## GENERAL
- Skills funding

## ELECTION!

## QUEEN'S SPEECH

## FORM CABINET

## Last TV Debate

## First budget TBC

## Press Conn (Rose Gdn?)

## First Cabinet meeting

## First PMQ's

## Homes

## School places

## Skills and jobs

## Shared prosperity

## Healthy nation

### To do:
- **MAY 2015**

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- **QUEEN'S SPEECH**
- **GENERAL ELECTION**
- **FORM CABINET**
INVESTING IN OUR NATION’S FUTURE

You’re holding in your hands a bold and radical offer to the next government of this country – our plan for their first 100 days in power, 100 days which will shape the rest of the decade for every single one of our residents and those born during the next five years.

Every one of our citizens wants the best possible opportunities for their family. They want a decent job, a good school place for their children close to where they live and a home for their family. They also want to be sure they and their loved ones have a good quality of life as they get older. Most of all, they want to have a say in their own future. Understandably, when people see national growth figures rising they want their prospects to rise too.

Last year, we laid the foundations of our response to the challenges that public services face with our campaign, Rewiring Public Services. This was bold and innovative, starting a national debate about issues such as English devolution and reform of the outdated Barnett formula. Since then, councils across the country have been leading the way, developing their own ideas with energy and enthusiasm.

This is local government at its best, creating solutions not simply repeating problems. Despite the tough financial challenges, councils have delivered efficiencies and in many cases, improved services at the same time, helping to change lives for the better.

This year, we’re going a step further – offering the next government a ready-made, fully-costed, long-term answer to the hard questions they will face when the dust settles on 8 May 2015.

The cost? Not a penny. In fact, the public sector would save £11 billion. That’s almost £200 for every man, woman and child in England and Wales.

Developed with the unique local knowledge of our member councils, giving us the power to make such a strong commitment, we have put aside party colours in favour of doing the right thing for our residents. Rest assured that from now until Election Day, and beyond, we’ll be working tirelessly across party lines to turn these ideas into reality.

Cllr David Sparks
Chair, Local Government Association
OUR COMMITMENT TO THE PEOPLE OF THE COUNTRY

In May 2015 the nation will have a new government which will determine the course the country takes, not just until the end of the decade, but for future generations.

This new government will be faced with a number of difficult issues. At the top of the in-tray will be the ‘must do’ tasks it will have to tackle.

Our offer, to whoever forms that government, is to help them deal with the issues that matter most to the people of this country, changing lives for the better and investing in the future of our nation.

In this document we set out what the new government will need to do – in its first 100 days – to secure a bright future for the people of this country.

If a radical and devolved model for public services is put in place, local government will be able to commit, over the course of the next Parliament, to:

• **Build half a million more homes** so people can find a place they can afford.

• **Offer every child a place at a good school** close to home, to give them the best possible start in life.

• **Halve the number of unemployed young people**, giving them the best chance to succeed.

• **Reduce long-term unemployment by a third** by localising all back to work schemes, bringing together services around those who are out of work.

• **Inject £1 billion a year into a much needed programme to address the pothole backlog** by investing 2p a litre from the existing fuel duty to fix our roads.

• **Support people to live independently at home**, reducing total hospital admissions and eliminating unnecessary hospital stays, to help save £3.9 billion a year from health and social care budgets.

• **Help the three and a half million overweight or obese children** by reinvesting a fifth of existing VAT on soft drinks, fast food and confectionery in activity programmes. The NHS currently spends £1 million an hour on diabetes, equivalent to 10 per cent of its annual budget.

• **Ensure more people live healthier lives and tackle the harm caused by smoking and excessive drinking** by reinvesting a fifth of existing tobacco and alcohol duty in preventative measures. Reducing smoking rates by five per cent would save 4,000 of the lives lost every year to smoking. Reducing by a tenth the working days lost to alcohol misuse alone would save £770 million.

By implementing the range of policies outlined in this document, we will save **£11 billion** on the cost of the public sector and empower local communities to have a real say in their own future.
The current way of governing our country is broken and expensive. Whatever happens in the Scottish referendum, the devolution question for England must be answered. There is an appetite in all parts of the country for power to be devolved to local areas. A radical re-thinking of public services, led by local communities, will enable people to help themselves and one another.

Joining up local public services is the only way we can invest in the future of our nation within the tough budget settlements the public sector inevitably faces over the next Parliament. Whoever takes power in 2015 will have to work with our public services, including local government, to tackle a number of problems, such as local government’s projected £12.4 billion funding gap by 2019/20, by radically transforming services.

Local government is playing its part in delivering solutions to this funding gap, including combining authorities and groupings of boroughs in our major cities. At least 337 councils across the country are already engaged in shared service arrangements resulting in £357 million of efficiency savings.1

But this isn’t just about saving money. Five million children will be born over the course of the next Parliament.2 They will grow up in a country defined by the government’s political choices about education, health, care and housing. These choices will determine the future of the places they live and will one day work in.

