LGA March 2020 Budget submission
7 February 2020

The Local Government Association (LGA) welcomes the opportunity to submit a representation ahead of the Government's March 2020 Budget.

The LGA works to support, promote and improve local government. We will continue to contribute to Government's national priorities and ambitions and support councils through challenging times by making the case for greater devolution, helping councils tackle their challenges and assisting them to deliver better value for money services that deliver sustained outcomes for residents and communities.

This submission has been approved by the LGA's cross-party Executive, Chairman and leaders of all LGA political groups.

Summary

- This will be the Government's first Budget following the General Election and the UK's Exit for the European Union and is an opportunity for councils to play a key role in kickstarting the delivery of national domestic priorities and reforms. Councils are ambitious about delivering high quality services, maximising the growth potential of their local areas, and supporting national priorities, such as housing delivery with the appropriate powers and funding. This Budget is an opportunity to make decisions about long-term reform and the investment required in local services.

- Councils can support the Government's National Infrastructure Strategy, as recommended by the National Infrastructure Assessment. They play a key role in delivering priorities, such as fixing the nation's roads and tackling environmental challenges. Delivering high speed broadband and high-quality mobile connectivity everywhere is also a key priority that councils can help deliver. The strategy should recognise this with appropriate funding and local levers to unlock the investment required. This submission also calls for reform of Right to Buy, investment in technology to reshape services, and more opportunities for councils to borrow for housing and infrastructure projects at favourable rates.

- To help local authorities and their partners boost local growth following the UK's exit from the European Union, it is vital that the Budget kick-starts the consultation process for the UK Shared Prosperity Fund – the intended successor scheme to EU funding.

- Devolution can support national ambitions to lead to better local public services, bringing the decisions that matter closer to local people and helping councils to build sustainable and inclusive local economies. The Budget is an opportunity to add more detail to the Government's plans, announced in the Queen's Speech, and this submission contains proposals for empowering local areas in England. The repatriation of powers from Brussels must not stop with Whitehall.

- To maximise the value of taxpayers' money, long-term certainty over funding is crucial for councils to set new long-term strategies. Government should facilitate financial planning by setting out the direction of travel for 75 per cent retention of business rates and its review of relative needs and resources. The business rates review is an opportunity to give councils more power over local taxes, streamline the appeals process and combat business rates avoidance.

Local Government Association

Submission

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- Ambitious investment and public service reform must be built on a stable financial foundation. Despite the welcome certainty and additional funding announced for 2020/21, council core services continue to be under significant pressure, having lost nearly £15 billion of core government funding over this decade, and nearly a quarter of staff since 2012. The 2020 Spending Review must provide sufficient funding and certainty for councils in the long term, including a long-term solution for funding adult social care.

Capital and infrastructure

In the 2019 Spending Round the Government committed to delivering a new National Infrastructure Strategy ('Strategy'). This Budget is an opportunity to make a start on implementing it.

Councils already work closely with neighbours and other partners and are best placed to ensure that infrastructure investment meets the needs of residents and businesses, aligns with local industrial and economic strategies, as well as providing direct local democratic accountability.

The National Infrastructure Assessment report was clear in its support for more local approaches to delivering capital investment. We support this principle. **To maximise the effectiveness of the Strategy, councils must be at its heart.**

However, capital investment by councils to improve local areas and services is not limited to the priorities and scope of the National Infrastructure Strategy.

The following paragraphs set out the local government offer to unlocking maximum value for infrastructure investment, public service reform and a stronger economy to support both local and national priorities.

<u>Roads</u>

The local road network is in need of investment. The number of vehicle miles travelled on council roads each year increased by 3.3 per cent between 2009 and 2017. During the same period, annual local authority expenditure on highways and road maintenance fell by 32 per cent. The Government spends 43 times more per mile on maintaining the strategic roads network than the local roads network, and latest industry research[1] shows a £9.8 billion backlog of repairs on local roads, which would take 10 years to complete. **Reinvesting 2p of existing fuel duty, worth around £1 billion a year, in local roads would make further serious progress on the pothole backlog quicker and support government ambitions for the national transport network.**

In addition, there is too much fragmentation of roads funding, which is not conducive to effective forward planning or for extracting efficiencies, for example through better contracts, partnership working and commissioning. There are at least 11 different capital funding streams for roads, each with different rules, timescales and allocation processes:

- Transforming Cities Fund
- National Productivity Investment Fund
- Housing Infrastructure Funding
- Safer Roads Fund
- Potholes Action Fund
- Local Highways Maintenance Funding − Needs Element
- Local Highways Maintenance Challenge Fund
- Local Highways Maintenance Incentive/Efficiency Element Funding
- Local Growth Fund
- Sustainable Travel Access Fund
- Major Roads Fund.

[1] https://www.asphaltuk.org/wp-content/uploads/alarm-survey-2019-digital.pdf

A better approach would be to follow through on the recommendations of the National Infrastructure Commission, providing councils with stable, devolved infrastructure budgets, as Highways England and Network Rail have.[2] This would give a funding allocation in advance for five years. This is the most effective way for councils and central government to deliver infrastructure improvements and national infrastructure projects in a way that complements local growth strategies and provides better value for money.

Climate change and the environment

As Government rightly recognises, climate change is one of the main emerging priorities for the UK and the world. Many Whitehall departments and agencies are involved in developing the UK's response, but there is a need for an agent of change at the local level that has the credibility to bring all these interests together with the community.

Councils are best placed to take on this role, because they have been addressing this issue for some time. Our research of 100 councils' activities found over 182 projects related to tackling climate change.[3] Councils also already bring partners together to deliver meaningful local change, whether it be for local enterprise partnerships (LEPs), safeguarding panels or health and wellbeing boards. **In order to fulfil their potential as agents of change, councils must have powers to bring together public services and resources under local leadership.**

Examples of council-led action include installation of vehicle charging points and waste prevention schemes through to long-term investment in renewable energy projects. These generate significant carbon savings, but require years of planning and initial investment, for example £9 million to develop a solar farm and £28 million for a leisure centre integrated with a combined heat and power plant.

There is a real opportunity for local and national government to work together to deliver tangible change on reducing carbon emissions with the aim of delivering zero net carbon by 2030. **To enable this, we are calling for a joint local and central government taskforce on climate change** which reaches across government and incorporates departments such as MHCLG, DEFRA, BEIS, DfT and HM Treasury and considers the most appropriate actions, funding, coordination and collaboration needed to drive the UK's climate change agenda.

The effects of climate change are already being felt, for example through more frequent extreme weather events. If councils are given the right tools and resources to lead local action and investment, they can address the personal and financial risks to communities and local economies from climate change and help them become more resilient to the increased risk of flooding and heatwaves.

