LGA BUDGET SUBMISSION

AUTUMN 2017

Contents

Executive summary

At a time of uncertainty, councils can support the nation, their local communities and the Government in its ambitions for us to take our place in the world. Following the launch of our Growing Places report,[1] the Local Government Association's (LGA) submission to the 2017 Autumn Budget sets out how, with the right funding and powers, councils can continue to lead their local areas whilst the Government gets on with negotiating the UK's exit from the European Union (EU). To do this, the Budget must bring forward proposals that give councils the powers and fiscal incentives they need to build their local economies, applying the principle of subsidiarity to decision making. With this approach, central and local government can together help to improve residents' lives, reduce demand for services and save money for the taxpayer.

English councils will have had to deal with £16 billion of reductions to Government grant funding by the end of this decade. 168 councils will not receive any revenue support grant from April 2019 and will have to contribute funding to the Government instead, fundamentally changing the relationship between local and national government. 97 per cent of councils have signed up to the four-year deal; however, economic and political circumstances have changed with the Local Government Finance Bill no longer going through Parliament and inflation higher than forecast.

In this submission we detail the unfunded cost pressures facing local government and why, with many local services facing significant funding gaps, it is vital that the Budget recognises that councils cannot continue without sufficient and sustainable resources.

1 www.local.gov.uk/growing-places

Services such as children's services, adult social care and homelessness are at a tipping point. Children's social care in particular is becoming the biggest area of financial challenge for social care authorities. Councils are also facing additional costs such as the pay pressures related to the introduction of the National Living Wage, paying for sleep-in carers and the unexpected, but essential, costs for replacing cladding systems following the Grenfell Tower tragedy.

Ensuring fair funding for local government, taking forward the further devolution of business rates and removing the significant central controls on council tax will also be important if councils are to be able to be support their residents, local businesses and the Government's ambitions for our country. Our submission makes positive recommendations on a range of policy areas with the intention of empowering all parts of local government – combined authorities, counties, districts, London boroughs, metropolitan and unitary authorities – to deliver economic growth and high quality public services. This includes much needed reforms to ensure the distribution of funding to councils is fair and transparent.

Dealing with the housing crisis is an urgent priority for both national and local government. The country needs to build many more homes to keep up with demand. New homes must be in the right locations, genuinely affordable for local residents, of a good quality and of the right type. They must be supported by adequate infrastructure and services and delivered quickly.

The Budget is an ideal opportunity for the Government to announce key policies, such as providing a sustainable long term financial framework for councils to invest in new homes that will help us meet the needs of the nation.

Alongside fiscal devolution and the devolution of powers to local areas, there is also a clear need to reform public services. Councillors and councils are leaders of their places and know their areas and their residents' needs. As the most trusted part of the public sector[2], local government at its best provides strong leadership that ensures the country has safe and thriving communities.

A national, one-size-fits-all economic policy needs to be replaced by more local decision-making which will empower communities to make their economies resilient and growth inclusive. This is why further devolution remains vital in empowering councils to join up public service investment locally whilst continuing to provide dynamic leadership to their local areas.

To help achieve the country's aspirations to build the economy of the future, it is essential that the £8.4 billion of EU funding to local areas is replaced as part of a locally-led successor to EU regional aid. This money is vital to create jobs, support small and medium enterprises, deliver skills and boost local growth in all types of areas across the country. It is crucial that through Government policies such as the Industrial Strategy we continue to invest in all areas to ensure the nation thrives.

Taken together, our proposals provide a road map to empower councils to get on with delivering the growth, services and support that residents tell us they want, whilst also supporting central government, businesses and charities in tackling the long term structural problems that now need immediate attention. Whether it is building new homes, attracting inward investment, providing the skills our residents require or protecting the vulnerable, local government is best placed to provide leadership and positive action in our communities across the country.

Local government has a proven track record of delivering solutions. Given new funding and fiscal freedoms, we can continue to improve the quality of life of the nation. Without this new money and freedoms councils will struggle to continue to support economic growth and provide the public services residents value. A lack of funding for councils will have serious consequences in our communities. But with the right funding and powers, local government can play a vital role in supporting central government to deliver its ambitions for everyone in our country.

2 www.local.gov.uk/polling-resident-satisfaction-councils-february-2017

Funding sustainable services

KEY FACTS

- Local services face a funding gap of at least £5.8 billion by 2019/20.
- There is an immediate £1.3 billion pressure to stabilise the adult social care provider market today.[3]
- Between 2010 and 2020, local authorities will have seen reductions of £16 billion to core Government funding. Councils drew down more than £600 million in reserves in 2016/17.[4]
- More than 170,000 children were subject to child protection enquiries in 2015/16.[5]
- By 2025 there will be another 350,000 vulnerable or elderly people needing high levels of care.[6]
- In 2017/18 council budgets for the care and support of working age adults exceed budgets for care and support for older people by £1 billion while the reverse was the case in 2010/11.[7]
- 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.[8]
- Due to the range of services we provide, local government has a significant number of lower paid staff in lower skilled roles, leading to a more significant impact of the National Living Wage than other parts of the public sector.

KEY PROPOSALS

- The Government should meet the £5.8 billion funding gap facing existing local services by 2019/20.
- The immediate £1.3 billion pressure to stabilise the adult social care provider market must be met today, either through further business rates retention or grant funding.
- Beyond current services, other unfunded pressures facing local government, such as costs of essential refurbishing of council-owned tower blocks to reduce their fire risk or pay pressures due to the National Living Wage increases and national public sector pay policy, should be met by the Government in full.

3 Growing Places, LGA 2017
4 LGA analysis of DCLG statistics of local authority revenue expenditure www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing
5 Department for Education (2016) Characteristics of Children in Need: 2015 to 2016 available at: www.gov.uk/government/statistics/characteristics-of-children-in-need-2015-to-2016
6 www.ncl.ac.uk/press/news/2017/08/cfasresearch/
7 LGA analysis of DCLG statistics of local authority revenue expenditure www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing
8 Live tables on homelessness, DCLG, 2017

Current services

Local government provides vital services to residents. Very often it is those who are most vulnerable and need support across a range of services to improve life chances that rely on local services the most. The fact that councils deliver more than 1,300 various statutory duties and responsibilities demonstrates how much we do as a sector.

As the most efficient part of the public sector, councils have played their part in reducing the national deficit. According to the Association for Public Sector Excellence, UK local government's spending as a share of the economy is falling sharply. In 2010/11, UK local government's current expenditure accounted for 8.4 per cent of the economy. By 2015/16, it had fallen to 6.7 per cent. By 2021/22, it will be down to 5.7 per cent.[9]

Overall, English local authorities will have seen reductions of £16 billion to core central government funding during the course of this decade.[10] By 2019/20, more than half of all English councils, including three quarters of district councils, will no longer receive the revenue support grant.

They will also have to pay the Government a contribution from their other income. Wherever possible this is being achieved through efficiency savings and finding new ways of generating resources. However, most recent statistics show that councils have drawn down more than £600 million from their unringfenced reserves in 2016/17 alone.[11] Use of reserves is a one-off solution that merely buys time. It does not address the systemic underfunding that authorities face.

Combined with our assessment of potential future increases in demand for services as well as costs of delivery, we estimate local authorities are facing a funding gap of £5.8 billion by the end of the decade as well as a £1.3 billion pressure to stabilise the adult social care provider market today.

To ensure local government can continue to deliver vital services, we call for the Government to:

- Meet the £5.8 billion funding gap facing existing local services by 2019/20.
- Meet £1.3 billion pressure to stabilise the adult social care provider market today either through further business rates retention or grant funding.

We discuss these pressures in more detail below.

Table 1. Funding gap for existing local services by 2020

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 adult social care provider market)	2.3
Homelessness and temporary accommodation	0.2
Other services funded from council core spending power	2.4
Apprenticeship levy	0.2
Total	**7.1 (£5.8 billion funding gap by 2019/20 + £1.3 billion to stabilise the adult social care provider market)**

9 www.apse.org.uk/apse/index.cfm/research/current-research-programme/redefining-neighbourhoods-beyond-austerity/
10 Growing Places, LGA 2017

11 Local Authority Revenue Expenditure and Financing: 2016/17 Outturn provisional statistics, DCLG

Children's services

Children's social care is being pushed to breaking point, with 75 per cent of councils having no choice but to overspend on their children's services budgets by more than half a million pounds each in 2015/16. Our latest analysis shows that collectively in that year, councils surpassed their children's social care budgets by £605 million in order to protect children at immediate risk of harm.[12]

Councils have faced an unprecedented surge in demand for children's social care support over recent years that is showing little sign of abating. More than 170,000 children were subject to child protection enquiries in 2015/16,[13] compared to 71,800 in 2005/06[14] – a 140 per cent increase in just 10 years. Meanwhile, social work as a career is increasingly seen as unattractive. Seventy four per cent of councils have recruitment and retention difficulties and 43 per cent are using agency staff.[15] This creates further cost pressures.

Taking into account these pressures, children's services are rapidly becoming unsustainable, with a £2 billion funding gap expected to open by 2020. Unless urgent action is taken to reduce the number of families relying on the children's social care system for support, this gap will continue to grow.

The Early Intervention Foundation's latest analysis puts the cost of late intervention at almost £17 billion a year, £6.2 billion of which falls directly on children's social care.[16] In addition, LGA analysis shows that Government funding for the Early Intervention Grant has been cut by almost £500 million since 2013, and is projected to drop by a further £183 million by 2020,[17] representing a 40 per cent reduction over the period.

Without this funding, councils have found it increasingly difficult to invest in the early help services that can prevent children entering the social care system, and help to manage needs within families to avoid them escalating.

