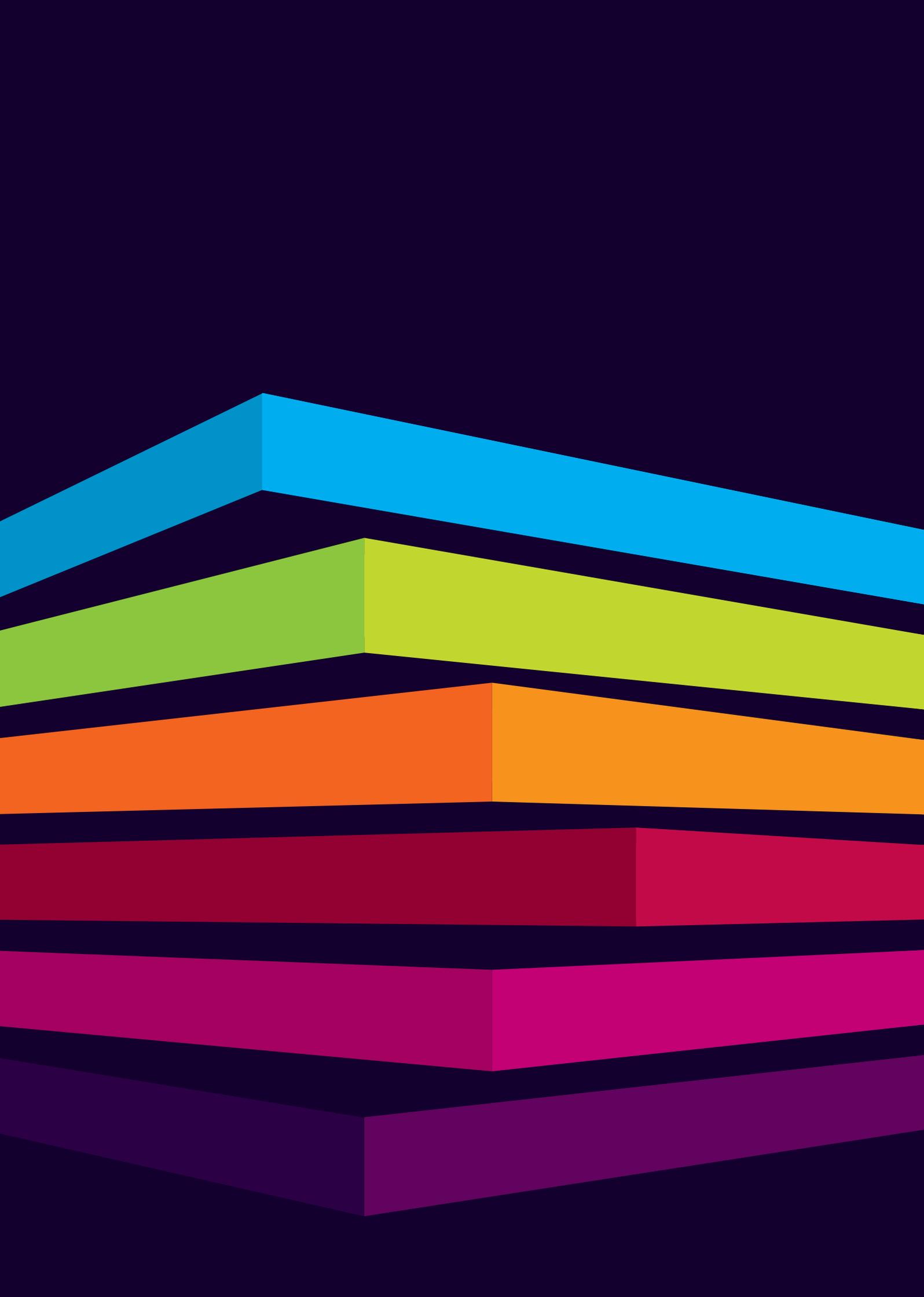


# GROWING PLACES

BUILDING LOCAL PUBLIC SERVICES FOR THE FUTURE





# CERTAINTY IN AN UNCERTAIN TIME



**We are in an unprecedented time for our nation. The coming years will bring some of the biggest changes seen in a generation.**

The new Government faces a changed and changing world: the negotiations for Britain's exit from the European Union; increasing economic challenges and opportunities with the rest of the world; calls for self-funding local services; the growing need for more community cohesion and an ageing population facing greater care and health needs.

Central government has a vital job to do in ensuring the whole nation benefits from our exit from the European Union. But it is often too distant from local communities to be able to respond to local needs, ambitions and concerns.

As the most trusted part of the public sector<sup>1</sup>, at its best local government provides the strong and ambitious leadership that ensures the country has safe and thriving communities. Its cross-party nature also makes it best placed to prioritise people and communities, putting party politics aside.

Councils are at the heart of their local areas, improving residents' lives on a daily basis. They play a unique leadership role in promoting social mobility, fairness and community cohesion. As place leaders, they are the only agency which can ensure everyone, wherever they live, has access to the opportunities they deserve and the public services they need.

Only local government really understands its residents and has the local democratic mandate to deliver on all of these services. All parts – combined authorities, counties, districts, London boroughs, mets and unitaries – are ambitious: only by working with us will the new Government be able to deal with all of the key issues that will matter most to the people of this country.

With protecting our residents at the forefront of minds for both local and national government, it is councils who can bring people together at a local level, providing the certainty they seek, delivering the core services they need and developing the thriving communities they want.

The new Government has a unique opportunity, once and for all to recognise that local and national can and must be equal partners that will deliver more than the sum of their parts.

At a point in our nation's history when the weight of responsibility on the shoulders of national government will be huge, local government will take responsibility to ensure the nation remains fit and well, economically buoyant and continues to thrive. We will ensure that communities remain resilient and will support the Government's ambitions for us to take our place in the world.



This is not possible without urgent reform. For the past quarter of a century successive UK governments have attempted, in one form or another, some devolution of political power and control. However, their approach has consistently been characterised by an over-reliance on the machinery of Whitehall.

## Responsibility resting at most local level

The recent devolution agenda, while welcome, represents more policy continuity than dynamic change. We need to clearly define the role of central government and its departments in an age of devolved powers and reconsider what needs to be done by central government, rather than simply focusing on what powers can be handed to local government. It is clear what is essential to the state – defence, national security, trade negotiations and diplomacy – but all other responsibilities should rest at the most local levels, to promote the most efficient provision of services.

Decentralisation, devolution and subsidiarity are all policy agendas that are grounded in localism, and are proliferating across the globe. Why not in the UK?

Further devolution and decentralisation is key to improving the wellbeing of communities. Local variation is an essential part of getting the best outcomes for local communities and we need to reset the old debate about postcode lotteries to focus on how we tailor local solutions to the needs of local communities.

Local areas, working in partnerships led by councils, must be allowed to press on with devolution but in ways that best suit local need and circumstance.

This power must be real and not mask a creeping centralisation, which actually removes powers from local areas, vesting them instead in Whitehall or unelected bodies.

The UK is one of the most centralised economies in the western world, and as a consequence has poor levels of public sector productivity.<sup>2</sup> Giving local government more freedoms would improve this and help to boost economic growth.

Whilst devolution is already positively impacting on residents' lives in some areas, the Government must keep up the momentum by providing the fiscal levers and flexibility to fundamentally change the way that local government is funded. Devolved powers must also come with devolved fiscal autonomy. Local areas cannot be passed a handfull of responsibilities without the appropriate funding and the ability to raise and keep more of the money they generate locally. Further devolution will not only allow councils, leading their communities and working with a range of partners to deliver the ever complex needs and aspirations of their local communities but to re-engage people and close the democratic deficit.

If local areas are given freedom and control over their own finances, and the responsibility for growing their local economies, they will be able to take on increasing and enhanced leadership roles for their place.



This will ensure there is a local workforce that is skilled for the jobs available to them, representative of the community it serves and with the right type of homes for them in the areas they want to live in.

## Best value for every local pound

Providing access to services to meet key needs, like homes and jobs, will mean different things in different places. To get the best value for every local pound, local government, health, fire and police must come together to provide a place based approach to public services, where better data sharing will be critical. This approach will only work if it puts the needs of residents firmly at its core.

There is now a once in a generation opportunity to reshape and remodel the future of our nation and the future of our public services. We must all – Government, all parts of local government, residents, businesses and other public sector partners – seize this opportunity to think differently about how we serve our residents, how we empower communities and how we ensure that local plans deliver for local people. Government in all its forms must not be fettered by a lack of ambition.

Whilst the Brexit agenda, which the Government will be rightly focused on, is significant the day-to-day concerns of our communities go much further. Our residents will still expect public bodies to plan, commission and deliver the services they and their families need to live productive, full and independent lives.

