

Autumn Budget 2024: briefing

31 October 2024

This briefing provides a summary of the key announcements in the 2024 Autumn Budget relevant to local government. [The full set of documents is available on the Treasury website.](#)

The LGA has published a [media statement responding to the announcements.](#)

Key messages

- It is encouraging that the Chancellor has announced £1.3 billion of extra funding, through the local government finance settlement, for the next financial year. Together with council tax flexibilities and locally-retained business rates, this will provide a real-terms increase in total core spending power in 2025/26 of around 3.2%. This will help meet some – but not all – of the significant pressures in adult and children’s social care and homelessness support.
- Other measures announced in the Budget for our sector, including the Extended Producer Responsibility, special educational needs and disabilities (SEND) uplift, Household Support Fund, Bus Service Improvement Plans funding, local roads maintenance, resource funding for homelessness pressures, and the Kinship Allowance pilot represent over £4.5 billion in additional funding.
- Extra funding for children with special educational needs and disabilities of £1 billion is positive but also now needs to be followed by fundamental reform of the SEND system, focussing on improving inclusion in mainstream settings and writing off councils’ high needs deficits. We are also pleased the Government is providing additional funding to continue children’s social care reforms and to pilot a Kinship Allowance and will set out plans to promote early intervention to help prevent children and families reaching crisis point in the first place.
- The Budget also includes some positive measures which we have called for, such as Right to Buy reform, childcare, and affordable housing, and funding of £500 million for potholes, which will help councils support early years, repair roads, build new homes and improve existing homes. A £1 billion extension to the Household Support Fund and Discretionary Housing Payments next year will also help councils provide welfare support to vulnerable households.
- The Government needs to give urgent clarity on whether councils will be protected from extra cost pressures from the increases to employer national insurance contributions.
- Only with greater funding certainty through multi-year settlements and more clarity on financial reform, can councils protect services, meet the needs of residents and work in partnership on the Government’s priorities, from social care to housing, inclusive economic growth and tackling climate change. We look forward to continuing to work in partnership with the Government to address these issues for councils and communities.

Public finances and general funding for local government

The Chancellor announced that:

- Total day-to-day spend by departments will increase by £28.2 billion from 2024/25 to 2025/26. A 5.8% increase in cash terms. (*Page 37, Table 1.9*)
- The plans set out in the Budget mean that departments' day-to-day spending will increase by an average of 2.0% in real terms over the forecast period – a real terms increase of £62 billion between 2023-24 and 2029-30. (*Page 36, paragraph 1.65*)
- At the Budget, the government has fixed the envelope for Phase 2 of the Spending Review, which will conclude in the late spring. It will deliver a new settlement for public services, marking a fundamental change in how the government approaches public spending, supports growth, and delivers public services. (*Page 57, paragraph 2.89*)
- The LG DEL budget for 2025-26 will increase to £14.3 billion, which includes an additional £1.3 billion of new grant funding for local authority services including at least £600 million in new grant funding for social care. (*Page 94, paragraph 4.63*)
- Together with council tax flexibilities and locally-retained business rates, this will provide a real-terms increase in total core spending power in 2025-26 of around 3.2%. (*Page 94, paragraph 4.63*)

LGA view

- Ahead of the Budget, the LGA made the case for Government to address the cost and demand pressures, which have pushed many councils towards the financial edge. It is encouraging that the Chancellor has responded today by providing £1.3 billion extra funding for the next financial year, which will help meet some – but not all - of the significant pressures in adult and children's social care and homelessness support.
- This is a step in the right direction, but councils and the services they provide to their residents still face a precarious short and long-term future. The Government needs to give explicit clarity on whether councils will be protected from extra cost pressures from the increases to employer national insurance contributions.
- It is not clear the extent to which the increase in core spending power is dependent on councils increasing their council tax rates. The LGA has continually highlighted that council tax rises – particularly the adult social care precept – have never been the solution to the long-term pressures faced by councils. This is particularly the case for social care where increases in costs and demand do not align with capacity to raise council tax. Increasing council tax raises different amounts of money in different parts of the country, unrelated to need.
- Only with greater funding certainty through multi-year settlements and more clarity on financial reform, can councils protect services, meet the needs of residents and work in partnership on the Government's priorities, from social care to housing, inclusive economic growth and tackling climate change. We look forward to continuing to work in partnership with the Government to address these issues for councils and communities.

Business rates

The Chancellor announced that:

- As announced on 29 July 2024, private schools in England will no longer be eligible for charitable rate relief. The Ministry of Housing, Communities and Local Government (MHCLG) will bring forward primary legislation to amend the Local Government Finance Act 1988 to end relief eligibility for private schools. This change is intended to take effect from April 2025, subject to Parliamentary process. Private schools which are 'wholly or mainly' concerned with providing full time education to pupils with an Education, Health and Care Plan will remain eligible for relief. *(Page 130, paragraph 5.69)*
- For 2025/26, eligible retail, hospitality and leisure (RHL) properties in England will receive 40 percent relief on their business rates liability. RHL properties will be eligible to receive support up to a cash cap of £110,000 per business. *(Page 130, paragraph 5.70)*
- For 2025/26, the small business multiplier in England will be frozen at 49.9p. The government will lay secondary legislation to freeze the small business multiplier. The standard multiplier will be updated by the September 2024 CPI rate to 55.5p. *(Page 130, paragraph 5.71)*
- The government intends to introduce permanently lower multipliers for Retail, Hospitality and Leisure (RHL) properties from 2026/27, paid for by a higher multiplier for properties with Rateable Values above £500,000. *(Page 130, paragraph 5.72)*
- English local authorities will be fully compensated for the loss of income and administration costs resulting from these business rates measures *(Page 47, paragraph 2.43)*
- A [discussion paper](#) has been published setting the direction of travel for transforming the business rates system and inviting industry to a dialogue about future reforms. *(Page 130, paragraph 5.73)*
- The Valuation Office Agency (VOA) is [publishing](#) a response to the March 2023 Consultation on Disclosure, which sets out the next steps on increasing the transparency of business rates valuations by disclosing more information. *(Page 130, paragraph 5.74)*
- The government is extending 100% business rates retention arrangements for West of England Combined Authority, Cornwall and Liverpool City Region for 2025/26. *(Page 140, paragraph 5.153)*
- The government is extending 67% business rates retention arrangements for the Greater London Authority for 2025/26 *(Page 140, paragraph 5.154)*

LGA view

- The LGA welcomes the clarification that private schools which are 'wholly or mainly' concerned with providing full time education to pupils with an Education, Health and Care Plan will remain eligible for relief. We look forward to work with the Government on the definition of 'wholly or mainly'.
- The LGA welcomes the business rates measures as they will provide support to a range of businesses. However, freezing the small business multiplier also removes buoyancy from

the business rates system and without alternative means of funding council income would reduce.

- It is positive that the Government has provided assurance that local authorities will be fully compensated for these business rates measures and that this will include the funding of new burdens for any administrative expenses and IT costs. Account also needs to be taken of the consequences for business rates retention and sufficient time needs to be given for implementation.
- The LGA will engage with the consultation on transforming business rates. We would suggest that the Government:
 - Introduce further clampdowns on business rates avoidance along the lines of those introduced in Wales and Scotland.
 - Give councils more flexibility on business rates reliefs such as charitable and empty property relief.
 - Give councils the ability to set their own business rates multiplier, or at the very least be able to set a multiplier above and below the nationally set multiplier.

Funding reform

The Chancellor announced that:

- The government is also committed to pursuing a comprehensive set of reforms to return the sector to a sustainable position. This will include reform of the approach to allocating funding through the LGFS, starting with a targeted approach to allocating additional funding in 2025-26, ahead of a broader redistribution of funding through a multi-year settlement from 2026-27. The government will set out further details through an upcoming local government finance policy statement. *(Page 95, paragraph 4.64)*

LGA view

- We are pleased the Government has acted on our long standing asks and committed to introducing multi-year settlements from 2026/27.
- We are pleased that the Government intends to pursue a comprehensive set of reforms to return the sector to a sustainable position. We want to work with Government on these reforms.
- The Government should provide certainty and clarity over financial reforms including the nature of the redistribution of funding, business rates reset, the Fair Funding Review (FFR), and reforms to other grants such as the New Homes Bonus, making sure the sector is properly engaged and consulting on any potential changes in a timely manner.
- We consider that the Government review both the formulae and the underlying data used for the assessment of relative needs and resources. Transitional mechanisms should provide sufficient funding to ensure that no council experiences a loss of income.

- The Government should clarify its plans for, and the timing of, any reset of accumulated business rates growth at the earliest opportunity as part of a broader effort to provide certainty to the sector on planned reform. The Government should introduce a transitional mechanism as part of any reset of accumulated growth, to ensure that local authority services that residents rely on are not put at risk.

Exceptional Financial Support

The Chancellor announced that:

- The Government recognises the pressures that local authorities are facing and will have a framework in place to support those in most difficulty. (*Page 95, paragraph 4.64*)

LGA view

- The sheer number of councils that have been allowed to capitalise revenue spending under the Exceptional Financial Support scheme demonstrates that there is clearly an ongoing need for additional financial support for some councils.
- Our recent survey of council Chief Executives found that one in four councils in England are likely to have to apply for emergency government agreements to stave off bankruptcy in the next two financial years.
- In our view there is a risk that the system as currently designed could potentially load struggling councils with further debt and/or undermine future capital programmes by burning through councils' capital receipts. In this context the Government should assure itself, and councils, that the current Exceptional Financial Support is achieving its objective of supporting councils in returning to financial sustainability in an efficient and effective manner.

National Insurance

The Chancellor announced that:

- The government is increasing the rate of employer National Insurance contributions (NICs) from 13.8% to 15% and reducing the per-employee threshold at which employers become liable to pay National Insurance (the Secondary Threshold) from 6 April 2025 to £5,000. (*Page 45, paragraph 2.40*)

LGA view

- The Government needs to give clarity on whether councils will be protected from extra cost pressures from the increases to employer National Insurance contributions for directly employed and contracted out services.