One of the most effective areas of focus when it comes to addressing carbon emissions is the built environment, with more energy-efficient homes reducing their reliance on fossil fuels. **The National Infrastructure Strategy offers an opportunity to provide capital funding for the delivery of environmentally friendly homes and commercial buildings**. As a significant majority of the homes that will be in place by 2050 have already been built, **this should include retro-fitting existing homes as well as new builds.**

The Environment Bill is looking to forge a new environmental partnership with local government and councils have strong ambitions to deliver. **Investment in capital and**

[2] National Infrastructure Assessment, page 76.
[3] https://lga.moderngov.co.uk/documents/s23907/Climate%20Emergency%20Update.pdf

infrastructure is necessary to make the Government's reforms to waste and recycling a success. The areas that would particularly require additional capital investment are infrastructure required to deliver free food waste collections, extra bins to facilitate higher quality recycling, and fleet to collect the anticipated increase in recycling.

Additionally, while some councils may need to invest in extra storing and sorting facilities for the increase in recycling, which may involve new build, the Government will also need to invest in end of the line reprocessing facilities so that we are not dependent on sending recycling materials abroad. Any potential ban on sending plastic waste to non-OECD countries could have an adverse impact on the direct costs to councils of managing waste. This needs further consideration and, potentially, funding.

Finally, **all individual revenue spending requirements within the Environment Bill also need to be fully funded**. This includes:

- food waste and garden waste collections
- additional pressures on environment teams in councils to redesign waste services in order to deliver on consistency
- additional work for planning teams to deliver biodiversity net gain in planning applications and training to acquire these skills
- potential new litter enforcement powers and funding to cover prosecution costs
- flooding and tree felling consultation requirements
- development of Local Nature Recovery Strategies
- financial contributions by producers to the ambition around improvements in recycling rates.

The public sector contributes significant direct and indirect subsidies to **public transport**. The Government offers a direct rebate to fuel duty for the fuel used by bus operators through the Bus Service Operator Grant, amounting to more than £250 million a year. It is given to all services regardless of their profitability or social value, making it poorly targeted and a disincentive to being as fuel efficient as possible. Where the Government has piloted the devolution of this funding there have been positive results in increased patronage. **We are calling for the Bus Services Operator Grant to be devolved so it can be targeted better.**

The Campaign for Better Transport estimates that local authority funding for supported bus services across England and Wales has been cut by over 40 per cent since 2010, with reductions of 50 per cent or more in over half of all local authorities. Over 3,000 routes were reduced or completely lost over a decade.[4] One of the reasons for councils scaling back their investment in supported bus services is the fall in central government funding for concessionary travel.

Our analysis in 2019 shows that the grant funding provided by Parliament to fund concessionary travel has been cut by an estimated 63 per cent in cash terms, while costs have not fallen due mainly to the statutory nature of the scheme and the impact of fare inflation and statutory reimbursement arrangements. This means that councils have to subsidise concessionary travel to the tune of £650 million per annum from their own budget, forcing them to reduce services elsewhere and has put nearly half of bus routes at risk.[5] **Funding for concessionary fares should be reinstated to 2010/11 levels to stop the pressure on council funding of supported bus services, this way helping tackle climate change.**

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[4] Campaign for Better Transport, 2019. https://bettertransport.org.uk/future-of-bus-funding-oct-2019

[5] LGA analysis, 2019. https://www.lgafirst.co.uk/news/funding-gap-for-free-bus-pass-scheme-hits-652m/

Broadband

Local government has been a key player in the roll-out of improved broadband connectivity to the hardest to reach areas over the last five years. It has partnered with telecommunications providers to extend coverage to local communities via the Superfast Broadband Programme and Local Full Fibre Networks initiative. While £5 billion announced by Government to support full-fibre rollout to the hardest to reach 20 per cent of the country is a positive step, it will need to be supplemented by measures to ensure we have enough skilled workers in fibre deployment. **Moving forward, the Government must leverage the expertise and experience of councils in any future funding programme to ensure the broadband subsidy is spent as effectively as possible.**

Government must also use the National Infrastructure Strategy to consider how public funding could help address the significant mobile connectivity digital divide and ensure all communities have high quality 4G connectivity as a minimum. The announcement of a Shared Rural Network is positive, but the measure of coverage used to judge the success of the network should match consumer experience on the ground, otherwise the public subsidy to these proposals will neither achieve value for money nor deliver for communities desperate for better mobile coverage. The LGA's Post-Brexit England Commission called on the Government to work with Ofcom to launch a rural roaming scheme allowing customers to roam into one another's networks in rural areas, should 4G coverage not reach 95 per cent of the geography of England by 2022.

Investing in technology

Alongside considering digital infrastructure such as broadband, **the Budget is an opportunity to invest in technology to unlock digital capabilities which would allow councils to reform services, reducing costs and improving the experience of residents and local businesses alike.**

For example, investment in technology can help streamline complex services such as licensing. Licensing frameworks have evolved in a piecemeal manner over many years, and the historic, fragmented and complex nature of licensing imposes unnecessary burdens on councils and businesses.

In 2014 we outlined proposals for technology-driven, legislation-backed reform of licensing based on streamlining licensing processes through a single application process leading to a single licence tailored to specific business needs. This would free up time for both businesses and councils whilst maintaining important safeguards for local communities and businesses. The Government adopted a similar ambition in 2015, but legislation and technology remained barriers to taking the reform forward.

The Budget provides an opportunity to introduce a single licensing framework by investing in council IT systems. This will enable councils to make the digital changes required to offset the challenges relating to multiple different statutory frameworks. Legal reform of these frameworks would allow for further streamlining as well.

Investment in new housing and Right to Buy

Council housebuilding and reform to Right to Buy are both critical to boosting the supply of new homes, providing good quality homes to rent, reducing homelessness and tackling the housing waiting lists many councils have.

Councils are uniquely placed to deliver more new homes than the country has seen in a generation. Since the removal of the Housing Revenue Account (HRA) borrowing cap, 94 per cent of housing stock-owning councils have said they will use the new powers to increase their housebuilding programmes to build the homes that their communities desperately need.[6]

Recent analysis[7] shows that councils were planning to build 77,488 homes in the next five years. However, the recent rise in the Public Works Loan Board (PWLB) interest rates means that councils are having to review their ability to invest in housing and might have to scale back or abandon some previously planned projects.

With more than one million households[8] on council waiting lists, and almost 85,000 households in temporary accommodation[9], it is more important than ever that councils have all the powers at their disposal to enable them to support the Government to be part of the solution and build even more homes for future generations.

