co-design the programme will be the key to success. We are calling for a commitment to funding beyond three years.
- £5.7 billion of funding for integrated transport settlements for eight city regions, originally announced in 2019, is good news for the residents and businesses of our major cities outside London. It is a significant step in the right direction to help transform local services. All areas need long-term certainty of funding, as well as sufficient day to day funding to help the transition to carbon-free travel. It is a significant step in the right direction to help transform local services. As councils would also like to do more to help motorists transition to electric vehicles, we are looking forward to further details on how the £620 million for public charging in residential areas and targeted plug-in vehicle grants will be allocated.
- The Chancellor has rightly put skills centre stage. We are pleased that he has recognised the need for apprenticeship incentives to be extended and more funding to be available. Councils are offering a new partnership with Government to maximise the local delivery of all the national programmes so they become greater than the sum of their parts.
- It is also good that the Government will provide additional funding to help councils continue their ongoing efforts to support people at risk of rough sleeping and homelessness, and to fix potholes and improve our local roads.
- There has been no increase in public health funding, which is not sustainable. Local authorities' public health grant has been cut by 24 per cent on a real-terms per capita basis since 2015/16 (equivalent to a reduction of £1 billion). Extra funding will help address some short-term pressures, but we need a clear plan on the future which recognises the public health challenges we face as a country, addresses the current and future pressures on the public health workforce and recognises the interconnectedness with other parts of the health and care system.
- The Spending Review makes no mention of whether local government will receive a three-year financial settlement or whether and when local government finance reforms, such as the fair funding review, will be implemented. Councils look forward to receiving early certainty with a three year local government finance settlement. In recent years, settlements have been published in draft form very late in December, after the stated target of 5 December. This target should be met.

The Spending Review in detail

Public finances and general funding for local government

The Chancellor announced that:

- Total departmental spending is set to grow in real terms at 3.8% a year on average over this Parliament – a cash increase of £150 billion a year by 2024/25 (£90 billion in real terms) (*Page 39, paragraph 1.76*)
- The total Resource Departmental Expenditure Limit is set to grow in cash terms by over £100 billion a year over the Parliament. This is equivalent to an average annual real increase of 3.3% from 2021/22 to 2024/25. (*Page 39, paragraph 1.78*)
- Core spending power for local authorities is estimated to increase by an average of 3% in real-terms each year over the SR21 period. (*Page 108, paragraph 4.53*)
- The government is providing councils with £4.8 billion of new grant funding over the SR21 period for social care and other services (*Page 108, paragraph 4.54*)
- The Local Government Departmental Expenditure Limit (LG DEL) will rise by £3.6 billion by 2024/25, or an average annual real terms increase of 9.4 per cent from 2021/22 to 2024/25. This includes £2 billion in 2024/25 related to the income from the health and social care levy, intended to fund the reforms set out in the adult social care reform command paper (*Page 108, table 4.9*).

LGA view:

- We are pleased that today's Spending Review has provided new government grant funding for councils over the next three years to support vital local services. This will help meet some – but not all – of the extra cost and demand pressures they face just to provide services at today's levels.
- We note that the £4.8 billion funding package includes the £200 million commitment to increase Supporting Families funding, funding for cyber security and funding to improve local delivery and transparency. We are unclear whether the Government intends to use any of this pot of funding to equalise for the differential impact of the council tax adult social precept, as they have done in previous years.
- Noting the caveats above, initial LGA analysis suggests that the increases to core spending power projected by the Government, including all

councils increasing council tax to the maximum, will meet estimated forward pressures in 2022/23 to keep services at the at their 2019/20 level of quality and access, but will fall short by more than £1 billion in the last year of the Spending Review period.

- It is disappointing that the Chancellor has not provided additional funding to address existing pressures on adult social care services and not increased public health funding in real terms. We remain concerned that the money allocated to social care from the Health and Care Levy will be insufficient to fund reforms. The potential rise in local government core spending power over the next three years will also be dependent on councils increasing council tax by three per cent per annum.
- Investing in local places is one of the most powerful tools of the Government's levelling up agenda. With adequate long-term resources and freedoms, councils can deliver world-class local services for our communities, tackle the climate emergency, and ensure all parts of the country are able to prosper in the future.

Council Tax

The Chancellor announced that:

- The referendum threshold for increases in council tax is expected to remain at 2 per cent per year. In addition, local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1 per cent per year. *(Page 109, paragraph 4.59)*
- The Department for Levelling Up, Housing and Communities (DLUHC) will set out full details of the council tax referendum principles and proposed approach to allocating grant funding through the Local Government Finance Settlement. *(Page 109, paragraph 4.60)*

LGA view

- The potential rise in local government core spending power over the next three years will be dependent on councils increasing council tax by three per cent per annum.
- Alongside additional funding set out in the Spending Review, the ability to levy an adult social care precept for a further year gives councils the potential to raise much needed resources to help people in our communities who need care and support. Council tax cannot provide a long-term solution to funding social care, as council tax raises different amounts of money in different parts of the country, which is not related to need and which also adds an extra financial burden on already struggling households.
- The LGA will respond as usual to the consultation on the referendum principles in the Local Government Finance Settlement. No national tax is subject to referenda. We have always maintained that the council tax referendum limit should be abolished so councils and their communities

can decide how local services are paid for, with residents able to democratically hold their council to account through the ballot box.

Local Audit

The Chancellor announced:

- £34.5 million of additional funding over the SR21 period to further strengthen local delivery and transparency. This funding will help strengthen the sector's procurement and commercial capacity, establish the Audit Reporting and Governance Authority as the new local audit systems leader, and help local councils meet new transparency requirements. *(Page 109, paragraph 4.58)*

LGA view

- The external audit of local government currently faces a number of problems and the local government audit market is very fragile. Less than 10 per cent of audit opinions were delivered by external audit companies by the deadline of 30 September 2021 despite over 85 per cent of councils publishing their draft Statements of Accounts on time. Less than 10 per cent of audit opinions were delivered by external audit companies by the deadline of 30 September 2021 despite over 85 per cent of councils publishing their draft Statements of Accounts on time.
- The LGA continues to work with Public Sector Audit Appointments (PSAA) and government on the need for a better, more robust market for local audit with more qualified audit firms and greater numbers of qualified auditors but this is a long-term process and needs to be funded properly over the longer term.

Local government finance reform and financial certainty

The Chancellor did not make any announcements about the future of the fair funding review (also known as the Review of Relative Needs and Resources), the move to further business rates retention, the business rates reset or new homes bonus reform. There was also no comment on whether local government can expect a three-year local government finance settlement.

LGA view

- It is disappointing that the Government missed the opportunity to provide councils with further certainty over their financial planning. As recently as on 21 October, the Government [committed to make announcements about the reforms at the Spending Review](#) (page 6, response to recommendation 2). This commitment has not been met.
- Additional detail will be required to ensure that councils have clarity over what today's announcements mean for them. An early, three-year local government finance settlement must now translate the Spending Review

outcome into individual council settlements. In recent years, local government finance settlements have been published in draft form very late in December, after the DLUHC stated target of 5 December. This target should be met.

- Local government must also receive confirmation of whether and when each of the planned local government finance reforms will be implemented as soon as possible. This includes the Review of Relative Needs and Resources (also called the Fair Funding Review), future plans for business rates retention, the business rates reset and the parameters of the new homes bonus. Of course, if or when financial reforms do go ahead, overall funding will need to be sufficient to facilitate them and to ensure no council sees its funding reduce.
- Providing certainty on these issues would make a significant difference to council financial planning, and therefore public services. Councils could make longer term decisions which provide better value for money for the taxpayer, if they had longer term certainty over funding.