National Living Wage

The Chancellor announced that:

- The government has accepted the recommendations in full and the NLW will increase by 6.7% to £12.21 per hour from April 2025. This represents an increase of £1,400 to the annual earnings of a full-time worker on the NLW and is expected to benefit over 3 million low paid workers across the UK. *(Page 42 paragraph, 2.24)*
- Over time, the government intends to create a single adult wage rate, and therefore also asked the LPC to recommend a minimum wage for 18-20 year olds that would begin to close the gap with the main NLW rate, eventually giving them the same wage for the same day's work. In accepting the recommendation from the LPC, from April 2025, the National Minimum Wage (NMW) for 18-20 year olds will be £10.00 per hour, an increase of 16.3%, the largest ever increase in both cash and percentage terms. This means a boost to annual earnings of over £2,500 for nearly 200,000 young people across the UK. *(Page 42 paragraph, 2.25)*

LGA view

- The LGA welcomes the increase in the National Living Wage (NLW). However local authorities must be sufficiently funded to meet the additional costs to avoid adding unsustainable additional pressures to local public services.
- Looking beyond 2025/26, local government also needs as much certainty as possible as to what the NLW rate is going to be, in order to plan effectively for any future increases. There is currently too much uncertainty in the process, with today's announcement the latest example of an increase at the higher end of ever-changing projections.
- We strongly urge the Low Pay Commission to put predictability and certainty for employers at the heart of their recommendations to government for the future National Living Wage to enable employers to plan for and manage rises more sustainably.

Local government finance – extended producer responsibility

The Chancellor announced that:

- Local authorities are expected to receive around £1.1 billion of new funding in 2025-26 through the implementation of the Extended Producer Responsibility scheme to improve recycling outcomes from January 2025, equivalent to a further c.1.6% real-terms increase in local government resources. Exceptionally for 2025-26 only, and recognising the importance of local authorities being able to effectively plan their budgets, the Treasury will guarantee that if local authorities do not receive Extended Producer Responsibility income in line with the central estimate there will be an in-year top up, with the detail on this to be set out through the Local Government Finance Settlement (LGFS) process. *(Page 94, paragraph 4.63)*

LGA view

- The introduction of packaging extended producer responsibility (pEPR) is welcome. The LGA has called on the need for the scheme to incentivise producers to reduce unnecessary waste and make it easier to re-use and recycle, and ensure that the polluter, rather than the public purse, picks up the cost of dealing with packaging in household waste and litter.
- It is welcome that the funding local authorities will receive from the pEPR will be treated as 'additional' income in 2025/26, which is separate to the local government finance settlement. This is something the LGA has long called for and is set out in our [waste reforms briefing](#). We look forward to seeing further details expected with the provisional local government finance settlement.
- Councils are due to receive details of their pEPR allocations in November 2024, it is important that the methodology behind these figures are shared with councils and that there is a process to discuss any issues. It is welcome that the HMT are developing an EPR income guarantee, to provide some certainty for local government to fund local waste services. We look forward to seeing further detail in the local government finance policy statement in November.
- In the longer-term, councils need to receive the full actual costs for delivering local waste and recycling services rather than estimates. Based on our modelling work, £1.1 billion for UK local government may be lower than what local authorities need to deliver the packaging waste services.

Office for Value for Money

The Chancellor announced that:

- The Budget formally launches the Office for Value for Money (OVfM), with the appointment of an independent Chair. As a first step, the Chair will advise the Chancellor and the Chief Secretary to the Treasury on decisions for Phase 2 of the Spending Review. This will include conducting an assessment of where and how to root out waste and inefficiency, undertaking value for money studies in specific high-risk areas of cross-departmental spending, and scrutinising investment proposals to ensure they offer value for money. *(Page 39, paragraph 2.4)*
- The OVfM will also develop recommendations for system reform, informed by lessons learned from the past, international best practice, and the views of external organisations. This will underpin a ruthless focus within government on realising benefits from every pound of public spending. *(Page 39, paragraph 2.5)*

LGA view

- Compared to government departments and other parts of the public sector, local government has already had to make disproportionately high levels of savings and efficiencies in recent years. We estimate that service spending in 2022/23 was 42 per cent lower than it would have been had service spend moved in line with cost and demand pressures since 2010/11. This means councils have made £24.5 billion of savings and efficiencies in their services in this period.

- We are encouraged to see that this approach will be taken across the rest of government and hope that it will lead to a better join-up of government activity across departments, which should help councils to provide greater efficiency.
- In better assessing value for money across government, we encourage the government to share a breakdown of public spending across localities with local authorities, to support the improvement of local outcomes.

Children's social care

The Chancellor announced that:

- The government will provide over £250 million in 2025-26 to continue to test innovative measures to support children and reduce costs for local authorities. This includes £44 million of new funding to pilot a Kinship Allowance as well as to create hundreds of new foster placements, enabling more children to stay in family environments. ([Red Book](#): Page 84, paragraph 4.12)
- The settlement provides £6.7 billion of capital investment. This includes £90 million to renovate and expand the children's home estate. (Page 84, paragraph 4.13)
- The government will set out plans for fundamental reform of the children's social care market in Phase 2 [of the Spending Review], including promoting early intervention to help children stay with their families where possible and fixing the broken care market. (Page 95, paragraph 4.65)
- The LG Departmental Expenditure Limit (DEL) budget for 2025-26 will increase to £14.3 billion [from £11.4 billion], which includes an additional £1.3 billion of new grant funding for local authority services including at least £600 million in new grant funding for social care. (Page 94, paragraph 4.63)

LGA view

- We know kinship carers have emphasised the importance of financial support so they can support children effectively. Confirmation of the Kinship Allowance pilot is helpful.
- It is vital that lessons are learnt quickly from this and Family Network Support Package pilots, with funding available to implement changes across the country to benefit as many children and carers as possible.
- Additional funding to create new foster placements is welcome, as is capital funding for children's homes. These measures will support councils to tackle the insufficiency of good homes for children in care, so that more children can live in the stable, loving homes they need and deserve. We are committed to working with Government on plans to reform the children's social care market to drive this forward.
- It is vital councils have sufficient funding so that foster carers and kinship carers receive the excellent support they deserve, and to invest in high quality early help and protection services to reduce the number of children who need to come into care.

- We urge the Government to use the forthcoming spending review to address the funding pressures in children’s services so that every child receives the help they need, when they need it, and is able to enjoy a safe, happy and healthy childhood.
- Additional funding for social care is helpful, but LGA analysis shows that children’s and adult social care faces additional cost pressures of £3.4 billion in 2025/26 compared to 2024/25. This ongoing shortfall puts services for vulnerable children and adults at risk, and severely limits councils’ ability to support the Government mission to break down barriers to opportunity.
- It is critical that the Government uses the spending review to provide councils with a significant and sustained increase in overall funding that reflects current and future demands for services.
- This must include a new focus on prevention, reducing the need for later acute and reactive spend and enabling people to live fulfilled, happy and productive lives, as well as reducing socioeconomic inequality and poor health.

Children and young people

The Chancellor announced that:

- The settlement delivers on the government’s ambition to give all children the best start in life by increasing spending on early years and family services to over £8 billion in 2025-26. This includes:
 - An additional £1.8 billion to continue the expansion of government-funded childcare and help more parents, particularly women, stay in and return to work.
 - Investing over £30 million in the rollout of free breakfast clubs next year, to fund breakfasts in thousands of schools and help working parents.
 - £69 million to continue delivery of a network of Family Hubs. (*Page 84, Paragraph 4.11*)

LGA view

- We welcome the continued investment into early years childcare entitlements. There is significant evidence of the long-term benefits of supporting children well in the first 1001 days. As set out in [recent LGA research](#), local authorities are particularly concerned about the expansion in September 2025 and have long raised concerns around funding and support for the workforce. Funding for the rollout of free breakfast clubs is also welcome so that all children can access food, while supporting attendance and giving parents access to childcare.
- Councils need to have the levers, powers and resources to properly manage and improve the market and support providers, so that children get access to high quality early education, food and extra-curricular activities. Councils can ensure that the increased public funding is well used to meet the needs of children and families and supports all children having the best start in life.

- We are pleased Government has announced funding for a one-year extension to continue delivery of a network of Family Hubs (launched in 2022 under the previous government, 75 councils were given a share of £300 million to establish family hubs. Funding was due to end in March 2025).
- Family hubs enable councils to support families and help them gain access to a range of vital services in their communities. We have long called for this scheme to be extended to all council areas so these transformative benefits can be felt across the country.
- We urge Government to signal a multi-year spending commitment beyond March 2025 that will provide ongoing programme funding for evidence-based early years services and integrated support for families up to 19 (and 25 in some cases); and extend this funding to cover all councils. The lack of certainty over the future of this funding stream has resulted in instability across the workforce as practitioners on fixed term contracts face the prospect of redundancy and so understandably have sought alternative opportunities.