To ensure people have the right access to a mix of housing, **councils must be able to retain 100 per cent of Right to Buy receipts and be given the flexibility to set discounts locally in order to invest in new and existing stock.** While Right to Buy has helped many families get on the housing ladder, with councils only able to keep a third of each Right to Buy receipt to build a replacement home, they have only been able to replace around a quarter of the 68,000 homes sold through the scheme between 2012/13 and 2017/18.

We are already calling on the Government to fund the removal of dangerous non-ACM cladding and retro-fitting of sprinklers in high-rise buildings. In addition, the proposals for a future homes standard, the Building Safety Programme and Decent Homes 2 will all impact on the capacity of stock-owning local authorities to increase their delivery of new homes.

Self-funded council investment

Central government grant funding of council capital programmes has been reducing. Funding in 2018/19 was £600 million lower than in 2014/15. If 2014/15 levels of grant had been maintained councils would have had an additional £2 billion to invest in local capital projects between 2014/15 and 2018/19. Instead, councils have been relying on their own resources, and on funding capital through borrowing funded by local sources of revenue under the prudential regime. The regime enables councils to be able to source capital funding on the basis of what is affordable and prudent, but otherwise free from external restrictions. A major part of that prudential assessment is having sufficient ongoing revenue funds to service the cost of borrowing undertaken.

Councils have, in theory, easy access to finance through the arrangements of access to loans from the PWLB. However, in October HM Treasury announced an across the board 1 per cent rise in all standard PWLB interest rates charged to local authorities on new loans. At a stroke this increased significantly the revenue costs of any new

[6] LGA Housing Revenue Account Cap Removal survey (March 2019). https://www.local.gov.uk/sites/default/files/documents/Publications%20-%20Research%20-%20Housing%20Revenue%20Account%20Cap%20Removal%20-%20Survey%20Results%20-%20March%202019.pdf
[7] Inside Housing: Council housebuilding: back with a vengeance (October 2019). https://www.insidehousing.co.uk/insight/council-housebuilding-back-with-a-vengeance-63510
[8] Local authority housing statistics, year ending March 2018. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/773079/Local_Authority_Housing_Statistics_England_year_ending_March_2018.pdf
[9] Households in temporary accommodation, House of Commons briefing, October 2019. https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN02110

borrowing and therefore, of any new capital programmes being planned. In response councils are reconsidering the viability of several vital projects and are having to consider the possibility of having to cancel them, including projects to build new housing, investing in infrastructure to enable new housing developments to take place, and regenerating town centres.

In the 2017 Autumn Budget £1 billion of lending was made available by the PWLB at a rate of interest 60 basis points above gilts for qualifying projects under the Local Infrastructure Rate scheme. Now that standard PWLB rates are higher it is vital that the opportunity is taken to implement **a similar scheme in the 2020 Spring Budget for crucial projects, including housing, to enable councils to deliver schemes vital to the National Infrastructure Strategy which would otherwise be under threat.**

On the basis of council borrowing from PWLB in 2018/19, if no discounted rates are offered, the rate increase will result in a windfall of £80 million to the Exchequer which has not yet been allocated for spending on a particular priority. **The income received by the Government from the rate rise must be reused in the form of additional funding for local government.**

Leaving the EU and devolution

UK exit from the European Union

Councils have already played a key role in preparing for the UK's exit from the EU. **Councils are working to identify gaps in resources and information, which often can be specific to certain areas. The Government should address these emerging gaps** so that councils and the local areas they represent can best prepare for the short- and long-term risks and opportunities councils will have to address, including changes in regulatory services and supporting resident EU nationals to apply to the EU Settlement Scheme.

Looking further forward, the Budget is an opportunity to lay the groundwork and make decisions that will be required regardless of the final form of the UK's exit from the European Union.

EU funding has, and continues to be, a critical funding resource utilised by local authorities, LEPs, businesses and the community and voluntary sector to create jobs, support small and medium enterprises, deliver skills, build infrastructure and boost local growth in all types of areas across the country. The Government must ensure that the UK Shared Prosperity Fund (UKSPF) – the Government's replacement of EU funding – is locally driven and democratically accountable. This can only be realised by granting elected mayors and local leaders, who have a democratic mandate to represent their communities, the opportunity to co-design the UKSPF and ensure that other future growth funding is more accessible, based on local need and distributed over the longer term.

To remove levels of uncertainty, the Government must publish the UKSPF consultation immediately and start a process of co-design with local areas. It must also bridge any gap between the end of current EU funding and the commencement of the UKSPF.

Devolution

Devolution is crucial to bringing the decisions that matter closer to local people, reinvigorating locally-led public service reform and empowering councils to build sustainable and inclusive local economies which support our national and international ambitions. The UK leaving the European Union provides further impetus for powers to be transferred beyond Whitehall direct to local areas.

We are calling for a new localism settlement. The Queen's Speech announcement of an English devolution White Paper is encouraging and has the potential to bring fresh energy to the debate, following two years of apparent hiatus.

Any new approach needs to build on the work of mayoral combined authorities and the devolved administrations to develop a package of sustainably-funded devolved powers that is available to all of English local government and can be delivered through flexible governance arrangements.

We are keen to work across government to make sure that they reflect the aspirations of councils across England. This needs to include those with deals who want to go further and those outside existing deal areas who seek to use devolution to help solve the practical challenges their local communities and business face.

Reflecting developments across the UK, devolution in England should take place within a context that recognises the growing aspiration of local government within the devolved administrations for devolution that goes beyond Stormont, Cardiff Bay and Holyrood.

As a starting point an English Devolution Bill would support the following elements – constitutional reform, a new 'devolution baseline', public service reform and fiscal devolution.

<u>Constitutional reform</u>

The position of England and English governance within the context of the UK leaving the EU and the future of the UK Union resonates strongly with many in non-metropolitan England. An English Devolution Bill provides an opportunity to explore the potential to **codify the relationship between local and national government, setting out in statute the powers and responsibilities of each tier.**

<u>A new 'devolution baseline'</u>

There is an existing 'menu' of devolved powers (covering skills, transport, housing, social care and health, culture) currently available to English devolution deal areas and the devolved administrations, supported by evidence of the impact these have had on local communities. **These powers could form part of a new 'devolution baseline' made available to areas across the rest of England**, locking-in the principle of local devolution rather than relying on Whitehall to kick-start successive deals.

Crucially, all places should have the ability to progress on devolution, whether that means being able to take the first steps towards a devolution baseline or to increase the scope and scale of existing arrangements in English devolution deal areas.

<u>Public service reform</u>

Building on the legacy of Total Place and Whole Place Community Budgets, initiatives such as Greater Manchester's Unified Public Service model set out a vision for place based service integration that goes beyond departmental silos to provide better outcomes in response to issues such as employment and skills, health and social care and criminal justice.

