

**your  
county  
matters**

**CCN**  
COUNTY COUNCILS NETWORK

# A NEW DEAL FOR COUNTIES:

*Our Plan for Government*



## Foreword



I have great pleasure in presenting this document to our member councils, Central Government and the wider sector.

This publication outlines the real significant challenges facing county local government over the coming years, but also the opportunities and potential solutions of working closely in partnership with Central Government.

Our approach is to maximise the opportunities within existing legislation, providing Government with answers to some of the biggest social and economic challenges we face.

For this to become a reality we need government to work with Counties to deliver a “new deal” for our areas that ensures fairness for our residents, but also trusts and empowers us.

To enable counties to do more, we must receive our fair share of government resources to support growth in our economies and improved outcomes for all of our residents.

Our members cannot continue to deliver high quality frontline services and push through innovation when we are the lowest funded authorities. If new deals are being agreed in other parts of the United Kingdom, then so should the areas that form the backbone of England’s society and economy.

Counties are a key component to the national economy’s wellbeing; we make the biggest contribution to UK Plc and must be a central part of the Government’s Industrial Strategy.

Devolution arrangements for counties and their partners must come forward, enabling new powers to transform delivery in areas such as workforce skills which are appropriate to the local economies, infrastructure to support growth, and health and social care integration.

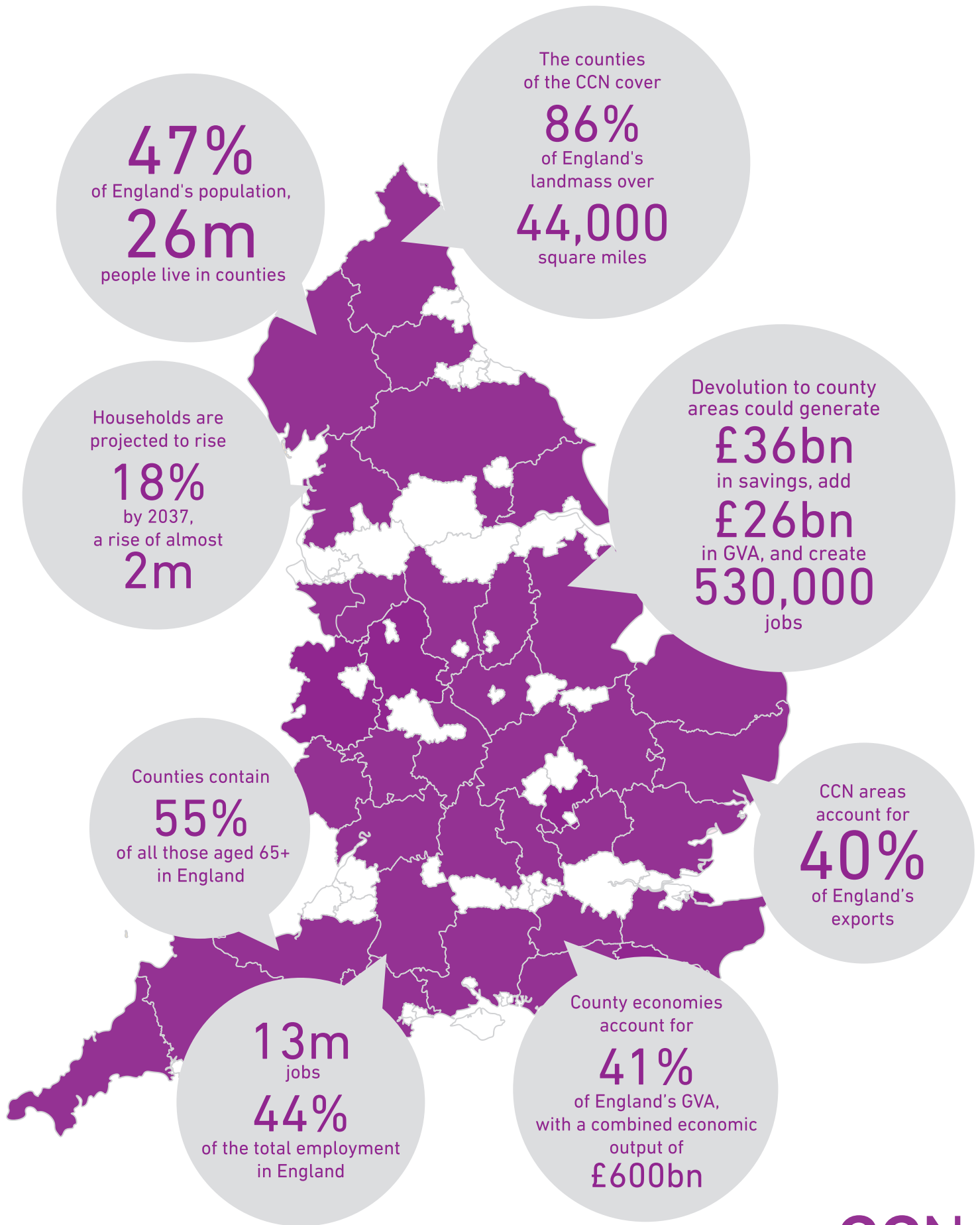
If devolution can be achieved in our great cities, Scotland, Northern Ireland and Wales, it can work for the great counties of England. The potential of our economies and the desire of our 26 million residents for local decision making cannot be overlooked.

Counties have the ambition, track record and appetite to do much more. We look forward to working with Central Government on a new, fair and constructive way forward.

**Cllr Paul Carter CBE, CCN Chairman**

A handwritten signature in black ink, appearing to read 'Paul Carter', written in a cursive style.

CCN member councils constitute the largest and most significant single grouping of local authorities in terms of population, geography, economic growth, taxation, and public services.



# Executive Summary

The past twelve months in Westminster have seen an unprecedented period of upheaval. The EU referendum has already proven to have profound political implications for our nation, while the economic and social connotations will begin to take shape over the coming period.

The political and policy context in which local government now finds itself is now vastly different from what it was operating in pre-General Election. The incoming Government has begun to set out its agenda, largely focused on laying the ground for renegotiating our relationship with the European Union. Consequently a large proportion of parliamentary and legislative capacity will be focused on delivering Brexit.

However, the Prime Minister stated that last year's referendum result was not simply a vote to leave the EU, it was an instruction to the Government "to change the way our country works – and the people for whom it works – forever".

**For our county heartlands, covering 47% of England's population and 86% of its landmass, the imperative for change is most keenly felt.** CCN believe that changing how "our country works" must tackle the complex problems facing local communities. Government must work in partnership with local government to radically reform services and find solutions to long-standing challenges, such as the sustainability of social care, during a period of uncertainty.

Meeting these challenges and opportunities will rely on strong collaboration between central and local government, based on a new relationship and partnership between the local and national state, and most importantly, a New Deal for Counties.

## A New Deal for Counties

The proposals outlined across *Our Plan for Government* are grounded in the principle of a New Deal for Counties based on three core foundations;

- **A fair share of national resources;** With the future of austerity and the funding of public services increasingly becoming part of the national discourse, the voice of our English counties and our rural areas must not be forgotten. For too long, funding inequalities for our Shire Counties have been tolerated, whether for social care, public health, our local schools, transport and infrastructure. Government should grasp this moment to deliver sustainable long-term funding for local government and ensure a fairer distribution of new and existing resources, correcting the historic funding inequalities that exist between our urban and rural areas.
- **Harnessing the contribution of our economies;** County economies are the cornerstone of the national economy. But for too long their importance in securing the long-term prosperity of our nation has been overlooked. With the uncertainty of Brexit, a new deal for counties can recognise the central role of our economies in a modern industrial strategy; building on the strengths of county economies, but also tackling our structural weakness ahead of Brexit and delivering more homes for local people.
- **Empower counties to reform and improve public services;** The commitment to remove the devolution requirement of Metro-Mayors provides the opportunity for counties to work with central government to finally deliver ambitious devolution arrangements to underpin a programme of radical reform to our public services. There are tangible benefits to granting strategic counties new powers to support economic growth including skills, strategic planning, employment support and transport. But of equal importance is ensuring that we trust and empower our existing place-based leadership, building upon our track record of service delivery across public services, improving value for money and outcomes for residents.

# OUR PLAN FOR GOVERNMENT

Grounded in the principles of a fair New Deal for Counties, our practical, solution based proposals are set out across the following sections. This document clearly sets out that County Authorities can be the local strategic partner of Government and take practical steps to ensure that the momentum on public service reform, service improvement and bringing decisions closer to local communities through devolution can continue.

## **1) FULL FUNDING & A NEEDS-LED FORMULA** **p.10**

A needs-led, evidence based formula to address the historic funding inequalities between rural and urban areas

## **2) INCENTIVISING GROWTH & SELF SUFFICIENCY** **p.13**

Sustainable local government finance, fiscal devolution and self-sufficiency

## **3) DEVOLUTION TO SHIRE ENGLAND** **p.16**

Empowering county authorities as part of new devolution arrangements

## **4) AN ECONOMY THAT WORKS FOR ALL** **p.19**

A place-based industrial strategy to drive inclusive growth in our county areas and rural heartlands

## **5) THRIVING COMMUNITIES** **p.23**

Strategic planning powers that maximise opportunities for infrastructure investment and housing delivery

## **6) SUSTAINABLE SOCIAL CARE** **p.27**

A locally-led system that is fair and equitable for service users and taxpayers, providing support to vulnerable residents with care needs and disabilities

## **7) HEALTH INTEGRATION** **p.31**

Bringing democratic leadership to health and social integration

## **8) PREVENTATIVE CHILDREN'S SOCIAL CARE** **p.34**

A fully-funded and prevention focused service to provide every child with the best start in life

## **9) A MODERN AND FAIR EDUCATION SYSTEM** **p.37**

Fair funding for all schools and enabling county authorities to support a mixed economy of excellent schools

**#countiesmatter**

*your*  
**county**  
matters

# Introduction

The past twelve months in Westminster have seen an unprecedented period of upheaval. The EU referendum has already proven to have profound political implications for our nation, while the economic and social connotations will begin to take shape over the coming period.

It's within this context the incoming Government has begun to set out its agenda.