Happily, people are also living longer and as a result the treatment and care they need is changing too. People rightly have increasing expectations of care and support, wanting it to concentrate on them and their family’s needs, not on institutions, and to focus on prevention rather than cure.

We need to engage early to give children the best possible start in life, intervening in their early years to avoid conditions such as obesity and diabetes. We must also make sure young people fulfil their educational potential by providing them with skills to prepare them for the world of work.

If the next government has the courage and is bold enough to deliver public services differently, by the end of the next Parliament parents will be able to prepare their children for school knowing they will be guaranteed a good school place in their local community; have the right skills to boost their chances of finding a job; buy a home they can afford; live in an area with good transport and roads; and be supported in later life.

In short, people will have a real say in their own future, a fair share in rising national prosperity and live safe, healthy, independent lives in thriving communities.

Evidence from Community Budgets, the Troubled Families programme, local infrastructure projects and devolved youth contracts demonstrate that local delivery works and makes a difference. Local leadership can provide the right training and apprenticeships, get people into work, build affordable houses, and keep people out of hospital and in their own home for longer.

THE FIRST 100 DAYS OF THE NEXT GOVERNMENT
More than three quarters of people trust local government to make local decisions compared to one in ten who trust national government. The same proportion trust their councillor more than they do national politicians.³

So, no incoming government can afford to ignore the important role that councils and local communities can play in the future success of the nation. Local government has spent the last three years facing up to the challenge ahead: in 2012 we set out the scale of the financial challenge in front of us and in 2013 we launched Rewiring Public Services, which began the debate about how to solve this funding gap.

Today, we are setting out the clear actions that must be taken so that the next government will be able to go back to the people of our country in 2020 with a powerful record of reform and improvement.

Underpinning principles

The work of any new government must be underpinned by a number of principles if the reforms we set out are to truly transform public services:

• More devolution of power to elected councillors to enable them to rewire public services.
• Community Budgets as the preferred local delivery mechanism for government departments.
• Financial settlements tied to the lifetime of Parliament for all of the public sector.
HELPING EVERYONE FIND HOMES AT AN AFFORDABLE PRICE

The shortage of houses in this country is a top priority for people and buying a home is increasingly out of reach for many. Over the last two Parliaments, the number of people under 45 who can afford their own home has fallen by a fifth. More than three million adults aged 20-34 are now living with their parents; house prices are rising faster than average earnings and there are 1.7 million households on waiting lists for affordable homes across England.

The number of people renting has doubled and the average first-time buyer is now 35 years old. There are significant pressures in high-cost areas such as London and the South East – house prices have already rocketed to nearly 14 times the average salary in London and 11 times in the South East. London now has the greatest proportion of people in temporary accommodation and the fastest-rising house prices in the country. And in some rural communities, where wages are low, homes have become unaffordable for people.

Everyone agrees we need to build more homes and that we are currently falling far short of demand. Fewer than 110,000 homes were completed in 2013, 40 per cent lower than the number built in 2007.

Councils are ambitious for their communities and the people who live in them. They want to build more local, affordable homes but currently they are restricted in their ability to do so. Councils have demonstrated that when they are given the powers, resources and flexibilities they can build at scale. For example, councils regularly built over 100,000 homes each year between 1946-80. Councils are focused on making the best use of land that is available and appropriate for housing including prioritising the use of brownfield land through their local plans where this makes sense locally.
Unaffordable Housing?

In the last 14 years, house prices have, on average, risen by over 155%.

In comparison, the average wage has risen by only 41%. This means that the price of an average house is 9.8 times that of the average wage.

Source: Office of National Statistics
OUR PLANS WOULD PROVIDE HALF A MILLION MORE HOMES SO PEOPLE CAN FIND A PLACE THEY CAN AFFORD.

To be able to do this, the new government must:

In the first Queen’s Speech

Announce a new **Public Services Bill** that will:

- **Place councils on a level playing field with housing associations** by excluding council housing expenditure and borrowing from counting against the UK index of public debt, as in other European countries.
- **Put in place meaningful incentives** to encourage private developers to speed up the delivery of housing which already has planning permission. Alongside appropriate financial penalties, incentives should include reducing up-front costs and risks through early discussions with developers, guarantees and phasing payments for infrastructure. This will help bring forward the estimated 60,000 homes on hold or classed as ‘shelved’ in 2013 and speed up the delivery of private sector homes more widely, delivering an estimated additional 90,000 homes.