This must go hand in hand with the **devolution of powers to support locally-led public service reform and the consolidation of grants going to local government and their partners** to give greater control of existing budgets, reverse the trajectory of smaller competitive and fragmented funds, reduce administrative overhead and support local innovation to tackle cross-sector priority issues.

For example:

- There is significant fragmentation in funding that flows from central to local government. Our research shows that, between 2015/16 and 2018/19, more than 450 separate grants were handed out from national government to councils, based on figures from HM Treasury's spending database. The grants came from 14 different Whitehall departments and 19 government agencies and approximately half were £10 million or less, with a vast array of different objectives, timetables and rules. This is not efficient for both government departments which have to administer them, or councils which must apply for and keep track of them.

- **We also continue to call for a reduction in fragmentation of DfE capital funding –** with local capital pots and powers for councils to build new schools and meet the backlog of maintenance and repairs.

Sector-led approaches to improvement and sharing best practice are an integral part of a stronger devolved local government. To enable this and to unlock value for money through long-term planning, **there should be multi-year certainty over an enhanced sector-led improvement budget.**

Devolution example: Work Local

The current patchwork of centrally driven employment and skills provision (£10.5 billion 2016/17) is uncoordinated, missing opportunities to engage people and businesses that most need support, making our skills gap larger and impacting productivity.

The LGA's Work Local model offers a ready solution to solve this problem, enabling groups of councils and combined authorities to work with central government and partners, including businesses and providers, to design a more efficient, agile and locally relevant offer bringing together careers advice and guidance, employment, skills, apprenticeships and business support for young people, adults and employers.

This model could, for a medium sized combined authority, lead to an additional 8,500 people leaving benefits and an additional 6,000 improving their skills, additional fiscal benefits for the local area of £280 million per year, with a benefit to the economy of £420 million. In this Autumn Budget, the Government should commit to establishing local pathfinders in each region across England to test Work Local by 2022, paid for through existing national funding pots, with more to follow in 2024.

Fiscal devolution and financial freedom

To enable meaningful and self-sufficient financial management, further fiscal devolution is necessary. **The English Devolution Bill could include measures to enable:**

- **assignment of national taxation to councils (such as a share of fuel duty to invest in roads or income tax)**

- **further council control over existing local taxes (such as the abolition of the council tax referendum threshold and full control over council tax discounts)**

- **flexibility to set charges at levels that recover costs, eg planning fees**

- **incremental reform such as a local tourism levy for optional introduction across the country – powers for councils to create other new levies, such as an e-commerce levy, should also be considered.** We have recently published a report setting out how an e-commerce levy could work and be implemented.[10]

Fiscal devolution example: Local tourism levy

While councils want to invest in their local visitor economies, their ability to do so has been constrained and direct funding for tourism fell from £122 million in 2008 to £59 million in 2018.[11] Of course, their indirect contribution is much bigger, with investments in

[10] LGA/WPI Economics, 2020. https://www.local.gov.uk/councils-and-e-commerce-why-what-and-how-local-e-commerce-levy
[11] Tourism Alliance. 'UK Tourism Statistics 2019', page 8.

planning and cultural services making significant contributions to attracting visitors. However, the change in direct investment shows that a new approach is needed.

To that end, we need a national conversation about how we reinvest some of the tax income generated by tourism businesses and visitors into those areas that are attracting them.

The tourism zones announced as part of the Government's Tourism Sector Deal are a timely opportunity to develop these conversations and explore new mechanisms for investment. In line with its levelling up agenda, Government should use its prospectus to invite areas interested in being a tourism zone to make the case for piloting a local levy. This conversation needs to recognise the contribution of non-traditional accommodation providers, such as Airbnb, and their impact on the market.

Local government finance reform

In the 2019 Spending Round, the Government announced a one-year delay to the introduction of 75 per cent business rates retention and its review of relative needs and resources (sometimes called the Fair Funding Review). This provided helpful certainty for councils planning their budgets for 2020/21.

However, the announcement of the General Election has meant that there has been little opportunity for work to progress since the autumn, and the time pressure to deliver remains. Therefore, it is helpful that the Local Government Minister for Local Government and Homelessness has confirmed work on the review of relative needs and resources is continuing. **To add further certainty, the Government must publish a timetable for the coming year setting out expected dates for further consultations and timings of when the key decisions will be made on the reforms.** Individual council-level exemplifications are required as soon as possible to ensure councils can plan effectively.

The results of the Fair Funding Review should be introduced with additional funding and appropriate transition mechanisms, with the aim of ensuring no local authority sees its funding reduce. One way of achieving this would be to introduce 100 per cent business rates retention without the phasing out of any further grants or transfers of any new responsibilities.

Business rates review

During the Queen's Speech, the Government announced that it will conduct a fundamental review of business rates. It is not yet known what impact this will have on the Government's commitment to further business rates retention. Retained business rates contribute around a quarter of local authority core spending power, and their importance would increase should the share of business rates retained by local authorities grow, as is currently planned from 2020/21. **The Budget should include confirmation on whether the business rates retention reset and the move to further business rates retention are still going ahead in 2020/21.**

It is reassuring that the Government recognises the importance of business rates to the funding of vital services and will listen to the views of local authorities as part of its review. However, this needs to go further. **Councils and central government should work closely throughout the course of the review, through a joint working group which would meet regularly to steer the work, review progress, and make recommendations**. It could follow the blueprint set by the successful joint working groups focussing on the Fair Funding Review and further business rates retention.

This review should not be happening in isolation from the Government's domestic policy agenda, including consideration of transferring funding and powers to local government. As a result, **this review should look at the full suite of finance options available to local areas to fund local services and infrastructure to support growth, including consideration of new sources of funding for local government,** such as a tourism levy, an e-commerce levy and new local enterprise zones. **The review will also need to consider the potential impact of any change to the way in which adult social care is financed.**

Councils are concerned at the amount of business rates avoidance. This particularly relates to empty property and charitable relief. On the basis of a survey conducted in late 2019, we estimate that £250 million nationally was lost due to business rates avoidance.[12] As part of the business rates review, **measures should be taken to tackle business rates avoidance, similar to the measures being introduced in Wales and Scotland.** These include a new legal obligation on ratepayers to notify their local authority of a change in circumstances which would affect their rates bills and measures to tackle the abuse of empty property regulations.

<u>Measures to tackle outstanding appeals</u>

The level of appeals has become a key issue, particularly after the introduction of 50 per cent business rates retention in 2013, when councils also became liable for 50 per cent of any backdated appeals and had to make provisions accordingly. LGA analysis of government figures estimates that up to £3 billion is kept in provisions in this way – without the need for this level of provisions, councils could do more with these resources to fund other vital services.

