

# Local Government Association

## Queen's Speech – On the Day Briefing

21 June 2017



### Introduction

The Queen has today set out the Government's agenda for a two year Parliamentary session. This paper details the new Bills of relevance to local government and outlines our local government priorities, including issues which are not in the Queen's Speech. Further details of today's Queen's Speech can be [found here](#). You can also find out about our work engaging with Parliament on behalf of local government in our [LGA in Parliament 2016/17 report](#).

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

[LGA media statement on the Queen's Speech 2017](#)

[LGA responds to Draft Rental Tenancies Bill](#)

[Councils respond to lack of measures to address children's social care funding pressures](#)

[LGA responds to review of counter-terrorism strategy and formation of Counter-Extremism Commission](#)

[LGA responds to social care proposals](#)

[LGA responds to mental health reform](#)

[LGA responds to draft Domestic Violence and Abuse Bill](#)

### LGA key messages:

- **Brexit:** The UK's exit from the European Union will have a significant impact on local government and the people we represent, creating challenges that need to be addressed but also opportunities to do things differently. Local government must play a central role in deciding whether to keep, amend or scrap the EU laws which impact on the council services that affect people's day-to-day lives, once they are converted into domestic law. Brexit should not simply mean a transfer of powers from Brussels to Westminster, Holyrood, Stormont and Cardiff Bay. It must lead to new legislative freedoms and flexibilities for councils so that local communities and businesses benefit.
- In line with the commitment to provide stability to farmers as we leave the EU, outlined in the Agriculture Bill, we are calling for clear guarantees to protect the £8.4 billion in local regeneration and regional funds. This funding is needed to protect local regeneration plans, flagship infrastructure projects, employment and skills schemes and local growth in our communities.
- **Local government finance:** It is hugely concerning that the Government has not reintroduced the Local Government Finance Bill in the Queen's Speech. The Bill had set out a framework to allow local government in England to keep all of the £26 billion in business rates it raises locally each year. This would close the funding gaps identified below, in children's and adults services. It also sought to provide powers for Mayoral Combined Authorities and the Greater London Authority to raise an Infrastructure Supplement. These measures are needed to give councils financial freedoms that will pay for

# Briefing

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valuable services.

- **Housing:** Councils see housing as a priority and we are determined to increase housing supply to deliver quality, affordable homes, supported by local services and infrastructure. This will require the Government to go much further than implementation of the Housing White Paper reforms. In particular, we'd like to hear more on how local government can work to ensure the 'new Council Housing Deals', outlined in the Conservative manifesto, can deliver the homes our communities need quickly. Delivering 1.5 million new homes by 2022 cannot happen without local government. Lifting the housing borrowing cap and removing social housing from the public sector debt because it is an asset in line with Europe, allowing councils to keep 100 per cent of the receipts from Right to Buy sales, reversing the one per cent reduction in social rent and providing rent certainty going forward will allow councils to play a much greater role in increasing housing supply. It will be important to develop routes for councils to directly deliver new homes of all tenures through innovative delivery vehicles, including joint delivery vehicles across areas.
- **Adult social care:** The Government must set out in detail its proposals at the earliest opportunity for how it will close the £2.3 billion funding gap by 2020, and provide the vital services not just for older people but all adults requiring support, including those with physical and learning disabilities, and mental illness. All solutions need to be on the table for discussion in the interests of securing the cross-party consensus needed.
- **Children's services:** It is disappointing that there is no mention of the urgent challenges facing social care services for children and young people. The pressures facing children's services across the country are rapidly becoming unsustainable, with councils facing a £2 billion funding gap for these vital services by 2020. We are calling on the Government to act now to ensure councils have the resources they need to keep children safe in the years to come.
- **Education:** We are disappointed that the Queen's Speech did not give schools and councils any detail about how much additional funding will be committed to education or how the Government's school funding reforms will be implemented. Local authorities need a clearly defined strategic role in children's and education services. If there are to be changes for 2018/19, schools will need certainty about their future funding by Autumn 2017 at the latest. We believe that an element of local flexibility must be retained in the implementation of a new national school funding formula. Schools should also be given greater certainty of future funding, with three year budgets, to help them plan for the spending pressures they face.