Local government, working with our local partners, can deliver this and bring stability to communities during an uncertain time.

## True partnership

If it is to achieve its ambitions for our nation, the Government must work in true partnership with local government to bring power and funding back from Brussels to local areas, not to Whitehall.

More freedom from central prescription and control will allow councils to focus on their communities' local priorities to deliver public services that are effective, efficient and locally responsive.

Our proposition to the new Government is to help it embrace the challenges and opportunities this new world will bring. From Cornwall to Carlisle, local government is working with their local communities to deliver the services that matter to them. We will help Government to think differently about the provision of public services and address the issues that will matter most to communities by ensuring public services are fit to secure the best possible future for the people of this country, over this Parliament and beyond.

By doing this we can ensure our residents and their families have access to the best possible opportunities to achieve a healthy, independent and prosperous life. Local government will bring certainty in an uncertain time.

# FOUNDATIONS FOR CHANGE

**The new Parliament presents the Government with an opportunity to take a fresh look at the role of local government as leaders of places. Councils know their residents, their businesses and their economies best. They are best placed to bring public services together, making them more responsive to local need, and making them fit for the next decade and beyond.**

But any ambitious public service reform can only succeed if it is built on a solid financial foundation. This is also a chance for the new Government to look beyond the cycle of one parliament solutions to build a strong foundation for our nation.

## Fair and sustainable funding

For local government to maximise its potential, it must be made financially sustainable and truly independent. Despite receiving a 'flat cash' settlement underpinned by assumptions of sharp increases in council tax over the current Spending Review period, local government continues to face enormous financial pressures. It is estimated that councils are facing a funding gap of £5.8 billion by the end of the decade with an additional

£1.3 billion to stabilise the adult social care provider market.

It is essential that the new Government prioritises tackling the funding crisis facing local services, addressing the funding gap, as well as taking action to alleviate the immediate pressures facing the social care sector.

The next decade will continue to pose its own challenges, with inflation and demographic change putting further pressure on council budgets and on the services they provide. Growth in local tax revenue will be insufficient to deal with these challenges and the funding gap is likely to grow. The impact of this will depend on areas' differing ability to benefit from local tax increases and different spending pressures. Funding through the New Homes Bonus, which many authorities rely on to deliver services, is also reducing.

The current mechanism for distributing funding between individual local authorities is not fit for purpose, and has not been for some time. Many believe that the current system is unfair, sometimes for different reasons.

Service area	Funding gap by 2019/20, £bn
Children's services	2.0
Adult social care (inclusive of the pre-existing pressure to stabilise the provider market)	2.3
Homelessness and temporary accommodation	0.2
Other services funded from council core spending power	2.4
Apprenticeship levy	0.2
<b>Total</b>	<b>£7.1 billion (£5.8 billion funding gap + £1.3 billion to stabilise the adult social care provider market)</b>



**£16 BILLION**

the reduction to government funding to councils over this decade<sup>3</sup>

It is opaque, complex, out of date and does not allow Government to be held to proper account for its decisions on how individual local authorities are funded.

The LGA does not comment on or put forward its own proposals on how funding should be distributed. However, it will work with the Government as closely as possible to ensure that all parts of local government can state their case and can scrutinise the development of the Government's Fair Funding Review, including the assessment of relative needs and relative capacity to benefit from local taxes. 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 without sufficient funding the results of the review would only result in a different way to manage decline.

It is also important for councils and fire and rescue authorities to have certainty over central government funding. The current multi-year funding offer has been useful in allowing local government to plan better for the financial challenges of the rest of the decade.

**£2.8 BILLION**

the amount of funding held back by councils from frontline services to cover risk of business rates appeals<sup>4</sup>

Working in partnership with local government, the new Government should ensure that further fiscal freedoms are given to local areas, to give them the best possible chance of unlocking sustainable economic growth and wider public service reform, by:

- addressing the £5.8 billion funding gap faced by local government by 2020
- providing £1.3 billion to stabilise the adult social care provider market
- reviewing local authority relative needs and resources and refreshing the methodology used to distribute funding between individual local authorities
- offering a multi-year settlement to cover funding up to the point when local government finance reform is introduced.

## Local fiscal leadership

While a sustainable financial basis is the bedrock, if we want to be truly innovative when it comes to delivering local services then the various parts of the public sector, led by local government, need to work in partnership. This requires a new approach to how those services are funded. To properly unlock the capability of local partners to cooperate, it is important to first unlock the freedom for public resources to be used more flexibly. Business rates retention reform is a start, but the new Parliament provides an opportunity to be more ambitious.

**£230 MILLION**

estimated business rates lost due to aggressive avoidance<sup>5</sup>

There are a number of important tests for the system used to pay for local public services:

- the overall level of income should be sufficient to fund service demand, including future expected changes in demand
- it should be relatively stable and predictable and should allow tax payers to hold decision-makers accountable on expenditure in their local areas
- it should also provide additional financial incentives, such as locally retained growth in tax income or locally reinvested savings to public expenditure, to grow local economies, and improve services
- the income should be sufficiently general to allow for flexible use across boundaries of public services and providers, both for capital projects and day-to-day spending
- local authorities should also have sufficient control over the funding streams, allowing public sector partners to make collaborative decisions on stewardship of local public funds rather than being dependent on central government decisions.

The business rates valuation of half of all commercial properties are appealed every 5 YEARS<sup>6</sup>

To increase local fiscal flexibility and enable local authorities to take a new approach to funding services, the Government should:

- allow areas to retain a proportion of nationally collected taxes paid by their residents, such as income tax or stamp duty, along with appropriate redistribution arrangements and control over discounts and reductions where appropriate
- devolve power over localised taxes to empower local politicians, as leaders of places, to decide priorities for how money is spent by, and in partnership with, local public service providers and commissioners currently under central government control
- give areas the freedom to collect current local taxes differently to support local priorities, or introduce new ones, such as a tourist tax.

## Business rates

Full retention of business rates by local government could be an important step towards greater fiscal independence away from uncertainty and reliance on favourable decisions by the Government to fund local services, but only if the extra revenue is used first and foremost to ensure that existing council services are properly funded. This is a local tax, for spending on local services. Councils should be free to use income from this tax to protect and improve local services.

Local government is calling for continued joint working with the Government to introduce further business rates retention in a way that gives councils the maximum fiscal independence but recognises that further retention of local taxes will also bring increased risk that the sector will have to deal with.



This joint work must continue at pace and ensure that:

- the system balances funding needs with the incentive and capacity to grow local economies
- risks are properly dealt with, including funding business rates appeals at a national level, as well as a safety net system of protecting local authorities from significant unforeseen losses (such as those due to closures)
- councils are incentivised, but not compelled, to work together to share risks and rewards
- all areas have the flexibility to vary the business rates multiplier up or down both for the area as a whole, part of it and for groups of ratepayers.

Business rates also need to be fit for purpose in the long term. It needs to be up-to-date, buoyant, fair and flexible for both ratepayers and councils. Business rates appeals have become the number one financial risk issue for local government and it is facing too much business rates avoidance – both issues that councils currently have little control over.

We will work with the Government to improve business rates and make them fit for purpose through a wide ranging review of business rates as a tax which would:

- modernise business rates to ensure that sectors such as online businesses make a fair contribution and that councils are given maximum flexibility on reliefs
- tackle avoidance effectively by giving local authorities powers over granting currently mandatory reliefs where avoidance is strongly suspected, such as abuse of charitable relief and empty property relief

- implement a fair system of challenging and appealing valuations with clear time limits, such as the six month time limit in Scotland
- modernise and digitise the assessment and collection systems to deliver efficiencies across the whole of government and preserve local government autonomy
- move toward a model of valuation that reduces the potential for drastic changes to bills and local authority income as a result of major revaluations.

## Council tax

Since 2010 successive governments have asked councils to do more to improve services while reducing funding by £16 billion by the end of this decade. Yet it has removed fiscal levers, in particular over council tax, that councils could use to help balance their books. No other sector faces such constraints on its capacity to increase income as demand rises.

Since 2007, council tax bills have risen less than other key household bills, such as rent and utilities. This means that councils have had to meet much more substantial increases in their own energy, fuel and other costs as well as increases in costs of core services such as support for older people, children with disabilities and provision of temporary accommodation.

Council tax is subject to significant control from central government, much of which is enshrined in primary legislation. As every area is unique, this one-size-fits-all approach is out of date and does not allow for local freedoms or accountability of politicians.

**£1.2 BILLION**

the cost of the planning and development service to the taxpayer in 2015/16<sup>7</sup>

It can also be seen as resulting in unfair bills for taxpayers with a differential impact in different parts of the country. Whilst the social care precept signalled a welcome change, more needs to be done to give local government freedom on its local taxation.

