

LGA Executive

Agenda

Thursday 16 May 2013
2.00pm

Westminster Suite (8th floor)
Local Government House
Smith Square
London
SW1P 3HZ

To: Members of the LGA Executive
cc: Named officers for briefing purposes

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LGA Executive

16 May 2013

There will be a meeting of the LGA Executive at:

2.00pm on Thursday 16 May 2013 in the Westminster Suite (8th floor), Local Government House, Smith Square, London, SW1P 3HZ.

Attendance Sheet

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour: Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative: Luke Taylor: 020 7664 3264 email: luke.taylor@local.gov.uk
Liberal Democrat: Group Office: 020 7664 3235 email: libdem@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Location

A map showing the location of Local Government House is printed on the back cover.

LGA Contact

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E-mail: frances.marshall@local.gov.uk

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LGA Executive

Updated: 8.05.13

LGA Executive - Membership 2012/2013

Councillor	Authority	Position/ Role
Conservative (8)		
Sir Merrick Cockell	RB Kensington & Chelsea	Chairman
Gary Porter	South Holland DC	Vice-Chairman/Group Leader
Robert Light	Kirklees Council	Deputy-Chairman
Andrew Lewer	Derbyshire CC	Deputy-Chairman
Robert Gordon CBE DL	Hertfordshire CC	Deputy-Chairman
David Simmonds	Hillingdon LB	Chairman, CYP
Peter Fleming	Sevenoaks DC	Chairman, Imp & Innovation
Mike Jones	Cheshire West & Chester	Chairman, Env & Housing
Labour (7)		
David Sparks OBE	Dudley MBC	Vice-Chairman/Group Leader
Sharon Taylor OBE	Stevenage BC	Deputy-Chairman
Mayor Sir Steve Bullock	Lewisham LB	Deputy-Chairman and Chair, Workforce
Peter Box CBE	Wakefield Council	Chair, E&T B
Mehboob Khan	Kirklees Council	Chair, SSC B
Dave Wilcox OBE	Derbyshire CC	Chair, E & I B
Liberal Democrat (5)		
Gerald Vernon-Jackson	Portsmouth City	Vice-Chairman/Group Leader
Mayor Dorothy Thornhill MBE	Watford BC	Deputy-Chairman
Zoe Patrick	Oxfordshire County Council	Chair, CWB B
Flick Rea	Camden LB	Chair, CTS B
Chris White	Hertfordshire CC	Member
Substitute		
Jill Shortland OBE	Somerset CC	Substitute
Independent (2)		
Marianne Overton	Lincolnshire CC	Vice-Chairman/Group Leader
Robert Dutton OBE	Wrexham County Borough	Member
Regional Representatives (10)		
Tony Jackson (Cons)	East Herts DC	East of Eng. LGA
Gordon Keymer CBE (Cons)	Tandridge DC	SE Eng Councils
Vacancy (Cons)		SW Leaders
Philip Atkins (Cons)	Staffordshire CC	WM Councils
Martin Hill OBE (Cons)	Lincolnshire CC	EM Councils

Mayor Jules Pipe (Lab)	Hackney LB	London Councils
Paul Watson (Lab)	Sunderland City Council	NE Councils
Keith Wakefield (Lab)	Leeds City Council	LG Yorks & Humber
Sir Richard Leese CBE (Lab)	Manchester City	North West Regional Leaders' Board
David Phillips (Lab)	Swansea City and County Council	Welsh LGA
Named substitutes		
Simon Henig	Durham CC	NE Councils
Gr. Uff. Marco Cereste OSSI OMRI	Peterborough City	East of Eng. LGA

Non-voting Members of LGA Executive

Cllr/Local Authority	Political Group	Representing
Lord Peter Smith (Wigan MBC)	Labour	LG Leadership
Vacancy	Cons	Resources Panel
Neil Clarke (Rushcliffe BC)	Cons	District Councils Network
Stephen Houghton CBE (Barnsley MBC)	Labour	SIGOMA
Roger Phillips (Herefordshire Council)	Cons	County Councils Network
Alderman Sir David Wootton (Corporation of the City of London)	Independent	Local Partnerships

LGA Executive Attendance 2012-2013

Councillors	20.09.12	18.10.12	22.11.12	12.12.12	10.01.13	14.02.13	14.03.13
Conservative Group							
Sir Merrick Cockell	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gary Porter	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robert Light	No	No	Yes	Yes	Yes	Yes	Yes
Andrew Lewer	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robert Gordon CBE DL	Yes	Yes	Yes	No	Yes	Yes	Yes
David Simmonds	Yes	No	No	Yes	Yes	Yes	Yes
Peter Fleming	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mike Jones	No	No	No	Yes	Yes	Yes	Yes
Labour Group							
David Sparks OBE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sharon Taylor OBE	Yes	No	Yes	Yes	Yes	Yes	Yes
Mayor Sir Steve Bullock	Yes	No	Yes	Yes	Yes	Yes	Yes
Peter Box CBE	Yes	No	Yes	Yes	Yes	Yes	Yes
Mehboob Khan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
David Wilcox OBE	Yes	No	Yes	Yes	Yes	Yes	Yes
Lib Dem Group							
Gerald Vernon-Jackson	Yes	Yes	Yes	Yes	Yes	No	Yes
Mayor Dorothy Thornhill MBE	Yes	Yes	Yes	Yes	No	Yes	No
David Rogers OBE	Yes	Yes	Yes	No	No	Yes	Yes
Flick Rea	Yes	Yes	Yes	No	Yes	Yes	Yes
Chris White	NA	Yes	Yes	No	Yes	Yes	No
Independent							
Marianne Overton	Yes	Yes	Yes	No	Yes	Yes	Yes
Robert Dutton OBE	Yes	Yes	No	Yes	Yes	Yes	Yes
Regional Representatives							
Tony Jackson	No	No	Yes	Yes	Yes	Yes	Yes
Gordon Keymer	Yes	Yes	No	No	No	Yes	Yes
Angus Campbell	Yes	Yes	Yes	No	Yes	No	Yes
Philip Atkins	Yes	Yes	No	Yes	Yes	Yes	Yes
Martin Hill OBE	Yes	Yes	Yes	No	Yes	Yes	Yes
Mayor Jules Pipe	Yes	No	Yes	Yes	Yes	Yes	Yes

Agenda

LGA Executive

Thursday 16 May 2013

2.00pm

Westminster Suite, 8th floor, Local Government House

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1.	LGA Submission to Spending Round 2013	3	2.00pm
2.	Queen's Speech	84	2.20pm
3.	Councillors' Pensions - Consultation	90	2.40pm
4.	The expansion of Ofsted's remit	98	2.55pm
5.	Publicity Code Consultation – LGA Response	104	3.10pm
6.	LGA EU Lobbying	122	3.25pm
7.	LGA Proportionality 2013/2014 – to follow.		3.40pm
8.	General Assembly Annual Meeting: Motions	128	3.45pm
9.	Note of the last Leadership Board meeting – <i>tabled</i> .		3.50pm
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Date of Next Meeting: 13 June 2013, 2.00pm, Westminster Suite,
8th Floor, Local Government House

LGA Submission to Spending Round 2013

Purpose of report

For information.

Summary

The 2013 Spending Round which will set out government department expenditure limits, including one for local government, for 2015/16 will be published on 26 June 2013. Following a submission to government on the Spending Round in March 2013, the LGA submitted a series of more detailed papers to government departments on 29 April.

Recommendation

The Executive is invited to discuss the LGA's submission and plan for taking the work forward.

Action

Officers to proceed as directed.

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Position: Senior Adviser
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LGA Submission to Spending Round 2013

Background

1. In advance of the March 2013 Budget the LGA submitted a paper to central government to influence early discussions on the 2013 Spending Round. This submission and plans for a more detailed submission in late Spring were discussed by members of the Executive during the meeting in March.
2. In Budget 2013, the government reconfirmed that total spending in 2015-16, 2016-17 and 2017-18 will continue to fall in real terms at the same rate as during the Spending Review 2010. Individual department spending plans, known as departmental expenditure limits, for 2015-16 will be announced as part of the 2013 Spending Review announcement on 26 June 2013. This will include expenditure plans for local government funded through the Department for Communities and Local Government (CLG).

The LGA Submission

3. On 4 April 2013, Brandon Lewis MP, Parliamentary Under Secretary of State for Communities and Local Government, wrote to the Chairman of the LGA inviting us to submit views on the 2015/16 Spending Round on behalf of the sector by 29 April 2013.
4. In response to this letter, the LGA developed a series of 12 papers to influence the forthcoming Spending Round. These include a summary of the LGA's asks of government for the 15/16 Spending Round, and a paper outlining how a typical council has dealt with the funding reductions to date, its contribution to growth, the impact of further reductions in 2015-16 and how our proposed measures would help the council. The LGA produced 10 themed papers on the following areas:
 - 4.1. Local government finance;
 - 4.2. Adult social care;
 - 4.3. Children's services;
 - 4.4. Culture, sport and the digital economy;
 - 4.5. Energy;
 - 4.6. Fire and rescue services;
 - 4.7. Growth;
 - 4.8. Housing;
 - 4.9. Waste; and
 - 4.10. Transport.

Item 1

5. Community budgets was a theme that underpinned all of the papers. Views of the sector were sought on a number of these papers, and the overview paper. Each of the themed papers was cleared by the relevant Boards and Panels and Group Leaders cleared the case study style paper, the local government finance paper and the overview. Prior to this, the themes and approach were agreed by Leadership Board in April.
6. The themed papers were sent only to ministers and officials in the relevant government departments. All 12 papers were sent to ministers in HM Treasury and CLG. The papers, which were sent to ministers on 29 April, are attached at **Appendix A**.

Conclusion and next steps

7. The LGA has requested a number of meetings with ministers on the Spending Round and some of these will take place in May. The LGA will also seek meetings with other organisations that can support our case and will continue to meet with government department in advance of the Spending Round announcement on 26 June. Opportunities to influence discussions between government departments will be explored and maximised.

Financial Implications

8. This is within existing LGA resources.

Overview of the LGA's spending round submission



April 2013

1. Introduction

Prior to the 2013 Budget the LGA submitted [proposals](#) to the Treasury setting out our recommendations for the Spending Round. This submission builds on that foundation, is informed by work that we have been doing with our member councils and sets out specific proposals for change which would help councils play their part in delivering great public services.

Councils are already dealing with a 33 per cent cut in funding from central government. This has led to reductions in local services and we are currently facing a funding gap of around £15 billion in 2019/20. Unless there is the flexibility to change, across both central and local government, any new cuts next year and beyond will have a significant negative impact on local communities, particularly as the rising demand for and cost of services such as adult social care and the National Insurance costs of pension reform will soak up an increasing share of local government funds.

In the Budget the Chancellor announced further reductions of 1 per cent in departmental expenditure limits for 2013/14 and 2014/15 for non-protected budgets. Local government will be protected from the impact of these further cuts in 2013/14. The Government also confirmed that total spending in 2015/16, 2016/17 and 2017/18 will continue to fall in real terms at the same rate as during the Spending Review 2010. This submission reflects those announcements.

We consider that the only way of maintaining public services in the face of the proposed long-term cuts is by undertaking a radical transformation of the way they are provided and paid for. This has to be based on the idea of allowing local areas to design services around the needs of people and communities. Extending the adoption of the whole place Community Budgets model by other local areas would be a major step in that direction.

We believe that this year's Spending Round therefore needs to accelerate progress to update the financing regime for local government, create an ambitious single pot for local growth as proposed by Lord Heseltine, at least maintain NHS investment in social care, ensure schools work with councils to support early intervention, facilitate a joint place-based approach to public sector transformation through Community Budgets, and enable councils to build more affordable homes.

Local government has a vital role to play in securing future national prosperity, health and stability and our proposals are brought forward in a spirit of constructive dialogue. We want to work closely with the Government knowing that this Spending Round will provide the foundation for future settlements. This overview therefore focuses on our priorities for change. It is supplemented by a set of single subject documents which provide the detail of our response for relevant government departments and partners. Inevitably there is some duplication between these in order to retain their integrity. Our priorities are:

- Financial stability and sustainability
- Councils' contribution to economic growth

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- Integration of adult social care and health
 - Early intervention and growing need in children's services
 - Investment in housing
 - Managing the community impact of welfare reform
 - Maximising efficiency through Community Budgets

2. Financial stability and sustainability

Local government has had the steepest reductions over the current Spending Review with a reduction of 33 per cent in real terms. We believe that the current financial position of most councils is unsustainable in the medium to long term. Unless something changes councils will start to fail their communities and no longer provide the local services people care as much about as health and education solely because of financial instability.

Initial analysis suggests that for 86 councils (these councils are not confined to specific regions, tiers or political control) estimated income will account for less than 85 per cent of projected spend in 2015/16¹. All councils are experiencing reductions in funding² from central government over the 2010 Spending Review period. However, some councils are experiencing bigger reductions in funding³ than others. Those that were more dependent upon grant in 2010/11⁴ are experiencing bigger reductions in funding from central government over the period. There is a strong relationship between grant dependency and deprivation⁵ with more deprived authorities tending to be more reliant on central government grant. Whilst the New Homes Bonus and business rates retention offer opportunities, for some councils with limited ability to increase their income through these and other sources combined with increasing demand for services it will be more difficult to close the funding gap. The future funding regime needs to provide sufficient flexibility to deal with differing local circumstances.

The sector needs a stable funding outlook which supports effective financial planning, including a full and transparent evaluation of the impact of policy and funding changes. This Spending Round offers the opportunity to provide a firm foundation for future funding.

We want to see changes that enable:

- The cessation of council tax restrictions and an acknowledgement of the legitimacy of tax and income streams set by democratically accountable local representatives.
- The removal, or at least adjustment, of ring-fencing from health and schools' budgets to help councils provide better outcomes in areas of mutual benefit, such as early intervention and health.
- The ability to set all council tax discounts locally.

¹ Based on initial results from an updated LGA funding Outlook model.

² Includes local share from 2013/14.

³ Based on the government's revenue spending power excluding council tax.

⁴ For single tier and county councils.

⁵ Based on rank of average Index of Multiple Deprivation score.

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- Funding should be provided for the increased costs in council tax collection and enforcement. Councils should be fully compensated for the on-going effects of council tax freezes.
 - An increase in the local share of business rates, whilst retaining fair equalisation.
 - Growth in business rates retained by local government without a corresponding cut in Revenue Support Grant.
 - All fees and charges to be determined locally in order to provide councils with the ability to be more responsive to local needs and to remove inconsistent subsidy of commercial services.
 - Continuation of additional funding for New Homes Bonus from the Government whilst the scheme is reviewed to see whether it has met its aim of incentivising new housing growth.
 - The ability to capitalise one-off revenue expenditure in line with normal business practice.
 - New burdens funding for State Earnings Related Pensions impacts which does not increase councils' paybills with a consequent further instability in council finances.
 - Evaluation of the impact of funding and policy decisions on local authority finances and service levels, as recommended by the National Audit Office.
 - Single pot funding for energy efficiency.
 - Reform of the firefighter pension scheme.
 - Reflection of the need to consider risk in fire and rescue service and budget planning.
 - Bus funding to be pooled where it will help local areas to secure improved public transport networks.
 - Landfill tax to be frozen at 2014/15 levels because it would otherwise represent a further cut to already stretched council budgets.
 - Recycling of landfill tax levels back to councils to support waste infrastructure projects that will increase recycling and reduce the need for landfill.

3. Councils' contribution to economic growth

Local authorities hold the key locally to solving national problems and have a leading role to play as advocates for their local residents and businesses, but we think that councils cannot play a full part if we are not able to hold the proceeds of local growth. We therefore want to be able to make more local investment decisions. We also need to examine what more we can do to foster growth, promote inward investment and make a compelling and tangible offer to Government to help resolve issues.

The ability of local partners to drive growth and create new jobs has been recognised in recent government policy through City Deals, LEPs and its response to the Heseltine Review. The Spending Round offers the opportunity to drive local growth further by creating a single pot for local regeneration, rationalising expensive governance arrangements, extending the success of City Deals and increasing the value of skills and transport budgets.

We want to see changes that enable:

- Heseltine 'plus' – there is a strong case for further skills related funding to be added to the growth pot such as 16 – 19 skills.
- The alignment of EU funds to the single pot must include the localisation of the European Social Fund.
- Local places to retain a greater share of investment returns arising from growth.
- Local areas to decide how best to rationalise the call for growth and development plans in line with local economic realities.
- The devolution of the majority of 16 – 19 and post-19 skills and apprenticeship budgets to give local partners the levers to directly link skills training to employment support in their area.
- Changes to the regulation and licensing regime so that local authorities can respond to the unique business environment in each local area.
- Flexibility to set planning fees to reflect the full cost of delivering the service.
- Long term planning of highways investment budgets and councils to take a co-commissioning role on Strategic Road Network (SRN) to enable better investment decisions.
- The national broadband roll out to be accelerated by securing state aid clearance for the urban programme.
- New approaches to arts lottery funding that encourage philanthropy.

4. Adult social care and health integration

Councils have been working hard to ensure good integration with the National Health Service and welcome the transition of public health to local government. However, we know that a number of issues are testing the capacity of adult social care to deliver. Budgets have reduced, demographic change is creating pressure and options to offset shortfalls in resources are becoming increasingly limited. Alongside this the Government and the sector are embarking upon a major reform agenda that will add further pressures and costs. We believe that in order to minimise risk to the public the proposals must be taken forward from a foundation of a stable and adequately funded system.

We also believe that against this new integrated background, whilst it may be sensible to protect the funding of health and social care, it is illogical simply to protect the NHS. Local government has a vital role to play in helping people avoid expensive health care by deploying excellent and cheaper social care at an early stage. We therefore consider that money from the NHS to support social care (as set out in the 2010 Spending Review) must therefore be extended, given its benefit to both social care and health.

We want to see changes that enable:

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- Funding for public health to continue, and for the ring-fence to be removed over time in order to fully reap its potential benefits in supporting a joined up, integrated set of services.
 - The limits on further “efficiencies” in adult social care to be recognised: end the presumption that efficiency savings can be deducted from a settlement with no impact on services; any efficiencies made in social care to be reinvested in work which reduces health care costs.
 - Community Budgets to be implemented across the country to release the financial constraints which prevent the potential benefits of integration across health and social care from being realised.
 - Full funding for new burdens flowing from implementation of the Dilnot funding reforms.
 - Removal or at least initial amendment of the protection on NHS funding to provide funding of social care.
 - Health and Wellbeing Boards to be the place for local decision-making on a genuine whole systems approach that integrates health, public health and adult social care to provide the best possible local services.

5. Children’s services: early intervention, meeting need

Increasing demand for children’s services and reduced local discretion over early intervention spending present significant risks, exacerbated by the removal of funding for sector-led improvement in this area. Our objective is an efficient, joined-up system which provides help to children and families early, leading to improved outcomes and reduced demand and cost pressures on services across the public sector. Accordingly we believe that it is inconsistent to continue to protect schools’ budgets while reducing funding for services which contribute to the educational attainment and wellbeing of children outside of the Dedicated Schools Grant.

We would like the Government to reconsider recent changes to schools’ funding which prevent schools from working with councils and other local agencies to use Dedicated Schools Grant to support early intervention and help to reduce demand on local public services and improve educational and other outcomes for children and young people.

There is increasing demand for school places, with 256,000 new places needed by 2014/15. We believe significant capital resources should be devoted to meeting sharply increasing basic need and allocated through councils who have a statutory duty to secure sufficient school places. Councils should also be able to directly access free schools capital so they can open new free schools in the areas of greatest need.

To reduce costs, in areas where the majority of secondary schools are academies, the funding and oversight of academies should revert to the local council to eliminate unnecessary duplication and fragmentation.

We want to see changes that enable:

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- A Community Budgets approach to children and young people’s funding with schools pooling funding with local government to invest in early intervention.
 - All available capital funding to focus on providing new places where they are most needed.
 - A reduction in the regulatory burdens imposed on children’s services authorities by Ofsted to eliminate duplication of improvement activity and the diversion of resources from the front line provision of services.

6. Housing

The demand for affordable rented homes far outweighs supply. The housing waiting list has increased overall by 70 per cent over the last decade, while affordable housing delivery remains at very low levels. This results in significant costs to the public purse from increased homelessness and use of temporary accommodation. The scarcity of affordable housing is compounded by the profile of the existing housing stock which does not meet the needs of the increasing number of smaller households and is ill equipped to respond to the demand for smaller properties generated through the Government’s social sector size criteria. We propose action to increase the stock overall and rebalance the stock profile of existing homes to better meet demand and help manage delivery of welfare reform.

Investing in housing also makes economic sense, generating activity in the construction industry and wider supply chain. Councils could play a key role in boosting investment in housing. They are already planning 15,000 new units over the next five years and there is appetite to do more. Councils understand housing needs and often have land available with planning permission. Increasing their ability to invest could bring forward shovel-ready projects that meet demand and unlock economic benefits.

We want to see changes that enable:

- Removal of the Housing Revenue Account borrowing cap to allow councils to increase investment in new homes and improving the social housing stock.
- An investment fund for councils and their partners to transform existing housing stock and invest in new build in order to accommodate housing pressures and manage the impacts of welfare reform.
- Simplification of the Right to Buy scheme to remove unnecessary restrictions on reinvestment and to better reflect local housing markets.

7. Welfare reform and the impact on our communities

At a local level councils have been dealing with the first of the welfare reforms and their impact on the local economy and added pressures on services such as local housing. Our shared objective with the Government is to ensure that the changes are managed in a way that minimises delivery risk. We also propose action to rebalance the existing housing stock to enable councils to invest in smaller properties that are desperately needed to implement the

welfare reforms.

However there are significant challenges and costs arising from this work and we therefore want to work with the Government to agree a sustainable way forward.

We want to see changes that enable:

- Universal Credit support services to be commissioned through local partnerships, with councils accountable for outcomes achieved with funding allocated by DWP centrally.
- Clarity about the definition of new burdens arising from welfare reform.
- A joint process between local government and DWP, in accordance with the new burdens doctrine, to agree the right amount of funding and to manage staffing implications.
- An investment fund for the transformation of existing housing stock and investment in new build in order to accommodate resulting housing pressures.
- Simplification of the Right to Buy scheme to remove unnecessary restrictions on reinvestment and to better reflect local housing markets.
- All councils to take advantage of the Energy Company Obligation brokerage scheme in order to help ensure that hard to reach households are assisted and the maximise value for money.
- Libraries to help in their role on the front line of welfare reform.

8. Community Budgets, maximising efficiency

The whole-place Community Budget pilots have shown the potential for a widespread adoption of the approach to transforming public services by integration and demand reduction, and delivering large savings to the taxpayer. The huge potential for delivering savings rests in the medium term but needs to begin now if it is to be realised. We therefore believe that the spending round should put the Community Budgets approach at the heart of the Government's strategy for spending and reform. That requires both direct support to places, for example through the new Transforming Public Services Network, and also mechanisms to incentivise government departments to encourage local integration and investment in prevention from the centre.

We want to see changes which:

- Enable Community Budgets to be extended nationally as the preferred local delivery mechanism for government departments, with appropriate support to local areas to ensure that the maximum benefits are felt from the change.
- Incentivise and encourage Whitehall departments to promote investment and uptake, in order to foster cultural and system change and break down inertia in the system.
- Enable clear investment agreements that set out which organisation will make what investment in early intervention, and how the subsequent savings will be shared.

Levers to help achieve this might include:

- The development of place based budgets structurally to entrench the Community Budget model and lock in savings for the Exchequer.
- A centrally-held cross-departmental investment fund, based on a top-slice of departmental budgets.
- The full consideration of devolved/localised delivery as part of the options appraisal for new policies.
- Integrated asset management and disposals approaches to local issues.
- The sharing of future revenue, including income tax where local efforts have helped benefit claimants return to the labour market and Corporation Tax and Stamp Duty resulting from local growth initiatives.

9. Other contributions to local growth, care and stability

In the preceding paragraphs we have set out the top priorities for local government. However there remain other important responsibilities where we believe change is needed. All of them contribute to safer, sustainable, resilient communities and most have an impact on the priorities outlined above. Where that impact is significant they have been included in both detailed papers. Further details are included in the relevant submission documents under the following topics:

- Culture, Sport and the Digital Economy
- Energy
- Fire
- Housing
- Transport
- Waste

Anycouncil and the spending round

April 2013

1. Introduction

The Local Government Association's (LGA) Spending Round submission makes a number of proposals to help councils deliver better public services and promote growth.

In making those proposals, it is important to show how councils have since 2010 made efficiencies and contributed to growth, and how they could go further.

Anycouncil is a typical upper tier council in three principal respects: the funding reductions¹, the level of deprivation and the growth in the local economy are all in the mid-range.

Our analysis of Anycouncil shows:

- The financial impact of the 2010 Spending Review on the average upper tier council contrasting the position in 2011/12 with 2014/15.
- The steps the council has used to manage the financial impact.
- The positive impact of the council on local growth and jobs.
- The financial impact on the council of a further 10 per cent reduction in grant funding in 2015/16.
- The potential impact of the measures proposed in the LGA Spending Round submission (henceforth the submission) on Anycouncil's ability to protect local public services and promote growth.

