Our Plan for Government 2015-20
The period leading up to a General Election provides the opportunity for politicians to listen to fresh ideas and plan how to drive forward the issues that got them interested in politics in the first place. For local politicians the process leading up to, and beyond, the 2015 General Election is more important than ever. Given the scale of our financial challenges and ever-greater pressures on our services, the worst thing local authorities and councillors can do is ignore the need for radical change across our public services.

To meet our goals, we are seeking to open discussions with all political parties who could form the next Government on how best to achieve improvements in unit costs and the quality of services for local residents.

Counties are offering a deal to whoever might be in Government come May 2015: work with us, and we can deliver a joint plan to achieve exceptional results for counties, and for the UK as a whole.

In exchange for the comprehensive package of reforms described in this paper, counties will commit to delivering an ambitious range of outcomes that are essential for the enduring success of the UK.

Counties have the scale, ambition and potential to secure the long-term economic recovery. We can ensure all children and young people in county areas fully realise their educational and career potential. We can work with our partners to realise our vision of a person-centred, fully integrated and sustainably funded care system. And, most importantly, we can drive cost savings and improved outcomes across the full range of public services, with our vision for One Place, One Budget.

To achieve these goals, we need Government to remove the barriers and brakes imposed by Whitehall departments and deliver an English Devolution settlement between local and national government. Wherever possible, we need to see choices about spending public money and delivering services made by those closest to those decisions.

Fundamental to this process is maintaining trust and confidence on both sides. CCN recognises that there are passionate advocates for counties across all three main parties. We need their vocal support in Parliament, and will work with them to ensure their voices are heard. The County All Party Parliamentary Group, launched this year, will be an important part of this process.

I would like to thank everyone who has contributed their thoughts and examples to this document. As CCN Chairman I greatly look forward to working with all parties to make our goals a reality in the years ahead.

We all entered politics to make a difference; this is our time, our opportunity to fulfil those ambitions for our communities.
Our Plan for Government
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Introduction

This paper marks a significant moment for the 23 million people who live and work in county areas, and the organisations which support their everyday lives.

With the General Election fast approaching, we have been consulting with counties about their local priorities for their communities, identifying what they need to unlock their vast potential to deliver the priorities of the next Government and their own county. Counties now call on all parties to carefully consider our proposals, and challenge them to be bold in matching our ambition to deliver the best possible public service and support to our residents and communities.

To deliver more efficient, cost-effective and improved outcome-based services at a time of continuing financial restraint, counties need to be supported by a new deal from Government.

Our Plan for Government sets out a number of radical, yet practical, policy proposals across five areas. These will deliver tangible benefits for residents and communities up and down the country, while helping the Government reduce public expenditure and rebalance the UK economy.

At the centre of this Plan is our belief that we must fundamentally reform the provision of public services in our areas, and deliver a new settlement between Whitehall and the counties of England.

In the way that the 5.3 million people of Scotland have had a debate on their relationship with Westminster, we believe that it is equally important that the Government considers a new relationship with the 23 million people served by counties in England.

Our proposals for Public Sector Reform provide the foundation for this new settlement, with more specific proposals outlined across the key policies areas of Economic Growth and Prosperity; Children, Young People and Learning; Health, Social Care and Wellbeing; and Local Government Finance.

By working together to implement the package of reforms in Our Plan for Government, we have the opportunity to reinvent and transform the way public services are delivered, to improve the quality of life for residents and communities.

Counties are up to the task. We have the scale to deliver. Through the bold innovations highlighted in our case studies and the ambitious transformation detailed in our proposals, counties can do so much more for their residents, communities and for the UK as a whole.

This is just the start of the conversation. This is a real opportunity for Members of Parliament and a wide range of stakeholders to be at the forefront of radical improvements in public services.

Over the coming months, we will develop detailed policy papers to help any incoming Government implement our proposals over the course of the 2015 Parliament. We look forward to developing and discussing this Plan in greater detail with all those who can help us ensure our proposals become a reality for the communities we serve.
Public Sector Reform

The opportunity

At a time when the UK continues to face financial challenges, Government and all public service providers need to think innovatively about how they work together to deliver high-quality public services that meet the needs of the entire population.

This requires a bold vision for the future of public services and a new relationship between Whitehall, local government and the wider public sector. This is the foundation for Our Plan for Government.

Counties have a strong track record of maintaining and improving services in the face of unprecedented funding reductions. We have shown a readiness to explore all possible means of delivering better services. But we have reached the limits of what is possible when local government is sharing such a disproportionate share of the burden.

With counties committed to continuing to deliver a fair and sustainable contribution to deficit reduction, an increasing proportion of budgets are devoted to meeting our statutory obligations. Without radical change, counties will have fewer funds available to invest in developing their areas and ensuring a good quality of life for all.

The only sustainable way forward is for counties to drive efficiencies in other parts of the public sector, lead integration across all local services and break down Whitehall silos. Underlying this, there must be a radical English Devolution settlement for the County and City Regions of England.

This settlement must be a comprehensive offer. Over time, it will prove fundamental to the implementation of the specific reforms outlined in our key policy areas of economic growth and prosperity; children and young people and learning; health, social care and wellbeing, and local government finance. Counties believe that, over the course of the next Parliament, these reforms will ensure a truly One Place, One Budget approach becomes a reality.