The Election campaign and its aftermath has been dominated by debates over how to deal with the two biggest public policy challenges of our time; Brexit and our ageing society. Both of these present seismic challenges of great importance to both central and local government.

There is no doubt that over the coming period there is now an enormous task in renegotiating our relationship with the EU. However, the Prime Minister has said last summer's referendum was not simply a vote to leave the European Union, it was an instruction to the Government "to change the way our country works – and the people for whom it works – forever".

Despite the outcome of the election, and the limited parliamentary and legislative capacity of Government, changing the way "our country works" necessitates that we do not shy away from the need to find solutions to tackle the complex problems facing local communities and the need to radically reform services during a period of uncertainty.

**For our county heartlands, covering 47% of England's population and 86% of its landmass, the imperative for change is most keenly felt.** If we are to overcome uncertainty represented by Brexit and realise future opportunities, we simply cannot afford to purely focus on leaving the EU.

Meeting these challenges and opportunities will rely on **strong collaboration between central and local government**, based on a **new relationship and partnership** between the local and national state, and most importantly, a **New Deal for Counties**.

Building on our recent *Your County Matters* campaign and detailed engagement with our members following county elections, this document sets out how we can **achieve our objectives** over the course of this Parliament, while finding common ground for wider reform.

It demonstrates how a **fairer, new deal for county areas** can address the concerns of local communities, meet the needs of residents and unleash the potential of our areas to drive national prosperity. The core foundations of this new deal will ensure our areas;

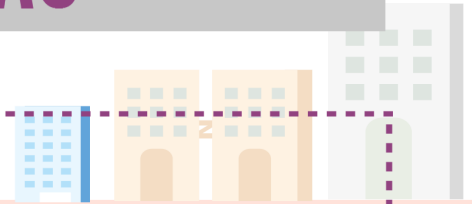
- Receive a **fair share of national resources**;
- That we **harness the contribution our economies** can make to the future prosperity of our nation;
- And, **we empower counties to reform and improve public services** through an ambitious devolution settlement.

Grounded in the principles of a New Deal for Counties, our practical, solution based proposals are set out across the following sections. This document clearly sets out that county authorities can be the local strategic partner of Government and take **practical steps** to ensure that we step up the momentum on public service reform, service improvement and bringing decisions closer to local communities through devolution.

# A NEW DEAL



## FOR COUNTY AREAS



### COUNTY ECONOMIES

Harness the contribution county economies can make to the future prosperity of England

### FAIRER FUNDING

Counties must receive a fair share of national resources

### POWERS TO REFORM

Empower counties to reform and improve public services through county devolution settlements

## BREXIT

Counties saw the most consolidated Leave vote last June.

The 26million county residents cannot be ignored; part of their vote manifested from a feeling of remoteness from Westminster. They want a new deal from Government.

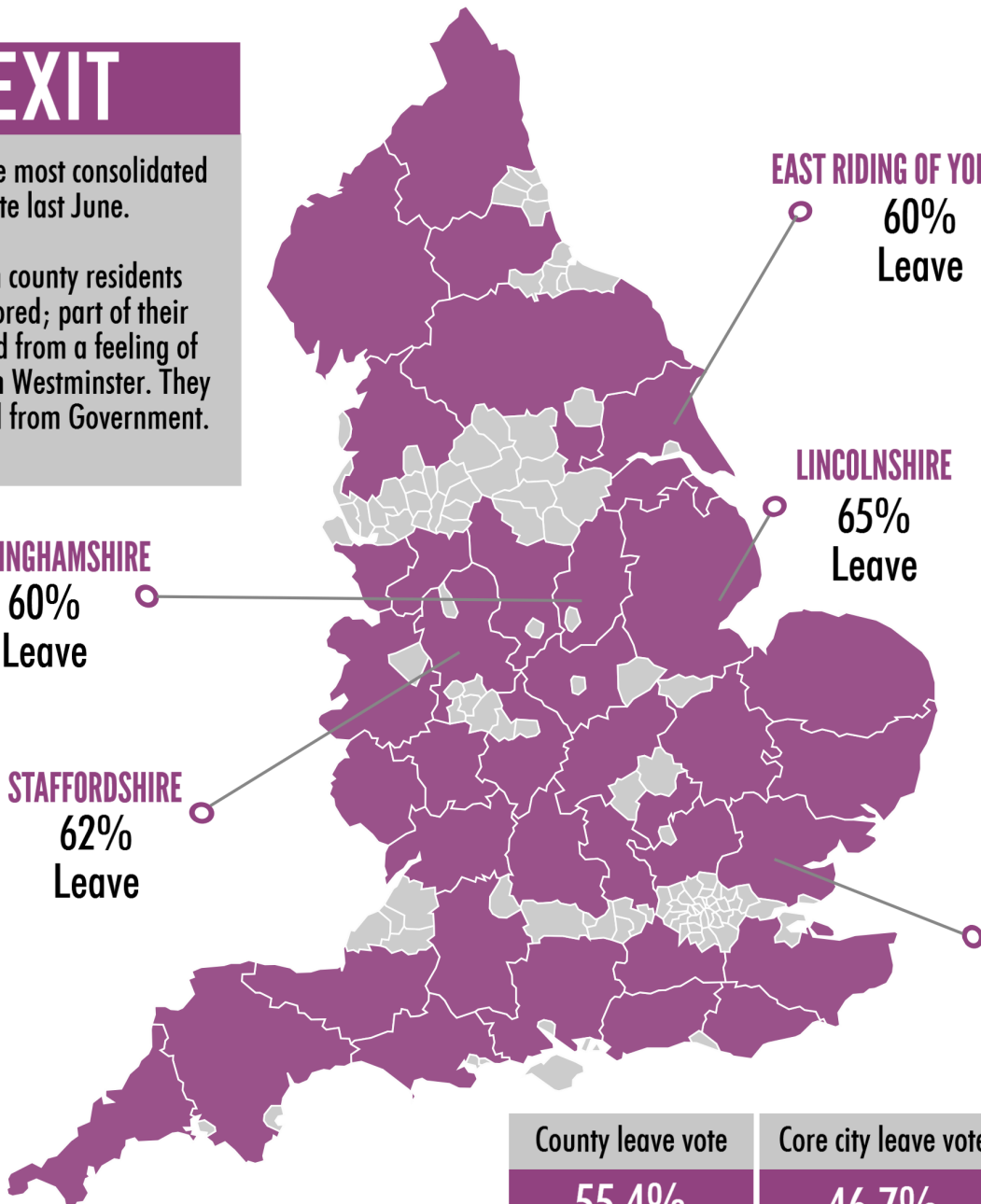
**NOTTINGHAMSHIRE**  
60%  
Leave

**STAFFORDSHIRE**  
62%  
Leave

**EAST RIDING OF YORKSHIRE**  
60%  
Leave

**LINCOLNSHIRE**  
65%  
Leave

**ESSEX**  
62%  
Leave



County leave vote

55.4%

Core city leave vote

46.7%

# A New Deal for Counties

## A Fair Share of National Resources

With the future of austerity and the funding of public services increasingly becoming part of the national discourse, the voice of our English counties and our rural areas must not be forgotten.

For too long, funding inequalities for our shire counties has been tolerated, for example in social care, public health, our local schools, transport and infrastructure. Government must grasp this moment to deliver sustainable long term funding for local government and correct the historic funding inequalities that exist between our urban and rural areas.

On the critical issue of social care, we need to work together to deliver a long-term financial solution; one that is fair to service users and taxpayers, but importantly, practical and sustainable for local government. In realising this, we need to retain our focus on adult social care, including learning disabilities, but also make the case for a fully-funded and prevention focused children's social care system.

## Harness our Economic Contribution

The need to rebalance our economy, deliver more homes, and implement a modern industrial strategy existed long before Brexit brought new challenges.

County economies are the cornerstone of the national economy. But again, their importance in securing the long-term prosperity of our nation has been overlooked. The significant benefits and opportunities that exist in counties, whether they are specialist manufacturing, construction, creative industries, bio-sciences, agriculture or the visitor economy, must now be exploited through the right investment, in the right way.

With the uncertainty of Brexit, including the future of EU Structural Funds and the impact on our manufacturing and agricultural sectors, a new deal for counties would recognise the central role of our economies and provide the foundations for an enhanced role to deliver a true place-based industrial strategy to all four corners of England. This would build upon the strengths of county economies, but also tackle our structural weaknesses ahead of Brexit and deliver more homes for local people.

## Empowered Counties

While debates over Brexit and austerity dominate national headlines, the imperative of public service reform, built on the principles of English devolution, has not disappeared.

The welcome commitment to remove the devolution requirement of Metro-Mayors provides the opportunity for counties to work with central government to finally deliver ambitious devolution arrangements to underpin a programme of radical reform.

Granting strategic counties new powers to support economic growth, including skills, strategic planning, employment support and public transport, through a new deal for counties has real tangible benefits. But of equal importance is ensuring that we trust and empower our existing place-based leadership, building upon our track record of service delivery across public services, improving value for money and outcomes for residents.

On education, we need to provide every young person with the best start in life and the skills they need to succeed, with counties playing a central role in a modern, mixed economy of schools and designing new ways for counties to redesign skills provision and influence labour markets. And on health, counties must be empowered to lead a new, more accountable, and efficient approach to integration at scale





# Full Funding & A Needs-Led Formula

**In the aftermath of the election, we have witnessed a debate over whether the new Government will ease the austerity drive that has characterised the two previous Parliaments, and fully fund public services.**

For local government, there remains a growing gap in funding to meet service needs. Significant on-going cuts to local government funding in recent years, combined with new unfunded burdens such as the National Living Wage (NLW) and rising demand for services from changing demographics, has widened this gap. The reality facing the sector and local communities is that a significant proportion of statutory local government services are underfunded, while discretionary and preventative services are increasingly being removed or are under threat.

CCN call on the Government to fully fund vital services, such as adults' and children's social care, and ensure they maintain their commitment to the new burdens doctrine, which includes meeting the costs of lifting the public sector pay cap and ongoing implications of increasing the NLW year on year.