While not part of our funding gap analysis, funding for schools is also increasingly inadequate. With school funding maintained at the same level in cash terms since 2015, the High Needs budget that finances Special Educational Needs and Disability (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.[18]

12 LGA analysis of DCLG statistics of local authority revenue expenditure www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing

13 Department for Education (2016) Characteristics of Children in Need: 2015 to 2016 available at: www.gov.uk/government/statistics/characteristics-of-children-in-need-2015-to-2016

14 Department for Education (2006) Referrals, Assessments, and Children and Young People on Child Protection Registers, England - Year ending 31 March 2006 available at: http://webarchive.nationalarchives.gov.uk/20130316120922/http://education.gov.uk/researchandstatistics/statistics/statistics-by-topic/childrenandfamilies/safeguarding/a00195335/referrals-assessments-and-children-and-young-peopl

15 LGA workforce survey

16 Early Intervention Foundation (2016) The Cost of Late Intervention available at: www.eif.org.uk/wp-content/uploads/2016/11/cost-of-late-intervention-2016_report.pdf

17 www.local.gov.uk/about/news/childrens-social-care-breaking-point-council-leaders-warn

18 www.gov.uk/government/statistics/special-educational-needs-in-england-january-2016

Adult social care

A recent report by Newcastle University found that between 1991 and 2011, the number of years people spend with substantial care needs has risen rapidly, from 1.1 to 2.4 for men and 1.6 to 3 for women. By 2025 there will be another 350,000 people with high care needs. This represents a serious challenge to a care and health system already under intense pressure.[19]

For many areas, the pressure of increased numbers of working age adults with a learning disability is greater than the pressure posed by increased numbers of older people. Councils are planning to spend approximately £1 billion more on adult social care services to working age adults than to older people in 2017/18, while the reverse was the case in 2010/11.[20] However, the situation at a local level is varied. Some councils do spend most on elderly residents – especially those with learning disabilities.

The latest ADASS Budget Survey shows that councils reported social care overspends of £366 million in 2016/17 and will have to make savings of £824 million in 2017/18.[21] The injection of an additional £2 billion for adult social care in the Spring Budget was a welcome step in the right direction. However, it is not sufficient to deal with all immediate and short-term pressures and the funding stops at the end of 2019/20. It was also followed by the introduction in July of further, more rigid and unrealistic target reductions on delayed transfers of care, and the possibility of sanctions if targets are not met. These in-year changes were deeply concerning and unacceptable.

The introduction of the adult social care council tax precept was also a welcome short-term measure.

However, extra council tax income will not bring in anywhere near enough money to alleviate the growing pressure on social care both now and in the future.

In addition, the social care precept raises different amounts of money in different parts of the country unrelated to need and adds an extra financial burden on already struggling households.

Funding for adult social care must be sufficient to meet all existing and future cost pressures, any new structural changes to the care system, and all duties under the Care Act 2014. Councils must be involved in decisions about how funding levels are determined and allocated.

Homelessness

Homelessness is increasing. 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 77,240 families including 120,540 children in temporary accommodation, at a net cost that has tripled in the last three years.[22] Non-payment of rent now triggers a third of all new homelessness. This is due to rents rising and reduced welfare assistance meaning that landlords struggle to provide for low-income households. In high cost areas, even working families are being impacted.

It is in this context that the Government is introducing new duties on councils to provide support to all single homeless people through the Homelessness Reduction Act 2017, which is due to be implemented from April 2018. It is paramount that councils are equipped with the funding to deliver these duties. We are concerned that £61 million new burdens funding that was announced is based on ambitious assumptions that might be impossible to deliver. The funding is likely to fall well short of what is needed to make the Act a success.

19 www.ncl.ac.uk/press/news/2017/08/cfasresearch/

20 LGA analysis of DCLG statistics of local authority revenue expenditure www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing

21 ADASS Budget Survey 2017

22 Live tables on homelessness, DCLG, 2017

Apprenticeship levy

The Government is aiming to create 3 million apprenticeships by 2020.[23] Whilst we support the ambition, the policy to achieve it unfortunately needs improvement. Local authorities across England have a target of 2.3 per cent of their workforce being apprentices by 2020 (this is an estimated 36 thousand people starting apprenticeships every year until 2020). This takes no account of the large numbers of part time roles, the declining workforce in the context of overall funding reductions, or the fact that our skill shortages are in service areas that currently have no apprenticeship standards.

To support the delivery of this target, the Government has set a levy of 0.5 per cent of payroll for employers with a pay bill of £3 million or more. For local government as a whole the levy costs £207 million a year. National policy should be revised to allow levy contributions to be planned for and fully pooled locally from the outset, and to ensure that any unspent levy (time limit of 24 months) can be retained and recommissioned locally as opposed to being returned to the Treasury.

Other cost pressures

It is important to note that our assessment of the funding gap relates to current costs and responsibilities and does not account for new costs that are out of local authority control or new burdens imposed through revised central government policy.

To meet other cost pressures, we call for the Government to:

- Provide sufficient funding to cover these new costs.

Local government pay and the National Living Wage

Due to the range of services we provide, local government has a significant number of lower paid staff in lower skilled roles. From 2010 onwards a four year pay freeze followed by largely 1 per cent basic pay uplifts has resulted in the National Minimum Wage (NMW) moving progressively closer to the lowest hourly rates of pay in local government. At one stage, the lowest spinal column point had to be adjusted on an emergency basis to comply with the NMW. Since then, the annual pay agreements have included additional uplifts to lower paid staff.

The introduction of the National Living Wage (NLW) with its 2020 target level means that the current local government pay spine is no longer sustainable because of the erosion of salary differentials between team members and their supervisors. The proposed solution is a new pay spine to be introduced, potentially in 2019, subject to agreement between employers and trade unions. The precise costs of assimilation to the new pay spine cannot be determined in advance of negotiations but there are no cost-neutral options.

For example, if the sector did nothing other than apply a 1 per cent pay increase up to 2020 and the NLW reached the current estimated rate of £8.75 per hour, then some 30,000 staff would be paid below the NLW rate. This pressure is disproportionate to local government (including school support staff) when compared to other areas of the public sector, such as hospitals. The assimilation costs of the new pay spine, as well as any implications of potential changes to central government's policy on public sector pay, should be addressed through additional resources.

23 Department for Business Innovation and Skills, 2015. Government kick-starts plans to reach 3 million apprenticeships. www.gov.uk/government/news/government-kick-starts-plans-to-reach-3-million-apprenticeships

Remuneration of sleep-in carers

Social care providers and local authorities relied on the NMW Regulations when calculating what to pay staff when they sleep at their workplace or in the home of a person who needs care (a practice called 'sleep-ins'). These specifically exclude time spent asleep for the purposes of calculating whether the minimum wage has been paid. However on 1 October 2016 the Department of Business, Energy and Industrial Strategy issued guidance that stated workers in many circumstances are entitled to the NMW or NLW for the entire time they are at work, even though they are asleep.[24] Several court rulings have supported this guidance and that providers should have been factoring in 'sleeping hours' when calculating whether they had been paying the national living wage or national minimum wage over the past six years. Government has also confirmed that sleep-in hours should be included in the calculation.

As a result HM Revenue and Customs is already undertaking enforcement activity (though there has been a temporary pause). Providers have therefore started to pay staff the national living or national minimum wage for sleep-ins and back-pay them with associated contributions for the past six years. While government has commissioned work to identify the scale of the issue, initial calculations by providers suggest the cost could amount to £400 million for backdating pay and up to £200 million a year in ongoing annual salary costs. Some providers are already increasing the charge to councils to pay for these additional costs, while others are contemplating administration and bankruptcy.

This is a new burden placed on councils as a result of a change in policy on the payment of the NLW and NMW. Government needs to ensure that councils and providers are funded to cover the costs they now face.

24 www.gov.uk/government/publications/calculating-the-minimum-wage

Grenfell Tower fire

After the tragic fire at Grenfell Tower in June, questions were raised about the possible role the cladding used at the building might have played in the spread of the fire. As a result checks were carried out over the summer to identify residential tower blocks which might have similar cladding in place. Subsequent fire safety testing of different types of aluminium composite cladding and insulation means that the cladding on 45 tower blocks owned by 15 councils will need to be removed and replaced.

Council Housing Revenue Accounts (HRA) were established with a set of financial restrictions 'based on assumptions made by Government about the rental income and expenditure required to maintain each council's council housing stock over 30 years'.[25] Government must provide appropriate funding for the necessary work. This is needed to avoid an impact on planned regular repair and maintenance works and the plans to build new much needed social housing.

25 Page 5 of www.gov.uk/government/uploads/system/uploads/attachment_data/file/6252/2077606.pdf

Local government finance reform

KEY FACTS:

- The value of business rates kept by the Government is estimated to be £13 billion by 2019/20. Local services face a funding gap of at least £5.8 billion by 2019/20 and a £1.3 billion pressure to stabilise the adult social care provider market today.
- Funding for local council tax support schemes will have been cut by almost £2 billion by the end of the decade since 2012.[26]
- The cost of the nationally prescribed council tax single person's discount is £2.6 billion.[27]
- It can cost up to £1 million to hold a council tax referendum on a bill increase of as little as 40 pence a week.[28]

KEY PROPOSALS:

- We would like to continue working with the Government on further retention of business rates, but the extra income should go towards meeting the local government funding gap of £5.8 billion by 2019/20.
- In addition the immediate £1.3 billion pressure to stabilise the adult social care provider market must be met today, either through further business rates retention or grant funding.
- As a result, further retained income from business rates should come without any additional responsibilities.
- The Fair Funding Review should not result in any local authority seeing its funding reduce. Instead, new funding baselines should be introduced through the additional resources provided by greater business rates retention.
- The Government should work with local government to stamp out business rates avoidance.
- Council tax should be made a truly local tax. There should be increased local control over discounts and and referendum limits should be abolished.
- Allow councils to continue developing new approaches to raising income commercially and shape public spending against local priorities. This includes full flexibility over local spending of the Apprenticeship Levy.