Covering 86% of land mass, and responsible for half of the population, counties are in a unique position to ‘hold the ring’ over public services and make this vision a reality. Whether it is reforming Local Enterprise Partnerships, fully integrating health and social care, or delivering greater fiscal and economic devolution to local areas, we have the size, scale and democratic mandate to lead this radical change.
Delivering Better Outcomes

Together, by implementing Our Plan for Government on Public Sector Reform and wider reform programme, counties and the next Government can deliver:

- **LONG-TERM RECURRING SAVINGS** to central government departments
- **An EFFICIENCY DRIVE** across all public service providers
- **REDUCED DEMAND** on public services
- Enhanced community **CAPACITY and RESILIENCE**
- **INCREASED PUBLIC SATISFACTION**, and improved public perception
- **DEMOCRATIC LEADERSHIP** and accountability for all public services
One place, one budget

The current system is confusing for the individual and costly for the taxpayer.

Counties could coordinate a whole-place approach, delivering a much simpler, better resident experience.

- Highways Agency
- Planning inspectorate
- Voluntary organisations
- Job centres
- Emergency services
- Health services
- Schools and colleges
- Care providers
- Voluntary organisations
- Employment and Skills Boards
- Multi-agency family support units
- Employment and Skills Boards
- Multi-agency and integrated planning, infrastructure, and housing plans
- Merging Jobcentre Plus
- Fully integrated health and social care
- Growth hubs delivery via Local Enterprise Partnerships
- Multi-agency safeguarding hubs
- Single commissioning unit with Police & Crime Commissioner
Case Study

Surrey County Council

Surrey’s Family Support Programme highlights what can be achieved when public agencies work together. The programme is improving the lives of vulnerable families whilst also saving public money. In 2012 public agencies in Surrey agreed that families with multiple and complex needs were the responsibility of all agencies, and that closer collaboration was needed to support these families successfully. Building on the Government’s Troubled Families initiative, multi-agency statutory and voluntary partners in Surrey have used this as an opportunity to change the way services operate together. It is a complex partnership programme involving the county council, 11 borough and district councils, police, NHS, probation, education, the Department for Work and Pensions and local community voluntary organisations. The county council provides the overall coordination to enable partners to provide much more effective local support to families, sharing common practices and working toward common goals for and with the families. The programme has already helped turn around the lives of over 500 families across the county, and a further 500 families will be helped by May 2015. Partners in Surrey have an ambition to scale up the programme to support between 4,000 and 7,000 families with a wider range of needs, and the proposals in the CCN Plan for Government would help Surrey and other counties drive the One Place, One Budget vision forward.

Case Study

Essex County Council

As one of the original four Whole Place Community Budget pilots, partners across Greater Essex have long supported public service reform as a means of improving local outcomes and have worked together to shape the concept since its inception. The Essex Partnership has continued to deliver effective whole-system working by providing strong leadership, sharing information and collaborating to redesign services that improve the lives of Essex residents whilst also cutting waste and duplication.

The Partnership’s Public Service Reform portfolio comprises programmes including Reduce Reoffending; Reduce Domestic Abuse; Strengthening Communities; Housing; Family Solutions; Skills and Integrated Commissioning. Through the agreement of a shared vision and objectives, and by sharing resources to coordinate activity across the whole of Essex, partners have improved the quality and efficiency of services beyond organisational boundaries providing improved value for money to the public. By devolving programme decision-making across existing partnerships between senior stakeholders, local decision makers and subject experts, such as the Safer Essex Partnership, the Local Enterprise Partnership and Health and Wellbeing Boards transformational change has been successfully implemented via mechanisms that have the authority to effect and establish necessary change.

Reshaping public services is not a one-off event however. Working together to effect sustainable systemic change within Essex is essential to reducing costs, growing the economy and meeting the challenges ahead. The proposals outlined across the CCN Plan for Government would help accelerate our public sector reform programme across services in Essex.
Our Plan for Government

Given their statutory obligations, democratic mandate, commissioning expertise and strategic capacity, counties are perfectly positioned to partner with central government to lead a revolution in the design and delivery of public services in the UK.

One Place, One Budget

**English Devolution**
The Government must enact a new constitutional settlement with the County and City Regions of England. Fundamental reforms to rebalance the relationship between counties and Westminster must include the fiscal and economic devolution proposals outlined in our Core Settlement, alongside a structural and culture shift in Whitehall departments that supports, rather than impedes, devolution in England.

**Five-Year Budget Settlements**
Commit to long-term certainty in the Local Government Finance Settlement (LGFS). Alongside financial reforms outlined in the following sections, the LGFS should be a long-term indicative budget spanning the entire Spending Review period.

**Integration Reward Payments**
Building on the Troubled Families payment by results framework, reward payments should be made to local partners. This should be led by counties, whose public sector transformation has successfully reduced pressure on central budgets, such as those of the Department for Work and Pensions (DWP) and the National Offender Management Service (NOMS).

**Fully Integrated Budgets**
This would entail removing artificial and disproportionate ring-fences to departmental budgets for health and schools, and providing the flexibilities, appropriate incentives and legal framework for counties and their partners to pool budgets across health, police, fire and other public services.

**Single Commissioning Units**
Building on Whole Place Community Budget pilots, counties should be empowered to develop new models of collaboration and integration of local government tiers, health services, the police and other partners. This should lead to the eventual creation of single points of commissioning and procurement for a range of local public services, coordinated by counties.

**County-Led Transformation**
The Government must champion CCN councils as the most appropriate lead on public service transformation in county areas. This would recognise the capacity of counties to ‘hold the ring’ on local service provision, drive large-scale cost savings to deliver better outcomes for our communities.
Economic Growth and Prosperity

The opportunity

If the UK’s economic recovery is to endure, it needs to take root across the country. Despite this, policies designed to revive and rebalance the economy have tended to focus on what can be done for a limited number of cities, rather than exploit the economic potential of all areas.