Business Rates

The Chancellor announced that:

- The [conclusions of the government's review of business rates](#) are published alongside the Budget. To reduce the burden of business rates in England, support investment, and make the system more responsive, the government will:
 - o freeze the business rates multiplier for a second year, from 1 April 2022 until 31 March 2023, keeping the multipliers at 49.9p and 51.2p
 - o introduce a new temporary business rates relief for eligible retail, hospitality and leisure properties for 2022-23. Eligible properties will receive 50% relief, up to a £110,000 per business cap
 - o introduce a 100% improvement relief for business rates. This will provide 12 months relief from higher bills for occupiers where eligible improvements to an existing property increase the rateable value. The government will consult on how best to implement this relief, which will take effect in 2023 and be reviewed in 2028
 - o introduce from 1 April 2023 until 31 March 2035 targeted business rate exemptions for eligible plant and machinery used in onsite renewable energy generation and storage, and a 100% relief for eligible heat networks, to support the decarbonisation of non-domestic buildings.
 - o increase the frequency of business rates revaluations so that they take place every 3 years instead of every 5 years, starting in 2023, and take measures to support the accuracy of the list (*set out on page 11-12 of the Business Rates Report, paragraph 3.13*)
 - o provide additional funding to the Valuation Office Agency to support the delivery of the new revaluation cycle. Further detail on this is set out as part of the SR21
 - o extend transitional relief for small and medium-sized businesses, and the supporting small business scheme, for 1 year. This will restrict bill increases to 15% for small properties (up to a rateable

value of £20,000 or £28,000 in Greater London) and 25% for medium properties (up to a rateable value of £100,000), subject to subsidy control limits.

- English Local Authorities will be fully compensated for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs. (*pages 143-144, paragraph 5.44*)
- The Government's analysis assumes that the business rates retention pilots that were introduced in 2017/18 will continue until 2024/25. Further detail on arrangements beyond the current year will be provided by DLUHC in due course. ([Policy costings document](#), page 7)
- Responses to the Call for Evidence highlighted that avoidance and evasion are important concerns for local government stakeholders, with responses identifying particular concerns around misuse of Empty Property Relief (EPR). The government is undertaking further detailed work, and will consult on measures next year. (*Business Rates Review, page 9, paragraph 2.28*)

LGA view

- In our [response](#) to the Call for Evidence for the Business Rates Review, we stated that although property continues to provide a good basis for a local tax on business, we cannot look to business rates to form such a substantial part of local government funding in the future and alternative means of funding councils will be needed instead or as well as a reformed business rates system. We look forward to continuing these discussions and to responding to future consultations including that on an online sales tax.
- The LGA welcomes the assurance that local government will be fully compensated for all the business rates measures announced. We note that the decision to freeze the multiplier once again removes buoyancy from the business rates system and without alternative means of funding council income would reduce.
- In our [submission](#) to Tranche Two of the Business Rates Review call for evidence in 2020 and the more recent consultation [submission](#), we say that we believe that a time limit on appeals, and a requirement for ratepayers to provide more data so that valuations take less time, might make more frequent valuations a viable proposition. We welcome the fact that the Government has confirmed that it will go ahead with related measures.
- We welcome the Government's commitment to do further detailed work on business rates avoidance and evasion. We call on them to bring forward measures on the lines of those introduced in Wales and Scotland.

Adult social care

The Chancellor announced that:

- At the Budget and SR, the government is also delivering on its commitments to reform social care for the long term. The government has already announced £5.4 billion of additional funding to reform adult social care, to be funded by the new Health and Social Care Levy. In England this will end unpredictable costs for people across the country by introducing a cap of £86,000 for personal care costs and expanding the means tested support to people with less than £100,000 in relevant assets. At least £500 million from this package will fund an unprecedented investment in the skills, qualifications and wellbeing of the care workforce. *(Page 49, paragraph 2.18)*
- SR21 will improve social care outcomes through an affordable, high-quality and sustainable adult social care system. In September the government confirmed £5.4 billion for adult social care over the next three years through the Health and Social Care Levy. SR21 confirms:
 - o £3.6 billion will go directly to local government over the SR21 period to implement the cap on personal care costs and changes to the means test. This funding will also help local authorities better sustain their local care markets by moving towards a fairer cost of care
 - o £1.7 billion over three years to improve the wider social care system, including the quality and integration of care. At least £500 million of this will be allocated to improve qualifications, skills and wellbeing across the adult social care workforce
 - o additional funding through the local government settlement to ensure all local authorities are able to meet core pressures in adult social care. *(page 95, paragraph 4.8)*
- The government is providing councils with £4.8 billion of new grant funding over the SR21 period for social care and other services. This represents the largest annual increases in local government core funding in over a decade. *(Page 108, paragraph 4.54)*
- To ensure that all local authorities have access to the resources they need to deliver core services such as children's social care, road maintenance and waste management, the referendum threshold for increases in council tax is expected to remain at 2% per year. In addition, local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year. *(Page 109, paragraph 4.59)*

LGA view:

- Investment in adult social care is an investment in all of us, enabling people to live the life they want to lead, contribute to society and in turn strengthen our local communities. Overall, this is a disappointing settlement for adult social care and we remain concerned about the sector's immediate and medium-term sustainability.
- The reform funding previously is unlikely to be sufficient to pay for the costs of the reforms themselves, and contributes little to the underlying challenges facing social care.
- Whilst we are supportive of the introduction of a cap on care costs and other reforms, we have [previously raised our concerns](#) about the adequacy of the announced £5.4 billion for social care through the new

Health and Social Care Levy. Today's announcement does nothing to allay those concerns and we are troubled that only £200 million is available in 2022/23 to support reform implementation, particularly if that includes the commitment to move towards councils paying a fair rate of care.

- The Spending Review has not set out how much of the £5.4 billion will need to be used to pay for the other Government reform commitments, including: action to better support unpaid carers, investment in Disabled Facilities Grant, supported housing and other housing innovations, and improved information and advice. This information is needed urgently so councils have a more thorough understanding of the work that will be expected of them over the coming months.
- We were hoping that today's spending review would clarify the funding available for reform and, even more importantly, tackle the long term financial sustainability of social care which is so desperately needed. Social care's core cost pressures amount to £1.1 billion in each year of the Spending Review period and come on top of a pre-existing and annually recurring pressure of £1.5 billion to stabilise the care provider market (the difference between what providers say is the benchmark cost of providing care and what councils pay). These pressures are in addition to the many other challenges facing social care, such as the need for greater investment in prevention and action on care worker pay and conditions. Over the last decade, adult social care has had to manage a funding gap of £6.1 billion, £4.1 billion of which was managed through savings to the service.
- The additional £4.8 billion for local government overall needs to be seen in this context and brings into question the Government's assertion that the settlement will enable councils to meet all of their social care core pressures. The Health and Social Care Levy should be used to support frontline social care, to stave off the worst of the pressures and provide a degree of stability for the short- to medium-term.
- Without proper long-term investment it is likely that councils will continue to struggle to meet their statutory duties under the Care Act, with real consequences for people. More people who draw on social care will be unable to live an equal life; more people will live with unmet care needs; unpaid carers will experience further deterioration of their mental, physical and emotional wellbeing; the care workforce will remain under unbearable strain, with more likely to leave the sector; and providers' financial viability will be tested to the extreme, with more likely to exit the market or hand back their contracts with councils.
- On the Government's reform proposals, we have [previously raised our concerns](#) about the adequacy of the announced £5.4 billion for social care through the new Health and Social Care Levy. Today's announcement does nothing to allay those concerns and we are troubled that only £200 million is available in 2022/23 to support reform implementation, particularly if that includes the commitment to move towards councils paying a fair rate of care.
- The Spending Review has not set out how much of the £5.4 billion will need to be used to pay for the other Government reform commitments, including: action to better support unpaid carers, investment in Disabled Facilities Grant, supported housing and other housing innovations, and

improved information and advice. This information is needed urgently so councils have a more thorough understanding of the work that will be expected of them over the coming months.