2. The impact of the 2010 Spending Review

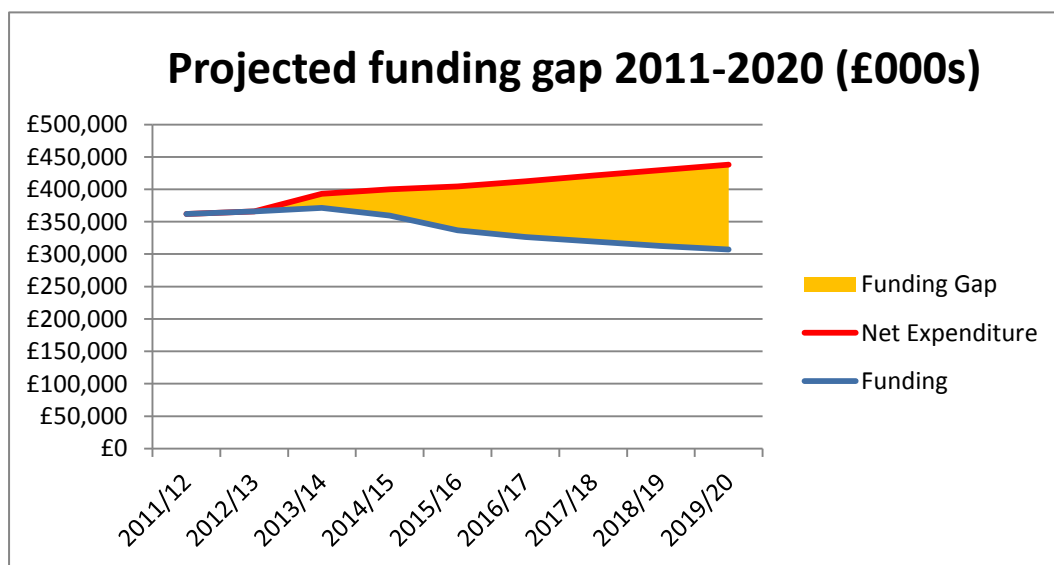
In 2014/15, Anycouncil will have resources of £360 million (excluding Dedicated Schools Grant). There have however been a number of marked changes since 2011/12:

- A real terms reduction of government grant from 2011/12 to 2014/15 of 27 per cent.
- The council froze council tax in 2011/12 and 2012-13, but increased it in 2013/14.
- Investment income has fallen by 50 per cent from £3 million to £1.5 million a year.
- The council has been allocated £24 million a year for public health responsibilities.
- Funding cuts, a two-year council tax freeze, inflation and rising demand on services for vulnerable clients mean that Anycouncil has had to take £64 million out of non-care budgets by the end of 2014/15.

¹ Funding reductions have varied according to the level of grant dependency.

- A total of £24 million in one-off reserves are being used to mitigate the funding reductions. This breaks down as £9 million in 2012/13, £4.5 million in 2013/14 and £10.5 million in 2014/15. Anycouncil recognises that the use of reserves in this way is not sustainable.
- A gap is opening up on the demand for services and funding available to provide them which makes it impossible to balance the budget in the future by making incremental budget reductions. Looking ahead, more fundamental service withdrawal and reductions will be required.

Chart 1 – There is a growing gap between income and expenditure – projecting forward on current trends and assuming a 10 per cent cut in government grant in 2015/16.



3. How has Anycouncil managed within reduced resources?

In common with most other councils, Anycouncil has cut costs through a strategic transformation programme. It has delivered nearly £64 million of savings from, for example:

- An asset strategy with other local public sector partners to utilise estate more efficiently and rationalise office space saving £4 million.
- Procurement controls and joint purchasing arrangements with other councils saving £2 million.
- The use of £4 million of reserves to fund severance costs, including redundancy and pension costs saving £4.5 million a year.
- Trading activity to generate revenue, including leasing council buildings for private functions and earning fees for providing services to other authorities.

-
- Consolidation of legal, IT, accounts and back office services across the council saving £3 million and reducing management and business support saving £8 million.

There have been a range of measures to reduce workforce costs:

- Headcount has reduced by 14 per cent since 2011/12. In that year, the average council employed just under 6,000 people, now it is closer to 5,000 (not including education staff). This has been achieved through a redundancy programme (which has been largely voluntary²), deletion of vacant posts, recruitment freezes and natural wastage.
- Pay restraint, including a national pay freeze for each of the last three years, and a freeze on increments (in common with at least 20 per cent of councils). It has not implemented across the board additional pay reductions, but it has reduced the Chief Executive's pay by £20,000 a year and the number of staff paid more than £50,000 has fallen by nearly 30 per cent.
- Other changes to terms and conditions, especially changes to car allowances, redundancy schemes and payments for unusual hours.

Local people will have seen changes to services, for example:

- Increasing charges for social services including day centres, day care meals and monitoring technologies. Eligibility criteria has been set at the substantial/critical threshold.
- Efficiencies in children's services totalling £4.8 million to both make savings and meet new fostering costs of £1.7 million and placement costs of £1.2 million. The number of looked after children has doubled to 650 since 2006. In detail:
 - an early intervention strategy saving £1.3 million through refocusing Family Support and Children's Centres
 - directly provided services to pupils (for example, attendance and pupil support, Pupil Referral Units, early years and child care) and maximising the use of Dedicated Schools Grant funding for these services
 - a revised accommodation strategy for Looked After Children and better commissioning and management of placements
 - jointly commissioning and funding Connexions services with schools to deliver careers advice saving £0.3 million.

² LGA monitoring in 2011 showed that 58 per cent of councils had announced recent redundancy programmes.

-
- Reduced support for cultural and sporting events and festivals such as community cohesion events and local food and drink festivals.
 - Operational changes to waste services to maximise the productivity of both staff and vehicles saving £0.25 million.
 - The use of volunteers to maintain public rights of way (£0.2 million) and increased car parking charges to more accurately reflect the cost of provision (£0.5 million).
 - A 35 per cent reduction in planning staff made possible in part through a 25 per cent fall in planning applications.

These savings have been achieved at the same time as prioritising local business and private sector job growth.

4. The council's positive impact on growth and jobs

Promoting growth in the local economy is a top priority for councils – through investment in infrastructure projects, supporting new developments, major inward investment schemes, support to small businesses and employment support schemes.

On the other hand the reduction in AnyCouncil's budget and employment will have had a short-term, negative impact on the local economy and that of neighbouring councils into which its economic activity spreads.

During the four year 2010 Spending Review period, AnyCouncil has taken a range of measures including:

- The creation of a £2 million interest-free loan fund to assist local businesses struggling to access credit from banks.
- A joint venture with a developer to bring forward a new town centre scheme through the use of a council land asset.
- Wage subsidies to support apprenticeships in local small businesses in their first year of employment and a council apprenticeship scheme.
- The prioritisation of capital investment financed by new prudential borrowing³, capital grants and capital receipts to invest in the local economy, infrastructure and housing.

The picture so far is one of far-reaching efficiency measures to reform and protect services alongside investment in the local economy.

³ New prudential borrowing of £36 million in 2013/14 reducing to £15 million by 2015/16.

Is this sustainable with further reductions in 2015/16?

5. The outlook for 2015/16 – the impact of further cuts

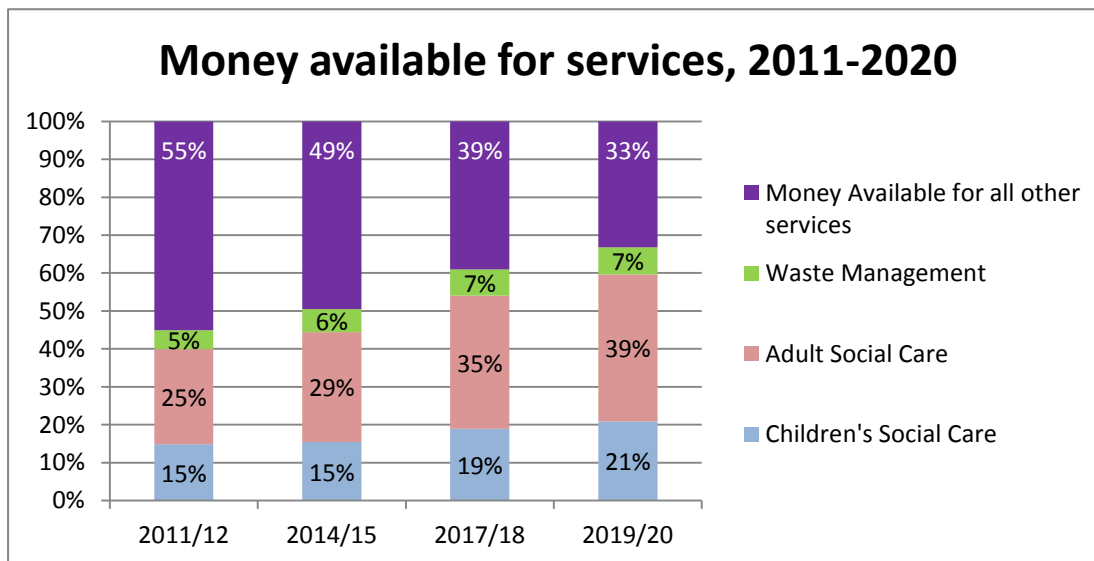
A 10 per cent reduction in grant funding for 2015/16⁴ reduces the resources available to Anycouncil by around £30 million compared to 2014/15, partly offset by a £2-3 million increase in retained business rates.

In addition, the council is facing an increased pension cost of £4 million to manage the National Insurance impacts of changes to State Earnings Related Pensions from 2016/17 (and a further £3 million for local schools).

This further squeeze on resources creates two major risks – to the provision of local services and to local growth and jobs.

Firstly, further cuts are not sustainable without an even greater impact on local services than those described above – efficiencies are harder to find and much more fundamental change is required.

The chart below shows the growing proportion of funding spent on adult social care, children's services and waste through the decade if these services are "protected".



Demand for adult social care services is growing at the same time as the resources available to Anycouncil fall. This means that spending on adult social care grows from 25 per cent to 39 per cent between 2011/12 and 2019/20. Correspondingly there would be a reduction in the funding available for other services from 55 per cent to 33 per cent of the total budget by the end of the

⁴ Ministers told to prepare for cuts of up to 10 per cent, BBC news, 27 March 2013.

decade⁵. What impact will this have?

Anycouncil will not make decisions about 2015/16 until after the Spending Round announcement. But it has begun considering the worst-case scenario and looking at ways to either raise income or reduce services to find £30 million.

It is approaching a tipping point where it is considering further service reductions and more starkly withdrawing completely from certain services.

Some of the options that may need to be considered and the estimated savings are set out in the table below:

Table 1 – Possible measures to meet Anycouncil’s £30 million potential funding reduction in 2015/16

Service area/income stream	Measure	Saving £m
Sports and leisure	Reduce expenditure to zero	7.9
Local council tax support scheme	Reduce funding by 20%	5.4
Children's centres	Close five centres	3.5
Highways and roads maintenance	Reduce expenditure by 15%	1.6
Single Person Discount*	Remove for non-pensioner households	2.2
Museums and galleries	Close all seven museums/galleries	2.1
Voluntary Sector	Reduce expenditure to zero	1.7
Council tax*	Increase by a further 1%	1.6
Local bus subsidies	Reduce expenditure to zero	1.1
Libraries	Close six libraries	1.0
Street lighting	Turn off 25,000 lights (50%) midnight-5.00am	0.4
Planning service	Reduce expenditure by a further 20%	0.6
Non-statutory schools transport	Remove for 1,000 pupils	0.4

*Requires central government policy change.

⁵ LGA internal figures on the funding outlook.

Secondly, as Professor Tony Travers⁶ from the London School of Economics suggested in his recent report, further cuts are not sustainable without compromising the councils' impact on growth in the local economy. Many of the cuts are likely to fall on transport, economic development, cultural, environmental and planning services – all growth enabling services.

In the average council, more cuts means a risk to the council's support for the local economy resulting from, for example:

- The use of reserves⁷ to reduce the scale of funding reductions on services rather than using them for investing in infrastructure and economic growth.
- An end to discretionary schemes to tackle market failure in the housing market (for example in mortgage lending).
- A fall in planning performance, including processing times and enforcement action, to the extent that the reduction in staff compared to the fall in planning applications cannot be met by increased efficiencies⁸.
- Reduced advice and financial inclusion services and support to manage the uncertainties associated with welfare reform and the introduction of universal credit.
- Less investment in broadband infrastructure and digital inclusion programmes in places like local libraries.
- The council has already had to cut its economic development team from 28 to 10 in the past couple of years, and would expect further cuts in 2015/16 to mean the loss of further posts, including its town centre managers.

So there are significant risks to both services and growth in 2015/16 – what's the solution?

⁶ Local government's role in promoting economic growth, Professor Tony Travers, December 2012

⁷ Some councils will be building up reserves to manage the uncertainty in the localisation of council tax benefit and volatility in business rate income.

⁸ Planning fees are centrally set and the current system does not properly reflect costs meaning local authorities operate at a loss of around 20 per cent. This equates to a public subsidy nationally of around £110 million. It also means that some applicants are heavily subsidised and others pay more than necessary with council taxpayers picking up the difference. Source: LGA estimates.

6. How the LGA's proposed spending round measures help secure services and growth for Any council residents

Any council will face a funding gap of -17 per cent by 2015/16, the difference between the projected growth in income and expenditure. This gap grows to -30 per cent by 2019/20.

Our proposals make it easier for Any council to cope with a growing funding gap in three principal ways – through public service reform and integration, local economic growth and the de-regulation of local government finance.

Public service reform and integration

The Community Budget pilots looking at new ways of funding, organising and delivering services in four areas have shown that there is the potential to make savings across the public sector in the medium term while at the same time improving outcomes.

Although a direct comparison is not possible the West Cheshire whole place Community Budget pilot is also a single unitary council area like Any council. In West Cheshire⁹, they modelled the potential savings from a community budgeting approach to work-ready individuals, adult social care, domestic abuse, early years and families with complex needs. They identified new ways of providing services that deliver improved services for local residents and save £107 million across the public sector over the next five years – with about 80 per cent of the savings accruing to central government agencies.

Ernst and Young¹⁰ modelled the potential net benefit of three whole place themes across each of the four whole place Community Budget pilots: health and social care; work and skills; and troubled families. They estimated the steady state savings reached in year five at between 4 and 8 per cent of the expenditure on these services across the public sector. They noted however that community budgeting is not a quick fix and the realisation of savings depends on the presence of both local and national factors. The savings are a way of managing spending reductions already in the system.

The Spending Round is an opportunity to drive this more integrated public service approach, removing protections and encouraging new ways of organising and delivering local services.

Any council is facing a demographic pressure of 2.7 per cent in its adult social care budget in 2013/14. Like most councils¹¹, it has set eligibility thresholds at the substantial/critical threshold and it is getting much harder to find efficiencies within social care alone.

It would like to see the local NHS investing in locally determined adult social care priorities that promote integration and better health and care outcomes, as determined by the Health and

⁹ A Community Budget for West Cheshire, Altogether Better West Cheshire, 2012.

¹⁰ Whole Place Community Budgets – a review of the potential for aggregation, Ernst and Young, January 2013.

¹¹ ADASS Budget Survey, 2013 – 87 per cent of councils are now at the substantial/critical threshold.

Wellbeing Board. West Cheshire's approach to health and social care will reduce the number of unplanned hospital admissions and the demand for long-term care placements, reducing costs to the health and care system by £26 million over the next five years.

There are opportunities for a more joined-up approach to children and young people's services too. Anycouncil is on target to save £2 million and improve outcomes from its early intervention strategy for children's services. Although there is good partnership working with local schools there is scope to develop even stronger partnerships and co-invest in more targeted early intervention and strengthen the important role schools play in safeguarding.

In West Cheshire a five year programme to deliver co-ordinated, cost effective and tailored support to young people aged 0-19 years old (on levels two and three on the continuum of need) will cost £2.5 million to implement and return benefits of £4 million over a four year period.

Growth

Alongside the measures set out above, Anycouncil is part of an ambitious city region economic partnership. A major devolution of growth funding will enable the partnership to provide more targeted and effective support for local growth.

The partnership has plans to tackle youth unemployment and create apprenticeship hubs, transform the transport infrastructure and to work with UK Trade and Industry to dramatically improve export and inward investment performance. There are plans to strengthen local economic governance and pool funding for investment, including a business rates pool, for a pipeline of local capital projects.

There is local ambition to take a leading role on skills – to open up more opportunities for disengaged young people, work with SMEs to identify job prospects and target mainstream skills funding towards the growth opportunities in the local economy.

The submission makes the case for local partners to drive growth and create new jobs through a Heseltine plus pot that includes the skills funding for 16 to 19 year olds.

This would allow the local enterprise partnership and local councils to ensure that mainstream skills investment is driving growth in the key sectors and attracting more private investment in higher level skills. Research is already underway to enhance local labour market intelligence and identify the future skills needs of local employers.

There is an appetite to build more homes too. Anycouncil expects to build nearly 200 homes for rent in 2012/13 which is well above the average. On average councils estimate that removing the cap on the Housing Revenue Account and retention of 100 per cent of right to buy receipts

locally would allow them to quadruple their building programme over a 5 year period, building around 900 additional homes per authority¹².

The de-regulation of local government finance

Alongside measures to reform public services and promote growth, the submission seeks the de-regulation of council tax.

Anycouncil council tax has been frozen in 2011/12 and 2012/13 with a 1.9 per cent increase in 2013/14.

They have received nearly £20 million in council tax freeze grant, nearly £16 million for the four years from 2011/12 and another £4 million for 2012/13. They estimate the “unfunded” element of the freeze as £11.4 million – that is the part not funded by central government’s council tax freeze grant.

The freedom to raise council tax by the retail price index in 2015/16 would raise around £4 million in that year and every subsequent year. **A £4 million increase in 2015/16 would however only meet 80 per cent of the projected increase in the cost of children and adult’s social care that year.**

The annual cost to the council of the single person discount is increasingly hard to justify – removing the discount for non-pensioner households would raise £2.2 million a year.

The council consults on its budget and could allow local people to shape the way in which these additional resources that are raised through council tax are invested in services and growth.

The financial impact

The financial impact of these measures on public service reform and integration, growth and local government finance will vary from council to council. The timing of their impact will vary too. The benefits of public service integration will also be spread across the public sector.

We estimated the effects of some of the principal measures in the submission on Anycouncil – Table 2 below shows that they are part of the solution.

Their precise impact (and that of the other measures in the submission) would need further, more detailed analysis to determine their effect in a real council area.

¹² The Tri-borough estimate building 300 homes creates 700 jobs. Strengthening the City – findings from the Tri-borough community budget pilot, Tri-borough, October 2012.

Table 2 – the potential financial impact of public service integration, growth and the de-regulation of local government finance

Measure	Potential financial impact £million	Timing (financial year)
Community Budgets – health and social care integration ¹³	2	2015/16 (assuming integration begins in 2013/14)
Community Budgets – DSG and EIG integration and early intervention measures – reduce number of looked after children by 5% ¹⁴	1.7	2015-16 (assuming integration begins in 2013/14)
Growth – 1% above trend – uplift in the local share of business rates ¹⁵	0.5	2016/17 (assumes single local growth fund set out by Lord Heseltine has an immediate additional impact on local growth following implementation in 2015-16)
RPI increase to council tax	4	2015/16
Removal of single person discount for non-pensioner households	2.2	2015/16
Roll forward of council tax freeze grant	4	2015/16

¹³ Based on Ernst and Young's analysis that savings from integration will be in the range 5-9 per cent with the local authority share of 31 per cent and Anycouncil adult social care budget of £100 million.

¹⁴ Based on a 5 per cent reduction in number of looked after children at unit cost of £52,000 per annum.

¹⁵ Based on a 1 per cent increase in locally retained business rates which are £50 million in 2013/14.

7. Conclusion

Councils are required to produce a balanced budget each year, upon which they set the level of council tax. They have made a significant contribution to deficit reduction, alongside keeping council tax costs down to help householders. However, councils are now facing increasingly tougher choices about service reductions and withdrawal.

The measures proposed in the LGA's submission would help enable AnyCouncil to:

- Drive public sector reform, integration and efficiency with local partners to reduce costs and improve outcomes (as demonstrated by the whole place Community Budget pilots).
- Accelerate integration in health and social care, reducing the number of emergency admissions to hospital and care.
- Improve the wellbeing and school readiness of young children (and their future wellbeing and educational performance) through early intervention programmes jointly funded by the council and local schools.
- Improve the performance of the local economy, and in particular reduce youth unemployment and equip young people with the skills they need to compete in both the local and global economy.
- Allow local people more control over local taxes and the way in which those taxes are spent to deliver services and promote jobs growth.

Taken together the measures in the submission help AnyCouncil reform and protect local services, maximise the efficiencies across the public sector, and promote growth in the local economy.

Finance spending round submission



April 2013

1. Summary of key proposals

Local government funding – Local government has had the steepest reductions in the public sector over the current spending review period with a reduction of 33 per cent in funding in real terms. Local government needs a stable funding outlook which supports effective financial management and planning. This includes a full and transparent evaluation of the individual and combined impacts of policy and funding changes on local authorities and the services they provide. From 2014/15 onwards the Government should look at ways in which ring-fenced health and schools budgets can be used by local government to make improvements in areas of mutual benefit.

Council tax – Funding should be provided for the increased costs in council tax collection and enforcement. Councils should be fully compensated for the on-going effects of council tax freezes.

Local authority income – Decisions on the levels and changes to local sources of income such as council tax, planning and licencing fees should be taken by local authorities, who are accountable to their local communities, rather than being prescribed by central government.

Business rates – While the system needs to continue to protect against risks effectively, the Government should seek to increase the local share while continuing to equalise. All growth in the local share should be kept by local government, without a corresponding cut in the revenue support grant.

New Homes Bonus – The Government should continue to provide additional funding to the scheme and review it to see whether it has met its aim of incentivising new housing growth.

Capitalisation and borrowing – Local government should be able to capitalise one-off revenue expenditure without a top-slice or an over-regulated process and any resources for capitalisation and the safety net not used in 2013/14 should be fully returned to local government.

Community Budgets – Should be extended nationally as the preferred local delivery mechanism for government departments, with appropriate support to local areas to ensure that the maximum benefits are felt from the change.

Joint work to develop a local authority bonds agency¹.

2. Local Government funding

Over the spending review period from April 2011 to March 2015 local government funding is reducing in real terms by 33 per cent. Local government responded by reducing headcount and achieving total efficiency savings from shared services of £263m, with 337 councils now in shared service arrangements. Despite best efforts, there has been an inevitable impact on service provision although local government has protected, as much as possible, spending in certain key service areas such as adult social care².

¹ More detail can be found in LGA submission to HM Treasury March 2013

² Tough times 2012, Audit Commission, November 2012

All authorities are experiencing reductions in funding³ from central government over the 2010 Spending Review period. However, some authorities are experiencing bigger cuts in both grant and the Government's assessment of 'revenue spending power' than less deprived authorities.

Initial analysis suggests that for 86 councils (these councils are not confined to specific regions, tiers or political control) estimated income will account for less than 85 per cent of projected spend in 2015/16⁴. All councils are experiencing reductions in funding from central government over the 2010 Spending Review period. However, some councils are experiencing bigger reductions in funding than others. Those that were more dependent upon grant in 2010/11⁵ are experiencing bigger reductions in funding from central government over the period. There is a strong relationship between grant dependency and deprivation⁶ with more deprived authorities tending to be more reliant on central government grant. While the New Homes Bonus, and business rates retention offer opportunities, for some councils with limited ability to increase their income through these and other sources combined with increasing demand for services it will be more difficult to close the funding gap. **The future funding regime needs to provide sufficient flexibility to deal with differing local circumstances. We support the NAO recommendation⁷ that government should evaluate the individual and combined impact of funding and policy decisions on local authority finances and what this means for service levels. It is essential that authorities that are suffering from the combined impacts of government policy and finance changes, growing demand for services and limited ability to raise income are given the tools they need to help deal with these circumstances. These include Community Budgets and freedoms and flexibilities around finance including local authority income generation.**

Local government is the most efficient part of the public sector. Protected budgets continue to be spent without the same due consideration of value for money. It is not logical to continue to protect ring-fenced health and schools budgets while funding for services that contribute to improved outcomes in these areas is being cut. **From 2014/15 onwards the Government should look at ways in which these budgets can be used by local government to make improvements that benefit these protected areas, such as early intervention and health. In addition, the Government should consider whether money spent on universally available services such as concessionary fare bus passes for older adults should be more targeted.**

Funding in 2014/15 has already been cut by 8.5 per cent, including the further 2 per cent reduction announced in the Autumn Statement in 2012. The impact of Budget 2013 reductions in Communities and Local Government's Departmental Expenditure Limit in 2014/15 has not yet been decided. The LGA has characterised a further reduction in 2014/15 as unsustainable

³ Based on the Government's revenue spending power excluding council tax. Includes local share from 2013/14.

⁴ Based on initial results from an updated LGA funding outlook model.

⁵ For single tier and county councils.

⁶ Based on rank of average Index of Multiple Deprivation score.

⁷ Financial sustainability of local government, National Audit Office, 2013

without impacting on services. **We are seeking a commitment from government to find ways to provide local government with a stable funding outlook, without last minute reductions, which support effective financial planning and management.**

3. Council tax support

The localisation of council tax support has passed considerable risk from central to local government, such as from increases in claimant numbers. Further reductions to local government funding will increase the pressure on councils to collect more council tax from people who previously received council tax benefit, potentially leading to increased costs of collection and enforcement, or the need to find reductions from other sources.

For those that took up the Government's transition grant in 2013/14 this may have merely postponed their funding difficulties in terms of council tax support until 2014/15. **The Government should ensure that councils are properly compensated for the increased administrative costs of council tax collection and enforcement, which at present have not been recognised in the new burdens funding for council tax support.**

4. Flexibility around local authority income

Decisions on the levels and changes to local sources of income should be taken by local authorities, who are accountable to their local communities, rather than being prescribed by central government. Council tax has effectively been frozen at 2010/11 levels due to a series of council tax freeze grants. However, the level of the compensation for freezing council tax has reduced, particularly in 2013/14, and whether revenue foregone in future years is part of the offer varies from one year to the next. Alongside this, capping and subsequently council tax referenda have restricted the level of increase in council tax should an authority choose not to take up the council tax freeze offer.

In 2013/14 a council tax referendum threshold of 2 per cent⁸ limited councils' options to either an increase in council tax up to that limit or a council tax freeze grant equivalent to a 1 per cent increase in council tax. This left local authorities with little leeway at a time of funding reductions and increased risks due to business rates retention and the localisation of council tax support. Local authorities need flexibility around income generation including council tax. Therefore, **restrictions on council tax should be removed so that councils can determine with their communities the appropriate level of council tax and be accountable through local elections for doing so. Councils who have taken up the council tax freeze grant offers should be fully compensated for the ongoing effects of this.**

In addition, the Government should grant councils the full and unconstrained ability to vary locally all council tax discounts, including the single person discount. This would give councils more flexibility, for example in setting council taxes for people in receipt of council

⁸ With a concession for shire districts and fire and police authorities in the lowest quartile of council tax to increase their Band D council tax by the maximum of £5 or 2 per cent

tax support.