In the first Budget

The Chancellor will:

- **Announce an immediate removal of the Housing Revenue Account borrowing cap**, to be replaced by the same controls that apply to any other council borrowing. This alone would deliver 80,000 homes over five years. This is in addition to the estimated 80,000 homes councils plan to build in partnership with housing associations and private developers over the next five years.
- **Incentivise councils to consider using their reserves** for housing investment by allowing them to retain any savings to the housing benefit bill locally for reinvestment in housing. Councils investing 10-20 per cent of their unallocated reserves in this way would see a one-off addition of around 4,000 new homes.
- **Allow councils, not just energy companies, to use the percentage of money already collected for energy efficiency schemes through fuel bills** to insulate homes, reducing household bills and giving those families in greatest need more money to put towards rents and mortgages.

In the first 100 days

The new government will:

- **Scrap the Right to Buy scheme’s complex arrangements for councils** and ensure the discount offered is in line with the local housing market and stimulates sales, and that the receipts from sales are retained directly by the council to reinvest in replacement housing. This will allow councils to replace around 50,000 houses sold through Right to Buy.
INNOVATING TO BUILD

Councils are delivering innovative schemes to build more homes:

- **Eastleigh Borough Council** offered a ‘guaranteed purchase’ model for developers who had sites with existing planning permission but were unsure if they could sell the houses, leading to stalled development. Under this arrangement the developer had an agreed period to sell and the flats were in fact all sold to private buyers.

- The **Preston, South Ribble and Lancashire City Deal** will generate 17,420 new homes and secure £2.3 billion in leveraged commercial interest. The City Deal has enabled the partners to set up an infrastructure delivery fund and investment fund to get schemes moving and provide the catalyst for jobs and housing. Infrastructure developments will be funded by bringing together existing streams, along with investment from the Lancashire Pension Fund, land receipts, New Homes Bonus and the Community Infrastructure Levy from developers. Homes and Communities Agency assets are being brought into the City Deal. The partners will keep the receipts for 10 years and a stewardship board will guide the disposal process. By bringing certainty over long-term investment, housing development can start quickly.

- The **Gateshead Regeneration Partnership** will deliver 2,400 homes over the next 15 years. **Gateshead Council** is using its land assets to secure private finance through a local ‘asset based vehicle’.
HELPING EVERYONE FIND A JOB BY IMPROVING THEIR SKILLS AND EMPLOYMENT PROSPECTS

Jobs, and the skills needed to get them, can help people develop the independence they need to flourish. Whilst it is good news that growth is emerging and creating new jobs, we have to make sure all communities are able to prosper and everyone has the skills to get good quality jobs – currently 60 per cent of those who have no qualifications are unemployed.¹²

This makes it all the more important to start early, making sure that every child gets a good education at a local school. As schools are given more freedom, it becomes more critical that they are effectively held to account and swift action is taken when standards slip. The current two-tier system of school accountability, with councils responsible for the majority of schools, but more than 3,500 academies and free schools accountable to Whitehall, is not working.

Once young people leave school, unemployment and low pay are still daily realities for many. Unless something changes, a third of all young people will still be out of work or underemployed by 2018.¹³ Employers say that young people lack the skills they need and there is a risk of an increasing mismatch between training and the needs of local employers. The recession has pushed some vulnerable young people so far from the labour market that their employment or earning prospects are unlikely to ever fully recover.

Whilst unemployment continues to fall, the overall number of those who have been unemployed for over a year has proven harder to tackle. Alongside youth unemployment it remains a major challenge.
Skills for the Job?

**TOTAL YOUTH POPULATION**

- **20%** Youth unemployment rate in England and Wales, compared to around 6% for 25-64 year olds.

- **295,000** Graduates in a non-graduate role

- **447,000** Underemployed

- **43,000** Inactive, wanting a job

- **594,720** Unemployed

- **231,280** Unemployed for a year or more

**2 BILLION HOURS**

- Unemployed and underemployed young people want over two billion more hours of work annually than they are currently working.

**NOT WORKING ENOUGH HOURS**

- **43,000** On a government scheme

- **762,000** Underemployed

**NOT WORKING BUT WANTING TO**

- **447,000** Inactive, wanting a job

**94,000** people completed hair and beauty courses...

**97,000** people trained for hospitality, sport and leisure roles...

**123,000** people, including just 44,000 16 to 18-year-olds, trained for a job in construction...

**83,000** people trained for broadcasting, journalism and public relations...

**18,000** jobs available...

**43,000** jobs available...

**275,000** jobs available...

**65,000** jobs available...

**JOB GAP**

- **76,000**

- **54,000**

- **152,000**

- **18,000**

**SKILL GAP**

- **152,000**

Source: Centre for Economic and Social Inclusion

Figures correct at time of publication
Our plans would ensure every child has a place at a good local school, reduce long-term unemployment by a third and halve the number of unemployed young people.