Education and Special Educational Needs and Disabilities (SEND)

The Chancellor announced that:

- The government is committed to ensuring that every child has access to high-quality education. To secure additional funding to help deliver commitments relating to education and young people, the government will introduce 20% VAT on education and boarding services provided for a charge by private schools from 1 January 2025. The government will also remove business rates charitable rate relief from private schools in England from April 2025. Together, these policies are expected to raise £1.8 billion per year by 2029-30. The impact on the state education system as a whole is expected to be very small. (*Page 50, paragraph 2.62*)
- To support pupils with special educational needs that can only be met in a private school, local authorities and devolved governments that fund these places will be compensated for the VAT they are charged on those pupils' fees. Private schools which are "wholly or mainly" concerned with providing full time education to pupils with an Education, Health and Care Plan will remain eligible for business rates charitable relief. (*Page 50, paragraph 2.63*)
- To raise school standards for every child, the core schools budget will increase by an additional £2.3 billion next year, increasing per pupil funding in real terms. This further supports delivery of the government's pledge to recruit 6,500 teachers. As part of this, the government is providing a £1 billion increase to Special Educational Needs and Disabilities (SEND) and Alternative Provision funding, equivalent to 6% real growth. This is an important step in realising the government's vision to reform England's SEND provision to improve outcomes and return the system to financial sustainability. The government will work closely with parents, teachers and local authorities to take forward this work. (*Page 83, paragraph 4.8*)
- The settlement provides £6.7 billion of capital investment, a 19% real-terms increase from 2024-25. This includes: billion for the school rebuilding programme, representing an increase of £550 million on this year to support the current programme. This includes plans for 100 projects to start delivery across England next year, reaffirming the government's commitment to improve the school estate by rebuilding 518 schools in total through the

programme. £2.1 billion to improve the condition of the school estate. This is an increase of £300 million compared to 2024-25. (Page 84, paragraph 4.13)

LGA view

- We welcome the £1 billion increase in Special Educational Needs and Disabilities and Alternative Provision funding for 2025/26. This increase must be allocated to councils, who are facing cumulative Dedicated Schools Grant deficits of £3.2 billion and are projected to rise to £5 billion by 2026.
- While short term funding is welcome, reform to the SEND and home-to-school transport systems is both urgent and unavoidable. On SEND we want to work with Government, as well as other partners including parents and carers, to develop plans for reform which focus on a new national vision and supporting framework of expectations, building capacity for inclusion in mainstream education, reforming the statutory framework for inclusion, preparation for adulthood, realigning powers and responsibilities, the role of the independent sector and developing a national workforce strategy. Urgent action is also needed to modernise the framework for home-to-school transport, which is still based on 80-year-old legislation and fails to give councils flexibility to focus spend on those most in need.
- We are also calling for the Government to write off all high needs deficits as a matter of urgency to ensure that councils are not faced with having to cut other services to balance budgets through no fault of their own or their residents.
- We welcome the additional £550 million for the school rebuilding programme, as well as the £300 million increase in funding to improve the school estate. The Government should implement a single, local funding pot that funds school capital projects to replace the existing fragmented system, which should sit with councils, who should have the power to determine how and where this is best spent in their local areas.
- Some councils have raised concerns that the proposed introduction of 20 per cent VAT on education and boarding services provided for a charge by private schools from 1 January 2025 will result in some pupils moving from the fee-paying to the state sector, which has the potential to impact councils, who retain a duty to ensure sufficiency of school places in their areas. We therefore want to work with the Department for Education (DfE) to monitor the potential impact of these changes on councils and their schools.
- Concerns have also been raised regarding the impact on children and young people with Special Educational Needs and Disabilities (SEND), with councils reporting that they are receiving a small number of new requests for Education, Health and Care Plans (EHCPs) for pupils who are currently educated in fee-paying schools. If parents have to move their children from the fee-paying to the state sector this risks disruption to affected children's education, particularly if they have additional needs. There are also funding implications for councils in supporting additional children with SEND through the EHCP process, where their needs were previously being met within the private sector without an EHCP. Given pressures on the SEND system, we want to work with DfE to monitor the impact of the change and ensure councils can meet any additional costs and ensure a smooth transition for pupils.

Adult social care

The Chancellor announced that:

- The government will support local authority services through a real terms increase in core local government spending power of around 3.2 per cent, including at least £600 million of new grant funding to support social care. *(Page 53, paragraph 2.72)*
- To continue to drive value for money, the government will also use the new Procurement Act to create a simpler and more transparent regime for public sector procurement that will deliver better value for money and reduce costs for business and the public sector. The government will implement the Act in February 2025 with further reforms including a new National Procurement Policy Statement. *(Page 45, paragraph 2.10)*
- Late payments can bring cash-flow challenges for small businesses, so from 1 October 2025, companies bidding for government contracts over £5 million per annum will be excluded from the procurement process if they do not pay their own suppliers within an average of 45 days. The government also views increasing its procurement spend with small businesses as an important economic growth lever, with further details on implementing this to be set out in the National Procurement Policy Statement next year. *(Page 80, paragraph 3.60)*
- This is alongside an £86 million increase to the Disabled Facilities Grant to support around 7,800 more adaptations to homes for those with social care needs to reduce hospitalisations and prolong independence. *(Page 81, paragraph 4.4)*

LGA view

- We will need to see further detail on the £600 million for social care, as well as on council tax increases and the council tax precept. The Government must provide clarity that the £600 million will be an increase to the Social Care Grant, which councils have freedom to allocate between children's social care and adult social care. In recent years, councils have allocated around 60 per cent of the grant to adult services.
- While the additional funding is welcome, it must be seen in the context of the announced increases to the National Living Wage and employers' National Insurance contributions. With no separate funding for these announcements, care providers will likely expect to see their increased costs reflected in their fees paid by councils. This will almost certainly absorb all of the grant increase for many councils even if it is spent wholly on adult social care, leaving little or nothing to address immediate challenges in adult social care, such as long waiting times for an assessment of a person's care needs or the commencement of care packages.
- The additional funding for social care must also be seen in the context of the extra £22.6 billion investment announced for the NHS. This is crucial and much-needed investment for our health service and will help lay the foundations for the 10 Year Plan. But the challenges facing the NHS, and how to address them, are inextricably linked to the fortunes of adult social care and support and other local government services. As it stands, the NHS has a process in place for developing a plan for the future, backed up by significant increased investment; adult social care does not yet have either.

- Given the Government's emphasis on shifting from treatment to prevention, it is disappointing not to see specific funding to take forward activity aimed at preventing, reducing or delaying the onset of more acute and costly needs for care and support.
- People drawing on adult social care, and the wider sector which supports them, continue to call for proper reform of care and support so that everyone is able to live their best life. It is therefore disappointing that adult social care is not listed as a priority area for reforming the public sector under Phase 2 of the Spending Review.
- We are highly supportive of an increase to the Disabled Facilities Grant. Councils are working hard to provide housing adaptations and mobility aids which are vital to help keep people safe and independent in their homes and prevent avoidable admissions to hospital and care homes. This extra funding will enable councils to deliver even more of this life changing work.
- We would support and encourage Government to consider a consultation on raising the £30,000 cap on Disabled Facilities Grant applications for households with significant needs to take even more pressure off Adult Social Care budgets. This cap has not been reviewed since 2008 despite rising costs in the sector.

Carer's Allowance

The Chancellor announced that:

- The government is also giving carers greater flexibility to work and increase their financial security by raising the Carer's Allowance Weekly Earnings Limit to the equivalent of 16 hours at the NLW. The changes will support those receiving Carer's Allowance, 70% of which are women, to start work or work more hours. This is an increase of £45 per week and will allow over 60,000 more carers to access Carer's Allowance. This will be the largest increase to the earnings limit since Carer's Allowance was introduced in 1976. (*Page 42, paragraph 2.26*)
- The government also recently announced an independent review into overpayments of Carer's Allowance, which will consider how they occurred and what operational changes can be made to minimise the risk of future overpayments. Alongside this, the government will also carry out further work on the earnings limit to explore what more can be done to help support more carers into work. (*Page 43, paragraph 2.27*)

LGA view

- The LGA supports the raising of the Carer's Allowance Weekly Earnings limit to allow those receiving Carer's Allowance to start work or work more hours.
- The LGA supports the announcement of an independent review into overpayments of Carer's Allowance. We also support the proposal to carry out further work on the earnings limit. This work should reflect the vital contribution of unpaid carers to supporting people with care needs at home and ensure they are supported to continue in their caring role.

Health funding

The Chancellor announced that:

- The government is prioritising the NHS in Phase 1 of the Spending Review. The settlement means resource spending for the Department of Health and Social Care (DHSC) will increase by £22.6 billion from 2023-24 to 2025-26. (*Page 51, paragraph 2.70*)

LGA view

- Health is about more than healthcare, and local councils are vital in addressing the wider determinants of health, through their role in housing, green spaces, youth services, and the local economy. They plan, commission and provide essential services like social care, public health and children's services, all of which are key to improving population health and preventing ill health.
- We are pleased the Government has acted on our call to increase Affordable Homes Programme funding. Ensuring people have good housing can help to delay or reduce a person's need for health and care services in the future and help them retain their independence, health and wellbeing for longer.
- To effectively reduce pressure on healthcare systems, improve health outcomes and tackle inequalities it is vital to involve local government in shaping the upcoming 10-year plan for health. Reforming social care and investing in local government services are essential for a healthier population and a sustainable NHS. Local government must be integral in developing the solutions.
- Public health grants fund essential local services that help keep communities healthy. LGA analysis has found that, between July 2015 and 2024, the Public Health Grant received by councils has been reduced in real terms by £858 million (in 2022/23 prices). This has resulted in reductions in councils' ability to spend on public health commissioned services.
- Public health teams have faced an unprecedented period of pressures, with funding levels not keeping pace with demand. Sufficient ongoing funding is needed to ensure all local authorities can continue to meet their statutory public health responsibilities. It is vitally important that the Government continues to address challenges which arise over the coming months and years.
- We are disappointed there was no new funding announced for public health today and we will continue to make the case for multi-year settlements and for more long-term certainty around public health funding for all councils. An increased focus on prevention through an uplift to the public health grant is urgently needed, as well as a wider review of the adequacy of public health funding. This will support the Government's wider aims by improving health outcomes, reducing health spending and putting social care and the NHS on a better footing for the long term.
- In addition, we note that there has been no announcement about supplementary funding for drug and alcohol treatment and recovery services, with current funding due to end in March 2025. The fast-approaching deadline without certainty of an extension is starting to impact on delivery of vital locally led programmes. Vital funding used to engage more individuals into substance use services should be extended to avoid a cliff edge in support for councils and vulnerable residents.

Mental health centres

The Chancellor announced that:

- The Government will provide £26 million to open new mental health crisis centres, reducing pressure on A&E services. The government is committed to tackling the root causes of mental health problems and supporting people to remain in, return to or find work. *(Page 53, paragraph 2.72)*

LGA view

- The LGA support the investment in new mental health centres. It is important that the centres are delivered in partnership with local authorities.
- There is a clear role for local government to improve the mental health of our communities, ensuring that local, regional, and national NHS partners, the voluntary and community enterprise sector and employers work together with local communities to improve mental health.
- The LGA are calling for sustainable funding for local government statutory and non-statutory mental health services to put them on an equal footing with NHS clinical mental health services.