To secure a sustainable recovery, policymakers need to look at supporting those areas which provide the greatest potential for the creation of new enterprises and future growth. The facts demonstrate that county economies on most scales outperform other parts of the UK. Assigning a greater role for counties in driving growth and rebalancing our economy is not only desirable, but a necessity.

Compared with the funding, freedoms and flexibilities accorded to the Core Cities since May 2010, counties remain largely disempowered.

Too often ambitious initiatives do not align with Whitehall priorities and are held up in central and local bureaucracy. Siloed Government departments develop uncoordinated policies and fail to devolve funds and powers to where they can do the most good.

While Local Enterprise Partnerships (LEPs) have proven themselves extremely useful forums for collaborating with the private sector, they will not create the conditions for a resurgent and sustainable economy on their own. With counties providing resources that make LEPs viable, there needs to be a review of their precise role in driving growth, and greater scrutiny of their economic geography in county areas.

From May 2015, counties need a new deal. We need central government to grant us the power to knit together skills, training, employment schemes and investment strategies so that all activities are aligned to local economic priorities. Investment in new homes must be matched with new strategic planning powers, infrastructure, and transport links tied to the needs of local enterprises. Most of all, we need a new settlement on fiscal devolution in county areas, with Government devolving increased freedoms and flexibilities.

We feel there is a political consensus that local authorities need to be free to pursue the economic priorities of their communities, not micromanaged from Westminster. Counties have the vision and ambition to embed the UK recovery in every community, but need the powers to do the job.
Delivering Better Outcomes

Together, by delivering Our Plan for Government on Economic Growth and Prosperity, counties and the next Government can deliver:

- A balanced, sustainable and **PRIVATE SECTOR-LED RECOVERY** across all parts of the UK
- A national **RETURN ON EVERY POUND INVESTED** in county economies and a commitment to reinvest in growth
- More **QUALITY HOMES** for ownership and rent
- **INVESTMENT IN COMMUNITY INFRASTRUCTURE** to support housing economic growth
- **REDUCED UNEMPLOYMENT LEVELS**, particularly youth and long-term unemployment
- A more **DIVERSE AND HIGHLY SKILLED LABOUR FORCE**
- **IMPROVED** public transport networks and business **INFRASTRUCTURE**
- **PUBLIC ACCOUNTABILITY** for all devolved **FUNDING AND EXPENDITURE**
Economic growth

Share of National GVA 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>40.0%</td>
</tr>
<tr>
<td>Rest of England</td>
<td>33.7%</td>
</tr>
<tr>
<td>Core Cities</td>
<td>26.4%</td>
</tr>
</tbody>
</table>

GVA per head in Counties and Core Cities 2012

- £35,000
- £30,000
- £25,000
- £20,000
- £15,000
- £10,000
- £5,000
- £0

Growth deals

2015/16 Growth Deals involving counties will deliver...
- 234,000 Jobs
- 132,900 Homes

2015/16 Growth Deals Involving Core Cities will deliver...
- 72,000 Jobs
- 33,000 Homes

New business registrations per 10,000 population

- Counties:
  - 2012: 1,791
  - 2011: 1,776

- Core Cities:
  - 2012: 369
  - 2011: 357

Number active enterprises

- Counties:
  - 2012: 1,014,115
  - 2011: 1,010,660

- London:
  - 2012: 422,640
  - 2011: 404,935

- Core Cities:
  - 2012: 132,550
  - 2011: 130,095
Our Plan for Government

Counties want to work with Government to unlock the true potential of county areas, driving economic growth and prosperity for our local communities and the UK as a whole.

Economic Devolution

The centrally retained funding identified in the Heseltine Review of Economic Growth should be devolved through a Core Settlement for county areas. Counties need to be granted a core set of devolved powers and budgets, allowing them to make real decisions based on genuine local priorities while reducing negotiation burdens on Whitehall. This Core Settlement should include:

SKILLS & EMPLOYMENT

All Whitehall skills funding, including centrally retained budgets and apprenticeships

Devolving skills funding directly to local areas, either to the county, LEP or Local Skills Boards, would ensure that skills provision meets the needs of local employers, particularly in an area’s growth sectors.

Devolution of the Work Programme and merging of Jobcentre Plus with council services

This would ensure that all local support and employment programmes are well coordinated, tailored to local needs, and deliver better outcomes. This could be based on the payment by results framework of the Troubled Families Programme.

Full access to Youth Contract funding

Many counties have ambitious and locally tailored apprenticeship programmes that could be accelerated by working more closely with the private sector, using the funding available as part of the Youth Contract process. LEPs could act as the lead commissioners for government-funded apprenticeship programmes, working closely with counties.

INFRASTRUCTURE & PLANNING

Flexibility in the way counties can use assets to support local growth and infrastructure

Counties should have the freedom to use a greater share of capital receipts to support economic growth, and the capacity to share assets with a wider range of partners in pursuit of growth.

Transport funding, including for major infrastructure, with some larger specific road and railway investment projects negotiated on an individual basis

Counties should be able to leverage their strong relationships with the Highways Agency and Network Rail to support national road and rail schemes.

Strategic planning powers

The Duty to Cooperate has proved inadequate for delivering joined-up planning for more quality homes and infrastructure. Counties need additional powers to provide sub-national county-wide investment and delivery plans for infrastructure and housing, working with district councils, the private sector and investors. Local plans would be drawn up by upper-tier authorities with a duty to cooperate with LEPs and partners.

FISCAL DEVOLUTION & FUNDING

Increased financial independence and autonomy would allow counties to fully exploit the opportunities presented by this Core Settlement and reinvest local dividends in infrastructure funds and growth initiatives. There are a range of fiscal measures that should be devolved through the Core Settlement, with some additional measures negotiated on a county-by-county basis.
Business rates
The power to set or vary business rates locally.