To be able to do this, the new government must:

**In the first Queen’s Speech**

Announce a Public Services Bill that will:

- Deliver a joined up employment and skills service which focuses on individuals by merging statutory responsibilities of the Department for Work and Pensions, the Skills Funding Agency, the Education Funding Agency and councils, stopping people falling through the cracks between current fragmented programmes and reducing long-term unemployment by a third.

- Extend councils’ powers to challenge underperforming academies and free schools so that they can act as the champions for parents and children to drive up standards and ensure all local schools are rated ‘good’ or better by Ofsted.

- Improve school performance by setting up local ‘Education Trusts’ for all schools, including academies and free schools, which bring together head teachers and governors, supported and held to account by councils, to share expertise and support self-improvement.

**In the first Budget**

The Chancellor will:

- Support councils to build new schools by allocating indicative five-year capital budgets to councils, across the lifetime of the Parliament paid into a single, local pot. This will help councils to meet the sharply increasing demand for school places and ensure every child gets a place at a good local school.

**In the first 100 days**

The new government will:

- Refocus employment skills and back to work support by strengthening the central role of councils and bringing together key provisions including back to work support, Universal Credit and Troubled Families.

- Enable a local service to smooth young people’s transition to work by:
  - Revitalising employment help through a new locally-led Youth Jobcentre, to bring together services around the needs of individuals.
  - Match training with local jobs by completing the transfer of further education funding to councils and local partners and investing in independent locally commissioned careers advice.
  - Boost teenage participation in education and training to an all-time high by devolving under-performing national youth engagement schemes to councils.
SKILLS FOR THE NATION

Councils have already developed pioneering programmes to help get more people in to work:

- **Greater Manchester** Combined Authority negotiated a three year, place-based programme to work with 5,000 Employment and Support Allowance claimants leaving the Work Programme, aiming to support 15 per cent into sustained work. Based on the local Troubled Families case worker approach, it provides bespoke packages of integrated services from all other public services including job search, skills, housing, health and childcare and social care support, recognising people need a range of support rather than employment alone.

- **Cornwall Council** and Jobcentre Plus jointly lead ‘Cornwall Works’ bringing together a plethora of services into a single offer built around the needs of local people. It is able to develop a single conversation with health, police and housing services to help organisations support their clients more effectively. This has helped deliver better partnership working which in turn has ensured increased positive impacts, particularly in areas with high long-term worklessness. The programme has been a key factor helping young people return to work at a higher rate than the national average.

- **Surrey County Council** created Skills Centres after identifying a gap in provision for 20 per cent of its disengaged young people, which was not flexible enough to meet their needs. It funded Skills Centres to offer tailored support in familiar settings such as youth centres, supported by individual case-workers. Two hundred new learner places were created in the first phase, and 38 per cent of learners participating in Skills Centres moved into apprenticeships, employment and further education for at least three months.
MAKING SURE EVERYONE HAS A SHARE IN RISING NATIONAL PROSPERITY

There is still much to do to make sure people in all parts of our country have a share in the nation’s rising prosperity. The economic recovery currently benefits certain areas of the country more than others, such as London and the South East, which account for around 19 per cent of jobs, 21 per cent of businesses and 25 per cent of economic output.14

All local residents should be able to contribute to, and benefit from, local growth helping them to get back to work and training in a way that meets their specific needs and the needs of local employers. This depends on a joined-up local skills and employment support offer led by councils.

Attracting new businesses and investment into local areas is an important part of the story – alongside local regulation, low crime rates and effective fire and police services. However, local areas also need good infrastructure and transport to be successful both for businesses and local residents. Better, more sustainable infrastructure is essential to delivering results not just on growth, but education, health and planning.

Our roads are crumbling whilst at the same time, more people than ever before are using them.15 The country currently has a £12 billion backlog of repairs and one in five roads is classed as being in poor condition.16 There are lessons to be learned from industry and other countries on better use of technology providing longer term solutions for road repairs.

Fixing local roads is one of the top priorities for people when they are asked about the local services that matter most to them.
Shortfall in annual road structural budget in London: £64m

Shortfall in annual road structural budget: £587m

Average cost to fill one pothole: £1.6m

Total spent filling potholes annually: £91m

Average amount of extreme weather damage experienced by each authority in the last year: £1.6m

Amount paid in road user compensation claims: £11.1m

Annual highways structural maintenance budget: £1.6BN

Backlog in road repair: £12BN

Source: ALARM Survey

*England, Wales and London, all other figures are England excluding London.
OUR PLANS WOULD PLACE COUNCILS FIRMLY AT THE HEART OF COMMUNITIES AND HELP ENSURE GROWING PROSPERITY IS SHARED BY EVERYONE. THERE WILL ALSO BE AN AFFORDABLE, LONG-TERM SOLUTION TO FIXING THE NATION’S ROADS.