All discounts offered on council tax are funded through bills to other local ratepayers. With more local flexibility, councils would be able to tailor council tax bills and discounts toward local circumstances and priorities. This would be an improvement on the current situation where councils have no choice but to provide costly discounts, such as the single person's discount, to anyone without an assessment of ability to pay or any other locally appropriate criterion.

To allow councils to spread the burden of taxation fairly, Government should work in partnership with local government to:

- abolish council tax referendum limits to bring council tax in line with other taxes in the United Kingdom which are not subject to referenda
- remove restrictions around eligibility for council tax support to rectify the challenges around intergenerational fairness and sustainability of support packages
- allow councils to vary council tax discounts to make sure it is fair to everyone according to local circumstances and helps achieve shared goals and priorities.

## Fees and charges

While income from fees and charges is clearly not a sufficient source of income to meet the funding gap for all councils, it is nevertheless an important part of the financial landscape which can help fund services.

The Government should:

- allow councils to set fees and charges locally, where appropriate on a cost recovery basis
- introduce further improvement and flexibility to planning and licensing fees.

In particular, the Government should follow through with the commitment to increase planning fees by 20 per cent made in the Housing White Paper before the General Election.

**15.8%**

increase in council tax over the past **10 YEARS**, much less than bills for gas (**58.7%**), electricity (**50.5%**) or water (**34.2%**)<sup>8</sup>

# THE BEST START FOR ALL CHILDREN

**Councils want to see a country that works for every child and their families. They are ambitious to improve the life chances of all the children and young people in their communities.**

Local authorities are responsible for protecting high standards of education for all local children and, in particular, the interests of the most vulnerable pupils, including those with Special Educational Needs and Disabilities (SEND). They have the primary responsibility for making sure there are enough good school places locally.

Councils have an excellent track record in improving schools with 91 per cent of council maintained schools now rated as either good or outstanding by Ofsted, compared to 85 per cent of academies and 84 per cent of free schools.<sup>9</sup>

As leaders of place, councils have a reach far beyond education. Local political leaders are uniquely placed to bring education and economic partners together. All parts of the local education system need to work together to ensure there is a shared vision of the skills and knowledge needed for a strong and vibrant local economy. Strong links between schools, skills and the needs of local employers are vital to make sure local children and young people are well prepared for adulthood and the world of work.

## School funding

Providing sufficient funding for schools is essential for the future of our nation's children and for the economy. It has never been more important that all schools are funded fairly. Each school and the community it serves is unique, with its own specific needs. A national formula to ensure fairness between different areas is welcome, but an element of local flexibility must be retained. Under proposals published before the 2017 General Election, the budgets of 22,000 schools will be set in an office in Whitehall, with no possibility that schools and councils can agree a slightly different allocation locally.

With school funding maintained at a cash flat level since 2015, the High Needs budget that finances SEND provision has been frozen, putting local budgets under increasing pressure. However, demand for more expensive places is increasing sharply. In the past four years there has been a substantial increase in the number of pupils with SEND who attend a specialist school setting, up from 5.6 per cent in 2012 to 8.5 per cent in 2016.<sup>10</sup>



To support children and young people to achieve their full potential, the Government should:

- rapidly establish a fair national funding formula for schools which retains an element of local flexibility
- provide councils with sufficient funding to reflect the rising demand to support SEND pupils
- give schools greater certainty of funding, with three year budgets, to help them plan for the funding pressures they face.

## Creating new school places and repairing and rebuilding schools

Councils have the unique responsibility to make sure that there are enough school places in their area. They have responded well to sharply increasing demand for new school places, creating nearly 600,000 new places since 2010, mostly by expanding existing council maintained primary schools. However, they are unable to directly commission the building of new schools with final decisions about where and how places are provided taken by the Secretary of State in Whitehall.

By 2021, an additional 420,000 new school places will be needed.<sup>11</sup> The majority of these will need to be created in secondary schools as the demand spike moves through the school system.

With nearly 70 per cent of secondary schools now academies or free schools, the lack of any council power or influence over the expansion and admissions policies of these schools is a real concern.

A recent National Audit Office report<sup>12</sup> found that “the system for funding new schools and new places in existing schools is increasingly incoherent and too often poor value for money”. The system is centrally controlled and highly fragmented, with three separate funding streams for rebuilding schools, school maintenance and new school places.

Councils know their communities best, so the Government must give them the freedom to provide high quality school places in their area by:

- giving councils and maintained schools the power to set up Multi Academy Trusts and take over failing academies and free schools if they have an excellent track record in school improvement
- giving councils powers and duties on place-planning, schools admissions and protecting vulnerable children that apply equally to all schools, including free schools and academies
- changing legislation to give councils the power to direct academies to expand to meet local demand for new places and admit vulnerable and excluded pupils

**500,000**

primary school children taught  
in classroom sizes over 30<sup>19</sup>

**94%**

increase in children starting  
on child protection plans in  
10 YEARS<sup>16</sup>

- urgently reviewing the system for allocating schools capital to allow schools and councils to work together to join up fragmented funding streams locally in a single local capital pot to meet the demand for new places, repair and rebuild dilapidated schools and provide best value for money
- giving councils the lead role in commissioning new free schools to make sure they provide places where they are most needed and do not destabilise existing good and outstanding schools.

Over the last 10 years councils have coped with sharply increasing demand for children's social care. This has seen a 140 per cent increase in child protection enquiries and a 94 per cent increase in the rate of children starting on child protection plans<sup>14</sup> at a time when Government grants to councils will have been reduced by £16 billion by the end of this decade.

By 2020 there will be a funding gap in children's services of at least £2 billion. Having responded to reducing resources and sharply increasing demand, there are very few savings left to find that won't have a real and lasting impact on crucial services for vulnerable children and their families rely on.

Early intervention approaches, including relationship support, family interventions, respite breaks for disabled children, youth work, preventative substance misuse and teenage pregnancy services, are designed to catch problems early and equip children, young people and families with the skills and support they need to live safe and fulfilling lives.

## Keeping children safe

Protecting children is one of the most important roles that councils perform and England and Wales remain some of the safest countries in the world to grow up in. The number of child deaths in England and Wales due to assault or undetermined intent has dropped by 67 per cent since 1985, and remains in long term decline. The five-year average rate of child homicides has decreased by 24 per cent over the last decade, and the UK's under-5 mortality rate has fallen from 21 per 1,000 live births in 1970 to five in 2013.<sup>13</sup>

**£2 BILLION**

funding gap in children's  
social care **BY 2020**

**70,440**

children looked after by councils –  
an increase of 5% IN 4 YEARS<sup>15</sup>

**1 IN 10**

children needs support or treatment for mental health problems<sup>17</sup>

But as the need for expensive child protection services has increased, funding has had to be taken from those services to spend on the protection of those in immediate danger of harm.

LGA analysis shows that the Early Intervention Grant has been cut by almost £400 million since 2013,<sup>20,21</sup> and is projected to drop by a further £300 million by 2020. Without this funding, councils have found it increasingly difficult to invest in early help services as resources are taken up by the provision of urgent support for the rising numbers of children and families already at crisis point.

The Government must act quickly to ensure councils can continue to provide essential services for vulnerable children and families by:

- closing the £2 billion funding gap in children's services funding by 2020
- investing in early intervention approaches to improve outcomes for children and young people by restoring the cuts to early intervention funding to local councils.

**54%**

rise in unaccompanied asylum seeking children in the care system since 2015<sup>18</sup>

## Improving children's services

The public narrative around children's social services remains predominantly negative. This is reflected in recent Ofsted inspections of councils, which currently see 25 per cent of councils rated 'Inadequate' and in central government intervention. Once judged 'Inadequate', councils find it increasingly difficult to move out of intervention as key staff leave and referrals to children's services increase. The National Audit Office report into Children in Need of Help and Protection<sup>22</sup> found that "Nationally the quality of help and protection for children is unsatisfactory and inconsistent, suggesting systemic rather than just local failure."

The LGA has made a clear offer to the Department for Education (DfE) to deliver an enhanced programme of sector-led support for children's services, offering everything from regular 'health checks' and training for lead members and senior officers, to specific support for those councils judged to require improvement. This improved offer would not only give councils the help they need to deliver the best possible outcomes, but most importantly, it would make sure every child is getting a good service.

The Government should support sector-led improvement in children's services by:

- committing to devolve a proportion of DfE's £300 million budget for improvement and innovation in children's services to councils.