26 LGA analysis of local government finance settlement data.
27 Based on council taxbase 2016 statistics and applied to Band D council tax in 2017/18.
28 Based on a 2 per cent increase to average Band A council tax in 2017/18.

Further business rates retention

The announcement of the General Election stopped the joint work programme between the LGA and the Department for Communities and Local Government (DCLG) aimed at delivering further business rates retention by April 2019. This has provided an opportunity for both central and local government to reflect on the progress made to date and to consider next steps.

We remain committed to working with the Government to deliver further business rates retention. Our analysis suggests that most of the core components of reform can be achieved using existing primary legislation.

However, it is vital that any additional resources delivered through further business rates retention are used to fund the £5.8 billion funding gap facing local government by 2020 and the £1.3 billion injection needed to stabilize the provider market and deal with issues arising from the Fair Funding Review.

We are calling on the Government to allow the central share of business rates, expected to be in the region of £13 billion by 2019/20, to be retained by local government and used for the following:

- £5.8 billion to plug the funding gap facing local government by 2019/20.
- £1.3 billion immediately to stabilise the current adult social care market which could be achieved now by an increase in the local share.
- To ensure that no authority will be worse off due to a new fair funding formula at the point of implementation or during the transition.
- To take into account future service demand and resulting budget pressures.
- Funding of some current grants through further business rates retention.

Taking all of this into account would preclude any new or additional responsibilities being transferred to local government as part of the move to greater business rates retention. It may also mean that previous decisions about funding some existing grants through greater business rates retention need to be reconsidered given the other demands on the newly retained business rates.

We are however clear that further business rates retention may not be sufficient as the only measure to achieve sustainable funding for local services. Growth in business rates is unlikely to be enough to meet future inflation and demand pressures, in particular in demand-driven services such as social care and homelessness; this will continue to need to be addressed going forward.

It is also imperative the Government resolves the impact of appeals under the current and any future system of business rates retention, as this has had a huge impact on the sector. The Local Government Finance Bill would have dealt with this issue, as it introduced a power for central government to compensate councils for losses due to appeals. This power should be implemented and funded from the business rate income from properties on the central list. It is also critical that the huge remaining backlog of appeals from the 2010 revaluation is dealt with without delay.

The avoidance of business rates has become an increasing concern. Our estimates suggest that at least £230 million is lost due to business rates avoidance each year.[29] In its manifesto,[30] the Government committed to a review of business rates as a tax.

29 www.gov.uk/government/uploads/system/uploads/attachment_data/file/442614/business_rates_avoidance_summary_of_responses.pdf

30 https://s3.eu-west-2.amazonaws.com/manifesto2017/Manifesto2017.pdf

We would like to work with the Government on its review to:

- Build arrangements for business rates appeals to be compensated through business rates income the Government collects through the central list.
- Consider the impact of business rates on councils with a small number of large ratepayers in an area.
- Modernise the way business rates affect different ratepayers, to ensure that sectors such as online businesses make a fair contribution and that councils are given maximum flexibility on reliefs.
- Reinforce the stability of the tax and tackle the issue of business rates avoidance.
- Review the funding, performance and functions of the Valuation Office Agency in the context of the above.

Fair funding for councils and schools

Meeting the local government funding pressures set out above will only be effective if the funding is delivered to the right places.

The current system of distributing general grant funding among councils is no longer fit for purpose. With at least 15 different formulae and more than 120 variables within those formulae, the formula grant system introduced in the previous decade was incredibly complex even before the introduction of 50 per cent business rates retention and the changes to grant reduction methodology in the current four-year settlement. Today, it is no longer possible to clearly and transparently explain what contributes to the different levels of funding to individual local authorities, and councils across England regard the current arrangements as unfair.

We continue to work with Government on its Fair Funding Review, together with local authorities, to ensure that the results of the review are based on evidence, that all councils have a chance to contribute throughout the process and that the Government continues to consult with stakeholders throughout the whole period of the review.

As the review is looking to establish local authority funding baselines relative to one another, there is unavoidably going to be a degree of controversy attached to the end result.

Despite these challenges, we are calling for the review to:

- Ensure that no local authority sees its funding reduce as a result of the review. We strongly believe that the only way to achieve a shift to a new distribution mechanism is to make the change at a point when the quantum of resources is being increased, so as to ensure no authority is worse off due to the new formula at the point of implementation or during the transition. A shift to full retention of business rates without the addition of new responsibilities would make this possible.
- Deliver a simpler system of assessing relative funding needs that ensures that only indicators which have a material impact on distributions are used. All councils should be able to tell as easily as possible why their allocations are the way they are. This should not come at a cost to fairness or incentives to be more efficient and reduce demand for services.
- Carefully consider the basis on which relative ability to benefit from council tax is taken into account. Local authorities accept that council tax needs to be considered in the review, but we urge the Government to continue discussing with councils the various options that are available. This should include a discussion of the impact of local council tax support schemes.
- Set a clear time limit on transition from the current funding baselines to new ones, to avoid past situations where some areas never reached the allocations implied by the formulae.

To make a success of any new funding formulae, councils need greater and earlier certainty over annual figures. An ongoing multi-year finance settlement looking four years ahead each year would allow councils to make robust and efficient medium term financial plans. The annual provisional and final Local Government Finance Settlement needs to be announced early enough for councils to be able to plan their annual budgets properly. This applies equally to funding reductions and increases – planning for unexpected funding reductions can have a stronger negative impact on services, and the effectiveness of additional funding is reduced if councils do not have sufficient time to consider how it will be spent. In recent years annual settlements have been very late, with the most recent final settlement being announced in late February 2017.

We recommend to the Government that:

- The Autumn Budget, the draft local government finance settlement and the final local government finance settlement should be announced at least two months earlier than current practice.

Council tax

Council tax is subject to significant central control. This one-size-fits-all approach is out of date and does not result in fair bills for taxpayers. The size of a property is not necessarily a good measure of relative disposable income. We need to re-establish council tax as a local tax and allow councils to spread the burden of taxation more fairly.

In addition, the current system of referenda on council tax increases goes against the established relationship voters have with their council through the ballot box. Referenda are not necessary for any taxes set by central government on the grounds that the General Election provides politicians the mandate to set taxes for the length of the Parliament. It is perverse to not apply the same logic to democratically elected councillors.

The referenda also present exceptionally bad value for money, costing up to £1 million for an increase in council tax that might be as low as 40 pence per week.[31] Even if a local authority chooses to pursue a referendum, the rules of conducting a vote stop an informed and considered conversation about the choice from taking place before the day of the vote voting. In particular:

- There is no flexibility for the referendum question to be expressed in monetary and not percentage terms. This can lead to misleading impressions over the size of the increase in the tax.
- There is no flexibility on the date the referendum is held.
- Local authorities are not allowed to campaign or provide information about the referendum and its implications beyond the initial notice.

To make council tax fairer and more effective, we call on the Government to:

- Allow local authorities to vary the relative burden of council tax between different bands of property values. The current ratios are no longer reflective of the shape of local housing markets, which are markedly different in places across England.
- Allow councils to vary council tax discounts to make sure the tax system is fair to everyone according to local circumstances. A prime example is the single person's discount, worth 25 per cent of the total bill and applied to all households where there is only one liable occupant. This discount is applied regardless of their means to pay and it costs councils £2.6 billion each year.[32]
- Abolish council tax referendum limits, especially in the context of implications to the Fair Funding Review.

31 Based on a 2 per cent increase to average Band A council tax in 2017/18.

32 Based on council taxbase 2016 statistics and applied to Band D council tax in 2017/18.

Council tax support

Poorer residents often struggle to pay their council tax bill. Local authorities have been responsible for local council tax support schemes since 2013, but Government funding for those schemes will have reduced by almost £2 billion by the end of the decade.[33] As a result, councils now have to reduce budgets elsewhere or increase council tax subject to the referendum limit in order to provide the same level of council tax support to all recipients. This means that some council taxpayers are now funding council tax support for others. As a result of national conditions, in some cases those receiving local council tax support do not really need it as much as other people who are excluded from the system due to financial constraints faced by councils.

To ensure a fair system for council tax support, we are calling for the Government to:

- Remove the council tax support eligibility restrictions in order to rectify the challenges around fairness and sustainability of the support packages.

Other fiscal freedoms and capital funding

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. The UK is one of the most centralised economies in the western world, with HM Treasury controlling almost all taxation. Only council tax, which represents just 1.6 per cent of GDP,[34] is not set by central government and even changes in council tax levels have been constrained by Whitehall for over 25 years.

33 LGA analysis of local government finance settlement data.
34 Derived from OECD Revenue and Statistics Comparative Tables http://stats.oecd.org/Index.aspx?QueryId=21699

This figure is in stark contrast to our OECD competitors, with the United States, Canada, France, Germany, Italy, Japan and Spain averaging a local tax level of 9.2 per cent of GDP.[35]

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.

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.

To support local areas to drive their places forward, we are calling for the Government to:

- Publish a plan setting out the scope for the assignment of other national taxes to local government. This should also investigate the opportunity to generate other revenue locally.
- Allow councils to continue developing new approaches to raising income commercially.
- Commit to not ringfencing any funding, new or devolved, and allow local government to shape spending against local priorities. This includes full flexibility over local spending of the Apprenticeship Levy.

35 Derived from OECD Revenue and Statistics Comparative Tables http://stats.oecd.org/Index.aspx?QueryId=21699

Councils need to be able to source capital funding free from external restrictions. This includes being able to invest locally by accessing prudentially assessed borrowing easily. Any changes to the guidance on local authority capital and borrowing should not alter this fundamental point. The Housing Revenue Account (HRA) borrowing cap should be lifted and HRA borrowing removed entirely from contributing to the national public debt, to free councils from restrictions on borrowing to build homes. Councils should also be allowed to use 100 per cent of the receipts from Right to Buy sales to invest in new homes. Local authorities with no HRA should be able to access borrowing to develop housing if that would help meet local housing need. The flexible use of other capital receipts for revenue projects should be extended beyond 2020.