Affordable Homes Programme

The Chancellor announced that:

- The Budget sets out a series of new investments to promote housing market stability and to kickstart the biggest increase to social and affordable housebuilding in a generation. This is an important step to providing the conditions needed for the market to deliver 1.5 million homes:
 - A £500 million boost to the Affordable Homes Programme to build up to 5,000 additional affordable homes.
 - The government will set out details of future grant investment beyond the current Affordable Homes Programme at Phase 2 of the Spending Review, to support greater investment in new affordable housing from social housing providers. Investment will run for at least the duration of this Parliament, and will support a mix of tenures, with a focus on delivering homes for social rent. *(Page 69, paragraph 3.34)*

LGA view

- We are pleased the Government has acted on our call to increase Affordable Homes Programme funding. We have made the case for councils to be empowered to build more affordable, good quality homes quickly and at scale and this will boost councils' ability to build desperately-needed affordable housing for local communities.

- In the long term, the Government should roll out [five-year local housing deals](#) to all areas of the country that want them – combining funding from multiple national housing programmes into a single pot. This will provide certainty and efficiencies and could support delivery of an additional 200,000 social homes in a 30-year period.

Right to Buy

The Chancellor announced that:

- Reducing discounts on the Right to Buy scheme and enabling councils in England to keep all the receipts generated by sales will deliver on the government’s manifesto commitment to protect existing council housing stock and boost council capacity to ensure that vital social housing is available to those who need it most. (*Page 140, paragraph 5.149*)

LGA view

- It has become increasingly impossible for councils to replace homes as quickly as they are being sold through the Right to Buy (RtB) scheme. The LGA has long called for reform to RTB and these positive measures will help to support the replacement of sold homes and to stem the continued loss of existing stock.
- It is also positive that the RtB [policy paper](#), published alongside the budget, confirms that the cost floor period will be doubled from 15 years to 30 years. This will mean that the discount on RtB properties will be limited to ensure that the purchase price of the property does not fall below the total spend on construction, repairs or maintenance of the property over a 30-year period. Whilst our [Position Statement](#) called for the cost floor protection to be indefinite, we are pleased that the Government has partly enacted our recommendation and increased the protection period which will act as an incentive to local authorities to build more new social homes.

Household Support Fund and Discretionary Housing Payment

The Chancellor announced that:

- The government recognises that additional support continues to be needed to improve economic security and resilience for those families who need it most. The government will provide £1 billion, including Barnett impact, to extend both the Household Support Fund in England and Discretionary Housing Payments in England and Wales in 2025-26. This will be used by local authorities to help low-income households facing hardship and financial crisis, including supporting them with the cost of essentials such as food, energy and water. (*Page 43, paragraph 2.29*)

LGA view

- We are pleased that the Government has recognised the continued pressures for low-income households in meeting their essential living costs.

- The LGA has consistently highlighted the benefits of putting funding for local welfare support on a more long-term, sustainable footing. We are pleased Government has listened to councils and partners and committed to sustaining the Household Support Fund (HSF).
- The LGA has highlighted the need to move to a more integrated, preventative, community-based approach to local welfare, to improve outcomes for low-income households. We are pleased Government is considering Discretionary Housing Payments (DHP) alongside HSF. We want to work closely with Government and stakeholders so that crisis support remains available when it is needed, connected to wider advice and services that prevent poverty and strengthen households' financial wellbeing and resilience.

Homelessness and temporary accommodation

The Chancellor announced that:

- The government is providing £233 million of additional spending in 2025-26 on homelessness, taking total spending to £1.0 billion in 2025-26. This will help to prevent increases in the number of families in temporary accommodation and help to prevent rough sleeping. (*Page 92, paragraph 4.59*)

LGA view

- We are pleased the Government is providing additional financial support to councils to tackle homelessness; however councils are spending more than £1.74 billion to support the over 117,000 households in temporary accommodation in 2024.
- We are disappointed the Government did not use the Autumn Budget to address the temporary accommodation subsidy gap, currently stuck at 2011 levels, as this is driving ever higher-spend on temporary accommodation and limiting the resources available for homelessness prevention.

Asylum and resettlement

The Chancellor announced that:

- In Phase 1 of the Spending Review, the government has taken a ruthless approach to prioritising spending and identifying opportunities for savings. Examples of this include: Taking additional actions since cancelling the Migration and Economic Development Partnership with Rwanda, which are forecast to deliver £2.2 billion of savings in 2024-25 and 2025-26 by reducing the asylum backlog. Compared to the previous trajectory of spending, this represents a total saving of over £4 billion on asylum across the two years. (*Page 40, paragraph 2.8*)
- The government has already ended the Rwanda Migration and Economic Development Partnership and is reforming the asylum system by streamlining capacity to process asylum seekers and returning those that do not have the right to stay in the UK. This will start the process of ending the use of hotels for asylum seekers (*Page 59, paragraph 2.98*)

- The Ministry of Justice and Home Office settlements will invest up to £74 million in 2025-26 to speed up processing of asylum appeals in immigration tribunals. (*Page 86, paragraph 4.28*)
- Over the last spending review period the government spent an increasing proportion of the Official Development Assistance budget on the costs of refugees and asylum seekers here in the UK. This is in line with international guidance but has had significant implications for ODA spending overseas. The government is committed to ensuring that asylum costs fall, has taken measures to reduce the asylum backlog and is ending the use of expensive hotel accommodation. These plans should create more space in the ODA budget to spend on our international development priorities overseas. (*Page 88, paragraph 4.37*)

LGA view

- We welcome plans to reform the asylum system and find opportunities for savings - this includes speeding up the asylum decision-making process to clear the asylum backlog which will provide people with certainty on their asylum claim and help to stop the use of hotels.
- We are keen to ensure that central government works closely with local government to effectively manage the asylum backlog clearance, which entails moving all people on from asylum accommodation in a way that reduces risks around homelessness, destitution and social cohesion, and prevents costs falling to councils. To help manage this process we have asked Government to extend the current move on period from 28 to 56 days for those receiving an asylum decision, in line with the Homelessness Reduction Act.
- There were no updates about additional funding for councils and key partners regarding asylum and resettlement. Ensuring continuity of or increasing the current asylum funding for councils could more effectively support local capacity to integrate asylum seekers, foster welcoming communities and reduce risks of anti-asylum activism, helping reduce costs to the public purse with better outcomes for people, councils and communities.

Extension of Housing Revenue Account borrowing discount

The Chancellor announced that:

- The government is extending the discounted Public Works Loan Board Housing Revenue Account lending rate until March 2026. This will support local authority financing of capital expenditure on social housing in their Housing Revenue Account (*Page 141, paragraph 5.155*)

LGA view

- The continuation of discounted borrowing rates for councils will provide much-needed additional support for vital council housebuilding projects.

Social housing rent settlement

The Chancellor announced that:

- The government is consulting on a new long-term social housing rent settlement of CPI+1% for 5 years to offer certainty for social housing providers and give the sector the confidence to build tens of thousands of new social homes in England. The government will be consulting on whether further measures could provide even greater certainty. (*Page 140, paragraph 5.148*)

LGA view

- A 5-year rent settlement is a step in the right direction in providing certainty for councils on rental income, but to really strengthen and provide stability to Housing Revenue Accounts, a minimum 10-year rent settlement is needed, alongside restoration of lost revenue due to the rent cap and a review of the self-financing settlement of 2012. This would better support long-term business planning to ensure councils can deliver high quality homes and associated support for their tenants.

Building safety

The Chancellor announced that:

- The government is committed to improving building safety and accelerating remediation of unsafe housing in response to the Grenfell Tower fire. Investment in remediation will rise to over £1 billion in 2025-26. This includes new investment to speed up remediation of social housing. The government will set out further steps on remediation later this autumn. (*Page 70, paragraph 3.37*)

LGA view

- The LGA welcomes this commitment. Funding is the biggest challenge to remediation of social housing and the LGA has previously pointed out that recent funding schemes have been easier for private landlords to access than for councils.
- Councils have a vital role to play in tackling building owners who refuse to act on dangerous cladding. Council environmental health teams and the LGA Joint Inspection Team, which supports them, need certainty over future funding on a multi-year basis to tackle rogue landlords effectively.
- Funding is not the only challenge facing councils in remediating their buildings. Delays in the new Gateway processes operated by the Building Safety Regulator for building control approval to carry out remediation works can now delay progress by months. The same shortage of specialist professionals that impacts on enforcement work also hinders councils in making progress because they struggle to recruit and retain staff with expertise in building and fire safety. Councils want to work with Government to overcome these barriers and keep residents safe.

Devolution

The Chancellor announced that:

- The government is working closely with local leaders on the upcoming English Devolution White Paper. This will set out the government's plans to widen devolution to more areas and deepen the powers of existing mayors and their combined authorities, ensuring they have the tools needed to boost economic growth. *(Page 140, paragraph 5.150)*
- The government is introducing the first integrated settlements for Greater Manchester and the West Midlands Combined Authorities from 2025-26, and announcing the next Mayoral Combined Authorities eligible to receive them from 2026-27, giving mayors meaningful local control over funding in a single flexible pot. The government will also simplify the wider local funding landscape, reducing the number of grants and consolidating them into the Local Government Finance Settlement, as well as moving towards a multi-year settlement for local government so local authorities can plan more effectively. The upcoming English Devolution White Paper will set out more detail on the government's devolution plans, including on working with councils to move to simpler structures that make sense for their local areas, with efficiency savings from council reorganisation helping to meet the needs of local people. *(Page 58, paragraph 2.98)*

LGA view

- The LGA supports the transfer of powers from Whitehall to local communities, and we have consistently called for greater powers, funding and responsibilities to flow to local government as the democratically elected leaders of place. We welcome formalisation of devolution through statute.
- However, we are of the view that local government reorganisation is a matter for local areas to decide.
- We would welcome further co-production of the White Paper via the Leaders Council and broader engagement with the sector.
- We welcome the announcement from government to provide integrated settlements to the identified Mayoral Combined Authorities. The LGA has called for a radical re-investment in local devolution, drawing on the lessons from place-based budgeting pilots, including Total Place and Whole Place Community Budgets, to reform public services and align scarce resources with the needs and aspirations of local communities.