Covid response

The Chancellor announced that:

- £9.6 billion over the SR21 period for key COVID-19 programmes and related health spending. This will allow for a continued COVID-19 vaccination programme, principally booster campaigns to help to maintain high levels of immunity, and a targeted testing operation including essential surveillance. The government will set out further detail about the approach during the SR21 period in due course. (*Paragraph 4.3, page 93*)

LGA view:

- Council services have been critical in the fight against COVID-19. We look forward to seeing confirmation over how the £9.6 billion of funding over the spending period for important COVID-19 programmes and related health spending will be allocated, including between the newly operational UK Health Security Agency and the Office for Health Improvement and Disparities. Ahead of this winter, local authorities also need to have the resources to deliver their parts of the process, working with the UK Health Security Agency and other partners. It is essential that the Government meets the costs of COVID-19 for councils in full, including for their public health departments and their local outbreak management plans. This is crucial to ensure councils and their public health teams have the capacity and funding to stand up locally-driven testing and contact tracing to respond swiftly to any future outbreaks or other public health emergency.

Investing in the Health workforce

The Chancellor announced that:

- This SR21 settlement will keep building a bigger, better trained NHS workforce. The government will provide hundreds of millions of pounds in additional funding over the SR21 period to underpin:
 - o funding the training of some of the biggest undergraduate intakes of medical students and nurses ever
 - o in addition, continuing to support a strong pipeline of new midwives and allied health professionals, who are key to delivering the full range of NHS services
 - o reaffirming the government's existing commitments for 50,000 more nurses and 50 million more primary care appointments. (*Page 94, paragraph 4.5*)

LGA view

- We welcome the investment in the NHS workforce including allied health professionals. To complement the recent announcement of funding to support the social care workforce, we urge the Government to consider the urgent need for investment also in the public health workforce which is essential to help people live healthier lives and to reduce the longer-term burden on the NHS.
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Improving and protecting the public's health

The Chancellor announced that:

- The settlement will improve and protect the nation's health, and reduce health disparities through:
 - maintaining the Public Health Grant in real terms over the SR21 period, enabling local authorities to invest in prevention and frontline services like child health visits
 - continuing the £100 million investment per year announced at SR20 to help people achieve and maintain a healthy weight
 - investing in the Start for Life offer for families, reaching an additional £66 million in 2024-25, including breastfeeding advice and parent-infant mental health support. *(Page 95, paragraph 4.7)*

LGA view

- Local authorities' public health grant has been cut by 24 per cent on a real-terms per capita basis since 2015/16 (equivalent to a reduction of £1 billion).
- The lack of a real terms increase in public health grant funding, despite this incredibly challenging period is very disappointing and makes it harder to address the stark health inequalities exposed by COVID-19 to level up our communities. Keeping people healthy and well throughout their lives reduces pressure on the NHS, social care, criminal justice and the benefits system.
- Extra specific funding will help address some short-term pressures, but we need a clear plan for the future which recognises the public health challenges we face as a country, addresses the current and future pressures on the public health workforce and supports the links with other parts of the health and care system.
- The LGA has worked closely with the Start for Life programme team and are pleased to see our calls for investment in the early years recognised, especially in breastfeeding and parent-infant mental health support. We look forward to understanding more about how these funds will be allocated. It is vital that councils have the flexibility to target resources and build on what works locally.
- It is disappointing that the Government did not proceed with the recommendation of the cross-Whitehall regulatory services task and finish group to create a dedicated fund to support the recruitment of apprentices in environmental health and trading standards.

Support for veterans

The Chancellor announced that:

- To ensure that servicemen and women who have been injured in service of their country get the support they need, the Government will provide an additional £5 million in 2022-23 for research into surgery techniques for amputees with blast injuries; new treatments for mental health issues, including post-traumatic stress disorder; new technology to enable wounded, injured and sick veterans to rebuild their lives; data and digital

projects to explore better use of technology for health; and research and treatment for mild traumatic brain injury. *(Page 67, paragraph 2.100)*

LGA view:

- Additional funding for new treatments for veterans' physical injuries and mental health issues is good news for our armed forces community and will help to ensure they have access to timely care and support.
- Councils work alongside the armed forces, NHS, charities and other partner organisations to support veterans and their families to adjust from the Armed Forces to civilian life, including housing, money advice, employment support, schools and health and wellbeing services.
- We want to continue working with the Government to ensure that our veterans receive the timely support they need.

Levelling Up

The Chancellor announced that:

- The government will publish the Levelling Up White Paper by the end of the year, setting out in more detail the framework and next steps towards levelling up opportunities and boosting livelihoods across the country. *(Page 74, paragraph 2.124)*
- The first £1.7 billion of allocations through the Levelling Up Fund, including over £342 million for Scotland, Wales and Northern Ireland, which will fund over 100 projects to improve local infrastructure. *(Page 76, paragraph 2.144)*

LGA view

- The release of this first £1.7 billion of the Levelling Up Fund gives those councils who were successful in the bidding process an opportunity to deliver much needed improvements for their communities
- The competitive bidding process means that scarce council resources have been diverted at a time when local capacity continues to be stretched by multiple pressure in local areas. We would welcome further steps towards defragmenting all local funding arrangements to help maximise the strength of councils' local leadership which was demonstrated so strongly during the pandemic.
- We need a collective effort to rebuild our economy, get people back to work, address inequalities within and between regions and create new hope in our communities. Responding to the significant economic challenges ahead requires a renewed joint endeavour between local and national government as equal partners. Building back better means [building back local](#), local government's vision to recover from the pandemic.
- The Levelling Up White Paper presents an opportunity to reset the relationship between central and local government and put councils at the heart of delivering an ambitious programme to improve opportunities in all parts of the country. The LGA supports the findings of the Devolution

APPG inquiry into ‘Levelling Up Devo’. The APPG recommends that Government should work with local government to set out a National Devolution Baseline for England, including a list of new powers available to every council, as well as further powers which are available subject to clear eligibility requirements.

UK Shared Prosperity Fund

The Chancellor announced that:

- The UK Shared Prosperity Fund (UKSPF) is the centrepiece of this ambition, worth over £2.6 billion over the next three years. It is the successor to the EU Structural Fund programme and will better tailor funding to local needs across the UK. The UKSPF will rise to £1.5 billion a year by 2024-25. *(Page 74, paragraph 2.127)*
- Alongside the ambitious investments in skills set out earlier in chapter 2, the UKSPF will support a range of skills and employment focused programmes, including, as a first priority, the £560 million UK-wide adult numeracy programme, Multiply, that will equip hundreds of thousands more adults with functional numeracy skills across the UK. In England, this will particularly benefit the North East, West Midlands and Yorkshire and the Humber, which currently have the highest rates of poor numeracy in England. Multiply will help individuals to further their career potential and improve access to better paying jobs. *(Pages 74-75, paragraph 2.128)*
- Over £2.6 billion for the UK Shared Prosperity Fund (UKSPF) to help people access new opportunities across the UK. Supporting local priorities, the UKSPF will include a new initiative (‘Multiply’) to help hundreds of thousands of adults across the UK improve their numeracy skills. *(Page 106, paragraph 4.48)*

LGA view

- We look forward to the commencement of the UKSPF in 2022/23. Using local government’s vast knowledge and expertise to co-design the programme will be the key to success.
- Councils have called for a long-term funding commitment. £2.6 billion has been allocated for the entire UK (reflecting the receipts from EU funding from the first three years of the European Structural and Investment Fund Programme - ESIF). There is a commitment to equal the quantum of the European programme for each nation. To do this the Government will need to match receipts for the four years following 2024/25. This should be significantly more as the majority of the fund was spent in the latter half of the seven-year ESIF programme.
- There was no announcement on Community Renewal Fund projects – the pilots for the UKSPF. This announcement was expected in July. Given the delays, there must now be an extension past the March 2022 cut off for which the funding can be spent to ensure the successful delivery of projects

Digital Connectivity

The Chancellor announced that:

- The government confirms investment of £1.2 billion (from 2021-22 to 2024-25) of the £5 billion Project Gigabit commitment to level up all parts of the UK with a target of 85% high-quality, gigabit capable broadband coverage by 2025. *(Page 115, paragraph 4.77)*
- The government will provide £180 million over the next three years as part of the government's £500 million investment for the Shared Rural Network, to deliver high-quality 4G mobile coverage to 95% of the UK. *(Page 115, paragraph 4.77)*

LGA view

- The last eighteen months have highlighted that access to fast and reliable digital connectivity is a necessity for communities and businesses and will be essential to keeping pace with global developments across the globe as we emerge from the pandemic.
- It is positive that the Government has reconfirmed funding for the £5 billion Gigabit Broadband programme. We continue to be concerned by the Government's intention to manage this programme centrally from Whitehall. We believe that the success of the Superfast Broadband Programme demonstrates how councils' local knowledge and expertise can make all the difference to a well-managed roll out. We remain committed to working with Government to help design an approach to roll out that will benefit from the local expertise of councils.
- Funding for the previously announced Shared Rural Network is good news for our communities. It is now vital that mobile network operators and the Government work with local authorities to deliver this ambitious programme and ensure this investment translates into 'real-world' improvements in signal quality and data capacity for communities and businesses.