#### **Bills announced which are relevant to local government:**

For further information on any of these Bills, please contact the [LGA public affairs team](#).

#### **Repeal Bill**

*The Bill will repeal the European Communities Act and end the authority of European Union law in the UK. It will also allow changes to be made to domestic law to reflect the content of any withdrawal agreement under Article 50, replicate the common UK frameworks created by EU law in UK law, and maintain the scope of devolved decision-making powers immediately after exit. This will be a transitional arrangement to provide certainty after exit and allow intensive*

*discussion and consultation with the devolved administrations on where lasting common frameworks are needed.*

#### **LGA view:**

- It is clear that the UK's exit from the EU is going to have a significant impact on local communities and businesses, creating challenges that will need to be addressed, but also opportunities to do things differently.
- Now that Article 50 has been triggered and formal exit negotiations have begun, it will be critical to ensure councils continue to have a seat at the table, working with Government and Parliament to ensure the best possible deal for Britain's diverse local communities. Ministerial meetings with the LGA and the other UK local government associations held before the General Election provided a strong foundation for bilateral engagement between local and national government. These should be restarted as a matter of urgency.
- In line with the commitments made to the devolved administrations, there should be no loss of sovereignty or status for English local government as a result of Britain's departure from the EU. The Government should go further and adopt the principle of 'double devolution' to ensure that powers repatriated from the EU do not stop at Westminster, Stormont, Cardiff Bay and Holyrood. A future settlement that recognises the principle of local self-government and local government's autonomy should be underpinned by statute.
- The Repeal Bill will lead to a large amount of secondary legislation, which will have direct implications for local government. There are likely to be areas of EU law that will benefit from review by councils and issues where the formal opinions of UK local government on issues that affect them differ from national government. In order to ensure that legislation is not made more complicated by Whitehall and the views of UK local government are formally respected, councils must have a formal role in this review process.
- As part of the EU decision making, councils have the right to be consulted on EU law and influence legislation that has an impact on their communities and frontline services. In order to honour its commitments to devolution and stability the Government must, as a matter of urgency, take steps to ensure that the Repeal Bill retains these rights and that they are not lost when Britain leaves the European Union.

#### **EU funding**

- Local areas in England, together with the devolved administrations in Scotland, Wales and Northern Ireland had been set to receive a total of £8.4 billion from the EU Structural and Investment Funds allocations for the period 2014-20. Clear guarantees to protect the full amount of this type of investment, to protect local regeneration plans, flagship infrastructure projects, employment and skills schemes and local growth in our communities, are now essential.
- The LGA has reaffirmed its pledge to work closely with the Government and partners on the successful design and delivery of successor arrangements for EU funding and has developed proposals which ensure this features as part of a much wider integration of devolved growth funding.

## **Customs Bill**

*The Bill will ensure that the UK has a standalone UK customs regime on exit; flexibility to accommodate future trade agreements with the EU and others; that changes can be made to the UK's VAT and excise regimes to ensure that the UK has standalone regimes on EU-exit.*

### **LGA view:**

- It will be important that the Bill reflects the critical role of local regulatory services such as local and national trading standards, environmental health and port health authorities in relation to both the import and export of an array of different types of goods.
- Reductions in funding for local government have led to a significant reduction in local regulatory capacity. Changes on checks to imported goods by councils as a result of leaving the EU will need to be fully funded to ensure that councils have the capacity to manage this.
- The Bill process should also consider opportunities to streamline the process of facilitating exports. For example, by allowing certified council officers to provide export hygiene certificates as part of their local business support role, rather than businesses being required to seek a certificate from the Animal and Plant Health Authority following an inspection by a council officer.