To be able to do this, the new government must:

**In the first Queen’s Speech**

Announce a new **Public Services Bill** that will:

- **Enable everyone to contribute to and benefit from local growth** by devolving economic powers through councils to Local Enterprise Partnerships (LEPs) so they can coordinate and boost the delivery of jobs, housing and growth in all areas.

- **Give all councils in England the same traffic management powers as London and Wales** to reduce the costs, emissions and disruption from congestion.

Announce a new **Fiscal Devolution Bill** to:

- **Allow councils to set locally appropriate fees, charges and subsidies** (including public transport subsidies and planning fees) enabling councils to support those who need it most.

- **Let councils set rates and discounts for council tax and business rates** so they can better respond to local circumstances.

- **Let councils retain 100 per cent of business rates growth** without a corresponding cut in revenue support grant, further incentivising councils to grow local economies.

**In the first Budget**

The Chancellor will:

- **Replace the Barnett formula** with a system of distribution for the countries of the UK based on need and more appropriate and relevant incentives.

- **Devolve all funding for local growth, regeneration, skills and employment support through councils to LEPs**, replacing the current system of more than 100 funding streams so investment decisions can be based directly on what businesses need to create jobs.

- **Inject £1 billion a year into a much-needed programme to address the pothole backlog** by investing 2p a litre from the existing fuel duty to fix our roads.

**In the first 100 days**

The new government will:

- **Confirm that communities which choose to extract shale gas in their area will receive up to 10 per cent of the revenue from sales.**

- **Announce the establishment of an independent body** for the distribution of funding to councils.
SHARING PROSPERITY

Councils are delivering schemes to foster local growth:

• When the British Grand Prix came under threat a few years ago, Northamptonshire County Council stepped in to assure the investment needed by Silverstone with a £10 million secured loan. Losing the Grand Prix would have had a £6 billion impact on the national economy. Instead, the loan led to the provision of almost 800 jobs. The council also offered a £1.5 million revenue contribution to the ‘Silverstone Masterplan’ which involved the creation of a high performance technologies business ecosystem which could deliver over 4,000 new jobs.

• As part of Sunderland City Council’s ‘Economic Masterplan’ to draw on its strengths as a location for automotive manufacturing and components supply chain companies, the council entered into more than 18 months of intensive talks with the Lear Corporation USA. As a result it opened its first UK foam manufacturing plant in March 2012, bringing 300 jobs to Sunderland in its first three years and strengthening the manufacturing sector in the northeast.

• In the 1990s, Hertsmere Borough Council purchased Elstree Studios, the site where the original Star Wars and Indiana Jones trilogies were produced, after years of neglect had left it derelict. The council invested £5.5 million to build two new state of the art sound stages, which attracted renowned productions such as The King’s Speech and Strictly Come Dancing and generated rental income in excess of £11 million. The council is now funding the studio’s expansion by investing £2.5 million of its own resources and borrowing £2 million.
HELPING EVERYONE TO LIVE HEALTHY, SAFE AND INDEPENDENT LIVES IN THRIVING COMMUNITIES

Our country is seeing massive changes in the make-up of the population. In 2012, Buckingham Palace sent out a letter congratulating someone on their 100th birthday every 36 minutes. By 2035 the Palace will be sending out a letter every five minutes. The number of centenarians is projected to rise eightfold from 14,500 in 2012 to 110,000 in 2035.17 As well as these demographic changes, we are seeing more people with complex and long-term conditions. Population changes are adding £400 million to council social care budgets every year; adult social care makes up £1.9 billion18 of the £5.8 billion funding gap councils will be tackling between March 2014 and April 2016. Health budgets are also under increasing pressure.

Everyone agrees that to improve the lives of people in this country, and to afford health and care services for those who need them, significant changes must be made to the current ways of funding, commissioning, and delivering health and care services. Rightly, residents expect care to be focused on people, not institutions.

The ‘revolving door’ between hospitals and social care needlessly costs billions of pounds and more importantly harms the quality of care for older people. Integrating health and social care in local areas will mean services will be organised around the needs and abilities of individuals, helping them to remain independent in their own homes. However, this cannot be done in one year. It will need at least a five-year, fully funded transformation programme to deliver benefits to patients and taxpayers alike.

To improve the health of the nation we need to start early, prioritising children to give them the best possible start in life. Preventing problems such as obesity and diabetes from occurring in the first place by intervening in their early years will help to reduce the burden of ill health later in life.
Most 11, 13 and 15 year olds do not meet the recommended levels of physical activity, with 70% doing less than one hour of moderate activity each day.

Healthier Nation?

Percentage of 11–15 year olds who drink sugary drinks at least once a day.

- Finland: 5%
- Sweden: 6.3%
- Germany: 18.5%
- Poland: 27%
- England: 40%

Children classified as obese.

One in every seven hospital beds is occupied by someone with diabetes.

The number of admissions in NHS hospitals with a primary diagnosis of obesity among people of all ages.