A recent National Audit Office report[36] 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. We want to see an urgent review of 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. Councils have the duty to make sure there are enough school places, so need to have the lead role in commissioning new free schools to make sure they provide places where they are most needed and where they do not destabilise existing good and outstanding schools.

36 Public Accounts Committee, Capital funding for schools, 57th Report of Session 2016-18.

Reforming public services

KEY FACTS:

- More than 30 councils across the country have improved their rating in recent years, even after Ofsted "raised the bar" for their children's services inspections in 2013.[37]
- Public health grant funding is being reduced by £531 million between April 2015 and April 2020.[38]
- The benefits of the fire service undertaking joint work with police, ambulance services and local authorities has the potential to deliver a return on investment of up to £14.40 per £1 invested.

KEY PROPOSALS:

- The LGA is offering to host and facilitate a first round of national cross-party talks on the future of adult social care in the interest of helping to secure agreement and consensus on a way forward.
- The Government should cancel future reductions to public health grant and return funding that was cut since April 2015.
- We call on the Government to devolve a proportion of the Department for Education's (DfE) £300 million budget for improvement and innovation in children's services to councils.
- Pay pressures in the fire and rescue service should be funded by the Government in full, alongside investment in new ways of working.
- The process for publishing statutory notices should be revised so that other, modern and financially viable communication channels can be used.

37 www.gov.uk/government/news/ofsted-publishes-report-on-childrens-social-care
38 www.local.gov.uk/about/news/sexual-health-services-tipping-point-warn-councils

Reforming adult social care

The LGA, alongside a range of partner organisations, has called for solutions to be brought forward urgently to tackle the crisis facing adult social care. Having made the points that social care needed an injection of immediate funding, and a long term solution that protects the support councils give to people, we helped secure an additional £2 billion worth of new funding in the Spring Budget 2017 from the Government.[39] This was a welcome step in the right direction and has allowed councils to deliver a range of key improvements and additional capacity this year. According to the ADASS Budget Survey 2017[40], nearly half this year's Improved Better Care Fund (iBCF) has been spent on meeting social care needs, such as purchasing additional reablement support.

The analysis highlights how funding can expand social care capacity in order to ease NHS pressures and enable more people to be discharged quickly and safely from hospital. Likewise, other councils are investing in preventative services, including telecare or hospital avoidance schemes such as rapid response teams, which mobilise to treat someone in crisis in their own home rather than in an accident and emergency ward.

The funding was not, however, sufficient to meet all unfunded pressures either short or long term. Respondents to the ADASS budget survey highlight that the funding is not enough to both offset planned cuts and deal with demographic and inflationary pressures. The need to find long term, sustainable solutions to the social care crisis remains urgent.

There is now agreement across the political parties both nationally and locally that social care is a vital service in its own right which has a crucial role to play in helping people of all ages to live fulfilling lives and remain independent as long as possible.

39 www.gov.uk/government/topical-events/spring-budget-2017
40 www.adass.org.uk/adass-budget-survey-2017

The LGA is offering to host and facilitate a first round of national cross-party talks in the interest of helping to secure agreement and consensus on a way forward. Any conversation will require fresh approaches to the roles and responsibilities of individuals in providing for their old age and an ambitious rethink of the role of the government (both local and national) in managing demand for, and meeting the costs of, adult social care.

To help develop a solution to tackle the adult social care crisis, we call for Government to use the Budget to:

- Urgently bring forward a cross-party review of adult social care to set out how the service will be sufficiently funded in the short and long term, and can continue to play its vital, distinct role in a complex health and care system.

Delivering an effective health and care system

Councils recognise the importance of reducing pressures on our hospitals, and are doing all they can to reduce delays in getting patients out of hospital and back into the community. We encourage all areas to look to implement the best practice of those areas with the lowest delays.

We also remain committed to the integration of health and care as the best way to ensure joined-up services deliver the outcomes residents need. However, the Government's main vehicle for driving integration, the Better Care Fund (BCF), has lost credibility and is no longer fit for purpose. Its predominant focus on reducing pressure on NHS acute services is detracting from local initiatives to support social care and stabilise the perilously fragile social care provider market. Local government can only deliver its crucial social care responsibilities effectively and cost-effectively if it is respected as an equal partner in the care and health system. It is also important local areas are given the necessary freedom to decide how best to allocate the BCF monies based on agreed priorities.

The £2 billion iBCF package, allocated in the Spring Budget 2017, was followed by the introduction in July of further, more rigid and unrealistic target reductions on delayed transfers of care, and the possibility of sanctions if targets are not met. These in-year changes were deeply concerning and unacceptable, particularly as councils had already made commitments locally on plans to spend this year's allocation. The threat of potential clawback of funding from authorities failing to meet these targets does nothing to add the certainty that is required in order to put in place and develop long term solutions.

We need a clear, consistent vision for our health and care systems which enables proper integration based on agreed local plans, accountable to Health and Wellbeing Boards. In the long term the NHS itself will only succeed if it is locally accountable and can operate effectively as part of a whole system of care and health, taking account of the role of prevention and public health, as reflected in the Five Year Forward View.

To ensure that health and care can be effectively integrated, we call for the Government to:

- Set out a new approach to the BCF which allows local areas to agree long term plans for integration, with funding for social care going directly to councils and any conditions set well in advance of each financial year.

Public health and prevention

As a country, we have for too long focused on dealing with problems after they arise. We must place an emphasis on prevention rather than cure as this is better for residents and the public purse. The growing number of people living longer with a range of complex long term conditions, along with increasing demand for services, means that councils will find it extremely challenging to maintain services at the current level.

Councils are clear that the long term solution to the financial and demographic challenges facing local government and the NHS is to invest in prevention, early intervention, community-based care and support. We also need to 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.

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.

Despite the potential benefits of public health services, local authorities face a £331 million reduction to their public health budget, on top of a £200 million reduction announced in 2015. Good local public services are the essential bedrock for mental and physical health, wellbeing and resilience.

To ensure long term and sustainable improvements for our citizens, we call for the Government to:

- Properly value the benefits of population-level public health expenditure, which tend to be long term, reverse the cuts to the public health grant and cancel further planned reductions.
- Invest properly in prevention and early intervention. A Prevention Transformation Fund worth £1 billion 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. LGA analysis suggests the financial return could be worth as much as 90 per cent after five years.[41]

41 Prevention: A Shared Commitment. LGA, 2015 www.local.gov.uk/sites/default/files/documents/prevention-shared-commitm-4e7.pdf

Children's services improvement

The way to improve children's services is to devolve funding for improvement and innovation to local areas. A more comprehensive improvement offer needs to be made available to the whole sector. This must provide a clearer focus on supporting all councils to deliver good or better children's services; the experience in delivering this improvement is already available within councils. It is vital that the full range of this experience is harnessed in the improvement offer made to councils, including the expertise of political and corporate leaders from across the sector.

To improve children's services, we call for the Government to:

- Devolve a proportion of DfE's £300 million budget for improvement and innovation in children's services to councils, to support a new improvement offer that is designed and led by the sector itself. Operating at both regional and national level, this new offer would encompass everything from regular 'health checks' and training for lead members and senior officers, to specific support for councils currently judged to require improvement.

This would help achieve the National Audit Office's aim of seeing a greater number of good or better children's services by 2020[42] and in turn help councils retain key staff and continue to manage the referrals to children's services well.

42 Children in need of help or protection, National Audit Office, 2016
www.nao.org.uk/report/children-in-need-of-help-or-protection/

Fire and rescue services

The catastrophic fire at Grenfell Tower demonstrated the importance of close collaboration between the fire and rescue service and its 'blue light' partners. In recent years the fire and rescue service has been expanding its collaboration with health and other partners to create a service that can also improve, and save, the lives of members of local communities from a medical perspective. This work has been trialled in a substantial number of fire authorities across England, covering a wide range of medical related interventions; from responding in advance of the ambulance service including to the most serious time-critical cardiac arrests calls to assisting the elderly who have fallen, and work relating to dementia, alcohol awareness and many other issues. An independent evaluation of such work indicated that the fire service response to time critical cardiac arrest incidents is over 90 per cent quicker than the ambulance service, thereby providing care sooner and in all likelihood leading to better patient outcomes in terms of survival and life expectancy. The report indicated a return on investment of up to £14.40 per £1 invested.[43]

Our proposals would help efficiency in terms of use of employee time within a risk based service, a greater incentive for the recruitment and retention of retained duty system firefighters and an opportunity to also broaden the type of applicant as we work hard to increase the diversity of employees.

This could be an excellent result for communities, the fire and rescue service, its partners and its employees. But how such wide-ranging collaboration is to be funded will be a key factor in securing permanence.

43 www.fbu.org.uk/sites/default/files/attachments/Broadening%20Responsibilities%20of%20FRS%20-%20Main%20Report%20-%20Final%20with%20Summary%20Fo....pdf

To ensure close collaboration between the fire service and its partners, we call for the Government to:

- Commit to work with us to ensure practical costs, for example, equipment, training and inoculations, are fully funded in order to ensure no detrimental impact on 'fire' related activities.
- Provide sufficient funding to ensure that fire service employees are fairly rewarded for such change.
- Not make any further reductions to fire service funding. Fire services are driven not by demand but by risk and the funding levels should reflect this.

Infrastructure for wellbeing

Our leisure centres, libraries, and other assets such as parks and green spaces all contribute to wellbeing. 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. They can act as magnets for visitors and help attract talented people to live and work in an area. But many of these services are suffering from a lack of investment.