The new Check Challenge and Appeal system seems so far to have had the effect of reducing the number of speculative appeals. As of 30 June 2019 only 172 appeals against the 2017 list had been received, of which 49 had been cleared and 123 were unresolved.

In the Queen's Speech, the Government committed to bringing the next revaluation forward to 2021, moving to three-year revaluations thereafter. This will only work if introduced alongside measures to significantly reduce the appeals backlog. For example:

- **In accordance with previous practice, no new appeals should be allowed on the 2017 list when the next list comes into force on 1 April 2021.**
- **Subsequently, there should be a time limit of six months for appeals after the commencement of a given rating list. A similar system has been implemented in Scotland.**

<u>Business rates reliefs</u>

Business rate reliefs amount to £4.9 billion in 2019/20. The main reliefs are small business rates relief, charitable relief and empty property relief which together account for 83 per cent of the total value of reliefs in 2019/20. The ability to give reliefs, both mandatory and discretionary, is determined by statute, central regulations and case law. The current relief system is very heavily weighted towards centrally determined reliefs.

With more than 90 per cent of existing reliefs already mandatory, the system of reliefs and exemptions should be reviewed with a view to allowing greater discretion by councils. If local authorities had more discretion in this area, they would be able to support government to help local and independent businesses in order to stimulate the local economy.

[12] LGA survey. https://www.local.gov.uk/sites/default/files/documents/5.70%20Business%20rates%20avoidance%20survey.pdf

Sustainable long-term funding

As part of the 2019 Spending Round, the Government announced a £3.5 billion funding package for local authorities for the year 2020/21, including new grant funding and council tax flexibilities. This will help meet some of the most urgent pressures and protect more services next year. However, this is only a one-year settlement and we look forward to working with the Government on making the case for local government funding in the long term.

Funding should be sufficient to improve services, not just keep them going at current levels, and sufficient to meet the joint ambitions for prevention, early intervention, investment in the workforce, and unexpected economic shocks. The LGA's 2020 Spending Review submission will set out an ambitious agenda for councils' role in delivering local and national priorities and for the sustainable funding that can make this a reality.

We are currently undertaking analysis to refresh our previous estimates of service costs and funding available to local authorities in the medium-term, in light of the local government finance settlement and Spending Round announcements in late 2019. We anticipate this to be ready following the Budget, and to take into account, among other things:

- the Office for Budget Responsibility's economic forecasts
- latest statistics used to project future demand
- the impact of the National Living Wage announcement, which we estimate will add £220 million of extra costs for adult social care in 2020/21 and have a significant impact on the overall local government pay scale by 2024/25
- any Government decisions on local service funding made at the Budget.

The commentary in the remainder of this section sets out more detail about the pressures facing various local council services which cannot be dealt with through one-off funding and require either significant investment in transformation or on-going resources.

Adult social care

The funding announcements for 2020/21 are welcome, providing much needed certainty in the short term. The forthcoming Budget provides an opportunity to build on this and to lay the ground for a long-term solution to be mapped out in the anticipated multi-year spending review later this year. We agree with the Government's view that securing the sustainable future of adult social care is one of the major issues facing society. The Budget and forthcoming Spending Review are important opportunities to build towards the long-term reforms that are needed.

- Councils received 1.91 million requests for support from new clients in 2018/19, up from 1.84 million requests in 2017/18. This equates to 5,245 requests each day – more than seven out of 10 are from people aged 65 or over.[13]

[13] https://files.digital.nhs.uk/35/6A192B/Activity%20and%20Finance%20Report%20201718.pdf

- In 2018/19 there were more than 8,000 more working-age adults receiving long-term support compared to 2015/16. The number of older adults receiving long-term support over the same period has fallen by more than 40,000.[14] Age UK estimates that there are 1.4 million older people who do not receive the help they need.[15]

- Research by Carers UK shows that carers who care for more than 50 hours a week report poorer health. One in four report bad or very bad physical health and 29 per cent report bad or very bad mental health. 81 per cent of all carers report feeling lonely and isolated as a result of their caring role.[16]

- The latest Association of Directors of Adult Social Services (ADASS) budget survey shows that 75 per cent of councils (up from 66 per cent last year) reported that providers in their area had closed, ceased trading, or handed back contracts in the last six months, affecting nearly 12,000 people (including more than 10,000 in the home care sector). The same survey also shows that less than £1 in every £10 spent on adult social care is being spent on prevention. Given the important role prevention plays in increasing people's independence, reducing the need for more costly care and realising savings, this further highlights the reality that councils do not have the funding they need to meet all their statutory duties and are having to prioritise those people with the highest level of immediate needs.[17]

- Due to the funding pressures affecting adult social care providers, adult social care workers are paid less than NHS staff in comparable roles. If the workforce grows proportionally to the number of people aged 75 and over in the population, then a 50 per cent increase (800,000 new jobs) will be required by 2035.[18] We estimate that the provider market gap – the difference between what providers say is the cost of delivering care and what councils pay – currently stands at £1.34 billion.

- The Care Quality Commission's (CQC) recent annual 'State of Care' report[19] shows that quality levels in adult social care have been maintained, with 84 per cent of services rated either 'good' or 'outstanding' (up from 82 per cent last year). However, the report also highlights that access to services is challenging. For instance, some people eligible for homecare have struggled to access support because of a lack of services or a long waiting time for them. The report also highlights 'workforce' as a concern, with care workers reporting "chaotic and unorganised shift patterns, at times without breaks, causing many to feel dissatisfied, stressed and undervalued".

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[14] https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2018-19/4.-long-term-care
[15] https://futureofadultsocialcare.co.uk/wp-content/uploads/2018/07/The-lives-we-want-to-lead-LGA-Green-Paper-July-2018.pdf
[16] http://www.carersuk.org/images/News__campaigns/CUK_State_of_Caring_2019_Report.pdf
[17] https://www.adass.org.uk/media/7295/adass-budget-survey-report-2019_final.pdf
[18] Skills for Care. 'State of the adult social care sector and workforce in England – September 2019', page 102.
[19] https://www.cqc.org.uk/sites/default/files/20191015b_stateofcare1819_fullreport.pdf

The recommitment in the Queen's Speech that the Government will seek cross-party consensus on proposals to reform adult social care is promising. **The LGA is ready to host cross-party talks which must happen at the earliest opportunity. We need practical and workable proposals to secure social care for the generations to come so that adults of all ages are supported to live the lives they want to lead. This requires additional funding to secure the current system for the short to medium-term, as well as introducing reforms to improve access (to tackle unmet and under-met need), embedding greater fairness in the way that care is paid for and funded and realising more fully the Care Act's intentions to focus on wellbeing and prevention. In this way, the debate needs to move beyond just adult social care and consider the role of public health, community services and how the NHS could work differently.**

<u>Long-term certainty to support better working with the NHS</u>

Increasingly, all partners at national and local level recognise the interdependence of adult social care and health services and the need to invest adequately in joined-up care and support to enable people live their lives to the full. The NHS Long Term Plan provides a comprehensive action plan and set of national priorities for how the NHS will use the additional 3.4 per cent a year over the next five years – amounting to £20.5 billion a year.