Business rate retention
A greater percentage (up to 100%) of business rates should be retained locally. A review should establish whether the current system truly incentivises growth for counties through additional funding, and put in place a fair distribution between counties and districts in two-tier areas.

Council Tax
End the council tax referendum policy and grant the power to hold revaluations, review the number of bands and ratios from band to band, and set the tax rate.

Tax Increment Financing (TIF)
The power to raise finance through TIFs – currently restricted to Core Cities and capped at £150m.

Review the Community Infrastructure Levy (CIL) and New Homes Bonus (NHB)
Review the operation of existing schemes and establish a fair distribution between counties and districts in two-tier areas, to truly incentivise local growth.

EU structural funds
Simplify Whitehall processes for county engagement and access with EU funding bodies.

Greater flexibility for council borrowing
County councils and county unitary authorities should be supported in the efforts to create additional channels for prudential borrowing at potentially cheaper rates than available via the Public Works Loan Board.

Revenue taxes on energy sites
The right to ensure local communities share in the benefits of the safe and sustainable development of local energy resources.

Local Governance
To support the implementation of the Core Settlement and further bespoke fiscal devolution, we also need to reform local growth partnerships.

Review Local Enterprise Partnerships
Counties support LEPs, but our research has shown counties believe the current system must be improved.¹ We believe the next Parliament would be an appropriate time to undertake a review of LEP functions, scope and, where locally requested, boundaries.

No imposition of combined authorities
We support combined authorities where pursued locally, but no incoming Government should impose combined authorities as the default arrangement for growth partnerships and a prerequisite for further fiscal devolution. Arrangements to support greater fiscal and economic devolution should be decided locally, based on what would deliver the most economic benefits, in full agreement with all affected authorities.

¹CCN Report LEP Survey Analysis (April 2014)
Accelerating Growth in County Areas

Counties better able to support economic growth and prosperity

- Coterminal and fit-for-purpose LEPs
- Strategic planning powers to deliver more homes
- More powers to negotiate deals tailored to local needs with national agencies
- Counties invest devolved budgets and borrow to invest in success
- Control strategic planning, ensuring infrastructure is tied to local economic priorities
- Heseltine Review funding implemented in full
- Devolution of the Work Programme
- More freedom to back local enterprises creating jobs
- Reinvest growth tax revenues back into generating local growth
- Involve all counties in the Youth Contact process and direct skills training to local needs
- Tie unemployment programmes to the priorities of local businesses
Case Study

Oxfordshire County Council

The Oxfordshire Strategic Economic Plan (SEP) identified projects for growth deal funding which extend the ‘Oxfordshire Knowledge Spine’ and link the key hubs to the wider transport network locally through the innovative Connecting Oxfordshire programme, as well as nationally and internationally. This will ensure that all local areas and types of business in Oxfordshire can benefit from the growth driven by Oxfordshire’s innovation economy. The Knowledge Spine runs through the centre of the county with the three key areas for growth potential in population, employment and housing at Bicester, Oxford City and Science Vale Oxford. The SEP programme for growth projects an uplift of £1bn in Oxfordshire’s GVA at constant prices, representing 30% uplift on current projections. It would deliver 80,000 new jobs by 2031 (a 1% annual increase) compared to 0.8% per annum achieved between 2001 and 2011, 85,600 new homes by 2031, and upwards of £800m in private sector investment, and a Local Growth Deal to begin delivery of this vision was agreed in July. Further Devolution through the proposals outlined in the Core Settlement would further accelerate growth in counties such as Oxfordshire.

Case Study

Northamptonshire County Council

When, in July 2008, the world renowned Silverstone Circuit in Northamptonshire was on the brink of losing the British Formula One Grand Prix, Northamptonshire County Council took the innovative decision to step in with a financial package to help secure the future of the race track and with it thousands of jobs and millions of pounds worth of visitor income. The High Performance Technology sector employs 22,000 people in Northamptonshire. These jobs are dependent on Formula One remaining in the county: over a Grand Prix weekend alone, up to £60m is spent in the county. Once it appeared that the circuit was under threat, it was vital to act decisively to help safeguard it. The County Council invested £10m into the circuit, and an additional £3m into the operational activities, which helped with vital cash flow issues. This allowed the circuit to start critical work improving the track and building the new Hospitality Wing, Pit and Paddock area. The success of this loan was immediately apparent when work commenced, and the circuit was subsequently awarded a 17-year contract to host the British Grand Prix. The circuit has now paid back the loan to the Council, meaning that this courageous decision has paid off for all parties.

The success of Northamptonshire and Silverstone is an example of where counties are prepared to support key growth sectors, and emphasises the need for Government to focus on the innovation and success of county economies.
Children, Young People and Learning

The challenge

Counties want to ensure that, regardless of where they live, children are safe and cared for, healthy, and have a good education that enables them to fulfil their potential.

Through a range of services, including early years, school admissions and transport (and, from next year, health visiting services), counties play a major role in children’s lives. For a minority of children and families, counties also need to target additional early intervention, family support and social care services to protect the vulnerable and tackle complex problems.

Counties have worked hard to protect budgets and improve local services despite funding reductions. Counties’ geographies and funding arrangements continue to pose a number of challenges.

For instance, some counties’ ability to ensure high-quality children’s services is threatened by a difficulty in attracting and retaining qualified and skilled staff at a time when caseloads are rising. Counties face additional safeguarding challenges due to our geography, and the complexity of our partnership arrangements. In providing fair access to a good education for all, some counties have a severe shortage of school places, rural schools are at risk of closure and the schools funding formula leaves counties among the least well-funded areas.