Local growth

The Chancellor announced that:

- Continuing the UK Shared Prosperity Fund at a reduced level for a further year, providing £900 million; this transitional arrangement will allow local authorities to invest in local growth, in advance of wider funding reforms. *(Page 55, paragraph 2.81)*
- Investing in growth and regeneration projects across the UK. The Budget confirms funding for the Investment Zones and Freeports programmes UK-wide, including approval of the

East Midlands Investment Zone to support advanced manufacturing and green industries, and the designation of five new customs sites in existing Freeports. *(Page 68, paragraph 3.30)*

- The Long-Term Plan for Towns will be retained and reformed into a new regeneration programme. *(Page 68, paragraph 3.30)*
- The government will reform the local growth funding landscape at Phase 2 of the Spending Review: rationalising the number of funds, moving away from competitions, and better supporting local leaders to drive growth. The government will also set out more detail on its strategy for regional growth alongside, and integrated with, plans for infrastructure, investment, and the Industrial Strategy. *(Page 69, paragraph 3.32)*
- The government is setting out the next steps for delivering its strategy for regional growth, across investment, devolution and local growth funding reform – which will create good jobs and spread prosperity across the UK. *(Page 141, paragraph 5.158)*
- The government launched a green paper on its modern Industrial Strategy earlier this month. This set out eight growth-driving sectors and announced that government will produce sector plans for each as part of its promise to help these sectors thrive. The Budget confirms long-term support for growth-driving sectors ahead of the full modern Industrial Strategy's publication in the Spring, including:
 - Committing £975 million in R&D funding for the aerospace sector over five years. Further details will follow in Phase 2 of the Spending Review.
 - Committing over £2 billion in R&D and Capital funding over 5 years to support the automotive sector, including the zero emissions vehicle manufacturing sector and supply chain. Further details will follow in Phase 2 of the spending Review.
 - Up to £520 million for a new Life Sciences Innovative Manufacturing Fund to drive growth and build resilience for future health emergencies.
 - Tax reliefs for the UK's world-leading creative industries, which will provide £15 billion of support over the next 5 years. *(Page 141-142, paragraph 5.162)*

LGA view

- The LGA has long called for and welcomes the announcement of the transitional arrangement of the UK Shared Prosperity Fund and other growth funding. This will provide stability for local authorities to continue to invest in their local economies and communities. We would welcome the opportunity to work with the Ministry for Housing, Communities and Local Government (MHCLG) to maximise the flexibilities and opportunities of this transitional arrangement.
- It is positive to see progress and further investment on the refocused Investment Zone programme, underpinned by partnership between national government and local leaders.
- The LGA welcomes the Government's intention to reform the growth funding landscape to rationalise the number of funds, move away from competitive bidding, and better support local leaders to drive growth. We have called for a simplified, consolidated approach to growth funding, allowing local leaders flexibility over where and how investment decisions are made locally. We hope the Government will adopt the principles set out in our report,

[Future of Growth Funding](#), when outlining their ambitions for growth funding in Phase 2 of the Spending Review.

- The LGA has expressed the need for a clearly articulated national economic strategy which sets objectives, and sets out how local inclusive economic growth contributes to this, how local economic inequalities will be addressed, and a clear role for local devolution policy. The LGA has consistently called for a subnational approach to tackling productivity and growth.
- Local government has a core role in driving and supporting inclusive economic growth and several of the sectors identified by the Government's Industrial Strategy, including creative industries and the green sector. We have called on government to recognise the valuable role of local authorities as convenors of place, and we would welcome further engagement to shape the Industrial Strategy to reflect this.

People: skills and workforce

The Chancellor announced that:

- As part of the Get Britain Working White Paper, which will be published shortly, the government is investing £240 million to trial new ways of getting people back into work. The government will test new approaches and collect robust evidence on how to tackle the root causes of ill-health related inactivity, support young people who are 'not in education, employment or training' (NEET), and help people to develop their careers. *(Page 71, paragraph 3.42)*
- The Get Britain Working White Paper will:
 - Establish eight trailblazer areas across England and Wales that bring together health, employment, and skills services to improve the support available to those who are inactive due to ill health and help them return to work. This will include NHS England Health and Growth Accelerators in at least three Integrated Care Systems to develop evidence of the impact of targeted action on the top health conditions driving economic inactivity.
 - Establish eight Youth Guarantee Trailblazers areas to test new ways of supporting young people into employment or training, by bringing together and enhancing existing programmes in partnership with local areas. *(Page 71, paragraph 3.43)*
- The government will invest £115 million in 2025-26 to deliver Connect to Work, a new supported employment programme matching people with disabilities or health conditions into vacancies and supporting them to succeed in their roles. From 2026-27, this will support nearly 100,000 people a year. Local authorities will be able to tailor their delivery of Connect to Work in ways that meet their local needs. Greater Manchester and West Midlands Combined Authorities will receive even greater flexibilities, with funding included in their Integrated Settlement. *(Page 71, paragraph 3.43)*
- The government has already established Skills England [...]. In the Budget, the government is going further by providing an additional £300 million for further education in England, while increasing the core schools budget by £2.3 billion, which increases per pupil funding in real terms. *(Page 71, paragraph 3.46)*
- The government will also take steps to transform the Apprenticeship Levy into a more flexible Growth and Skills Levy by investing £40 million, which will help to deliver new

foundation and shorter apprenticeships in key sectors. The reformed levy will be developed in partnership with employers, providers, and learners. Skills England will take the time to consult with a wide range of partners to ensure that levy-funded training meets the needs of employers, providers, and learners, and secures good value for money. (Page 71, paragraph 3.47)

LGA view

- We look forward to engaging with the Get Britain Working (GBW) White Paper which will build on the Back to Work Plan announcements and reforms made in July. These can be put to best effect through a place based approach which we have set out through our most recent [Work Local proposals](#).
- The £115 million (2025-26) to deliver Connect to Work, a new supported employment programme to address economic inactivity is welcome, and will be delivered through local government across England. Supporting economically inactive people that may not have worked for some time is no quick fix, and it will take time to match residents with the right local employers – which local government is uniquely placed to do. This is a joint endeavour, and we look forward to continuing to work with government to ensure it meets the needs of different local places. It is good news also that the Government has confirmed that it will form part of the Integrated Settlements for the West Midlands and Greater Manchester.
- The announcement of sixteen trailblazers to trial new ways of supporting people into work will be vital in determining how roll out across England and Wales can vary from place to place. We recommend that these involve areas in and out of devolution.
- Getting the skills offer right in places is critical to helping people enter and progress in work and ensuring employers in the public, private and charitable sectors have the workforce they need. Councils know what is needed to build skills pathways and are keen to see this knowledge feed into Skills England.
- On the transition to the Growth and Skills Levy, we need to see reforms which enable a place-based approach which maximises flexibility to pool funds locally to address supply / demand issues, target sectors, widen participation and for non-Levy funding, unspent Levy and traineeships to be commissioned locally. Alongside this, as one of the largest local employers in places, local government has significant workforce challenges and we need flexibility to use the Levy to meet these needs, including to ensure we have planners of the future. We look forward to being engaged by government on this.

Industrial strategy

The Chancellor announced that:

- The government launched a green paper on its modern Industrial Strategy earlier this month. It set out the eight growth-driving sectors (advanced manufacturing, creative industries, clean energy industries, defence, digital and technologies, financial services, life sciences, and professional and business services) and announced that the government will produce plans for each sector as part of its commitment to help these sectors thrive. (Page 141, paragraph 5.162)

LGA view

- Councils across the country already play a vital role in creating the conditions for all businesses and industries to prosper through the services they provide, the investment in transport and connectivity and through business support activities. The Industrial Strategy must recognise the role of all parts of the country can play in supporting both growth sectors and other sectors that are vital to the UK economy.
- Local government has a core role in driving and supporting inclusive economic growth and several of the sectors identified by the Government's Industrial Strategy, including creative industries and the green sector. We have called on government to recognise the valuable role of local authorities of convenors of place, and we would welcome further engagement to shape the Industrial Strategy to reflect this.
- Whilst we appreciate that the Government have chosen to focus the Industrial Strategy on city regions and clusters of growth, as well as the assurance that these may reflect large geographical areas, we are keen to ensure that all areas of England are covered by the Industrial Strategy and that provision for driving growth is inclusive of all local authorities and their communities.
- Local Government has the potential to fully leverage digital tools and drive technological progress, to empower communities and drive inclusive economic growth, aligning with the Government's agenda for public sector reform. As a vital part of the public sector innovation eco-system local government therefore plays a key role in driving technological progress in every part of the country and driving growth in the technology sector.
- A centre for local government digital could play a pivotal role in reducing the digital divide, addressing public sector reform, and promoting inclusive economic growth if local government is supported and empowered to be more innovative, technologically inclusive and sustainable.

The LGA will be responding to the Government's green paper on its modern Industrial Strategy. We are keen to work with the Government to ensure that the Strategy delivers for all sectors and areas of the country.

Investment, infrastructure and planning

The Chancellor announced that:

- Investing over £500 million in 2025-26 to deliver Project Gigabit and Shared Rural Network to drive the rollout of digital infrastructure to underserved parts of the UK, including delivering full gigabit broadband coverage by 2030. (*Page 65, paragraph 3.19*)

LGA view

- Digital access is essential to enabling people to fully participate in an increasingly digital society and engage in a 21st century education and employment. The LGA welcomes further investment in the rollout of digital infrastructure to underserved parts of the UK, It is vital that mobile network operators and the Government work with councils to deliver their ambitious programme. Councils are best placed to understand the digital needs of their

areas and ensure that local policy, such as planning and highways regulation, is streamlined to help improve connectivity.

- Councils continue to play a leading role in digital connectivity, and this has built up a pool of internal expertise that has helped facilitate both roll-out and take-up. However, with the centralised management of Project Gigabit within Building Digital UK (BDUK), there is a risk this local expertise could be lost. Given the right funding and opportunity to work in partnership with government, councils could play an enhanced role targeting left behind communities, driving demand stimulation and providing digital upskilling.
- The Government should fully fund a digital connectivity champion in every local authority. Local authority digital champions act as a point of contact, helping extend gigabit-capable broadband. It's crucial that these champions are integrated into other digital programming in councils, particularly digital inclusion, to ensure that this resource can be most appropriately used by councils for the benefit of their communities.

