

# LGA white paper - short version

Local government is the key to solving some of our biggest national challenges. We work at the front line of people's daily lives. We shape places, provide vital services which hold our communities together, keep people safe, and create the conditions for prosperity and wellbeing.

We start from a strong base. Rooted in a democratic mandate, councils are inherently close to their local communities and can deliver tailored services to address specific needs. This has been seen recently in the sector's universal response to the Covid pandemic and the Homes for Ukraine scheme. Offering over 800 services and working with a broad range of partners, councils can convene tailored solutions for our residents, including people of all ages – who access council services to help live their best life.

Local government has a clear collective purpose: delivering for the specific needs of local communities. We know the pulse of our people and our places.

But rising demand and costs means there has never been a more difficult time for local government. It has led to the toughest of choices, with less to spend on the services that communities value.

We can work with government to deliver more and better if we have:

- Sustainable funding
- Genuine devolution
- A new focus on prevention
- The opportunity to minimise duplication in inspections and regulations

To support a new national dialogue on these issues, we want to work immediately with the next government on three workstreams:

- **New equal and respectful central-local partnership**
- **Review of place-based public service reform**
- **Further improving cost-effectiveness and innovation**

Now must be a time for change and new hope. With the right support and the right reforms, we can do much more to get better outcomes for residents in the places we represent, and for the whole country.

# Six national challenges

## 1) Delivering wellbeing and prosperity

Everyone wants to see inclusive growth: greater prosperity, distributed more fairly, with the environment protected. But the UK's productivity has struggled since the 2008 financial crisis, with some English regions doing especially poorly. This cannot be solved with a top-down approach from Whitehall.

Local government has a crucial role to play. Devolution that supplies long-term financial certainty, financial flexibility and additional powers can enable councils and combined authorities to make the best decisions for their places.

Together let's deliver:

- **A clear, long-term and place-led economic strategy** to set out a joint vision for growth and prosperity across England.
- **A place-based employment and skills offer** to improve outcomes for young people and adults, support employers with their skills needs, and develop a culture of lifelong learning.
- **Action to stabilise the existing growth funding landscape** to ensure continued investment and develop an integrated multi-year growth fund.
- **A much stronger focus on data** to inform local and national strategies around growth and prosperity.
- **Investment in local economic development capabilities** to boost council capacity and expertise.

## 2) Building the homes we need

We are not building enough homes to keep pace with population growth and demographic change, with public housebuilding in particular decline. An insufficient supply of affordable housing is driving an increase in homelessness, with nearly 1.32 million households on council waiting lists, and the number of households living in temporary accommodation the highest since records began. That's bad for the families affected and it hits council budgets too: spending on temporary accommodation is expected to increase by 19.9 per cent in 2023/24. Councils are having to spend money reactively instead of preventing problems before they happen.

With the right reforms, local government can play a central role in dealing with the housing crisis.

Together let's deliver:

- **Powers for councils and combined authorities to build more affordable, good quality homes** at scale, quickly, where they are needed, with **five-year local housing deals** for all areas of the country that want them, combining funding from multiple housing programmes into a single pot.
- **Reform of Right to Buy** to prevent loss of social housing stock and give more flexibility in how to spend the receipts.

- **Ban “no fault” evictions** to give renters more security.
- A national **cross-departmental strategy to prevent homelessness**.

### 3) Supporting our children and young people

Local government plays a critical role in supporting children and young people who draw on care and support – those in care, in need of protection and those with special educational needs and disabilities (SEND). And it works with families to support children from birth to adulthood, working to create a better future for everyone.

Pressures on council-run services are increasing.

**Children’s social care budgets** are up by 13.6 per cent in 2023/24 compared to 2022/23 driven by huge increases in placement costs. [LGA research](#) showed that in 2022/23 councils paid for over 1,500 placements costing £10,000 or more per week – more than 10 times greater than the 120 placements purchased by councils at this price in 2018/19.

Costs of **home to school transport** are escalating for children with special educational needs and disabilities (SEND) – budgets up by 23.3 per cent in 2023/24. This is driven by ongoing growth in the number of children with Education, Health and Care Plans. Budgeted net spend in 2023/24 is £1.4 billion, a 137 per cent cash terms increase since 2016/17.

The education system, including early years provision, does not prioritise inclusion in mainstream settings for those with SEND. More and more children are being diagnosed with mental health problems and SEND but are unable to access the support they need. And cost of living pressures are affecting families across the country.

Councils want to work holistically, cross-council and cross-agency, around the needs of children and families - not just dealing with crises but preventing them. We need to be more ambitious. That means taking a new approach.