Aims to improve health and address health inequalities, redesign the model of care and support and to ensure the financial sustainability of the NHS are contingent on local government (in general and adult social care in particular) having the same level of financial certainly on which to base medium-term plans. Councils need certainty and sufficiency of funding for adult social care equivalent to the NHS Long Term Plan in order to enable local health and adult social care partners to work effectively together to achieve the triple aims. It is vital that the Government delivers sustainable funding for social care.

The Better Care Fund (BCF) has been the Government's major vehicle for driving integration. In the vast majority of areas the BCF has improved joint working between local government and the NHS. However, the yearly cycle of the BCF has limited the ability of local government and health partners to invest in new joined up and person-centred models of care. Instead it has resulted in short-term commissioning, which is a block on innovation.

We call on the Government to introduce a multi-year policy and planning framework for BCF to provide councils and their partners in the NHS and community and voluntary sector the certainty to support investment in new community-based models of care and support, as well as maintaining adult social care services.

The Government must set out the financial BCF allocations for this period alongside a multi-year policy framework to give much needed certainty to the sector (or in line with NHS funding certainty). We urge too that the Government continues to reduce the national prescription in planning and reporting requirements around the fund, enabling local leaders to tailor provision to best meet local needs.

<u>Children's social care and education</u>

Together with adult social care, sustainable children's social care remains a long-term challenge.

- From 2009 to 2019 there has been a 139 per cent increase in serious cases where the local authority believes a child may be suffering, or likely to suffer, significant harm (section 47 enquiries). This is an additional 117,070 cases (up to 201,170).[20]

- From 2009[21] to 2019 there was a 53 per cent increase in the number of children subject to a child protection plan.[22] This is an additional 18,160 children (up to 52,260).

- At 31 March 2019 there were 78,150 looked after children in England, an increase of 2,780 on 2018, and an increase of 17,250 on 2009.[23]

- 133 out of 152 upper tier councils (88 per cent) were forced to spend more money than they had budgeted for children's social care in 2017/18, with a total national overspend of £806 million.[24]

- Councils overspent their children's social care budgets by £770 million in 2018/19 despite budgeting £514 million more than the previous year.[25]

- As a result of funding reductions, councils spent 25 per cent less on children's centres in 2017/18[26], in comparison to 2014/15. This has led to the closure of 587 Sure Start children's centres since April 2010.[27] More than 900 youth centres have closed in England between 2010 and 2019.[28]

In addition to the increase in demand for child protection, other factors are forcing council to spend more on children's social care. The cohort of children requiring support from children's social care is changing, while the needs of these children are increasingly complex. For example:

- The age of children in care is increasing. The number of teenagers (aged 13 or over) in care rose by 21 per cent between 2012/13 and 2017/18, while the number of 0-5 year olds fell by 15 per cent.[29] Teenagers are six times more likely to require care in a children's home, which is more expensive than foster care.

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[20] https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2018-to-2019 and https://webarchive.nationalarchives.gov.uk/20130323084906/https://www.education.gov.uk/researchandstatistics/statistics/allstatistics/a00196158/referrals-assessments-and-children-who-are-the-sub

[21] https://webarchive.nationalarchives.gov.uk/20130323084906/https://www.education.gov.uk/researchandstatistics/statistics/allstatistics/a00196158/referrals-assessments-and-children-who-are-the-sub

[22] https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2018-to-2019

[23] https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2018-to-2019 and https://webarchive.nationalarchives.gov.uk/20130329233009/http://www.education.gov.uk/researchandstatistics/statistics/statistics-by-topic/childrenandfamilies/safeguarding/a00196185/children-looked-after-in-england-(including-adopti

[24] https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing

[25] https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2018-to-2019-provisional-outturn

[26] Local authority revenue expenditure and financing statistics, MHCLG

[27] https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Lords/2019-07-18/HL17313/

[28] https://www.unison.org.uk/news/article/2019/12/shocking-picture-austerity-cuts-local-services-revealed-unison/

[29] https://www.childrenscommissioner.gov.uk/wp-content/uploads/2019/07/cco-stability-index-2019.pdf

- There is an increasing prevalence of issues such as county lines, child sexual exploitation and gang violence, which require a specialist and intensive response.

Positive improvements for children and young people elsewhere is resulting in a higher demand on children's social care. For example, as a result of successful work to reduce the numbers of children in the youth justice system, many of these children are instead being supported in the community, while improvements in healthcare mean that children with severe disabilities are living longer and requiring more support from children's social care to live rewarding lives.

In addition, councils are experiencing increasing placement costs for children in care, linked in part to the increasing complexity of children's needs as outlined above.

The forthcoming review of the children's social care system is an opportunity for the Government to work with councils to consider these issues, among others, including the need for early help and intervention, and place the financial sustainability of children's services at its heart to make sure councils can deliver the best possible support to children, young people and their families.

The additional funding in 2019/20 and 2020/21 for children's services, including the £410 million made available for adults and children's services this year and the additional £1 billion for adult and children's social care next year, is helpful. However, **long-term sustainable funding and solutions are needed to deal with intense pressures of new demand.**

<u>Education</u>

We welcome the Government's review of support for children with special educational needs and disabilities (SEND). Department for Education figures show that there are now 354,000 children and young people with an Education, Health and Care Plan (EHCP) in England, an increase of 11 per cent in 2018 (the last year for which statistics have been published) alone. The total number of children and young people with statements of SEN or an EHCP has gone up every year since 2010. There were 48,900 children and young people with new EHC plans made during the 2018 calendar year. This is an increase of 16 per cent compared to 2017. The number of new EHC plans has increased each year since their introduction in 2014.[30] We see no reason to suggest that this rise in demand for support will be reversed.

The increased scope of council responsibilities post-16 was the most commonly cited factor contributing to rising demand and costs for councils. Our research has found that the post-16 cohort now accounts for 23 per cent of EHC plans and around 17 per cent of spend. This is an area that will continue to grow as the successive cohorts move through the system.[31]

Our research has also found that the number of children and young people permanently excluded from school has risen by 67 per cent between 2014 and 2018.[32] Once excluded, these pupils are funded by councils, not schools, putting further pressure on the high needs funding block.