Innovation

The Chancellor announced that:

- Science and innovation are critical to the delivery of the government's modern Industrial Strategy. This includes maximising the growth benefits of the UK's thriving digital and technology sectors. *(Page 77, paragraph 3.73)*
- The government will shortly publish the Artificial Intelligence Opportunities Action Plan setting out a roadmap to capture the opportunities of AI to enhance growth and productivity and better deliver services for the public. *(Page 77, paragraph 3.73)*
- The government is creating a National Data Library to unlock the full value of our public data assets. This will provide simple, ethical, and secure access to public data assets, giving researchers and businesses powerful insights that will drive growth and transform people's quality of life through better public services and cutting-edge innovation, including AI. *(Page 77, paragraph 3.73)*

LGA view

- Engagement with local government on a new National Data Library will be vital to its success. Councils have a unique position within the public sector technological eco-system where they hold information on every resident, exchange data with nearly every branch of government, and enable the digital economy in the places they serve. Councils face challenges in effectively utilising this data due to quality issues, availability limitations, and difficulties in sharing data with other organisations. These challenges stem from data silos, varying data formats, conflicting data sharing agreements or interpretations, and differing risk appetites among departments. There's also limited adoption of data standards in systems by suppliers which acts as a further barrier.
- Government data foundation remediation plans need to integrate local government and more support provided to data standards adoption so that council data is integrated into the National Data Library and can fully harness the use of AI.

- The LGA welcomes the announcement that an Artificial Intelligence Opportunities Action Plan will be published shortly. To foster public trust in AI and other emerging technologies, there must be coordinated assurance built into this action plan saving vital resources for councils as buyers and reducing barriers for entry for SMEs. To address concerns regarding market dominance by a few suppliers, more must be done to foster competition, particularly for SMEs, and local government is a vital vehicle for making this happen.

Driving value for money in public spending: harnessing digital technology

The Chancellor announced that:

- The government has placed a renewed focus on public sector productivity in Phase 1 of the Spending Review. The government has set departments a 2 per cent productivity, efficiency and savings target for next year. This will ensure that departments are focusing on the delivery of what matters most. The government will monitor the delivery of this target through the Government Efficiency Framework. *(Page 41, paragraph 2.9)*
- The government is also developing a strategic plan for a more efficient and effective civil service, including through improving skills and harnessing digital technology to drive better outcomes for public services. *(Page 41, paragraph 2.12)*
- To fundamentally change the way public services are delivered, departments must work together to deliver key priorities in a more effective and efficient way, breaking out of siloes and focusing on driving forward the government's core objectives. The government will take a mission-led approach to Phase 2. Departments will work together to develop a shared strategy for delivering the government's missions. The government will support missions to drive collaboration across government and its partners and to target spending on the priorities that will deliver the biggest impact for citizens. *(Page 57, paragraph 2.93)*
- Phase 2 will focus on ensuring the public sector makes the best use of technology, in order to digitise public service delivery, enhance productivity and improve outcomes. *(Page 58, paragraph 2.95)*
- The Chancellor of the Duchy of Lancaster, Secretary of State for Science, Innovation and Technology and Chief Secretary to the Treasury lead the Digital Centre of Government. The Department for Science, Innovation and Technology will continue to drive towards a renewed strategy for digital transformation across the public sector to ensure that fundamental reforms in public services are prioritised and digital-led. This will inform a centralised and coherent approach to digital investment at Phase 2 of the spending review. *(Page 58, paragraph 2.96)*

LGA view

- Local government is a substantial part of the public sector, employing 1.32 million people and delivering vital services to residents with an annual budget of £121 billion. However, councils are facing significant financial and service demand pressures. Digital transformation is considered a vital way to improve efficiency and service delivery in this challenging environment.

- As a vital part of the public sector innovation ecosystem, local government must be represented on public sector strategic boards and have their priorities and context understood and integrated at the earliest possible point. This will reduce the likelihood of multiple pieces of guidance being produced at public expense. Local government must also have equivalent access to training as civil servants, particularly for frontline staff who may be digitally excluded, so that technology can be harnessed across councils.
- In the run-up to the General Election, we published our Local Government White Paper. In it, we called for the establishment of a Local Government Centre for Digital Technology (LGCDT) to empower local authorities to harness the full potential of digital technology. The LGCDT would invest in training and development programs to upskill Local Government staff and build digital capacity. It would provide technical assistance, guidance, and resources. The Centre would also help local authorities streamline processes, reduce costs, and improve service delivery through the adoption of digital technologies. Developing and managing compliance against cyber security and data protection standards will ensure secure, resilient and trustworthy digital services. By leveraging collective buying power, the Centre would secure the best value for money and access innovative solutions. If we seize the opportunity, we will not only empower Local Government, but we will also build a brighter digital future for the communities they serve.
- The LGA welcomes a coherent strategic approach to digital investment across the public sector. Due to the breadth of services that councils deliver, councils interact and share data with almost every government department. As a consequence, they are navigating a cluttered and sometimes conflicting guidance and compliance space, and it's challenging to understand how it all fits together to ensure the best outcomes for the communities councils serve. More clarity and coherence are welcomed.

Culture, tourism, and sport

The Chancellor announced that:

- To ensure investment is focussed on the growth mission, the government is minded to cancel unfunded Levelling Up Culture and Capital Projects, and the West Midlands culture and inward investment funding, that were announced at Spring Budget 2024, but will consult with potential funding recipients before making a final decision. *(Page 93, paragraph 4.61)*
- £25 million funding for the North East Mayoral Combined Authority (NEMCA) has been confirmed. NEMCA plans to use the funding to remediate the Crown Works Studio site. This will support the North East's creative industries and is expected to lead to around 8,000 new jobs in the region. *(Page 74, paragraph 3.51)*
- The government will also provide funding to DCMS to commemorate the 80th anniversary of VE and VJ day, to remember those who gave their lives and honour those who served at home and abroad. *(Page 55, paragraph 2.79)*
- Supporting elite and grassroots sport by investing in multi-use facilities across the UK and scaling up work so DCMS can deliver on plans for the UK and Ireland to host the 2028 UEFA European Football Championship. DCMS will also provide UK Sport's Olympic and Paralympic programme with an increase in funding of over 10%, providing £9 million a year extra to support hundreds of talented athletes across the country as they go for gold at the

2028 Olympic and Paralympic Games in Los Angeles. This multi-year investment will mean a total of £344 million is invested over the next cycle. *(Page 104, paragraph 4.102)*

LGA view

- Cancelling the Levelling Up Culture and Capital Projects would significantly impact communities who have been promised improved cultural services. The LGA's [independent commission on culture and local government](#) found that local cultural infrastructure is critical to providing a pipeline of talent for the creative industries, allowing professionals to develop their practice and secure a degree of job security through a balanced portfolio of public and private projects.
- Local government has a core role in supporting inclusive economic growth and the creative industries. Strategic investment in creative clusters and corridors will support councils to help this growth industry thrive and expand in their areas. However, this must not be at the expense of provision of local cultural services.
- Local authorities take their responsibilities for organising Remembrance events and parades very seriously, working with their local Royal British Legion (RBL) branches, and other Armed Forces charities. The Department for Culture, Media and Sport (DCMS) will need to engage at an early opportunity with councils to ensure proper preparations and coordination can be put in place to mark these significant commemorative events.
- The LGA has long called for investment in public multi-use facilities that support three quarters of grassroots clubs, as well as training venues for elite athletes. DCMS must urgently engage with local government to plan how this investment can be rolled out across the 2,700 leisure facilities owned and run by local government, coordinating with plans to be announced about the shift of health spending to focus on prevention.

Local transport

The Chancellor announced that:

- The settlement provides increased investment in local roads maintenance and local transport, supporting everyday journeys and addressing poor connectivity within our towns and cities across the country, which is currently a key drag on growth. It does this by:
 - Providing an additional £100 million investment in cycling and walking infrastructure in 2025-26, to support Local Authorities to install cycling infrastructure and upgrade pavements and paths. *(Page 96, paragraph 4.69)*
 - Providing over £650 million of funding for local transport beyond City Region Sustainable Transport Settlements in 2025-26 to ensure that transport connections improve in our towns, villages and rural areas as well as in our major cities. This includes funding to progress transport-related Levelling Up Fund projects from Rounds 1, 2 and 3. The Transport Secretary will set out further detail on how this funding will be allocated in due course. *(Page 96, paragraph 4.69)*

- Investing over £200 million in 2025-26 to accelerate EV chargepoint rollout, including funding to support local authorities to install on-street chargepoints across England. *(Page 78, paragraph 3.80)*
- Providing an additional £200 million for City Region Sustainable Transport Settlements, bringing local transport spending for Metro Mayors in 2025-26 to £1.3 billion. *(Page 96, paragraph 4.69)*
- Providing over £1 billion funding to support local areas and bus operators, in 2025-26, providing high quality bus services across the country. The government is extending the bus fare cap, which was due to end in December 2024. A new cap will run from January 2025 to December 2025 at the higher rate of £3. *(Page 96, paragraph 4.69)*
- Providing a nearly 50% increase, on 2024-25, in funding for local roads maintenance. This will go further than the government's commitment to fix an additional one million potholes across England each year, investing almost £1.6 billion to maintain and renew the nation's roads, an increase of £500 million on 2024-25. *(Page 65, paragraph 3.19)*

LGA view

- The additional funding for active travel, electric vehicle chargepoints, and for connectivity in our towns, villages and rural areas as well as in our major cities, will help improve access to jobs, services, and the high street, support growth, and keep communities connected. Investment in road repairs has been greatly impacted by inflation; today's step increase in funding for highways maintenance will enable councils to continue with planned schemes.
- A £16.3 billion backlog of road repairs has developed and will continue to grow without more funding over a longer term and greater powers and flexibility for councils to maintain and improve their assets.
- The Government need to consolidate and provide long-term certainty for infrastructure funding streams at the forthcoming spending review. This will enable councils to plan more effectively for the long-term and develop a pipeline of schemes that help give investors more confidence in the future prosperity of local economies.
- We are pleased the Government has listened to the LGA and councils and extended the bus fare cap to 2025, although the fare increase will impact passengers. More work is needed to attract them back onto buses to ensure services are sustainable for our communities.
- People need well-funded buses, yet councils face a confusing and inconsistent funding system. Streamlining bus funding into a single, long-term pot would give councils greater control over services and spending and residents more long-term certainty over future services. This change would improve access to jobs, services, and the high street, support growth, keep communities connected, and reduce air pollution.