# A GOOD JOB CLOSE TO HOME

**Councils, working with local businesses and partners, know their areas and residents. They understand the current and future skills needs of their local economies, and the support required for sustainable employment. All local areas want to build strong, resilient economies where residents contribute to, and benefit from, growth. Fundamental to achieving this is a steady supply of skills and jobs, encouragement of local business and effective support to help people get on in life.**

The current nationally commissioned employment and skills systems are failing to address local differences and in some cases holding back local growth ambitions. National agencies lack a common plan on how to work together and do not share common boundaries. They have no duty to discuss with democratically elected councillors how services will operate in their local areas in ways that will join up around service users and reflect local economic priorities.

Fragmentation of funding is an issue that needs to be addressed. £10.5 billion of employment and skills funding is commissioned by Whitehall or its agencies, scattered across 20 different national schemes.<sup>23</sup> This makes national employment and skills interventions hard to coordinate at a local level and makes for a costly, complex system, which ends up costing the taxpayer more.

Worse still, the skills system is not geared up to employers' future needs. By 2024, a growing skills mismatch will result in four million too few high-skilled people to fulfil employment demand, two million too many with intermediate skills and more than six million too many low-skilled.<sup>24</sup>

## Employment

While unemployment has fallen, 5.5 million people – or 16 per cent of the working age population – have spare capacity; that is they are actively looking for work, want to work or have a job but want more hours.<sup>25</sup> Meanwhile, low pay and insecure employment, including through the 'gig economy', is growing. For the long-term unemployed who receive specialist, contracted-out employment support, job outcomes under the national Work Programme vary hugely across the country, from 28 per cent below the average to 44 per cent above it.<sup>26</sup>

In October 2016, half of all unemployed people received no out of work benefits or government support through Job Centre Plus (JCP), while jobseekers who do receive support are staying on benefits longer.<sup>27</sup> This shows that JCP is not doing enough to identify and attract the unemployed with a support offer, and even when it does, support is insufficient. To be successful and to address concerns about capability to deliver its responsibilities, it must collaborate, co-locate and integrate.

Local government's capability, expertise and local leadership to corral partners comes to the fore when devolved powers give it the capacity and funding to design and deliver tailored schemes employment support for the long term unemployed, re-engaging young people, equipping adults with essential skills and gearing apprenticeships to local employers' need.



Through 'earned autonomy', the last Government acknowledged that councils deliver by devolving small elements of the system within devolution deals. The reality is the current system offers time-limited flexibilities over single programmes like the Work and Health Programme (WHP), Youth Contract, European Social Fund (ESF) and Adult Education Budget (AEB) and is granted to too few areas. This makes integration difficult and means local areas put significant resource into designing interventions with limited funds.

All councils have the ambition and expertise to intervene much earlier and for devolution of skills to go further and faster. They want to influence the spectrum of mainstream and reengagement education, training and employment support across all ages. A radical overhaul of the entire employment and skills system is needed to remedy the silo approach to funding separate institutions and programmes. As we move towards a post-Brexit, Industrial Strategy Britain, we must urgently improve our skills base by addressing current and new challenges, so that every area across the country and every resident within it can find their place.

The new Government must now trust groups of councils to deliver a one stop service for employment and skills rooted in local areas, which will result in clear benefits for the economy, residents and agencies. To achieve that, we must:

- improve outcomes for those furthest from employment by giving commissioning responsibility for 'welfare to work schemes' to councils or combined authorities
- free up JobCentres to deliver better results for jobseekers by radically increasing their ability to co-locate and integrate with other services
- measure JCP performance by progression into sustained employment, in the same way contracted out employment the Work and Health Programme is
- ensure Flexible Support Fund spend is agreed by councils and JCP so it meets employer and claimant need and delivers capacity where required
- give young people the best support into work by modernising the Youth Obligation to bring services for young people into one place, learning from Suffolk's MyGo model.

**£10.5 BILLION**

of employment and skills funding is commissioned by Whitehall across **20** different national schemes<sup>23</sup>

**BY 2024**

a growing skills gap will result in **4 MILLION** too few high-skilled people to fulfil employment demand<sup>24</sup>

**5.5 MILLION**

people are actively looking for work, want to work, or want to work more hours

## Skills

We want to ensure we have a highly skilled workforce able to support our world-beating sectors and embrace new technology. However, nine million people lack key literacy and numeracy skills, while 13.5 million lack digital skills, putting the UK 19th out of 34 OECD countries and locking people out of the chance to work and build a career.<sup>28</sup>

Higher-skilled migration has historically played an important role in helping to address these skills gaps. 53 per cent of those born overseas and living in the UK have higher education qualifications, compared to 40 per cent of those born in the UK. Just 16 per cent of those born overseas are qualified at GCSE level or below, compared with 27 per cent of those born in the UK.<sup>29</sup> With the forthcoming exit from the European Union, it will be more important than ever to address these gaps by retraining and upskilling the current workforce.

**9 MILLION**

people lack key literacy and numeracy skills, while **13.5 MILLION** people lack digital skills<sup>28</sup>

To properly equip our young people and our workforce to get a job, commit to life-long learning and contribute to growing our economy, the new Government must act quickly to:

- put in place a system built around people by devolving power and the associated £10.5 billion national employment and skills funding to groups of councils and combined authorities who can locally commission all services through a single, integrated service
- help people find jobs now and in the future by developing a locally coherent mainstream skills system with council influence over all funding – 16-to-18 year olds, further education, adult education budget, apprenticeship levy contributions and learner loans
- create a coherent apprenticeship offer by giving groups of councils and combined authorities responsibility to commission apprenticeship provision that incorporates their economic development, purchasing and employer roles
- free employers to support a wider range of training across their workforces by considering reforming the Apprenticeship Levy into a Skills Levy to give employers the freedom they need to recoup the levy
- help people of all ages progress in the world of work by giving groups of councils and combined authorities the power and funding to coordinate an all-age, locally commissioned and coordinated careers advice and guidance service
- ensure changes to the skills system, including new T-Levels, Institutes of Technology, apprenticeships and adult education budget (AEB) reforms and the completed Area Based Reviews are coordinated and work for local people and businesses.

# A GOOD QUALITY, AFFORDABLE HOME

**Everyone needs a home that is affordable, good quality and is well-supported by local services and infrastructure. Home is at the heart of every family's experience of life. It is often the greatest financial investment. It is central to health, happiness and wellbeing. Yet, the housing market is broken and is failing too many people. Ultimately there is a crisis because housing is not available, affordable or appropriate for everyone that needs it, distorting places, increasing inequality and hampering growth.**

As planners, builders and enablers of building, and with duties to provide accommodation for the most vulnerable in society, councils are at the heart of their communities and must be at the heart of the solution.

## Renaissance in house building by local government

It is generally accepted that the country needs to build 230,000 to 250,000 homes a year to keep up with demand. The last time the country built more than 250,000 homes in a year, in the 1970s, local government built around 40 per cent of them. There is a need to build additional homes, in the right locations, that are affordable, of high quality and the right type. Councils are best placed to deliver this. This means supporting the industry to diversify and deliver, helping equip more local people with the skills to build homes, boosting employment and supporting small and medium sized builders to grow their business and deliver homes for communities.

For many households, high housing costs means cutting back on other outgoings, squeezing into smaller properties, or moving out of the area where they have built lives for themselves and their families.

For Government, it means greater pressure on housing benefit spending which is now well over £20 billion a year, accounting for 80 per cent of all public investment in housing.<sup>30</sup> Yet, last year the country built around 30,000 new affordable homes, the lowest number in 24 years, with many being priced at levels not affordable for many families.<sup>31</sup>

Rising rents make it increasingly difficult to buy a first home. Interest rates on mortgages have rarely been lower, but escalating house prices mean deposits for first time buyers are now well over 60 per cent of annual household incomes, up from just 1 per cent in the 1990s. Young people today are half as likely to be on the housing ladder than 20 years ago.<sup>32</sup> Their chances of ownership are increasingly determined by how fortunate their parents were in previous housing booms.

The last time the country built more than 250,000 homes, local government built 40% of them



The Government can support local government to build additional new homes by:

- removing borrowing for housing investment from contributing towards public sector debt, allowing the Housing Revenue Account borrowing cap to be lifted and providing financial flexibilities and a stable and sustainable long term framework for councils to build new homes, of all tenures, through delivery vehicles and housing revenue accounts
- building a new wave of different affordable housing options linked to a new definition of affordable housing as being of a cost that is 30 per cent of household income or less
- devolve housing and infrastructure funds to enable councils to join up investments that more efficiently build homes where there is unmet demand, for instance homes that are attractive to older people looking to 'rightsize'.

