



General Election 2019

Special briefing: What can we expect for Local Government from the newly elected Government?

1. Introduction

The 2019 General Election has produced a Conservative Government with a majority of 80 which provides more than sufficient parliamentary influence to implement their manifesto pledges. This briefing explores the pledges that will have an impact on local government.

Aside from the overarching electoral promise to 'get Brexit done' there are a number of areas within the Conservative election manifesto that would either be delivered by, or coordinated at, a local government level. These include pledges on social care, the environment and climate change, town centres and regeneration, devolution, transport, and housing. Given the different devolution arrangements in Scotland, Wales and Northern Ireland many of the following measures impact upon English Councils but the overarching Government measures, such as financial settlements, will have implications across the UK.

2. Improving social care

The manifesto pledges to take action on a number of areas of social care; these include working age people with disabilities, rise of dementia cases, the overall care within adult services, including workforce matters and future funding. The initial pledge is to continue with the Autumn announcement of £1 billion additional funding from April 2020 with the manifesto committing this for each subsequent year of parliament. There are also promises to work on healthcare integration and to 'build a cross-party consensus to bring forward an answer that solves the problem' with the caveat that 'nobody needing care should be forced to sell their home to pay for it'. There is a pledge to deliver £74 million over three years for additional capacity in community care settings; this funding will be directed towards supporting those with learning disabilities and autism. There is also a promise to support vulnerable children through the Troubled Families Programme and the use of 'Family Hubs' to support them.

Whilst the £1 billion pledge will be welcomed this falls short of the current funding gaps in both adult and children's services. Previous promises of a green paper on social care were delayed to the extent that the LGA developed its own green paper. In addition to the funding gaps the Nuffield Trust identified a shortage of potentially 90,000 care workers, and many providers have left the social care market due to what they regard as contract prices being too low and unsustainable. The ability to raise additional funds for social care through council tax increases does not resolve the scale of the crisis. In any event this creates iniquitous outcomes due to the dependency upon the property base at a local level, which, in some areas, ultimately limits the tax take available. Therefore the future funding and delivery of social care will remain a core issue for local councils. This contrasts with Scotland where social care is generally free and with Northern Ireland where social care is provided outside of local government.

3. Town Centres

As previously announced the 'Towns Fund' will go to an initial 100 towns. The funds can be used to improve local economies, including regeneration schemes. The manifesto refers to the figure of £3.6 billion however this is made up of a combination of previous announced funds including the Stronger Towns Fund announced by Teresa May in March 2019 of £1.6 billion which was topped up by an extra £1 billion to £2.6 billion by the Prime Minister and the 'Future High Streets Fund' which was first announced in October 2018 as being worth £675 million and which the Prime Minister has now pledged to increase by an extra £325 million. These funds added together form £3.6 billion though clearly they will not be released as one pot in the first budget, but staged and subject to bids, over the lifetime of Parliament.

In addition to the Town Centres funding the manifesto appears to revisit the 'big society' pledges of the David Cameron era with a Community Ownership fund of £150 million. This will be to assist in local takeovers of civic organisations or community assets under threat such as local football clubs, pubs or post offices. The community 'right to buy' under the Localism Act provisions were something of a damp squib as the full funding needed to secure such assets often fell short of what was needed and, in any event, the 'asking price' generally cannot be controlled by the state locally or nationally. There is also a pledge to help communities who want to create pocket parks but this is not separately costed and is therefore likely to be a continuation of the recent ad hoc funding for pocket parks ([see APSE briefing 18-46](#)). These measures on the local economy are also further developed by promises to support local and regional newspapers through business rates relief and also small retail businesses. Again however the interface with the overall position on council funding can't be ignored as the direction of travel on local government funding has been to reduce reliance on Revenue Support Grant, create greater reliance on council tax and move towards fully re-localising business rates; therefore the ability to raise income through business rates is critical to council finances and any additional relief streams must therefore be funded.

