

Budget Submission 2015

Purpose of report

For information.

Summary

The LGA's 2015 Budget Submission - attached at **Appendix A** - was cleared by the Lead Members of the Resources Board and the Political Groups. It was submitted to the Government on 13 February. This report summarises the main themes and the activity undertaken.

The Chancellor of the Exchequer presented the 2015 Budget on 18 March and the LGA produced an on the day briefing which was sent to all member authorities. Although this was after this report had been drafted, a copy of the on the day briefing is attached at **Appendix C**. An update on the 2015 Budget will be given at the meeting.

Recommendation

That the Resources Board note the 2015 Budget Submission.

Action

Officers to proceed as directed.

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Budget Submission 2015

1. The Lead Members of the Board and Political Groups cleared the LGA's Budget 2015 submission. It was submitted to the Government on 13 February and published on 16 February.
2. The submission calls on the Government to protect funding for local public services, such as social care and others and will be used to identify areas for further lobbying work in the run up to the Spending Review after the General Election. It sets out the LGA's position on devolution, economic growth, children's social care and education among other areas.
3. The wider impact of the pressures facing local government was recognised in the submission and a wide range of a wide range of charities and other groups expressed support for the LGA's proposals. Endorsements were directly quoted in the submission from groups including:
 - 3.1. Action for Children
 - 3.2. Age UK
 - 3.3. Barnardo's
 - 3.4. The Campaign for Better Transport
 - 3.5. The Care and Support Alliance
 - 3.6. Centrepoint
 - 3.7. Chartered Institute of Public Finance and Accountancy
 - 3.8. The Children's Society
 - 3.9. Federation of Small Businesses
 - 3.10. National Institute of Economic and Social Research
 - 3.11. NHS Confederation
4. The submission itself was sent to a range of Ministers and opposition spokespeople as detailed in **Appendix B**.
5. The submission has been noticed and commented upon many times in press coverage. At the time of writing the submission is still being mentioned in new press articles, and the lines used in the submission have informed other recent press responses from the LGA relating to Council finances, for example:
 - 5.1. The [Financial Times](#) (FT) has cited the pre-Budget submission and quoted Chair Cllr David Sparks calling for greater devolution, the protection of adult social care funding and an update on government's review of business rates.
 - 5.2. LGA Chair Cllr David Sparks featured in the [Telegraph](#), [FT](#), [Independent](#) and [Mirror](#) following a report suggesting Britain's poorest areas have been hit hardest by local government spending cuts and are likely to again lose most in the next round of cuts. The report from the Institute for Fiscal Studies calculated that spending per person at local authority level has been cut by 23.4 per cent between 2009/10 and 2014/15. Cllr Sparks also said that many basic local services such as

libraries and road maintenance were in a “fragile financial position” and added the efficiency savings councils have made since 2010 cannot be made again.

- 5.3. Cllr David Sparks said in the [Mail](#) and [Telegraph](#) that funding for adult social care is “in crisis” in a report about new rules for minimum half-an-hour home visits with frail pensioners. Updated guidance published by NHS spending watchdog NICE insists that calls last for at least 30 minutes if they are offering personal care such as washing or dressing. However, we said money was just too short to end 15-minute care visits once and for all. The [Times](#) also featured our lines about the rising demand for home care visits.
- 5.4. Our line that funding cuts have forced councils to ask care providers to run services on tighter margins was reported on [BBC Breakfast](#) and [BBC Online](#). Cllr Izzi Seccombe (Community Wellbeing Board Chair) said the squeeze on finances had “forced councils to ask providers to run services on tighter margins. It is clear that continued cuts to funding for adult social care is putting an impossible squeeze on councils and providers to deliver care for our most vulnerable,” she added.
- 5.5. Cllr Izzi Seccombe wrote a [Guardian Online](#) piece based on our call for government to protect social care funding in next month’s Budget. She said: “While social care remains chronically underfunded, the support elderly and disabled people rely upon will continue to suffer and deteriorate. Another care crisis, like the one we saw this winter, will become an unavoidable reality all year around.”
- 5.6. Our Budget call for social care funding to be protected in the same way as the NHS was reported on [Telegraph Online](#). It came as the Public Accounts Committee said plans to unite the health service with social care through the £5.3 billion Better Care Fund are at risk of failure because of poor planning and NHS reluctance to give up its protected budget. We said ministers had “moved the goalposts” because of concerns from the NHS and added that “protection for social care funding now needs to be urgently addressed in a similar way as it has been for the NHS.”
- 5.7. An LGA press release calling for the Government to use the Budget to ensure social care funding to be given the same protection as the NHS was covered in the [Express](#). Cllr David Sparks said: “Too many older people are being let down by a system which leaves them languishing in hospital beds while they wait for an alternative, or consigned to residential care because we lack the capacity to help them live independently.” In [its leader column the Express](#) also said “the LGA has called for the cost of care to be protected in next month’s Budget as much as the NHS - and it is absolutely right to do so”. Cllr Izzi Seccombe was also interviewed on [LBC](#) to discuss the issue.
- 5.8. Our call for the Government to devolve powers over EU funding to local areas was reported on [FT Online](#). We said English communities will have to depend on Whitehall to approve how they spend their share of £5.3 billion in EU structural and investment funds. It comes after ministers dropped a promise to give them a

strategic role, a decision which we warned could jeopardise growth and vital local projects. This was also widely reported in the local government trade press.

6. The submission will be used as a starting point for preparing the LGA's submission for the forthcoming Spending Review, after the General Election.
7. The Chancellor of the Exchequer presented the budget on 18 March and the LGA produced an on the day briefing which was sent to all member authorities. This was after this report had been drafted, but a copy of the on the day briefing is attached at Appendix C for information.

Key issues in the LGA submission

8. The key summary points included in the submission are calls to the Government to:
 - 8.1. Protect public services in England including adult social care and ensure adequate funding so that councils can provide these services locally.
 - 8.2. Make place based finance, underpinned by multi-year settlements for all local public services, the default method of service funding and delivery, empowering local partners to work towards shared outcomes.
 - 8.3. Engage in true, meaningful devolution of decision-making powers and funding to the local level. The devolution settlement across the UK has to be fair.
9. In addition the submission addresses a number of other proposals in more detail, including the following six calls to the Government to:
 - 9.1. Fully fund the cost implications of the Care Act and the Supreme Court judgement on Deprivation of Liberty Safeguards (DoLS).
 - 9.2. Fully fund council tax support, acknowledging that the scheme to date has taken millions of pounds out of funding for council services, provide longer term certainty for local welfare assistance funding at a level that is responsive to demand, and maintain funding for Discretionary Housing Payments.
 - 9.3. Reverse the 48 per cent cut in the Early Intervention Grant to councils and recognise that this is a false economy that will increase costs elsewhere in the public sector.
 - 9.4. Implement funding and policy commitments in the Growth Deals swiftly without imposing bureaucratic hurdles.
 - 9.5. Work with local government to improve the business rates retention system, including managing appeals and avoidance risk, and introducing a larger locally retained share of business rate revenue while also equalising for need.

- 9.6. Implement a range of financial freedoms, flexibilities and reforms to improve the financial sustainability of local authorities such as lifting the housing borrowing cap and greater local control over council tax, fees and charges.

Next steps

10. Members of the Resources Board are asked to note the 2015 Budget Submission.

Financial Implications

11. This is core work for the LGA and is budgeted for within the 2014-15 LGA budget.