Sport England estimates that the average life-cycle of sports halls and swimming pools is 25 years, but over 58 per cent of sports halls and 60 per cent of swimming pools are now over 20 years old. Of these, nearly a quarter have not been refurbished in 20 years.[44] This is putting at risk our ambitions to create a healthy, active nation. Sport England estimates that complete replacement of these facilities would cost over £1.5 billion,[45] although there are opportunities for refurbishment, rationalisation and co-location that could reduce this figure.

Our libraries were visited 225 million times in 2014/15 – more than visits to Premier League football games, the cinema, and the top 10 UK tourist attractions combined.[46] Uniquely among cultural institutions, libraries reach all parts of society irrespective of income, ethnicity, or age. However, the way people are using libraries is changing, along with what they need libraries to provide. Despite the continuing excellent service provided by staff and volunteers, many of our library buildings are not designed to meet today's community needs, let alone the needs of the future. We have seen some ambitious new designs for libraries realised, such as the Idea Store in Tower Hamlets, Millennium Library in Norwich, and Rochdale Central Library. These new buildings bring together a range of services in one place, from job centres to GP surgeries, to business support centres or gyms, performing as community hubs without compromising their function as a library.

Capital investment is needed to bring the benefits of this new approach to more communities.

To support local wellbeing we call on the Government to use the Budget to introduce:

- A £400 million investment in sports halls and swimming pools, to allow councils to address the most urgent issues and bring the core network of facilities up to the standard needed to support healthy, active communities.
- An investment fund to allow a network of flagship libraries to be constructed across the country, giving communities access to information, skills and business support through one trusted service.
- The details of the cultural development fund announced in the manifesto.

44 Figures are drawn from Sport England's Active Places data. www.activeplacespower.com/

45 Figures are based on costs for Affordable 4 court hall at £2.85m and Affordable 4 lane 25m pool at £3.43m www.sportengland.org/facilities-planning/design-and-cost-guidance/cost-guidance/

46 Libraries deliver: Ambition for public libraries in England 2016-2021. Leadership for Libraries Taskforce 2016. (P6) www.gov.uk/government/publications/libraries-deliver-ambition-for-public-libraries-in-england-2016-to-2021

Cyber security

In its National Cyber Security Strategy, published last November,[47] the Government set the vision of the UK in 2021 as secure, resilient to cyber threats, prosperous and confident in the digital world. We agree with this vision, as investing in cyber security must also be seen as an economic opportunity. We support the Government's goal of a self-sustaining pipeline of talent providing the skills to meet our national requirements across the public and private sectors.

In the 2015 Autumn Statement the Government also committed to investing £1.9 billion in cyber security. Part of this funding has been used to create the National Cyber Security Centre who are working with government, local government, health, business, industry and the finance sector to better understand and manage the risk of cyber-attacks. Individual councils, hospital trusts, schools, and housing associations have invested in a range of measures to protect their systems and data.

However, as demonstrated in the recent WannaCry ransomware attack, we are all subject to increasing levels of criminal and hostile cyber-attacks; therefore the LGA and local government needs to work with the National Cyber Security Centre to mitigate against such attacks. This will enable us to continue to share patient, resident and pupil information securely and efficiently.

The LGA is leading on a bid to Cabinet Office for funding for councils to build the sector's incident management capabilities to respond to cyber-attacks; this will require new funding to develop the skills and capacity of councils and the agencies leading on responses (including the Local Resilience Forums (LRFs) and the Warning Advice and Reporting Point (WARPs)), as well as to have the resources and necessary arrangements in place to work more effectively with local partner organisations.

47 www.gov.uk/government/publications/national-cyber-security-strategy-2016-to-2021

For example, when WannaCry affected NHS Trusts, some asked for IT security support from their neighbouring councils.

To build the sector's incident management capabilities, we call for the Government to:

- Support this bid and commit to working with the LGA through the Cabinet Office, the National Cyber Security Centre and DCLG to deliver this important support to councils and local partners, increasing our collective capacity to respond to future cyber-attacks.

Reforming public notices

The current legal requirement for councils to publish planning and licensing notices in local newspapers dates back to 1972 and is in effect a state subsidy to the newspaper industry. It disenfranchises millions of people who do not have access to important information about their local area, stifles growth for many small businesses who have to pay to advertise licensing changes and applications in local newspapers, and costs councils £26 million a year.[48]

We also know that this cost is likely to have increased since our last survey of local government as, in some areas, councils have seen the charges for publishing the notices rise by nearly double as a consequence of there being fewer local newspapers and less competition in the market.

In 2015 the DCLG ran a series of pilots, at a cost of nearly £1 million, to trial new ways of working between local government and local newspaper groups with the aim of finding alternative approaches to publishing statutory notices, such as using digital and online channels.

48 LGA research. There are a number of examples of the cost and one provided publicly by Lincolnshire County Council is available online: http://thelincolnite.co.uk/2016/06/cash-strapped-lincolnshire-councils-forced-to-spend-more-than-3-1m-on-printed-public-notices/

Unfortunately the Government's response to the pilots has not been published at the time of writing and we are no closer to the long overdue reforms.

We call for the Government to:

- Commit to publishing its response to the 2015 statutory notices pilots and provide a roadmap for reforming this outdated system.[49]
- Bring forward the legislation needed to end the requirement so that other, modern and financially viable communication channels can be used to publish statutory notices. This will help widen the access to the notices and increase people's engagement with decision-making that affects their local communities. It will also save councils and businesses significant amounts of money.

49 DCLG, Statutory Notice Pilots (2015). The pilots provided £950,000 of funding for 24 local pilot programmes as part of efforts to help councils and local newspapers bring their public information requirements into line with the modern media. Further information available online: www.gov.uk/government/news/new-wave-of-innovation-to-update-statutory-notices-for-21st-century

Inclusive economic growth

KEY FACTS:

- We need 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.
- Young people today are half as likely to be on the housing ladder as they were 20 years ago.[50]
- Over £23.5 billion of identified planned spending on supporting growth and regeneration is spread across 70 funding streams, managed by 22 government departments and agencies.[51]
- Failure to address our growing skills gap puts at risk up to 4 per cent of future economic growth – or a loss of £90 billion economic output, while the average worker will be £1,176 a year worse off.[52]
- Traffic congestion will cost the economy £307 billion between 2013 and 2030.[53]
- Only 37 per cent of the UK's rural landmass receives 4G mobile coverage compared to 89 per cent in towns and cities.[54]

KEY PROPOSALS:

- Provide councils with the financial flexibilities to build new homes by devolving funding, localising planning fees and removing the cap on HRA borrowing.
- Move from siloed growth funding pots to joined up funding based on place and led by councils and combined authorities.
- Replace vital EU regeneration funding with successor arrangements that fully enable local areas to set their own priorities.
- Unlock the power of fiscal devolution to improve economic growth by devolving the powers and funding to better deliver growth through investment in transport, skills and employment support, housing and digital connectivity to councils.
- Take active measures through the Industrial Strategy and other Government initiatives to encourage major economic development in areas outside of the capital so that they are recognised as viable alternative employment and living centres.

50 Building our homes, communities and future. LGA, 2016
51 LGA, 2016. Is the grass greener? Fragmented funding for growth 2016/17 [Shared Intelligence report]. Available at: https://local.gov.uk/sites/default/files/documents/Is%20the%20grass%20greener%20-%20fragmented%20funding%202016-17.pdf
52 LGA, 2017. Work Local: our vision for an integrated and devolved employment and skills service. Available at: www.local.gov.uk/sites/default/files/documents/WORK%20LOCAL%20FINAL%20REPORT%2005072017.pdf
53 Comes from INRIX INRIX and the Centre for Economics and Business Research http://inrix.com/press-releases/traffic-congestion-to-cost-the-uk-economy-more-than-300-billion-over-the-next-16-years/
54 Connected Nations, Ofcom, 2016

Following decades of investing in housing, infrastructure, skills and employment and promoting trade and investment, councils will continue to play a dynamic and pivotal role in the success of their local economies. The Autumn Budget provides an ideal opportunity for Government to formalise the role of local government in delivering the Industrial Strategy. It can place local leadership at the heart of its investment decisions to bolster inclusive economic growth and help create sustainable, cohesive communities.

Housing and infrastructure

Dealing with the housing crisis facing our nation is vital if we are to ensure that we have an inclusive society where all residents are able to benefit from economic growth. 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. Last year the country built the lowest number of affordable homes in 24 years.[55]

For many households, high housing costs mean cutting back on other outgoings, squeezing into smaller properties, or moving out of the local area. For Government, they impact growth and productivity, and add 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.[56]

Rising rents make it increasingly difficult to buy a first home, with saving up a deposit being the greatest barrier. Young people today are 50 per cent less likely to be on the housing ladder than 20 years ago;[57] their chances of ownership can be determined by how fortunate their parents were in previous housing booms.

New homes must be in the right locations, genuinely affordable for local people to either rent or buy, of high quality and the right type. Importantly they must be delivered quickly. They must also be accompanied by the necessary infrastructure and services, which support strong and healthy communities.

Councils are best placed to enable this, working positively with developers to build prosperous places. However planning departments are severely under-resourced, while local taxpayers are subsidising planning services by 30 per cent because nationally set planning fees do not cover the full costs.