Over the past four years, counties have delivered Government reforms to the education system and major initiatives such as the Troubled Families Programme. We believe a comprehensive reform programme should build on established success while offering new opportunities to progress the principles of fairness, accountability, democratic leadership and innovation.

Our education system must be fairly funded, with councils given greater clarity over their role in improving schools. Counties already have many of the tools we need drive effective innovations in safeguarding. We need a national proactive programme driven by counties, backed by support from central government, to improve outcomes by collaborating with partners, with the goal of preventing serious cases of system failure. And we must continue the drive to address complex social needs, accelerating integration programmes that are delivering improved outcomes and better joined-up services.

Securing a better future for all our young people will be a priority for any incoming Government. Securing a good education for all while protecting at-risk and vulnerable children will remain a top priority for counties over the next five years.

Counties want to support all children to reach their potential
Delivering Better Outcomes

Together, by delivering Our Plan for Government on Children, Young People and Learning, counties and the next Government can deliver:

- **A HIGH-QUALITY SCHOOL PLACE** that is close to where pupils live
- **Robust MULTI-Agency SAFEGUARDING** arrangements that protect vulnerable children
- **A REDUCTION IN THE DIVIDE IN EDUCATIONAL ATTAINMENT**
- **IMPROVEMENT IN QUALITY, STANDARDS AND OUTCOMES** across the board in education and children’s services
- **REDUCTIONS IN THE NUMBER OF NEETs** and more highly skilled, work-ready, young people
### Total revenue expenditure

**CCN member councils**
- Children’s social care services expenditure during 2013/14 was **£2.47bn**, 37% of all local authority expenditure.
- Education services expenditure during 2013/14 was **£15.76bn**, 40% of all local authority expenditure.

### Demand for children’s services
- 37 CCN member councils provided services to **134,135** in-need children during 2012/13, 35% of all cases ending 31st March 2013.
- During 2012/13, CCN member councils also had **24,345** looked-after children, 36% of all looked-after children in England.

### Counties’ social workers

- Number of children in need per children’s social worker: **17**
- Vacancy rate: **12%**
- Turnover: **14%**

### Counties’ school capacity

<table>
<thead>
<tr>
<th>Primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,832 schools</td>
<td>282 schools</td>
</tr>
<tr>
<td>20% over capacity</td>
<td>15% over capacity</td>
</tr>
</tbody>
</table>

### Schools funding per pupil 2012/13

<table>
<thead>
<tr>
<th>London</th>
<th>Core Cities</th>
<th>England</th>
<th>Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>£6,573</td>
<td>£5,770</td>
<td>£5,616</td>
<td>£4,965</td>
</tr>
</tbody>
</table>
Our Plan for Government

Counties can work with Government to design services and systems that deliver quality outcomes for all children and young people, with a particular focus on protecting and improving the lives of the most vulnerable and disadvantaged.

Children’s Services

Collaborative approach to sector-led improvement
Whilst Government intervention may be required in extreme situations, counties believe the most efficient and effective way to address failures in children’s services is to work with Government departments, local agencies and councils to identify failures and systematically improve services through peer-support and sector-led improvement programmes.

Multi-agency safeguarding hubs
Some areas have begun to apply the integration agenda to safeguarding, bringing together different agencies to coordinate and prioritise according to local need. Government departments should formally back the expansion of multi-agency safeguarding hubs and provide national leadership, but allow local authorities to lead the design of a bespoke local arrangement.

Child and Adolescent Mental Health Services (CAMHS)
CAMHS is an important national issue. Health and Wellbeing Boards should be empowered to have an important system-wide role promoting CAMHS as a central health issue.

Family Support Services
Counties have been delivering the Troubled Families Programme, and the next Government should increase investment in integrated family support services at a local level, incentivising a focus on early intervention and prevention through payment by results.

National recruitment drive for social workers
Central Government must launch a major drive to attract and retain professionals into the social work profession, to tackle the lack of qualified personnel safeguarding children.

Education and Schools

Capital funding for school place shortages
Government should allocate indicative five-year capital budgets to councils, to facilitate the building of new schools through a single pot of money, to be paid across the lifetime of the next Parliament. Decisions about where schools are built and the funding they receive should be taken at county level, in order to leverage their understanding of demand and supply across the local area.

Fairer Schools Funding Formula
Government should develop and enact a fairer funding formula for schools, including High Needs and Early Years. The methodology must be entirely transparent.

Protect smaller schools from closure
The sparsity factor introduced in 2014/15 should continue, with counties afforded discretion over how the factors are applied locally to meet local circumstances, and to take account of the complexities of the system.

Fully fund free school meals
Counties support the ambition to provide all children with a healthy, nutritious meal during the school day, but are concerned about the lack of clarity over how the current policy, or any extension, will be funded in the longer term, and the potential diversion of existing resources.
Clarity on county role in school improvement
Counties need greater clarity over their role in school improvement and the expectations of both Government and Ofsted. Appropriate resources must be in line with any increased expectations post 2015.

Local commissioning of skills, training and apprenticeships for young people
As outlined in our Economic Growth and Prosperity proposals, counties should lead locally tailored programmes and have access to a wider funding pool.

Case Study
Staffordshire County Council
Living in a safe environment, free from abuse and neglect, is something which should be fundamental for everybody, especially vulnerable people and their families. Sadly this is not always the case, and safeguarding remains a critical role which county councils are involved with. Within Staffordshire and Stoke-on-Trent we have the Multi-Agency Safeguarding Hub (MASH). It is an integrated and partnership-based approach, a number of agencies working together in one place, sharing information and making collaborative decisions. Interventions are put in place at the earliest opportunity across the MASH partnership and the successes of the Staffordshire partnership is precisely why we believe the Government should actively promote multi-agency safeguarding hubs.