Waste and recycling

The Chancellor announced that:

- Funding of more than £300 million to implement free, separate food waste collections in every local authority in England from 2025 *(Page 73, paragraph 2.119)*

LGA view

- We welcome the announcement of new funding. We will be working with the Department for Environment, Food and Rural Affairs (Defra) to ensure that the new funding covers all the additional costs for councils. These new costs need to be met in full through the new burdens process.
- The introduction of separate food waste collections is only one part of Defra's ambitious waste and recycling strategy. Local authorities need certainty on the timetable for implementation of the full set of reforms, including the new extended producer responsibility scheme for packaging, and confirmation that charging for garden waste collection will remain a local decision.

Flooding

The Chancellor announced that:

- an additional £27 million to support flooding incident and emergency response activities and an additional £22 million each year for the maintenance of flood defences. *(Page 118, paragraph 4.88)*
- the government will commission a new NIC (National Infrastructure Commission) study, to report by November 2022, on the effective management of surface water flooding in England. *(Page 141, paragraph 5.26)*

LGA view

- We will be working with Defra to understand how the additional funding for incident and emergency responses and maintenance of flood defences will be spent. Local authorities play a critical role in reacting to flood incidents and maintaining flood defences and they must be able to access this funding. The £5.2 billion investment in flood risk management mentioned in paragraph 4.88 restates an existing commitment.

Net Zero strategy

The Chancellor announced that:

- Today, the Budget and SR confirms that since March 2021 the government will have committed a total of £30 billion of public investment for the green industrial revolution in the UK, fully supporting the delivery of all of the priorities in the Ten Point Plan and going further in several key areas. *(Page 5)*

LGA View

- As leaders of local communities, only councils can mobilise and join up the collective action to achieve net zero in our villages, towns, and cities, and are able to impact on more than a third of local emissions through housing, transport and the natural environment.
- We are pleased the strategy recognises the importance of local government in delivering net zero and we look forward to working with the Government through the Local Net Zero Forum to ensure all places have the powers and resources to reduce carbon emissions.

Nature

The Chancellor announced that:

- Funding provided at the Budget and SR will improve the natural environment and support the goals of the 25 Year Environment Plan, while making a vital contribution to carbon emissions targets. It includes:
 - more than £250 million to protect and restore nature in England in support of the UK's world-leading target to halt biodiversity decline by 2030 *(Page 72, paragraph 2.119)*
 - a further £625 million for the Nature for Climate Fund, ensuring total spend of more than £750 million by 2025 on peat restoration and woodland creation and management. This will support the government's commitment to plant at least 7,500 hectares of trees a

year in England by 2025 and restore 35,000 hectares of peat during this Parliament (*Page 72, paragraph 2.119*)

- a new target to raise at least £500 million in private finance to support nature's recovery every year by 2027 in England, rising to more than £1 billion by 2030, including £30 million public investment in a Big Nature Impact Fund, and £140 million to assess the extent and condition of the country's natural habitats. (*Page 72, paragraph 2.119*)

LGA view

- The additional £625 million for the Nature for Climate Fund is welcomed, but we know we need a long term, funded and sustainable solution to ensure the natural environment isn't only preserved but supported to thrive. We will work with Defra to understand how this will be spent and continue to encourage longer term tree planting programmes that provide both capital and revenue.

Energy

The Chancellor announced that:

- The UK is a world leader in renewables and has installed more offshore wind capacity than any other country. The government is investing to deliver its 2035 low carbon electricity generation ambition, secure the UK's supply of low-cost energy, and to meet the increased electricity demand of decarbonising other sectors, such as heating and transport. The Budget and SR will:
 - provide up to £1.7 billion of new direct government funding to enable a final investment decision in a large-scale nuclear project this Parliament, subject to value for money and approvals. The government is in active negotiations with EDF over the Sizewell C project
 - provide £120 million for a new Future Nuclear Enabling Fund to address barriers to entry for nuclear projects. (*Page 71, paragraph 2.117*)

LGA view

- It is important to support the development of low carbon energy sources within the UK. Local government must be a key partner to maximise the benefits of investments in local communities.

Boosting Living Standards – transport investment

The Chancellor announced that:

- The Government is delivering an unprecedented £5.7 billion investment package over 5 years for integrated transport settlements that will transform local networks in eight English city regions, subject to the creation of appropriate governance to agree and deliver funding. (*Page 76, paragraph 2.140*)

LGA view

- This funding, as originally announced in 2019, is good news for the residents and businesses of our major cities outside London. It is a

significant step in the right direction to help transform local services.

- All areas need long-term certainty of funding, as well as sufficient day-to-day funding to help the transition to carbon-free travel.

Greener Transport

The Chancellor announced that:

- To support the uptake of electric vehicles, the Government will provide an additional £620 million for public charging in residential areas and targeted plug-in vehicle grants, building on the £1.9 billion committed at SR20. *(Page 70, paragraph 2.108)*
- Providing over £3 billion over the Parliament, including a new commitment of £1.2 billion for bus transformation deals to deliver London-style services, fares and infrastructure improvements. *(Page 70, paragraph 2.109)*
- The Budget and SR also provides over £2 billion of investment in cycling and walking over the Parliament to build hundreds of miles of high-quality, segregated bike lanes and other facilities to improve cyclists' safety. This includes £710 million of new investment in active travel funding over the next three years, building on SR20 and funding for new schemes through city region settlements. *(Page 70, paragraph 2.110)*

LGA view

- Councils recognise the important leadership role that they have in reducing carbon and harmful emissions. Councils would like to do more to help motorists transition to greener forms of transport including electric vehicles but need greater clarification in terms of their role, more expert capacity and flexible funding to provide charge-point access for those without off-street parking. We look forward to further details on how the £620 million will be allocated between grants and funding for councils.
- The £3 billion to support bus provision is part of the £5 billion funding for buses, cycling and walking as first announced in February 2020. Buses remain a vital form of transport in our cities and towns and further investment will help ensure that buses play an even bigger contribution to reducing carbon emissions in the way we travel. Buses are also important in rural settings, providing critical connectivity for people to access health and leisure services, to get to work, and meet each other. The Government needs to ensure that its future bus strategy and funding is ambitious for all areas and councils are sufficiently supported to deliver effective Bus Service Improvement Plans.
- The continued commitment to the £2 billion funding for cycling and walking (see above) is welcome. This needs to be supported by sufficient levels of revenue funding to help ensure that the right schemes are put in place and to help promote greater cycling and walking.

Potholes

The Chancellor announced that:

- £2.7 billion over the next 3 years for local roads maintenance in places not receiving City Region Settlements - enough to fill in millions of potholes a year, repair dozens of bridges and resurface thousands of miles of roads (Page 110, paragraph 4.64)

LGA view

- We also welcome the resources for potholes and road maintenance. LGA research has shown that there is a £10 billion backlog of local road repairs.