Alongside the size of the local government funding envelope, a more balanced approach to measuring relative need is also important. Counties currently receive less funding per head than all other council types. The current system means that counties receive just £271 of funding for services per head from Government. This is less than half of what a London resident can expect, with average funding of £563 per head.

Imbalanced funding means that some authorities have received historically higher grants, creating perverse and unfair disparities in council tax rates. For example, 13 London boroughs were able to freeze or reduce council tax in 2016/17. While Westminster can charge approximately £700 for an average property, the average for a county is £1,600. Given changing demographics, the current funding formula and the social care precept, this gap is likely to widen without funding reform.

CCN were greatly encouraged by the previous government's acknowledgement that the current funding formula is no longer fit for purpose, and their commitment to reform. The new government must urgently reinstate work on the Fair Funding Review at the first possible opportunity and ensure sufficient Whitehall capacity is in place to take this forward. Progress should not be delayed due to any changes to business rate retention plans.

Building on the cost-drivers approach adopted in the Leicestershire County Council fair funding model, we strongly argue that we must move away from current regression methods, which use past spend and past service take up to determine future funding. This method means that funding distribution cannot keep pace with the fast changing demographic pressures seen across the country, the evolving needs of residents, and is embedding cycles of underfunding.

CCN are supporting the work of the Association of Local Authority Treasurers' Societies, who are working across the sector to find common ground and develop a funding approach which accurately reflects the current and future needs of areas. Such an approach would work on the basis of funding following core cost-drivers. These cost-drivers centre around relevant populations, service and infrastructure pressures.

With fair and sustainable funding for local government, we can prioritise reform based around a new, fairer and simple methodology, based on primary cost-drivers. The benefits of such a system would be increased transparency, fairness, responsiveness to need and, crucially, sustainability over time.

**“The new government must urgently reinstate work on the Fair Funding Review”**

# FAIRER FUNDING

## FOR COUNTY AUTHORITIES



### Historical underfunding

- £ Counties are the lowest funded type of upper-tier council
- £ They receive £292 less per resident than councils in London and £166 less per head than metropolitan boroughs



#### 13 LONDON COUNCILS

Were able to freeze or reduce council tax last year



#### £700 ON AVERAGE

Wesminster Council's average council tax bill



#### OVER £1,600

Counties' average council tax bill

### CCN SURVEY

COUNTY COUNCILS NETWORK

# 56%

of respondents identified that fair funding should be CCN's top priority

### KEY SERVICE PRESSURES



#### THREE QUARTERS

Of upper tier council costs are driven by just 5 key cost drivers



Over 65s



Learning disabilities



Looked-After Children



Road lengths



No. of households



# FULL FUNDING & A NEEDS-LED FORMULA

A needs-led, evidence based formula to address the historic funding inequalities between rural and urban areas

## A PLAN FOR GOVERNMENT

HOW COUNTIES CAN WORK WITH GOVERNMENT TO DELIVER FULL AND FAIR FUNDING

### 1) SUSTAINABLE FUNDING



Government should provide appropriate additional funding to local government for current underfunded pressures, most importantly in social care. Any additional costs from lifting the public sector pay cap for local government must be met under the new burdens doctrine.

### 2) FAIR FUNDING REVIEW

The review of local government funding should be prioritised and progressed at the earliest opportunity. This must proceed as planned, and should not be delayed due to timescales or mechanisms for future local government funding.



### 3) WHITEHALL CAPACITY & SUPPORT

Senior resource should be made available in the Civil Service to support the fair funding review. Central government should continue to work closely with local government and formally support the work of the Association of Local Authority Treasurers' Societies to develop and test the new funding formula.

### 4) A NEW COST-DRIVERS APPROACH

Move away from regression techniques, and develop a formula based on a simple key cost-drivers approach. These cost-drivers centre around relevant populations and infrastructure pressures. For example the number of people over 65 and over 85, the number of households and length of road in the administrative area.



### 5) FAIRER COUNCIL TAX



In line with the Fair Funding Review, forge a route to better balanced council tax reliance between parts of the country. Greater flexibility for local government should be granted to set council tax rates and discounts – pending a new fair funding formula.

# Incentivising Growth & Self-Sufficiency

## CCN supported the move to full business rate retention in principle, as a means of bringing fiscal decisions closer to communities.

With no mention of business rates legislation in the Queen's Speech however, the future course of reform is now unclear. We would ask the new government to urgently clarify their intentions for the future plans for local government financing.

Our modelling of business rates uncovered significant challenges in ensuring funding could both follow need and reward growth. Local and central government will need to work together to address these crucial issues whatever new proposals for the funding of local government and incentivising growth are set out.

If full rate retention is postponed or superseded, central and local government must work quickly and closely to design a fair and sustainable system which includes the ability for local government to retain more of the money collected locally to reinvest in growth and vital services.

With Revenue Support Grant due to be phased out over the next two years, it is imperative that local government has surety about future funds.

CCN would like to engage with central Government to appraise and design future funding systems for local government. This will be closely linked to the Green Paper on sustainable social care systems.

If full business rate retention does not go ahead in its current form, there may still be opportunities to consider elements of the reform which could provide some freedoms to local government. CCN will be working with other key thinkers and influencers to understand which fiscal freedoms and incentives could still be made available to local government, to facilitate growth and effective services. Given the concentration of Parliament on the body of Brexit legislation, non-legislative solutions will also be considered.

Other existing freedoms, incentives and further fiscal tools must be examined. Reform must continue to the New Homes Bonus, with evidence showing counties have been disadvantaged under the current system. In addition, as explored further on, reforms also need to take place to the Community Infrastructure Levy (CIL) to provide sustainable and efficient funding for essential infrastructure, maximising developer contributions.

Flexibilities and better mechanisms for borrowing, and greater control over determining and setting local taxation and levies, should be made available to all upper tier authorities.

And on fiscal devolution we need a national conversation on the relationship between local and national taxation. Research for CCN has shown that levels of tax and spend are very different in different counties. We should remain aware that fiscal devolution has the capacity to either improve or entrench current inequality. Careful design and the right powers could help create a fair and level playing field that allows both cities and counties to carry out strategic decisions about economic growth and inclusion.

**“We would ask the new government to urgently clarify their intentions for the future plans for local government financing”**

# GROWTH & SELF-SUFFICIENCY

## Treasury contributors

£ Oxford Economics estimate that counties generate £255bn in revenue for the national exchequer accounting for just under half of tax revenue raised in England. They run a fiscal surplus with £54bn more raised in tax revenue than was spent on public services in 2015/16.



### TAX CONTRIBUTION: AT A GLANCE

Counties generate significant amounts of tax for the country, especially in Income Tax and NICs. On average, revenue per person is £9,900, higher than the England average.

## Funding problems

£ The LGA estimate that local government faces a £5.8bn funding gap by 2020. Counties' funding will reduce the sharpest out of any council type, 93%, by 2020. On top of this, there is a question mark on how local government will be funded now business rate retention legislation is off the agenda.



## CCN SURVEY

COUNTY COUNCILS NETWORK

**38%**

of respondents said that achieving financial savings is their council's top priority

## GROWTH INCENTIVES



### NEW HOMES BONUS

A DCLG review showed that county councils had witnessed a negative financial impact under the current scheme by 2014-15.



County Councils: -£25m



Shire Unitary: +£44m



Districts: +£250m

# INCENTIVISING GROWTH & SELF SUFFICIENCY



Sustainable local government finance, fiscal devolution and self-sufficiency

## A PLAN FOR GOVERNMENT

HOW WE CAN WORK TOGETHER WITH THE GOVERNMENT TO DEVISE NEW WAYS OF FUNDING LOCAL GOVERNMENT

### 1) CLARITY ON LOCAL GOVERNMENT FUNDING



Government must provide clarity on the future of full business rates retention. If business rates reform is postponed or superseded, central and local government must work quickly and closely to plan a sustainable alternative funding system.

### 2) INCENTIVISING GROWTH V NEED

Government should work closely with CCN to ensure any new funding system can fully fund changing needs, whilst rewarding measures to improve economic growth.



### 3) SELF SUFFICIENCY



CCN wants to work with central government to ensure counties are able to retain more of the funding collected locally to reinvest in services and economic growth.

### 4) GROWTH INCENTIVES

Government should undertake further reforms to incentives, such as New Homes Bonus, to make it more equitable to the whole sector.



### 5) FISCAL DEVOLUTION

A wider national conversation and sector debate should be started on greater fiscal devolution to county areas, exploring how reform, with the right powers, could help create a fair and level playing field that allows strategic decisions on economic growth and inclusion.



**CCN**

COUNTY COUNCILS NETWORK

Download our research on finance by visiting  
[www.countycouncilsnetwork.org.uk/local-government-finance/](http://www.countycouncilsnetwork.org.uk/local-government-finance/)

## Devolution to Shire England

**The devolution agenda gained ground under recent administrations. However, too much time was spent on political negotiation, and too much focus retained on the big cities.**

The Conservatives outlined their support for further devolution in their manifesto, and listened to our calls on the requirement for elected mayors to be dropped. With Brexit preoccupying the agenda in Westminster, we need to grasp the opportunity of a new approach – one that is not held up by a legislative backlog in Westminster.

Over recent months, CCN have argued for an ambitious programme of devolution which transfers a strategic suite of funds and powers to all parts of the country, by default. This recognises the limited capacity of Government to continue its previous approach to individual deals and the critical necessity to empower county areas.

County devolution could be fundamental to securing the ongoing, productive growth of the nation and tackling many of our long-term socio-economic and financial challenges.

Population growth in counties is higher than that in the metropolitan regions, and they outperform the second cities in a number of ways. Counties represent 44% of employment and 41% of England's GVA – counties' futures will therefore have a significant impact on the future course of the UK economy. On public service reform, the financial and demand-led challenges outlined in the previous chapters and the complexity of integration in counties, explained later in the document, require radical solutions.

A localised approach would allow tailored, joined-up and innovative approaches to improving productivity, living standards and inclusion. Enlisting communities, businesses and organisations to own and transform their economies, combined with the opportunity to make public sector efficiencies, would allow for continued investment in services and the economy.

The case is compelling. A recent study by Oxford Economics, on behalf of CCN, calculated that the devolution of tax and spend powers to counties could save £36bn over a five year period. If £5.8bn of these savings were then invested in economic growth, the GVA of counties could be raised by £26.3bn, helping to create an additional 1m jobs by 2027.