4. Infrastructure investment

The manifesto promises £100 billion in additional infrastructure spending towards roads, rail and other investments. This includes £4 billion for flood defences and spending on new rail projections between Leeds and Manchester as well as Liverpool, Tees Valley, Hull, Sheffield and Newcastle. Much of this 'new' investment money has previously been announced for transport projects. There will also be city region funding bids for upgrades to buses, trams and train services. There is also an interesting proposal to end the franchising model on rail systems, replacing this with Metro Mayor controls of local transport services in their area however this currently lacks any detail. Sitting somewhat incongruously with the climate pledges elsewhere in the manifesto there is a promised £28.8 billion investment in strategic and local roads. £1 billion will be also dedicated to fast-charging networks. The aim of this policy is to ensure everyone is within 30 miles of a rapid electric vehicle charging station.

HS2 is subject, it would appear, to a review based on the findings of the Oakervee Review which suggests that the latest costs are £81 billion and that HS2 will not reach Leeds or Manchester until potentially 2040. Again, as previously announced, there is also a pledge to reopen 'Beeching' lines alongside super bus networks with low or flat rate fares. Phasing out of diesel and petrol engines will be subject to further consideration. Alongside these green travel measures is a promise to provide a £350 million Cycling Infrastructure Fund; this will include mandatory design standards. Finally, and again as previously announced there is a £250 million cultural capital programme which, it is argued, will support local libraries and museums.

5. Devolution

Building on existing devolution to city regions and metro mayors there is a promise of an 'English Devolution White Paper'. It should be noted that a number of reorganisation proposals were moth-balled in the lead up to the General Election and it will be interesting to see if these proposals are resurrected (some were locally opposed whilst others were local proposed). There is a fundamental issue at stake here as to whether local governments role remains as the bastion of local governance or is it purely responsible for administration of local services in as efficient and effective way and scale as possible. The issue of role, structures and powers is also a core theme of the [APSE Local Government Commission 2030](#) and clearly the question of whether large scale reorganisation is the answer will be fundamental both to future funding and delivery of local services. Whilst in the long term there may be an arguable case for restructuring it is a lengthy process and often a very costly approach where savings are not realised for a number of years. In addition, the issue of structure should not be divorced from the issue of how best to fund local government in the future.

6. Housing

The manifesto commits to retaining 'right to buy' which will disappoint many within the sector who have argued that the operation of 'right to buy' should be subject to a locally applicable moratorium. The right has been abolished in Scotland and Wales. The scheme will continue on a voluntary basis with housing associations. For new purchasers there is a commitment to develop new market products including a long-term fixed rate mortgage which, it is argued, would 'slash the cost of deposits'. There are proposals to allow the use by councils of developer contributions through planning, to discount homes in perpetuity, by a third for local people who may not otherwise be able to get on the housing ladder. Shared ownership will be subject to reform to a single standard that would apply across all housing associations and the Help to Buy scheme will be extended to 2023.

For renters there is a commitment to abolish 'no fault' evictions and create a system of a lifetime deposit which would move with the tenant. There is also a commitment to strengthening the rights of possession for landlords. A Social Housing White Paper is promised but again this comes on the back of previous papers which have all but been abandoned due to the parliamentary impasse on Brexit so it will be interesting to see if actions now materialise from the newly promised Social Housing White Paper.

The commitment to build 300,000 homes a year by the mid-2020s is repeated in the manifesto creating a million more homes 'of all tenures' over the next Parliament. APSE has argued that the target for new homes will not be met unless there is a significant new build programme of council housing. APSE has also argued that to achieve these targets then issues such as construction skills shortages, alongside supplies shortages, must also be addressed. Further to this the development of new construction methods will be an inevitable part of the solution. APSE has also highlighted the planning failures which surround permitted developments ([see APSE and TCPA research](#)) and the lack of effective powers to control developments which do not consider climate change and the ageing population effectively; such as building to passivhaus standards (advocated by the Passivhaus Trust) and lifetime homes standards (advocated by Habinteg). Consideration must also be given to reform of the HRA – many councils no longer have an HRA so the previous albeit welcome lifting of the borrowing cap did not provide for the building of new council homes for all councils.