[30] Statements of SEN and EHC plans: England, 2019, DFE.
[31] 'Have we reached a 'tipping point'?' Isos Partnership/LGA, 2018.
[32] As above

More children with special needs are now being educated in settings other than mainstream schools for the first time ever. Alternative and non-mainstream settings are, by their very nature, more expensive than mainstream provision.[33]

While only 6 per cent of children and young people with EHCPs are in Independent and Non-Maintained Special Schools, our research found that these placements account for an average of approximately 14 per of expenditure.[34]

Further research commissioned by the LGA has found that the percentage of councils that are overspending their home to school transport budgets has increased from 71 per cent to 83 per cent between 2014/15 and 2017/18. Increasing expenditure is being driven by the costs of providing transport for children with SEND, with expenditure on transport for children with SEND increasing by 13 per cent for pre-16 children and by 68 per cent for post-16. Transport for children and young people with SEND now accounts for 69 per cent of all home-to-school transport expenditure.[35]

The £780 million increase to schools' high needs funding in 2020/21 will go some way towards meeting the funding deficit arising from SEND-related support**, however the SEND review and a sustainable long-term funding settlement must follow hand in hand. Additional funding is required to stabilise wider children's social care services as well.**

<u>Homelessness</u>

The number of households in temporary accommodation, including where duty is owed, has increased by over 70 per cent in England since December 2010.[36] Local government is key to tackling the national homelessness crisis. However, it is a significant challenge, as councils face increasing cost pressures despite significant budget reductions.

Councils are fighting to protect non-statutory services, including the vital preventative services which bring down costs in the long run. However, they need long-term investment, to allow them to plan and invest in homelessness prevention, fulfil the ambitions of the Homelessness Reduction Act and minimise the need for emergency responses.

Recent funding for homelessness services, including the £422 million resource to help reduce homelessness and rough sleeping, including an additional £54 million in 2020/21, will help councils to support government in tackling homelessness. However, this needs to be followed by a sustainable long-term settlement so councils can do more to confront this issue.

Councils' homelessness pressures are being exacerbated by the reduction in the Local Housing Allowance (LHA) rate as a consequence of the freeze instated in 2016. The LHA rate is now capped at, on average, just the 13th percentile of market rents. As a result, housing support does not cover the cost of renting for almost nine in 10 private sector tenants in receipt of means-tested benefits. The additional £40 million Discretionary Housing Payment made available in 2020/21 is helpful, but does not come close to mitigating the full impact, and leaves the administrative burden for helping households with councils.

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[33] As above

[34] As above

[35] 'Understanding the drivers for rising demand and associated costs for home-to-school transport', Isos Partnership/LGA, 2019.

[36] LGA analysis of MHCLG homelessness statistics, table 784 – 2010/11 to 2017/18.

The Government should restore the LHA rate to at least the 30th percentile of market rents as we work towards a sustainable long-term strategy to address the supply of affordable homes and ensure that household incomes cover the cost of renting.

Public health

We are pleased that the Government has reiterated its commitment to public health and that current priorities will include vaccinating against preventable diseases and 'redoubling' on efforts to tackle smoking, substance misuse and obesity. Analysis shows that local authority public health funding is three to four times more cost-effective in improving health outcomes than money spent in the NHS.[37]

Councils continue to face significant spending challenges to their public health budget in 2020/21. Councils need sustainable long-term investment in the public health grant to ensure the viability of the essential prevention and health protection services they provide.

Every pound invested by Government in council-run services such as public health is helping to relieve pressure on other services like the NHS and the criminal justice system. Just as pressures exist within NHS and social care, pressures are mounting within statutory public health services.

- As a society, people are living longer – life expectancy in England has reached 79.6 years for men and 83.2 for women and we're healthier at every age group than ever before. However, stubborn inequalities persist – in the richest areas people enjoy 19 more years in good health than those in the poorest areas.

- The death rate for dementia and Alzheimer's disease – already the leading cause of death in women – may overtake heart disease in men as early as 2020 and is likely to become the leading cause of death in men too.

- The number of people with Type 2 diabetes is expected to increase by a million – from just under four million people in 2017 to almost five million in 2035.

- Latest figures released by Public Health England (PHE) show there were 3,561,548 attendances at sexual health clinics in England in 2018, up 21 per cent on the 2,940,779 attendances in 2013.

- There were 268,251 adults in contact with drug and alcohol services in 2018/19. The number of deaths from drug misuse registered in 2018 increased by 16 per cent to 2,670. This is at the highest level ever.

- Smoking prevalence in England has fallen to 14.4 per cent. However, the estimated number of smokers in England is still around six million adults.

[37] University of York, 2019. https://www.york.ac.uk/media/che/documents/papers/researchpapers/CHERP166_Impact_Public_Health_Mortality_Morbidity.pdf

The Government announcement of a real-terms increase in the Public Health Grant for 2020/21 is positive news for councils, but this alone is unlikely to address the impact of the past cuts to funding and the essential upgrade in prevention that is required. **We are concerned that this increase might be earmarked for additional funding pressures such as NHS Agenda for Change pay uplifts and the routine commissioning of the HIV drug PrEP which would be new responsibilities for local government and should be treated therefore as new burdens.** This increase also does not match the ambition for NHS funding overall. To match the growth in overall NHS funding as part of the Long Term Plan, the public health grant should increase to at least £3.9 billion by 2024/25.

At the time of writing, the Government had not yet published allocations of the public health grant for 2020/21. This must happen with utmost urgency.

Investment in prevention

Prevention and early intervention is essential within both children's services and adult social care and links closely to the vital work councils do to support government on public health.

Within children's services, councils are clear that investing in early help makes lives better for children and families; it prevents children needing more intensive support and can save money in the long term. It is a similar story in adult services where directors indicate that prevention and early intervention is the second most important way of delivering necessary savings in the coming years by reducing or delaying the need for higher level support.

However, across both services, increasing pressures on the statutory requirements which councils *have to* deliver, mean that the importance of prevention is not backed up with sufficient resources. In adult social care services, just £1 of every £10 is spent on preventative services as councils have to focus over-stretched resources on those people with the highest needs, bringing into question their ability to meet their statutory prevention duties under the Care Act. Similarly, in children's services limited funding is increasingly targeted at more urgent child protection work, leaving little room for investment in services that prevent the need for more intensive support.

Public health is equally important in helping to deliver the shift required in our health and care services: moving away from a service that reacts when someone presents with an acute need and moving toward a service that prevents that need developing (or delays its escalation) in the first place.