Planning skills and capacity

The Chancellor announced that:

- The government will provide £46 million of additional funding to support recruitment and training of 300 graduates and apprentices into local planning authorities, accelerate large sites that are stuck in the system, and boost and upskill local planning authority capacity to deliver the government's wider reform agenda. *(Page 70, paragraph 3.35)*

LGA view

- This announcement is a welcome addition to other ongoing initiatives, such as the LGA's [Pathways to Planning](#) programme, in helping to address ongoing planning capacity and resourcing challenges.
- Working closely with the Planning Advisory Service, the LGA launched Pathways to Planning only four months after signing a memorandum of understanding with MHCLG. By September 2024, the team had recruited more than 80 new planners to work in 61 different local planning authorities. The LGA's commitment to recruit graduate planners who can represent councils' diverse communities is reflected in the first two cohorts, with strong representation from women, those who identify as BAME and individuals whose parents did not attend university.
- We want to work with Government, building on the good work started with Pathways to Planning, to ensure that we have an effective planning system that supports the delivery of the crucial housing and infrastructure needs of our communities. It is vital that local planning authorities are well-resourced and have the right skills in place.
- We urge the Government to bring forward proposals to give local authorities the flexibility to set their own planning application fees locally, as set out in [recent consultation on reforms to the planning system](#). This measure would allow planning departments to achieve cost recovery for assessing planning applications and will slowly help to address the national operating shortfall in planning departments and provide better value for money from local authorities for the local taxpayer.

Net Zero and clean energy

The Chancellor announced that:

- The government has already taken steps to unblock and drive investment into the UK's clean energy industries. Reversed the de facto ban on onshore wind in England, which will help deliver cheap, reliable, and clean energy across the UK. *(Page 77, paragraph 3.75)*
- Approved four major solar projects of nearly 2GW, enabling the creation of thousands of jobs. *(Page 77, paragraph 3.75)*
- Significantly increased the budget for the sixth Contracts for Difference allocation round, resulting in a record number of contracts. *(Page 77, paragraph 3.75)*

- Secured £34.8 billion of private investment into the UK's clean energy industries around the International Investment Summit (*Page 77, paragraph 3.75*)
- Accelerating grid connections and building new network infrastructure is central to unblocking private investment, delivering growth in clean energy industries and other growth sectors like AI, data centres, and manufacturing. (*Page 78, paragraph 3.77*)
- The government is working with the new National Energy System Operator (NESO) and Ofgem to develop a robust grid connection process, to ensure viable projects are connected in a timely manner. (*Page 78, paragraph 3.77*)
- Making buildings and homes cleaner and cheaper to run is essential for meeting Net Zero and supporting energy security and resilience. Through the Budget, the government is providing support to both the public sector and households by; Delivering hundreds of local energy schemes to help decarbonise the public estate through the Public Sector Decarbonisation Scheme, with over £1 billion of funding over three years. (*Page 78, paragraph 3.78*)
- Taking the first step towards a Warm Homes Plan, committing an initial £3.4 billion towards heat decarbonisation and household energy efficiency over the next three years. This includes £1.8 billion to support fuel poverty schemes, helping over 225,000 households reduce their energy bills by over £200. The government will increase funding for the Boiler Upgrade Scheme in England and Wales this year and next, following the high demand for the scheme. The government is also providing funding to grow the heat pump manufacturing supply chains in the UK to support the plan. (*Page 78, paragraph 3.78*)
- The government confirms the previously announced adjustment to Landfill Tax rates from 1 April 2025, which maintains the incentive to manage waste more sustainably. (*Page 133, paragraph 5.96*)
- Further growth-driving sectors are benefitting from decisions made by the government: The UK's clean energy sector will benefit from £3.9 billion of funding in 2025-26 for Carbon Capture, Usage and Storage Track-1 projects to decarbonise industry and contracts with 11 green hydrogen producers. (*Page 74, paragraph 3.52*)

LGA view

- The LGA supports the reversing of the de facto ban on onshore wind in England, allowing for local decision making, but encourages government to include councils and communities early in every decision to install capacity in a local area. New onshore wind turbines are now much larger than those existing and to keep communities onside there needs to be increased engagement and meaningful discussions around community benefits.
- The LGA appreciates the urgency around installing renewable energy infrastructure, but local democratic accountability and decision making should be prioritised where possible. We welcome the recent consultation on increasing the threshold for installations considered of national importance which will enable local authorities to decide more large scale application.
- We welcome private sector investment in the UK's Green Energy Industries and would welcome more direct co-investment in locally led renewable energy projects as well as more opportunity for community investment.

- It is important that NESO work with local government on the development of the strategic investment in energy infrastructure nationally, regionally, and locally.
- Sufficient grid capacity, enabling new connections, is currently the biggest barrier for the UK becoming a Clean Energy Super Power. Local Planning Authorities have approved thousands of renewable energy generation applications that are currently sitting in a connection queue sometimes being told they have 6 to 8 years to wait before connection.
- Some councils have even invested in grid infrastructure to enable the housing development they need in their own area to meet targets. Not only will local grid connection capacity slow down renewable energy generation capacity, it is also likely to slow down the uptake of heat pump installation and vehicle charging.
- Local government plays a leading role in decarbonising our homes and buildings and it is positive to see further funding into schemes that can reduce emissions and bills. Reducing emissions from homes and buildings is critical but not straightforward. As place leaders, landlords, housing, and planning authorities, local government can play a lead local role in the decarbonisation of housing street by street.
- New schemes such as the Warm Homes: Local Grant are very positive and we look forward to seeing further details on the level of funding behind different retrofit schemes in the short term, and to ensure that they provide the certainty, flexibility, and scale needed to make progress.
- Longer term, local government wants to help design and deliver the Warm Homes Plan, leading place-based efforts to reduce emissions from social and private rented homes and exercising their leverage to help owner occupiers.
- Local government would like the new approach to radically reform the existing national retrofit schemes, pooling funds, a new approach could bring the scale needed to shift towards a place-based allocations model of funding retrofit outcomes to build certainty and long-term plans for local government, skills, jobs, SME's and supply chains, and away from the challenges of dealing with fragmented competition pots.
- A similar approach should be taken for non-domestic buildings, in decarbonising the public sector estate. Reviewing the Public Sector decarbonisation Fund and the relationship with GB Energy towards a 'one public estate retrofit' programme.
- Retrofit is difficult and expensive. That is why it is crucial to ensure the Future Homes and Buildings Standard requires high net zero standards on all new homes, so that homes built today do not need retrofitting tomorrow.
- The LGA welcomes the investment in Carbon Capture and Storage and contracts with 11 green hydrogen producers but encourages government to consider investment in CCUS in line with the energy hierarchy and for green hydrogen project opportunities to be taken forward in conversation and partnership with the councils in which the developments are proposed.

Flooding

The Chancellor announced that:

- The government is facing significant funding pressures on flood defences and farm schemes of almost £600 million in 2024-25. While the government is meeting those commitments this year, it is necessary to review these plans from 2025-26 to ensure they are affordable. *(Page 104, paragraph 4.104)*
- Committing £2.4 billion over 2024-25 and 2025-26 to support flood resilience: protecting communities across the country and our economy from the impacts of flooding. *(Page 105, paragraph 4.104)*

LGA view

- We want to work with government on the review of plans to improve flood defences. This should explore the potential for capital and revenue funding to be combined into a single place-based pot to support a more diverse set of local outcomes, rather than nationally set outcome measures.

Nature recovery

The Chancellor announced that:

- The Budget will support the government's growth mission by allocating £70 million in 2025-26 to support infrastructure and housing development while boosting nature recovery. This includes £14 million for the Nature Restoration Fund to offset the environmental impact of development, with a developer contribution, and £13 million to expand Protected Sites Strategies in priority areas. *(Page 105, paragraph 4.107)*

LGA view

- Councils, as the local leaders of place, could become the focus point for attracting investment into nature and biodiversity, directing funding from public and private investment to meet the needs of local areas, and plug the gap for communities where access to nature is poor.
- To support this, Local Nature Recovery Strategies need to be given the teeth to shape all public environment spending in places, and review powers they hold to lead nature-based adaptation action, from managing floods to droughts.

Nutrient neutrality and stalled sites

The Chancellor announced that:

- The Budget also confirms £47 million of funding to support the delivery of up to 28,000 homes that would otherwise be stalled due to nutrient neutrality in affected catchments. *(Page 70, paragraph 3.35)*

LGA view

- The LGA welcomed the funding for councils through the Nutrient Mitigation Fund set up by the previous government. It is good to see that support to councils is continuing. This must be followed up by doubling-down on long-term action to protect rivers with a focus on reducing pollution at the source.

Procurement

The Chancellor announced that:

- To continue to drive value for money, the government will also use the new Procurement Act to create a simpler and more transparent regime for public sector procurement that will deliver better value for money and reduce costs for business and the public sector. The government will implement the Act in February 2025 with further reforms including a new National Procurement Policy Statement. *(Page 45, paragraph 2.10)*
- Late payments can bring cash-flow challenges for small businesses, so from 1 October 2025, companies bidding for government contracts over £5 million per annum will be excluded from the procurement process if they do not pay their own suppliers within an average of 45 days. The government also views increasing its procurement spend with small businesses as an important economic growth lever, with further details on implementing this to be set out in the National Procurement Policy Statement next year. *(Page 80, paragraph 3.60)*

LGA view

- Councils have been engaging with the Government's learning and development programmes related to the Procurement Act and are ready for the Go-Live date in February 2025.
- Council procurement teams have been working hard to ensure contractors play their part in ensuring their subcontractors are paid promptly and welcome the decision to exclude those that do not do so.