Not only does the analysis by Oxford Economics make a compelling financial and economic case for devolution, it also reveals that a different approach to governance is needed to realise the benefits.

It is useful to understand that while England's counties are rural in appearance, economically, they are not deeply rural. Instead they should be thought of as 'intermediate' economies, with multiple, interconnected rural and urban hubs. This is important. The intermediate status of county economies means our areas require alternative arrangements, not the imposition of urban-focused forms of governance.

Ambitious devolution will need the right governance, but we have long argued that the metro mayor model is not the right fit for counties. The mayoral combined authority aims to create an overarching framework for urban single-tier councils. Counties already have a strategic authority, whether two-tier or unitary, which has purview across the whole area and a track record of delivery.

The county acts as a practical and effective layer of government, being strategic, yet inherently recognised and celebrated by residents. County boundaries are an asset, not a brick wall; with the ability to reach into district and parish economies, but also work constructively across borders at a strategic scale with sub-national and national bodies.

Empowered city regions and counties present a working model for central government to quickly and confidently devolve to all areas of the country.

**“County devolution could be fundamental to securing the ongoing, productive growth of the nation”**



# DEVOLUTION

your  
county  
works

## TO ENGLAND'S COUNTIES

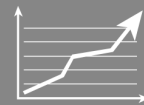
### BREXIT BOOST

County devolution could boost England's economic growth to 2.7% per year - significantly more than post-Brexit predicted growth of 1.9% per year



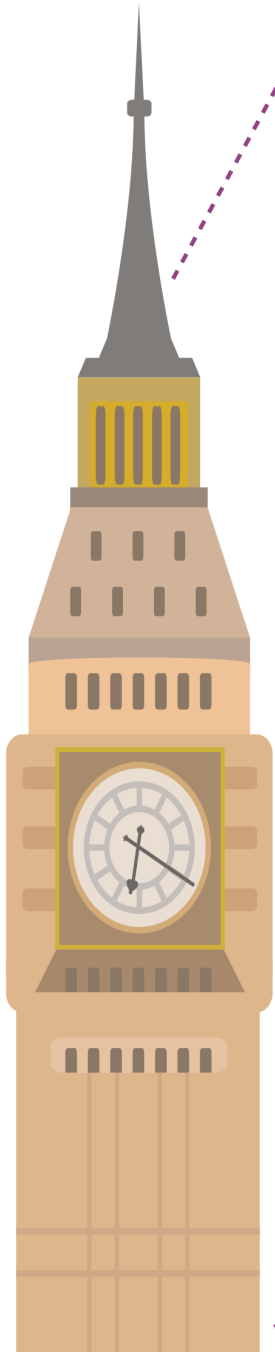
### JOBS & GROWTH

Devolving all public spending to county areas could generate over 1m jobs over the next decade according to CCN projections,; and boost England's GVA by over £26bn over a five year period



### TAXPAYER SAVINGS

Oxford Economics predicts that full devolution to counties could save up to £36bn over five years, as well as bringing decisions closer to local people





# DEVOLUTION TO SHIRE ENGLAND

Empowering county authorities as part of new devolution arrangements

## A PLAN FOR GOVERNMENT

HOW WE CAN WORK WITH GOVERNMENT TO DELIVER THE NEXT PHASE OF DEVOLUTION, RADICALLY RESHAPING COUNTIES' POWERS

### 1) COMMON FRAMEWORK



CCN has long argued for a more open, transparent and structured approach to devolution. We support the introduction of a common framework for devolution, and fully support the commitment to remove the requirement for Elected Mayors in all but the 8 Core Cities.

### 2) COUNTY GEOGRAPHIES

To move forward devolution at pace, Government should use county and county unitary geographies as the basic building blocks for devolution footprints, recognising their strategic scale, identity, economic and public service reform importance and coherence.



### 3) STRATEGIC AUTHORITIES



Under a common framework, Government should endorse recent recommendations by Localis and IPPR North to make upper-tier authorities the strategic body to take on devolved powers in a county, working in informal or formal partnerships, without the need for a combined authority or Elected Mayor.

### 4) DEVOLUTION BY DEFAULT

Begin the next phase of devolution, transferring a suite of strategic powers and budgets to all areas by default. The common framework should set out a pathway to achieving this, alongside a menu of powers across skills, transport, housing and health.



### 5) STRUCTURAL REFORM



CCN supports member councils wishing to pursue unitary status, building on independent evidence for CCN on the most cost effective and sustainable models of reform. Government should provide clarity on the future of reform; clear evidence-based criteria to inform the process and bids.

# CCN

COUNTY COUNCILS NETWORK

Download our research on devolution & reform by visiting [www.countycouncilsnetwork.org.uk/devolution-and-reform/](http://www.countycouncilsnetwork.org.uk/devolution-and-reform/)

# An Economy That Works For All

**As the country begins the process to exit the European Union, central and local government are focussed on securing economic growth and inclusion. Increasing skills, high value industry and productivity will be central to a sustainable, competitive and inclusive economy.**

The concept of a modern industrial strategy has now become the mainstream means of achieving this. Despite counties strongly welcoming an Industrial Strategy, the Green Paper published earlier this year continued a narrow focus on the big city regions as the main drivers of growth.

CCN has challenged this narrative for many years. Now, a recent study by Oxford Economics for CCN has argued assertively that this narrow focus of the Industrial Strategy 'is unlikely to be effective'. They conclude the success of the Strategy, and the UK economy's post-Brexit fortunes, are dependent on how well we 'address the challenges and opportunities associated with county economies'.

Their evidence shows that counties are the cornerstone of the English economy, they represent the largest contribution to national growth, adding 41% of GVA. They are net funders of HM Treasury, contributing approximately 27% more in tax than they spend. Counties have the largest share of jobs in the country, and the greatest proportion of business start-ups.

Despite this, counties face significant structural challenges. The rate of dependency is rapidly increasing. Our internationally weak productivity levels are compounded, with evidence showing counties have low value, low productivity industry, and do not currently have the skill set to support high value growth sectors such as professional, science and technology services. Additionally counties represent the largest proportion of manufacturing – an industry which will be vital to the country's future – yet one which is set to see significant employment loss in coming years.

While not widely recognised, counties also face real challenges with inclusion. For example, outcomes for children eligible for free school meals are poorer in counties; and while unemployment is low a disproportionate number of people are long-term unemployed. Rural populations have a higher risk of isolation and there are deep pockets of ex-industrial and coastal deprivation in counties.

Where counties do have high levels of productivity and high value industries, measures are needed to ensure healthy growth. Under-bounding of towns and districts has compounded housing affordability issues. The underfunding of infrastructure represents challenges to housing, business growth and supporting school expansion. Counties do not receive their fair share of infrastructure investment, with our analysis showing, per capita, Greater London will receive four times the investment from the National Infrastructure Pipeline fund, while Metro-Mayors have recently been guaranteed an additional £5bn of investment.

In tackling these economic imbalances and unleashing the potential of county economies, CCN have been encouraged by the commitment within the Conservative Manifesto to explore how local Industrial Strategies can stretch to all corners of the nation. We also want to engage with the Government to suggest reforms to LEPs including revising the role of LEPs in advising local democratic leaders and by re-aligning LEP boundaries.

Counties as strategic authorities are best placed to work with public and private sector partners to drive growth and reform. Most counties are developing Sub-National Transport Bodies for example, to consolidate their shared voice and strategy at this level.

Evidence shows that empowering counties through the Industrial Strategy could significantly offset the impact of Brexit and lead the future prosperity of the country.

**“Evidence shows that counties are the cornerstone of the English economy”**

AT A GLANCE:

# COUNTY ECONOMIES



EMPLOYMENT:

13m people, 44% of England's total



GVA CONTRIBUTION:

£600bn, 41% of the economy



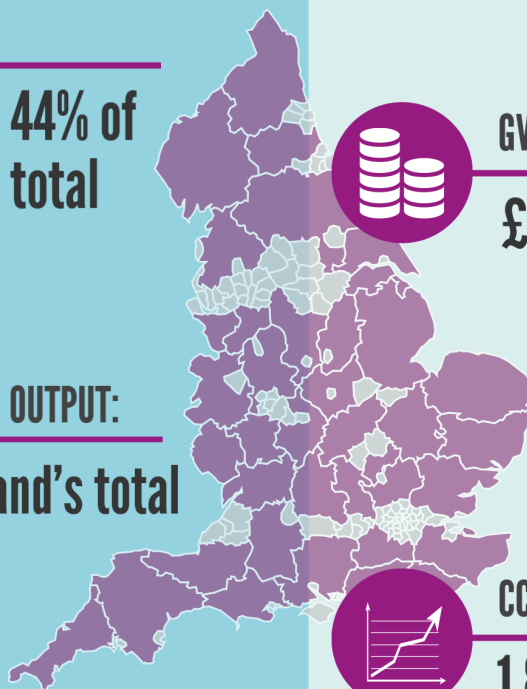
MANUFACTURING OUTPUT:

53% of England's total



CCN AREAS' FORECAST GROWTH:

1.8% per year



Counties generate a surplus for the Treasury: £54bn more raised in taxes than spent on services

Higher yearly growth (1.1%) than the combined authorities since 2007



“ THE CCN ECONOMY IS AN IMPORTANT CONSTITUENT TO HEAVILY INFLUENCE OVERALL ECONOMIC ACTIVITY IN THE UK. TO BE EFFECTIVE, THE INDUSTRIAL STRATEGY AND DEVOLUTION SHOULD SEEK TO BUILD ON THAT.