To support local government to build additional new homes we call for the Government to:

- Re-establish self-financing from 2020, lifting the borrowing cap, and providing a sustainable long term financial framework for councils to invest in new homes, of all tenures, through Housing Revenue Accounts and other ventures.
- Redefine affordable housing as that costing 30 per cent of household income or less and building a new wave of different affordable housing options linked to this new definition.
- Devolve housing and infrastructure funds to enable councils to join up investments that more effectively target unmet demand, and at a minimum allowing all councils or any combination of councils to access all elements of the Housing Infrastructure Fund.
- Give councils financial tools to ensure that sites with planning permission get built within a reasonable time frame, such as charging developers council tax on unbuilt homes after a set period.
- Commit to no further increases in the new homes bonus (NHB) threshold for any council. The potential for future unexpected increases in the threshold is a concern for councils and potentially removes NHB payments from more councils. A commitment to no further increases for any council would provide much-needed

55 Live tables on affordable housing supply, DCLG, 2017
56 UK Housing Review, Chartered Institute of Housing, 2016
57 Building our homes, communities and future. LGA, 2016

certainty. In the longer term, the overall level of resourcing for council investment in housing and infrastructure, including the new homes bonus, should be reviewed to ensure an appropriate balance of funding and incentive in all areas.

- Rapidly progress the commitment to allow councils to increase planning fees by 20 per cent[58] and committing to allow every council the flexibility to increase them up to 40 per cent while testing a fair and transparent scheme of local fee setting.

Homelessness is increasing as housing becomes less affordable. Councils are now providing accommodation for more than 120,000 homeless children, and their net cost has tripled in three years.[59] Councils cannot tackle rising homelessness on their own; all national and local partners have to contribute.

Alongside a strategy to build more affordable and sustainable homes, the Government must act now to end homelessness.

To help end homelessness we call for the Government to:

- Use its balance sheet to make cheaper finance available to councils seeking to acquire homes for the use of homeless households at scale.
- Lift the Local Housing Allowance (LHA) freeze, reversing the application of a shared accommodation rate for single people under 35, linking the allowance to the change in rent levels, and reconsidering plans to apply the LHA rate to social housing from 2019
- Provide incentives for private landlords to house homeless households and ending the prohibition in Buy-to-Let mortgages of letting properties to households in receipt of housing benefit or Universal Credit.
- Exempt temporary accommodation from the overall benefit cap.
- Commit to providing sufficient funding for the Homelessness Reduction Act, should the review of implementation find that the funding is insufficient.
- Provide funding certainty for existing and future supported housing.

Growth and EU funding

Councils know their communities best, invest billions of pounds in supporting their local economies and are already seen as leaders of the places they serve. They have a democratic mandate to ensure that investment in growth meets the needs of tax-payers and local people.

Independent research commissioned by the LGA reveals that more than £23.5 billion of identified planned spending on supporting growth and regeneration is spread across 70 funding streams, managed by 22 government departments and agencies,[60] each with different objectives, timetables and rules. This makes it difficult to join up interventions, achieve economic growth and improve productivity and risks being wasteful.

To support investment in growth, we call for the Government to:

- Join up national and local investment in growth and infrastructure, and pool and devolve this funding to local authorities. This will enable business leaders of Local Enterprise Partnerships to focus on providing hard-edged strategic business advice and influencing national economic strategy.

Following the EU referendum, one of the biggest concerns from councils is addressing the potential £8.4 billion UK-wide funding gap for local government that would immediately open up from the point we officially exited the EU, unless a viable domestic successor to EU structural funding is in place.

58 Housing White Paper, DCLG, 2017
59 Live tables on homelessness, DCLG, 2017

60 LGA, 2016. Is the grass greener? Fragmented funding for growth 2016/17 [Shared Intelligence report]. Available at: https://local.gov.uk/sites/default/files/documents/Is%20the%20grass%20greener%20-%20fragmented%20funding%202016-17.pdf

In its manifesto, the Government pledged to create a UK Shared Prosperity Fund to replace the money local areas currently receive from the European Union.[61] This EU funding has been vital to create jobs, support small and medium enterprises, deliver skills, and boost local growth across the country, in all types of areas. The LGA[62] is consulting on options to inform the design and delivery of the UK Shared Prosperity Fund which will provide an important contribution to the Government's own analysis and deliberations.

The successor arrangements for EU funding should fully enable local areas to set their own priorities, and enhance their capacities to adapt to unknown challenges that will need to be addressed after Brexit.

The Government should adopt the following principles for the successor scheme:

- It should be at least equal in value to the current full sum of EU structural funding for the 2014-2020 period.
- It should provide an opportunity for different and better arrangements that are more flexible and responsive to local needs in all types of areas.
- It should maximise integration with other funding streams for local growth.
- The funding should be distributed over a stable period.
- The funding should be easier to access and manage, with a simplified and more proportionate approach to financial management.
- There should be scope for experimental and creative approaches.

It should be accountable to people and place. Leaders of local government in England, Wales, Scotland and Northern Ireland have united around the call for further devolution to local communities across the UK after Brexit.

61 https://s3.eu-west-2.amazonaws.com/manifesto2017/Manifesto2017.pdf
62 Beyond Brexit: future of funding currently sourced from the EU

Devolution

Devolving powers and spending to local areas is a potent method of improving the productivity of the public sector. An IMF study suggests that a 5 per cent increase in fiscal decentralisation leads to a 2.9 per cent efficiency gain in public service delivery.[63] This suggests that devolution of 20 per cent in education and health alone would lead to savings of £26.4 billion, nearly halving the UK deficit and delivering services that better suit local needs and preferences.

We have championed local devolution, consistently making the case that public services are more effective when designed and delivered locally. Greatest economic and social benefit will be derived from investment in social and physical infrastructure when these are tailored to the needs of local businesses and communities. Comprehensive devolution to local government would bring together many of the proposals in this submission, freeing local leaders to use local and national resources to support better outcomes and drive up economic growth.

The election of six combined authority mayors in May 2017 provides a clear milestone in the Government's recent approach to English devolution. While central and local government can be justifiably proud of this progress there remains more to be done to deepen the extent of devolution to areas that have already secured deals, bed in new decision-making structures and to expand devolution to those areas yet to secure agreement. In particular, the opportunities and challenges of securing growth within the context of Britain's departure from the EU necessitate both an open engagement with citizens and a recognition that local government has the capacity to deliver at a time when Whitehall is naturally focused on the negotiating process.

63 Sow, M., & Ravafimahefa, I.F., 2015. Fiscal Decentralization and the Efficiency of Public Service Delivery [IMF working paper 15/59]. Available at: www.imf.org/external/pubs/ft/wp/2015/wp1559.pdf

During this process, international trade and investment will be a vital part of a strong, prosperous and inclusive economy, yet the current national framework for promoting exports and attracting overseas investment lacks strategic coherence and risks undermining Britain's ability to connect future success as an independent trading nation with the demands and opportunities of sub-national growth. Independent research commissioned by the LGA has identified over 80 programmes and projects designed to promote trade and foreign investment. Crucially, these operate with considerable overlap across a range of spatial levels, lacking focus and frequently misaligned with local economic priorities.

To enable local places to unlock economic growth we call for the Government to:

- Honour their commitments to existing devolution deal areas, specifically in relation to the following powers and funding:
  - the ability for combined authority mayors to raise an infrastructure levy to fund infrastructure projects that will promote economic development with an option to extend this to other areas in England
  - full devolution of agreed budgets, such as health and adult education, in accordance with the detail and timeframes set out in the existing devolution deals.
- Explore the case for devolution over housing, skills, infrastructure investment and fiscal flexibility, as well as those powers already available to devolution deal areas.
- Consolidate their vision for future devolution in those areas where a mayoral combined authority is neither appropriate nor necessary, including opening up devolution of housing and infrastructure funds and skills and employment support to all councils.
- Build on the learning from the successful Leading Places pilot programme led by the LGA, Higher Education Funding Council for England and Universities UK and the recommendations of the completed Science and Innovation Audits to support a national innovation fund to drive greater collaboration between universities and councils in the areas of research, growth and public service reform.
- Undertake a root-and-branch review of the existing national trade and investment landscape, its effectiveness, its alignment with devolution and place-based growth and its suitability for post-Brexit trade.

Employment and skills

Our employment and skills system is highly fragmented and centralised. Ten and a half billion pounds of employment and skills funding is commissioned by eight Whitehall departments or agencies across 20 different national schemes.[64]

Despite this investment, it fails to make a decisive impact on economic and social challenges and opportunities across and within local areas. Failure to address the resulting skills gap puts at risk up to four per cent of future economic growth – or a loss of £90 billion economic output, while the average worker will be £1,176 a year worse off.[65]

Work Local is the LGA's positive proposal for change. Led by combined authorities and groups of councils, in partnership with local stakeholders, Work Local areas will plan, commission and have oversight of a joined-up service bringing together advice and guidance, employment, skills, apprenticeship and business support around place for individuals and employers.

Analysis by the Learning and Work Institute reveals that across a medium sized combined authority, Work Local could each year result in 8,500 more people in work, 6,000 people increasing their skills, additional fiscal benefits of £280 million to the Exchequer and a benefit to the economy of £420 million.[66]

64 LGA, 2017. Work Local: our vision for an integrated and devolved employment and skills service. Available at: www.local.gov.uk/sites/default/files/documents/WORK%20LOCAL%20FINAL%20REPORT%2005072017.pdf
65 www.local.gov.uk/about/news/local-solution-12-million-caught-skills-gap-2024
66 www.local.gov.uk/sites/default/files/documents/WORK%20OCAL%20Interim%20report%20LW%20to%20LGA%20FINAL.pdf

The Industrial Strategy should use this place-based approach to drive up skills levels and productivity to ensure that all parts of the country are able to create the conditions for inclusive growth. Local industrial strategies should go hand-in-hand with steps towards a devolved skills and employment system.

We propose that Work Local should be rolled out in full to pathfinders by 2022.

As part of wider reforms, including devolving the Adult Education Budget and the Shared Prosperity Fund, we call for the Government to:

- Enable the co-design of apprenticeship support funding and pooling of public levy contributions to lay the groundwork for further devolution and integration.
- Open up the Health and Innovation Fund to locally-led bids and co-commission the Flexible Support Fund.
- Halt the National Careers Service contract renewal and devolve the funding to local areas.