Local authorities also need flexibility around other income. For example, planning fees are centrally set and the current system does not properly reflect costs, meaning local authorities operate at a loss of around 20 per cent. It also means that some applicants are heavily subsidised and others pay more than necessary, with council taxpayers picking up the difference. Local circumstances on planning are very different and a 'one size fits all' regime does not help either councils or applicants. **Providing local authorities with the flexibility to set their own planning fees to reflect the full cost of delivering the service would not only properly resource planning services, it would ensure that fees were set transparently and fairly and see fees go down for many commercial applications.**

Local taxpayers are currently subsidising the drinks industry by almost £1.5 million a month. Although the Police Reform and Social Responsibility Act 2011 makes provision for local authorities to be able to set fees locally, councils are still bound by centrally set fees which do not reflect the costs of administering and ensuring compliance with the 2003 Licensing Act regime. The Home Office has committed to consulting on the introduction of locally-set fees, but two years after the legislation was put in place has still not done anything. **Implementing the statutory provisions that allow councils to set licensing fees under the 2003 Act to better reflect the cost of delivering the service would mean that councils have the necessary resources within their control to operate an effective licensing system, which targets activity at problem premises and provides freedoms and flexibilities to reward responsible businesses. This would support the Government's ambition of reducing alcohol related crime and disorder while promoting the night time economies of our town and city centres.**

5. Business rates retention

Local government has a key role to play in economic growth. Therefore, moves to allow local government to retain more of the business rates are welcome. **Central government should begin to consider ways of increasing the local share, while ensuring that the system of equalising, through top-ups and tariffs, is adjusted to take account of this.**

However, the business rate retention system also exposes councils to reductions in funding due to volatility in the tax base. There are also other risks being passed from central to local government, for example, due to business rates appeals. **Government should monitor progress of the new system in 2013/14 and make any changes necessary to minimise the risks and unintended consequences of the system.**

In 2014/15 the growth from inflation in the local share of business rates has been netted off from revenue support grant (RSG), despite the policy intention to reward local people for growth in their areas. **Local government should be able to retain growth in the local share without a compensating reduction in RSG in 2014/15, 2015/16 and future years.**

6. New Homes Bonus

The New Homes Bonus provides funding to councils for new homes in their area. While most of the funding comes from a top slice of formula funding, the DCLG allocation of £200 million in 2011/12 and £250 million for each of the years 2012/13 – 2014/15 should continue. Its removal would constitute a cut and intensify the re-distributional effect of the bonus between authorities. **The Government should continue to provide additional funding for the New Homes Bonus and review the scheme to see whether it has met its aim of incentivising new housing growth, as recommended by the NAO.**

7. Capitalisation and borrowing

It is sometimes suggested that capitalisation amounts to the granting of permission for local authorities to borrow and that it is therefore right for the Government to control it tightly at a time when overall government borrowing needs to be reduced. There are a number of responses to this. First, local authorities may use capital receipts rather than borrowing to fund this. Second, local authority borrowing is governed by the prudential code. This gives considerable flexibility for local authorities to borrow, within a clear framework of prudent management of borrowing. The prudential code has proved extremely successful in practice. Third, local authorities – in complete contrast to central government – do not borrow to cover deficits on their revenue budgets. Fourth, in many countries local authority borrowing is not scored as part of overall government borrowing, and there is no compelling reason why the UK should not follow a similar practice. Finally, even at a time of fiscal austerity, the facts show abundantly clearly that local authorities have maintained strong financial discipline. This is at a time when the route of financing capital expenditure from revenue, which was used by some councils, has become more difficult due to overall reductions in revenue resources. **Treasury rules should be changed to enable local government to capitalise one-off revenue expenditure without a top slice of revenue funding or an overly-regulated process. In addition, any of the topslice for capitalisation and the safety net which is not used in 2013/14 should be fully returned to local government.**

8. Public service pensions and contracting out

In the Budget the Government announced that the introduction of the single tier state pension is to be brought forward from April 2017 to April 2016. At the same time the State Second Pension from which occupational pension schemes (including the Local Government Pension Scheme, Teachers Pension Scheme and the Firefighters Pensions Scheme) are contracted out of will also cease. The result is that employers and employees who are members of occupational schemes will no longer benefit from National Insurance rebates of 1.4 per cent and 3.4 per cent respectively. By adopting pension reform one year ahead of the rest of the public sector we are making a significant contribution towards the deficit reduction programme. **There should be new burdens funding in the spending round otherwise local authorities will be faced with**

an unsustainable increase in National Insurance costs in the region of £800m per annum.

9. Public health

The majority of the public health allocation will be needed to meet existing public health contracts that have been transferred from PCTs to local authorities. **A real terms increase of public health funding would enable local authorities to expand investment in their public health activities to improve health outcomes and, thereby, reduce the costs of health and social care services.**

From 2015/16 responsibility for the public health of children aged 0 – 5 will transfer to local government. **The Government will need to honour their commitment in the New Burdens Doctrine to meet the full costs of this new duty.**

There is no rationale for the public health grant to be allocated as a ringfenced grant beyond 2015-16. Public health is a statutory duty of all unitary and upper-tier authorities and should be resourced through the local government settlement rather than being included in the allocation to the NHS and distributed as a grant to local authorities. The existence of the ringfence perpetuates the notion that public health is not a core function of local authorities, but simply an outpost of the NHS in local government. The public health grant conditions are to:

- improve significantly the health and wellbeing of local populations
- carry out health protection function delegated from the Secretary of State
- reduce health inequalities across the life course, including within hard to reach groups
- ensure the provision of population healthcare advice.

Many functions of local authorities - the provision of leisure and cultural services, the safeguarding of children, young people and vulnerable adults and environmental services - make a strong contribution to improving health. **Over time local authorities should have the flexibility to use public health resources to support mainstream services.**

10. Community Budgets maximising efficiency

The whole-place Community Budget pilots have shown the potential for a widespread adoption of the approach to transforming public services by integration and demand reduction, and delivering large savings to the taxpayer. The huge potential for delivering savings rests in the medium term but needs to begin now if it is to be realised. We therefore believe that the spending round should put the Community Budgets approach at the heart of the Government's strategy for spending and reform. This requires both direct support to places, for example through the new Transforming Public Services Network, and also mechanisms to incentivise government departments to encourage local integration and investment in prevention from the centre.

We want to see changes which:

- **enable Community Budgets to be extended nationally as the preferred local delivery mechanism for government departments, with appropriate support to local areas to ensure that the maximum benefits are felt from the change**
- **incentivise and encourage Whitehall departments to promote investment and uptake, in order to foster cultural and system change and break down inertia in the system**
- **enable clear investment agreements that set out which organisation will make what investment in early intervention, and how the subsequent savings will be shared.**

Adult social care spending round submission



April 2013

1. Summary of key proposals

The long-term pressures facing adult social care are well understood. Budgets have reduced, demography is creating pressure and options to offset shortfalls in resources are becoming increasingly limited. Plans for major reform of care and support and welfare will add further pressures and costs. There are a number of issues to consider:

The care and support reforms must be fully costed and their wider implications acknowledged and funded, particularly given the likely costs councils will face in 2015/16 ahead of implementation in 2016.

NHS – local government is the most efficient part of the public sector and getting adult social care right alleviates pressure on the NHS. It is therefore illogical to protect NHS budgets and logical, and in the interests of integration, to increase resource transfers from the NHS to support social care to enable pressures to be managed locally.

Efficiency - further work must be done to understand how to draw out efficiencies across the health and social care system. The scope for further efficiencies within social care is limited, so we must now look across the whole system.

Integration - is now economically and socially essential and must be led locally by Health and Wellbeing Boards. More must be done to help local areas unlock savings which can result from better integration across the health and care system. The community budget pilots have demonstrated that significant steps towards integrating health and care and refocusing expenditure on prevention are possible and can make large savings.

Addressing the above and delivering a good settlement for adult social care is not about ensuring 'business as usual'. Rather it is about ensuring a firm foundation from which the Government's wider care and support reform agenda can be taken forward.

2. Context

Adult social care is facing a number of pressures across all client groups.

- Additional funding for social care was allocated in the 2010 Spending Review but its impact would only be felt if we were in a settled state. Significant cuts to local authority funding has inevitably meant that adult social care has had to contribute to savings – particularly as the service represents more than one third of councils' budgets, which is the biggest area of discretionary spend for councils. Despite protecting the service as much as possible councils have had to reduce their adult social care budgets by £2.68 billion, 20 per cent of the budget, over the last three years. Although there is no exact science to capturing what is genuine efficiency and what is not, evidence from the ADASS Budget Survey indicates that this figure is made up of efficiency (75 per cent); service reductions (18 per cent); and income and charges (7 per cent). Continuing to make this level of saving annually is simply not sustainable.
- For 2013/14 adult services directors are looking at a number of medium/high priority areas for making savings. 95 per cent have identified better procurement as such an

area, and 81 per cent are looking to shift activity to cheaper settings. However, while this may produce savings in the future the scope is likely to be limited. 67 per cent of directors are aiming to expand independent sector provision, but this is a saving that can only be made once. 61 per cent of adult services directors believe stopping unnecessary services is a medium/high priority area for making savings and 60 per cent are looking to reduce the number of people in receipt of care. Such moves will clearly impact on the availability of services and the continuity of the care setting.

- The majority of adult services directors believe that controlling wages or increasing user contributions are low priority areas for savings. In the case of the former this is because most people working in adult social care work for external providers. In the case of the latter this is because there is very limited scope to increase charges beyond what local authorities have done already.
- Councils are facing a demographic pressure of three per cent of adult social care budgets. It costs over £400 million a year to continue to provide the same level of service, which excludes the impact of inflation. This cost must be considered in the context of, for example, the £1 billion spent each year on concessionary fares and the estimated £2 billion spent each year on winter fuel payments. At a time of such significant pressure on public spending we need an open debate about where resources are best allocated to support those with the greatest needs.
- The greatest demographic pressure comes from adults with a learning disability (44 per cent of total demography pressure), followed by older people (40 per cent).
- 30 per cent of respondents to the ADASS 2013 Budget Survey report that fewer people are currently able to access social care, while this grows to 50 per cent of respondents predicting poorer access in two years' time. However, while fewer people are accessing services, the cost of care packages for those who are is increasing.
- 28 per cent report that savings are currently putting more pressure on health and 36 per cent predict this pressure will grow in two years' time. 48 per cent report that their providers, who are largely SMEs, are currently under financial pressure, while 57 per cent predict providers will experience financial pressure in two years' time. And 39 per cent currently report an increased level of legal challenge, while 43 per cent expect this level to increase in two years' time.
- Research into unmet need by Southampton University identified that only 20 per cent of people who report difficulties with dressing and bathing receive support from social services. 50 per cent are supported by their family and friends.¹ However, in his work on funding reform Andrew Dilnot suggested that the willingness and ability of family carers to perform a caring role is reducing.
- Eligibility thresholds cannot be raised much higher, 87 per cent of councils are now at the substantial/critical threshold.

¹ <http://www.ons.gov.uk/ons/rel/population-trends-rd/population-trends/no--145--autumn-2011/ard-pt145-unmet-social-care-need.pdf>

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- Income from residential care charges is projected to fall. The scope to offset budget reductions via income is therefore decreasing.
 - Pressures faced by providers, such as food and utility costs and increases in the National Minimum Wage, are proving very challenging. Further changes to SERPS in 2016 will also be significant. Councils are working closely with providers but supporting them through fee increases is becoming harder. The average increase is 1.5 per cent, which is below the rate of inflation. This is set against national policy pressures to ensure market stability and quality as part of improving outcomes for individuals.
 - The Government's far-reaching welfare reforms are likely to increase demand for care and support services and impact further on the ability to raise income. And the care and support reforms, including the capped-cost model of funding reform and Care and Support Bill, will entail substantial *additional* costs for the sector.
 - Additional duties and responsibilities, such as the transfer of responsibility for social work in prisons, changes to death certification and the closure of the Independent Living Fund, will all impact on budgets. Government must quantify these burdens for inclusion in the 2015/16 settlement and beyond.

3. Funding for care and support reform

We welcome the Government's commitment to take forward funding reform as recommended by the Dilnot Commission. **However, the decision to bring implementation forward to 2016 will expose councils to increased start-up costs during 2015/16.** In particular, additional costs will arise from:

- Increasing numbers of individuals, particularly self-funders, presenting themselves for an assessment so that their care costs from April 2016 count against the cap. This will carry a cost in itself and has significant implications for the workforce in terms of capacity and skills.
- One-off costs to support ICT changes and data sharing that will be required to get the system up and running.
- The process of assessment to identify individuals with lower level needs that councils could support through universal services that are not subject to eligibility criteria, such as telecare and reablement.

We welcome the Government's inclusive approach to implementing these reforms and will participate fully. However, this spending round must recognise that the cost estimates for funding reform will not be sufficient given the accelerated agenda. There will be an earlier cost to councils because implementation has been brought forward, but there will also be an additional cost because, initially, councils will have to deal with the current backlog of self-funders who will need to be assessed. **It is essential that the Dilnot Implementation Group fully tests the assumptions about new burdens built into the financial allocations given the earlier timetable.**

We estimate that a one-off figure of £500 million is needed to see the reform process

through. This comprises £200 million which Dilnot said would be the annual cost of assessment, an additional £200 million to deal with the backlog of people coming forward, plus £100 million for systems changes. It is essential that government works out the cost of its funding reforms accurately and fully funds them.

4. Continuation of the NHS transfer to Adult Social Care

The additional money for social care from the NHS, announced in 2010, has helped mitigate the impact of the overall reductions to council funding. It has also helped to fund demographic pressures and some new services, particularly integrated prevention activity. For 2013/14, 32 per cent of the NHS transfer money has been allocated to avoid cuts, 14 per cent to cover demographic pressures and 18 per cent for investment in new services. 36 per cent is yet to be allocated.

This approach must be extended for 2015/16. Without it the ability of councils to run effective adult social care services will be at risk and overall costs to the NHS will rise. It also runs the risk of derailing NHS efficiency targets given that getting adult social care right can alleviate pressures on the NHS. For example, higher cost social care at the end of life tends to mean lower costs to health; reductions in social care may therefore increase demand for health services.

Local government has proved itself to be the most efficient part of the public sector and it is counterproductive to protect health spending and penalise adult social care. From 2013 the NHS resources for social care will be transferred to councils via NHS England. Clinical commissioning groups and local authorities must be able to continue working together to agree the allocation of the resource. **Funding from the NHS to social care should not be ring-fenced and the NHS Outcomes Framework must recognise genuine health outcomes which can be linked flexibly to activity. Allocations should be made transparent and there must be scope to spend the money on locally determined care, health and wellbeing priorities, as determined by the Health and Wellbeing Board, which should hold the allocation until integration plans are agreed. This means resource would be allocated in a way which makes most sense locally and promotes integration and innovation.**

5. The scope for further efficiencies

We need to recognise that there are now very few pure “efficiencies” left to be found in adult social care. Many efficiencies identified by councils now inevitably include an element of cuts to services or tightened eligibility criteria. Total savings stand at £2.68 billion over the last three years, a total of 20 per cent savings. The Government must exercise caution when assessing the scope for further immediate efficiencies, particularly as the requirement for immediate savings jeopardises longer-term efficiency programmes.

Our modelling for 2015/16 includes efficiency assumptions of 2 per cent (2013/14), 1.5 per cent (2014/15) and 1.5 per cent (2015/16). Assuming funding reductions continue along the 2010

Spending Review trajectory then this results in local authority projected income in 2015/16 accounting for approximately 85 per cent of estimated spend. Any government assumptions of further efficiencies will therefore leave a bigger gap that will have to be fixed by cuts. Adult social care would not be immune to this, which would exacerbate the pressures outlined above.

Reducing spending on prevention and early intervention is one of the only places left to look for further savings, this is counter to the policy direction set out in the care and support White Paper. It is only by **implementing effective integration across the country that we can expect to drive out further large scale genuine efficiencies from the health and care system. These are largely from reducing activity levels and social care supporting greater efficiency in the health service. The spending round should not deduct predicted “efficiencies” from the settlement for adult social care. Instead it should allow any efficiencies that can be secured to be reinvested in prevention and early intervention to drive out savings over time while securing improved outcomes for individuals and local communities.**

6. Integration

There is clear consensus that integrated care is a key priority and that this is where the real cross-system efficiencies are to be found. The integration and community budget pilots have shown that better outcomes for individuals and communities, as well as greater efficiency, can be achieved by shifting resources from acute hospital and institutional care into community based services. However, to achieve this requires changes in NHS and local authority activity and spend. It also requires simultaneous changes over several years in hospital configuration, GP services, community health and social care.

Short-term cuts in care capacity will imperil medium-term restructuring of services and costs and jeopardise service improvements and greater efficiency gains. Achieving sustainable integration and the benefits that flow from it will require place-based settlements and this should be signalled and invested in during the spending round.

One of the biggest potential areas for savings is through more effective care for individuals with long term conditions, most of whom are older people with a variety of needs that require an integrated response. Getting this right will avoid inappropriate hospital admissions and improve hospital transfers. Improving standards of health care could have a positive impact on the need for social care, for instance in the treatment of people with strokes, continence problems or dementia. Intermediate care could also be used much more effectively, for instance to treat continence problems in older people who leave hospital so that they do not need to go into residential care.

We are seeking a range of actions to support integrated care. These include:

- Working through perceived barriers, such as competition rules, to allow integrated care to be commissioned and delivered.
- More flexibility to enable local areas to use funding creatively, for example by substituting capitation for tariffs for some client groups.

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- Supporting investment in integration. Small scale examples, such as reablement teams, have reduced hospital admissions and length of stay.
 - Allowing front line staff to commit resources from different parts of the system to cover the costs of care coordination.
 - Streamlining the lengthy and bureaucratic process of making formal arrangements for the NHS and councils to share budgets.
 - Development of electronic records which requires significant capital and revenue investment; and above all
 - Encouraging the leadership behaviours and culture change needed to work in an integrated way.

The learning from Community Budgets must be applied to the on-going work on integration in the context of wider adoption of the whole place approach across the country. Effective integration supported by community budgets should help to enable us to disinvest from acute care and reinvest in community support. This will release savings from the fact that there are a large number of people in hospital that do not need to be there and that there is further scope to avoid admissions to residential care.

Implementing the Community Budget model across the country is crucial to enable efficiencies from integrated services to be realised fully. Health and Wellbeing Boards need to be making the decisions and their role needs to be reflected in NHS managers' incentives. They are the place for local decision-making and where the needs of local communities can be properly addressed through a genuine whole systems approach that considers integrated assessments, commissioning, budgets and systems.

The transfer of public health to local government also presents great opportunities to improve integration for the whole population. Tackling obesity, for example, can help reduce the risk of mental health problems and a wide range of diseases. But this is not just about what councils can do. The incidence of obesity is considerably higher in individuals across all ages with a long term condition and it is clear that a joint approach will be most effective.

In carrying out their public health duties councils need to be adequately resourced and have the financial flexibility to develop new approaches to improving their residents' health. The two year settlement for public health was very welcome and will enable better local planning. This funding must continue and, over time, **government should consider ending the ringfence for the public health budget to enable a more effective approach to joined-up and integrated services. This would further embed an approach based around the whole system. With Health and Wellbeing Boards being the custodians of such a system, public health could be incorporated into wider local work on prevention – itself part of the solution to the pressure on health and social care spend.**

5. Conclusion

Adult social care has a strong history of being resilient and robust. However, these characteristics are now being tested to their limits. The spending round is an opportunity to address some of these issues and help drive a more integrated approach to make it more efficient and responsive. Central to this process must be a focus on integrated service models, an understanding of the extent to which the system can withstand further reductions, sufficient funding to deliver on an ambitious reform agenda and a better use of money across health and social care.

In light of the evidence provided above we believe that the ten integrated care pioneers should be active in areas where there is the greatest potential for improvement across the whole system locally. This would include improvement in terms of the individual's experience of integrated care, outcomes and reductions in activity resulting in financial savings. Councils in such areas are likely to be more dependent on grant funding and are therefore facing more grant reduction. This in turn means that health inequalities are likely to be greater and pressure on local health services more acute.

Children's services spending round submission



April 2013

1. Summary of key proposals

Increasing demand for children's services and reduced local discretion over early intervention spending present significant risks, exacerbated by the removal of funding for sector-led improvement in this area.

Our objective is an efficient, joined-up system which provides help early to children and families, leading to improved outcomes and reduced demand and cost pressures.

Revenue Funding - Community budget approaches must be galvanised and schools allowed to pool funding to invest in early intervention. It is illogical to continue the protection of schools' budgets while reducing funding for services which contribute to the educational attainment and wellbeing of children.

School Places - At a time of sharply growing demand for school places, all available capital funding should focus on providing new places where they are most needed.

Academy Administration - Removing unnecessary duplication of funding and oversight of academies by the Education Funding Agency (EFA) would reduce the estimated additional £1 billion cost¹ of the DfE's academies programme.

Regulatory burden - The inherent conflict of interest in Ofsted being a regulator which also provides improvement services creates duplication and must be ended.

2. Context

Demand for children's services is on an upward trend:

- The number of children subject to a Child Protection Plan at 31 March has steadily increased from 29,200 in 2008 to 42,850 in 2012².
- Care applications have risen by 70 per cent between 2008/9 and 2012/13, with February 2013 seeing the highest ever number recorded for a single month³.
- The number of looked after children grew by 10 per cent between 2009 and 2012⁴.
- Despite a net increase of almost 81,500 primary places from 2010 to May 2012, 256,000 new school places are still needed by 2014/15⁵.

¹ Managing the expansion of the academies programme, PAC April 2013:

<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmpublic/787/787.pdf>

Nov 2012 <http://www.nao.org.uk/report/managing-the-expansion-of-the-academies-programme/>

² DfE Characteristics of Children in Need

<http://www.education.gov.uk/rsgateway/DB/SFR/s001095/index.shtml>

³ Cafcass care application figures

http://www.cafcass.gov.uk/news/2013/year_end_care_application_statistics_2012-13.aspx

⁴ DfE Children Looked After <http://www.education.gov.uk/rsgateway/DB/SFR/s001084/index.shtml>

⁵ Capital funding for new school places NAO March 2013: http://www.nao.org.uk/wp-content/uploads/2013/03/10089-001_Capital-funding-for-new-school-places-Executive-summary.pdf

Beyond this, there are higher expectations from the Secretary of State for Education to take more children into care. The impacts of welfare reform are as yet unquantifiable, but have the potential to increase demand for services as pressure on families increases. Special Educational Needs reform places new duties on councils to manage education and care placements to achieve a better transition to adulthood for young people with high needs.

Councils have sought to protect children's services from budget cuts⁶. Council spending on child protection services is planned to rise by 2.1 per cent between 2011/12 and 2012/13. Spending on preventative services for children and families is expected to increase by 7.9 per cent over the same period. This is not sustainable in the future, particularly in light of increasing demand. The withdrawal of government funding for sector-led improvement of children's services and the vulnerable nature of the children and families accessing these services introduces significant future risks.

Early intervention funding for councils is intended to reduce demand on statutory safeguarding services. However, the amount of un-ringfenced Early Intervention Grant available to councils to use flexibly has reduced from £2.3 billion in 2012/13 to £1.7 billion in 2013/14 and £1.6 billion in 2014/15.

3. Greater flexibility for the use of the schools' budget

A perennial barrier to investment in early intervention is the split incentive, where one part of the public sector pays but another benefits. This prevents sectors working together to drive down waste across local public services. Whole place community budget areas have clearly shown how this can be overcome and the spending round must deliver progress in financially incentivising collaborative working at the local level.

Across recent spending reviews the schools' budget, which is ring fenced within the Dedicated Schools Grant (DSG), has been relatively protected and over this spending review period was given a 'cash flat per pupil' settlement. Growth in spending on the other areas for which children's services authorities are responsible has been constrained and cut in line with overall reductions in council spending in this review period, despite the increasing pressures. The protection of school budgets has major consequences for children's services, as schools are insulated from the need to make tough decisions. This has significant consequences in managing schools' expectations of hugely pressured children's services and may not make the most efficient use of scarce public funds. It is illogical to continue to protect the budgets of schools while reducing funding for services which contribute to the educational attainment and wellbeing of children outside of the DSG.

Working more closely with councils on delivering early help and support for children and families will benefit schools directly - for example by helping children to be school ready, reducing drop-out rates and improving physical and mental health. However, the scope for schools, by

⁶ Audit Commission: Tough Times 2012

agreement, to make a contribution to early help approaches through a 'top-slice' or pooling of DSG resources at a local authority level has been reduced with recent schools funding reforms, which explicitly prevent schools from entering into 'pooling' arrangements of this sort. As well as inhibiting a shift to funding preventative measures, economies of scale are being lost by reducing schools' discretion to pool their budgets and balances with councils to purchase shared services and achieve shared objectives.

We would like the Government to reconsider this change and allow schools to work with councils and other local agencies to use DSG to support early intervention, help to reduce demand on local public services and improve educational and other outcomes for children and young people. Local collaboration could also potentially extend to joint work on issues such as employability or reducing inequalities.

Greater flexibility to support early intervention not only improves educational outcomes, but also has wider benefits such as reducing crime and disorder. As the Government's work on gangs and serious youth violence identified, targeted interventions with children and young people can prevent them becoming involved in crime⁷. To succeed this requires multi-agency working by councils with the police, health services and others. This is another area where the split incentive to investment in early intervention measures by, for example, police and crime commissioners could be overcome through the use of community budgets.