OXFORD ECONOMICS

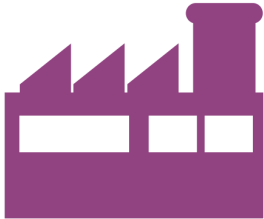
# MAKEUP OF CCN ECONOMIES

**MANUFACTURING BASE**

The CCN economies drive England's manufacturing base: containing 53% of its manufacturing jobs and economic output

**HIVE OF BUSINESS STARTUPS**

Counties accounted for 40% of England's new business start-ups in 2015



**MAJOR SECTORS**

Counties have a high concentration of jobs such as construction, agriculture, wholesale, and retail

**ENGLAND'S MAJOR EXPORTERS**

Counties are responsible for 40% of England's exports, double the amount of the combined authorities

**FINANCE AND BUSINESS JOBS**

Counties are currently under-represented in finance, insurance, and professional jobs



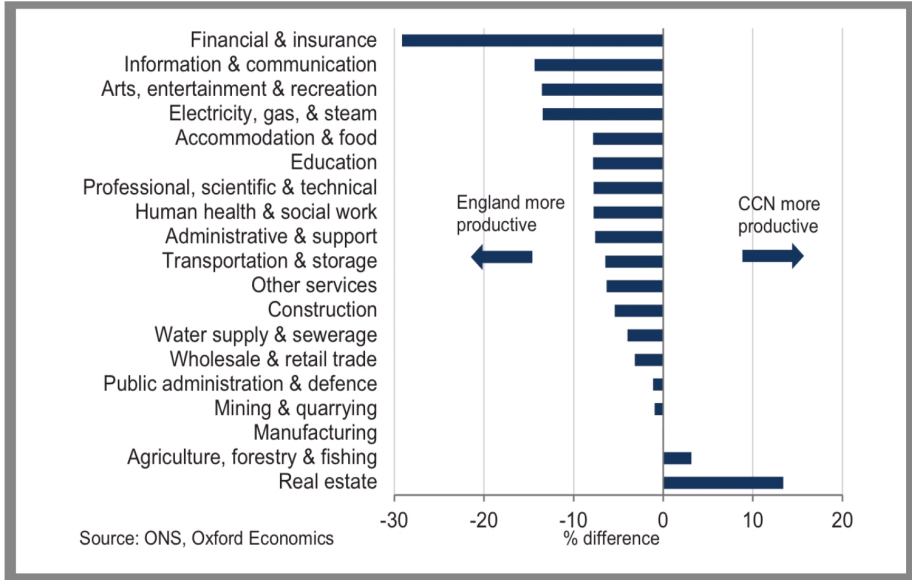
## PRODUCTIVITY

### AVERAGE PRODUCTIVITY GROWTH SINCE 2007 BY AREA

**COUNTIES**  
**0.3%**

**COMBINED AUTHORITIES**  
**0.3%**

**ENGLAND**  
**0.5%**



### PRODUCTIVITY ANALYSIS

While county productivity has kept pace with the combined authorities, this graph shows that CCN areas lag behind in all but two sectors.

In financial and insurance, county productivity output is 30% lower than the national average of £82,500 per person.

The Industrial Strategy must look to address these challenges.



# AN ECONOMY THAT WORKS FOR ALL

A place-based industrial strategy to drive inclusive growth in our counties and rural heartlands

## A PLAN FOR GOVERNMENT

HOW WE CAN WORK WITH GOVERNMENT TO UNLEASH THE POTENTIAL OF COUNTIES AND SOLVE THEIR CHALLENGES

### 1) INCLUSIVE GROWTH



Government should now broaden the focus of its Industrial Strategy, giving equal status to county economies alongside the cities, building on our strengths and tackling our structural weaknesses.

### 2) LOCAL INDUSTRIAL STRATEGIES

Endorse counties as the strategic authority, alongside city region CAs, to design and deliver local Industrial Strategies around county geographies. This would allow a new phase of devolution, devolving by default a broad suite of growth and reform powers and budgets to counties and local partners.



### 3) LOCAL ENTERPRISE PARTNERSHIP REFORM

Take the opportunity of reforming LEPs to re-align boundaries in line with counties and city regions. A review of the role and remit of partnerships should also be undertaken to provide clarity to business and councils, strengthening local democratic leadership and business engagement, and providing certainty over long-term funding arrangements.

### 4) REGIONAL TRANSPORT



Empower Sub-National Transport Bodies and consolidate the role of upper-tier councils, devolve appropriate powers alongside input into central agendas at that level, with sufficient funding and freedoms for counties over local transport, including buses.

### 5) INFRASTRUCTURE FUNDING

Move to a more balanced distribution of central infrastructure funding which better aligns with local priorities. We must move away from project based and competitive local infrastructure funding pots. Funding should be decentralised as far as possible, with decisions made by local leaders on the ground.



### 6) SKILLS REFORM



CCN will be working with Localis to develop a new approach to further education, bringing together local government, learners, providers and business. We ask the new Government to support the devolution of skills budgets and decision making to the county level, to ensure provision better meets economic priorities.

**CCN**

COUNTY COUNCILS NETWORK

Download our research on economic growth by visiting  
[www.countycouncilsnetwork.org.uk/economic-growth-housing-infrastructure/](http://www.countycouncilsnetwork.org.uk/economic-growth-housing-infrastructure/)

# Thriving Communities

**Housing and the county role of place shaping is vital to ensuring that our communities are able to thrive and helping to tackle the housing shortage and affordability. No one can doubt the need to build more houses of different types and tenures, at pace and scale and to ensure a greater diversity of developers, including smaller developers.**

Nowhere is this more important than counties – a number of which face the highest housing affordability challenges outside of London. In two-tier areas district planning authorities are small and numerous – with councils in charge of local plans representing on average 100,000 people compared to metropolitan boroughs of 300,000. Seeing the benefits of scaling up further, metropolitan councils have been incentivised to come together to form strategic spatial plans covering the wider city region, such as in Greater Manchester.

Counties need a more coherent approach to strategic planning, and CCN believe a similar approach in counties to strategic spatial planning could help unlock housing, ensuring a coherent approach to development and economic growth across the area.

Small planning areas in counties face fragmented and increased complexity due to the split in planning and infrastructure powers and financing. It is the county which is responsible for infrastructure provision, and the individual district councils which are responsible for planning and for setting CIL. The county is also responsible for social care, education and setting economic growth strategy with the LEP – all of which need appropriate spatial planning.

Housing development cannot happen without the essential infrastructure needed to support it. Underpinning the housing crisis is the lack of funding for the necessary infrastructure needed to support new housing growth.

The Community Infrastructure Levy was set up to fund housing infrastructure delivered by the upper tier authority, and yet district councils set the terms for how the levy will be applied in their area. As such CIL has been applied very differently by different districts, with many not applying it at all, and an inefficient patchwork effect emerging. As such we are not making the most of developer contributions. The Duty to Cooperate aimed to overcome some of this complexity, and ensure infrastructure and wider strategic issues were considered in planning – but unfortunately this

has not been successful and is leading to inefficient and ineffective approaches. The complexities we need to overcome have long been recognised and we welcomed the comments of the Secretary of State (SoS) at the 2017 LGA Conference on reforming the planning system, infrastructure investment and a more 'strategic approach' to decisions on housing.

The Neighbourhood Planning Act makes provision for councils to come together to form joint plans, and allows the SoS to direct this where appropriate. CCN argue that while this works for metropolitan boroughs, we must go beyond joining up planning authorities in two-tier areas. If we are to ensure there is a coherent plan for communities covering the broader area, and the infrastructure to support development, we must facilitate working between tiers.

The Housing White Paper set out the idea of reforming the Duty to Cooperate, and developing the Statement of Common Ground. CCN believe that the design of this mechanism should continue and will be a crucial opportunity to reform the way planning functions in two-tier counties. We strongly suggest that this should be utilised to ensure infrastructure and spatial planning decisions are made in a strategic and joined up way across the county area.

Empowering counties in the planning system and reforming and finding new ways for councils to finance infrastructure is needed if we are to tackle the intergenerational unfairness of our housing economy.

**“Counties need a more coherent approach to strategic planning”**

# THRIVING COMMUNITIES - THE CASE FOR STRATEGIC PLANNING



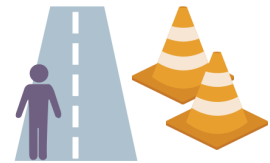
## HOUSING AFFORDABILITY

Counties face the highest housing pressures and contain the least affordable homes compared to earnings outside of London. Oxford Economics estimate that average house prices are 9 times average yearly earnings. This means people struggling to get onto the housing ladder or having to move away from their communities.



## INFRASTRUCTURE GAPS

In many counties planning and infrastructure considerations are split between individual districts and county councils. This creates a fragmented approach to infrastructure provision, and missed opportunities to work together to identify suitable areas for development.



## JOINING UP & SCALING UP

An increased focus on strategic planning, which supports counties and districts working together at scale could help overcome some of these challenges.



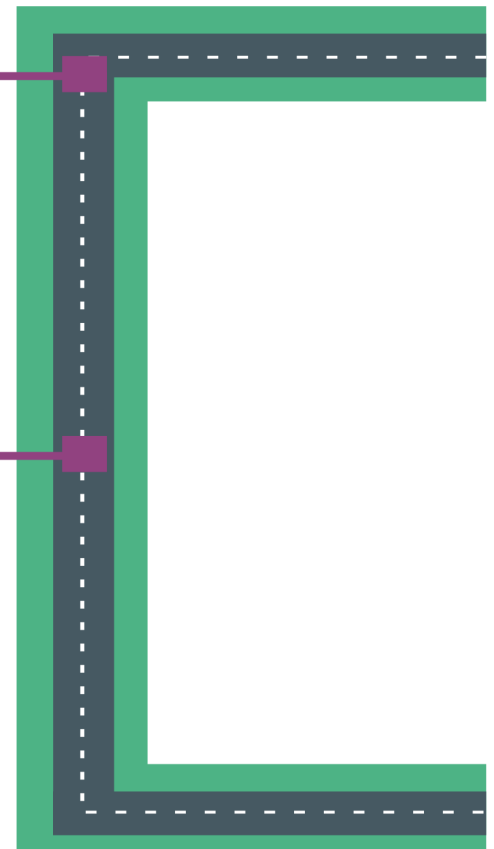
This could join up planning and infrastructure, allowing homes to be targeted to the most appropriate areas and ensuring that public services, roads, and amenities are in place to mitigate pressures on towns and communities.



## COMMUNITY BENEFITS

Government recognises that objections to local development is a major barrier in creating homes the country desperately needs.