## **Trade Bill**

*The Bill will put in place the essential and necessary legislative framework to allow the UK to operate its own independent trade policy upon exit from the European Union.*

### **LGA view:**

- Securing international trade and investment is a vital part of a strong, prosperous and inclusive UK economy. In order to deliver the best trading outcome for Britain we need a trade policy that draws on the strengths and expertise of our great cities, counties and towns to ensure British businesses continue to punch above their weight.
- With over 80 programmes and projects designed to promote trade and investment, the national policy landscape is currently complex, crowded and confusing. It is unfit for the challenges of a new chapter in global trade. A trade bill provides the opportunity for long overdue reform and councils must have a key role in ensuring the development of a new sub-national approach that supports businesses and ensure international trade and investment drives growth and opportunity for local communities.

## **Immigration Bill**

*The Bill will allow for the repeal of EU law on immigration, primarily free movement that will otherwise be saved and converted into UK law by the Repeal Bill. It will make the migration of EU nationals and their family members subject to relevant UK law once the UK has left the EU.*

## **LGA view:**

- Our public and private sector in England and Wales rely heavily on EU nationals to provide our vital services. Nationally, 7 per cent of existing adult social care staff are from other EU nations and this is substantially higher in some parts of the country.<sup>1</sup> There is already a major skills shortage, so in the long term there needs to be a reformed and devolved skills and employment system to provide people with the skills to take up these and other key jobs. Public services need stability in this time and the LGA will be monitoring the Immigration Bill to assess its impact and ensure it doesn't undermine the stability of public services.

## **Draft Domestic Violence and Abuse Bill**

*The draft Bill will bring forward proposals to establish a Domestic Violence and Abuse Commissioner. It will define domestic abuse and create a consolidated new domestic abuse civil prevention and protection order. To ensure that if abusive behaviour involves a child, then the court can hand down a sentence that reflects the devastating life-long impact that abuse has on the child.*

## **LGA view:**

- Addressing all forms of domestic violence and abuse is a high priority for councils and we support the Bill's objectives of ensuring that people feel able to report abuse and are confident that organisations will do everything possible to support them and their families and pursue their abusers.
- Providing a clear definition in law of domestic abuse will provide useful clarity for councils and other agencies in undertaking their work, as well as underpinning the remainder of the Bill. It will be important that this definition encompasses the different forms that domestic abuse can take.
- The creation of a Domestic Violence and Abuse Commissioner will help to raise the profile of domestic violence abuse and ensure momentum in strengthening organisations' approach to it, as has been seen with the appointment of a Modern Slavery Commissioner.
- Councils will work collaboratively with the new Commissioner to support the objectives of the Bill and embed good practice across the country. It will be important that there is consistency between the approach of the new Commissioner and the National Statement of Expectations for councils on violence against women and girls (including domestic abuse) which was published by Government last December and covers five key areas for councils that will support the objectives of this Bill: putting the victim at the centre of service provision; managing perpetrators; a strategic approach to commissioning; safeguarding individuals, and raising awareness.

## **Draft Tenants' Fees Bill**

*The draft Bill will bring forward proposals to ban landlords and agents from requiring tenants to make any payments as a condition of their tenancy with the exception of the rent, a capped refundable security deposit, a capped refundable holding deposit and tenant default fees. It will cap holding deposits at no more*

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<sup>1</sup> <http://www.cfwi.org.uk/publications/forecasting-the-adult-social-care-workforce-to-2035-workforce-intelligence-report>

*than one week's rent and security deposits at no more than one month's rent.*

**LGA view:**

- Excessive letting agent fees are a concern for many tenants and councils, hampering access to the market which in turn places pressure on housing of other tenures including social housing. The proposed ban on letting agent fees for tenants will bring welcome clarity and direction to a sector that has a powerful influence on the cost of renting. The enforcement of the ban on fees for tenants will need to be properly resourced and we look forward to working with government on this.
- We share the Government's concern about the lack of clarity for private tenants. The current legal and regulatory system is out of date and requires reform to match the pace of the reality of the current private rented housing market. The sheer volume and complexity of regulations governing the sector can be confusing for landlords, tenants and councils. The Government should review and modernise the framework to support councils' ability to meet the expectations of their residents.