What is unique about the MASH in Staffordshire is not only that it covers both a county and a city, but that it helps safeguard both children and adults. The immediate focus of MASH is on prioritising and reaching the most vulnerable and the most at-risk, reducing the risk that precarious situations will give way to arrest and prosecution. Day by day, social care staff from the councils sit side by side with colleagues from the police, the NHS, and probation teams. This collective intelligence, experience and expertise inform the level of risk to the vulnerable person, and can escalate or de-escalate the concern so that appropriate action is taken.
High-quality young people’s services delivered to all

- Urgent action on school place shortages
- National backing for safeguarding hubs
- Fully funded free school meals
- A commitment to stop small school closures
- Capable and inspired social care workforce
- Clarity on their role in school improvement
- More powers for linking school leavers with jobs
- Investment in integrated family support
The challenge

Our health and social care system faces unprecedented strain. Securing its future is arguably the biggest public policy challenge facing our nation. Common problems of large-scale funding reductions are impacting on county health and social care systems, which are facing more intense demand-led pressures due to an ageing population, difficulties recruiting an adequate workforce and significantly more self-funders entering the care system.

The current funding arrangements for adult social care are inadequate for meeting these higher demand-led pressures. Counties receive four times less funding per older person. With such a discrepancy in funding it is little wonder that 87% of CCN member councils recently described their adult social care budgetary pressures as either “severe” or “critical”.

The Government has made significant steps in reforming our health and social care system. Alongside the transfer of public health back to local government, the passing of the Care Act has shown a radical commitment to improving the health and social care services residents receive.

However, whilst counties are leading the implementation of the Act, there are unresolved questions over its long-term impact on the social care provider market, workforce capacity to meet additional demand, and the Government’s commitment to fully funding the reforms.

Counties recognise that the implementation of the Care Act, at a time of continuing funding reductions, requires nothing less than a fundamental reorientation to care and support services. This must focus on designing services around prevention and accessible community-based health services; evidenced-based joint commissioning built on quality, consistency and co-ordination; increased independence, supported by better multi-agency collaboration; and more control for residents, with citizens empowered to self-manage and reduce service demand.

Positive steps have been made in this area. The introduction of Health & Wellbeing Boards and the Better Care Fund (BCF) has undoubtedly quickened the pace of change. Recent changes to BCF funding allocations, however, are a backward step on integration, and there are concerns among CCN member councils that it will not place services on a stable financial footing.

Residents need an incoming government to build on this Government’s reforms, taking brave and radical steps on the future of our care and support system. Health & Wellbeing Boards must be in the driving seat behind this change, with counties given a fair deal, and empowered to fully integrate health and social care.
Delivering Better Outcomes
Together, by delivering Our Plan for Government on Health, Social Care and Wellbeing, counties and the next Government can deliver:

- A STABILISATION in adult social care FUNDING in counties
- OUTCOME-FOCUSED health and social care services
- REDUCTIONS in health INEQUALITIES across county areas
- An INTEGRATED USER EXPERIENCE across health and social care services
- A REDUCTION IN RECURRING DEMAND on acute health services
- INVESTMENT in preventative and EARLY INTERVENTION services
- LOCAL GOVERNMENT LEADERSHIP and DEMOCRATIC ACCOUNTABILITY for all health and social care services
- A COMMON WORKING CULTURE between health and social care services
Total ASC revenue expenditure of CCN member councils

£6.8bn
47%
of all public expenditure

Budget reductions since 2010

£3.53bn
(26%)

Local authority adult social care budgets have fallen

Older Persons Relative Needs Formula

Funding per resident aged over 75

£1,957
£816
£978
£691
£496

Inner London
Outer London
Metropolitan Authorities
Unitary
County Council

Demand pressures

Ageing population

65+
CCN member council
20%
London

75+
CCN member council
9.2%
London

85+
CCN member council
2.7%
London

Service user profile

Counts have on average
53% self-funders

Some counties as high as 80%
Our Plan for Government

Counties are well-positioned to work with central government as it continues to push for increased integration between health and social care and the successful implementation of the Care Act.

Care Act Implementation

County Care & Support Taskforce
The Government should establish a taskforce in partnership with CCN’s Care Bill Implementation Group to address the specific barriers, challenges and opportunities of Care Act implementation and integration in county areas identified by the ongoing County APPG inquiry into health and social care. The Government should commit to responding to the findings and recommendations in full.2

Care Act Reserve Fund
Concerns remain that current funding for the Care Act in 2015/16 will be inadequate and the reforms could have an adverse impact on local care markets.3 However, the true costs of implementation will not be fully known until after May 2015. To ensure the Care Act does not breach the New Burdens Doctrine, the incoming Government should establish a contingency fund, not top-sliced from current funding, to provide additional in-year funding if costs arising from key aspects of the reforms, such as assessments, carers or eligibility, are higher than expected.

Health and Social Care Integration

Pooled Health & Social Care Fund of at least £7.8bn by 2019/20
The Government must commit to a more ambitious integration settlement over a five-year period. Pooled health and social care budgets must be extended beyond the core funding level of £3.8bn, with funding increased by at least £1bn per annum from 2015/16 to 2019/20 via NHS transfers.

A fully integrated health and social care system by 2020
Building on a permanent and more ambitious BCF, the Government should aim to establish a fully integrated health and social care system by 2020, with single points of commissioning for health and social care services.