Welfare fraud and error

The Chancellor announced that:

- DWP continues to use data from across government and the private sector to tackle fraud and error. The forthcoming Fraud, Error and Debt Bill will introduce new powers to check benefits are being paid correctly using data shared by banks and financial institutions, saving £475 million in 2029-30. The Bill will also strengthen DWP's powers to recover debt, saving £260 million in 2029-30. DWP will continue to collaborate with other government departments such as HMRC, the Home Office and Department for Science, Innovation and Technology to further strengthen data sharing and explore new data innovations to tackle fraud and error. *(Page 41, paragraph 2.15)*

- The settlement provides investment to deliver the biggest package of measures in recent history to reduce welfare fraud and error. The government will increase counter fraud and error funding by £110 million in 2025-26, hire an additional 3,000 DWP fraud and error staff and introduce new legislative powers for DWP to recover debt alongside requiring banks and financial institutions to 106 Autumn Budget 2024 undertake checks to identify incorrect benefit payments. These initiatives, along with further investment across DWP and HMRC administered benefits, will deliver savings of £4.3 billion in 2029-30. *(Page 105, paragraph 4.109)*

LGA view

- Local government has a key role in administering benefits, recovering revenues and debts, and identifying potential fraud and error, for example, in their role as landlords. It is vital that the forthcoming Fraud, Error and Debt Bill ensures that data can be shared effectively between local and national government, that there is effective joint working between departments and councils, and that councils' revenues and benefits services have the necessary resources to identify, tackle and escalate potentially fraudulent behaviour.
- As we move towards steady state for Universal Credit, Government must recognise and properly resource the long-term role of councils in the benefits system. Councils remain responsible for some of the most vulnerable claimants. Reducing fraud remains important, but ensuring that households understand conditionality and know how to make and manage claims and accounts will also help to reduce error and the ensuing challenges that this can present for vulnerable residents.

Universal Credit deductions and debt repayments

The Chancellor announced that:

- The government is helping low-income households on UC by allowing them to pay off their debts over a longer timeframe and keep more of their UC each month. The government is creating a new Fair Repayment Rate which caps debt repayments made through UC at 15% of the standard allowance. This will benefit around 1.2 million households as they will keep more of their UC award each month, with households expected to be better off by £420 a year on average. Around 700,000 of the poorest families with children will benefit as a result of this change, supporting the government's ambition to tackle child poverty. *(Page 43, paragraph 2.30)*

LGA view

- We are pleased that the Government has recognised the continued pressures for low-income households in meeting their essential living costs.
- We will continue to work with Government on measures to support indebted households, including offering more integrated support and ensuring fair and effective approaches to affordability assessments and repayment plans across creditors.

Domestic abuse

The Chancellor announced that:

- The settlement will support the government's priorities to tackle violence against women and girls and knife crime. This includes implementing Raneem's Law to put domestic abuse specialists in control rooms and establishing trailblazer Young Futures Hubs to prevent young people being drawn into crime. (*Page 85, paragraph 4.21*)

LGA view

- The LGA supports measures to tackle violence against women and girls and knife crime. The LGA also welcomes the Government's commitment to rolling out domestic abuse specialists in police control rooms.
- The LGA supports the focus on preventing children and young people from being involved in violence and have been working with government on the proposals for Young Futures Hubs. These should be trailblazed in areas where investment in young people is most needed, and led by local government who know their local areas and can convene partners effectively.

Vape Levy

The Chancellor announced that:

- A new Vaping Products Duty will be introduced from 1 October 2026 at a flat rate of £2.20 per 10ml vaping liquid, accompanied by an equivalent further one-off increase in Tobacco Duty to maintain the financial incentive to switch from tobacco to vaping. (*Page 49, paragraph 2.52*)

LGA view

- The LGA has long been calling for strong action to making vaping products less affordable to minors. We are pleased by the Chancellor's announcement to introduce a new vape excise duty. Proceeds from the excise duty should be specifically targeted for environmental, public health and enforcement purposes provided by local councils.
- A new vape duty could help fund enforcement work to crackdown on the sale of illicit products or on rogue sellers willing to supply them to children and would go some way to ensure that more data on who sells and supplies vaping products are required to comply with some reporting requirements and the numbers supplied legally into the UK.
- We continue to highlight that local authority trading standards teams have seen a significant reduction to core budgets over recent years, and continue to face acute staff shortages, while also seeing the number of enforcement responsibilities increase through new legislation on a range of different Government priorities.

Soft Drinks Industry Levy

The Chancellor announced that:

- To protect its real terms value, the Soft Drinks Industry Levy (SDIL) will be increased, over the next five years, to reflect the 27% CPI inflation between 2018 and 2024. Annual rate increases will take place on 1 April, starting on 1 April 2025, and will also reflect future yearly CPI increases. *(Page 134, paragraph 5.102)*
- Soft Drinks Industry Levy Review – To ensure the SDIL continues to encourage reformulation to help tackle obesity, the government will review the current SDIL sugar content thresholds and the current exemptions for milk-based and milk substitute drinks. *(Page 134, paragraph 5.103)*

LGA view

- Preventable illness from obesity and diet-related diseases is placing significant pressure on the NHS and social care systems and keeping many individuals out of the workforce. We welcome the decision to adjust the SDIL for inflation, a positive step toward further incentivising the food and drink industry to make these products healthier.
- We are also pleased to see the planned review of SDIL thresholds and exemptions for milk-based drinks containing added sugar. This shows an ongoing commitment to refining the levy for maximum public health impact and we will be inputting into any future consultation.
- However, we are confident that the funds generated each year through SDIL could be spent more effectively by local government, while offering excellent value for money. To ensure funds raised by the Levy are targeted appropriately at communities with the greatest childhood obesity and physical inactivity levels, an allocation based on deprivation and areas with poorer child health outcomes should be considered and should be determined by local Directors of Public Health.

Gambling Duty

The Chancellor announced that:

- The government will consult next year on proposals to bring remote gambling (meaning gambling offered over the internet, telephone, TV and radio) into a single tax, rather than taxing it through a three-tax structure. This will aim to simplify, future-proof and close loopholes in the system. *(Page 135, paragraph 5.107)*

LGA view

- The LGA has called for the modernisation of gambling policy and welcomes the proposed simplification regarding taxation of remote gambling. Our member councils play a key role in the wider sector through the licensing of land-based gambling and work closely with the Gambling Commission to regulate gaming industry operators. The overriding goal of all parts of the state should be to balance the lawful consumption of gambling products with the need to protect our residents from the harms of problem-gambling.

- While the Government has promised this consultation on remote gambling, the LGA continues to call for a wholesale update of the Gambling Act 2005 to improve the ability of local licensing authorities to do their important work alongside national bodies.
- If the Government raises additional funds from gambling operators, it should keep in mind that it is frontline councils that bear the brunt of the industry's negative externalities, from loss of income or employment due to addiction, mental and physical health risks or corresponding increase in crime and anti-social behaviour. Our member councils need more support, including funding, to help all our communities.

Pandemic preparedness

The Chancellor announced that:

- Strengthen the UK's pandemic preparedness and health protection with £460 million of investment to address the risk posed by future health emergencies and implement the lessons learnt from the pandemic by replenishing personal protection equipment (PPE), vaccine and medicines stockpiles, and investing in critical health protection infrastructure, such as high-containment laboratories. *(Page 82, paragraph 4.5)*

LGA view

- The LGA welcomes the Government's commitment to strengthening the UK's pandemic preparedness through this investment. Local government played a vital role in responding to the pandemic, from supporting local testing and vaccination sites to coordinating community-based responses.
- This investment in PPE, vaccine and medicines stockpiles, and other critical health infrastructure is a crucial step in ensuring the country is better equipped for future health emergencies.
- However, it is important to note that the public health grant received by councils has been reduced in real terms by £858 million (in 2022/23 prices). To ensure that all partners in the local health protection system, including local councils, can deliver a high-quality service responsive to emerging needs - particularly for vulnerable and disadvantaged populations - grant funding must be increased. This will help address issues such as infection prevention and control, improve vaccination rates and mitigate risks arising from communicable diseases and other environmental hazards.
- We need a new 'local by default' model for health protection – one which does not just tackle outbreaks or incidents, but responds to the impact on individuals, and builds on the power of communities. It is imperative that any model for health protection includes links with health improvement to reduce inequalities because, as evidenced from Covid-19, those with existing inequalities often have the biggest burden of health protection challenges.

Shoplifting

The Chancellor announced that:

- We are taking action to deal with the sharp rise in shoplifting we have seen in recent years. We will scrap the effective immunity for low-value shoplifting introduced by the party opposite. And having listened closely to organisations like the British Retail Consortium and USDAW I am providing additional funding to crack down on the organised gangs which target retailers and to provide more training to our police officers and retailers to help stop shoplifting in its tracks. *(From the Chancellor's speech)*

LGA view

- Shoplifting puts up prices for everyone and perpetuates crime.
- The LGA welcomes increased funding to tackle organised gangs targeting retailers and steps to end effective immunity for low-value shoplifting.
- Shoplifting, whether it be from organised gangs or otherwise, often use desperate people who require support for substance misuse and mental health issues. This additional support is still required to ensure these people do not enter the criminal justice system and a cycle of repeat offending.

Prisons

The Chancellor announced that:

- To bring an end to the crisis in prisons, the government will examine tough alternatives to custody to make sure these sentences cut crime while making the best use of taxpayers' money. Along with the prison building programme, the government will bring the criminal justice system onto a sustainable and affordable footing and ensure there is always the space in prison for the most dangerous offenders. *(Page 59, paragraph 4)*
- The settlement provides at least an additional £500 million investment across prisons and the probation system in 2025-26 to recruit thousands of new prison and probation staff, and at least 1,000 new trainee probation officers by March 2025. This will enable us to keep prisons safe and manage offenders in the community. The settlement will deliver thousands of new electronic tags. *(Page 86, paragraph 4.27)*

LGA view

- The LGA welcomes the possibility of increasing non-custodial sentences for low level offending. This will ease pressure on the prison estate, reduce the pressure on councils to manage homelessness of some offenders and keep families together.
- The LGA would like to work with Government to plan for and implement this shift towards more community-based sentences, which can potentially break the cycle of reoffending.