**Data Protection Bill**

*The Bill will ensure that our data protection framework is suitable for our new digital age, and cement the UK's position at the forefront of technological innovation, international data sharing and protection of personal data. It will strengthen rights and empower individuals to have more control over their personal data including a right to be forgotten when individuals no longer want their data to be processed, provided that there are no legitimate grounds for retaining it. The Bill will establish a new data protection regime for non-law enforcement data processing, replacing the Data Protection Act 1998 and modernising and updating the regime for data processing by law enforcement agencies.*

**LGA view:**

- It is vital that legislation on data protection keeps pace with technological developments and international standards, thereby allowing us to protect the rights of individuals while at the same time ensuring we are able to share data for the purposes of preventing terrorism and serious crime. It is incumbent on both public bodies and private technology and social media firms to fulfil their obligations. We will work with Government to ensure individual rights and personal information are protected and support the ever-more important need to share data effectively across local government services.
- Councils take their responsibilities under the Data Protection Act extremely seriously, and are already preparing for the changes that will take effect in 2018 when the General Data Protection Regulation is implemented. Councils also have robust procedures in place for handling and sharing data and intelligence for enforcement purposes, and will ensure any changes to data processing for law enforcement purposes which impact on them are fully implemented.

## **Courts Bill**

*The Bill will end direct cross examination of domestic violence victims by their alleged perpetrators in the family courts and allow more victims to participate in trials without having to meet their alleged assailant face-to-face. It will introduce digital services which will allow businesses to pursue their cases quickly, enabling them to recover debts more easily and provide a better working environment for judges, allowing more leadership positions in the judiciary to be offered on a fixed term basis, and enabling judges to be deployed more flexibly.*

### **LGA view:**

- Councils welcome measures that make the running of courts and tribunals more efficient allowing cases to be heard quicker and lowering costs. It is not clear at this stage whether the provisions to allow those charged with a less serious criminal offence to plead guilty, accept a conviction and pay a fixed penalty notice will extend to the range of offences that local authorities are responsible for prosecuting, and the LGA will be seeking clarity on this when the legislation is brought forward.
- Allowing an alleged perpetrator to cross-examine their victim in the family courts can affect the quality of evidence heard before the court makes long term decisions about the future of the children involved. The court needs to have the best evidence possible if it is to provide a safe, lasting and satisfactory outcome for the children in the family. Ending the right of alleged perpetrators to cross-examine domestic violence victims will assist in ensuring courts are better placed to make the right judgements in the best interests of the children involved in the cases before them.

## **Automated and Electric Vehicles Bill**

*The Bill will allow the regulatory framework to keep pace with the fast evolving technology for electric cars, helping improve air quality. It will provide for the installation of charging points for electric and hydrogen vehicles and extend compulsory motor vehicle insurance to cover the use of automated vehicles, to ensure that compensation claims continue to be paid quickly, fairly, and easily, in line with longstanding insurance practice.*

### **LGA view:**

- The Government's ambition to encourage the development of autonomous vehicles is a positive step to improving transport technology. It is vital the Government engages with local authorities on how we can best accommodate the transition to autonomous vehicles. Local authorities are responsible for 97.6 per cent of the road network and it is important the sector is engaged in helping to design a modern transport network.
- The Government's intention to encourage the use of electric vehicles is a critical measure to tackling the UK's problem with air quality. We are calling on the Government to produce clear guidance on how to reach the target of approximately 100 per cent ultra-low-emission vehicles by 2050.<sup>2</sup> People will need time to prepare for the transition and make an informed decision about purchasing new vehicles. The tax treatment of fuel types needs to be made clear about the incentives for switching to ultra-low-emission vehicles.