Extend Health & Wellbeing Boards commissioning powers
Building on the reforms to public health, the statutory role of Health & Wellbeing Boards should be strengthened to force the pace of integration, with Boards commissioning primary, secondary and social care services and empowered to improve access to local health services, including GP services.

NHS tariff reform
The current NHS payment by results tariff system does not incentivise prevention and is a barrier to further integrating the health and social care systems. The Government, in partnership with counties, should develop a whole-system payment by results tariff system that allows local councils and NHS partners to agree to a localised and flexible settlement.

Adult Social Care Funding Review
The Government should urgently review the long-term funding settlement for adult social care, including a full review of the distribution of funding. A new funding settlement for social care must be delivered that is sustainable and fair following the implementation of funding reform from April 2016. The Relative Needs funding formula must be reviewed as part of this process, and aligned to real patterns of demand.
Public Sector Data-Sharing Law
The Government should pass legislation establishing a legal presumption to share data, with an individual right to opt out. Information intelligence is integral to evidence-based integrated commissioning. The citizen must retain control of their data, but there must be a statutory presumption to share data between organisations.

Case Study
Kent County Council
Kent was successful in its bid to become a Health and Social Care Integration Pioneer. All elements of the health and social care system in Kent are now committed to ensuring a fully integrated health and social care system by 2018. This will be based on a clear understanding of “The Kent Pound” and how it can best be aggregated, pooled and spent for the benefit of those that need it. The BCF has accelerated this process, and the structure established to deliver the Kent Pioneer programme has been given the responsibility to co-ordinate the county-wide approach to the BCF under the auspices of the Kent Health & Wellbeing Board. The BCF for Kent, comprising the contributions from all the CCGs, amounts to a minimum of £101m. As a Pioneer Kent has taken the opportunity that the BCF provides to deliver services in a way that improves outcomes and experience of care, and makes best use of resources.

For lasting health and social care integration in county areas, the proposals outlined in the CCN Plan for Government must be implemented to cement our progress so far. They would incentivise and reward prevention across the system, with Health & Wellbeing Boards empowered to drive change across local health economies.

Case Study
Lancashire County Council
Lancashire County Council’s enthusiasm for the opportunities presented by the Care Act is tempered by realism and concerns about the additional demand and budget pressures it will bring. Despite the uncertainty, the Council is developing its response, identifying how it can implement changes in the most cost effective manner. With a high-level of self-funders, we may have to recruit additional staff to deal with thousands of assessments. To reduce costs, our implementation program aims improve productivity through new IT infrastructure, improved information and advice for the public and supported self-assessment tools to reduce the length and complexity of the assessment and review process. New carers duties are another major implementation challenge. Lancashire already has some great services for carers but the Care Act will lead to more than double the current numbers of carers seeking assessments and support. We want to invest in the third sector to help manage increased activity and support, providing opportunities for individuals to volunteer to make a contribution.

The true cost of implementing the Care Act are hard to predict, but we estimate it will cost the council £10m’s more over the next 3 years. That’s why it is important we support CCN’s Care Act Reserve Fund proposal to ensure the Care Act is implemented successfully within existing budget constraints.
Sustainable adult social care funding

Services centred on the user, not the process

A solution for health inequalities facing county areas

A fully funded Care Act that delivers its objectives

A fully integrated approach to preventive care

Clear accountability on health and social care delivery

Aligned targets and working practices across health and social care

Empowered Health & Wellbeing Boards accelerating the pace of integration

Delivering better outcomes
Local Government Finance

The challenge

Any Plan for Government needs to be built around a sound understanding of the finances available and focused on how best to fairly and most productively distribute increasingly finite resources.

By 2015/16, core funding for local government will have reduced by 40% in real terms over the course of this Parliament. This has prompted local government to reduce spending and increase efficiency on a scale far greater than any other part of the public sector. Counties have so far proven themselves up for the challenge: making efficiencies, sharing services and increasing commercialism while balancing their budgets and continuing to safeguard key services.

But the limits of this approach are becoming clear, with county resources increasingly stretched. Counties’ demography and geography present a number of unique challenges. We have a rapidly ageing population, with over-65s growing at a faster pace than all other parts of England. Counties contain some of the most deprived areas in England, with service delivery pressures also amplified by our unique larger and sparsely populated geographies.

Despite these pressures, counties receive less funding per head than their more urban counterparts. At the same time the Barnett Formula, introduced as a temporary measure in 1978, continues to skew the distribution of funding among the regions of the UK, with spending per head lowest in England. New methods introduced to the local government finance system since 2010, such as the New Homes Bonus and Business Rates Retention Scheme, fail to recognise our role in promoting growth and supporting local communities. It is clear that in many ways counties are poorly incentivised and financially penalised for doing the right thing.

Local government finance is becoming increasingly unsustainable. Counties need a new deal: faced with another five years of spending reductions, we either reform the way we fund and arrange services, or enter a period of sustained uncertainty. This represents a real threat to maintaining statutory services, let alone vital discretionary interventions that some people rely on.
Delivering Better Outcomes
Together, by implementing Our Plan for Government on Local Government Finance, counties and the next Government can deliver:

- Remain the MOST EFFICIENT part of the public sector
- A fair and sustainable contribution to DEFICIT REDUCTION
- A significant RETURN ON INVESTMENT and increased tax take to the Exchequer
- FINANCIAL COMPETENCE to deliver devolved budgets
- Openness and TRANSPARENCY TO MORE KEY SPENDING DECISIONS across the public sector
Local Government Finance

**Total revenue expenditure 2013/14**

- £102.2bn Local Government
- £31.2bn CCN member councils

47% of population but only 30.5% of expenditure

**Central Government grant per head 2012/13**

- Inner London: £705.44
- Metropolitan Districts: £475.65
- CCN: £207.09
- Outer London: £363.71

