

Local Government Association Briefing, Local government policy priorities, general election manifestos April 2017



The Local Government Association (LGA) is a politically-led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice nationally. All parts of local government – counties, districts, London Boroughs, metropolitan areas and unitary authorities – have a key role helping to generate economic growth, build homes with relevant services and infrastructure, strengthen communities, and protect vulnerable people in all parts of the country. Our offer to the next government is that, as the most efficient part of the public sector, local government provides the strong local leadership and support that allows communities, individuals and businesses to flourish. This briefing sets out the policy priorities councils would want adopted by each of the political parties in their manifestos in order to help local government better support their communities and deliver on the challenges facing the nation.

Economy, employment, skills and transport

Central and local government need to work together to drive the creation of a successful, world leading economy. In order to achieve this, it is vital that local leaders across the country can access the appropriate levers of growth and, in turn, match the economic performance of their global competitors. We are calling for the party manifestos to:

- Allow the pooling of all local infrastructure funding to enable councils and groups of councils to deliver infrastructure needs according to local priorities.
- Provide multi-year transport funding settlements for councils. Local government needs long term certainty to commit to long-term transport projects and the flexibility to invest in local priorities.
- Work with local leaders across the country, including in rural and non-metropolitan areas, to enable local approaches to investment and public services that support inclusive growth that are available to all who call for it. The Government, with the advice of the National Infrastructure Commission, should align its investment with local and sub-national growth priorities.
- Radically overhaul of the £10.5 billion employment and skills system, to give groups of councils, including combined authorities where established, the responsibility and funding to commission all services through an integrated and locally accountable one stop shop for employment, skills, apprenticeships and careers guidance services.
- Reform the new apprenticeship system to give groups of councils, including combined authorities where established, the option to pool levy contributions and jointly commission activity; and provide SMEs an apprenticeship offer.
- Strengthen the Universal Service Obligation (USO) for broadband provision with a minimum download speed which rises with national averages, and

Briefing

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which has obligations on suppliers to provide a minimum level of upload speed.

Housing

Local government shares the nation's collective ambition to build more homes supported by the relevant infrastructure and services. The right homes in the right areas can have significant benefits for people and communities, and prevent future public service challenges and costs as well as supporting economic growth. We are calling on the manifestos to commit to:

- Freeing councils from restrictions on their ability to directly contribute to housing supply and to give councils the ability to direct existing public sector investments into housing and infrastructure investments.
- Removing the Housing Revenue Account (HRA) borrowing from contributing to public debt and enabling councils to invest money from the sale of council homes into their local areas.
- Enabling councils to replace homes sold through Right to Buy, including enabling them to recycle a greater proportion of receipts into building new homes, to count the value of land in replacements, and to combine a mix of receipt and grants.
- Redressing the growing gap between household incomes and increasing rents, including by lifting the Local Housing Allowance freeze and increasing it in line with inflation.

Brexit

The UK's exit from the European Union (EU) is going to provide opportunities to do things differently, as well as creating challenges that will need to be addressed. We are calling on the manifestos to:

- 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.
- Commit to working with local government to develop a locally driven UK replacement for EU 'regional aid' to ensure local areas continue to thrive and contribute to the national wealth of our nation.
- Consider changes to laws which have been based on EU regulatory frameworks as they may have been 'gold plated', or are simply outdated or no longer desired. The LGA has been reviewing which laws will be affected and are calling for reviews to take place in these areas.

Council finances

Local government currently faces an estimated funding gap of £5.8 billion by 2019/20. If local government is not given the fiscal freedoms and independence to address this problem, it will affect councils' ability to both provide services to help their local communities and contribute to the nation's prosperity. We want the manifestos to commit to:

- Ensuring that councils have the funding they need to provide these vital services. This includes conducting a needs assessment review which would refresh the funding formulae used to set local authority funding baselines. This review should be transparent, conducted with continuous and open consultation

with the whole local government sector, and the results independently peer reviewed.

- Giving councils the freedom to set local fees and charges, such as planning and licensing fees to appropriate local level that at least recovers local costs (as opposed to having these charges set nationally).
- Providing full flexibility over council tax setting, including council tax levels, discounts and banding.
- Starting a debate to establish the scope for the assignment of other national taxes to local government. This debate should also investigate the opportunity to generate other revenue locally.

Business rates

Business rates are an important source of income for local government. The business rates system needs to be up to date, buoyant, fair and flexible for both ratepayers and councils. We are calling for manifestos to commit to:

- Implementing further business rates retention in a way that gives local government the maximum fiscal independence, balancing needs and fairness with an incentive to grow local economies.
- A wide ranging review of business rates, aiming to modernise the way they affect different ratepayers, to ensure that sectors such as online businesses make a fair contribution and that councils are given maximum flexibility on reliefs. This should also include a commitment to working with local government to maximise the business rates taxbase and tackling business avoidance effectively.
- Implementing a fair system of challenging and appealing business rates with clear time limits, such as the six month time limit in Scotland.

Adult social care and health

Adult social care and public health provide vital services as they help people of all ages live independently and improve our wellbeing. We need an NHS that works closely with democratically elected councillors and puts communities at the heart of shaping their health services. In the last Parliament, the LGA, working with partners from across the care and support sector, has led national efforts to highlight the extreme pressures facing adult social care, their consequences for people and communities, and the urgent need to address them with genuinely new government funding. The additional £2 billion for adult social care announced in the Spring Budget marked a significant step towards protecting the services caring for older and disabled people, and their carers. As helpful as this funding is, short-term pressures remain and the challenge of finding a long-term solution to the social care crisis is far from over. We are calling on the manifestos to:

- Close the funding gap of £2.3 billion facing social care. To do this we recommend ensuring additional funding to councils is continuous and put into local government baselines.
- Commit to a formal review to help secure a longer term sustainable solution to adult social care. Local government leaders must play a fundamental part in developing this. All options must be on the table and it needs cross-party national support.