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<sup>2</sup> <https://www.gov.uk/government/organisations/office-for-low-emission-vehicles>

## **Draft Patient Safety Bill**

*The draft Bill will bring forward proposals to establish the Health Service Safety Investigation Body in statute, providing it with clear powers to conduct independent and impartial investigations into patient safety risks in the NHS in England. It intends to create a prohibition on the disclosure of information held in connection with an investigation conducted by the Health Service Safety Investigation Body, enabling participants to be as candid as possible. This prohibition will not apply where there is an ongoing risk to the safety of patients or evidence of criminal activity, in which case the Investigation Body can inform the relevant regulator or the police.*

### **LGA view:**

- In the context of increasing integration between health and social care services, there will need to be clarity on the role of the Health Service Safety Investigation Body in the exercising of its power to conduct investigations into patient safety risks in the NHS. In particular in areas where local authority statutory functions for adult social care and public health are being delivered by NHS bodies. The statutory responsibility for the functions remain with the councils, even though the service may be delivered by an NHS body.
- The proposed Health Service Safety Investigation Body will need to work closely with local governance and accountability arrangements for health. For example, health and wellbeing boards, health overview and scrutiny arrangements and children and adults local safeguarding boards.

### **Other Bills and announcements:**

#### **Review of counter terrorism strategy**

*There will be a review of counter-terrorism legislation as part of a broader review of the whole approach to counter-terrorism, covering counter-terrorism powers and other relevant powers, sentences and online extremism. It will ensure the police and security services have the powers they need to deal with terrorism and consider whether tougher prison sentences for those found guilty of terror offences are necessary. It will also consider what further steps are needed halt the spread of extremist material online.*

### **LGA View:**

- Local authorities are united with the Government in tackling the terrorist threat to our communities. Councils have been working alongside the security services and the police for a number of years now to protect communities and stop individuals being radicalised.
- The challenge facing national and local government is how to become more effective at preventing individuals being radicalised to the point they are willing to commit acts of violence. The review of the counter-terrorism strategy needs to involve local authorities so they can share their experiences around the Prevent strand of the Contest Strategy and community cohesion. Any new approach to tackling radicalisation will need to be properly funded over the long term.



## **Counter-extremism Commission**

*The Government will establish a statutory Counter-Extremism Commission to identify examples of extremism and expose them, help the Government to identify new policies to tackle extremism, and support the public sector and civil society in promoting and defending pluralistic values across all communities. Other than that the document talks about the strategy published in 2015, suggesting there will not be a Counter Extremism Bill.*

### **LGA View:**

- Councils have built up considerable expertise in countering extremism in their communities and in building community cohesion, including in how to bring communities together in the aftermath of attacks. As a result they are already undertaking a range of activities to promote cohesion and counter extremism and accountable local bodies are best placed to do this on the ground. The Government should draw on local authorities' experience to inform the development of the new Commission, and once established the Commission itself will need to work closely with councils if it is to have a positive impact.

## **Grenfell Tower Inquiry and related matters**

*A public judge-led inquiry will be established under the Inquiries Act to ascertain the causes of the Grenfell Tower fire and ensure that the appropriate lessons are learnt. Residents, the families of the deceased, the Mayor of London and the Opposition will be consulted on the terms of reference; residents and the families of victims will be entitled to free representation (separate to a commitment to establish an independent public advocate) and the findings will be published. A new strategy for resilience in major disasters will be developed – this could include a new Civil Disaster Reaction Taskforce.*

### **LGA view:**

- Following this terrible tragedy councils want to be able to reassure their residents that they are safe, and that the fire prevention and fire safety measures they have in place are the right ones. They are keen to understand the lessons from the fire at Grenfell Towers so it is important that any interim findings from the investigation and inquiry process are shared as soon as possible. It is imperative this must never happen again. No resident should live in fear of fire in their own home and our heroic fire services should never be put in a position to unnecessarily risk their lives on that scale again.
- As yet it is not clear what the financial implications will be of the audit of local authority owned high rises. We will work with Government to ensure sufficient resources are made available to ensure that residents' homes are safe.
- Local authorities will be keen to support the development of the new strategy for resilience in major disasters and to offer their expertise and experience in responding to a range of events, such as the flooding experienced by a number of areas in recent years and the Shoreham Airshow crash, as well as the lessons from the response to the Grenfell Tower fire.