Source: World Health Organisation, Diabetes UK, National Obesity Observatory, Health and Social Care Information Centre
OUR PLANS WOULD HELP OUR CHILDREN TO LIVE HEALTHIER AND SAFER LIVES, KEEP PEOPLE OUT OF HOSPITAL, IN THEIR OWN HOMES AND WITH THEIR FAMILIES.

To be able to do this, the new government must:

In the first Queen’s Speech

Announce a new Public Services Bill which will:

- Give everyone access to a seamless health and care service that better meets their needs by ensuring Health and Wellbeing Boards are the place which joins up the commissioning of primary, secondary and social care services in a coherent way.
- Give councils the power to take public health issues into account when making licensing decisions.

Announce a new Fiscal Devolution Bill to:

- Help the three and a half million overweight or obese children by reinvesting a fifth of the existing VAT on soft drinks, fast food and confectionery in activity programmes. The NHS currently spends £1 million an hour on diabetes, equivalent to 10 per cent of its annual budget.¹⁹
- Help people live healthier lives and tackle the harm caused by smoking and excessive drinking by reinvesting a fifth of existing tobacco and alcohol duty in preventative measures and supporting licensing and trading standards departments to better tackle the black market in alcohol and tobacco.²¹

Reducing smoking rates by just five per cent would save 4,000 of the lives lost every year to smoking. Reducing by a tenth the working days lost to alcohol misuse alone would save £770 million.²¹

In the first Budget

The Chancellor will:

- Fully integrate the funding for the commissioning of adult social care and health as a step towards the single point of commissioning. A separate transformation fund will be needed to ease the initial impact of these changes and should contain clear incentives to deliver change. This can be funded by a review of the Barnett formula.
- Announce a fundamental review of the tariff system of costs for NHS services to incentivise prevention, not treatment, keeping people healthier throughout their lives.

In the first 100 days

The new government will:

- Launch a national campaign to raise the profile of social workers to attract 1,000 graduates and reduce the number of experienced social workers leaving.
- Promote the ‘five tests for health and social care redesign’ as best practice to support local consultation on redesigning services to focus on prevention and early intervention, reducing pressure on hospitals and A&E services. The five tests will ask:
  - Are the proposals based around people?
  - Are they locally accountable?
  - Are they evidence-based?
  - Do they support a community budgeting, place-based approach?
  - Will they make a difference?
- Announce and fund the setting up of a new volunteering scheme to support communities, rewarding local volunteers with small discounts in council tax.
A HEALTHY NATION

Councils are finding new ways to focus on prevention, integrate care and keep people in their own homes:

• *'Be Active'* is a scheme provided free of charge by *Birmingham City Council* to tackle health inequality and associated deprivation levels by offering access to free physical activity sessions. Residents can take part in free swimming, exercise classes or attend the gym at any council-run leisure centre. The scheme, which has now been expanded into the city's parks, has over 400,000 members – well over a third of Birmingham’s population. For every £1 spent on 'Be Active' the return for the local NHS is £22.80 in terms of health care related benefits.

• *The Royal Borough of Greenwich* has joined with local NHS services and third-sector organisations to develop an integrated health and care service. This includes teams of nurses, social workers, occupational therapists and physiotherapists who respond to emergencies at care homes, A&E and GP surgeries. They work on a coordinated basis handling those cases that can be dealt with through treatment at home or through placement in a community-based ‘Intermediate Care Bed’. Over 2,000 patient admissions were avoided through immediate intervention from the Joint Emergency Team. There were no delayed discharges for patients over 65 and almost £1 million has been saved from the social care budget.

• *The Leeds Neighbourhood Networks* initiative uses community volunteers to support over 21,900 older people to live independently in the community. Its work has prevented 1,450 older people from going into hospital and supported 617 being discharged from hospital. Intensive support in the home is currently being provided for 540 older people and 5,540 older people are being provided with one-to-one support, including befriending or escorting on shopping trips and outings. In the last year, 26 safeguarding referrals have been made to Leeds Safeguarding Unit by the schemes, 16 of which had direct involvement by the schemes and have protected older people from abuse, thanks to the schemes’ volunteers and professionals.
The following table sets out the estimated financial impact to the public purse of our proposals. Our calculations show that overall, the taxpayer would be almost £11 billion better off\(^1\) – with all the added non-financial benefits to their local area and living standards.*