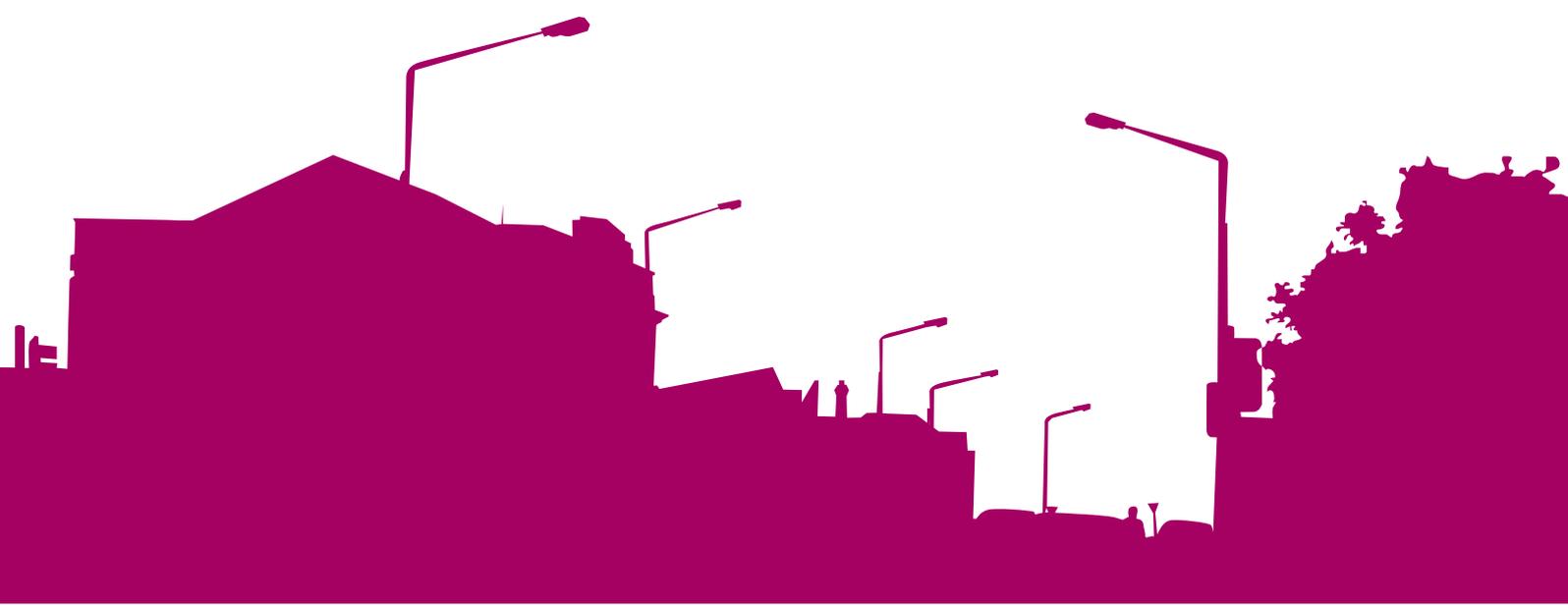
## End homelessness through prevention

Homelessness is increasing. Loss of tenancy now triggers a third of all new homelessness families as rents rise and reduce welfare assistance limits landlord capacity to provide for low-income households. In high cost areas, even working families are being impacted. The last six years have seen a 44 per cent increase in the number of homeless households needing accommodation and a 102 per cent increase in rough sleeping. Councils are currently housing 75,740 families including 118,960 children in temporary accommodation, at a net cost that has tripled in the last three years.<sup>33</sup>

Despite overall increasing rates of homelessness, local government is increasingly successful in preventing it. In 2015/16 more than 90 per cent of households helped by councils had their homelessness prevented.<sup>34</sup> However councils cannot tackle rising homelessness on their own, particularly as people most vulnerable to homelessness often need access to other services to overcome other challenges, such as mental health, addiction or domestic violence issues.

Alongside a strategy to build more affordable homes, the Government should act now to end homelessness by:

- applying a duty on all housing, health, justice, welfare, employment and family services partners to work with local government on local plans to end homelessness
- adapting welfare reforms by lifting the Local Housing Allowance freeze and re-linking it to rents
- increasing supply of supported housing
- reversing the application of a shared accommodation rate for single people under 35
- exempting temporary accommodation from the overall benefit cap
- incentivising private landlords and housing associations to work with councils to sustainably increase the supply of housing options for vulnerable low-income families, including temporary accommodation.



## Creating community value from land value

Uncertainty and a lack of transparency in viability assessments for new development can impact on the price that developers pay for land. This in turn can impact on viability negotiations with local government and affordable housing and infrastructure contribution requirements, as well as creating uncertainty in the land market.

This can mean the developer who makes the most bullish assumptions about the returns on their investment will outbid others to acquire sites at a price that makes delivering infrastructure, social housing, and fast build-out rates less viable. This transfers developers' risk onto the planning system and the community.

The planning system does not give local government any means through which to capture the increases in land value generated from granting planning permission. As a result, public agencies are discouraged from seeking innovations to purchase land on which to build homes as inflated land values resulting from the interest flows to landowners rather than into infrastructure or community services.

**Young people today are half as likely to be on the housing ladder than just 20 YEARS AGO**

The Government should support councils to find new sustainable investment in infrastructure and services by:

- establishing a clear, robust and transparent viability procedure providing developers with certainty about their infrastructure and social housing obligations ahead of purchasing land
- giving councils enhanced powers to intervene where build-out rates are unreasonably slow or have stalled, including enhanced Compulsory Purchase Order powers
- amending the Land Compensation Act to enable councils to acquire land at close to existing use value so that land value uplifts can be captured to invest in local services and infrastructure.

## Planning prosperous places

Councils have fewer resources and influence since the National Planning Policy Framework (NPPF) was introduced in 2012. House builders and local government are united in their concern that reduced resourcing limits local government's capacity to positively plan, in partnership with developers, in ways that can deliver more housing and prosperous places.

The erosion of local influence through national policy, for instance on permitted developments, Section 106 exemptions, and proposed home-ownership requirements, reduces the capacity for councils to respond to community need. This risks creating an adversarial relationship between communities and builders, rather than supporting council efforts to gain local support for new housing by ensuring that it is good quality, affordable and supported by services and infrastructure.



To commit to delivering new homes through the planning system, the Government must support local government in:

- resourcing an efficient, positive and proactive role of planning services to deliver homes by allowing councils to set planning fees locally and exploring how other services can support planning services where joint outcomes can be achieved
- creating stability and certainty in the planning system, restoring the full range of powers to local planning authorities that have been removed since the implementation of the new NPPF, making their implementation voluntary
- designing a new methodology for calculating objectively assessed housing need and a new housing delivery test in ways that do not force housing targets on local areas without sufficiently engaging local communities and local government.

Councils are providing temporary housing for **75,740** homeless families, including **118,960** children

# HEALTHY AND INDEPENDENT LIVES



## Local wellbeing

**There has been incredible progress in increasing the life span and improving health treatments over the last seven decades. But the 1948 NHS model, which largely treats sickness rather than promoting mental and physical health, wellbeing and independence, is no longer fit for purpose and is not meeting people's changing expectations. Whilst life expectancy has increased, a growing number of people are living longer with a range of complex long term conditions.**

Councils are clear that the long term solution for the financial and demographic challenges facing local government and the NHS is to invest in prevention and address the wider determinants of physical and mental health, with councils and health and wellbeing boards (HWBs) as the vehicles for driving this action forward.

Councils are uniquely placed to help improve people's physical and mental health and wellbeing throughout their lives. Particular council services have a central role to play, such as adult social care, public health, child and adolescent mental health services and health visitors. But other services such as housing, transport, leisure, parks and libraries all contribute to wellbeing in its widest sense. Getting these fundamentals right is crucial not only for physical health and wellbeing but also to tackle health inequalities, the growing tide of mental health problems in children and adults, and to support more cohesive and resilient communities.

Good public health has the potential to make a real and large-scale difference to our society. It prevents the development of physical and mental ill-health later in life, improves people's wellbeing and reduces pressures on other vital services such as social care and the NHS. Yet for all its potential, local authorities face a £331 million reduction to their public health budget, on top of a £200 million reduction announced in 2015.

The need to deal with the fragile financial state of NHS acute trusts has overshadowed other vital components of the health and care system, so resources are channelled into treating the symptoms of ill health in its most expensive settings rather than tackling the causes through preventative measures, early intervention and day to day support by primary, social and community services.

Good local public services are the essential bedrock for mental and physical health, wellbeing and resilience. If we are to make long term and sustainable improvements for our citizens, the Government needs to:

- properly value the benefits of population-level public health expenditure, which tend to be long term, and reverse the £200 million cut to the public health grant and cancel further planned reductions
- invest properly in prevention and early intervention: a Prevention Transformation Fund worth at least £2 billion annually would enable some double running of new investment in preventative services alongside 'business as usual' in the current system, until savings can be realised and reinvested into the system as part of wider local prevention strategies.