## **Independent Public Advocate**

*The Independent Public Advocate will ensure the victims of disasters are involved in any relevant investigation. The Advocate will apply to England and Wales, supporting the existing systems and procedures for investigating deaths and*

*inquiring into matters of public concern. The Advocate will be able to access information held by public bodies and may share it with victims. There will be a consultation on the details.*

**LGA view:**

- Any support provided to the victims of disaster is greatly welcomed. We will proactively engage the consultation when it becomes available. We are particularly interested in seeking clarity for the victims on how the Independent Public Advocate's powers differ from the powers of ordinary lawyers under disclosure rules and how the new system fits with existing arrangements under the coroner.

**Adult social care**

*The Government will work to address the challenges of social care for our ageing population, bringing forward proposals for consultation to build widespread support. The Government will work with partners at all levels, including those who use services and who work to provide care, to bring forward proposals for public consultation. The Government will consult on options to encourage a wider debate. The consultation will set out options to improve the social care system and to put it on a more secure financial footing, supporting people, families and communities to prepare for old age, and address issues related to the quality of care and variation in practice.*

**LGA view:**

- Local government has been unequivocal about the need for urgent action to secure the sustainability of adult social care for the short and long term. The NHS, providers, and charities all share this view and the issue is now high on the public, political and media agenda.
- Previous attempts at lasting reform have failed to materialise and the service has instead been patched up with incremental and piecemeal changes. For the sake of those who use care and support services, the stability of local government and the NHS, and the viability of care providers, this approach cannot continue any longer.
- The Government needs to set out its proposals at the earliest opportunity for how it will close the funding gap facing social care and create a sustainable system for the future for the benefit of all adults requiring care and support. This should include consideration of how best to share the costs of social care equitably between the state and the individual.
- There is now cross-party consensus on the need to find an urgent and sustainable solution to the problems facing social care. The LGA will work with Government to support all efforts to deliver practical changes as quickly as possible.

**Mental health**

*The Government will now begin to consider what further reform of mental health legislation is necessary, including changes in how the Act is implemented on the ground. The Government will work towards a new Mental Health Act, review the mental health legislative landscape and publish recommendations on where new*

*policy could provide greater rights for those experiencing mental health problems so they can live lives free from discrimination.*

#### **LGA View:**

- The consideration of reform of mental health legislation and a new Mental Health Act provides the opportunity to prioritise mental wellbeing, the prevention of mental ill health and the delivery of ongoing support. New initiatives or legislation should facilitate a move away from a focus on risk, detention and medication, to building on a person's strengths, the provision of personalised support and the services that enable a person experiencing mental health issues to live a healthy and fulfilling life.
- We would expect that any new Mental Health Act includes the work of the Law Commission on legislative reform of Deprivation of Liberty Safeguards to simplify the current complex legislation. This should better protect the rights of the very vulnerable and address the current financial burden on councils associated with this reform.
- Councils have a crucial role in ensuring people have access to a decent job, a good home and the public services they need, as the foundation for good mental health and wellbeing in local places. Whilst the additional funding for the NHS on mental health is welcomed, councils also have specific statutory duties under the Mental Health Act, including sectioning decisions and step-down services; and provide a wide-range of services that contribute to mental wellness, support and prevention. Future funding for mental health should explicitly include investment directed at councils. Mental health should not exclusively be about treatment within an NHS setting, but should include the mental wellness and prevention services provided by councils.