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Cost to the public purse, £billion</th>
<th>Transfers from central to local government, £billion</th>
<th>Savings to the public purse, £billion</th>
<th>Better outcome made possible</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Helping everyone find homes at an affordable price.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating a meaningful incentives scheme to encourage private developers</td>
<td>0(^2)</td>
<td>0</td>
<td>0</td>
<td>Deliver up to 150,000 homes</td>
</tr>
<tr>
<td>Excluding council housing expenditure and borrowing from public debt</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Place councils on a level playing field to invest in housing</td>
</tr>
<tr>
<td>Creating local land trusts to free up private and public land for housing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Deliver up to 140,000 homes</td>
</tr>
<tr>
<td>Removing the HRA borrowing cap</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Deliver up to 80,000 homes in addition to the up to 80,000 already planned</td>
</tr>
<tr>
<td>Allowing councils to retain savings on the local housing benefit bill to reinvest locally</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Deliver up to 4,000 homes</td>
</tr>
<tr>
<td>Allowing councils, not just energy companies, to use money raised from fuel bills to insulate homes</td>
<td>0</td>
<td>0.9</td>
<td>0</td>
<td>Insulate the homes of those who need it most</td>
</tr>
<tr>
<td>Simplifying the Right to Buy and allowing councils to retain sales receipts from homes sold under the scheme</td>
<td>0</td>
<td>0.2 **</td>
<td>0</td>
<td>Deliver up to 50,000 homes</td>
</tr>
<tr>
<td><strong>Helping everyone find a job by improving their skills and employment prospects.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refocusing employment, skills and back to work support by merging councils and Jobcentres</td>
<td>0</td>
<td>0</td>
<td>0.2</td>
<td>Help reduce long-term unemployment by a third</td>
</tr>
<tr>
<td>Giving councils powers to challenge underperforming academies and free schools</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Ensure all schools are rated ‘good’ or better by Ofsted</td>
</tr>
<tr>
<td>Setting up local Education Trusts</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Improve school performance by using the expertise of teachers and governors</td>
</tr>
<tr>
<td>Proposal</td>
<td>Cost to the public purse, £billion</td>
<td>Transfers from central to local government, £billion</td>
<td>Savings to the public purse, £billion</td>
<td>Better outcome made possible</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------------------</td>
<td>-------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Allocating indicative five-year capital budgets to councils to build new schools</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Allow councils to meet the demand for school places</td>
</tr>
<tr>
<td>Consolidating and devolving funding to councils for local youth transition services</td>
<td>0</td>
<td>8.4</td>
<td>0</td>
<td>Halve youth unemployment and help young people contribute to the local economy</td>
</tr>
<tr>
<td>Strengthening the central role of councils in integrated welfare, employment and skills support</td>
<td>0</td>
<td>0</td>
<td>0(^2)</td>
<td>Help reduce long-term unemployment by a third</td>
</tr>
<tr>
<td>Enabling a local youth transition service that helps young people into work, including devolving the funding mentioned above</td>
<td>0</td>
<td>0</td>
<td>1.3</td>
<td>Halve youth unemployment and help young people contribute to the local economy</td>
</tr>
</tbody>
</table>

**Placing councils firmly at the heart of communities and help ensure growing prosperity would be shared by everyone. There will be an affordable, long-term solution to fixing the nation’s roads.**

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Cost to the public purse, £billion</th>
<th>Transfers from central to local government, £billion</th>
<th>Savings to the public purse, £billion</th>
<th>Better outcome made possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Devolving economic powers and all growth, regeneration, skills and employment funding through councils to LEPs (includes a potential five per cent saving through unlocking duplication in growth and regeneration funding)</td>
<td>0</td>
<td>13.7</td>
<td>0.9</td>
<td>Boost the delivery of jobs, housing and growth through a coordinated local approach</td>
</tr>
<tr>
<td>Giving all councils in England the same traffic management powers as London and Wales</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Councils can help tackle the disruption, costs, and around three quarters of a billion kilograms of unnecessary greenhouse gasses caused by congestion</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Proposal</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Allowing councils to set fees, charges, and subsidies</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Councils can support those who need it most</td>
</tr>
<tr>
<td>Letting councils set rates and discounts for council tax and business rates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Councils can better respond to local circumstances</td>
</tr>
<tr>
<td>Allowing councils to retain 100 per cent of business rates growth</td>
<td>0</td>
<td>3.5(^4)**</td>
<td>0</td>
<td>Councils are further incentivised to grow local economies</td>
</tr>
<tr>
<td>Proposal</td>
<td>Cost to the public purse, £billion</td>
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</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------------------------</td>
<td>--------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Replacing the Barnett formula with a system of distribution based on need, with the balance used to support the integration of health and social care</td>
<td>0</td>
<td>4.2</td>
<td>0</td>
<td>Money is shared fairly around the UK</td>
</tr>
<tr>
<td>Launching a Better Roads Fund funded by localisation of 2p in every litre from existing fuel duty</td>
<td>0</td>
<td>1 **</td>
<td>0</td>
<td>Address the road repair backlog and improve the state of our roads</td>
</tr>
<tr>
<td>Announcing the establishment of an independent body for the distribution of funding to councils</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Money is shared fairly around England</td>
</tr>
</tbody>
</table>