The Affordable Homes Programme is given a mention alongside the Homelessness Reduction Act and commitment is given to the expansion of pilots such as the Rough Sleeping Initiative and Housing First with a stamp duty surcharge on non-UK resident buyers to fund these initiatives. There are no timescales proposed. On building safety and following on from the Grenfell tragedy there is a commitment to legislate for the recommendations of the Hackitt Review. Again the funding of removal of replacement cladding, particularly in high rise buildings, has been a cause for concern.

Once more reflecting some of the 'big society' narrative there is a commitment to '*support communities living on council estates who want to take ownership of the land and buildings they live in*'. As councils declare climate emergencies and have also committed in many areas to use their land to adapt to the impact of climate change, as well as encouraging development on brownfield sites, these outline proposals appear to be somewhat ill-thought through. It will be interesting to see what materialises by way of more formal proposals on this but APSE's view is that if such moves frustrate a coherent approach to climate change action, and developments that are sympathetic to local areas, this may be viewed by local councils as an unhelpful central imposition.

7. Environment and climate change

The manifesto proposes a new Environment Bill and a new independent 'Office for Environmental Protection'. There is a commitment to legally binding air quality and a pledge to achieve net zero for carbon by 2050 (this is somewhat later than the average local authority commitment of 2030 with 63% of those declaring a climate emergency using this as the target date). There is a pledge to create a £640 million new 'Nature for Climate' fund and planting an additional 75,000 acres of trees a year by the end of the next Parliament, as well as restoring peatland, alongside support for the Great Northumberland Forest.

The Resource and Waste Strategy ([see APSE briefing 19-01](#)) receives further consideration albeit not openly referenced as such, with a re-commitment to tackling plastic pollution and the proportion of recyclable plastics in packaging encouraged by a new levy. The manifesto also recommits to the extended producer responsibilities – again cited initially in the December 2018 Resource and Waste Strategy, with a promise to boost domestic recycling and ban the export of plastic waste to non-OECD countries. There is a commitment to increase penalties for fly-tipping, but no figures are cited as to what level and, not unsurprising following proposals already well advanced in Scotland, and again originally cited in the Resource and Waste Strategy, there are promises to introduce a deposit return scheme (on glass and plastic bottles and aluminium cans). As APSE has previously advocated whilst further environmental protections are welcome to achieve the real step changes in plastic use, recycling, including food waste, and the introduction of a deposit return scheme, barriers to achievement must be addressed. The barriers identified by APSE include the need for investment in new waste treatment plants and existing waste disposal contracts, the opportunity for development of new technologies to deal with waste on UK soil, rather than carbon intensive exports of the materials, and ensuring local council environment, refuse, recycling and waste services are properly consulted and are part of the solution. Specifically, on the issue of the deposit return scheme, the commissioning model approach mooted in Scotland, whereby reverse vending takes place outside of the local authority remit, is not considered to be a viable option and indeed could lead to diseconomies of scale, under-utilisation of fleet and lowering of productivity and increased costs. Such approaches should in APSE's view be avoided.

Using international funding the manifesto commits to new international partnerships to tackle deforestation, landscapes and wildlife corridors and establishing a new £500 million Blue Planet Fund to tackle marine pollution and sea temperature rises as well as overfishing. New flood defences as mentioned in point 4 above are ringfenced to receive £4 billion.

Further climate change targets include:-

- Offshore wind industry to reach 40GW by 2030 and enabling new floating wind farms
- An investment of £800 million to build a fully deployed carbon capture storage cluster by the mid-2020s.
- £500 million to help energy-intensive industries move to low-carbon techniques.
- Support (unspecified) for gas for hydrogen production and nuclear energy, including fusion

- A continuation for now on the moratorium on fracking in England but no changes to the planning system are proposed.
- As detailed above £9.2 billion in the energy efficiency of homes, schools and hospitals.