#### **Green Paper on Children and Young People's Mental Health**

*The Government will publish a Green Paper on Children and Young People's Mental Health focused on helping our youngest and most vulnerable members of society receive the best start in life. This will make sure best practice is being used consistently and will help to accelerate improvements across all services so that children and young people get the right mix of prevention and specialist support.*

#### **LGA View:**

- We welcome the announcement of the Green Paper on Children and Young People's mental health, particularly the recognition that it is important to consider preventative initiatives as well as specialist support. Councils with their statutory public health responsibilities (including the commissioning for 0-5 services) and their statutory corporate parenting responsibilities (for looked after children) have a key role to play in embedding effective practices across universal and targeted services in local areas.
- To support this at a local level, the Green Paper needs to recognise the role of health and wellbeing boards in ensuring local accountability for the quality of and spend on mental health and wellbeing services. Furthermore, proposals should set out options for growing the capacity and capability of providers and the broader system to deliver on the spectrum of support needed, from early intervention and prevention, through to specialist clinical and recovery services.

## **Housing**

*The Government will deliver the reforms proposed in the Housing White Paper to increase transparency around the control of land, to free up more land for new homes in the right places, speed up build-out by encouraging modern methods of construction and diversify who builds homes in the country.*

### **LGA view:**

- The Housing White Paper presents an important shift in the Government's housing strategy and goes some way to recognising the important role that local government can play in solving our housing crisis.
- Local government's ambitions for the future of housing and its role in solving our housing crisis are much greater than the measures set out in the White Paper. In order to succeed, local government must be enabled to deliver and help deliver additional housing that is genuinely affordable, reduces homelessness, and achieves wider outcomes for their local economies and communities.
- The White Paper focuses on further changes to the planning system in efforts to increase supply. It must be acknowledged that, since the National Policy Framework was introduced, both local government's planning powers and funding have been reduced significantly. Though planning fee uplift is welcome, the White Paper does not sufficiently address these two fundamental issues

## **Armed Forces Covenant**

*The Government will continue to invest in our gallant Armed Forces, meeting the NATO commitment to spend at least two per cent of national income on defence, and delivering on the Armed Forces Covenant across the United Kingdom.*

### **LGA view:**

- Councils take their responsibility towards the Armed Forces community seriously. The LGA has worked with Forces in Mind Trust to develop recommendations and a delivery framework to support councils on the Armed Forces Covenant. We have now agreed an action plan with the Ministry of Defence, supported by the Cabinet Office's Covenant Reference Group, to take forward these recommendations.
- We welcome the £4 million grant funding made available for councils through the Covenant Grant Fund. To further embed the Armed Forces Covenant into everyday council business, such funding should become regular core funding for councils to enable them to best support our gallant Armed Forces.

## **Industrial Strategy**

*As part of the Industrial Strategy, the Government will also deliver on plans for new Institutes of Technology. These will enable more young people to take advanced technical qualifications and become key institutions for the development of the skills required by local, national and regional industry.*

## **LGA View:**

- Councils look forward to working with the Government on the development and delivery of a modern Industrial Strategy that ensures all parts of the country share in economic success. We welcome plans to put skills at the heart of the Industrial Strategy and reforms to technical education so it is as highly valued as academic routes. However, current national skills and employment systems are too fragmented and removed from the needs of local residents and businesses. We will therefore shortly put forward a positive vision for an integrated and devolved employment and skills system, bringing together information, advice and guidance alongside the delivery of employment, skills and wider support for individuals and employers. Central to achieving this will be devolution of £10.5 billion funding on skills and employment.
- Local government is the key to achieving the Government's ambitions for a modern Industrial Strategy to drive economic growth. The Government needs to work with local leaders across the country, including in rural and non-metropolitan, so that all areas can access the appropriate levers of growth. As well as skills and employment this must include levers to enable local approaches to investment and public services to support inclusive growth, including the ability to pool and shape all local infrastructure funding, such as digital and transport.