A more aligned system will ensure the building blocks are already in place in communities - new schools, roads, schools, and other public services. This will help allay concerns of local residents and representatives, removing the barriers to local housebuilding.







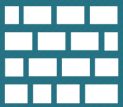
# THRIVING COMMUNITIES

Strategic planning powers that maximise opportunities for infrastructure investment and housing delivery

## A PLAN FOR GOVERNMENT

HOW WE CAN WORK WITH GOVERNMENT TO DELIVER MORE HOMES AND CRITICAL INFRASTRUCTURE IN COUNTIES

### 1) STRATEGIC PLANNING



Support and endorse strategic planning in two-tier areas between county and district councils. Work closely with county authorities to strengthen co-operation and joint planning through the Statement of Common Ground.

### 2) INDUSTRIAL STRATEGY

Empower the county as the strategic authority to facilitate growth and housing delivery by channelling funding and powers, making strategic development Infrastructure Levy powers available to counties, alongside city regions.



### 3) HOUSING INFRASTRUCTURE FUND



CCN strongly welcomes the introduction of the HIF and the strategic approach adopted. Whilst we recognise that allocations will be decided on a competitive basis, Government must recognise the significant infrastructure gaps in county areas, ensuring due weight is given to these factors in the allocations process.

### 4) HOUSING 'DEALS'

Government must ensure that county areas benefit from potential deals, with proposals developed across a strategic and coherent geography, ensuring that the upper-tier council is fully engaged with, and part, of any deal.



### 5) INFRASTRUCTURE FINANCE



Standardise CIL and make this the contribution mechanism for smaller sites and remove pooling restrictions from Section 106, making this the contribution mechanism for strategic sites.



## Sustainable Social Care

**The national debate on how we care for our elderly has intensified in the lead up to, and during, the General Election. There is now a consensus on the need for Government to find a workable, equitable and sustainable solution.**

For counties, the debate over how we fund care for the elderly must be viewed in the context of the fastest rising demand and diminishing budgets since the turn of the decade, which in turn has led to fewer people receiving state-funded support and weakened care markets.

The unique social care pressures facing counties have been independently validated. Research by LG Futures showed that during the last parliament counties witnessed the largest reductions in Government funding for social care, alongside facing the most acute demand-led pressures from our ageing society. And a forthcoming new analysis by LG futures for CCN will show the unique pressures from adult social care learning disabilities in counties are set to grow.

It was CCN's ground-breaking work with LaingBuisson that first demonstrated the wider impact on the social care market. Growing financial pressures have forced councils to lower residential and nursing care home fees, leading to a £630m funding gap in the provider market. Given the current economic climate for social care this situation is only likely to have worsened since 2015.

And the impact is not limited to residential care. For homecare, despite CCN authorities paying higher than average rates than other local authority types, research by the UK Homecare Association shows that on average an additional £1.10 per hour is required to ensure that the sector is sustainable. The higher fees paid for homecare are a reflection of the additional cost-drivers counties face due to rurality and diminishing competition in the provider market from withdrawal.

The underfunding of social care is not without consequences. The impact of shrinking budgets can clearly be seen by the increasing number of delayed discharges from hospital. However, while the next section argues that health and social care integration is part of the answer, it cannot be a replacement for sustainable long-term funding.

Government has recognised this. We welcomed the additional £2bn funding announced in the 2017 Spring Budget and flexibilities to increase the resources available for social care. However, Government have accepted these were only short-term fixes and we are concerned by recent BCF Planning Guidance.

Without direct investment to local authorities, which is controlled by councils and focused on social care, we will be unable to meet both existing and future needs and struggle to meet Care Act duties. The stabilisation of local care markets and the provision of sufficient high quality care in the most appropriate setting must be tackled alongside addressing long-standing recruitment and retention challenges.

Looking ahead, CCN will be undertaking significant work in response to the Green Paper on Social Care. Any funding solution will require significant Government investment, alongside reforms to reduce the risk of residents facing catastrophic care costs. Whether these reforms include a care cap, capital limits or insurance products is a question that must be answered as part of the national conversation on social care.

When considering reform it is imperative that we learn from the past. It was estimated that the delayed elements of the Care Act would have cost £6bn, while our LaingBuisson research showed the cap and 'duty to arrange' care for self-funders could potentially weaken the market. Future reforms must not create unfunded new burdens, nor unintentionally destabilise provider markets.

With the Election now over, local government – and particularly counties – can begin to have a voice in this debate once again. We can work with Government to lead a national conversation on how we reform the way we fund adult social care.

**“Unique social care pressures facing counties”**

# COUNTY SOCIAL CARE



## ELDERLY POPULATION

56% of the country's over 65s reside in counties. Over the next five years, the number of older residents in counties is projected to rise at an average annual rate of 2%, compared to the national average of 1.8%

## LARGEST CASH REDUCTIONS



Counties were subject to the largest reductions in estimated cash funding of any local authority type, 20.1% between 2013-16, despite having the largest and fastest growing elderly population



## BUDGET CHALLENGES

64% of respondents to CCN's post-election survey ranked older people's social care as the greatest budgetary challenge facing their council over the next four years

## HOMECARE RATES



Counties pay an average hourly rate of £15.60 for homecare, which is significantly higher than London (£14.41) and Metropolitan Boroughs (£13.25)

## FAIRER ADULT SOCIAL CARE FUNDING

**£1.98bn**

The total amount less in social care funding counties received from government in 2015/16 compared to all other types of local authority

2013/14 FUNDING PER HEAD FOR OVER 65s



**COUNTIES: £278.79**



**LONDON: £717.45**



**NON-CCN UA: £449.03**



**MET BOROUGH: £589.80**

## DELAYED TRANSFERS OF CARE

INCREASE IN DELAYED DAYS DUE TO BOTH SOCIAL CARE AND NHS PRESSURES IN 2016-17

COUNTIES  
28%

NON-CCN UNITARIES  
38%

MET BOROUGHES  
78%

LONDON  
29%



PERCENTAGE OF DELAYED DISCHARGES DUE TO ADULT SOCIAL CARE IN 2016-17

COUNTIES  
31%

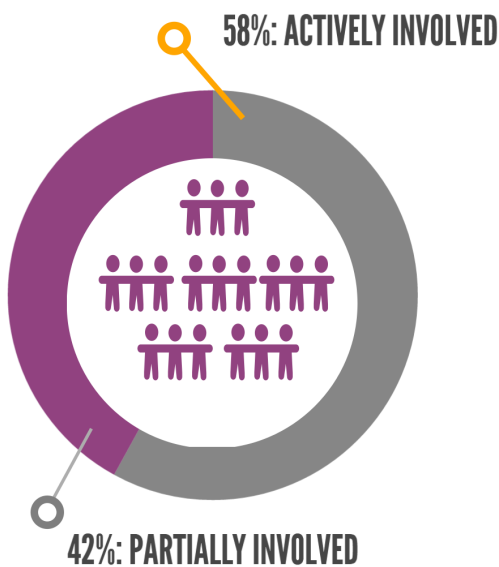
NON-CCN UNITARIES  
27%

MET BOROUGHES  
34%

LONDON  
35%

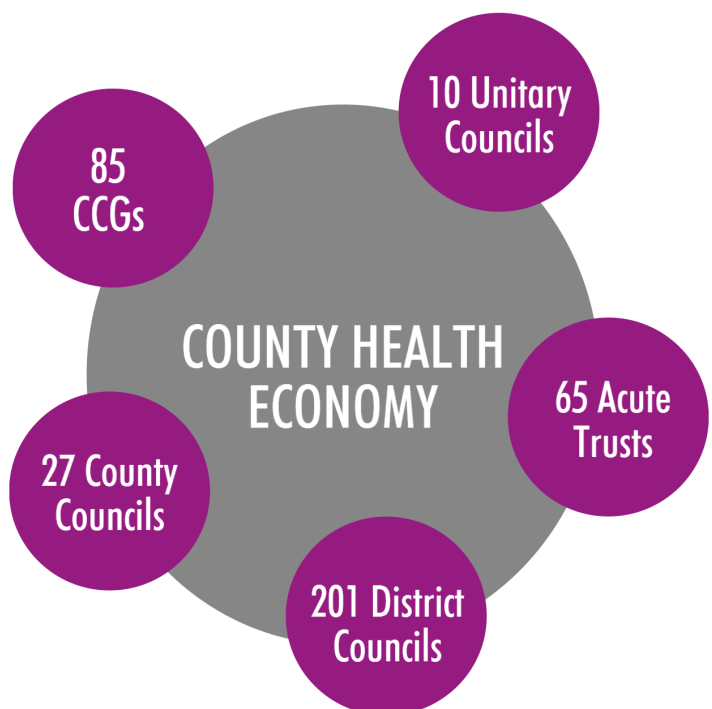
## HEALTH INTEGRATION

CCN's survey of social care directors on their council's involvement in developing their local STP showed:



### COMPLEX HEALTH ECONOMIES

In CCN member councils there are:





# SUSTAINABLE SOCIAL CARE

A locally-led system that is fair and equitable for service users and taxpayers, providing support to vulnerable residents with care needs and disabilities

## A PLAN FOR GOVERNMENT

HOW WE CAN WORK WITH GOVERNMENT ON INNOVATIVE SOLUTIONS TO THE SOCIAL CARE FUNDING CRISIS

### 1) BRIDGE THE FUNDING GAP



Despite the provision of additional short-term funding, there still remains a funding gap in social care, estimated by the LGA to be £2.6bn.

### 2) REVIEW BCF PLANNING GUIDANCE



CCN, alongside the LGA, are deeply concerned by the recently published planning guidance from the Departments of Health and Communities and Local Government, in particular the nationally imposed direction over the use of the additional £2bn. We urge Government to re-engage the sector and revise the guidance in order to recognise that local authorities, in partnership with NHS partners, are best placed to identify and address local priorities and pressures.

### 3) A NEW DEAL FOR SOCIAL CARE

We urge Government to urgently deliver upon their commitment to publish a wide-ranging consultation on adult social care. This consultation must explore options for the long-term funding and purpose of social care and be developed and tested in close partnership with the sector, including CCN and its member councils.