**Total reductions since 2010**

- 40% reductions in core grant
- £5.8bn reductions in core grant
- £10bn efficiency savings
- £10bn Funding gap by 2015/16

**Barnett Formula**

In 2012/13, public spending per head in the UK as a whole was £8,788

In England, it was £8,529 (3% below the UK average). This compares with:

- Scotland: £10,152 (16% above the UK average)
- Wales: £9,709 (10% above the UK average)
- Northern Ireland: £10,876 (24% above the UK average)

**CCN member service expenditure 2013/14**

- £15.8bn
- £6.8bn
- £2.5bn
- £1.6bn
- £1.5bn
- £909m

Graphs excludes expenditure on cultural, planning, administration, fire and other services, totaling approx. £2.1bn.
Our Plan for Government

Counties are prepared and willing to meet these challenges ahead. To support us the Government will have to enact reforms over how local government and the wider public sector are financed.

Local Government Settlement

Long-term financial settlement
The Government should introduce long-term indicative budgets for local authorities of at least five years. The settlement should be published no later than the end of November, to allow more time for budget planning and consultation with local people.

Barnett Formula Review
The Government should replace the Barnett Formula with a fairer funding framework for England by the end of the 2015 Parliament. A new formula must ensure that it takes full account of needs and is compatible with incentives.

Review of rural funding allocations
Ahead of the 2020 reset, the Department for Communities and Local Government and HM Treasury should conduct a review of rural funding allocations. Funding formulae must adequately reflect the challenges and additional costs of delivering services in less urban, more sparsely populated and larger geographic areas.

Review funding incentive mechanisms
Government should review the system of incentive mechanisms in two-tier areas, such as the New Homes Bonus and Business Rates Retention Scheme, to reflect that most of the levers for growth promotion, and cost of service and community infrastructure, are at county, not district, level.

Maintain the new burdens doctrine and commit to ensuring all new burdens are fully funded
The Government must continue its commitment to fully fund any new duties it places on to local authorities, including those introduced under the Care Act, from April 2015.

Financial Independence

Fiscal devolution
Counties should be provided with increased financial freedoms and flexibilities to achieve greater financial independence. This is explored in greater detail in the Economic Growth and Prosperity section (page 11).

Council tax freedom
Government should end the council tax referendum policy and allow local discretion over council tax discounts. Trust should be placed back in the hands of local councils to account for decisions on levels of local council tax, and the receipt of discretionary discounts.

Rural roads investment
The nation is facing a national pothole crisis. County residents and local businesses rely on their roads more than any other part of England, but are historically underfunded. The Government must redress the imbalance in counties’ road infrastructure and undertake focused investment in county roads.

Unit Cost Analysis
Counties recognise the need to account for every pound spent, and remain committed to continuing to be the most efficient part of the public sector. As part of this process, we will employ unit cost analysis and benchmarking with our peer organisations to ensure we continue to realise efficiency gains and make best use of public funds.
Counties’ Plan for Government

- Radical fiscal and economic devolution to counties
- Greater freedom to set council tax levels to meet local needs
- Longer-term funding certainty to plan successfully
- Revision of the Barnett Formula to reflect real local needs
- Support for the doctrine of no new burdens without full funding
- Targeted investment in rural roads
- A fair share of the proceeds of growth in two tier areas
**Case Study**

**Essex County Council**

System-wide public service reform brings partners together around a set of shared aspirations for their communities. To give that teeth and real bite, we need to establish a system of local place-based financial settlements by setting spending control totals for places over a Spending Review period. After all, why should Essex not have the right to the same budgetary certainty as any Government department? A place based settlement should take the form of an agreement between national government and local partners that is published at the time of each Comprehensive Spending Review. This would set out a profile of total public spending for each agency (local and national), operating in the area over the CSR period. Such a settlement would provide greater certainty for partners to commit to and sustain investments in public sector reform – particularly if savings delivered during the period could be reinvested in securing local outcomes. It would encourage longer-term planning and enable partners to consider proposals that may take many years to deliver benefits. It would also allow a wider range of partners to hold reserves, and later draw these down to invest in public service reform – a flexibility that local authorities currently enjoy but that others do not. Crucially, it would allow the local area to retain the benefits of effective preventative activity, re-investing system-wide financial savings in early intervention to secure further prevention.

**Case Study**

**Surrey County Council**

Surrey County Council’s has committed to the Government’s aim of improving efficiency within councils while keeping council tax low. However, the County feels that the current ‘one size fits all’ council tax freeze policy punishes local authorities who are being efficient, but have no choice but to raise council tax due to the impact of changing demographics – over which they have no control. In Surrey, the birth rate has risen by 20% over the last 10 years, placing significant pressure on the Surrey’s schools capital funding – despite the council reducing the cost of its average school build. Higher demand leads to total costs increasing, despite the council providing better value for money by driving down unit costs. Surrey would like to go one step further and encourage all local authorities and public sector to providers to publish unit cost analysis as a way of demonstrating to government how they are providing value for money services for their residents. Without concerted Government support and encouragement, this approach – and the savings it provides – will remain an exception, not the norm.
COUNTY COUNCILS NETWORK

Founded in 1997, the County Councils Network (CCN) is a network of 37 County Councils and Unitary authorities that serve county areas. We are a cross-party organisation, expressing the views of member councils to the wider Local Government Association and to central government departments.

We look forward to hearing your thoughts on Our Plan for Government.

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If you would like further information on CCN, including the latest policy briefings, publications, news and events, please visit our website at www.countycouncilsnetwork.org.uk

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