Transport

The Department for Transport predicts that by 2040, there could be up to 55 per cent growth in traffic levels and up to 85 per cent more congestion.[67] If traffic is not managed effectively, congestion on our streets can lead to stalled growth and productivity, and worse still, toxic air and reduced quality of life. Reforms to the way Government funds and prioritises local transport will help ensure that our roads enable people to access jobs and services without the disadvantages of congestion and harmful emissions. The LGA's report 'A country in a jam: tackling congestion in our towns and cities'[68] highlights what councils are already doing but it is clear that through a series of simple policy and funding reforms Government could do much more to help councils ensure we have transport system that help delivers a modern industrial strategy.

67 Adult Education Budget and the Shared Prosperity
68 A country in a jam: tackling congestion in our towns and cities www.local.gov.uk/tackling-congestion

Public transport can play an important role – one bus has the potential to take 75 cars off the road.[69] However, bus use has continued to decline with a 12.3 per cent decrease in mileage on local authority supported services between 2014/15 to 2015/16 in England outside London owing to unfunded pressures on council services.[70] At the same time, private operators received nearly £200 million of public money through the Bus Services Operators Grant, an inefficient fuel duty rebate paid directly to operators by Government.[71]

A simplified and longer term approach to funding for local transport would also support the Government's industrial strategy through greater scope for efficiencies, innovation and business investment. Currently, whether it's for new transport infrastructure or fixing potholes councils have to spend scarce resources bidding for siloed national funding pots. This takes considerable upfront investment from authorities with no guarantee of results.

Rail investment also plays an important part. Identifiable National Infrastructure Pipeline spend suggests that the best funded region in England alone will receive more than three times the national average in rail investment from central government and more than ten times that of the worst funded region. We are concerned that central decision making regarding the allocation of this £38.9 billion[72] of investment to 2020 and beyond, as well as ad hoc shifts in policy priorities that may be seen to favour one region at the material expense of another, lack appropriate transparency and democratic scrutiny.

69 Greener Journeys work based on number of passengers and typical car occupancy www.greenerjourneys.com/news/bus-travel-third-less-stressful-car/
70 Table BUS0112 www.gov.uk/government/statistical-data-sets/bus01-local-bus-passenger-journeys
71 Details of payments here www.gov.uk/government/publications/bus-service-operators-grant-payments-to-english-operators-up-to-31-march-2016
72 https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2016/12/national-infrastructure-and-construction-pipeline-analysis.pdf

Regional bodies are keen to drive projects forward through greater devolution of powers and funding, and control over these levers of local growth should be expedited where appropriate to address historic and ongoing imbalances.

We welcomed the Government's announcement that they intend to create a major route network involving strategically important local roads.[73] This network will receive additional funding from the Government's road fund. The Rees Jeffrey Fund[74] estimates that there should be £1.5 billion available; however no details have been decided as yet. The Government intend to consult on these proposals but no date for seeking views has been set yet.

With regards to its recent air quality plan the Government needs to clarify how it will make it clear to consumers that we need to reduce the number of diesel vehicles in the coming years to improve air quality, in particular the future tax treatment of diesel vehicles.

To enable people to have the best access to a modern transport system, we call for the Government 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.
- Simplify and give local authorities the same long-term certainty in funding as enjoyed by Highways England and Network Rail and bring an end to constant bidding rounds for transport infrastructure.
- To announce details of consultation for the Major Roads Network and provide reassurance to councils of the Government's commitment to these proposals.
- Balance national investment in transport infrastructure via a more transparent and democratic allocation process to help drive local growth.
- Devolve necessary funding and powers to appropriate transport bodies where there is the demonstrable local drive and capacity to deliver key national infrastructure projects at a sub-national level.
- Publish a taxation plan for diesel vehicles alongside the Budget.
- Invest the equivalent of 2p per litre of existing fuel duty per year to tackle the £12 billion potholes backlog. Not dealing with potholes and accepting worse standards of roads would result in a more rapid deterioration of roads in the long term.

Digital connectivity

Fast and reliable digital connectivity is an increasingly critical component of a productive economy and engaged society. It also underpins the Government's ambitions in a number of areas, including the integration of health and social care, Paperless 2020, the Industrial Strategy and the UK Digital Strategy.

Further investment in new technologies, such as 'ultrafast' fibre to the premises and 5G, has the potential to see Britain take a world-leading role in digital infrastructure provision. We support the Government's commitment to the Universal Service Obligation, but a solution must be found to connect the projected 60,000 premises which will remain unaddressed by these proposals.[75]

Councils are best placed to understand the digital needs of their local areas and are ambitious to see fast and reliable digital connectivity extended through the most appropriate technology across the country.

73 Announced as part of transport investment strategy www.gov.uk/government/news/government-launches-transport-investment-plan-for-britain

74 A charity dedicated to promoting and securing better and safer roads.

75 www.gov.uk/government/uploads/system/uploads/attachment_data/file/634039/ANNEX_B_-_USO_consultation_Impact_Assessment.pdf

To ensure fast and reliable digital connectivity throughout the country, we call for the Government to:

- Implement a social tariff for those who would face undue hardship paying for broadband installation or ongoing contractual costs.
- Support local innovation infrastructure by reinvesting fines levied on mobile operators to provide funding for council plans to boost digital connectivity, with a particular focus on providing a superfast connection to 100 per cent of premises.

Gambling

We support Government's objective of striking the right balance between socially responsible growth in the gaming / betting shop industry and the protection of consumers and wider communities.

Councils are not anti-gambling. However, in relation to betting shops and category B2 gaming machines, we believe that the Gambling Act has not to date struck the right balance between freedom for businesses to develop as they wish and the concerns and needs of local communities. This is in contrast to other areas of the Gambling Act, where stakes are significantly lower and there is greater control over the growth of premises, as well as in contrast to other areas of licensing legislation. This is something that we believe should be addressed.

To ensure a balance between allowing businesses to develop and the concerns of local communities, we call for the Government to:

- Reduce maximum stakes on category B2 gaming machines to £2. This is because the current maximum stake of £100 is significantly out of line with the maximum amounts that can be staked on other types of gaming machine, and because there is credible evidence that these machines may be particularly addictive and linked to anti-social behaviour and crime in betting shops.

Annex: list of all proposals in the submission

Local service funding gap
The Government should meet the £5.8 billion funding gap facing existing local services by 2019/20.
The Government should meet the £1.3 billion pressure to stabilise the adult social care provider market today either through further business rates retention or grant funding.

Other funding
Revenue
Beyond current services, other unfunded pressures facing local government, such as costs of essential refurbishment of council-owned tower blocks to reduce their fire risk or pay pressures due to the National Living Wage increases and national public sector pay policy, should be met by the Government in full.
Devolve a proportion of DfE's £300 million budget for improvement and innovation in children's services to councils, to support a new improvement offer that is designed and led by the sector itself. Operating at both regional and national level, this new offer would encompass everything from regular 'health checks' and training for lead members and senior officers, to specific support for councils currently judged to require improvement.
The Government should cancel future reductions to the public health grant and return funding that was cut since April 2015.
Pay pressures in the fire and rescue service should be funded by the Government in full, alongside investment in new ways of working.
Invest properly in prevention and early intervention. A Prevention Transformation Fund worth £1 billion would enable some double running of new investment in preventative services alongside 'business as usual' in the current system. LGA analysis suggests the financial return could be worth as much as 90 per cent after five years.
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.
Commit to providing sufficient funding for the Homelessness Reduction Act should the review of implementation find that the funding is insufficient.
Devolve to councils the powers and funding to better deliver growth through investment in transport, skills and employment support, housing and digital connectivity.

Capital
Replace vital EU regeneration funding with successor arrangements that fully enable local areas to set their own priorities.
Invest the equivalent of 2p per litre of existing fuel duty per year to tackle the £12 billion potholes backlog.
An investment of £400 million in sports halls and swimming pools to allow councils to address the most urgent issues and bring the core network of facilities up to the standard needed to support healthy, active communities.
Support for the bid to the Cabinet Office for funding for councils to build the sector's incident management capabilities to respond to cyber-attacks and for Government to work with the LGA through the Cabinet Office, the National Cyber Security Centre and DCLG to deliver this important support to councils and local partners, increasing our collective capacity to respond to future cyber-attacks.
Join up national and local investment in growth and infrastructure; pool and devolve this funding to local areas. This will enable business leaders of Local Enterprise Partnerships to focus on providing hard-edged strategic business advice and influencing national economic strategy.
Devolve housing and infrastructure funds to enable councils to join up investments that more effectively target unmet demand.
Provide funding certainty for existing and future supported housing.
An investment fund to allow a network of flagship libraries to be constructed across the country, giving communities access to information, skills and business support through one trusted service.
The Government should publish the details of the cultural development fund announced in the manifesto.
Support local innovation infrastructure by reinvesting fines levied on mobile operators to provide funding for council plans to boost digital connectivity.

Changes to the financial system

On business rates (and retention):

- We would like to continue working with the Government on further retention of business rates, but the extra income should go towards meeting the local government funding gap of £5.8 billion by 2019/20 and the £1.3 billion pre-existing pressure to stabilise the adult social care provider market.
- Further income from retained business rates should come without any additional responsibilities.

We would like to work with the Government on its review of business rates to tackle business rates appeals, avoidance, contribution from sectors such as online businesses, impact on areas with a small number of large ratepayers and the funding, performance and functions of the Valuation office agency.

As part of the Fair Funding Review:

- Ensure that no local authority sees its funding reduce as a result of the Review. A shift to full retention of business rates without the addition of new responsibilities would make this possible.
- Deliver a simpler system of assessing relative funding needs that ensures only indicators which have a material impact on distributions are used. All councils should be able to tell as easily as possible why their allocations are the way they are. This should not come at a cost to fairness or incentives to be more efficient and reduce demand for services.
- Carefully consider the basis on which relative ability to benefit from council tax is taken into account. Local authorities accept that council tax needs to be considered in the review, but we urge the Government to continue discussing with councils the various options that are available. This should include a discussion of the impact of local council tax support schemes.
- Set a clear time limit on transition from the current funding baselines to new ones, to avoid past situations where some areas never reached the allocations implied by the formulae.