We are pleased that the Government have committed the 2020s to be the 'decade of prevention of ill health'. Councils can play a key role in this endeavour and, indeed, take the aspiration further by making the 2020s a decade of 'improved wellbeing' for people of all ages, young and old. The evidence of councils' preventative interventions is compelling. To give just a small flavour of examples:

- The combined benefits of drug and alcohol treatment amount to £2.4 billion every year, resulting in savings in areas such as crime, health and social care.

- According to the National Institute for Clinical Excellence (NICE), every £1 spent on smoking cessation saves £10 in future health care costs and health gains.

- The 2019 evaluation of the Troubled Families programme found that the programme reduced the proportion of children in care, while staff survey results showed that 90 per cent of keyworkers believed the programme helped families to avoid statutory intervention. The programme also reduced juvenile custodial sentences and convictions.

- Research by the Institute of Fiscal Studies found that greater coverage of Sure Start centres led to a fall in hospitalisations of children up to the age of 11, and a significant fall in injuries. Measured on a purely financial basis, the reduction in hospitalisations at ages 5–11 saved the NHS approximately £5 million per cohort of children.

- Dance for Health is a nationwide community dance programme for older people who have fallen or are at risk of falling. Led by professional dancers, and underpinned by evidence-based falls prevention principles, the classes help people improve their strength and balance. Such programmes help combat the cost to the NHS of falls, which exceeds £2 billion a year.

The Budget is an opportunity for the Government to commit to funding for services that make a real difference to people's lives. But this must come with recognition that changes will not happen overnight. If we are serious about improving the health, wellbeing and life opportunities of children and adults we need to recognise that taking a longer-term perspective is necessary. **The Government should work with councils to introduce a new Prevention Transformation Fund to help deliver on this shared ambition.**

Sport and physical activity

The Government's manifesto commitments to invest in the future of sports facilities is a positive step to ensuring that our communities can be active and investing in their future wellbeing. Regular physical activity can reduce the risk of many chronic conditions, including coronary heart disease, stroke, Type 2 diabetes, cancer, obesity, mental health problems and musculoskeletal conditions. Sport England has commissioned research into the costs of physical inactivity, which showed that NHS providers in England spent more than £900 million in 2009/10 treating people with diseases that could be prevented if more people were physically active.[38]

This country's sporting infrastructure is ageing, with Sport England estimating that 63 per cent of main sports halls and 60 per cent of swimming pools are past their expected lifespans or overdue refurbishment.[39] This does not mean replacing like for like, but working with communities to design the leisure centres, sports pitches, parks and other infrastructure that will best meet their needs and enable them to build activity into their lives. This could also mean realising the potential for new facilities to revitalise the high street, be co-located with other facilities to form wellbeing or community hubs, and ensuring they meet the latest environmental standards for energy efficiency.

Sport England has been providing effective support and investment in infrastructure, but their funds are oversubscribed with 1054 bids submitted to a grant fund that could only make 151 grants. Had Sport England been able to fund those bids, it would have unlocked match funding worth at least £540 million from councils and partners. During its operation, the fund typically achieved a 30 per cent reduction in capital build cost and a 40 per cent improvement in efficiency averaging £500,000 per annum per facility. **We**

[38] https://www.sportengland.org/research/benefits-of-sport/health-and-benefits-of-sport/engaging-inactive-people/
[39] Based on figures taken from a January 2020 datacut of Sport England's Active Places Power.

are calling for a strategic investment of £500 million for councils to invest in leisure facilities, pitches, and parks to prepare our communities for the inspiration provided by the Commonwealth Games; and to ensure a healthier, more active nation in the future.

Other pressures

We are concerned at the ever-increasing enforcement burden that is being placed on councils' regulatory services, and Trading Standards in particular. New responsibilities are being added despite the fact that reductions in regulatory budgets and staffing arising from cuts to local government funding, mean services in most councils are already struggling to fulfil their existing statutory duties. Councils in England have seen a 56 per cent reduction in Trading Standards officers since 2009 and a 46 per cent reduction in nominal budgets for Trading Standards services since 2011[40], according to a 2016 National Audit Office report.

This is a cross-government issue, as individual departments continue to add to the burden, without there being any consideration of the cumulative impact on services. In the last eighteen months we have seen new enforcement responsibilities created or proposed on diverse issues including: the ban on microbeads in cosmetics; the sale of materials for wood burning stoves; the proposed ban on plastic straws, drink stirrers and cotton buds; the ban on tenant fees; a ban on energy drinks; the introduction of calorie labelling in restaurant chains; and the sale of knives and acids. Depending on the deal in place when the implementation period of the UK leaving the EU ends, this could also increase the demands on regulatory services, with councils required to undertake more compliance work in different areas of regulation.

Taken individually, assessments of these new burdens can often result in small payments, but as the main resource needed to fulfil them is staff time, such a piecemeal approach does not allow councils to invest in new staff, meaning the impact assessments are of limited use in supporting councils to fulfil these responsibilities, and important policies will not be delivered due to a lack of funding. **The Government must take a joined-up approach to impact assessments that reviews the overall burden on smaller services such as these, and allows for larger settlements to support them as a whole; alternatively, it must identify a different and sustainable funding model for regulatory services, including contributions from businesses that benefit from different regulatory frameworks.**

The LGA is calling for **the coroner's service to become a national service rather than one embedded in local authorities. Should the service remain with local authorities, they must be fully funded to support coroners.** Local authorities hold a number of responsibilities for coroner services, including providing a coroners court, training for staff and coroners, undertaking appointments of, and paying the salaries of, senior, assistant and area coroners as well as providing staff to support the coroner, where they are not already provided by the police. Whilst councils and coroners have taken steps to reduce costs, creating a national coroners service is a call supported by the Chief Coroner and would give greater national oversight and consistency to the service as well as making it more cost effective through greater economies of scale.

[40] National Audit Office, 2016. https://www.nao.org.uk/wp-content/uploads/2016/12/Protecting-consumers-from-scams-unfair-trading-and-unsafe-goods-Summary.pdf

Councils are currently legally required to publish **public notices** in local newspapers. The decline in readership of local newspapers has meant that many residents do not have the opportunity to comment on local planning and licensing decisions. As a result, councils are spending in the order of up to £20 million on public notices that have very limited reach. In our digital age, there are more efficient and effective ways to share information with residents. **We call on the Government to lift this requirement to improve information to residents at no cost to the public purse.**

This would support the Government's planning agenda of giving residents more of a say in their local area over planning decisions and the digital agenda, making access to information easier and faster. There are numerous examples, from pilot projects, of more effective ways to share information about planning and licensing, many in partnership with local newspapers.