4. Bringing forward school places cost-effectively and in the right places

Pupil numbers began to increase in 2010 and by 2021 numbers are projected to be 18 per cent higher than in 2012⁸. These national figures mask much higher increases in demand in some areas. An additional £5 billion of capital funding for basic need has been allocated to councils during this spending review period and councils are currently keeping pace with increased demand - 81,500 additional primary places have been delivered so far. **But 256,000 new places are needed by 2014/15.**

The free schools programme has been allocated capital funding of £1.7 billion to deliver up to 24,500 places, although most free schools will not be operating at their full capacity by 2014/15. The NAO found⁹ that only 58 per cent of these places were in local authorities with a shortage of places and only 8,800 were primary places. Providing places where they are not needed cannot be justified.

All available capital resources should be devoted to meeting sharply increasing basic

⁷ Ending Gang and Youth Violence, November 2011:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97861/gang-violence-summary.pdf

⁸ National pupil projections March 2013:

<http://www.education.gov.uk/researchandstatistics/statistics/a00221994/>

⁹ See 4 above

need and allocated through councils who have a statutory duty to secure sufficient school places. Councils should also be able to directly access free schools capital so they can open new free schools in the areas of greatest need.


5. Reducing the additional costs of the academies programme

The NAO has estimated the additional cost of the academies programme to be £1 billion. Some of this extra expenditure is a result of the duplication by the EFA for academies of funding and oversight functions carried out by councils for maintained schools. The provision of additional funding for academies for services previously provided on a cost-effective basis by councils is another factor. **To reduce costs, in areas where the majority of secondary schools are academies, the funding and oversight of academies should revert to the local council to eliminate unnecessary duplication and fragmentation.**

6. Reducing the regulatory burden

The increasingly burdensome Ofsted inspection regime drives unnecessary costs to local government and creates waste in the system, diverting staff and resources from the front line. **The inherent conflict of interest in Ofsted being a regulator which also provides improvement services should be ended.** Ofsted has been very clear to date that councils and schools are responsible for their own improvement journey and scarce resources would be better allocated by a clear divide between these roles rather than the duplication created under these arrangements. At the same time, introducing inspection of councils' performance in relation to school improvement raises expectations of what councils will do, which appears to be at odds with the Government's stated position. There is a risk that resources will be wasted on adapting to an ever-changing inspection framework and expectations for children's social care. Servicing the logistical and secretariat needs of inspectors during the process also creates significant burdens for councils.

Culture, sport and the digital economy spending round submission



April 2013

1. Summary of key proposals

The best way to secure a sustainable future for culture and sport provision is to ensure that councils have the necessary levers and flexibilities to maximise the contribution of these services to local growth priorities. We propose how this can be achieved in four key areas:

- **The arts** - we want to work with government on a shared mission to re-discover philanthropy around the country through a new approach to Lottery funding.
- **National broadband roll out** - we are calling on the Government to secure state aid clearance for the urban broadband programme and address councils' concerns about the competitiveness of the supply chain.
- **Libraries and Universal Credit (UC)** - the funding model for Universal Credit (UC) needs to reflect the additional resource pressures that will be placed on public libraries as a key access point for face-to-face support.
- **Investing in physical activity** - to tackle obesity and improve public health.

2. Context

Councils currently spend just over £3 billion every year on libraries, leisure centres, museums and other cultural services because of their contribution to growth, tourism and wider political outcomes. They are amongst the highest valued and used of all council services. Culture and sport services are also uniquely placed to support community resilience in tough economic times for example through jobs and skills advice at public libraries and engaging young people through sport and volunteering opportunities. However, this investment is under increasing strain in the context of the overall level of savings councils need to find. The culture and sport sector has embraced the efficiency agenda and the LGA has led work to develop and share new delivery models, but efficiency savings are no longer enough. Significant savings have already been made across the sector and around 40 per cent of culture and sport services are now partially or entirely delivered through trusts, social enterprises or similar arrangements. It is estimated that councils' cultural budgets reduced by 8 per cent in 2011/12 with further reductions of 8 per cent in 2012/13.

3. Arts funding

Recent research reveals that for every £1 spent by local authorities on the arts, leverage from grant aid and partnership working brings up to £4 of additional funding.¹ As we move towards a mixed economy of arts funding, local government has a key role to play in driving local donations to the arts up and down the country.

¹Arts Development UK 2012 LA Arts Spending Survey Report <http://artsdevelopmentuk.org/2012/10/arts-development-uk-local-authority-arts-funding-survey-2012/2012-la-arts-spending-survey-report-final/>

We want to work with government on a shared mission to re-discover philanthropy around the country. Lottery sales continue to be strong and achieve significant local impacts. It is an important statutory constraint on lottery funding that it must not replace public funding (the “additionality” principle), but lottery funding closely complements activity funded by mainstream public expenditure. Councils want a distribution system that reinforces, not runs counter to, the general drive towards joining-up and simplifying public funding locally. **We want to work with government and the lottery distributors to introduce a complementary approach to lottery funding that recognises the work being undertaken by councils locally and nationally and reduces unnecessary complexity of national funding streams.**

4. National broadband roll out

Superfast broadband is essential infrastructure for many businesses and a key enabler of growth and jobs. It will enable councils to carry out their business more efficiently by delivering services online for those able to access them. It could also dramatically improve people’s quality of life and is central to government’s ambition for Universal Credit to be digital by default.

Councils are leading the roll out of the nation’s broadband programme and in many cases exceeding government’s expectations for local match-funding. After delays to the roll out of the rural programme, while state aid issues were clarified (which was the real barrier – not the planning system), the projects are now progressing. All councils, whether part of the commercial or government funded roll out, are committed to working in partnership with telecommunications companies to keep the roll out on track. However, the lack of competition in the supply chain is giving rise to questions about how councils can assure themselves that they are achieving value for money within the parameters of commercial confidentiality. Councils need to be able to cross-reference with projects which have already been out to procurement to gain an idea of definite costs.

Delays caused by state aid and the tight timescale for delivery is now also impacting upon the urban programme. Councils are keen to resolve these as soon as possible whilst also ensuring that they are still able to meet local digital priorities.

We are calling on the Government to secure state aid clearance for the urban broadband programme and address councils’ concerns about the competitiveness of the supply chain in general by making benchmarking data available.

5. Libraries and Universal Credit

Public libraries are one of the few places where people can access the internet at low or no cost, and get help with how to use it. This is going to be central to the successful implementation of UC, which the Government wants to be digital by default. Eight million adults do not have internet access and almost half of these are social tenants. Many of these people will turn to their local library for face-to-face help with UC. The UC pilots show the many ways libraries are getting ready to support claimants – from providing IT training, to making extra staff

available and reducing or waiving fees to access the internet. For instance, libraries in the London Borough of Lewisham will be supporting claimants to improve their internet skills and North Dorset District Council has negotiated with Dorset County Council to extend free internet access at libraries, so that claimants have enough time to complete online housing and council tax benefit claim forms.

The funding model for UC needs to reflect the additional resource pressures that will be placed on public libraries as a key access point for face-to-face support. Councils want to provide this face-to-face support, but it is over and above existing service provision and will have significant resource implications - especially in the short-term - that need to be properly understood and reflected in the funding arrangements for UC.

6. Investing in physical activity

The transfer of public health responsibilities to local government represents an exciting and transformational opportunity for local authorities to work with communities to improve health and wellbeing and to play a key leadership role in designing a public health service to meet the particular needs of their localities.

We want to work with government to engrain physical activity into the DNA of society.

The provision of high-quality and locally tailored physical activity opportunities is crucial if we are going to tackle obesity - one of the biggest and most expensive public health challenges we face. Physical inactivity is the fourth largest preventable cause of deaths behind smoking, high blood pressure and obesity.

Despite significant effort over recent years, child obesity rates remain stubbornly high (among the highest in Europe), with prevalence doubling in almost all local authorities between the first and the last years of primary school. One in five children in reception (aged 4–5 years) are overweight or obese, rising to one in three in year 6 (10–11 year olds).

Treating the effects of obesity is estimated to cost the NHS £5 billion a year and £20 billion to the wider economy once factors such as lost productivity and sick days are taken into account, so there is a strong case for investing in physical activity to save money across the public sector and in the economy as a whole.

Councils want to do more to encourage and enable everyone to build physical activity into their everyday lives through the promotion of active travel, working with business to invest in community health and wellbeing for both its staff and its customers and to improve a wide variety of physical activity and sport opportunities especially for people new to physical activity.

Energy spending round submission



April 2013

1. Summary of key proposals

Joined up funding - the Government should pool funding in a single pot to maximise its value and reduce the costs of administering multiple funding streams.

Access to the Energy Company Obligation (ECO) brokerage – local authorities should be enabled to place their energy efficiency projects on the ECO brokerage whether or not they are Green Deal providers.

2. Context

The case for investing in the energy efficiency of our buildings has three elements:

- Reducing carbon emissions: Implementing energy efficiency measures could reduce direct residential emissions by 23 per cent and indirect emissions by 36 per cent by 2020, a significant impact given that housing accounts for a quarter of the UK's greenhouse gas emissions.
- Helping vulnerable households: Fuel price rises are combining with flat incomes to increase fuel poverty, with 3.5 million households living in fuel poverty in 2010 compared to 1 million households in 2004. Increased fuel efficiency is a better-targeted public policy measure to tackle than blanket intervention on prices or incomes.
- Preventing winter deaths and poor health: The Marmot Review Team estimated that 21.5 per cent of excess winter deaths can be attributed to living in the coldest quarter of housing. The cost to the NHS of treating cold-related illness has been estimated at over £1 billion a year.

Councils have played the dominant role in energy efficiency schemes, delivering over half the energy efficiency programmes in the country. They are seeking to do more. For example, many are collaborating to implement energy efficiency measures across a wider area to achieve economies of scale (eg Yorkshire Energy Partnership Ltd); a number of councils are exploring the potential to generate cheaper energy themselves (eg Islington Council's Decentralised Energy Programme); and over 25 councils are involved in collective switching schemes to help residents find cheaper energy tariffs, with more than 80 projects in the pipeline.

3. Sources of funding

There are four sources of funding available for energy efficiency measures, other than direct grants to and independent action by householders themselves:

- Central government-funded schemes: The major grant schemes that local authorities were able to draw from including Warm Front (£100 million in 2012) and the DCLG Private Sector Renewal Grant (£308 million in 2010/11), are now closed. In 2012/13, a total of £55 million was available through a number of small-scale bid-based schemes

(eg DECC's £25 million Fuel Poverty Fund, £10 million Green Deal Pioneer Places Fund, and £5 million "Cheaper Energy Together" scheme; DoH's £20 million Warm Homes, Healthy People fund). DECC also administers the Salix Energy Efficiency Lending Scheme, which makes interest-free loans available to councils.

- Funding provided by councils from their own budgets: A survey of councils in 2012 revealed that the 21 councils who responded had planned to spend £27 million on energy efficiency from 2008 to 2012¹. Since this is not a statutory service, we can expect it to reduce by much more than the headline 40 per cent reduction in grants to local government, and as the LGA's future funding outlook for councils suggests, is unlikely to be sustainable at all in the medium term.
- The Energy Company Obligation: Worth £1.3 billion annually, the ECO is funded by the six major energy suppliers to support measures for low income households.
- Finance from consumers through Green Deal loans: The Green Deal Finance Company has announced £244 million of the £300 million needed to finance the first Green Deals.

Continued investment in social housing stock is essential to maximise the impact on fuel poverty and poor health since social housing tenants are likely to be on lower incomes and vulnerable to fuel poverty. Without that preventative investment we will face higher costs and lower-value spending in the future.

In addition, councils have a key role to play in delivering programmes in the private sector. For example, by developing an area wide approach, the Kirklees Warmzone initiative has insulated 51,000 homes and generated £80 million in economic benefits.

4. Joined up funding

Channelling funding for energy efficiency schemes through small, short term, competitive funding pots is an inefficient use of council resources and capacity. It works against longterm, joined-up investment strategies and consumes time and effort in bidding application and monitoring processes. **The Government should pool funding in a single pot to maximise its value and ensure that councils can focus their resources on tackling energy efficiency rather than bureaucratic bidding processes.**

5. Enabling councils to access the Energy Company Obligation (ECO) brokerage

Since ECO is now the major source of finance for energy efficiency schemes, it is vital to make those resources stretch as far as possible. ECO resources can currently be accessed through bilateral negotiations with the energy suppliers or through the new brokerage mechanism. The

¹ Consumer Focus "Going Local", 2012

brokerage functions as a blind auction that allows ECO-obligated energy companies to bid for projects that would deliver the energy savings to meet their obligation. The brokerage has the potential to drive costs down and support innovation by bringing more delivery agents into the market and fostering competition. However, at present, trading on the brokerage is restricted to Green Deal providers.

Enabling local authorities to place their energy efficiency projects on the ECO brokerage, whether or not they are Green Deal providers, would ensure that ECO funding yields the best return in terms of public health and fuel poverty.

- First, the ECO brokerage service needs a high volume of measures to be transacted in order to be cost-effective. Councils are already the major delivery agents in the market so bringing them into the brokerage would help to generate more competition, increasing the likelihood that costs will be driven down.
- Second, councils are also best-placed to facilitate economies of scale by supporting area-based schemes, an approach which DECC has identified as being most cost-effective, leading to efficiency of delivery.
- Finally, energy companies have also indicated that they find it difficult to cost-effectively identify householders that will qualify for the Affordable Warmth element of the ECO, which targets low income and vulnerable households. Council schemes often target the residents who qualify for this element so allowing these to be placed on the brokerage could make it easier for the energy suppliers to reach hard-to-find households.

Fire and rescue spending round submission



April 2013

1. Summary of key proposals

Firefighter Pensions - The Government should ensure that the savings from the reformed scheme stay within the sector; and should work with the sector now to release those savings by accelerating the valuation and agreeing a contribution rate profile that brings savings to the employers. Of particular concern are the costs associated with the retained firefighters' retrospective access to the pension scheme which needs to be funded in full by government.

A system for incentivising prevention and community safety work - through a community budgets approach with appropriate levers which will provide Fire and Rescue Authorities with more local influence over public resources at a local level.

Fair funding based on risk - unlike many other public services, Fire and Rescue Services plan on the basis of risk rather than demand.

Council tax flexibilities for all FRAs – removal of the restrictions on council tax.

Removal of barriers – particularly around mergers of FRAs.

Fire authorities need support to innovate and reduce costs. Net current expenditure for the Fire and Rescue Service in 2011/12 stood at £2.118 million. When inflation and pay pressures are taken into account and adjusted for a level of on-going efficiencies based very optimistically on the trajectory of efficiencies to date, we would expect expenditure to increase to at least £2.4 million by 2017/18. This is an increase of around 13 per cent. In the absence of additional funding, FRAs need the maximum local flexibility to transform services.

2. Pensions

Around 80 per cent of FRA expenditure is on wages and pensions. There are potentially significant cost pressures for Fire and Rescue Services around firefighter pensions. The Government has introduced pension reforms which will reduce the cost of the pension scheme in the longer term. We believe that the Government should, in line with aspirations to tackle the underlying deficit and not just short term issues, commit to allowing savings from scheme reform to be fed back into the sector as soon as practical. Reinvesting savings will help mitigate the financial pressures.

There are a number of other issues including the cost of retained pensions that might impact on the cost of the scheme. The costs associated with the retrospective admittance of retained firefighters to the pension scheme remains a major concern, with the total number of eligible retained firefighters standing at 21,200 (Government Actuary Department estimates). The LGA believes that liability for these pension costs should be met in full by central government. However, should the fire service have to pick up these costs, a strategic view should be taken so that all costs and benefits would be smoothed over the longer term in line with the general principles of the scheme funding arrangements in order to avoid short term spikes that are passed on to FRAs. Firefighters' pension schemes are administered locally by individual fire and rescue services, but policy is set by central government.

3. Prevention and community safety work

Fire fatalities continue to fall. In 2011/12 there were 380 fatalities in all fires – lower than any year in the last 50 years. Much of this is as a result of the service's investment in prevention work. The Audit Commission highlighted in its report 'Rising to the Challenge', a 50 per cent increase in community fire safety budgets between 2004 and 2008 and this remained fairly constant up to 2010. However, in 2011/12 this work saw the largest percentage decline, at -6 per cent. These schemes are cost effective and are estimated to save £1.85 for every £1 spent. A system of incentivising and rewarding FRAs for this work through a community budget approach will enable this work to continue.

The Fire and Rescue Service has transformed itself into an all-encompassing emergency responder. It is leading the way in attending road traffic collisions, dealing with flooding, counter-terrorism, working with young people, assisting our ageing population and ensuring businesses can flourish. **The recent report from Chief Fire Officers Association, 'Fighting Fires or Firefighting', highlighted the extent to which the Fire and Rescue Service contributes to a wide range of priorities including economic and social outcomes. This value added needs to be recognised across government and reflected in the funding for the fire sector. Prevention is the front line.**

4. Fair funding based on risk

The fire service is not just a local service but is also part of delivering critical national resilience. It is not clear what level of risk assessment took place in the 2010 spending review of the impact on national resilience. If a risk approach is not applied centrally, this throws up a potential disjuncture between national funding and local risk assessments. The application of the fire funding formula and the different levels of reliance on grant/council tax between authorities has meant that the impact of the reductions to date is variable across services. Whilst the overall reductions for fire have been backloaded, the picture in individual fire services is much more variable with many having extensive grant reductions in the early years of the spending review. Fire services delivered by county councils have felt the reductions since year one of the 2010 spending review. FRAs have a track record of significant efficiency savings, and are keen to see the conclusions of Sir Ken Knight's Efficiencies Review this spring. **The Government should ensure that the Fire and Rescue Service is funded fairly and based on risk.**

5. Council tax flexibilities

The council tax level for all FRAs is relatively low with nearly all lying within plus/minus 20 per cent of the national average council tax of £64.12 (a 1 per cent increase is only about 1p per week for a band D householder). The decision to grant flexibilities to the lower quartile of authorities has introduced very large differences in the ability to raise income between FRAs in absolute terms and in particular because of the different funding splits between grant/council tax for individual authorities. **The LGA therefore requests this flexibility for all FRAs.**

6. Removal of barriers

Although there is an example of successful merger in the fire sector, recent attempts have not been successful and the barriers need to be addressed. Issues such as the difference in council tax levels across a merged area and lack of clarity about business rates still need resolution. New governance and collaborative arrangements are being explored and driven at the local level, such as working with Police and Crime Commissioners, sharing senior staff and these need to be encouraged and facilitated. Further efficiencies can be made through more incentives and levers for community budgets, particularly for county fire. There may also be opportunities for efficiencies through the fire service working more closely together with other emergency services, both strategically and operationally. The work of the Joint Emergency Services Interoperability Programme is primarily focussed on providing a foundation for closer working arrangements between the blue light services, but it may also result in some savings being generated. **The LGA is calling for removal of barriers to achieve efficiencies, particularly around mergers of FRAs.**

7. Conclusion

Continuing funding reductions will be challenging for the fire service. However the combination of greater local flexibilities and longer term reform of the sector will be important mitigating factors in delivering the level of service which the public expect and deserve.

Growth spending round submission



April 2013

1. Summary of key proposals

The ability of local partners to drive growth and create new jobs has been recognised in recent government policy through City Deals, LEPs and its response to the Heseltine Review. The spending round offers the opportunity to drive local growth further by creating a single pot for local regeneration, rationalising expensive governance arrangements, extending the success of City Deals and increasing the value of skills and transport budgets.

Heseltine ‘plus’ – we support the ambition of Lord Heseltine’s for devolution to localities and the alignment of EU funding. There is a strong case for further skills related funding to be added to the pot, but there is also a strong case against a re-centralisation of funding already devolved to LEPs and councils. We believe that there is the opportunity for councils to play an even greater role in economic development and growth.

Mainstreaming new innovation to drive growth – we call for an ambitious package which offers local areas the chance to retain a greater share of investment returns (for example through earn-back deals or a share of VAT receipts).

Geography, alignment and governance - local areas need to be given the opportunity, through local deals, to rationalise the call for departmental plans and offer streamlined governance.

Jobs and skills – we propose devolving the majority of 16–19-year-old and post 19-year-old skills and apprenticeship budgets to localities and giving local authorities the levers to directly link skills training to employment support in their area.

Regulation - we need a new regulation and licensing regime that can respond to the unique business environment in each local area.

Planning – we call for more local flexibility to set planning fees to reflect the full cost of delivering the service.

2. Context

Growth continues to be the number one priority for central and local government. The devolution of powers to councils, businesses and other local partners is already a key component of government policy.

The original eight City Deals are expected to create 175,000 jobs and 37,000 new apprenticeships over the next 20 years.

We need to build on these successes and follow the clear direction of travel set by the Heseltine Review. Building on the Local Growth Deals offered to all local partnerships by 2015, our

proposals seek the most cost-effective journey in driving local growth.

3. A single pot (Heseltine “plus”)

The Government has promised to consider delivering the Single Local Growth Fund through the spending round. **We would support the ambition of Lord Heseltine for devolution from Whitehall and the alignment of EU funding to localities, but suggest that there is also a strong case for further skills related funding, such as that set aside for 16-19 year-old skills programmes, to be added to the pot – as set out in Appendix A.**

As many local economies are in transition with private sector jobs not replacing the loss in public service employment, a rethink of skills and employment policy is needed. As a first step we would advocate that a robust single funding pot with a clear focus on skills and employment could help to promote a clear alignment of growth and employment policies and provide a better lever in tackling worklessness, supporting private sector investment and rebalancing growth across the country.

The City Deal negotiations have shown that competition between councils is not required for innovative proposals to be developed. We would argue that business wants long-term stability in public investment so the case for allocation and negotiation of the single pot is stronger than the case for competition.

We support the alignment of EU funds to LEP areas after 2014. The European Social Fund (ESF) has huge potential to support local growth by equipping people with skills so they can compete in the labour market. However its rigid national design and commissioning process does not enable LEPs to provide the required skills for job creation nor enable ESF to tackle deep seated pockets of worklessness in local areas. The design of the three-year, £200 million ESF families with complex needs provision continues to encounter challenges to get to a steady state, and runs alongside the Troubled Families initiative, which councils warned would risk duplication.

To make more effective use of future limited ESF during 2014-2020, councils and Local Enterprise Partnerships must be afforded maximum flexibility to target need and tailor provision, which will both stimulate growth in local areas and contribute to the national economy.

Lord Heseltine has proposed that some budgets already delegated to local partners (for example, capital spend and major transport projects) should be allocated to the single pot. This would be seen as centralism rather than localism by LEPs and business partners. These budgets should remain at a local level.

4. Mainstreaming new innovation to drive growth

Since 2010 numerous government initiatives to help drive local growth have helped to develop successful, devolved local levers for growth. Many were exemplified in the first round of City

Deals. These initiatives provide the opportunity for an ambitious menu of options for future Local Growth Deals.

Most importantly, we need to consider the incentives that businesses and local partners need to drive local growth. **An ambitious package which offered the chance to retain a greater share of investment returns (for example through earn-back deals or a share of VAT receipts) would increase incentives for local public and private partners to match such resources locally.** The most ambitious local growth programmes have been routed in such incentives (rather than competition between areas). We must grasp this learning.

5. Geography, alignment and governance

The devolution of economic powers to “functional economic areas” is supported by councils. We need to ensure that the local landscape is fit for purpose. There is already overlapping governance, multiple LEP plans being called for by different parts of government and a patchwork of funding initiatives.

Local areas need to be given the opportunity, through local deals, to rationalise the call for departmental plans and offer streamlined governance arrangements (for example, merging LEP and Local Transport governance) whilst promoting greater public accountability. This also offers a real incentive for councils to consider their own contributions within a rationalised structure. Councils have already developed innovative new governance structures, such as combined authorities, in response to devolution.

6. Jobs and skills

As we drive growth locally we also need the tools to ensure that local growth results in employment opportunities for local residents. In many areas the fall in public service jobs has not been balanced by a rise in private sector employment. Therefore, an alignment of skills/employment policy and growth drivers is needed urgently.

Building on the Heseltine report there is the opportunity to align skills and growth policy through the single pot. This should include the majority of skills and apprenticeship budgets for 16 – 19 year-olds and post 19 year-old age groups. Responsibility for reducing youth unemployment would shift to local partners.

Public investment in skills and employment provision must begin to deliver better returns. In 2010/11 total FE college income was more than £7.5 billion, flowing to the courses students wanted and which colleges fill, and not sufficiently meeting local employer demand or helping individuals to progress in work. This has led to systemic skills mismatches, delivering poor value [See Appendix B].

Lord Heseltine sets out a strong case for devolution to address immediate employer demand, which is welcome, focusing on helping people into jobs that exist by devolving post-19 skills and

funding to reduce youth disengagement. Local Growth Deals should go further, enabling local partners to bring together skills and employment services in local economies to deliver better outcomes for residents and employers, and to unlock significant public service savings.

We propose devolving the majority of 16 – 19- year-old and post 19-year-old skills and apprenticeship budgets to localities, enabling them to adapt skills provision to meet short term employer demand as well as to help drive longer-term local economic productivity. Local authorities should also be given the levers to directly link skills training to employment support in their area, increasing sustainable job outcomes delivered by Jobcentre Plus and Work Programme.

This approach is proven; Community Budget Pilots forecast annual public savings of up to £1.7 billion a year, and there are numerous examples of councils successfully improving outcomes for young people in particular, who, through the devolved model, would aim to reduce overall youth unemployment by 20 per cent in three years.

7. Heseltine plus recognising the role of councils

Whilst the Government’s response to the Heseltine report was encouraging and set out a good direction of travel, we believe that there is the opportunity for councils to play an even greater role in economic development and growth.

Despite the recent pressure on local government finances, councils have been remarkably effective in maintaining their services for growth – although these are discretionary services.

A review of local growth, by Professor Tony Travers in December 2012, demonstrated where councils collectively had risen to the challenge of a new economic era. Calderdale had freed up funds to support new small and medium sized enterprises, leading to 150 new businesses which in turn created 500 new jobs and private sector investment exceeding the initial seed money.