### 4) LIMITING SOCIAL CARE COSTS



CCN supports efforts to introduce limitations to reduce the risk of residents facing catastrophic care costs, whether this is a revised cap on care and/or new capital limits. However, in considering options, particular attention should be given to county areas – which contain significantly higher levels of self-funders – and the additional resource and implementation complexities this creates for these types of authorities.

### 5) LEARNING DISABILITIES

The Government should broaden the focus of the social care discussions, recognising the growing pressures associated with learning disabilities, particularly amongst those aged 65 and over in county areas.



### 6) PUBLIC HEALTH FUNDING

Government should deliver significant investment in preventative public health provision in order to underpin a long-term, resident focused and sustainable health and social care system.

# Health Integration

**The future provision of social care in England is not a question of funding alone. Integrating health, social care and public health is essential to providing a long-term sustainable solution. Strong partnerships can deliver a more effective use of public resources, and this is an opportunity that must be grasped.**

Over the recent period, local government have driven a new outcomes focused approach to preventative public health, and worked with health partners to deliver transformative community based services. Despite progress, there remains systematic barriers to integrating services, and recently, national discussions have focused on the impact this is having on delayed transfers of care (DToC). It is undeniable that DToC rates have increased recently, but at times the debate over the causes and extent of 'poor performance' has been misrepresented.

Headlines mask the fact that county areas have seen the lowest increase in the total number of delayed days attributable to both the NHS and social care and the second lowest increase that are attributable to adult social care. They also do not identify the complex drivers of increasing DToC rates. For instance, proportionally, one of the main contributing factors to social care attributed DToC in county areas is people awaiting community equipment and adaptations.

Our recent research has shown that the key barriers to integration still exist, in particular data sharing and conflicting incentives and targets between health and social care. Moreover, the fragmentation of partnership working in county areas, such as the split in duties between social care and housing authorities, creates specific challenges.

The development of Sustainability and Transformation Plans (STPs), and some of the associated footprints, has only served to build further complexity into the integration landscape for a number of counties. The fact that footprints do not fully align with county boundaries may, in part at least, be a consequence of councils not being sufficiently engaged by health partners in the development of both plans and geographies.

Recent announcements by NHS England, including the establishment of STP Boards, do not mandate a role for local government. If true health and social integration is to be delivered, then it is imperative that a whole system

place-based approach is taken, with residents at the heart of reforms and a clearly defined role for councillors. There is a risk that complex geographies and a lack of political input can make the task of collaborative working more difficult. Local government must now be empowered to lead the next phase of integration if we are to achieve the desired ambitions of releasing savings, reducing delayed discharges and delivering better outcomes for residents.

Efforts to deliver real long lasting integration will be hampered by a continuing focus on the financial pressures in the NHS, exemplified by BCF Planning Guidance; which councils withdrew their support from. Budgetary pressures in the NHS do need to be addressed, but a sustainable funding solution must be identified for local government and must stretch beyond social care, with the need for improved investment in preventative public health services.

Of equal importance is harnessing the role of county authorities. In this vein, STPs should seek to build upon the existing relationships, leadership and democratic accountability that exists through Health and Wellbeing Boards (HWBs), including their role to promote integration. STPs should seek to build upon the proven track record and leadership of CCN member councils, who have a history of working with health partners to deliver integrated services. For example, the development of the Northumberland Accountable Care Organisation to deliver integrated health and social care services.

Providing the conditions for true health and social care integration in counties will facilitate the delivery of high quality local care, improve discharge rates from hospital and help improve outcomes for patients.

**“Strong partnerships can deliver a more effective use of public resources”**



# HEALTH INTEGRATION

Bringing democratic leadership to health and social care integration

## A PLAN FOR GOVERNMENT

HOW COUNTIES CAN WORK WITH GOVERNMENT TO DELIVER ACCOUNTABLE INTEGRATION AT PACE & SCALE

### 1) DELAYED TRANSFERS OF CARE



CCN member councils are committed to working with Government and NHS partners to reduce the level of delayed discharges attributed to adult social care. However, while recognising the need to reduce variations in performance, it is important to recognise that there are a number of complex contributing factors to delays that cannot simply be resolved by the imposition of national targets.

### 2) INTEGRATION FOOTPRINTS

Ensure that health and social care integration is delivered at sufficient size and scale and is more closely aligned with County Health and Wellbeing Board geographies. This would reduce the complexity of partnership working, deliver efficiency savings, improve care for residents and ensure governance arrangements are in place that are transparent and democratically accountable.



### 3) HEALTH AND WELLBEING BOARDS



Government should strengthen the role of democratic Health and Wellbeing Boards in order to allow them to drive forward integration at a local level, oversee and provide direct accountability to STPs and local commissioning plans across health and social care.

### 4) SUSTAINABILITY & TRANSFORMATION PLANS

Government should ensure that there is a mandated role for local authorities, including senior councillors, on Sustainability and Transformation Partnership Boards to ensure that social care and public health are at the forefront of local discussions.



### 5) BARRIERS TO INTEGRATION

Government, councils and the NHS should work to remove long-standing systemic blockages to integration, including those relating to information sharing and conflicting incentives and targets. This should consider NHS Tariffs and approaches that reward activity rather than preventative approaches.



### 6) HOUSING AND HEALTH



Government should work with the sector to review the delivery of Disabled Facilities Grants, with evidence showing the complexity in delivery in two-tier areas is contributing significantly to DToC. This should be part of a wider focus on developing and promoting integrated housing services and demonstrating through evidence their impact on the health and care system as a whole.





# Preventative Children's Social Care

**Caring for the elderly is only part of the social care story; for upper-tier councils safeguarding vulnerable children and providing services to improve the life chances of all children is a priority.**

While the public perception of children's services remains negative, CCN member councils have consistently delivered some of the highest quality children's social care services. The services they provide form the foundation of every child's life from before they are born until they reach adulthood. Whether protecting the most vulnerable, supporting young carers, or providing early years services and school nurses, counties deliver a range of care, support and development opportunities for every child.

Despite not receiving the same level of national debate, children's social care is faced with unrelenting financial and demand pressures, in many cases as acute as those facing adult social care.

Counties have seen referrals to children's social care increase against a backdrop of reductions in other local authority areas. CCN member councils have been subject to the largest increases of any local authority type in the number of children subject to a child protection plan; of Looked After Children (LAC); and a significant increase in the total number of Children in Need (CiN).

These pressures have resulted in a number of counties being left with little choice but to divert funding towards crisis intervention activities, rather than preventative services such as children's mental health.

Preventative action and services are essential if the life chances of children are to be improved. Evidence suggests that children in need may have their life chances impacted as a result of family instability, with CiN much more likely to be not in education, employment or training as they progress into adulthood.

Early years and pre-school place provision are key to improving life chances and outcomes amongst the disadvantaged and those from all social backgrounds. High quality Child and Adolescent Mental Health Services (CAMHS) are essential if children and young people are to access timely support to address mental health issues and build resilience. Without such support children may be subject to an increased chance of social exclusion, reduced education and employment opportunities.

As we look ahead to this Parliament, it is now essential that national and local government brings greater attention to the future of children's social care and those services that support young people.

It is imperative that Government recognise and address the growing pressures in the system, including delivering a sustainable long-term funding settlement for local government that follows need.

Like adult social care, funding alone will not lead to better outcomes.

Government has rightly utilised senior professionals from high performing county authorities to lead and support interventions in those local authorities that have received 'inadequate' ratings from Ofsted, through both independent trusts and peer support.

Government must consider prioritising partnerships between local authorities to improve 'failing' children's services departments and maintain democratic accountability. Partnerships, such as Hampshire County Council's with Isle of Wight's Children's Services, have transformed safeguarding services and outcomes without the need to create a new organisation at significant cost.

On mental health, a priority for the incoming Government, new impetus should be given to reforming CAMHS as part of a wider drive to improve preventive measures in children's social and mental health services.

And, in early years provision, implementation of extended pre-school provision needs to be supported by adequate funding to ensure a sustainable provider market is maintained.

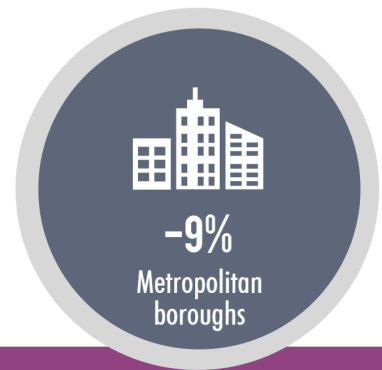
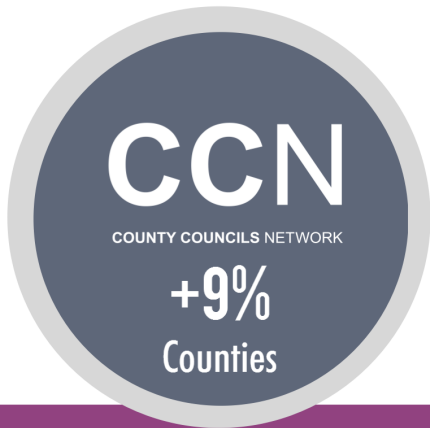
**“Children's social care is faced with unrelenting financial and demand pressures”**

# PREVENTATIVE CHILDREN'S SOCIAL CARE

## Referrals increasing



CCN member councils have seen the largest increase of any local authority type in the number of children referred to children's social care per 10,000 population (0-17) from 2010/11-2015/16:



### Percentage rise in Looked After Children since 2010



76% - Counties



56% - Mets



21% - London

CCN member councils have seen the largest increase

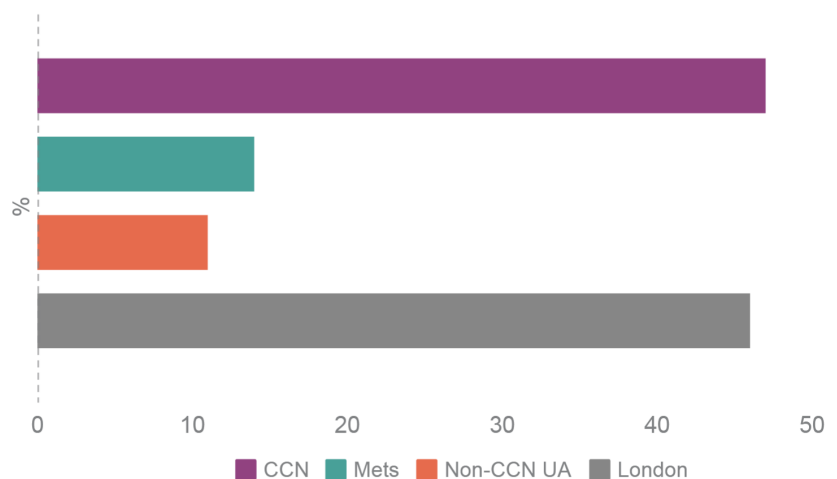
**27%**

in child protection plans over the last six years

## CCN ANALYSIS

As we look ahead to this Parliament, it is now essential that national and local government brings greater attention to the future of county children's social care and those services that support young people.