**Helping our children to live healthier and safer lives, keep people out of hospital in their own homes and with their families.**

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Cost to the public purse, £billion</th>
<th>Transfers from central to local government, £billion</th>
<th>Savings to the public purse, £billion</th>
<th>Better outcome made possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabling Health and Wellbeing Boards to commission primary, secondary and social care services</td>
<td>0</td>
<td>0.5</td>
<td>3.9</td>
<td>Everyone has access to a seamless health and care service</td>
</tr>
<tr>
<td>Giving councils powers to address local public health challenges</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Councils are better equipped to tackle issues such as obesity or excessive drinking</td>
</tr>
<tr>
<td>Allocating a fifth of the VAT from soft drinks, fast food and confectionery, and a fifth of duty from tobacco and alcohol</td>
<td>0</td>
<td>4.9**</td>
<td>1**</td>
<td>Councils can better help overweight and obese children, help people live healthier lives and tackle the harm caused by smoking and excessive drinking</td>
</tr>
<tr>
<td>A separate transformation fund to accompany the move to a single point of commissioning for health and care</td>
<td>0.7</td>
<td>0</td>
<td>0</td>
<td>Ease the impact of the changes and incentivise change</td>
</tr>
<tr>
<td>Announce a fundamental review of the NHS tariff system to unlock a potential five per cent saving on NHS acute spending through moving to a more preventative approach</td>
<td>0</td>
<td>0</td>
<td>3.5</td>
<td>Incentivise prevention, not treatment, keeping people healthier throughout their lives</td>
</tr>
</tbody>
</table>
Proposal | Cost to the public purse, £billion | Transfers from central to local government, £billion | Savings to the public purse, £billion | Better outcome made possible
---|---|---|---|---
Launching a national campaign to recruit and retain social workers | 0
Promoting the ‘five tests’ for health and social care redesign | 0
Rewarding volunteers with a small discount in council tax | 0
Total | 0 | 36.8 | 10.8 | 0
10 per cent of shale gas revenue allocated to local communities (private sector to local government) | 0 | 0.3 | 0 | 0
Grand Total | 0 | 37.1 | 10.8 | 0

* Net savings would be permanent annual savings to the public purse. The time taken to realise the savings will differ but if implemented on the timescales proposed all annual savings indicated would be achieved in full by the end of the Parliament.

** These transfers, worth £9.6 billion altogether, would represent an opportunity cost to the Treasury. However, total savings to the public purse outweigh this, resulting in a net benefit to both central and local government even if opportunity costs are taken into account.

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**TABLE FOOTNOTES**

1. Costs, transfers and savings have been calculated on an annual basis. The outcomes listed alongside them demonstrate the non-financial benefits those changes could achieve over the course of the Parliament.
2. The exact incentive would be designed on the principle of revenue neutrality.
3. The savings from this approach have been included in the proposal to devolve growth, regeneration, skills and employment funding to avoid double-counting.
4. This figure is the size of transfer in 2019/20.
5. Local areas have already pooled £5.4 billion in local Better Care Fund plans for 2015/16, 40 per cent more than the £3.8 billion minimum required by the Department of Health. We call for continued support of the programme by government to realise the benefits estimated by Ernst & Young. www.local.gov.uk/media-releases/-/journal_content/56/10180/3838913/NEWS
6. This is a conservative estimate. Preventative programmes show a high return on investment – around £12 for every £1 invested – across a 10 to 15 year period.
7. This measure would need to be discussed further by council, health and government partners to agree its scope and detailed design before a cost estimate can be made.
8. Cost is assumed to be negligible.
9. Cost is assumed to be negligible.
NOTES

1. www.local.gov.uk/shared-services-map
6. This is a best estimate from a survey of independent research
7. House Price Index, ONS, April 2014
10. The government stated that in October 2013 there were an estimated 507,000 units with planning permission which were unimplemented. Of these around 60,000 were classed as on hold or shelved. www.publications.parliament.uk/pa/cm201314/cmhansrd/cm131024/halltext/131024h0002.htm
11. According to LGA research www.local.gov.uk/documents/10180/49942/Housing+self-financing+survey+2014/8b077122-382b-4006-a0ba-f26a400ca1a8
13. Totalling Hidden Talent: youth unemployment and underemployment in England and Wales, Centre for Economic and Social Inclusion research for the LGA, 2014
14. Cities outlook 2014, Centre for Cities
15. Society of Motor Manufacturers and Traders ‘Motorparc’ survey 2014
16. Annual Local Authority Road Maintenance Survey (ALARM) 2014
17. What are the chances of surviving to age 100? Office of National Statistics, 2012
18. This projection is based on the proportion of council budgets allocated to adult social care in 2013/14
19. Diabetes UK annual report 2013