Children's social care

The Chancellor announced that:

- The settlement will continue to support the most disadvantaged and vulnerable children and young people through high quality education and local services, so that no one is left behind. SR21 offers: (*Page 97, paragraph 4.15*)
 - over £200 million a year for the continuation of the holiday activities and food programme, providing enriching activities and healthy meals for disadvantaged children during school holidays
 - a new funding package of £104 million by 2024-25 to take forwards reforms to unregulated provision in children's social care, improving safeguarding standards for some of our most vulnerable children and young people
 - £7 million in 2024-25 to implement DfE's Adoption Strategy 'Achieving Excellence Everywhere', to improve access to services and support for adopted children and their families
 - £259 million over the SR21 period to maintain capacity and expand provision in secure and open residential children's homes. This will provide high quality, safe homes for some of our most vulnerable children and young people.
- To ensure swift access to justice, the government is investing over £1 billion over the SR period to increase capacity and efficiency across the court estate and recover from the impacts of COVID-19. This includes £324 million to increase capacity in the civil, family and tribunal jurisdictions to continue tackling backlogs and improve timeliness (*Page 101, paragraph 4.29*)

LGA view

- We are pleased that the Government has recognised councils' effective delivery of the Holiday Activities and Food funding by committing over £200 million per year so that councils can continue to support the wider health and wellbeing of children from low-income households. To ensure councils can continue to address the underlying drivers of disadvantage and break cycles of poverty in the longer term, it is vital that the Holiday Activities and Food programme is integrated with wider approaches to addressing health inequalities and financial vulnerability.
- Councils have been reporting increasing difficulties in finding suitable residential children's homes placements for children in their care for some time. We are therefore pleased that the Government has listened to our call for additional funding to expand capacity in these homes and to take

forward welcome reforms to unregulated provision.

- Core revenue funding and workforce shortages continue to be a challenge in the children’s homes sector, and we look forward to working with the Department for Education to address these.
- We have also raised concerns about long-term support for adopted children and their families and look forward to seeing detail as to how the new £7 million will be used to ensure they receive the support they need and deserve. We have called for the Government to make a long-term commitment to the Adoption Support Fund, which has been a lifeline for many adopted children and their families. We are disappointed not to see reference to this in today’s Spending Review and will seek clarification from the Department for Education as to the long-term future of the fund.
- Covid-19 exacerbated challenges in the family courts and has resulted in too many children having to wait too long for proceedings to conclude. Additional funding to increase capacity in the family courts is therefore welcome and will help councils to ensure children are receiving the right support when they need it.

Providing children with the best start in life

The Chancellor announced that:

- The settlement provides all children with the best start in life through high-quality education, childcare and family services, raising standards and helping parents to work. It provides new funding of £208 million by 2024-25, including: (*Page 97, paragraph 4.14*)
 - £170 million by 2024-25 to increase the hourly rate to be paid to early years providers, to deliver the government’s free hours offers. This builds on the £44 million increase confirmed at SR20
 - £18 million in 2024-25 to create a network of family hubs to improve access to services for families, and £20 million in 2024-25 for parenting support
 - reaffirming £150 million over the SR21 period for training of early years staff to support children’s learning and development, as part of the £1.4 billion announced in June 2021 to help children catch up on lost learning.

LGA view

- LGA welcomed the pre-announced £500 million to give children the “best possible start in life” and support for families and children, as a positive step towards maximising the life chances of all children, as part of our shared ambition with government to level-up communities and reduce inequalities across the country. However, £200m of that funding for Supporting Families will come from the £4.8 billion new grant funding and we look forward to further clarity about the other elements of the package.
- We are pleased that the Government has listened to our urgent calls for investment in the early years and the need to provide more comprehensive support for new parents. This funding is a positive step towards maximising the life chances of all children, regardless of their background, as part of our shared ambition with government to level-up communities and reduce

inequalities across the country.

- We encourage the Government to keep the cost of delivering the early entitlements under review to ensure providers are able to deliver the high-quality places that children and parents need.
- We welcome the small amount of additional resource to help develop Family Hubs. Councils know their local areas best and are best placed to target new investment where it is most needed and build on local strengths and community assets.
- The investment in training for early years staff is urgently needed and welcome. It is disappointing that these funds will be allocated from the Education Recovery Fund previously announced in June 2021, reducing the resources available to schools.

Special Educational Needs and Disability

The Chancellor announced that:

- The settlement will continue to support the most disadvantaged and vulnerable children and young people through high quality education and local services, so that no one is left behind. It makes available £2.6 billion over the SR21 period for school places for children with special educational needs and disabilities. *(Page 97, paragraph 4.15)*

LGA view

- The LGA welcomes the £2.6 billion for school places for children with special educational needs and disabilities, which will help councils provide places locally, rather than children having to travel to get the support they need. We are however disappointed that the Government did not take the opportunity to write off councils' historic High Needs Block Deficits.
- The Government must now urgently complete its ongoing review of the Special Educational Needs and Disability (SEND) system, setting out reforms that increase mainstream inclusion, provide councils and schools with long-term certainty of funding to meet the needs of all children with SEND, and give councils the power to hold education and health partners to account if their provision for identifying and supporting children with SEND is not adequate.

Youth services

The Chancellor announced that:

- To reduce inequalities of participation in society and support the government's ambition to level up the country, the settlement invests in world-class sports and youth facilities, including, over the SR21 period, £560 million for youth services in England, including funding the government's commitment to a Youth Investment Fund which will deliver up to 300 youth facilities in areas most in need. *(Page 116, paragraph 4.80)*

LGA view

- This reconfirms the £500 million Youth Investment Fund first announced in September 2019, along with additional funding for the National Citizen Service. This funding will provide essential investment into the sector and support young people to achieve positive outcomes.
- We urge the Government to move swiftly to release this funding, which many in the sector have been anticipating for more than two years, and to work closely with councils and the youth sector to ensure it can deliver the services young people want and need in their local areas.

Education

The Chancellor announced that:

- A new package of £1.8 billion over the SR21 period that is directly targeting education recovery. This includes a £1 billion Recovery Premium for the next two academic years for schools. (*Page 96, paragraph 4.12*)

LGA view

- The LGA welcomes the new package of £1.8 billion to support education recovery. It is vital that schools have flexibility to spend this funding to best meet the needs of children and young people, including measures to support children and young people's socialisation, communication and mental health and well-being.
- Education recovery is a long-term endeavour, and the Government must keep funding levels under review, both during and beyond this Spending Review period, to ensure all children and young people get the support that they need.
- We want to work with government to prioritise a child-centred recovery plan which includes a fully resourced and integrated workforce plan across public health, social care and education.

Boosting skills

The Chancellor announced that:

- The government is helping young people and adults to access the training they need to reach their full potential through
 - meeting the government's commitment to the National Skills Fund, by providing a 29% real terms increase in adult skills funding from 2019-20 to 2024-25.⁴³ This will expand the Lifetime Skills Guarantee so more adults in England can access funding for in-demand Level 3 courses and scale up Skills Bootcamps. Additionally, the Government is launching the innovative Multiply programme, providing opportunities for adults across the whole of the UK to develop their numeracy skills. (*Pages 59-60, paragraph 2.55*)
 - an additional £1.6 billion by 2024-25 for 16-19 year-olds' education in England. This means colleges will be funded for the 110,000

extra students they will be teaching by 2024-25 (*Page 60, paragraph 2.55*)

- The Government is increasing apprenticeships funding to £2.7 billion by 2024-25 and delivering an apprenticeship system improvements for all employers. These include:
 - o an enhanced recruitment service by May 2022 for small and medium-sized enterprises (SMEs), helping them hire new apprentices
 - o supporting flexible apprenticeship training models.
 - o introducing a return-on-investment tool in October 2022 to ensure employers can see the benefits apprentices create in their business. (*Page 60, paragraph 2.57*)
- In addition, to ensure businesses get the talent they need, the SR confirms that the government is extending the £3,000 apprentice hiring incentive for employers until 31 January 2022 and investing approximately £10 million a year over the SR in the Sector Based Work Academy Programme (SWAPs). SWAPs give unemployed people the opportunity to undertake work experience, learn new skills and retrain into high-demand sectors in their local area. (*Page 60, paragraph 2.58*)
- Building on the Plan for Jobs and £3.6 billion of additional funding provided at SR20, the settlement provides more than £6 billion over the SR21 period to maximise employment across the country. This includes funding to extend the Kickstart scheme to March 2022, which has supported nearly 95,000 young people to date, and investing over £60 million over the next three years in the Youth Offer, which helps young jobseekers gain new skills, build their confidence and find lasting work (*Page 121, paragraph 4.99*)
- As the UK builds back better from COVID-19, the government is focused on addressing the threat posed by climate change. The Net Zero Strategy (NZS) sets out the Government's plans to build back greener and realise the significant wider economic and social benefits of delivering the UK's 2050 net zero emissions target. (*Page 69, paragraph 2.101*)

LGA view

- The Chancellor has rightly put skills centre stage. To deliver a recovery our people and places deserve, local government is offering a new partnership with Government to maximise the local delivery of all the national programmes so they become greater than the sum of their parts. The LGA's [Work Local](#) offer sets this out in more detail.
- To support economic growth, councils are calling for a new community skills role to plan all adult skills provision in local places, as they already deliver Adult and Community Learning (ACL). This will support Further Education reforms by allowing partners to plan pathways for adults to progress from community level to higher-level skills.
- The Multiply programme must add value to existing support and be delivered via [ACL settings](#) so wraparound support and other learning can

be identified to help them progress. We look forward to progressing this with government and securing more adult basic skills funding which should be progressively devolved.