An ongoing multi-year finance settlement looking four years ahead each year would allow councils to make robust and efficient medium term financial plans.

The Autumn Budget, the draft local government finance settlement and the final local government finance settlement should be announced at least two months earlier than current practice.

Council tax should be made a truly local tax by:

- Allowing local authorities to vary the relative burden of council tax between different bands of property values.
- Allowing councils to vary council tax discounts to make sure the tax system is fair to everyone according to local circumstances.
- Abolishing council tax referendum limits.

Council tax support eligibility restrictions should be removed to rectify the challenges around fairness and sustainability of the support packages.

The Government should publish a plan setting out the scope for the assignment of other national taxes to local government. This should also investigate the opportunity to generate other revenue locally and allow councils to continue developing new approaches to raising income commercially.

There should be a commitment to not ringfencing any funding, new or devolved, and powers for local government to shape spending against local priorities.

Councils need to be able to source capital funding free from external restrictions. This includes being able to invest locally by accessing prudentially assessed borrowing easily. Any changes to the guidance on local authority capital and borrowing should not alter this fundamental point.

We want to see an urgent review of 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.

On housing:

- Re-establish self-financing from 2020, lift the borrowing cap, and provide a sustainable long term financial framework for councils to invest in new homes, of all tenures, through Housing Revenue Accounts and other ventures.
- Give councils financial tools to ensure that sites with planning permission get built within a reasonable time frame, such as charging developers council tax on unbuilt homes after a set period.
- Commit to no further increases in the NHB threshold. The potential for future unexpected increases in the threshold is a concern for councils and potentially removes NHB payments from more councils. A commitment to no further increases for any council would provide much-needed certainty. In the longer term, the overall level of resourcing for council investment in housing and infrastructure, including the new homes bonus, should be reviewed to ensure an appropriate balance of funding and incentive in all areas.
- Rapidly progress the commitment to allow councils to increase planning fees by 20 per cent and commit to allowing every council the flexibility to increase fees up to 40 per cent while testing a fair and transparent scheme of local fee setting.

On homelessness:

- Use the balance sheet to make cheaper finance available to councils seeking to acquire homes for the use of homeless households at scale.
- Adapt welfare reforms by lifting the Local Housing Allowance (LHA) freeze, reversing the application of a shared accommodation rate for single people under 35, linking the allowance to the change in rent levels, and reconsidering plans to apply the LHA rate to social housing from 2019.
- Provide incentives for private landlords to house homeless households and ending the prohibition in Buy-to-let mortgages of letting properties to households in receipt of housing benefit or Universal Credit.
- Exempt temporary accommodation from the overall benefit cap.

On devolution:

- Honour Government's commitments to existing devolution deal areas, specifically in relation to the following powers and funding, these being:
  - the ability for combined authority mayors to raise an infrastructure levy to fund infrastructure projects that will promote economic development with an option to extend this to other areas in England
  - full devolution of agreed budgets, such as health and adult education, in accordance with the detail and timeframes set out in the existing devolution deals
- More widely, explore the case for devolution over housing, skills, infrastructure investment and fiscal flexibility, as well as those powers already available to devolution deal areas.

On implementing Work Local[76]:

- Enable the co-design of apprenticeship support funding and pooling of public levy contributions to lay the groundwork for further devolution and integration.
- Open up the Health and Innovation Fund to locally-led bids and co-commission the Flexible Support Fund.
- Halt the National Careers Service contract renewal and devolve the funding to local areas.

76 www.local.gov.uk/work-local-our-vision-employment-and-skills

On transport:

- Simplify and give local authorities the same long-term certainty in funding as enjoyed by Highways England and Network Rail and bring an end to constant bidding rounds for transport infrastructure.
- Balance national investment in transport infrastructure via a more transparent and democratic allocation process to help drive local growth.
- Devolve necessary funding and powers to appropriate transport bodies where there is demonstrable local drive and capacity to deliver key national infrastructure projects at a sub-national level.
- Publish a taxation plan for diesel vehicles alongside the Budget.

Non-financial

Urgently bring forward a cross-party review of adult social care to set out how the service will be sufficiently funded in the short and long term, and can continue to play its vital, distinct role in a complex health and care system. The LGA is offering to host the first round of cross-party talks.

Bring forward the legislation needed so that other, modern and financially viable communication channels can be used to publish statutory notices. This will help widen the access to the notices and increase people's engagement with decision-making that affects their local communities. It will also save councils and businesses significant amounts of money.

Set out a new approach to the BCF which allows local areas to agree long term plans for integration, with funding for social care going directly to councils and any conditions set well in advance of each financial year.

Take active measures through the Industrial Strategy and other Government initiatives to encourage major economic development in areas outside of the capital so that they are recognised as viable alternative employment and living centres.

Redefine affordable housing as that costing 30 per cent of household income or less and building a new wave of different affordable housing options linked to this new definition.

Consolidate its vision for future devolution in those areas where a mayoral combined authority is neither appropriate nor necessary, including opening up devolution of housing and infrastructure funds and skills and employment support to all councils.

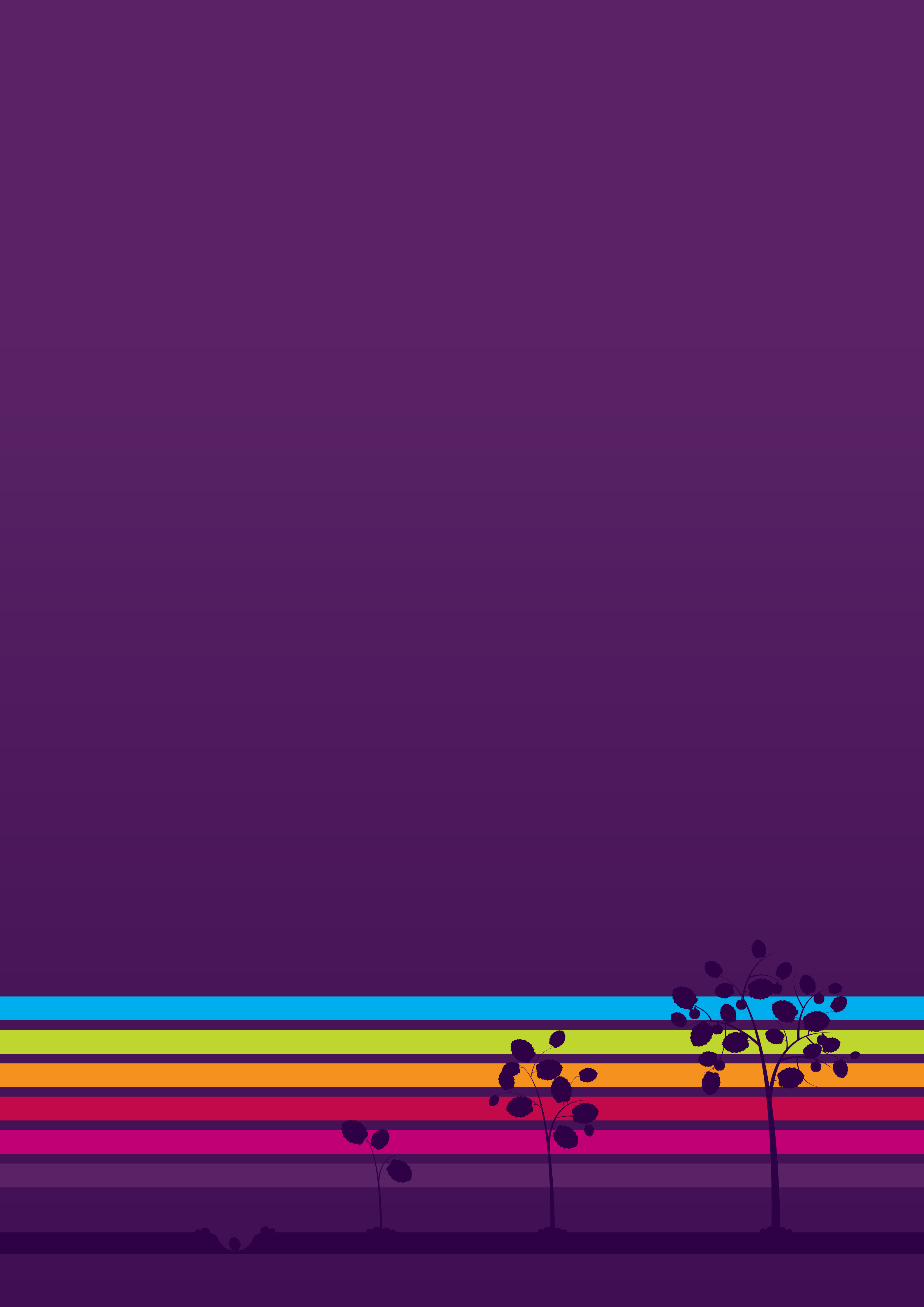
Build on the learning from the successful Leading Places pilot programme led by the LGA, Higher Education Funding Council for England and Universities UK to support a national innovation fund to drive greater collaboration between universities and councils in the area of growth and public service reform.

Undertake a root-and-branch review of the existing national trade and investment landscape, its effectiveness, its alignment with devolution and place-based growth and its suitability for post-Brexit trade.

Announce details of consultation for the Major Roads Network and provide reassurance to councils of the Government's commitment to these proposals.

Implement a social tariff for those who would face undue hardship paying for broadband installation or ongoing contractual costs.

Maximum stakes on category B2 Fixed Odds Betting Terminals should be reduced to £2.



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