This is one of many examples where prudent risk taking by a local council has ensured that developers and the private sector were able to thrive and increase local investment.

There are many examples of such prudent risk taking by local government:

- The prudential borrowing by South Staffordshire, Wolverhampton and Staffordshire councils which secured the Tata investment in the Jaguar Land Rover low emissions engine plant in South Staffordshire. The councils leveraged a £400 million private sector investment.
- Eastleigh Council enabled a new housing development to go ahead by promising to purchase houses not sold. This allowed for the investors to come into the project. The

council took on more risk to the benefit of the community through the provision of new housing stock and construction jobs during the build.

The Travers report commended the role that councils can play in taking managed financial risks to secure investment. The author noted that councils have maintained remarkable budget stability for the whole period since 1990/91 and have been effective and cautious in controlling indebtedness. He promoted greater financial and other autonomy which would allow councils to do more to encourage economic development and infrastructure improvement.

However, there was a clear warning in Professor Travers' report. **Local government is one of the few parts of the public sector that promotes economic growth. If local government's funding base declines further, the pro-growth services of councils (which are vital to the success of LEPs and Local Growth Deals) will be threatened.**

8. Regulation

The LGA wants to ensure that councils have all the necessary freedom and flexibility to free businesses from red tape, whilst still ensuring we have the right tools to tackle high risk business activity that poses the greatest threat to residents and the local business environment. We want to reposition regulation and licensing at heart of the local growth agenda, leading to the establishment of a flexible system built on a solid understanding of what local businesses want, rather than a framework of central control and restriction.

In order to deliver this we need a new regulation and licensing regime that can respond to the unique business environment in each local area. A more targeted approach to licensing, locally designed, will ensure councils can focus their efforts on the small minority of problem businesses (less than 5 per cent), whilst rewarding responsible businesses with new freedoms and flexibilities.

9. Planning

Ensuring planning services are properly resourced will support economic growth. However, significant reductions in funding mean that planning services have been cut hard. Planning fees are centrally set and the current system does not properly reflect costs, meaning local authority planning services operate at a loss of around 40 per cent. This equates to a public subsidy of around £110 million each year. It also means that some applicants are heavily subsidised and others pay more than necessary, with council tax payers picking up the difference. Providing local authorities with the flexibility to set their own planning fees to reflect the full cost of delivering the service would adequately resource planning services, ensure that fees were set transparently and fairly and see fees go down for many commercial applications.

Appendix A

Heseltine Plus – Skills and employment Single Funding Pot

	Current Funding Stream	Department
Skills budgets proposed by Lord Heseltine	Adult Skills Budget (includes 19+ apprenticeships)	BIS
	Offender Learning and Skills Service	BIS
	Community Learning	BIS
	Learner Support	BIS
	Information, Advice and Guidance	BIS
	Skills infrastructure	BIS
	Capital Grants	BIS
	Apprenticeships (to 18 years old)	BIS
Heseltine Plus	16 – 19 Skills Funding	DfE
	16 – 19 Bursary Fund	DfE
	Foundation Learning	DfE
	Traineeships Programme	DfE / BIS
Employment support budgets proposed by Lord Heseltine	Work Programme	DWP
	Remploy Work Choice	DWP
	Specialist and Flexible Programmes	DWP
	Youth Contract	DWP / DfE
	European Social Fund (aligned)	DWP
Heseltine Plus	Jobcentre Plus (local priority setting)	DWP
	Jobcentre Plus Flexible Support Fund	DWP

Appendix B

Hidden Talents – Skills mismatch

Further Education and skills achievements by occupation / sector (disaggregated by all ages and 16 to 18-year-olds) compared to vacancies, England, 2010 /11.

Occupation / sector	Vacancies	All ages		16 to 18-year-olds	
		FE and skills achievements	Vacancies per skills achievement	FE and skills achievements	Vacancies per skills achievement
Automotive industries	89,017	36,800	2.4	24,200	3.7
Building services engineering (electrotechnical, plumbing etc)	71,789	39,740	1.8	10,510	6.8
Construction	273,969	123,370	2.2	43,980	6.2
Creative and cultural industries	65,672	82,950	0.8	62,080	1.1
Fashion and textiles	39,112	3,780	10.3	730	53.6
Hair and beauty	18,016	94,420	0.2	57,280	0.3
Health and safety	2,053	10,010	0.2	130	15.8
Hospitality, leisure, travel and tourism	43,174	97,910	0.4	51,830	0.8
Land-based and environmental industries	89,601	48,020	1.9	27,260	3.3
Marketing and sales	289,601	2,040	142.0	280	1034.3
Security industries	69,358	11,760	5.9	1,220	56.9
Supporting teaching and learning in schools	29,612	24,130	1.2	480	61.7
Total	3,475,937	1,826,580	1.9	755,840	4.6

Sources: Individualised Learner Record, The Data Service; Jobcentre Plus Vacancies, ONS; Labour Force Survey, ONS; *Inclusion* calculations.

Housing spending round submission



April 2013

1. Summary of key proposals

Our proposals will provide a much needed boost to the construction industry by increasing the number of new build affordable homes. We also propose actions to rebalance the existing housing stock to enable councils to invest in smaller properties that are desperately needed to implement the Government's welfare reforms.

The Housing Revenue Account borrowing cap - should be removed.

Further housing investment – the Government should establish an investment fund to enable local authorities and arm's length management organisations (ALMOs), working with housing associations, to transform existing housing stock and invest in new build.

The Right to Buy - scheme should be simplified to remove unnecessary restrictions on reinvestment and to better reflect local housing markets.

2. Context

The demand for affordable rented homes far outweighs supply. The housing waiting list has increased by 70 per cent over the last decade¹. However affordable housing delivery remains low and only 35,000 properties were completed last financial year². Housing need has never been met by the private sector alone and local authorities and housing associations have an important role to play to tackle this issue. Getting a foot on the housing ladder remains challenging³ and rents are projected to rise by 3.9 per cent over the next 12 months⁴.

This has an impact on the overall costs incurred by the public sector as a whole. Levels of homelessness increased by 10 per cent last year⁵ and the use of temporary accommodation increased by 9 per cent⁶. DWP allowances to local authorities - per unit of temporary accommodation – are £2,000 to £3,000 annually (depending on the location). However a fuller estimate of the costs is that these allowances would amount to about £5,000 per household annually – a significant figure to offset against the annual per unit costs of new building⁷. This scarcity of affordable housing is compounded by the profile of the existing housing stock, which does not meet the needs of tenants. There is an acute shortage of one and two bed

¹ CLG live tables, Table 600 Rents, lettings and tenancies: numbers of households on local authorities' housing waiting lists¹, by district: England 1997-2012

²http://www.homesandcommunities.co.uk/sites/default/files/aboutus/housing_statistics_november_2012.pdf

³ An average house doubling in price over the last decade (Laying the Foundations, CLG), and limited access to mortgage finance with the number of mortgages falling by 50% between 2007-11 (Council of Mortgage Lenders).

⁴ RICS Residential Lettings Market Survey

⁵ Statutory Homelessness: October –November 2012, Statistical release, CLG

⁶ Statutory Homelessness: October –November 2012, Statistical release, CLG

⁷ Let's Get Building, National Federation of ALMOs

properties⁸ which means that for many tenants downsizing is not an option. This restricts the options available to respond to the social sector size criteria and coupled with direct payments may result in additional costs through an increase in rental arrears.

Investing in housing makes sense. The UK Contractors Group has shown that every £1 spent in building generates £2.84 in economic activity and of the original investment 92p stays in the UK⁹. Of all aspects of construction, housebuilding is the easiest to get shovel-ready as the needs are known and the land is often available with planning permission.

3. Housing Revenue Account borrowing

The new self-financing housing system for local authorities has created a business framework that supports new investment. Borrowing headroom has enabled some authorities to plan more investment and councils are already planning 15,000 new units over the next five years.

However, the amount of borrowing headroom is capped centrally, is distributed unevenly and bears no relation to housing need. This constrains the ability to invest for authorities who have little or no headroom, and constrains the ambitions of others.

We would like to see the centrally set borrowing cap removed. This would allow councils to invest an additional £7 billion over five years which could result in up to a further 60,000 homes over and above current plans¹⁰. Overall, we estimate unlocking this potential to invest in housing would lead to a wider economic impact of £20 billion¹¹.

Local government has a track record of borrowing prudentially against its means, using the prudential code as an effective way of self-managing borrowing. The market reaction to this proposal was that the amount of extra borrowing in question is far smaller than the standard statistical error for public borrowing figures and would not be of concern to the economists, fund managers and credit rating analysts we interviewed.

4. Further housing investment

The affordable housing stock currently available in England does not meet needs and is ill equipped to respond to the demand for smaller properties generated through the Government's welfare reforms. One person households are projected to increase by 159,000 per year, equating to two thirds of the overall increase in households¹², however there is an estimated undersupply of 240,000 one bedroom homes¹³.

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6395/1780763.pdf

⁹ Construction in the UK Economy: The benefits of Investment

¹⁰ This estimate is based on the prudent approach local authorities have taken to date bearing in mind levels of risk and limitations such as land and organisational capacity; and is far below the theoretical borrowing capacity available to councils should the cap be removed.

¹¹ Let's Get Building, National Federation of ALMOS et al, 2013

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6395/1780763.pdf

¹³ Under occupation of Social Housing Impact Assessment, DWP, p13

This means that for many tenants downsizing is not an option. This is particularly acute in high demand areas where competition for privately rented homes is fierce and prices are high. We need to increase the stock overall and rebalance the stock profile of existing homes to better meet demand.

We propose a new capital investment fund which would increase the supply of smaller homes by enabling councils to invest in new housing stock and re-configure existing properties as well as bringing empty homes back into use. Councils and ALMOs have proven that they can build value for money and high quality properties, have access to land and are able to borrow at favourable rates. The programme might be funded by local authorities through a combination of reserves, borrowing and public sector land and supplemented by a grant from the Government. Non stock owning authorities should be eligible for the fund and would work closely with Housing Associations to deliver new homes and reconfigure existing properties. It is crucial that any grant programme operates a level playing field in its assessments of value for money between housing associations and authorities.

We estimate that a capital fund of £500 million, for example, would allow more than 37,000 conversions/adaptations; that compares to the 660,000 claimants affected by the social sector size criterion. This would, incidentally, be shovel-ready capital investment that could commence immediately.

5. Right to Buy

The current inflexibility of the Right to Buy system has a number of unintended consequences which undermine the ability for local authorities to invest in new build that meets housing needs and enables them to respond to the Government's welfare changes.

Allowing councils to set the Right to Buy discount locally to reflect local housing markets will enable them to maximise the receipts to reinvest in replacement homes while encouraging sales under the scheme. A blanket discount cap ignores the large differences in property values up and down the country and in some areas will not provide a discount sufficient to generate sales and vice versa.

A London Borough reports that the majority of sales receive at or close to the maximum £75,000 discount, the average discount being £74,000. Tenants tend to buy 1-3 bedroom houses, typically getting a £150/160,000 mortgage. The high property values in London mean that this equivalent to a 32 per cent discount. Larger properties are not affordable.

A council in the North West reports that the average discount on flats is £32,000. Against a market value of £46,000 this means a discount for the tenant of 70 per cent. It also means that the council often operates as a loss as the average debt outstanding on the property is in excess of its £14,000 sale price.

There is an inbuilt disincentive to reinvest in one and two bedroom flats which are desperately needed to help relieve the pressures caused by the social sector size criteria. The system is

structured so as to limit the ability for local authorities to reclaim their outstanding debt on properties after 15 years – this can leave the authority operating at a loss. Extending the cost floor on new builds and flats from 15 to 25 years would remove this disincentive by ensuring that sales even at the maximum discount level would not incur a loss for the authority.

Right to Buy sales are accelerating in Derby however some properties are being sold at less than the debt outstanding on them. For example this has resulted in a loss of £3,800 to the council on the sale of a £60,000 flat which was sold with the maximum 70 per cent discount.

Enabling councils to retain 100 per cent of Right to Buy receipts by default and removing the restrictive HCA agreements currently in place would enable councils to reinvest in replacement homes at a greater scale.

For example, if Stroud Council was able to keep 100 per cent of its Right to Buy receipts without the current HCA constraints it would be able to increase its build programme to 194 new homes.

Waste spending round submission



April 2013

1. Summary of key proposals

Waste collection and disposal is the third largest local government service in terms of spend and an essential service for local people. Costs have been increasing over the current spending review period as councils manage demand from a rising number of households, increased waste arising and a £100 million increase in exposure to landfill tax. This increase will continue into 2015/16 unless taxation rates are frozen at 2014/15 levels.

Landfill tax – we suggest that the levy should be frozen at 2014/15 levels.

Capital investment in waste infrastructure – the Treasury should consider using the existing landfill tax revenue to provide underpinning capital for forward thinking waste infrastructure projects by redistributing landfill tax receipts back to councils.

2. Context

The spending on waste collection and disposal is projected to have increased over the current spending review period by 15.9 per cent to at least £3.71 billion¹.

As a statutory service, waste management is subject to a number of key external cost drivers: the number of households requiring a waste collection service; the total amount of waste arising; and the level of waste taxation. Over the current spending review period household numbers will have risen by 3.1 per cent², at the same time as the tonnage of waste collection has increased by 2.3 per cent³. During this period the rate of tax for material landfilled will have risen by 43 per cent and the cost to councils increased from £535 million to £635 million in 2014/15⁴.

Therefore nearly a quarter of the increase in council waste spending has come in the form of a fiscal transfer to the Exchequer. The landfill tax rate has risen from £56 per tonne to £80, effectively representing a cut of £100 million to local government funding over the period. The £8 further increase to landfill tax implied by the escalator for 2015/16 would represent an additional and untransparent £59 million reallocation of council funding back to the Treasury.

There is no evidence that further increasing the rate of landfill tax changes the already powerful incentive on councils to promote recycling. The only effects of further increasing landfill tax would be to:

- reduce the transparency of the overall cut to the local government settlement; while also

¹ Based on LGA financial modelling

² Based on ONS data

³ Modelled based on Defra SARIMA projected arisings to 2020

<http://www.defra.gov.uk/publications/files/pb13883-forecasting-2020-waste-arisings.pdf>

⁴ Based on LGA financial modelling

-
- tying councils' hands about how they will deliver part of the cut.

The second of these (at least) is not in the Government's interest.

3. Landfill tax

Since an increase in landfill tax would represent an untransparent cut to council funding, combined with a reduction in councils' discretion about how they deliver the cut, **the levy should therefore be frozen at 2014/15 levels.**

4. Waste infrastructure capital funding

Over the years from 2015/16 councils and their commercial partners will be making significant investment in order to meet and exceed 2020 landfill and recycling targets. This will require both capital and additional revenue outlay for new recycling, re-use and residual waste infrastructure.

Waste infrastructure is inherently difficult to deliver, can require many years from inception to operation of a new facility, and can be financially marginal in terms of a commercial return on investment. Because decisions on infrastructure to take us beyond current landfill targets will happen well before 2020 there is a need to look again at the financing and delivery of waste infrastructure.

The LGA suggests that the Treasury consider using the existing landfill tax revenue to provide underpinning capital for forward thinking waste infrastructure projects by redistributing landfill tax receipts back to councils. This would have a dramatic effect to those councils with waste infrastructure plans that are almost shovel ready. Council landfill tax receipts are expected to be £591 million in 2015/16 based on £80 per tonne. If this sum was redistributed back to councils then it could, for example, provide underpinning funding at Waste Infrastructure Credit levels⁵ to over seven large residual waste treatment projects. This would enable councils with their commercial partners to move forward the delivery of projects that would provide local jobs and offer a huge boost to local economies in the immediate and longer terms.

5. Conclusion

Councils have been delivering a consistently improving service and are on course to meet EU waste targets. This has been achieved while managing rising demand from increasing household numbers, waste arising and landfill tax. Any increase in the rate of waste taxation through landfill or a residual waste treatment tax would represent a further cut in council

⁵

Based on the £217m of Waste Infrastructure Credits that were withdrawn from three waste partnerships in February.

funding. Instead Treasury is urged to redistribute back councils' landfill tax receipts to enable needed and forward thinking waste infrastructure projects to get off the ground. This will also provide valuable local jobs and growth.

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We consider all requests on an individual basis.

Transport spending round submission



April 2013

1. Summary of key proposals

Our objective – to drive growth by supporting local transport development.

Investment programmes – can be developed to be more efficient through funding for local highway maintenance.

Roads programmes – more value in the roads programmes can be created by giving councils a co-commissioning role in the Strategic Road Network (SRN).

Bus funding – we support a more radical approach to devolution of bus funding.

2. Context

Transport is a major influence on growth. In particular the physical deterioration of the roads network and increasing congestion are damaging the economy and have an impact on air quality.

Government has recognised the value of local decision-making by private and public partners and has already devolved Local Major Transport Scheme funding and decision making from 2015/16. It has also devolved a proportion of Bus Service Operating Grant (BSOG) to the local level and is working with local authorities on the devolution of the regional rail network.

Important steps have been taken to ensure that transport is a driver of local growth. The spending round provides an opportunity to make further steps on this journey, by developing a more efficient road maintenance programme and creating more value in the roads programmes by giving councils a co-commissioning role in the SRN. This would increase the integration of transport decisions with the skills, employment, housing and health agendas at a local level.

3. Developing more efficient investment programmes

In order to stimulate growth in a more cost-effective way, we propose an enhanced investment programme in roads maintenance. These projects can bring immediate benefits in terms of work for the construction sector and its wider supply chain; they will have a lasting economic benefit.

Local authorities have reduced the cost of highways maintenance. Since 2008 the cost of repairing a pothole has gone down by 25 per cent¹. However, long-term underinvestment and recent significant weather events have led to a growing funding gap. This has implications for the UK economy as the Government recognised when it injected an additional £215 million into local authority roads maintenance in December 2012. In March's Budget the Government announced a £3.5 billion increase in capital expenditure from 2015/16.

¹ ALARM Survey 2008-2013, Asphalt Industry Alliance

It is also important that the 2015/16 spending round provides a settlement for highways maintenance out to 2020/21 so that local authorities can plan with some confidence. The LGA wishes to work with government on identifying more sustainable long-term funding arrangements for highways maintenance.

This programme has significant support in the business sector. The March monthly survey from CIPS/Markit of the construction sector indicates that this area of the economy is still contracting.² This proposal offers an immediate shot in the arm.

4. Creating more value in the roads system

Government has been looking at the future of its roads strategy and the role of the Highways Agency. The spending round offers a real opportunity to create efficiencies in future public investment in this area.

The relationship between investment in transport infrastructure, economic growth and other policies is complex and requires a high degree of local influence and expertise if the most effective investment is to be obtained. The distinction between strategic and local road networks is not absolute. There is little point in reducing congestion on the SRN if this simply increases local congestion. Equally, inadequate local networks can drive traffic onto the SRN, leading to congestion there. Investment in the SRN will be most effective when it is considered in the context of local roads, other transport modes (which may take traffic off the roads) and other policies (eg growth, planning, housing and health).

A route-based (or area-based) approach is required that considers transport as a whole in this wider context. If this is to be achieved, it will not be sufficient simply to consult with local partners through the local enterprise partnerships. A clearer partnership for local and national investment is required.

The arrangements for future investment in the SRN should facilitate, as a minimum, a co-commissioning partnership approach between local government, the Highways Agency (and any successor) and government which:

- **seeks an efficient investment programme which joins up local and strategic roads investment**
- **allows for local and route-based solutions to specific issues, informed by national and LEP strategies**
- **considers transport in the context of local and national growth**
- **ensures accountability through locally elected politicians.**

² <http://www.nasdaq.com/article/uk-march-construction-pmi-contraction-confirms-recession-concerns-20130403-00096>

5. A more radical approach to transport devolution

The on-going reforms of BSOGs, which include the transfer of funds to local authorities from bus operators in the case of tendered services and in areas designated as Better Bus Areas has been welcomed by local government. However, recent reductions in the funding for BSOG, coupled with reductions in funding faced by local authorities, have highlighted the sensitivity of the sector to subsidies of one form or another.

Bus services account for the vast majority of public transport journeys and a greater proportion of bus trips are for commuting, education and shopping purposes than is the case for car travel. Investing in urban bus services has been demonstrated to provide exceptional value.³ Any further reductions could have substantial detrimental impacts on communities and the scope to mitigate this impact will be limited unless there is further wholesale reform.

As resources become scarce it is even more important that funding is used well. **Local authorities, working with business and other partners, are best placed to understand the economic, social and environmental needs of an area. Local authorities are best placed to commission bus services that meet the full needs of communities. To do this local authorities and their partners need to be able to maximise the efficiencies of the range of transport subsidies through pooling at a local level.**

6. Conclusion

Our three proposals set out the opportunity to reform national and local transport policy to ensure that growth is the key policy driver.

³ <http://www.pteg.net/NR/rdonlyres/5F26BBD3-C4A4-4052-A453-D5BFE5E0F0B8/0/ptegCaseforbusreportFINAL.pdf>

Queen's Speech

Purpose of the report

For approval following the Queen's Speech on 8 May.

Summary

The paper summarises those Bills announced in the Queen's speech and includes a suggested prioritisation.

Recommendation

To approve the suggested priority Bills for the LGA. This will identify where our resources should be focussed to ensure we deliver the best possible outcomes on forthcoming legislation.

Action

Officers to action in accordance with the Executive's decision.

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Item 2

Queen’s Speech

Suggested priority Bills

1. In the past we have successfully prioritised Bills on which the LGA will focus its efforts. It is suggested that this is undertaken again this year in line with the agreed priority areas for our work over the coming year. This prioritisation will ensure that, by focusing our lobbying work on key pieces of legislation, the best results are achieved for member councils.
2. We suggest limiting the high priority Bills to four (alongside one possible Private Member’s Bill) within this Queen’s speech. This will enable the public affairs team, working with appropriate colleagues throughout the organisation, to complete a full schedule of lobbying work as the Bills progress.
3. Those Bills suggested as medium priority will be kept on a watching brief and picked up as specific issues arise which we may want to brief on.
4. Working with our policy colleagues, the public affairs team will of course consider each Bill on publication. If any Bill has a greater impact on councils than was expected, it will be given a higher priority.
5. It is suggested that we prioritise the Bills as follows (*Please note that this paper was drafted in the week ahead of the Queen’s Speech. If any update is needed this will be given verbally at the meeting):

Priority		
High	Medium	Low
Children and Families Bill	Pensions Bill	Cigarette packaging
Anti-Social Behaviour Bill	Water Bill	Dangerous Dogs (Amendment) Bill
Local Audit Bill	Deregulation Bill	
Care and Support Bill		
<i>Local Government Autonomy Bill – LGA sponsored PMB</i>		

Item 2

HIGH PRIORITY BILLS

Children and Families Bill

6. (A carry over Bill – currently at committee stage in the Commons). The Bill seeks to reform legislation relating to the following areas:
 - 6.1. adoption and children in care;
 - 6.2. aspects of the family justice system;
 - 6.3. children and young people with special educational needs;
 - 6.4. the Office of the Children’s Commissioner for England;
 - 6.5. statutory rights to leave and pay for parents and adopters;
 - 6.6. time off work for ante-natal care; and
 - 6.7. the right to request flexible working.

Anti-Social Behaviour Bill

7. The draft Anti-Social Behaviour Bill was published on 13 December 2012. It is the Government’s intention to tidy up the tool-kit for dealing with anti-social behaviour (ASB) and to involve victims and communities more directly in dealing with the problem.

Care and Support Bill

8. The Department of Health published on 11 July 2012 a draft Bill which consolidates provisions from over a dozen different Acts into a single, modern framework for care and support. It will now also introduce a capped model for funding social care.

Local Audit Bill

9. The Department for Communities and Local Government published on 6 July 2012 a draft Bill which sets out the Government’s vision for a new local audit framework, where bodies will be able to appoint their own auditors from an open and competitive market, on the advice of an independent auditor appointment panel.

Local Government Autonomy Bill – LGA sponsored PMB

10. Whilst this Bill will not be introduced in the Queen’s speech the LGA will seek to ensure it is introduced within this session and should be regarded as a high priority Bill.
11. This Bill would seek to devolve further power to the localities and provide constitutional protection for local government by limiting the powers of any future Secretary of State to interfere, direct or second guess councils. It would do this by granting further fiscal autonomy to councils; restricting the ability of central government to change council boundaries or governance models; creating a Total Place power which would make councils the default provider of public services in their area; providing for a wholesale cull of statutory powers which allows central government to interfere with matters that should rightly be decided at the local level; and furnishing constitutional entrenchment to give a degree of legal protection to this new settlement.

Item 2

MEDIUM PRIORITY BILLS

Pensions Bill

12. The Department for Work and Pensions published on 18 January 2013 a draft Bill which contains provisions to introduce a single-tier pension which will, for future pensioners, replace the current two-component State Pension (basic State Pension and additional State Pension) with a single component flat-rate pension that is set above the basic level of means-tested support.

Water Bill

13. The Bill will focus on market measures, specifically pricing, licensing, and measures to extend competition so consumers can switch suppliers more easily. The draft Bill (published for pre-legislative scrutiny in 2012) also contained provisions to reform connection charging, bring additional consents into the Environmental Permitting Framework and align Water Company planning processes.
14. During pre-legislative scrutiny, the LGA's written evidence focused on concerns that the draft Bill did not address wider issues around local accountability and ways of working between water companies and councils. Specifically, the LGA argued that the draft Bill failed to address the relationship between the water industry and local partners around spatial planning and investment, which is crucial to effective water management and local growth. These points were also raised by the LGA during the Growth and Infrastructure Bill.

Deregulation Bill

15. The Government has committed to continue to deregulate wherever possible, and have therefore undertaken a further review to identify any remaining legislation that contains unnecessary controls. We understand they are intending to make any further legislative changes through the Deregulation Bill which is being taken through Parliament in 2013/14. The Bill is due to undergo Pre-Legislative Scrutiny in May and is likely to be introduced to the House in October 2013.
16. Currently we understand that this is likely to have impact on education and waste.