- We are pleased the Chancellor has recognised the need for apprenticeship incentives to be extended and more funding to be available. We continue to urge the Government to go further and deliver a root and branch reform of the apprenticeship levy.
- We note the increase in T-levels funding. The Kickstart extension to March 2022 is welcome. However, we believe the scheme should have been opened up to referrals to those not in receipt of Universal Credit, 16 and 17 years olds, as well as to adults to enable councils to plan provision in the way we set out [here](#).
- The Spending Review could have said more on the urgent need for investment in green skills. Councils need the levers to work with partners to build a skilled and experienced workforce which is crucial to the Government meeting its net zero targets and levelling up ambitions.

Housing and planning

The Chancellor announced that:

- SR21 demonstrates the Government's commitment to investing in safe and affordable housing by confirming a settlement of nearly £24 billion for housing, up to 2025-26. The settlement:
 - o announces an additional £1.8 billion for housing supply, to deliver £10 billion investment since the start of this Parliament and unlock over 1 million new homes over the SR21 period and beyond. This includes £300 million locally-led grant funding that will be distributed to Mayoral Combined Authorities and Local Authorities to unlock smaller brownfield sites for housing and improve communities in line with their priorities, and £1.5 billion to regenerate underused land and deliver transport links and community facilities, unlocking 160,000 homes in total
 - o provides an additional £65 million investment to improve the planning regime, through a new digital system which will ensure more certainty and better outcomes for the environment, growth and quality of design. *(Page 107, paragraph 4.49)*

LGA view

- The LGA supports a framework underpinned by appropriate levels of funding, that will enable locally-led sustainable development, driving growth and regeneration, revitalising communities, and creating the right mix of homes.
- The LGA has called for [a locally-led planning system](#) in which councils and the communities they represent have a say over the way places develop. Only this will ensure the delivery of high-quality affordable homes with the necessary infrastructure to create sustainable, resilient places.
- To do this, councils will also need the Government to provide tools to encourage/oblige developers to build out sites with permission in a swift

and timely manner, powers to incentivise the [build out of homes that have been approved](#) and powers to bring forward land that is allocated in Local Plans.

- The LGA supports the shift to a more digitised planning system, making it more accessible and efficient. Councils will need the appropriate resources to lead on this step-change, and issues of digital exclusion will need to be addressed to ensure all residents can engage in the planning process.
- Councils should have the flexibility to determine the most appropriate method of engaging with the public to provide easier and more cost-effective ways of finding out about, for example, planning applications and planning decisions. This includes removing the requirement for statutory notices in newspapers.

Homelessness and rough sleeping

The Chancellor announced that:

- Building on the reduction in rough sleeping numbers by over a third between 2019 and 2020, and as part of the government's commitment to end rough sleeping, SR21 provides £639 million resource funding by 2024-25, a cash increase of 85% compared to 2019-20. This brings total funding to £1.9 billion resource and £109 million capital investment over SR21. This will:
 - o build on the investment and progress made since 2017 – where the number of people sleeping rough on a single night has been brought down from 4,751 to 2,688 in 2020
 - o continue funding the Rough Sleeping Initiative, which invests in locally-led, tailored interventions to move rough sleepers into secure accommodation, where they can get the help they need to rebuild their lives; provide drug and alcohol treatment for people sleeping rough who need it; and support for those who are experiencing or at risk of homelessness through the Homelessness Prevention Grant
 - o complete delivery of 6,000 homes under the Rough Sleeping Accommodation Programme to create housing pathways to get people off the street into longer-term accommodation
 - o form part of a cross-government approach to address the drivers of rough sleeping, including funding for reoffending initiatives of £200 million a year by 2024-25 which includes delivery of transitional accommodation for prison leavers and treatment for substance misuse. (*Page 107, paragraph 4.50*)

LGA view

- Councils continue to work incredibly hard to provide appropriate support to get people sleeping rough off the streets and support those at risk of homelessness. Over 37,000 individuals have been supported, with more than 26,000 moved on to longer-term accommodation since the start of the pandemic. It is good that Government has recognised this with an increased level of additional funding through a multi-year settlement today.
- The multi-year settlement will provide longer-term certainty and help

councils to continue their ongoing efforts to support people at risk of rough sleeping and homelessness. We look forward to further detail and councils will need adequate notice of allocations so that they can plan future provision effectively. Issuing funding over a longer-term basis and minimising competitive bidding processes would have a positive impact on staff retention, long-term strategic planning and joint commissioning.

- We also welcome the recognition that addressing the drivers of rough sleeping and homelessness is a cross-departmental issue and therefore requires a cross-government joined-up approach. In the longer-term, it is important that there is a stronger focus on investment in homelessness prevention – in its broadest sense, moving beyond homelessness services, and beyond a reactive response to need and vulnerability. This will enable and encourage councils to avoid residents reaching crisis and reduces the demand for emergency responses.
- Fundamental to this is sufficient provision of high-quality, sustainable affordable homes. As part of this, councils need the powers and resources to deliver a house-building programme of 100,000 social homes for rent each year, including further reform of Right to Buy.

Building Safety

The Chancellor announced that:

- As announced in February 2021, the Government will introduce a new tax from April 2022 on the profits that companies and corporate groups derive from UK residential property development, to ensure that the largest developers make a fair contribution to help pay for building safety remediation. The tax will be charged at 4% on profits exceeding an annual allowance of £25 million. *(Page 144, paragraph 5.46)*
- SR21 confirms £5 billion funding (£3 billion of which is over the SR period) for remediation of the highest risk buildings with unsafe cladding to ensure everyone can feel safe and secure in their home. *(Page 50, paragraph 2.25)*

LGA view

- The Government should pay up-front remediation costs and seek to claim as much back as possible either from those directly responsible or from the private developer industry. To make these costs affordable the Government should take a risk-based cost-effective approach to remediation rather than a simplistic ‘compliance’ – based approach.
- Funding needs to cover all fire safety defects in order to achieve the ends of making everyone safe and feel safe in their homes.
- Any protection for leaseholders against remediation costs should also cover social housing providers, who are currently denied access to non-ACM cladding remediation funding.
- The new building safety regime could fail unless councils and fire services are adequately funded to achieve the increases in capability and capacity required to deliver it. In addition, the costs imposed on social landlords by the new system need to be covered by new burdens funding to ensure social housing tenants do not pay for developers’ mistakes.

- We continue to seek [reassurance](#) from the Government that the new residential property developer tax will not lead to a reduction in the delivery of affordable homes (both to rent and to buy) or a reduction in the quality, sustainability standards or overall size of new dwellings. We are also seeking a clause in the proposed legislation that will exclude local authorities acting as a residential property developer from being charged the tax.