- Commit to tackling the causes of the pressures on hospitals and budgets, not just treat the symptoms. We are calling for a significant investment in a Prevention Transformation Fund, for new services that could prevent problems arising in the first place, prevent dependency on the health and social care system and prevent the escalation of problems.
- Ensure councillors and communities are at the heart of the planning process for the Sustainability and Transformation Plans (STPs) as this is the only way they can be effective. It is vital they are involved and not just consulted afterwards on pre-determined solutions. Meaningful and ongoing engagement with political leadership, through health and wellbeing boards (HWBs), will help STPs build and strengthen existing place based strategies such as joint health and wellbeing strategies, better care fund plans, transforming care plans.

Children's Services

The funding pressures facing children's services – those vital services that support and protect vulnerable children, young people, their families and young carers – are rapidly becoming unsustainable, with a combination of government reductions and increases in demand leaving many areas struggling to cope. Our most recent analysis suggests that councils will be facing a £2 billion funding gap for children's services by 2020. We are calling on the next government to:

- Act to ensure that councils have the funding they need to keep children and young people safe in the future and ensure that they are given the best start in life.
- Replace the existing Ofsted Single Inspection Framework with a more proportionate inspection regime that supports sector-led improvement and focuses on championing good and innovative practice.
- Provide funding for sector-led children's services improvement support those councils that need to improve, before they experience significant difficulties.

Education

Councils have a statutory duty to ensure every child has a school place available to them, but they are under extreme pressure to accommodate rapidly rising numbers of pupils. To ensure new schools are established in the right places and meet the needs of local communities we are calling on the manifestos to:

- Ensure councils have a role in determining where new schools are created and a say on the type of school introduced to their area. Local authorities know their areas best and are eager to work with applicants with a strong track record to identify potential school sites. With 91 per cent of maintained schools now rated as either outstanding or good by Ofsted, now is the time to recognise councils as education improvement partners.
- Give councils the power to direct academy schools to take in 'hard to place' students, including those excluded from other schools, if those places available are best for the children. Decisions about individual children should be made locally by councils and schools and focus on the best interest of each child. These decisions should be based on councils' local knowledge of the children, families and schools involved.
- Provide councils with sufficient funding to reflect the rising demand for support for pupils with Special Educational Needs and Disability (SEND), to ensure that the reforms set out in the Children and Families Act are implemented

successfully and children and young people are supported to achieve their potential.

- Ensure the new government works with councils on schools funding to ensure fair funding. The reforms currently proposed will see each school's budget set in Whitehall according to a national formula. Whilst a general formula is designed to ensure fairness between different areas, there needs to be an element of local discretion as each community is unique, with its own specific needs that cannot be accounted for in a 'one size fits all' approach. Councils will still have a major role to play in distributing early years funding and supporting high needs students, so will need to continue conversations with schools to make sure that it is done effectively. It therefore makes sense that funding is issued to councils in line with a fair, central formula, with the final decision on each school's allocation made locally, in collaboration with schools themselves to best meet local needs.

Other policies of interest to councils

Community safety

In order to help protect communities the manifestos to:

- Continuing to support the development of a 21st century fire service, fit to play a leading role in keeping people safe, and having an expanded role in supporting healthier communities by working with the health service. Future resourcing for the fire and rescue service and the application of any reductions to that resourcing need to be based upon a clearly understood risk assessment. The national and local impact of proposed changes to funding needs to be properly assessed against risk. The manifestos should also commit to only transferring governance of the fire service to the Police and Crime Commissioner where there is local agreement to do so.
- Bringing forward proposals to reduce the stakes on Fixed Odds Betting Terminals (FOBT) to £2 as part of the current review of gaming machines and social responsibility measures. It should also strengthen councils' powers to limit the opening of new betting shops in places where there are already existing clusters.
- As leaders of place, councils have a critical role in bringing communities together and tackling extremism. Louise Casey's recent report on integration argues that social and economic exclusion is causing the segregation of some communities and creating concerns about access to services. With an increase in police recorded incidents of hate crime, it is crucial councils are given the powers they need to drive local economic growth and improve skills. Local authorities' work to address community tensions and counter extremist activity also need to be adequately resourced, councils need to have the flexibility to respond to local circumstances, and Whitehall departments need to join up programmes on preventing people being drawn into terrorism, countering extremism and increasing integration in a way that works better for local authorities.
- Prioritising the introduction of a Taxi and Private Hire Vehicle Licensing Reform Bill.

Flooding

To help protect communities against flooding we are calling on the manifestos to:

- Devolve capital and revenue funding for flood risk management projects into a single, place-based pot.
- Boost funding for local flood risk management by extending precepting powers and investing any surplus 'Flood Re' insurance levy into preventing damage before it happens.
- Extend the tax relief for private sector contributions to all flood alleviation projects (not just those grant funded by the Environment Agency) to incentivise private investment.

Transport (traffic management and pollution)

On traffic management and pollution policy we are calling on the manifestos to:

- Roll out the powers under Part 6 of the Traffic Management Act 2004 allowing local authorities to ban pavement parking across the country to prevent inconsiderate motorists endangering lives.
- Introduce a national diesel scrappage scheme to encourage a shift away from the most polluting diesel vehicles.