LOW PRIORITY BILLS

Dangerous Dogs (Amendment) Bill

17. In April the Government published a draft Bill which contains two clauses. The first seeks to extend the application of the offence of allowing a dog to be dangerously out of control to all places, including private property. The clause also extends the application of the offence to attacks on assistance dogs as well as people.
18. The second clause clarifies the need for courts to take into account the character of an owner or keeper, as well as the temperament of the dog, its past behaviour and any other relevant circumstances, in judging whether a dog poses a danger to public safety.

Item 2

Cigarette packaging

19. The Department of Health started a consultation in March 2011 on plain packaging which ended last August last year.
20. On 5 March 2013, the Guardian reported that the Government would legislate for plain cigarette packaging this year. As well as introducing plain packaging it is also expected to ban smoking in cars carrying anyone aged under 16 years.

Other Queen's Speech Bills

21. Other Queen's Speech Bills not expected to directly affect LGA members include:

- 21.1. Gambling (Licensing & Advertising) Bill;
- 21.2. Energy Bill;
- 21.3. Financial Services (Banking Reform) Bill;
- 21.4. Marriage (Same Sex Couples) Bill;
- 21.5. Finance Bill;
- 21.6. Voting Eligibility (Prisoners) Bill;
- 21.7. Northern Ireland (Miscellaneous Provisions);
- 21.8. Civil service;
- 21.9. Freedom of information and data protection;
- 21.10. Police complaints;
- 21.11. Press regulation;
- 21.12. Deportation;
- 21.13. Formalising Parliament's role in deploying armed forces;
- 21.14. Bill to reorganise co-operative law;
- 21.15. Public order legislation; and
- 21.16. National Assembly for Wales (Electoral Arrangements).

Councillors' Pensions - Consultation

Purpose of report

For decision.

Summary

In a written ministerial statement on 19 December, Local Government Minister Brandon Lewis announced that councillors would not be able to join the Local Government Pension Scheme (LGPS) after April 2014, and that those who were already members would not be able to accrue further benefits after that date.

The Department for Communities and Local Government (CLG) is now consulting on the issue. The closing date for the consultation is 5 July 2013.

Recommendations

That the Executive:

1. Endorses the Leadership Board recommendation to support **option 3**.
2. Decides whether to commission further evidence in support of its response.
3. Supports the proposal to bring contributions in line with the rest of the scheme in the event that councillors continue to be part of the Local Government Pension Scheme from 1 April 2014.

Action

Officers to complete the Consultation response in line with Members' steer and bring back to the LGA Leadership Board for final sign off

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Councillors' Pensions - Consultation

Background

1. Following Brandon Lewis' written ministerial statement on 19 December, the Consultation on *Taxpayer-funded pensions for councillors and other elected local office-holders* was published in April 2013. The closing date for responses is 5 July.

The Consultation

2. The Consultation has moved on from the original ministerial statement, which excluded the Mayor of London, elected mayors and the London Assembly. These are now included. However, MPs are not included – further information on the remuneration of MPs is set out **Appendix A**.
3. The Consultation sets out three options:
 - 3.1 **Option 1:** No access to the new Local Government Pension Scheme (LGPS) from April 2014 through being directly elected to local office. Thus, councillors; elected mayors; the Mayor of London and members of the London Assembly would be excluded from active Scheme membership – this is the government's preferred position.
 - 3.2 **Option 2:** Two-tier membership - continued access for 'front bench' councillors only. This option could include just elected mayors (including the Mayor of London) and elected leaders or could encompass all those with a special responsibility allowance (including members of the London Assembly) – the government would welcome views on which councillors and elected local office holders should be eligible if this option were to be pursued.
 - 3.3 **Option 3:** No change. Access to the taxpayer-funded LGPS remains for all councillors and elected local office holders on the same basis as at present.
4. The Consultation poses three questions for respondents to consider.
 - 4.1 **Question 1:** Taking account of the issues raised in this consultation document and any other considerations, what option do you prefer and why?
 - 4.2 **Question 2:** Do you have any alternative proposals on councillors and other elected office holders access to the Scheme?

4.3 **Question 3:** If councillors continue to have access, do you agree with the proposed change in contribution rate? If not, what contribution rate would you recommend?

5. It also challenges respondents to produce evidence that:
 - 5.1 Supports the view that access to a pension has had any impact on the number of people putting themselves up for election.
 - 5.2 Demonstrates that withdrawal of pension will cause hardship in individual cases.
6. Following publication of the Consultation, the four Group Offices have contacted their members, urging them to respond and inviting them to copy their responses to the LGA, so that our own response fully reflects the views of our membership.

The current position

7. The LGA Leadership Board considered the issue in February and concluded unanimously that all councillors should continue to have access to the LGPS – **option 3** of the Consultation. A copy of the initial legal advice secured following the ministerial statement is set out in paragraph 11 below.
8. In its response to the Government's response to the CLG Select Committee report, *Councillors on the frontline*, the LGA said:
 - 8.1 *"It is generally agreed that we would like to see more people from all walks of life interested in and standing for political office. We are clear that we do not want to see a professional class of councillor. However if we want to see increasing representation of local councillors, particularly those of working age, we need to look at the role in its entirety. Remuneration alone will not overcome this issue; however, remuneration needs to reflect the loss of earnings councillors may face. We also think that councillors should continue to have access to the LGPS because access to a pension is a factor in attracting a broad cross-section of people to become councillors"*.
9. The National Census of Local Authority Councillors in 2010 showed that the average age of councillors has increased from 55 in 1997 to 60 in 2010. The number of councillors under 60 years of age has declined from 51 per cent in 2004 to 41 per cent in 2010.
10. Although no formal position has yet been it is understood that the London assembly will seek to retain membership of the LGPS for its members and the Mayor of London.

Legal advice

11. The initial view of our external legal advisers is that *"there are real problems for the Minister should he decide to withdraw membership"*. Lawyers have highlighted three particular courses on which to challenge.
 - 11.1 **Judicial review**, *"The prospects of success in a judicial review depend on the consultation response, the way in which the Minister effects the changes and the*

detailed provisions of the regulations brought forward. If the Minister fails to give due regard to the outcome of the consultation, then there may be recourse to judicial review.

- 11.2 **Designation of councillors under the Pensions Act 2008.** The pensions act requires employers to provide access to a pension scheme for its workers. Until now, councillors have not been designated workers. However, initial advice is that *“In summary we consider that Members that receive a regular allowance are “workers” for the purposes of the pensions Act 2008”*. However, it is understood that the government’s own legal advice on this matter concluded that elected members are not workers for the purposes of this legislation.
- 11.3 **Challenges under the Equalities Act 2012.** Legal advice supports the view that operating a two-tier approach, as set out in option 2, could lead to claims under the Equalities Act 2010 for indirect discrimination/equal pay. It could also amount to a breach of the public sector equality duty.
12. The Consultation makes no real reference to previous government policy, which took positive action to encourage more high quality councillors from a greater diversity of backgrounds. Many serving councillors made important choices based on the expectation this created, and access to the LGPS will have been a factor. Given that the principle of “legitimate expectations” is embedded in European legal decisions, the LGA is seeking further advice on this issue.

Contribution rates

13. In the event that councillors continue to be part of the Local Government Pension Scheme from April 2014, the proposal is to bring their contributions in line with the rest of the scheme. This means moving from a current fixed 6 per cent to a scale ranging from 6 per cent to 12.5 per cent depending on allowance received (**Appendix B**). Given levels of members’ allowances, the majority of contributions would be set at 6 – 6.5 per cent.

Conclusion and next steps

14. Resolving the issue of members’ pensions is a high priority for the LGA and its membership. The Leadership Board unanimously supports **option 3** - the continuation of current pension arrangements. The Executive is invited to endorse that view and to decide whether it wishes to commission evidence in support of its response.

MP's pensions

1. Under the Parliamentary Pensions (Amendment) Regulations 2009 (SI 2009/1920), MPs have access to a final salary contributory pension with contribution rates set at 11.9%, 7.9% and 5.9% respectively, accruing benefits at 1/40th, 1/50th or 1/60th.
2. MPs' pension at normal retirement age (65) is based on final pensionable salary, length of pensionable service and the chosen contribution rate. Once in payment, pension benefits increase in line with the Consumer Prices Index in the 12 months to the preceding 30 September (subject to fund limits). Members can choose to exchange part of their pension for a tax-free lump sum, normally to a maximum of 25% of the capital value of the pension.
3. An MP serving the average term of office of 15 years, paying contributions at 11.9% (accruing benefits at a rate of 1/40th) would accrue a pension of around £22,500 p.a. (about 1/3rd of an MP's pay). The average pension in payment from the scheme is £18,000 pa, including transfers in from other schemes and payments for added years. Therefore, the average pension financed by contribution from the Exchequer is estimated to be around £15,000 pa.

MPs leaving office

4. The current pay and allowances for members who leave the House at a General Election are difficult to determine. The only information readily available is in the Committee on Standards in Public Life's 2009 report on MPs' expenses and allowances, which outlines the then current and proposed future arrangements.

Current arrangements	Proposed future system (at 2009)
MPs who lose their seats or stand down at a general election receive a resettlement grant of between 50 and 100 per cent of annual salary.	MPs who lose their seats at a general election should receive one month's pay for every year served to a maximum of nine months salary. MPs who stand down at a general election should receive eight weeks' pay from the date of the election in lieu of notice to cover time spent winding-up offices, dealing with staff, and transferring casework. Loss of resettlement grant should be one of the sanctions considered as a penalty for MPs found guilty of breaching the Code of Conduct.
MPs may claim a winding-up allowance to meet necessary expenditure incurred after leaving office – e.g. to settle outstanding bills or pay staff who have been given notice.	No change to claims for winding-up allowance. The amount claimable should be reduced to reflect the fact that staff redundancy pay should in future be paid from a central budget.

5. The Independent Parliamentary Standards Authority is currently reviewing MPs remuneration. Details can be found at <http://parliamentarystandards.org.uk/payandpensions/Pages/default.aspx>

PROPOSED CONTRIBUTION RATES

Pensionable allowance	Contribution rate
Up to £21,000	6%
£21,001 to £34,000	6.5%
£34,001 to £43,000	6.8%
£43,001 to £60,000	8.5%
£60,001 to £85,000	9.9%
£85,001 to £100,000	10.5%
£100,001 to £150,000	11.4%
£150,001 or more	12.5%

The expansion of Ofsted's remit

Purpose of report

For discussion and direction.

Summary

In recent months Ofsted has proposed the expansion of its remit in a number of areas which impact on councils. This includes a new inspection regime for council school improvement services and revised inspection and improvement roles in children's social care and early years provision. In each of these areas, Ofsted is taking an increasing role in providing and brokering improvement support, as well as being the inspectorate.

Recommendation

The Executive is asked for its views on the expansion of Ofsted's remit; its implications for councils and for sector-led improvement in Children's Services; and for a steer on the LGA's future engagement with Ofsted.

Action

Officers to take action arising out any discussion, as directed by members.

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The expansion of Ofsted's remit

Background

1. Ofsted's structure has seen significant change in recent months, with the appointment of Regional Directors. This has been accompanied by a widening of Ofsted's remit to inspect council school improvement services and provide improvement support. Last November saw the publication of 'league tables' which purport to compare council performance in school improvement. New proposals will see Regional Directors take on a role in overseeing a revised inspection regime for children's services departments and an enhanced role in providing improvement support to councils. The Department for Education (DfE) is also consulting on proposals to strengthen inspection and give Ofsted a stronger role in driving improvement in Early Years provision.

The new Ofsted role in the inspection of council school improvement services

2. There has been a debate about the council role in education since the General Election. The Schools White Paper published in November 2010 outlined a continuing 'strong strategic role' for councils in education, but in the context of increasing school autonomy and sharply increasing numbers of academies. The LGA has undertaken a programme of lobbying and support to councils to help them to adapt to this changing role, including action research with 10 councils, jointly funded with DfE. We have supported a greater role for school-to-school improvement in driving up standards, with councils playing a brokering and accountability role in an increasingly school-led improvement system.
3. The debate about the council role in school improvement was decisively changed by the intervention of the Chief Inspector of Schools, Sir Michael Wilshaw, in his first annual report in November last year. This included 'league tables' purporting to show 'council performance' with reference to the percentage of children in an area attending schools judged 'good' or better by Ofsted. The report included a strong message that such variation in the performance of schools across different areas was unacceptable. Councils were identified as the local bodies responsible for holding all local schools (including academies) to account for their performance and for making sure that they are improving effectively.
4. The report was followed by an announcement of targeted inspections of schools in areas that appeared at the bottom of the league tables, with a specific focus on the support and challenge provided by the council. Coventry, Portsmouth and Derby schools have so far been subject to these inspections. Ofsted has now introduced, from 1 May, a new framework to give it powers for direct inspections of council improvement services.
5. The LGA, in partnership with SOLACE, has objected in strong terms to the mixed messages that DfE and Ofsted appear to be sending about the council role in school improvement. The Chairman of the LGA Children and Young People's Board (CYP), the LGA Chief Executive and SOLACE representatives met with Sir Michael Wilshaw on two occasions to discuss our concerns. They raised the lack of consultation with the local government sector in bringing forward proposals which introduce new inspection burdens on councils and cut across a sector-led approach to improvement. They highlighted the

conflict of interest in Ofsted both inspecting schools and providing them with improvement support. The LGA/SOLACE response to the consultation called for the proposed new inspection framework to be withdrawn and suggested that a sector-led approach would be the most effective way to help councils to support local schools to improve.

Changes to the inspection regime for safeguarding and looked after children

6. There have been a number of complex reconfigurations of the inspection regime for safeguarding and looked after children in recent years. In January 2012, Ofsted announced that the combined safeguarding and looked after children (SLAC) inspections, started in 2009, would end in July 2012. Overlapping with that regime, in May 2012 a new inspection for the protection of children was introduced, running for a 12 month period with a purportedly strengthened focus on frontline social work practice and outcomes for children.
7. However, in April 2013, Sir Michael Wilshaw wrote to the Secretary of State for Education outlining his decision that the safeguarding and looked after children inspections would again be combined, looking at the whole system for vulnerable children. He also announced that proposals for multi-inspectorate arrangements, which the LGA had supported because they recognise the role of local partner agencies such as the police and health in safeguarding, would be 'deferred'.
8. The SLAC inspection regime was intended to establish Ofsted as the prime driver of improvement for safeguarding and children in care. Having completed the full cycle in the summer of 2012, there is no evidence from the subsequent 8 day unannounced inspections over nearly 12 months that such improvement has materialised. Of the last 38 inspections, 13 are inadequate i.e. just over a third, with only 4 good and none outstanding.
9. This raises a question about whether or not judgements are meaningful in measuring quality, as opposed to compliance. It also appears to be somewhat out of kilter with research showing that child-abuse related deaths have never been lower in England and Wales and progress on this front has been greater than the majority of major developed countries.
10. Ofsted is continuing to move into the realm of improvement of councils' safeguarding and care, with the recent recruitment campaign for regional inspectors emphasising this element of their work. This has been done without any notable engagement with the local government sector about this issue and little or no consideration about how this fits with sector-led improvement. However, Ofsted improvement proposals to date amount to evaluating a council's action plan through a round table process, some signposting of national best practice and some monitoring of progress. This is very far from sector-led brokerage and support and there are signs that DfE is considering commissioning such support if Children's Improvement Board ceases to support intervention authorities.

Proposed changes to the inspection of early years providers

11. Ofsted is currently consulting on raising expectations of quality and driving improvement in early years education and childcare by:
 - 11.1. more frequent re-inspection and monitoring of childcare and early years providers in settings which are not yet rated 'good';
 - 11.2. replacing the "satisfactory" judgement with "requires improvement";
 - 11.3. limiting the timeframe for settings which are not yet good to improve sufficiently or face tougher sanctions such as de-registration; and
 - 11.4. working directly with providers in a quality improvement role.
12. These Ofsted proposals are made against the backdrop of DfE proposals to change the council role in early education and childcare. A recent consultation stated that councils retain around £160 million a year from Dedicated Schools Grant (DSG) for early years and suggested that some of this is spent duplicating Ofsted's work, instead of going to front-line provision. It suggests addressing this alleged duplication by limiting councils' flexibility to make agreements in the Early Years and Schools Forum on locally tailored funding arrangements and to spend DSG on quality improvement activities. As part of this, councils' statutory duty to provide information, advice and support to providers will be repealed.
13. The LGA response to the consultation clarified that councils do not carry out a quality inspection role. Rather they deliver invaluable quality improvement support which is critical in their role as 'champions' of children and in meeting their sufficiency duty to ensure high quality early years provision to meet local needs. We made clear that any savings from removing councils' quality improvement role would be small compared to the adverse impact on local children and providers. We expressed concerns about Ofsted's capacity and expertise to offer this tailored and often intensive support, which many smaller providers require.

The implications for councils and for sector-led improvement

14. As detailed above, the LGA has repeatedly raised concerns about:
 - 14.1. the expansion of Ofsted's remit;
 - 14.2. the consequent increase in the inspection burden on councils;
 - 14.3. the conflict of interest in an inspectorate also providing improvement support;
 - 14.4. the lack of consultation with the local government sector in the development of proposals that affect councils; and
 - 14.5. the effect these changes are having on the development of sector-led approach to improvement in Children's Services.

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15. The recent withdrawal of Government funding from the Children's Improvement Board will only add to the sense that sector-led improvement is being replaced by increasing top-down inspection and a culture of compliance.
16. Throughout this period we have sought to engage with Ofsted through meetings and involvement in consultations, workshops and pilots. The Chief Inspector is attending the meeting of the CYP Board on 29 May and a 'Meet the Inspectors' session at the LGA Annual Conference in July. The Executive is invited to give a steer to officers on the LGA's future engagement with Ofsted.

Financial Implications

17. There are no financial implications for the LGA arising from this report, however the widening of Ofsted's remit in the areas identified is likely to have implications for councils.

Publicity Code Consultation - LGA Response

Purpose of report

For information.

Summary

This report sets out the LGA's full response to the Department for Communities and Local Government (CLG) consultation on the code of recommended practice on Local Authority Publicity and a summary of the findings of the LGA survey of councils to examine what, if any impact council publications have on local newspapers.

Recommendation

Members are asked to note the findings of the LGA's survey of council publications and LGA's response to the consultation.

Action

None.

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Publicity Code Consultation – LGA Response

Background

1. In March 2011 the Government introduced a new Publicity Code for Local Government. The Code sets out recommended practice on issues such as frequency of council publications, campaigning and retention of lobbyists.
2. In April 2013, the Government launched a four-week consultation on proposals to introduce legislation to provide the Secretary of State with powers to make directions requiring compliance with some or all of the Code.
3. The main focus of the proposals is to ‘protect the independent press from unfair competition’ by limiting the number of council newsletters to no more than four a year. In addition, some restrictions would be placed on councils in relation to other elements of local publicity.
4. This paper sets out our formal response to the proposals (attached at **Appendix A**) and a summary of new research undertaken.

The Issue

5. Currently, councils must be able to demonstrate ‘due regard’ for the Code in all communications activity.
6. The Government believes that councils are competing unfairly with the local newspaper industry by, in some cases producing a residents’ newsletter more than four times a year.
7. At the same time, the consultation does not consider the legal requirement placed on councils to publish public notices local newspapers. Councils’ view is that this is an outdated method and does not represent value for money, does not reach large numbers of their residents and is, in effect, helping to subsidise the local newspaper industry.
8. From work undertaken previously (including a CLG Select Committee report) and new research undertaken by the LGA for the purposes of responding to the proposals, there is no evidence that council publications are competing unfairly with local newspapers. It is therefore our view that there is no reason for the existing Code to be put into primary legislation.

Summary of LGA findings

9. The LGA has worked with The County Councils and District Councils Networks, National Association of Local Councils, London Councils and the professional bodies (Chartered Institute of Public Relations and LGcommunications) as well as individual

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councils to co-ordinate the sectors' response. The main element of the response is new research undertaken by the LGA. The response rate was 51 per cent.

10. The main findings are:
 - 10.1. Councils are spending more than £26 million a year on public notices.
 - 10.2. In addition, they spend £17.7 million with local newspapers on general advertising.
 - 10.3. Fifteen per cent of councils have print and/or distribution contracts with local newspapers, providing additional income.
 - 10.4. 10 per cent of councils publish a residents' newsletter more frequently than quarterly.
 - 10.5. 78 per cent of council publications reach 90 per cent or more of the local population.
 - 10.6. Just 1 per cent of local newspapers reach 90 per cent or more.
 - 10.7. The main reasons councils produce newsletters are that they:
 - 10.7.1. carry content not covered by the local newspaper;
 - 10.7.2. reach more households; and
 - 10.7.3. offer the best value for money (VFM).
 - 10.8. 81 per cent of councils say that if they are required by law to reduce the frequency the cost to local taxpayers would increase as they would have to produce more leaflets and undertake more direct mailings.
 - 10.9. 84 per cent of councils say there are more cost-effective ways to publish public notices, such as on websites and direct emails.

Conclusion and next Steps

11. Our research shows that there is little evidence to support the assertion that council publications are competing unfairly with local newspapers.
12. The Codes as currently set out also appear to limit councils' ability represent their residents on national matters which may have a local impact.
13. We have had a very clear steer from all tiers of local government that the current status of the Codes should remain and that they should not be placed into legislation.

Local Government Association (LGA) response to DCLG consultation on “Protecting the independent press from unfair competition” 2013

3 May 2013

1. Introduction

- 1.1 The Local Government Association (LGA) is the national voice of local government. We work with councils in England and Wales to support, promote and improve local government.
- 1.2 The LGA is a voluntary membership body and our 412 member authorities cover every part of England and Wales. Together they represent more than 50 million people and spend around £113 billion a year on local services (25 per cent of the total public expenditure). They include county councils, metropolitan district councils, English unitary authorities, London boroughs and shire district councils, along with fire authorities, police authorities, national park authorities and passenger transport authorities.

2 Executive summary

- 2.1 There is no evidence that council publications are competing unfairly with local newspapers and therefore no reason for the existing code to be put into primary legislation.
- 2.2 Before the Government changes the status of the current code it should set out the evidence for this decision. An independent review should be undertaken to establish what, if any, impact council publications have on local newspapers.
- 2.3 Contrary to the premise of the consultation, councils actually support the commercial newspaper industry by paying them £26 million a year to publish statutory notices. When you take into account total spend, including general advertising, councils are subsidising the commercial newspaper industry by nearly £44 million per year. Furthermore, 15 per cent of councils have print or distribution contracts with their local newspaper.
- 2.4 Current legislation, which imposes a duty on local authorities to have regard to the Publicity Code i.e. Section 4(1) of the Local Government Act 1986 as amended, allows for the Secretary of State to bring proceedings against a council if he has evidence that they have breached the code. So far the Secretary of State has not used these existing powers against any council.
- 2.5 The proposal to introduce legislation providing the Secretary of State with a power of direction requiring compliance with some or all of the Code of Recommended Practice on Local Authority Publicity is a serious threat to local democracy and will inhibit elected councillors from representing their residents.

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- 2.6 The proposals in the code relating to lobbying activity are vague and could result in councils being prevented from raising legitimate concerns with parliamentarians and central government on behalf of their residents.
- 2.7 Current legislation which requires councils to publish statutory and other notices in local newspapers should be repealed at the earliest opportunity. They do not represent value for money and are a monopoly. 84 per cent of councils say that there are more cost-effective ways to publish notices.
- 2.8 The majority of councils produce newsletters because they are the most cost effective way of reaching a high proportion of residents. 79 per cent of council publications reach 90 per cent or more of the local population. Just one per cent of local newspapers reach 90 per cent or more.
- 2.9 We would ask for a meeting with the Department for Communities and Local Government officials to consider all of the above issues.

3.0 The consultation

- 3.1 On 8 April 2013, the Department for Communities and Local Government (DCLG) issued a consultation on proposals “to protect the independent press from unfair competition by introducing legislation providing the Secretary of State with powers to make directions requiring one or more local authorities to comply with some or all of the Code of Recommended Practice on Local Authority Publicity’s (“the Publicity Code’s”) recommendations.” This paper comprises a response to the consultation by the LGA, the representative body for councils in England and Wales.
- 3.2 We believe the premise of the consultation and the process is flawed and makes assumptions that there currently exists unfair competition. No evidence has been presented to support the case that council publications are ‘competing unfairly’ with the independent press other than the views held by the representative body for the newspaper industry and seemingly, the Secretary of State. Indeed, the Communities and Local Government Select Committee endorsed this view in 2011 stating “*We found that there is little hard evidence to support the view of the commercial newspaper industry that council publications are, to any significant extent, competing unfairly with independent newspapers*”.¹
- 3.3 Furthermore, we believe the focus of the consultation is too narrow. It does not consider the wider issue of public notices and the legal requirement for councils to advertise these in local newspapers. This is inextricably linked to the issue of council publications.
- 3.4 The proposals contain elements which have no links to the newspaper industry whatsoever. Specifically, **paragraph 26** which seeks to restrict the way that councils can retain the services of lobbyists. If the intention of the consultation is to address a perceived view about council publications, these matters should be considered separately.

¹ House of Commons Communities and Local Government Committee Report: Proposed Code of Recommended Practice on Local Authority Publicity – Published 27 January 2011

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- 3.5 We are also seriously concerned at the timing of the consultation (only four weeks and during the county council election period) which has not considered the capacity of those being consulted nor their ability to meet and discuss their response. This is contrary to the Cabinet Office Consultation Principles² which state “*Consultation exercises should not generally be launched during local or national election periods. If there are exceptional circumstances where launching a consultation is considered absolutely essential (for example, for safeguarding public health) departments should seek advice from the Propriety and Ethics Team in the Cabinet Office.*” The subject matter of this consultation cannot reasonably be classified as falling within the exceptional circumstances category.
- 3.6 In addition, comments made by the Secretary of State for Communities and Local Government during the period of formal consultation suggest pre-determination of its outcome. He stated: “*I can say to you today that we will be introducing an anti-Pravda law in the very next Parliament. This will close down those apparatchik printing presses powered by taxpayer pennies. It will muffle those hardcore of council rebels flouting the rules despite the public concern.*”³ This statement indicates a decision has already been made to proceed with the proposals without giving genuine consideration to the outcome of any consultation.