### Percentage of council Children's Services rated 'Good' or 'Outstanding' as of Feb 2017:





# CHILDREN'S SOCIAL CARE

A fully-funded and prevention focused service to provide every child with the best start in life

## A PLAN FOR GOVERNMENT

HOW COUNTIES CAN WORK WITH GOVERNMENT TO IMPROVE & REFORM CHILDREN'S SOCIAL CARE

### 1) SECURE AND SUSTAINABLE FUNDING



Deliver sustainable and fair multi-year funding settlements to counties in Children's Social Care, with a particular focus on delivering preventative services.

### 2) PREVENTION FOCUSED CARE

The services and support that Children in Need receive should be reviewed by Government, in partnership with local government and the public sector. Reforms to these services must prioritise preventative interventions to improve the life chances and outcomes of Children in Need.



### 3) SECTOR-LED IMPROVEMENT



Recognise local authority-led partnerships as the first form of intervention to improve 'failing' children's social care services, rather than placing them under the control of democratically unaccountable independent trusts.

### 4) MENTAL HEALTH SERVICES

Delivery of child and adolescent mental health services should be urgently reviewed, with a focus on preventing escalation from tier 1 & 2 services to more costly tier 3 services. Place-based and multi-agency services shaped around children and young people should be prioritised, accessed through the NHS, local authority or schools in the most efficient and effective manner possible.



### 5) EARLY YEARS PROVISION



Government should provide adequate funding to ensure that the extension in free childcare does not destabilise the provider market or create market polarisation and cross-subsidisation, as seen in the adult social care market.

**CCN**

COUNTY COUNCILS NETWORK

Download our research on children's services by visiting  
[www.countycouncilsnetwork.org.uk/childrens-services-education/](http://www.countycouncilsnetwork.org.uk/childrens-services-education/)

# A Modern and Fair Education System

**County schools, in partnership with their local authorities, have worked hard to deliver some of the highest levels of quality and attainment. Counties have a long and proud tradition as education authorities. But, for counties and our schools, maintaining this has not come without challenges.**

Chief amongst these are the historic inequities between the highest and lowest funded schools. The current formula, dating back to 2005, has led to county schools being underfunded for a number of years, with an inexplicable gap of 47% between the average per pupil funding received by counties and Inner London. Previous Governments have acknowledged these inequalities exist, but reforms to date have fallen short of providing a truly fair funding formula.

The sustainability of small rural schools, not just those classified as 'sparse' by DfE, is of particular concern; with most of these schools in our areas. These schools face particular challenges in achieving financial savings compared to their urban counterparts as a result of their geographical dispersal and smaller pupil numbers.

Beyond fair funding, counties have been forthright in defending their wider remit as education authorities in recent months.

CCN strongly welcomed Government's abandonment of full academisation. This was an acknowledgement of the value county authorities can bring in providing rigorous oversight of school performance, ensuring the provision of sufficient school places, and delivering support services that allows a mixed economy of schools to flourish. This is supported by that fact that a large proportion of academies choose to purchase school improvement services from county authorities.

Despite our best efforts, councils have faced new barriers in ensuring all young people get a quality education and local school place. For instance, the ability of councils to deliver sufficient school places is hindered by the lack of existing powers to require academies and free schools to expand. County authorities have limited input into the location and type of new schools being opened in their areas and limited influence over planning decisions for medium-size developments that impact upon pupil intake in county council areas.

This has unintended consequences, particularly in rural areas, with the limited availability of school places in locations where they are most needed, meaning that pupils may be forced to travel further afield. This has led to additional and significant transport costs for local authorities, on top of already stretched home to school transport budgets.

As we enter this new Parliament, the need to deliver a modern and fair education system remains. Firstly, Government must be bold and deliver revised proposals for a school funding formula to place schools in county areas on a fairer and more equitable footing, with no school losing funding. The baseline of funding must be set at a sufficient level for county schools to maintain acceptable teacher pupil ratios, operate sufficiently and to be sustainable for the foreseeable future, particularly our rural schools.

The weightings for additional needs funding must be targeted to address significant differences in performance between counties and other parts of the country, in particular for LAC and pupils in receipt of free school meals. It is imperative that Government does not just simply provide an uplift in basic per-pupil funding. Whilst this would be welcome, it would not address the long-standing inequity in schools funding that currently exists.

The leadership and delivery role of counties in the provision of home to school transport and school place planning should not be underestimated. Councils need greater powers to compel academies and free schools to expand and oversight powers over admissions policy and performance. Counties should also be enabled to continue to play an active role in school support and improvement services.

The role and track record of delivery by county education authorities must be harnessed by Government. This will ensure that pupils have the tools to thrive in a mixed economy of schools.

# Schools Funding Formula

your  
**county**  
cares

## Counties

- County authorities receive £4,366 per pupil
- 30% of Free School Meals Pupils in counties achieved 5 GCSE A\*-Cs
- 15% of Looked After Children in counties achieved 5 GCSE A\*-Cs

In 2016/17

47%  
Funding gap  
per pupil

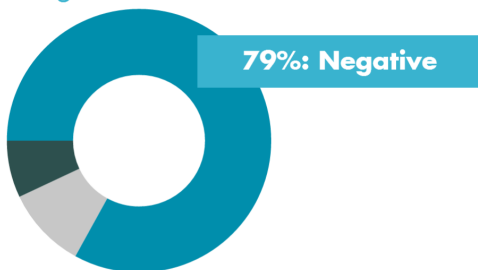
## London

- Inner London councils receive £6,414 per pupil
- 47% of Free School Meals Pupils in inner London achieved 5 GCSE A\*-Cs
- 24% of Looked After Children in inner London achieved 5 GCSE A\*-Cs

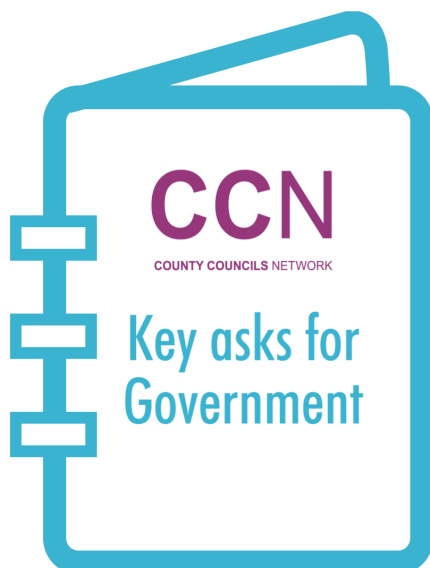
## CCN Survey

## of county education cabinet members

The overall impact of the new funding formula will be:



The funding formula will impact on small rural schools' viability:



- Deliver revised proposals for a school funding formula to place schools in county areas on a fairer and more equitable footing, with no school losing funding
- This must deliver a core baseline of funding that provides the conditions for every school to operate at a sufficient level to deliver a quality education
- Councils, in partnership with their schools forum, should continue to play a lead strategic role in the pooling and distribution of funding in order to address local pressures
- Greater protection for small rural schools, in particular those that do not benefit from sparsity funding



# A MODERN & FAIR EDUCATION SYSTEM

Fair funding for all schools and enabling county authorities to support a mixed economy of excellent schools

## A PLAN FOR GOVERNMENT

HOW COUNTIES CAN WORK WITH GOVERNMENT TO DELIVER A NEW FAIR FUNDING FORMULA & SCHOOL REFORM

### 1) A FAIR FUNDING FORMULA



Government must continue with planned reforms to the schools funding formula. A revised formula should set an adequate level for county schools to maintain acceptable teacher pupil ratios, operate sufficiently and to be sustainable for the foreseeable future.

### 2) ADDITIONAL NEEDS FUNDING

This funding must be in addition to the core baseline and target resources to support pupils in achieving their full potential. The weightings in the revised schools funding formula should target additional needs funding to close the attainment gap between looked after children and pupils in receipt of free school meals in county areas and those in other local authority types.



### 3) SPECIAL NEEDS FUNDING



CCN support the LGA's calls for sufficient funding to reflect the rising demand for support for pupils with Special Educational Needs and Disability (SEND).

### 4) HOME TO SCHOOL TRANSPORT



Government should urgently undertake a consultation on home to school transport, examining the adequacy of the existing policy and funding envelope in an evolving education environment.

### 5) RURAL SCHOOLS

Government has committed to protecting small rural schools through the introduction of the national funding formula. These schools are at the heart of the communities they serve and this commitment must be delivered. The formula's proposed sparsity factor does not provide sufficient funding to rural schools and the weighting attributed to this should be revised. Small rural schools that fall outside of the Government's definition of 'sparsity' are at greatest risk due to lack of funding, as well as having the least scope to deliver savings through economies of scale.



### 6) SCHOOL PLACES



Government empower local authorities to be able to require free schools and academies to expand the number of school places they provide to meet local demand. Government should strengthen the role of local authorities in determining and signing off the final location of new free schools and academies to ensure that new provision is located where it is required most.

# CCN

## 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.

To discuss any of CCN's proposals in more detail, please contact:

**Simon Edwards**  
Director  
020 7664 3002  
simon.edwards@local.gov.uk

**James Maker**  
Head of Policy and Communications  
020 7664 3009  
james-maker2@local.gov.uk

Follow us on Twitter

 @CCNOffice

 @CountyAPPG

Follow us on LinkedIn

 County Councils Network