Asylum and resettlement

The Chancellor announced that:

- The Home Office settlement also provides additional funding to reduce illegal migration and deliver the Government's New Plan for Immigration. The settlement provides an additional £85 million resource funding by 2024-25, on top of the continuation of £110 million in 2021-22, bringing total investment to £195 million resource funding by 2024-25 and £50 million capital funding over the SR21 period for the New Plan for Immigration. This funding will strengthen border security, improve our asylum caseworking system, and encourage more Local Authorities to participate in assisting asylum seekers (*page 100, paragraph 4.24*)
- The Home Office settlement demonstrates Global Britain in action, resettling 20,000 refugees from Afghanistan and supporting vulnerable people in our asylum system. This includes an additional £468 million by 2024-25 to protect vulnerable people by providing subsistence, accommodation and assistance to people seeking asylum in line with Home Office statutory duties. (*Page 100, paragraph 4.25*)

LGA view

- Councils are keen to build on their strong track record of supporting those resettling in new communities. We want to strengthen our work with government and their contractors to reduce pressures in areas supporting asylum seekers, to build on work identifying costs to councils of their role in asylum support, and to identify how best to use the new funding to tackle jointly agreed barriers to widening dispersal. We need to work across government to build a more place-based, equitable and sustainably funded approach across all asylum and resettlement programmes, underpinned by effective engagement with councils. This work also needs to link with other announcements aimed at improving housing supply.
- We will want to work through with government any changes to councils' responsibilities as part of the New Plan for Immigration to ensure a full understanding of the potential impacts for councils, communities and a wide range of adults and families.

Household energy

The Chancellor announced that:

- To support tens of thousands of households in England on low incomes, make their homes more energy efficient and reduce their energy bills, the Budget and SR provides £950 million for the Home Upgrade Grant and £800 million for the Social Housing Decarbonisation Fund. (*Page 71, paragraph 2.114*)

LGA view

- Councils need the tools, powers, flexibilities and resources to decarbonise heat in homes, including bringing forward at a faster pace the £3.8 billion capital Social Housing Decarbonisation Fund.
- This is needed to support the rollout of an ambitious national retrofit programme across all tenures that will create jobs, support local economies, cut fuel bills, and help tackle fuel poverty.

Pensions tax relief administration

The Chancellor announced that:

- In 2025/26 the Government will introduce a system to make top-up payments in respect of contributions made in 2024/25 onwards directly to low-earning individuals saving in a pension scheme using a Net Pay Arrangement. *(Page 142, paragraph 5.34)*

LGA view

- The LGA welcomes the announcement but would like to see the changes confirmed as soon as possible and introduced sooner. The proposed changes will affect approximately 500,000 low-earning members of the Local Government Pension Scheme.

Universal Credit

The Chancellor announced that:

- To help people progress in work, and allow working households on Universal Credit to keep more of what they earn, the Government will:
 - reduce the taper rate that applies in Universal Credit from 63 per cent to 55 per cent by 1 December 2021 so working households will keep more of every pound they earn
 - increase the amount that households with children or a household member with limited capability for work can earn before their Universal Credit award begins to be reduced – the Work Allowances – by £500 a year by 1 December 2021
 - These changes will directly benefit 1.9 million working households.

(Page 138, paragraph 5.6)

LGA view

- It is the LGA's view that the mainstream benefits system should provide the principal safety net for all low-income households. We called for an urgent review of the taper rate and work allowance in our response to the end of the £20 per week Universal Credit uplift.
- This immediate adjustment of the taper rate of Universal Credit to 55 pence and the £500 per annum increase in the work allowance will support some low income working households through economic recovery and mitigate

the impact of the end of the uplift.

- These measures will benefit some working households. But discretionary local support will continue to be needed to support those who are unable to work as well as mitigating crises and promote longer-term financial inclusion and resilience. The LGA continues to work closely with the Department for Work and Pensions, councils, voluntary and community sector partners and others to press for a more sustainable local welfare safety net.

Criminal justice and preventing crime

The Chancellor announced that:

- The Government will provide an extra £540 million by 2024/25 to recruit the final 8,000 police officers to meet the Government's commitment of 20,000 additional officers by 2023, continuing to support the police in fighting crime in England and Wales. *(Page 51, paragraph 2.28)*
- The Government will provide £42 million for new programmes that reduce crime and drugs misuse, on top of £108 million to continue existing programmes. This brings total investment to £150 million a year to continue and expand programmes that prevent crime and keep our communities safe, including continuing the Safer Streets Fund and more enforcement to tackle drug misuse, including through the County Lines programme and Project ADDER *(Page 99, paragraph 4.19)*
- Alongside introducing the Economic Crime (Anti-Money Laundering) Levy, the Government is delivering reforms in the Economic Crime Plan and on fraud by providing new investment of £18 million in 2022/23 and £12 million per year in 2023/24 and 2024/25. *(Page 51, paragraph 2.28)*
- The Government will also support the criminal justice system in England and Wales by funding an additional £785 million in 2024/25 to manage the increased number of offenders being brought to justice and reduce waiting times in the criminal courts. *(Page 51, paragraph 2.29)*
- In addition, SR21 provides a further £200 million a year by 2024/25 to improve prison leavers' access to accommodation, employment support and substance misuse treatment. *(Page 51, paragraph 2.29)*
- The Government will bolster support for victims of crime by increasing annual funding for Ministry of Justice victim support services to over £185 million by 2024/25, an uplift of 85 per cent from 2019/20. This will increase the number of Independent Sexual and Domestic Violence Advisors to over 1,000 and fund other key services such as crisis helplines. *(Page 102, paragraph 4.31)*
- The Government will provide an over £80 million cash increase in resource funding for the CPS by 2024/25. It ensures the Crown Prosecution Service (CPS) can continue to support the work of 20,000 additional police officers and go further to improve its response to rape and sexual assault cases in line with the *(Page 102, paragraph 4.35)*

LGA view

- The Government's investment of £42 million for new programmes that

reduce crime and drugs misuse, on top of £108 million to continue existing programmes, is welcome. We urge the Government to ensure this funding is made available for early intervention and prevention programmes, to help prevent crime more effectively and improve community safety.

- Tackling violence against women and girls is a top priority for councils. We are pleased to see a commitment to recruiting more Independent Sexual Violence and Domestic Violence Advocates and improving the prosecution rates in rape cases, but there also needs to be a wider societal cultural shift towards preventing abusive and violent behaviour, so that it is 'everybody's business' and not simply a criminal justice response.
- It will be important for the Home Office and DLUHC to outline the new burdens funding available to local authorities for the serious violence duty in the Police, Crime, Sentencing and Courts Bill and the future years funding for the Domestic Abuse Act (Part 4) statutory duty to deliver domestic abuse accommodation-based support and services.
- We are disappointed not to see an emphasis on Violence Reduction Units – currently in 18 police force areas – which we would like to see extended to all police forces in England and Wales and for them to have five years long-term funding, rather than year-on-year commitments. We also reiterate our calls for greater investment in community-based support services, which we understand will be the focus of a consultation in the forthcoming Draft Victims' Bill.

Counter-terrorism

The Chancellor announced that:

- The settlement will keep the public safer from terrorism, by continuing to support the delivery of the Counter-Terrorism Operations Centre. This will enhance the government's ability to discover and prevent attacks. (*Page 99, paragraph 4.21*)

LGA view

- Local authorities continue to play a vital role in work to prevent people from being drawn into terrorism, and in tackling wider issues around extremism and cohesion that can lay the foundations for polarisation, radicalisation and criminality.
- Investment in early intervention and prevention programmes, including integration, counter-extremism and Prevent initiatives and the Special Interest Group on Countering Extremism, continues to be vitally important and must be secured.

Alcohol Duty Reform

The Chancellor announced that:

- Now that the UK is free to set its own law in this area, the Government is reforming alcohol duties to best suit national priorities. The alcohol duty regime will undergo a major simplification, overhauling an outdated system full of historical anomalies, making the regime fairer and more conducive to product innovation in response to evolving consumer tastes. (*Page 83, paragraph 2.178*)

LGA view

- We welcome plans to tackle high strength cheap alcohol like white ciders and strong lagers. More alcohol-free and lower-strength cider, wine, beer and spirits are needed to help tackle a ticking time-bomb caused by drink-related health problems, reduce alcohol-related crime and disorder, meet growing demand for them and help ease the pressure on the pub trade.
- Charging duty rates based on the strength of a drink would help to reverse the current system which results in the strongest, most harmful drinks sold in supermarkets and off-licences being the cheapest available – which is harming the nation’s health as well contributing to violence and disorder fuelled by alcohol on the streets of towns and cities.
- This rationalisation of the alcohol duty rates must also be accompanied by increased investment in substance misuse services to maximise the public health benefits of these measures.