## Enabling choice and independence

Adult social care is a vital public service that supports people with physical and learning disabilities, those with mental health issues and older people and their carers to live their lives in the way they want. Yet too often the service is seen by decision-makers as an adjunct to the NHS, rather than a service of equal importance.

Sustained annual cuts to local government funding have fundamentally altered the social care landscape. The 2016 ADASS budget survey<sup>35</sup> reported that, in the six months previous to its publication, at least one home care provider in 48 separate areas and at least one residential or nursing home in 77 separate areas, ceased trading, affecting over 6,000 vulnerable individuals. Unmet need is growing, as is the strain on informal carers, and the workforce is overstretched with providers in some areas of the country struggling to recruit essential staff.

These consequences of long term underfunding, alongside smaller care packages and pressure on personal budgets, mean that councils are finding it more and more difficult to support people to live independent and fulfilling lives, giving them choice and control of their own care. This brings into question whether councils have adequate resources to meet their statutory duties under the Care Act.

The increased pressure on local authority adult social care spending contrasts sharply with the NHS. NHS budgets have been protected, with an additional £8 billion available in the current Spending Review period. There is also the promise of investment in buildings and technology.

In the short term, the 2017 Spring Budget announcement of additional one-off funding of £2 billion for adult social care was very welcome and will help protect vital services supporting older and disabled people and their carers. However, this funding does not fully deal with all short term pressures.

This year alone, there have been demographic and inflationary pressures of £1.1 billion, on top of ongoing pressure from the provider market of £1.3 billion, while only £1 billion of additional funding has been provided. We estimate that the gap facing adult social care by 2020, including the pre-existing pressure on provider market stability, is £2.3 billion.

The recent Queen's Speech referenced proposals for a consultation on social care. It is assumed this is confirmation of the Green Paper on the future of adult social care announced in the 2017 Spring Budget, which was a welcome recognition of the need to secure a solution to the adult social care question for the long term. This is an incredibly complex and contentious policy area for which there are no easy or universally popular answers.

The number of people aged 85 and over is projected to more than double, to reach **3.6 MILLION** by mid-2039<sup>36</sup>

Long term conditions account for over **50%** of all GP appointments and **70%** of days spent in hospital beds<sup>37</sup>

We urge the Government to use the Green Paper as a basis for a candid discussion with key stakeholders and citizens on how best to fund our future care needs, in particular the balance between individuals' and the state's responsibilities. It should consider the full range of options to share the risks of high care costs in later life effectively.

Local government has consistently supported a clear cap on care costs but not at the expense of the long term sustainability of adult social care. Debate is needed on the full range of options, but it is clear the care cap does not properly share the risk unless it is adequately funded, so more work is urgently needed to get additional funding into the system.

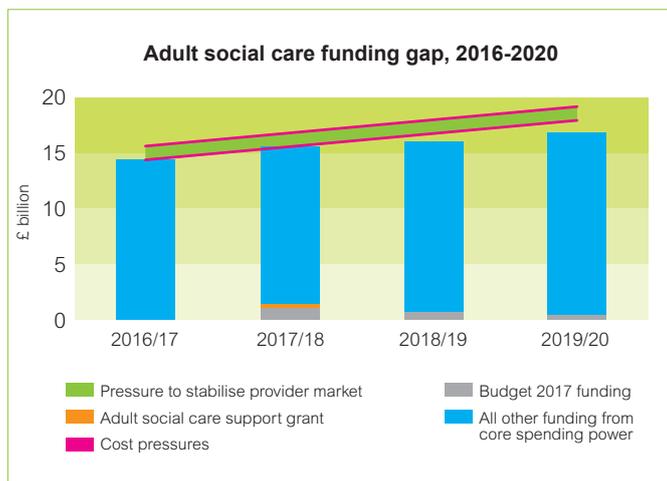
The first priority must be to address current underfunding and instability in adult social care in order to build a sustainable future. In particular the Government needs to bring forward proposals for stabilising the residential and domiciliary care markets, which in a growing number of places are on the brink of collapse.

Put simply, there is no point funding only part of the system and overlaying a set of structural reforms onto a system which is inherently and dangerously unstable.

If the Government wishes to focus the Green Paper on older people, this should not be to the exclusion of the many and growing number of younger adults that rely on adult social care for their independence and wellbeing.

The Government has indicated that the Green Paper will also address broader system-wide issues to improve the quality of care and reduce variation in practice. We welcome the commitment to ensuring that the care system works better to support people but the focus of such work must not be disproportionately skewed towards adult social care's role in reducing hospital stays and delayed transfers of care.

Delays in transfer of care have undeniably increased over the last year, and it is right to address them. But the narrow focus by national bodies on delayed transfers of care attributable to adult social care ignores the fact that the majority of delays are still attributable to the NHS rather than social care. It gives a misleading impression that the primary purpose of adult social care is to reduce pressure on acute hospitals rather than being a vital service in its own right. Such a focus also draws attention away from what the NHS could do to reduce pressure on adult social care. Incontinence services, stroke rehabilitation, NHS Continuing Care and district nurses have all faced significant reductions that increase pressure on adult social care.



Estimates suggest there were **850,000 PEOPLE** living with dementia in the UK by 2015 and that dementia cost the UK at least **£26 BILLION** a year<sup>38</sup>

The economic value of the contribution made by carers in the UK is **£132 BILLION** per year, almost double its value in 2001 (**£68 BILLION**)<sup>39</sup>

These issues must be addressed as an urgent national priority for the Government. It should:

- Close the projected funding gap facing adult social care by 2020.
- Address the immediate pressures, in particular the pressures on care providers, and put in place measures to stabilise the market. To help toward this the funding announced in the Spring Budget should be put into councils' baselines so it can be counted on in all future years.
- Build in funding which manages demographic and inflationary pressures in the long term, for all ages not just older people.
- Recognise the value of social care as an essential service to support people of all ages, not just as a factor affecting the NHS.
- Ensure local government plays a leading role in the design of the Green Paper; councils have essential experience of the issues facing adult social care at all levels of the service. We are committed to working with the Government to consider bold measures to share the risk of social care costs equitably between the state and the citizen.
- Achieve cross party support. Broadly similar proposals have been put forward by various commissions, inquiries and reviews into social care over the last decade or so. These previous solutions have ultimately fallen short because of an absence of political consensus. Local government has a key role to play in informing a workable, long term sustainable solution with cross-party consensus.

## The role of local leadership in improving coordinated care

Better working between health and social care has been a consistent policy ambition of both national and local government and the national and local NHS for many years, not as an end in itself but as a means of providing care centered around the person and improving health and wellbeing outcomes.

The Better Care Fund (BCF) has been the Government's main vehicle for driving integration. However, the experience of the BCF to date has been mixed. In some areas it has provided the necessary impetus for health and care to work together to provide joined up services to support people. In others that were already working well together, innovation and creativity in joining up care and support have been stifled by bureaucratic process and have been overtaken by national interventions – driven by NHS concerns – to focus on unplanned hospital admissions.

Local government could achieve more with the resources available if funding was channelled directly to councils rather than through complex arrangements such as NHS budgets and centralised assurance mechanisms.

Long term conditions (LTCs) are estimated to affect **15.4 MILLION** people in England<sup>40</sup>

NHS spending in 2016/17 was **£106.8 BILLION**, an increase of **£9.2 BILLION, 9.5%**, since 2010/11. In the same period, revenue spending on adult social care was **£14.4 BILLION** in 2010/11 and **£14.4 BILLION** in 2016/17<sup>41</sup>

Progress has been made and many areas have reformed services to be more based around people and outcome-focused. There is evidence that joining up and aligning services enables people to manage their health more effectively and maintain their independence, thereby reducing demand for inpatient or residential care and treatment. However, despite strong commitment from local government and its health partners to bring planning and services together for the benefit of our populations, there are still considerable barriers.

The bureaucracy tying up BCF funding (including the new funding for social care) is slowing down innovation in leading places and becoming harder and harder for local areas to navigate. It is not sustainable. We know that joint strategies agreed by NHS and local government are necessary to make best use of funding for health and care, and there are already statutory arrangements which would enable this. HWBs bring together political, clinical, commissioning and community leaders, and they should be given the freedom and flexibility to determine effective local strategies for joining up services.

**14%** of children aged 10-11 are overweight and a further **20%** are obese<sup>42</sup>

The full potential of the unique leadership position of councils and HWBs cannot be realised while the management of the NHS remains top down and the capacity of local health bodies to work closely with councils to deliver local solutions is so tightly constrained. The relationship between the local democratically accountable leadership of health improvement – HWBs – and the strategic partnership imposed by the NHS – sustainability and transformation partnerships (STPs) – needs to be rebalanced.