## **Devolution**

*The Queen's Speech contained no new measures to support further devolution.*

## **LGA View:**

- At a time when the capacity of national government is likely to be severely constrained we will continue to make the case on behalf of all councils for the devolution of greater powers and funding to deliver the inclusive economic growth and public services vital for communities and businesses to thrive.
- The recent election of six combined authority mayors presents the opportunity to break new ground in bringing power and resources closer to local communities. We look forward to working with national government to ensure these new leaders are able to cement their status as a vital part of our national democracy.
- Equally, we continue to believe that no area should be excluded from the benefits of devolution based on their governance arrangements. In the months ahead we look forward to working with councils and national government to bring forward and secure ambitious proposals for further devolution and ensuring all communities are able to benefit from devolution.

## **Local government finance**

*The speech did not include a commitment to reintroduce the 2017 Local Government Finance Bill which fell automatically when Parliament was dissolved.*

## **LGA View:**

- It is hugely concerning that the Government has not reintroduced the Local Government Finance Bill in the Queen's Speech. The Bill had set out a

framework to allow local government in England to keep all of the £26 billion in business rates it raises locally each year. It also sought to provide powers for Mayoral Combined Authorities and the Greater London Authority to raise an Infrastructure Supplement. These measures are needed to give councils financial freedoms that will pay for valuable services.

- Councils are facing an overall £5.8 billion funding gap by 2020. The Government needs to commit to using its existing powers to keep working with local government to continue these vital reforms. Local government collectively should keep every penny they raise through local taxation to spend on vital services to help secure the long-term financial sustainability of councils and ease the pressure facing the public services our communities rely on.
- Plans to review the system of distributing funding to councils must also continue. However, this review will only be effective and truly fair if it is accompanied by appropriate overall funding for local government as a whole. The current level of funding is a risk to financial sustainability of local government and the results of the review would only result in a different way to manage decline.

### **Supported Housing**

*The Queen's Speech makes no reference to the application of the Local Housing Allowance rate to supported housing. In September 2016, the Government announced that it proposed to apply the Local Housing Allowance (LHA) cap to supported housing as well as social housing, and that it would provide councils with a top-up fund for the additional cost supported housing requires, by April 2019. It subsequently consulted on the proposals with a view to informing a Green Paper, to be launched before Summer 2017.*

#### **LGA View:**

- We are calling on the Government to clarify the future funding of supported housing and associated local government funding, to end the uncertainty for this sector and for the vulnerable and older people affected.

### **Education**

*The Government will continue to work to ensure that every child has the opportunity to attend a good school and that all schools are fairly funded.*

#### **LGA view:**

- We are disappointed that the Queen's Speech did not give schools and councils any detail about how much additional funding will be committed to education or how the Government's school funding reforms will be implemented. If there are to be changes for 2018/19, schools will need certainty about their future funding by the autumn at the latest, to ensure no schools lose out.
- A national formula to ensure fairness between schools in different areas is welcome. Under Government proposals published before the election, the budgets of 22,000 schools will be set in Whitehall, with no possibility that schools and councils can agree a slightly different allocation to reflect local needs and circumstances. An element of local flexibility must be retained in the implementation of a new national school funding formula. Schools should

also be given greater certainty of future funding, with three year budgets, to help them plan for the spending pressures they face.

- Councils have the primary responsibility for ensuring that every child has access to a place at a good school and an excellent track record in supporting school improvement, with 91 per cent of council maintained schools now rated as either good or outstanding by Ofsted. As there are no proposals to change the legislation that requires inadequate maintained schools to be converted to academies and a shortage of high-performing academy sponsors in many areas, we believe that Government policy should be changed to allow councils and maintained schools to set up Multi Academy Trusts and take over failing academies and free schools if they have an good track record in school improvement.
- The LGA is keen to work with the Government to develop a much clearer agreed strategic role in education, reflecting councils, statutory duties to support the wellbeing of all children.