4.0 Our response

- 4.1 Although it is right and proper to have publicity codes for local government and that councils should have due regard for such guidance, the LGA, on behalf of councils, strongly opposes the proposal to enshrine the existing Publicity Code in primary legislation. This is unnecessary and completely disproportionate, running contrary to the Government’s professed commitment to local decision-making and to reducing regulation and red tape.⁴
- 4.2 The proposal represents a very considerable extension of direct central government control over local authorities and goes beyond the expressed purpose of dealing with competition with the free press, fair or otherwise. The DCLG’s priorities are set out in its Structural Reform Plan⁵, paragraph 4.3 of which states: “*Develop options to free local government from central control, including guidance, rules and funding mechanisms imposed by central departments.*” It is therefore directly contrary to the Department’s expressed objective of localism to seek a statutory power to enforce guidance.

² <https://www.gov.uk/government/publications/consultation-principles-guidance>

³ Speech to Society of Editors by the Secretary of State for Communities and Local Government: 16 April 2013

⁴ Reducing Regulation Made Simple: Less regulation, better regulation and regulation as a last resort – HM Government December 2010

⁵ DCLG Structural Reform Plan: Published 8 July 2010

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- 4.3 We agree that publicly funded publicity must be objective, balanced and factually accurate. Councils have a duty to provide information and to explain and justify the policies and actions they take. Local authorities use publicity for a wide range of purposes, ranging from statutory advertisements and notices on planning applications and road traffic orders, non-statutory and statutory consultations, through to job advertisements and information about Bank Holiday opening hours of recycling facilities, as well as general public interest campaigns such as fostering and adoption, home insulation and Green Deal, and now on public health matters.
- 4.4 We consider this to be a vital element of a functioning democracy. Without this communication the kind of public engagement envisaged by the Coalition Government to build social capital would not be possible and executive councillors could not explain the actions that they have taken on behalf of their electorate.
- 4.5 If enacted, the Codes will hamper councils in their ability to communicate effectively and in a timely manner with their residents. Restrictions would be placed on how they communicate with their residents, the frequency and manner of that communication and their ability to raise questions and objections about national matters which could have a local impact.
- 4.6 This will result in a less informed public and impact on citizens' engagement in the democratic process and comes at a time when there is an increasing need for engagement as citizens require good quality, regular and accurate information about the services they receive and engagement in the decisions that affect them. The current changes in policy areas such as public health and welfare reform require a great deal of explanation and regular communications activity.
- 4.7 Voter turnout for the past three general elections were 65 per cent, 61 per cent and 59 per cent respectively – compared to voter turnout of 84 per cent in 1950 and consistently high turnouts in the high 70 per cent during the 1960s and 1970s. Turnout for local elections is even worse - generally in the low to mid 30 per cent⁶. If we are to respond to the disconnection of the public with civic society then local government needs to engage people not just on explaining service provision but also involving them in decision making and policy formation.
- 4.8 The power of direction places too much power in the hands of one ministerial office-holder and could be open to political abuse, leading to the politicisation of local government communications by central government.
- 4.9 It is not within the spirit of local democracy to have the threat of individual interference by a Secretary of State in both the content and manner in which locally elected politicians are able to communicate with their residents. Once the power of direction has been granted, its exercise is not subject to approval or disapproval by Parliament, but may be exercised by the Secretary of State without any restriction or constraint.

⁶ The New Civic Settlement: outlining a new politics of civic association – Phillip Blond, Director, Respublica

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- 4.10 The Communities and Local Government Select Committee examined this issue in 2011 and found “little hard evidence”⁷ that councils were competing unfairly with newspapers. Furthermore, the Government has not been able to support its new proposals with any evidence.
- 4.11 If the Government is to proceed with these proposals, we call on them to commission an independent review as soon as possible to support the case made in the consultation.
- 4.12 There is no current evidence to support these proposals and bringing forward legislation would be a serious waste of Parliamentary time.
- 5.0 Views on the proposed legislation are invited, and in particular do consultees see the proposals as fully delivering the commitment to give greater force to the Publicity Code by putting compliance on a statutory basis?**
- 5.1 In recent years, there have been fundamental changes in how people access information and communicate; a new financial reality in which government operates and a changing role for local government.
- 5.2 We believe that councils need to be free to innovate and take full advantage of the freedoms and flexibilities to continue delivering quality front line public services in extremely challenging times. If we are to deliver the kind of civic involvement envisaged by the Government to help meet these challenges we must engage local communities and help provide them with, in the words of the Prime Minister, the ‘power and information they need to come together, solve the problems they face and build the Britain they want’⁸. Local government publicity and communication has an important part to play in achieving this, working with our local communities and providing them with a national voice.
- 5.3 It is also right, now more than ever, that public money should be spent appropriately. Councils have demonstrated that they are the most efficient part of the public sector and this includes taking appropriate decisions at a local level on the methods and frequency of communicating the changing circumstances of public services to their residents. In addition, if councils have a local mandate to support residents on issues which may affect them, they must be allowed to do so unfettered by national government interference.

⁷ House of Commons Communities and Local Government Committee Report: Proposed Code of Recommended Practice on Local Authority Publicity – Published 27 January 2011

⁸ www.cabinetoffice.gov.uk/media/407789/building-big-society.pdf

6.0 Council publications

- 6.1 We fully support an independent local press whose job it is to hold local bodies to account. We believe that a thriving local media built on quality journalism is good for local democracy. Councils want to see a successful and vibrant local media, including local broadcast media such as radio. It is essential for local democracy that journalists scrutinise the workings of councils and help hold elected representatives to account. Councils have long supported and been challenged by local media in its robust contribution to the political process. Local newspapers have also been valuable conduits for information about council services and work in partnership with public bodies to campaign on issues relevant to their local communities.
- 6.2 The numbers of free weekly local and regional titles and newspaper circulation have been in decline for some time⁹ and the traditional model of a weekly local newspaper has been superseded by the growth of the internet, social media and citizen journalism. In many areas, the local newspaper reaches less than five per cent of the population¹⁰ and many individuals have more followers on Twitter than those who read a local newspaper. This is not the fault of council publications. The business model adopted by the local newspaper industry, which is largely owned by national or indeed international newspaper groups, has stripped much local reporting out. This means that 'local' reporters are often based outside of the local area they report on and it is now a rarity rather than the norm for reporters to attend council meetings to report on council business. This does not constitute in any way 'a holding to account of public bodies' by local newspapers.
- 6.3 Councils will continue to support the presence of an active and investigative local media, but we cannot escape the reality that many newspapers have cut the number of journalists they employ, reducing their presence in communities, and not attending council meetings. We believe it is legitimate, during a time when many local newspapers are not providing coverage of the democratic process, for councils to communicate directly with residents about decisions and services.
- 6.4 There are numerous examples of local authorities supporting their local papers. The LGA has found that 15%¹¹ of councils have contracts with their local paper to print and distribute their residents' newsletter and many have worked in partnership with their local media and indeed sponsored local campaigns. Many councils provide photographs for local newspapers, free-of-charge to help reduce cost pressures and others provide 'induction training' for new journalists who may not be familiar with local government.

⁹ House of Lords – The future of Investigative Journalism – Communications Committee 31 January 2012

¹⁰ LGA research into council publications: April 2013

¹¹ LGA research into council publications: April 2013

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- 6.5 Work has also been undertaken to support the new ‘remote working’ model in the local newspaper industry by exploring the audio and video recording of important council meetings so that journalists can listen or view the business of the council without having to attend in person. Some have even provided office accommodation. Councils are working hard to find ways to support the industry and ironically, the proposals could have an adverse effect on local newspapers.
- 6.6 One example from our research highlights a pilot project in which the council pays the local newspaper to print and distribute eight editions a year of their residents’ newsletter. Under the proposals, the council would be forced to reduce that number to four a year, with the consequential effect of reducing the income to the local newspaper by 50 per cent.¹²
- 6.7 The Publicity Code provides no explanation for the limitation to quarterly publication. The reality is that much of the information which local authorities publish is date-specific and is required to be published promptly. It is little use to publish Bank Holiday opening hours two months before the Bank Holiday. It would delay local consultation with residents on issues of local importance such as the determination of planning applications or the introduction of road safety measures because the authority could only publish once a quarter, or to cease to discharge a function because of an additional three months’ delay in advertising and filling a vacancy.
- 6.8 Currently 78 per cent of councils produce a residents’ newsletter with ten per cent publishing more frequently than quarterly¹³. By placing a limit on the frequency of council publications, local authorities would be inhibited from communicating with their residents on matters of local importance. So, for example, if a special edition of a council publication were required, taking the yearly quota above the specified four editions, a council would be prevented in law from communicating with their residents. In addition, councils could be restricted from explaining any time-restricted issue which could have a significant impact on their lives and/or well-being of the local area.
- 6.9 81 per cent of councils say that if the frequency were reduced it would cost local taxpayers more as they would have to produce more leaflets and undertake more direct mailings¹⁴.
- 6.10 This is not a position any council would want to find itself in. One authority told the LGA: “The cost of publishing additional documents and distributing them separately - to plug the gaps left by reducing from six to four editions per year - would be significant. Equally, the cost of advertising in enough local newspapers to reach the entire population would also be significant.”

¹² LGA research into council publications: April 2013

¹³ LGA research into council publications: April 2013

¹⁴ LGA research into council publications: April 2013

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- 6.11 In many areas, there is only one local newspaper - effectively a local monopoly - and in the absence of a council publication, it is the only means by which the local authority can secure the publication of statutory notices and other public interest material. Advertising space is expensive and authorities have a duty to ensure that they use the most cost-effective means of disseminating essential public information.
- 6.12 Further, the most popular commercial newspapers only reach a proportion of local households, whereas most local authority newspapers are directly delivered to the majority of households. A local authority could rightly be criticised if it were failing to secure cost-effectiveness in the discharge of their functions, by paying high advertising rates to commercial newspapers which only reach a proportion of households.
- 6.13 It is our view that councils should be permitted to take local decisions about the frequency of residents' newsletters based on local evidence as to what is appropriate. Councils provide around 800 different services, but independent research by Ipsos Mori showed that two-thirds of the public know nothing or next to nothing about local government¹⁵. In addition, evidence shows that voter turnout in local elections remains low. This is a fundamentally unhealthy situation in a modern democracy. Against this background, one of the ways councils have tried to rectify this disconnect is through producing a regular residents' newsletter. This approach provides value for money for local taxpayers in that it reduces the plethora of leaflets, brochures and booklets that might otherwise be required, something that residents themselves do not favour.
- 6.14 In the small number of cases where councils currently produce more than four editions a year, most have undertaken scrupulous assessments of the cost versus the value to their residents. In many cases, this has involved reporting to the council's Cabinet for a formal decision and endorsement by the district auditor.
- 6.15 As local public services are increasingly taking a 'place-based' approach to the delivery of services, local communications activity is mirroring that approach. The Government has strongly endorsed this approach to the delivery of local public services.¹⁶ Residents' newsletters are also used by public sector partners (police, health and fire services) to engage with local residents. This provides additional value for money for the public sector. A restriction on how often they can appear could subsequently mean other public bodies also having to spend more money on other forms of communication.

¹⁵ IpsosMori – The Business Case for the Reputation Project 2005

¹⁶ Foreword by the Prime Minister to Local Public Service Transformation: A Guide to Whole Place Community Budgets. March 2013

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- 6.16 One response we received from a fire and rescue service states: “We regularly use the magazines produced by district and unitary councils to get over important safety messages to the general community and vulnerable people in particular. They are a way of guaranteeing getting our message through every door and the evidence shows that they are widely read by some of the more vulnerable elderly groups who we need to target with home fire safety information.”¹⁷
- 6.17 This is amplified for voluntary organisations and community groups which also have access to many council publications, allowing them space, free-of-charge to engage in activities such as promoting events, fundraising activities, calls for volunteers and so on. A legal requirement to move this content to a local newspaper would incur costs and may restrict their ability to communicate directly with local residents.
- 6.18 It has been suggested by the newspaper lobby that council newsletters have been competitors with the local media for advertising revenue. The most recent research does not suggest this is the case. Around a third of local authority publications (34 per cent) do not carry any advertising at all, and one fifth (20 per cent) of councils reported that adverts made up less than 10 per cent of overall content.¹⁸
- 6.19 Local authority publications provide information about how to access services and inform residents about how their council tax is being spent. A typical newsletter will include content such as opening times for popular services like libraries, information about activities provided by the council like activities for children and young people, details about consultations with residents around issues such as road closures, and useful contact numbers. This is content that local newspapers would not carry.
- 6.20 We agree that councils ‘should not publish newsletters, newsheets or similar communications which seek to emulate commercial newspapers in style or content’. Indeed, as set out in the Codes, we believe that council publications should be clearly marked as such. However, we do not believe that the proposal to restrict the frequency of council publications to once a quarter under law will do anything to help local newspapers. In some cases, it could have the opposite effect as the local newspaper is the printer and distributor of the council publication.
- 6.21 Both local and national newspapers and their editors and proprietors can have their own political and commercial agendas. Their coverage of local and national issues, and the information which they provide to their readers, can reflect those agendas and be based on business models which do not provide for sufficient coverage of local issues. This may mean local newspapers will not always provide local residents with sufficient information to take a balanced and informed decision on critical local issues.

¹⁷ LGA research into council publications: April 2013

¹⁸ LGA survey of local authority newsletters/magazine: May 2009

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6.22 We note the Audit Commission report¹⁹ from January 2010 found that total spending by councils on public communication in 2008-09 was £257m, one third of one per cent of overall spend, and that this had fallen both in absolute terms and as a proportion of all spending.

7.0 Public notices

7.1 We believe that any consultation on the relationship between council publications and local newspapers must include the issue of statutory public notices as the two issues are inextricably linked.

7.2 Councils are spending more than £26m a year on public notices. If you add on how much they spend with local newspapers on general advertising, they are subsidising the local newspaper industry to the tune of nearly £44m a year²⁰.

7.3 We have serious concerns that despite a lack of evidence, the Government appears determined to support the newspaper industry in ways which are not afforded to any other sector. The continued statutory requirement on councils to place all public notices in local newspapers is in effect, a monopoly. Indeed, in many areas, there is only one local newspaper and so councils have no choice about where to advertise public notices.

7.4 In addition, our research shows that 42 per cent of councils are charged more by local newspapers to publish public notices than for other general advertising²¹ and the costs are continuing to rise. The individual costs of publishing a notice can be upwards of three times that for a general advert, reaching more than £20 per column cm in some publications.²²

7.5 This is clearly anti-competitive as in many local authority areas there is only one local newspaper and therefore no other choice. In effect, this is a monopoly. Councils are helping to artificially prop up the local newspaper industry in a way which is not afforded to any other private business. This raises serious concerns about unfair competition in our view, the consultation should address these issues in tandem with the wider issue of council publications.

7.6 The statutory requirements date back to 1972, when local and weekly newspapers and radio were popular sources of local information. The last 36 years have seen vast changes in technology and shifts in consumer preferences. This requirement remains in force despite evidence to show that the public's news and information consumption habits have changed (a move on-line and to mobile digital technology) and the circulation of local newspapers is falling.

¹⁹ <http://archive.audit-commission.gov.uk/auditcommission/sitecollectiondocuments/Downloads/20100122publicityappendix.pdf>

²⁰ LGA research into council publications: April 2013

²¹ LGA research into council publications: April 2013

²² Public Notices: The Case for Radical Reform – Local Government Information Unit 11 September 2012

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- 7.7 The Killian Pretty review of planning applications in 2008 recommended that local planning authorities should “no longer be required to publish notices in newspapers.”²³
- 7.8 Local government spends a substantial amount of money on advertising in local newspapers. Add on the costs of staff time in the preparation of public notices and liaison with local newspapers, this could increase significantly. This does not represent best use of taxpayers’ money. The Codes are very clear in in this respect. **Paragraph 26** states ‘*The purchase of advertising space should not be used as a method of subsidising voluntary, public or commercial organisations*’. The continued mandatory requirement for councils to place public notices in local newspapers breaches the terms of the Code as they clearly subsidise the local newspaper industry.
- 7.9 In addition to the amount spent on statutory notices, councils place other advertisements, principally for events and campaigns such as the recruitment of foster carers and school governors, in the local media. As local and central government are making extremely tough decisions about the service levels they can commit to, it is indefensible that councils remain obligated to advertise planning notices in this way. We would therefore like the immediate lifting of this outdated obligation.
- 8.0 Supporting residents and local communities**
- 8.1 Local government has a duty to be strong advocates for their residents and central government should be scrutinized when policy is seen as unjust or has perverse consequences for local people. We believe this is an essential element of making better policy.
- 8.2 The proposals will prevent local government engaging in open discourse and challenge on and to central government policy. This cannot be right and proper in a modern, democratic society.
- 8.3 It is important that locally elected politicians are able to speak on behalf of their residents on national issues which may have a local impact. The proposals seek to stifle any local campaigning activity ‘*designed to influence public officials, Members of Parliament, political parties or the Government to take a particular view on any issue*’.(**Paragraph 26** of the Codes).
- 8.4 In many cases where a national policy could impact on local communities, councils obtain a full council decision, with cross-party support, for lobbying activity to be undertaken. The Codes are not clear in regards to the scope of limiting such activity and could undermine local democratic decisions based on the well-being of local communities.
- 8.5 This is clearly at odds with the localism agenda and removes any opportunity for councils to influence national policy and decision-making on behalf of their residents.

²³ Planning applications: A faster and more responsive system - 2008

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- 8.6 We disagree that councils 'should not incur any expenditure in retaining the services of private specialists, contractors or consultants'. All authorities should demonstrate that the use of external providers passes a value for money test.
- 8.7 Bringing in expertise to work on a specific project, for example to campaign for local transport improvements – can result in significant economic benefits for an area, and is often cheaper than employing staff directly.
- 8.8 Furthermore, the wording of this part of the Code could see variations in interpretation that would range from a ban on employing public affairs consultants to preventing councillors and council officers writing letters to MPs. Enshrining this part of the Code in primary legislation could result in a number of test cases to determine clarity of the exact definition of this activity.
- 8.9 Preventing councils from engaging with central government, either with parliamentarians or those in Whitehall, could have a serious impact on the democratic process. This would take away a key channel for residents to raise objections with centrally driven policy. It would also seriously weaken the ability of central government to make and implement policy.
- 8.10 For example during the recent progression of the Growth and Infrastructure Bill through parliament many councils wrote to their MPs urging them to address proposals on permitted development. The proposals would have removed the right of neighbours to have a say over single story home extensions between four and eight metres. If the Code had been mandatory the Secretary of State for Communities and Local Government, who was driving the Bill through parliament, would have been able to prevent these councils interacting with their MPs over this issue. This is a clear conflict of interest and goes against the very nature of the democratic process and the principles of localism.
- 8.11 It would therefore be inappropriate to extend any power of direction to provisions of the current Publicity Code where the justification for those provisions is unclear, even within guidance.
- 9.0 If there is alternative to the power of direction, how will this meet the aim of improved enforcement of the Code?**
- 9.1 The purpose of guidance, rather than legislative proscription, in the Local Government Act 1988 and in approving the Code, was to allow for local discretion. The Government has not provided any evidence to demonstrate the Codes as they currently stand are not working. Indeed, we are not aware of any examples of any council being found not to have had due regard for the Codes in their current form.

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9.2 When Parliament enacted section 4 (1) of the Local Government Act 1986 and the amendments to it made by section 27 of the Local Government Act 1988, it recognised that decisions on effective local authority publicity had to be taken locally, and that it was therefore appropriate to issue guidance, to which an authority must have regard in a local context, but not appropriate to incorporate the provisions covered by the Code into statute, with all the rigidity that entails. The duty to have regard to the Code would require local authorities to take appropriate steps, including legal advice to satisfy themselves that their publicity activities take into account the requirements of the Code. If at any point the Secretary of State is satisfied that a local authority has not had regard to the Code in breach of the law then it is opened to him to take legal proceedings. So far no such actions have been taken. It is therefore not clear why the Secretary of State sees the need for new statutory provisions regarding the Code.

9.3 The current Publicity Code was drafted and approved by Parliament on the basis that it was not directly enforceable, but was to be taken into consideration by individual local authorities when taking local decisions on what publicity is appropriate and effective in their locality. It was never drafted so as to be legally enforceable, either directly or by direction, and in many areas it is insufficiently specific to support such enforcement. Where an authority has simply disregarded the current Publicity Code, it is open to local citizens to seek redress, either through the ballot box at the next local elections, or by judicial review if they can evidence that the authority's decision was inconsistent with any regard to the Publicity Code.

9.4 Accordingly, we believe the Codes should remain in place in the non-statutory current form.

10.0 This consultation invites evidence of the circumstances where the Code was not met and the implications of this on competition in local media

10.1 There is no evidence that in circumstances where the code has not been met this has had a negative impact on local media. During the consultation for the original codes in 2011, the Communities and Local Government Select Committee concluded "*We found that there is little hard evidence to support the view of the commercial newspaper industry that council publications are, to any significant extent, competing unfairly with independent newspapers*". Furthermore, respected media commentator and Professor of Journalism at City University, Roy Greenslade confirmed "*To be absolutely frank about it, there is no data*" to confirm or refute whether local authority publications are competing with the traditional independent press.²⁴

10.2 Local newspapers are under commercial pressures due to the changing media consumption habits of citizens. The proliferation of 24-hour broadcast, internet and social media channels has meant that the

²⁴ House of Commons Communities and Local Government Committee Report: Proposed Code of Recommended Practice on Local Authority Publicity – Published 27 January 2011

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traditional local newspaper business model is outdated. It is simply untrue to suggest that these pressures can be attributed to a small number of council publications.

- 10.3 Paradoxically, there are examples of councils publishing more frequently than quarterly having a positive impact on the local newspaper as they print and/or distribute the residents' publication.
- 10.4 There are similar ambiguities in relation to campaigning activity in that a number of councils have and indeed have had regard to the Codes and taken the decision to support the view of residents. Examples include proposed changes in planning laws, airport and rail expansion.
- 10.5 Those councils involved can demonstrate a mandate from the majority of residents in all cases.

11.0 Conclusion

- 11.1 The proposals are a worrying development in that they will enshrine in law legal interference in local matters by central government.
- 11.2 Local decision-making is at the heart of local democracy and locally elected councillors should be free to act as advocates for their communities in any way that may be required to support them.
- 11.3 Placing the ultimate decision-making powers in the hands of a Secretary of State is both heavy handed and contrary to the localist agenda.
- 11.4 There is no evidence to demonstrate that council publications are impacting unfairly on local newspapers. This was the view of the Communities and Local Government Select Committee in 2011 and remains the case now. Councils should be able to decide, with their residents, what is the most appropriate format and frequency for communicating and engagement.
- 11.5 The continued subsidy of local newspapers by councils through the enforcement of publishing statutory notices in local newspapers is of more concern and should be addressed urgently.
- 11.6 The proposed power of direction extends beyond the expressed purpose of preventing unfair competition with the free press, and extends to all parts of the current or any future guidance, including those parts for which the justification is unclear, even within guidance. Once the power of direction has been granted, its exercise is not subject to approval or disapproval by Parliament, but may be exercised by the Secretary of State without any restriction or constraint.
- 11.7 If the Codes are given statutory force, councils will be severely hampered in their ability to communicate with and represent their residents – the main purpose for which they are elected.

END

LGA EU Lobbying

Purpose of report

For discussion and decision.

Summary

In April, the LGA Chairman and Chief Executive undertook a series of lobbying meetings in Brussels to highlight the impact of the 2013 EU legislative programme on English local government.

This report sets out the key issues for consideration by the Executive: the distribution of EU funding across the UK, and strengthening English local government influence over current and future EU regulation.

Recommendation

Members are asked to consider the issues raised in the report.

Action

Officers to take forward any actions agreed by the Executive.

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LGA EU Lobbying

Background

1. In November 2012, the LGA Leadership Board considered a report on the European Union's legislative programme for 2013. The Board agreed a set of priority issues to focus our lobbying work and asked the Chairman and Group Leaders to lead some of this work in Brussels.
2. In mid-April, the LGA Chairman and Chief Executive undertook a series of lobbying meetings in Brussels to highlight our priority issues to EU decision makers. They met a number of LGA MEP Vice-Presidents, senior officials from the European Commission and representatives of UK Government in Brussels. The Chairman also addressed the UK delegation of the Committee of Regions which was meeting in plenary session in Brussels that week.
3. A range of policy issues were raised by the Chairman in his meetings, including waste regulations, air quality standards, procurement and state aid reform and the working time directive. From these discussions, there are two issues which need to be brought to the attention of the LGA Executive as they have significance beyond Brussels and EU policy and provide a perspective on the "English question".

EU growth and skills funding

4. Structural funds from the EU provide significant resources for local regeneration and training. In the current EU budget (2007-13), over £8 billion of EU funds were invested in the UK. Whilst much of these resources have been used to fund national schemes (such as the Work Programme), they have also been a significant contributor to local regeneration projects. The LGA has argued strongly that the next round of funding (2014-20) should be localised and we have gained a significant victory for the sector in this area. Recent guidance from BIS asked each LEP area to produce a plan to localise and align the delivery of EU funding. Given that councils will lead this work in their LEP areas (as accountable bodies), it will be important that each plan submitted is distinct and demonstrates that each local economy has different needs and ambition.
5. Whilst we have won the argument to localise EU fund delivery, the distribution of EU resources throughout the UK is a problem. The new EU funding rules agreed in Brussels (for 2014-20) were a significant victory for England with the introduction of funding for "transition regions" (regions with 75-90 per cent of EU average GDP per capita). In the past, the EU funding map had been divided fairly starkly between rich and poor regions. New transition regions will now allow for parts of England (such as Merseyside, Lincolnshire, Staffordshire and E Yorkshire) to gain additional funding.
6. In theory, the new EU deal meant a transfer of resources to England from the devolved administrations. Draft figures from the EU in February (based on new 2014-20 rules) confirmed that England should gain. However, this resulted in vociferous lobbying of No. 10 by Cardiff, Belfast and Edinburgh. The EU rules allow national government some

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flexibility in allocating funds and a decision was taken by the UK Government to use this flexibility so that England “lost” €784 million of its tentative allocation for 2014-20.