STPs have the potential to shape effective and strategic place-based approaches to addressing health and care challenges. They can help to embed a more robust local infrastructure joining up primary, social and community care with stronger links to the voluntary sector and to community resources. But with a few notable exceptions, so far they have largely served to reinforce the idea that dealing with acute care demand pressures is the priority, and that all wider-system activity should fall in line to support that priority.

In most areas, STPs have had little or no involvement of HWBs or local communities in shaping their plans.<sup>45</sup> Councillors have largely been bypassed by the leadership of STPs, but despite this they remain committed to working with health partners to agree a sustainable future for their health and care system. STPs have so far failed to build on the progress that HWBs have made in aligning priorities, establishing common ground, and understanding local need. It is now time to bring together the strategic vision of STPs with the local accountability of HWBs.

Every £1 spent on public health in UK saves average of £14<sup>43</sup>

To achieve true local accountability HWBs need real decision-making powers for commissioning health and wellbeing services. For this to be meaningful, the dominance of national performance monitoring by NHS England and NHS Improvement needs to be replaced by a system-wide national outcomes framework for the health and social care system, overseen by HWBs.

Whilst there is a need to address unwarranted variations in quality and safety and in health and wellbeing outcomes, the ever proliferating array of frameworks, assurance processes, reporting burdens and performance monitoring by national Government and arms-length bodies has consistently failed to reduce differences in outcomes.

Local variation in priorities, strategies and care models is essential to respond to the diversity of needs and characteristics of our communities. Local political, clinical, commissioning and community leaders are best placed to work together to determine their own priorities for improving health and wellbeing, improving services and the use of resources. They should have the responsibility for driving improvement and ensuring progress towards local priorities.

To build on the progress to date, further action is therefore needed. This means:

- ensuring our care and health system works for individuals by focusing on their needs, and not the needs of particular organisations or sectors
- ensuring that all commissioning of health and social care services is locally accountable through HWBs, which could be reconfigured with local agreement to match the footprints of combined authorities or other more strategic bodies where appropriate
- aligning STPs with HWBs and giving HWBs a legal duty to sign off commissioning plans, including plans for integration
- enabling all areas to move beyond the BCF and transfer money directly to councils to support adult social care and integration, overseen by HWBs
- a single outcomes framework for the health and care system and a system of performance management that is light touch and locally driven, in recognition that local leaders are better placed than national bodies to identify and address unjustifiable variation in safety, quality and outcomes.

**27%**

of adults in England are obese and a further 36% are overweight<sup>44</sup>

# LIVING IN A THRIVING COMMUNITY

**Everyone wants to live in a thriving community, but not every community or every resident feels they have benefited from the economic growth over the last twenty years. Poorer job prospects, lack of opportunities and higher levels of deprivation in some communities and groups have held back growth, impacted health, and fuelled issues around crime, violent extremism and social segregation.**

The Government's Industrial Strategy<sup>46</sup> provides a critical opportunity to drive the creation of a successful, world-leading economy, while the Government's ambition to drive growth and tackle the economic imbalances in different parts of the country reflects the ambition of all parts of local government.

Investors need certainty if they are going to invest in the long term success of an area. It is therefore important that Government builds on existing locally-led economic strategies and partnerships.

Councils are uniquely placed to drive inclusive economic growth that benefits all communities and all sections of society. They understand their local economies and can link together strategic infrastructure planning, land use planning and economic development. They have established strong sub-regional partnerships with business and public sector leaders. They are also able, through their stronger partnerships with fire and rescue services and the police, to provide the safe and stable communities which residents and businesses need to prosper.

## A safe environment

Councils and fire and rescue services play a fundamental role in protecting their communities from harm. They are at work on the frontline, day-in day-out, keeping residents and businesses safe.

But they do not do this in isolation. They work closely with the police and other statutory agencies, as well as the voluntary sector, and there is increasing collaboration, in particular between the fire and rescue service and the other emergency services.

The financial pressures faced by councils, fire and rescue services as well as the police and other agencies, means there will need to be greater collaboration and joint delivery of services in the future. Local areas need the flexibility to be able to design local structures and develop the local solutions that will address their specific issues. Fire and rescue services have set a leading example in their collaboration with the ambulance service to expand the remit of their 'safe and well' visits beyond immediate fire hazards that the elderly and vulnerable may be exposed to, to support the health and social care agenda.



If the fire and rescue service is to be able to meet local risks and provide the national resilience capabilities identified by Government, future resourcing and the application of any reductions to that resourcing need to be based upon a clearly understood risk assessment.

Unnecessary changes in governance and the resources required to affect them should be avoided unless there is a clear local willingness to transfer governance of the fire and rescue service to police and crime commissioners and there is a clear and compelling business case for doing so.

As the recent attacks in London and Manchester have demonstrated, the threat to communities from violent extremism remains significant. Councils have been working alongside the security services and the police for a number of years to protect communities, counter extremists and stop vulnerable individuals being radicalised. They have also built up considerable expertise in building community cohesion, as well as how to bring communities together in the aftermath of attacks and public emergencies.

The challenge facing national and local government is how to become even more effective at preventing individuals being radicalised to the point they are willing to commit acts of violence. We intend to convene a commission involving councils and others to explore this issue, including looking at how local authorities' ability to drive growth and improve skills can address the segregation and lack of integration in different areas and different communities which fuels resentment and makes it easier for extremists to radicalise individuals.

In addition, local government needs to be supported in sharing the expertise and good practice it has already accumulated, but the programmes that councils have developed will only work if they are adequately resourced.

The siloed approach across Whitehall departments to cohesion and integration, counter-extremism and preventing violent extremism needs to end, and be replaced with a coordinated and comprehensive approach. The work local authorities do in these areas is across a spectrum rather than distinct, discreet pieces of activity, and the lack of a joined-up approach centrally does not assist councils.

As members of community safety partnerships, councils have played a role in a 40% fall in crime rates since the peak of the 1990s<sup>48</sup>

Cycling journeys have increased by more than 6% in the last year alone<sup>52</sup>

To ensure local government can provide communities and businesses with the safe, secure and stable environment in which they can thrive and prosper, the Government should:

- continue 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
- commit to transferring governance of the fire service to the police and crime commissioner only where there is local agreement to do so
- prioritise the introduction of a Taxi and Private Hire Vehicle Licensing Reform Bill
- bring 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
- respond to the recommendations of the LGA's forthcoming commission on radicalisation and cohesion, by adequately resourcing local authorities' work to address community tensions and counter extremist activity, and give councils the flexibility to respond to local circumstances
- join up programmes across Whitehall departments to prevent people being drawn into terrorism, countering extremism and increasing integration in a way that works better for local authorities.

## The right transport provision

People's transport needs are complex and diverse. 277 billion vehicle miles were travelled on England's roads last year, two-thirds of which on local roads run by councils. Nationally, vehicle miles travelled increased by 2.2 per cent from the previous year and by over 18 per cent in the last 20 years.<sup>49</sup>

Councils are already dealing with record levels of traffic and are helping to manage flow and the demand for road space. Buses, community transport, cycling and walking remain vital alternatives for the one in four households that don't own a car.<sup>50</sup>

As overall traffic levels have continued to increase, so has congestion – the average speed on local 'A' roads is now 25 mph, a decrease of 1.2 per cent from the year before. And traffic levels are set to get worse – Department for Transport (DfT) forecasts show a rise of up to 55 per cent in traffic and 86 per cent in congestion levels by 2040.<sup>51</sup>

If left unchecked, such increases would result in our towns and cities being gridlocked and significant increase of traffic on rural roads, which have already seen increases in heavy goods and light goods vehicle traffic.

Recycling rates have improved by **400%** in the last decade<sup>47</sup>

Such a scenario can and must be avoided. Local government at all levels, including the new city region mayors and combined authorities, working with Sub-National Transport Bodies are grasping the opportunity to transform local transport services across their regions.

They are giving shoppers, employees, students, and elderly and disabled people genuine travel choices – where bus travel, light railway, cycling and walking are attractive and affordable options – leaving roads pollution free and clear for traffic for which there is no cost-effective alternative.

We need to urgently address the roads crisis we face as a nation. Our roads are deteriorating at a faster rate than can be repaired and it would take more than £12 billion before we could bring them up to scratch and clear the current repair backlog. Local authorities fix a pothole every 19 seconds and are proving remarkably efficient in how they use diminishing funding to serve motorists more effectively.