Cyber Security

The Chancellor announced that:

- SR21 also provides funding to strengthen local authority functions vital for the delivery of public services (*Page 109, paragraph 4.58*):
 - £37.8 million of additional funding over the SR21 period to tackle cyber security challenges facing councils and invest in local authority cyber resilience, protecting vital services and data. Together with maintaining the funding that was announced at SR20, this will bring the total funding for cyber to £85.8 million over the SR21 period
- SR21 provides a £114 million increase in the National Cyber Security Programme across the period, enabling the UK to keep adapting, innovating and investing to maintain and extend its competitive edge as a responsible, democratic cyber power (*Page 129, paragraph 4.134*)
- In total the Government is investing £2.6 billion in cyber and legacy IT over the SR21 period, with a particular emphasis on improving the government’s own cyber security. This is in addition to the funding agreed for the National Cyber Force. The government will shortly publish further details on the strategy for cyber (*Page 129, paragraph 4.135*)

LGA view

- The LGA welcomes the Government’s recognition of the cyber security challenges facing councils, and also their desire to invest in local authority cyber resilience and the protection of vital services and data.
- The LGA also welcomes the increase in funding for the National Cyber Security Programme and the emphasis the government is placing on “improving the government’s own cyber security”; we hope this includes local government.
- We remain keen to continue to work with both DLUHC and the Cabinet

Office in ensuring this investment reduces the cyber risk held by local government in as effective and as sustainable a way as possible.

Culture, national events, and the creative industries

The Chancellor announced that:

- The UK's cultural sectors will benefit from temporary rate uplifts to the Theatre, Orchestra and Museums & Galleries Exhibition tax reliefs. SR21 also provides £42 million to support the UK's world-leading creative industries, including supporting SMEs to scale up and providing bespoke support for the UK's independent film and video game industries. *(Page 65, paragraph 2.87)*
- The Budget and SR maintains funding for the UK City of Culture programme, which honours the great cultural diversity of cities across the UK through culture-led regeneration. *(Page 90, paragraph 3.40)*
- The settlement will grow the UK's world-leading culture and heritage sectors, building on unprecedented government support during the pandemic by:
 - o investing over £850 million over the SR21 period for cultural and heritage infrastructure to safeguard national treasures and boost culture in local communities and on high streets
 - o providing £52 million in new funding for museums and cultural and sporting bodies next year to support recovery from COVID-19 and an additional £49 million in 2024-25 to thrive thereafter
 - o Providing £14 million in each year of the SR21 to support our world-leading creative industries, including supporting SMEs to scale up and providing bespoke support for the UK's independent film and video game industries
 - o funding the £800 million Live Events Reinsurance Scheme and an extension to the £500 million Film & TV Production Restart Scheme, to enable UK events and productions to thrive and plan with certainty
 - o committing to work with relevant Arms' Length Bodies and their sponsoring departments to update and codify the operational and financial freedoms first introduced in 2013 for such organisations, to ensure that the freedoms are fit for purpose and that all stakeholders understand their scope going forward. *(Pages 115-116, paragraph 4.79)*

LGA view

- Government has recognised the vital role cultural infrastructure can play in our national recovery from COVID-19. It has responded to LGA calls for previous commitments to capital investment in museums and libraries to be honoured. This funding will provide immediate support to boost the cultural sectors, including council cultural assets as they recover after the closures of the last 18 months.

- To deliver maximum impact on these funding streams, government and its Arms-Length Bodies, such as Arts Council England, Sport England and the National Lottery Heritage Fund, should work closely with councils to ensure we are making optimal use of our combined funding at a place-based level and have a shared vision for levelling up our cultural infrastructure.
- It will also be important to continue working with councils at an early stage as plans for national festivals and celebrations develop, ensuring all communities can benefit over the longer term from these important events.
- We are pleased to see a package of tax reliefs targeted at cultural organisations which have been among those worst affected by the pandemic, alongside targeted support for the creative industries. Councils are committed to supporting the growth of their creative industries, which have significant potential to bolster local economic growth as we move into recovery and have a key role to play in providing a supportive environment for new creative clusters to flourish at a local and regional level. Some councils' facilities and council-supported community groups will also benefit directly from these reliefs.

Parks, physical activity, and sporting events

The Chancellor announced that:

- To ensure every region across the UK has access to the green spaces that are vital to people's physical and mental health, the Budget and SR announces the £9 million Levelling Up Parks Fund, funding over 100 new parks in 2022-23 to ensure equal access to parks in urban areas that are deprived of green space. *(Page 77, paragraph 2.147)*
- The Government is supporting Olympians and Paralympians to prepare for a successful Paris 2024 Olympic and Paralympic Games and is committing funding for the UK and Ireland's bid to host the 2030 men's Football World Cup. To support the World Cup bid, the Budget and SR is investing £205 million across the SR to build or improve up to 8,000 community multi-use sports and football pitches across the UK. The Government is also funding the UK's bids to host the 2025 women's Rugby World Cup and the 2026 Tour de France Grand Depart, aiming to bring more world class sporting events to the UK. *(Page 89, paragraph 3.39)*
- To reduce inequalities of participation in society and support the Government's ambition to level up the country, the settlement invests in world-class sports and youth facilities, including, over the SR21 period: £205 million to transform grassroots football infrastructure and multi-use sports facilities by rolling out up to 8,000 state-of-the-art community pitches and £22 million to refurbish more than 4,500 public tennis courts. *(Page 116, paragraph 4.80)*

LGA view

- These investments in parks, multi-use sports facilities and community pitches will be put to good use as councils work with DCMS, Sport England and National Governing Bodies to deliver on local plans for investing in sport infrastructure. By investing in community facilities, we will grow the athletes of the future and ensure people inspired by our

athletes are able to participate in local activity in a way that suits their needs.

- In particular, the lockdowns during the pandemic emphasised the importance of public parks to the physical and mental wellbeing of their communities and councils have been looking for ways to sustain and increase their provision. There remains a need to deliver some parks provision at scale rather than on the micro-scale of pocket parks.
- There also remains a particular challenge around ageing facilities where the funding demands required to meet our climate objectives and the needs of communities will exceed the funding made available through these investments. Over the longer term, it will be important to ensure that councils can continue to access decarbonisation funding to improve their leisure estates.
- It will be important for councils to be involved in the bidding process for national and international events as early as possible, to ensure that local facilities and activities are aligned to support the bids and deliver the maximum beneficial impact to the host communities.

Tourism and the visitor economy

The Chancellor announced that:

- Up to 400,000 retail, hospitality and leisure properties will be eligible for a new, temporary £1.7 billion of business rates relief next year. This will provide support until the next revaluation, helping the businesses that make UK high streets and town centres successful evolve and adapt to changing consumer demands. Apart from reliefs in response to COVID-19, this is the biggest single-year cut to business rates in 30 years. *(Page 62, paragraph 2.67)*

LGA view

- The visitor economy delivers jobs and positive economic impact in every part of the country. The business rates relief will make a huge impact to businesses that have struggled over the pandemic.

Procurement and commercial capacity

The Chancellor announced that:

- SR21 also provides funding to strengthen local authority functions vital for the delivery of public services:
 - £34.5 million of additional funding over the SR21 period to further strengthen local delivery and transparency. This funding will help strengthen the sector's procurement and commercial capacity, establish the Audit Reporting and Governance Authority as the new local audit systems leader, and help local councils meet new transparency requirements. *(Page 109, paragraph 4.58)*

LGA view:

- LGA welcomes the announcement of additional support for local authority procurement capacity and recognition of the importance of achieving value for money through our procurement processes.
- We are keen to continue to work with DLUHC and the Cabinet Office to ensure that this investment is focussed on the specific procurement and commercial capacity that councils have identified are required to fully support the Transforming Public Procurement agenda.