	EU funding allocations 2007-13	Allocation of EU funds for 2014-20		
		EU draft figures (Feb 2013)	UK Government decision (April 2013)	Loss/gain
England	€6.379b	€6.958b	€6.174b	-€784m -11.3%
Scotland	€0.820b	€0.567b	€0.795b	+€228 +40%
Wales	€2.200b	€1.770b	€2.145b	+€375m +21.6%
N Ireland	€0.472b	€0.276b	€0.457b	+€181m +66%

7. Whilst, the Government’s decision equalises losses for all four nations from one budget period (2007-13) to the next one (2013-20) to approximately -3%, it cuts England’s 2014-20 allocation by three quarters of a billion.
8. After the announcement on the re-distribution in the UK, the Scottish Secretary, Michael Moore MP stated that “now we can confirm that an independent Scotland would face that 32% cut - and only an independent Scotland - because it would not have the UK’s flexibility. On structural funds, €228m is the price of leaving the UK family.”
9. During his Brussels visit, the Chairman raised the deep concern of English local government with the European Commission. In the press, the Chairman pressed for an urgent need for English councils to have the devolved powers and influence over national policy as enjoyed by the people of Wales, Scotland and Northern Ireland.
10. Whilst it must be stressed that the UK Government’s decision to distribute European resources in this way is probably within the scope of the flexibility contained in EU rules, this redistribution needs to be highlighted to Local Enterprise Partnerships (LEPs) and our business partners. An opportunity to raise the issue will be in June 2013 when draft allocations of EU resources to each LEP will be announced by Department for Business, Innovation and Skills (BIS). The LGA will provide details of the funding that would have been available (based on the February 2013 draft allocations). This will provide LEP areas with the ability to highlight the local losses.
11. A further opportunity to challenge the UK allocations will be on the presentation of the UK Partnership Agreement (the delivery plan for EU funds in the UK) to the European Commission in late 2013. Based on an LGA drafted amendment to EU funding rules, the UK Government will need to demonstrate formally a partnership with local authorities for agreeing funding for essential local infrastructure and skills projects. During his recent visit to Brussels, the Chairman secured an early meeting with the European Commission in advance of the UK submission to discuss how such partnerships had been developed with English local government. The UK Government’s funding distribution has not been agreed in partnership.

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UK's fragmented influence over EU decision making

12. The EU funding issue exemplifies how England's influence is weakened under the current devolution settlement. However, there is a wider issue to discuss here.
13. During his lobby in Brussels, the Chairman met officials from the UK Representation to the EU (UKRep) which leads for the UK in EU negotiations. Asked to describe the development of a typical UK negotiating line in Brussels, officials described getting a national line from a Government department such as BIS and then, consulting officials from devolved administrations (who sit within UKRep) for particular issues from Wales, Scotland or Northern Ireland. A UK line would then be formed. In terms of gaining view from English local government, the Department for Communities and Local Government (CLG) was described as "not a Europe facing department" and any English aspects to legislation were usually gathered as a result of lobbying from the small LGA office in Brussels. In terms of quantum, the devolved administrations have up to ten people each and form part of UKRep.
14. Whilst this style of negotiations is typical of Whitehall and Brussels, there is a particular Brussels issue that needs debate, given the number of draft EU regulations which are in discussion and which could add costs to English councils. Increasing the English representation is not an option under current financial circumstances. Therefore we have to maximise our influence in other ways.
15. Members may wish to discuss the following options:
 - 15.1. After the devolution of EU fines, we have committed to sitting down with Government on the publication of the annual EU legislative programme in October to ensure that ministers are acting on English local government interests in EU negotiations. This is currently envisaged at senior civil service level. We should escalate this to a ministerial level and insist on guarantees on key EU proposals.
 - 15.2. The Dutch local government family has collective representation in Brussels, with Dutch cities and the Dutch LGA sharing accommodation. This allows the Dutch LGA and cities to act on individual interests, but to take a collective brief when there is a national interest, with one city leading on an agreed (task and finish) lobby on behalf of the collective interest. This allows small resources to be maximised. We could consider a similar model for the small number of offices representing English councils in Brussels.

Conclusion

16. English local government has good formal representation through our members on the Committee of Regions. The Chairman, Group Leaders and Board Chairs will continue to lobby in Brussels on behalf of the councils. However, we need to develop new ways of working to maximise our influence, especially as the needs of the devolved administrations will be foremost in the minds of ministers as September 2014 approaches.

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17. Members of the Executive are asked to consider this paper and to ask the European and International Board to investigate possible closer working between English local government offices in Brussels and to report back to the Executive.

General Assembly Annual Meeting: Motions

Purpose of report

For decision.

Summary

The LGA's Standing Orders provide for Motions to be moved at meetings of the General Assembly. It is in the remit of the LGA Executive to determine whether motions should receive consideration by the General Assembly or be remitted to the Executive, or to a Board or Panel.

The deadline for notice of motions was 26 April 2013. Four motions have been received as follows:

- | | |
|---------------------------------|---|
| 1. "Volunteer" Councillors | - Proposer: TBC |
| 2. Welfare Reform | - Proposer: Stevenage District Council |
| 3. Independent Local Government | - Proposer: London Borough of Sutton |
| 4. Voting Age | - Proposer: East Devon District Council |

Recommendations

The LGA Executive is asked to:

1. decide which motions should be debated at the 2013 Annual Meeting of the General Assembly; and
2. agree the handling for any motion(s) not put forward for debate at General Assembly.

Action

Officers to submit the necessary report to the General Assembly, in accordance with the LGA Executive's decision.

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General Assembly Annual Meeting: Motions

1. Motion on: “Volunteer” Councillors

Proposer: TBC

Council (TBC) proposes that:

“Democratically elected and accountable councils and councillors, not central government, have the greatest impact on residents’ everyday lives.

Local government has a unique understanding of the needs of their communities across a whole range of services delivered by the public, private and third sectors. Whilst most councillors are not career politicians, their role cannot be simply labelled community volunteers. Collectively they are accountable for billions of pounds of tax-payers money, many hundreds of front line services that people rely on, and for the care and protection of the most vulnerable members of our society.

Many councillors fulfil this role as well as being employed. However a significant number devote more time and effort to serving their community than most people spend in a full time job.

To ensure that councils and councillors continue to represent their communities effectively this Association resolves:

1. To continue to champion the role of the councillor and the work that they do; and
2. To support measures to encourage and allow people from broad and diverse backgrounds, and of all financial means to represent their communities.”

2. Motion on: Welfare Reform

Proposer: Cllr Sharon Taylor OBE, Leader, Stevenage District Council]

Stevenage District Council proposes that:

“This Association accepts the need for reform of the existing welfare system in the current economic climate and supports the introduction of reforms that ensure that money goes to those who most need it.

There is no doubt that the impact of the reforms on local communities will vary from place to place and across the country. However this Association has a number of serious concerns, in particular in relation to the rollout of Universal Credit, the imposition of the size criterion, and the benefit cap. These include:

- the impact of direct payment of benefits on the collection of rents;
- the impact of direct payments on the private rented sector;
- the impact of migration of families to cheaper localities; and
- the effect of the reforms on the use of the badly limited social housing stock.

Councils are committed to continuing to serve their residents who are affected by these reforms and are currently piloting ways they might work with government and others to serve Universal Credit clients in 12 areas.

This Association calls on Government to examine properly the evidence generated by the pilots, to assess fully the overall impact of the welfare reforms on individuals, communities and local economies and to make the changes to the planned reforms, including recognising and funding the future role of local government, that are needed to reflect that learning and protect the most vulnerable members of society.”

3. Motion on: Independent Local Government [London Borough of Sutton]

Proposer: Cllr Ruth Dombey, Leader, London Borough of Sutton

London Borough of Sutton proposes that:

“This Association believes in local government as one of the cornerstones of democracy in the UK and a champion of the needs and ambitions of the people it represents.

We believe that decisions made on behalf of a community are best made by those directly elected to represent them. This is the most democratic approach and makes for best use of public money. We note the Prime Minister’s acknowledgement that local government is the most efficient part of the public sector.

We note the work of the Political & Constitutional Select Committee on the position of local government in the Constitution and its recommendation for a national debate on securing greater autonomy for the sector. In its own campaigning for independence for local government, this Association believes that:

- Councils should be accountable to their electorates and not to ministers of the Crown;
- Councils should be granted greater freedoms and flexibilities to drive economic growth;
- Councils should have the power to provide any local public service not explicitly reserved to another body;
- Councils should retain in full the proceeds of council tax and business rates, subject to retaining mechanisms for fairness and redistribution and that both these taxes should be determined by councils alone without central government interference;
- The burden of statutory duties and central compliance regimes should be lifted further; and
- Central government interference should be removed from decisions on councils’ electoral boundaries and governance models.

The General Assembly calls on the leadership of LGA to use its influence in the House of Commons and the House of Lords to introduce Private Members Bills that entrench local government’s freedoms in our Constitution and protect them against erosion by future governments.”

4. Voting Age

- 4.1 East Devon District Council Chief Executive, Mark Williams, has written to the LGA asking that the following motion, debated by the District Council in December 2012, be included on a national agenda for debate by Councils across the country. East Devon expects that if this proposal generates support, then it could reasonably form a strong lobby to put to Parliament to influence national policy. East Devon has not specifically asked that this motion be debated by the General Assembly. The motion states:

“There is a growing debate about the voting age in this country to be lowered to age 16. At 16 one can get married, ride a motorbike, get a full-time job and pay tax. This Council calls on Government to lower the voting age to 16.”

- 4.2 The Executive is asked to determine whether this motion should be debated by the General Assembly or be remitted to the Executive for discussion.

Note of the last Executive meeting

Title:	LGA Executive
Date and time:	Thursday 14 March 2013
Venue:	The Westminster Suite, Local Government House

Attendance

An Attendance list is attached as **Appendix A** to this note.

Item	Decisions and actions	Action by
1.	<p>Spending review submission to the Treasury</p> <p>Councillor Sharon Taylor OBE (Chair of the Finance Panel) introduced the report which included a copy of the LGA's key lobbying asks to the Treasury for the 2015/16 spending round. She thanked the Finance Panel, LGA officers and all those elected members that had contributed to the development of the submission, which had been submitted on 12 March in order to influence Government in advance of the 2013 Budget announcement. The Executive were invited to comment on the LGA's key messages to be made to Ministers in the follow up meetings and any points to be developed further in the more detailed submission to be made to the Treasury in late Spring.</p> <p>In the discussion that followed, Members made a number of comments including:</p> <ul style="list-style-type: none">• Members endorsed the submission to the Treasury and the key policy lines within it, as well as highlighting the importance of promoting this lobbying work throughout the sector.• The importance of at least maintaining NHS investment in social care was made clear as well as the need for a more holistic approach to health and social care funding and the system as a whole.• It was noted that whilst the average cut to local government funding in 2014/15 was 2 per cent, this figure was higher for some local authorities such as those in the North East.• With reference to the significant efficiency saving already achieved by the sector and the increasing financial pressures, Members emphasised the need to convey to Government the message that the current direction of travel was unsustainable without impacting on services.• Although supportive of the LGA's position that the centrally set Housing Revenue Account (HRA) borrowing cap should be removed, the difficulty of persuading the Treasury was noted and 'the ability to transfer local authority underspend within the sector' was proposed as a contingency option.	

Decision

That the Executive **noted** the submission and **asked** that their comments inform the development of a more detailed submission to the Treasury in late Spring.

Action

LGA Officers to proceed as directed.

Nicola
Morton

2. Welfare Reform: The role of Councils in Universal Credit

Cllr Taylor introduced the report which followed on from the Executive's discussion at its last meeting on the draft framework for how the Department for Work and Pensions (DWP) and councils might work together after the introduction of Universal Credit. Cllr Taylor summarised the initial feedback the LGA had received so far, and asked for the Executive's views, to inform the LGA's response to DWP's consultation on the framework. She updated members on the work of the Face to Face pilots and encouraged local authorities to submit individual responses to the consultation.

In the discussion that followed, Members made a number of comments, including:

- Members reiterated concerns about the logistical aspects of the scheme which remained unclear. These included: the transfer of local authority staff; the timescale for implementation and phased approach; clarity around who would be banker of last resort; and sufficient capacity to support clients' whose circumstances regularly change.
- In terms of funding, Members expressed opposition to the proposal that local funding sit with DWP District Managers and highlighted the need for assurances that funding for Universal Credit would not be top sliced from other local government funding streams.
- With reference to the importance of sharing the learning from the Face to Face pilots within the sector as early as possible, it was noted that the LGA were contesting DWP's decision to postpone the publication of the results for 3 months after the completion of the pilots.
- Members expressed serious concerns about the Government's assumptions on levels of digital access to services and questioned what steps would be taken to support hard to reach groups. Given the role of Libraries in providing IT facilities for accessing Universal Credit, it was suggested that further funding in this area could help increase uptake of the self-service system.

Decision

That the Executive:

- i. **noted** the feedback so far on the Local Support Services Framework and **asked** that their views inform the LGA's response to the Department for Work and Pensions consultation;

- ii. **endorsed** the LGA's approach for taking forward the work with Department for Work and Pensions on the Local Support Services Framework; and
- iii. **noted** the progress made by the LA Face to Face pilots.

Action

LGA Officers to proceed as directed.

Paul
Raynes

3. The Danish System – Reflections for English local government

Cllr Marianne Overton introduced the report, which had been commissioned by the Leadership Board. The discussion paper explored lessons from the Danish system of local government to inform the LGA's work on the future direction of local government in England.

In the discussion that followed, Members made a number of comments, including:

- Members highlighted Denmark as a positive example of cross party working across all levels of government. Although differences in culture and electoral voting systems were discussed as potential challenges to such a consensual approach being adopted in Westminster, Members commended the success of cross-party working across the LGA.
- In discussing the value of international comparison on how devolved local government functions work in other countries, Members emphasised the importance of gathering empirical evidence to support the LGA's lobbying. Suggestions for future consideration included: comparison with nations such as France and Germany, as well as looking at the work of Professor Michael Parkinson (European Institute for Urban Affairs at Liverpool John Moores University) on the role of devolution in driving economic development.

Decisions

The Executive **noted** the report and **asked** that their comments inform future work to integrate learning from other local government systems to enhance the work of the LGA.

Action

LGA Officers to proceed as directed.

Daniel
Goodwin

4. Proportionate Regulation

Cllr Mehboob Khan (Chair of the Safer and Stronger Communities Board) introduced the report which explored opportunities to reposition the role of councils in regulation of local businesses. Cllr Khan noted the intention to work with a group of businesses to take this work forward and highlighted that recent feedback from business indicated that their key concerns were around the need for a consistent approach to local regulation, rather than relating to the number of regulations. Members were invited to comment on the proposed approach and to suggest additional areas for further exploration.

In the discussion that followed, Members made a number of comments, including:

- Members welcomed the opportunity to streamline the regulatory landscape and suggested that the dialogue be broadened to include other public regulatory bodies, such as national regulators.
- Members endorsed the suggestion that a progress report be brought to a future Executive and/or Councillor's Forum meeting, along with representatives from the business community.
- A number of concerns were expressed regarding the phrasing of paragraph 13 and 14 of the report, particularly relating to regulation of gambling licensing, and the clustering of betting shops. Members were united in their view that protecting communities should be the driving force at the heart of councils' role in regulation and stressed that it was important not to weaken current licensing regimes or the role of regulation in driving improvements.

Decisions

That the Executive:

- i. **noted** the report;
- ii. **asked** that their comments on the planned approach inform the development of the work stream; and
- iii. **requested** that the LGA Executive and/or Councillor's Forum receive an update on the work stream as it progresses, with representatives from the business community in attendance.

Actions

Members' comments to inform the development of the work stream.

Helen Murray

A progress report to be brought to a future Executive and/or Councillor Forum meeting, with representatives from the business community in attendance.

5. Broadband and Economic Growth

Cllr Andrew Lewer (Deputy Lewer Chair of the Culture, Tourism and Sport Board) introduced the report which updated members on the role of councils in the rollout of the nation's broadband programme and the key issues for them to consider. Drawing on his experience at Derbyshire County Council, he highlighted a number of challenges which had been overcome and welcomed the confirmation that councils would be eligible to apply for European Regional Development Funding to support their broadband rollout.

Robert Sullivan, Chief Executive of Broadband Delivery UK (Department for Culture, Media and Sport) outlined the Government's programme to achieve a transformation in broadband in the UK by 2015. He updated on the progress of the three streams of the programme – rural, urban; and Mobile Infrastructure Projects - and highlighted the key issues for councils. He paid tribute to councils' commitment to making a success of superfast broadband rollout.

In the discussion that followed, Members made a number of comments, which were responded to by Robert Sullivan, including:

- Members noted the significant potential of broadband as an enabler of growth and welcomed the increased flexibility within some aspects of the rollout.
- Members expressed a number of concerns with the rollout - in particular frustration at the difficulty of achieving value for money given that BT was the only active supplier in the rural programme. They raised concerns that councils and the planning system were being blamed by BT for delays to the rollout of superfast broadband generally. Robert Sullivan responded that BDUK was confident that the provisions set out in the broadband framework and call-off contracts should enable value for money to be delivered through the projects. The LGA Chairman requested that Members' concerns and councils' commitment to finding a solution based on sensible cooperation between councils and BT be fed back to Ministers.
- Cllr Flick Rea (Chair of the Culture, Tourism and Sport Board) invited Members to send any other feedback to the CTS Board for it to take forward.

Decisions

That the Executive **noted** the issues in the report and **asked** that their comments be reported back to Ministers.

Action

LGA officer to progress in line with Members' direction.

Laura Caton

6. LGA Business Plan 2013-14

In introducing the LGA's Business Plan for 2013 -14, the Chairman thanked all those who had contributed to its development.

Carolyn Downs (Chief Executive) confirmed that the LGA's work around the spending review would include lobbying for an equitable, needs-based approach to local government funding.

Decision

That the Executive **agreed** the LGA's Business Plan for 2013-14.

7. LGA Budget 2013-14

Cllr Stephen Castle (Chairman of the Resources Panel) moved the report and thanked Helen Platts (Head of Business Development) for her hard work. On behalf of the Resources Panel, he recommended the LGA's financial strategy for the next two years, and the 2013 -14 budget to the Executive.

Decision

That the Executive **agreed** the 2013-14 budget.

8. Note of the 13 March Leadership Board meeting

Members **noted** the minutes of the previous meeting of the Leadership Board from Wednesday 13 March 2013.

9. Note of last LGA Executive

Members **noted** the minutes of the last LGA Executive meeting from Thursday 14 February 2013.

10. Retirement of Existing LGA Executive Members

It was noted that Cllr David Rogers OBE and Cllr Angus Campbell would be standing down at the 2013 May local elections. Both Members reflected on their experiences and achievements during their time in local government and thanked colleagues for their support over the years. The Executive put on record their gratitude to both Cllr Rogers and Cllr Campbell for their contribution to local government, and the LGA over their many years of services and wished them well in their future endeavours.

Attendance list

Position/ Role	Councillor	Authority
Chairman	Sir Merrick Cockell	RB Kensington & Chelsea
Vice-chairman	Gary Porter	South Holland DC
Vice-chairman	David Sparks OBE	Dudley MBC
Vice-chairman	Gerald Vernon-Jackson	Portsmouth City
Vice-chairman	Marianne Overton	Lincolnshire CC
Deputy-chairman	Robert Light	Kirklees Council
Deputy-chairman	Robert Gordon CBE DL	Hertfordshire CC
Deputy-chairman	Andrew Lewer	Derbyshire CC
Deputy-chairman	Sharon Taylor OBE	Stevenage BC
Deputy-chairman	Mehboob Khan	Kirklees Council

Position/ Role	Councillor	Authority
Members	Flick Rea	Camden LB
	Mike Jones	Cheshire West & Chester
	Alderman Sir David Wootton	Corporation of London
	Dave Wilcox OBE	Derbyshire CC
	Peter Box CBE	Wakefield Council
	Tony Jackson	East Herts DC
	Stephen Castle	Essex CC
	Mayor Jules Pipe	Hackney LB
	Stephen Houghton CBE	Barnsley MBC
	David Rogers OBE	East Sussex CC
	David Simmonds	Hillingdon LB
	Mayor Sir Steve Bullock	Lewisham LB
	Martin Hill OBE	Lincolnshire CC
	Gordon Keymer CBE	Tandridge DC
	Peter Fleming	Sevenoaks DC
	Philip Atkins	Staffordshire CC
	Robert Dutton OBE	Wrexham County Borough
	Angus Campbell	Dorset CC
	Keith Wakefield	Leeds City Council
Neil Clarke	Rushcliffe BC	

Position/ Role	Councillor	Authority
Substitutes	John Merry CBE	Salford City
	Sue Murphy	Manchester City
	Simon Henig	Durham CC

Item 10

Apologies

Councillor

Mayor Dorothy Thornhill MBE
David Phillips
Roger Phillips
Sir Richard Leese CBE
Chris White
Paul Watson

Authority

Watford BC
Swansea City and CC
Herefordshire Council
Manchester City
Hertfordshire
Sunderland City Council

LGA location map

Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Tel: 020 7664 3131

Fax: 020 7664 3030

Email: info@local.gov.uk

Website: www.local.gov.uk

Bus routes – Millbank

- 87** Wandsworth - Aldwych
- 3** Crystal Palace - Brixton - Oxford Circus

For further information, visit the Transport for London website at www.tfl.gov.uk

Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

Public transport

Local Government House is well served by public transport. The nearest mainline stations are:

- 13** Victoria and Waterloo: the local underground stations are

St James's Park (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

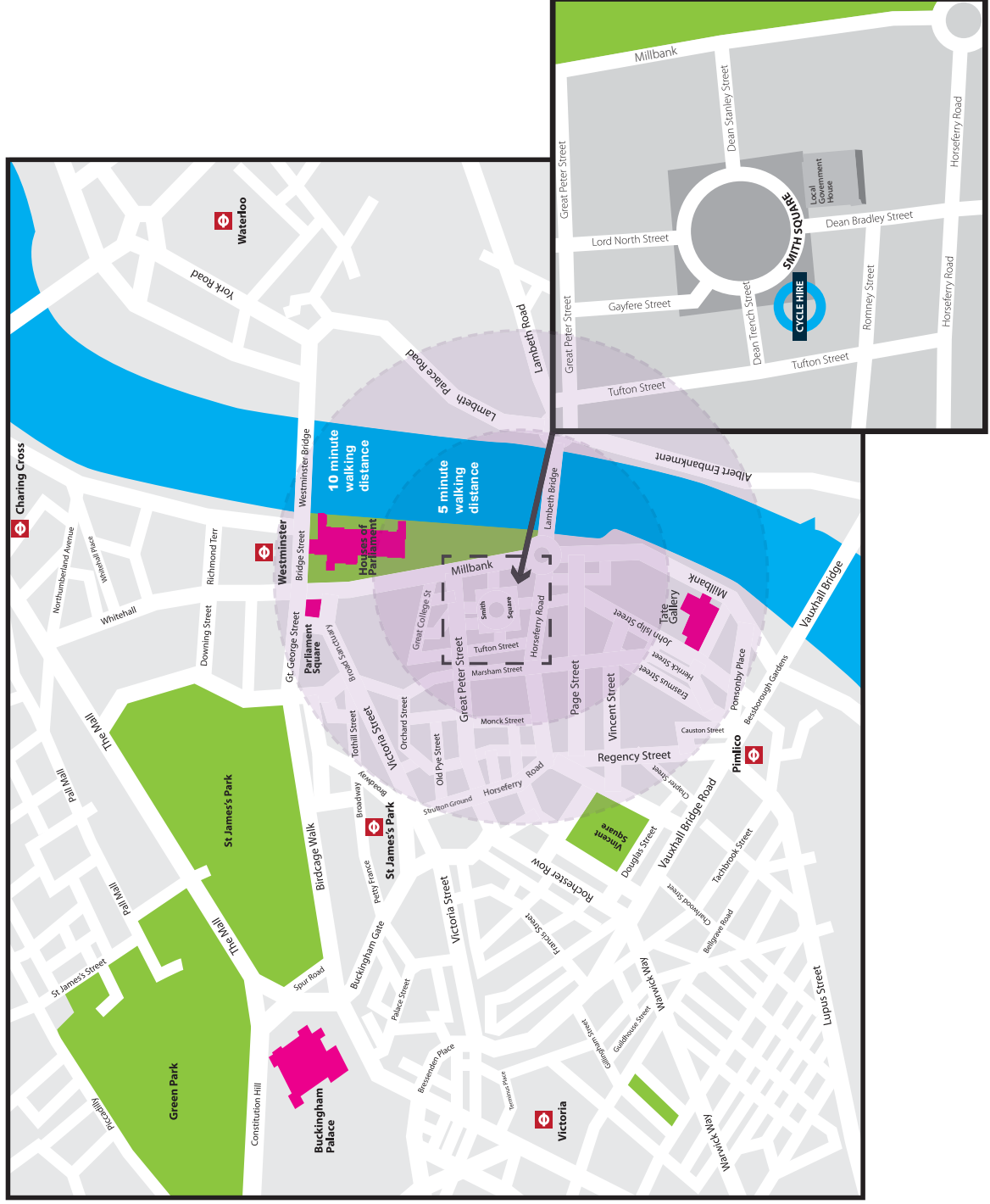
Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

Bus routes – Horseferry Road

- 507** Waterloo - Victoria

- C10** Canada Water - Pimlico - Victoria

- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common



Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone.

For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car parks

Abingdon Street Car Park (off Great College Street)

Horseferry Road Car Park
Horseferry Road/Arneway Street. Visit the website at www.westminster.gov.uk/parking