Together let’s deliver:

- A **new cross-government plan for children** to support better outcomes, supported by improved budget-sharing at a local level.
- A **review of early years education and childcare** to ensure that the workforce has the right skills and training, early years entitlements are properly funded, and councils have the resources to deliver their statutory duties.
- Action to ensure **all children in care live in the loving homes that meet their needs** and help them to thrive.
- A stronger partnership between local government, the NHS and schools, backed by new powers and a separate “inclusion” judgement in the Ofsted school inspection framework, to meet the needs of children and young people with SEND and enable more children to stay in mainstream schools.
- Reform statutory frameworks to avoid the lack of clarity in definition of additional and special education needs and to help address challenges around home-to-school transport.

## 4) Reforming and sustainably funding adult social care

Adult social care plays a critical role in helping to ensure that everyone can live an equal life and pursue the things that matter most to them. It is one of local government's biggest areas of spending, and the financial position is seriously challenging both historically and currently. Demand for adult social care is increasing, both because of an increasing number of older people and an increasing number of working age adults who draw on care and support. That is putting the whole system under pressure: most councils overspent on their adult social care budgets in 2022/23, almost half a million people are waiting for an assessment, for a package of care or direct payment to start, or for a care plan review. The care workforce is understaffed and feels undervalued. Unpaid carers are having to take the strain, impacting on their physical, mental and financial wellbeing.

Adult social care is about all of us. We are likely to know – directly or indirectly – someone who draws on social care or makes up part of its workforce. We need to make sure that we can meet the needs of people who draw on care and support with high quality services. Councils will continue to meet people's needs by working closely with those who draw on care and support in a spirit of genuine coproduction. But it also requires significant joint work between central and local government, and with everyone who plays a role in delivering care.

Together let's deliver:

- **Reform of adult social care**, and better joint working between the NHS and local government to support people.
- **Focus on prevention and recovery services**, including support for the voluntary sector who are a crucial part of the adult social care system.
- **Investment in primary and community services and intermediate care**, to help avoid hospital admissions and support more people to live more independently at home, including those who do require time in hospital.
- **Increasing care worker pay and conditions** to help tackle recruitment and retention issues.
- **More support for unpaid carers**, to help them care for their loved ones and to reduce the number of people who have to give up work to provide care.

## 5) Supporting place-making

We are the democratically elected leaders of local places and understand the ambitions our local communities have. Whether leading during a crisis such as Covid or delivering a long-term economic strategy it is our role to speak for our local communities and deliver on their aspirations for the local area.

Local government does not just provide statutory services: it has a crucial place-shaping role.

We are uniquely positioned to bring agencies together around the needs of residents. We know from experience that you cannot build a safe and thriving high-street from a desk in Whitehall

Some of the local government functions that people most value are not the demand-led statutory services for people with the greatest needs, but the things that give each place its unique character: parks and libraries, leisure and cultural services, youth services and high streets and more. Budgets for these place-making services, which are a source of local pride as well as being central to councils' democratic mandate, have been squeezed as the overall funding envelope has been cut. There is a gap between what local communities need and want, which local government wants too, and what local government is currently funded to deliver.

We need a new approach to maximise the value of place by allowing more variation, not less.

Together let's deliver:

- **Devolution that transfers powers to communities**, combined with sufficient funding so that they can deliver local priorities that go beyond their statutory obligations.

## 6) Tackling climate change

Everyone agrees that we need to work together to achieve Net Zero, and that it requires action everywhere: our energy infrastructure, our transport systems, our housing stock and our public buildings, our waste disposal and recycling, our jobs and supply chains. Local government is critical to delivering Net Zero but there is a lack of clarity and certainty about where it fits into a national strategy, and local efforts are routinely undermined by national decisions.

A new approach can take advantage of local government's role as community and place leaders, as housing, planning, transport, environment and health authorities, and as procurers, asset holders, land managers, conveners and enablers. Climate action presents enormous opportunities to deliver the transition to a sustainable future. We need a new approach to make this happen.

Together let's deliver:

- A **renewed Local Climate Action Delivery Programme** with national and local government working together to build a single framework for mitigation and adaptation, with clarity on roles, responsibilities and powers.
- A focus on **local climate action missions** to reduce emissions and adapt to climate change, including on retrofitting homes and public buildings to make them more energy efficient, supporting local energy generation and regional grid infrastructure, bringing about whole-place transport systems, delivering zero waste, building local supply chains and more.
- All areas of the country having their own unique **Local Climate Action Plans**, each focused on existing strengths and needs and agreed by central and local government.

# Four priorities to make sure local government can deliver

Rising demand and rising costs have meant that like everyone else, local government has had to make tough choices. We have had to spend less on services that matter to our residents, and uncertainty over funding has meant that we have not been able to plan for the longer term. Changing the way local and national government work with each other can transform the outcomes we achieve together.