Local authorities are already well-placed in the delivery on municipal energy including the development of renewables. As advocated by [APSE Energy](#), a progressive collaboration of local authorities committed to municipal energy schemes, a key area to help in the delivery of large-scale projects will be certainty of finances and consistency in policy. Policy changes and ad-hoc funding schemes have in the past hindered ambitious plans to embrace renewables. Whilst it is recognised that there will be a role for private delivery of some of the ambitious programmes on energy the ability for local authority collaboration and innovation in this area is proven, and will be beneficial to outcomes, if this is embraced. Similarly the retrofitting of homes, schools and hospitals provides opportunities for local authority involvement in large scale schemes, particularly for those councils who have maintained or have recently insourced housing repairs and maintenance services. APSE would like to see this level of funding also used to support apprenticeship training in the sector within local councils to support green jobs growth.

8. Local Government Finance

The manifesto is fairly light on direct local government funding issues but commits to maintaining the veto on 'excessive rises' in council tax. This has been a hindrance to councils seeking to increase council tax in light of reductions in RSG and the overall austerity measures on council budgets. The manifesto references that there has been a substantial increase in funding in the recent spending round. APSE would dispute this given funding levels for councils are now, as a share of GDP, at the lowest levels since 1948. A policy which is universally unpopular with councils across all political spectrums. [APSE research with NPI](#) explores the impact of austerity on essential neighbourhood services and found that since 2009/10 resources devoted to neighbourhood services across Britain fell 27 per cent representing a total of £8.9 billion in 2017/18 prices. APSE has called for a restoration of the link between local government spending and the growth rate of the economy to a minimum level of 6.2% of GDP. Whilst this would only provide an additional sum of some £3.2 billion it would nevertheless provide a welcome step-up to begin to restore a minimum sustainable level for neighbourhood services and would on average represent a 12 per cent increase in neighbourhood services budgets. Without addressing the chronic immediate needs of council funding the promises of an end to austerity measures will ring hollow at a local council level.

In any event the under-funding of social care is an indisputable factor in creating costs shunts to the NHS. A new settlement for local councils is long overdue to at least ameliorate in the short term the dire financial situation that councils continue to face but this must address both social care and neighbourhood level frontline services; both are valued by the public and should not be pitched as alternative priorities for resources but as equal partners in making places better to live and work.

APSE Comment

The capital spends and commitments announced in the Conservative manifesto should, at least in part, materialise as part of the Queens Speech at the opening of the new parliament. However capital injections alone are not enough to resolve the multiplicity of issues facing local councils and it is imperative that serious measures are taken to address the revenue streams as well. For a new Government that wishes to establish itself as a distant cousin to austerity there could be no better way to demonstrate this to the public than investing in local frontline public services. For those 'left behind towns' that commentators suggest have put their faith in a new Conservative administration the public will be expecting to see a gear-shift in local public service provision; this will include housing, roads, the local environment, and social care. Indeed in a recent [APSE Survey Public Opinion Poll](#) it is also clear that the public want to see action on climate change at a local, not just national level. It is worthy of note that seven and a half times as many people trust the local council over the government to make decisions

about how services are delivered in their local area with eleven times as many trusting local councillors over government ministers to make decisions. Local government should therefore be viewed as the most trusted and competent delivery partner to these new policy ideals set out in the manifesto.

Finally, the issues of climate change, ecological issues and local council responses to these issues will be discussed at the forthcoming **APSE Climate Change Seminar** taking place in Manchester on the **23 January 2020** including speakers on hydrogen fuel cells, passivhaus standards, municipal renewable energy schemes, landfill mining and carbon measurements. This will be timely considering the newly elected governments manifesto commitments on these issues. Details about this seminar can be found [here](#).

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