**277 BILLION**  
miles are travelled on England's roads every year<sup>49</sup>

To enable people to have the best access to jobs services and leisure, the Government should work with councils and act now to:

- fully fund the statutory concessionary fares scheme, which councils subsidise by at least £200 million each year and devolve to councils the existing Bus Services Operators' Grant in order to reverse the decline in bus journeys
- reinvest the equivalent of 2p per litre of existing fuel duty paid to the Treasury each year in fuel duty to help councils bring our roads up to scratch
- enable local leaders, working across combined authority and sub-national transport body areas, to save money, exploit innovations and deliver better outcomes by pooling resources and adopting common approaches to road maintenance and streetworks
- provide long term certainty of any national funding for transport, through allocation rather than expensive competitive bidding
- develop a diesel scrappage scheme in order to get more polluting diesel vehicles off the road. This is an immediate intervention that could be made which would accelerate the uptake of lower emission vehicles.

Mobile data traffic increased eight fold between 2011 to 2015<sup>58</sup>

The average download speed in rural areas was **12.2Mbps** in November 2016, compared to **40.0Mbps** in urban areas<sup>53</sup>

## Fast and reliable digital connectivity

To prosper in the digital age, residents and businesses need access to fast and reliable digital connectivity. It is a fundamental pillar of a successful economy, a key driver of growth, a creator of jobs and an enabler of public sector transformation.

Councils are best placed to understand the digital needs of their local areas. They have been at the centre of delivering the Superfast Broadband Programme, having committed over £730 million to extending connectivity to the hardest to reach. They work with mobile network operators to deploy mobile infrastructure in a way that balances the demand for improved coverage with the protection of the local environment. And they upskill residents, helping them to take part in digital society, receive public services online and succeed in today's workforce.

At the end of 2017, 95 per cent of premises will have access to superfast speeds<sup>54</sup> whilst 98 per cent will have 4G coverage indoors from at least one provider.<sup>55</sup> Despite these figures, there is still an unmistakable digital divide in the country, especially between urban and non-metropolitan areas. Currently 1.4 million premises cannot receive 10Mbps download speed, including a quarter of all rural premises. Over 130,000 rural SMEs receive less than 10Mbps and, for mobile, geographic 4G coverage in the UK's rural areas is only 37 per cent of landmass, compared to 89 per cent in towns and cities.<sup>56</sup>

Government must not lose sight of the needs of rural communities still struggling to receive a basic broadband and mobile service.

To ensure fast and reliable connectivity for all residents and businesses Government should:

- set out a renewed long term vision for the high-speed digital connectivity of non-metropolitan areas across the United Kingdom
- ensure the broadband universal service obligation guarantees upload as well as download speed, and implements a social tariff for those who would face undue hardship paying for broadband installation or ongoing contractual costs
- build on the success of the superfast broadband programme and taking account of the increased use of mobile telephony, work towards developing universal standards for mobile data to support growth and public service reform
- give local authorities statutory backing to ensure digital infrastructure provision is linked to new housing developments
- prioritise the trial of 5G in rural areas to better evidence its potential to drive growth and transform crucial public services like remote healthcare
- work with Ofcom to ensure mobile coverage data is accurate, up to date and reflects consumer experience so that mobile operators can be held to account on their coverage.



## A clean environment

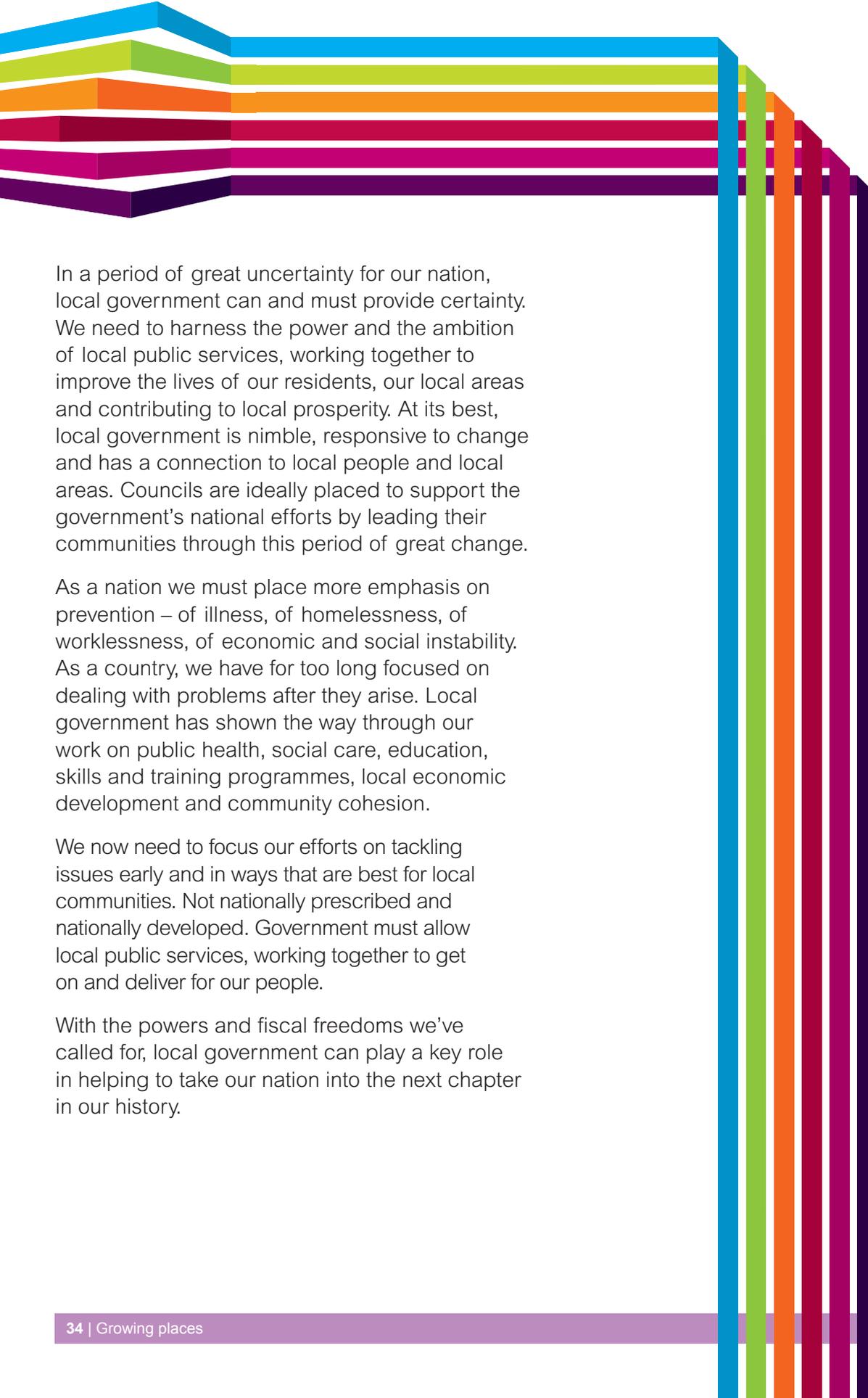
Waste and recycling is the most valued service any council provides. Used by all council tax payers and the third biggest spend item on a council's budget, these are services which are at the heart of local communities.

Since 2000, local government has made huge progress in delivering on waste and recycling targets. A doubling of spend by councils to £3.28 billion has seen recycling rates improve 400 per cent in the last decade, and a reduction in landfill per household by 78 per cent.<sup>57</sup> However, there are significant challenges ahead. Councils face financial pressures which impact on all services and hampers progress in meeting ambitious targets for recycling household waste and reducing the use of landfill.

For councils to be able to respond to these challenges, they must have:

- the freedom to collect waste in the way that is best suited to the needs of their residents
- a dialogue with the Government on the options for a future framework for the delivery of waste and recycling services following the UK decision to leave the European Union, which should focus on how this can deliver a redistribution of landfill tax to councils, support for councils to collect food waste and find a suitable market for its use
- a renewed national and local focus on ensuring that resources are kept in use for as long as possible and products are recovered and regenerated at the end of their service life
- an increase in the contribution of packaging producers in the UK, who currently pay less, at €20 per tonne of material, than producers in the majority of EU states.

# CONCLUSION



In a period of great uncertainty for our nation, local government can and must provide certainty. We need to harness the power and the ambition of local public services, working together to improve the lives of our residents, our local areas and contributing to local prosperity. At its best, local government is nimble, responsive to change and has a connection to local people and local areas. Councils are ideally placed to support the government's national efforts by leading their communities through this period of great change.

As a nation we must place more emphasis on prevention – of illness, of homelessness, of worklessness, of economic and social instability. As a country, we have for too long focused on dealing with problems after they arise. Local government has shown the way through our work on public health, social care, education, skills and training programmes, local economic development and community cohesion.

We now need to focus our efforts on tackling issues early and in ways that are best for local communities. Not nationally prescribed and nationally developed. Government must allow local public services, working together to get on and deliver for our people.

With the powers and fiscal freedoms we've called for, local government can play a key role in helping to take our nation into the next chapter in our history.

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