## 1) Sustainable funding

Local government has been asked to deliver transformed local services on tightened budgets, and it has been at the forefront of innovation, co-location of services and collaboration with local partners. But we face extremely difficult challenges and choices. Budgets for universal local services are increasingly being crowded out by essential statutory services for a relatively small proportion of the community. There is a clear mismatch between what local government is expected to deliver and the funding that is available, and this is getting worse, with cost and demand pressures rising faster than funding. Councils do not have enough funding even to stand still.

**Councils need a significant and sustained increase in overall funding** if we are to deliver the services residents deserve and expect. But this is not simply a demand for more money: it is an offer to help to reduce costs on other public services and support the more efficient delivery of key national priorities at a local level. Local government could deliver better value for money if it had greater freedom to plan for the future, with multi-year and timely finance settlements: single-year settlements announced just a few weeks before the start of each financial year prevent meaningful decisions about financial planning and hamper councils' financial sustainability.

## 2) Place-making, powers and partnership

Local government provides democratically elected leadership for local places, and it can make a big difference to the lives of residents - as providers and conveners of key local public services, place leaders who hold the keys to inclusive growth, wellbeing and prosperity and vision setters for the future development of an area through a local plan-led system. But too often, local government's pre-eminent role in place-shaping is overlooked and undermined by too much centralisation: by unclear and uncoordinated relationships with central government, by a lack of powers and autonomy, and by financial uncertainty.

We want to see **genuine devolution**, with a new conversation between local and national government to co-design an enhanced framework for devolution and local growth that draws on the reserved powers model of Scotland and Wales, to underpin a radical transfer of power to our communities. And we want to use local government's expertise and experience to support national policy development, with a new forum for local and national government to discuss forthcoming legislation, expenditure levels and areas of joint priority.

### 3) A new focus on prevention

Failing to provide the right support at the right time is bad for people and bad for the public purse. A preventive approach is essential to delivering the best outcomes and to avoid spending more money later. The Early Intervention Foundation estimated that the costs of late intervention for children and young people total £17 billion a year across all public services. For everyone, public health measures that prevent ill-health are more cost-effective than treating illness, as well as providing better outcomes for individuals and making the workforce more productive. In adult social care, early support – or ‘that little bit of help’ – can help prevent, reduce or delay the onset of more acute needs which are costlier to meet. By its nature, such support is ‘pre-eligibility’, in other words before the determination that a person’s needs are serious enough as to warrant formal services. Investing more in lower-level early action can be the difference between someone being supported to continue living independently in the home and community they love and requiring time in hospital or residential care.

We need a **comprehensive approach to prevention**, including targeted support for children and young people at risk, effective youth services to help prevent criminality and anti-social behaviour, more public health interventions including support for sport and cultural activities which promote good physical and mental health, support to prevent people getting into financial hardship and debt or becoming homeless, support in the community for people who use adult social care to prevent the need for intensive and expensive intervention at the point of crisis, and more. And we want to see the share of total NHS budgets at ICS level going towards prevention increased by at least 1per cent over the next 5 years.

### 4) Reforms to reduce burdens and promote innovation

There are too many inspectors and regulators of local government services, largely working in an uncoordinated way and increasing burdens on councils. Organisational barriers across different government departments get in the way of working effectively with local government, resulting in a lack of coordination, duplication of work and missed opportunities for collaboration. Multiple funding and commissioning processes take significant time and resources for councils and their partners to meet reporting requirements, and barriers to data sharing get in the way of multi-agency working.

This all costs money and it could all work so much better. We want to work to **minimise duplication in inspections and regulations**, remove reporting that doesn’t add value and develop new, more efficient ways of working with central government. And we want to develop a complete picture of what all public organisations spend locally and why, so that resources can be targeted better to benefit local communities.

## Next steps

None of these challenges are easy. They require collaboration between central and local government. But solving them can change our places for the better, and as a result change our country for the better.

To support a new national dialogue on these issues, we want to work with the next government on three workstreams which can take this thinking forward early in the new Parliament, in order to establish a long-term plan for change.

- **New equal and respectful central-local partnership:** the next government should establish a new partnership model for working with local government and delivering the recommendations set out in this paper.
- **Review of place-based public service reform:** the next government should commission a major new review of how public services can work together to transform places, including through invest-to-save models of prevention.
- **Further improving cost-effectiveness and innovation:** the next government should work with us to bring together learning across government departments on 'what works' to increase cost-effectiveness and innovation, enabling the development of cross-cutting solutions. We will support this by contributing learning from existing sector-led improvement support and best practice from local government.