

**CCN**

COUNTY COUNCILS NETWORK

# CCN Briefing

## Queen's Speech 2015



## **Introduction**

1. This briefing provides CCN's policy response to key aspects of the first Queens Speech of the 2015-20 Parliament. It also provides a summary of key aspects of the Governments' legislative programme that are most relevant to CCN member councils.

## **CCN Overview**

2. Ahead of the Election, Our Plan for Government 2015-20 called for a new English Devolution Settlement to underpin a wide ranging set of radical policy proposals to be implemented by the next Government.
3. These reforms would have to include fiscal and economic devolution proposals outlined in our Core Settlement, further radical measures to integrate our health and social care system, long-term measures to address schools places shortages and challenges facing children's services, and reforms to redress the unfairness in areas of local government finance. The Plan for Government argued that the reforms must be supported by the public sector reform principle of 'One Place, One Budget' and a comprehensive English Devolution Settlement for county areas.
4. Subsequent documents County Devolution 2015-20 and the County APPG report The State of Care in Counties: The integration Imperative provided further detail on how the vision for counties set out in Our Plan for Government 2015-20 could be achieved during this Parliament.
5. Within this Queen Speech, there is clear evidence that the Government has listened to our emphasis on English Devolution and the need for a new settlement between Whitehall and the County and City Regions of England. CCN has argued that any English Devolution Settlement must reach all four corners of the

nation, empowering counties and their partners to reach their full economic potential and meet the unrelenting challenges they face from funding reductions, an ageing population and growing demand for services. We welcome the more inclusive wording of the Cities and Local Government Devolution Bill, but as we outline below, we await further details and will work with Government to ensure that the Bill provides the foundation for implementing our comprehensive devolution settlement set out in County Devolution 2015-20.

6. It is clear from the speech that the Government intends to continue its programme of deficit reduction to achieve a surplus during this Parliament. Coupled with promises over taxation and commitments to substantially increase health expenditure, unprotected Departments face deep spending reductions, particularly over the first two years of the Parliament. Our Plan for Government set out our commitment to continuing to play our part in reducing the deficit. However, following five years of historic funding reductions, we were clear that while we will continue to seek efficiencies during this Parliament, councils are reaching the end to what can be achieved within existing financial and service delivery frameworks. Counties need a long-term funding settlement for the Parliament that also equips them with the freedom and flexibility to meet local demand lead pressures.
7. Specifically, with county social care systems under severe and growing strain the Government will need to take a holistic approach to how the committed £8bn additional funding for the health service by the end of the Parliament is allocated across both health and social care. CCN will engage extensively with the Government during the Spending Review later this year to achieve a fair and sustainable funding settlement for county areas and wider public services.

8. This Parliament must also signal a significant shift towards empowering the most efficient and effective part of the public sector – local government – to drive efficiencies and integrate services across local public sector landscape. A movement towards radical public service reform, adopting a ‘One Place, One Budget’ approach, must be accompanied by the substantial devolution of Whitehall budgets to local communities where local public and private sector partners can better invest national resources, achieving long-term recurring savings to the Treasury and improved outcomes. The Government’s commitment to continuing public sector reform and integration through an extension of the Troubled Families programme is welcome, and we will work with Government to explore how this approach can be extended across other parts of the public sector.
9. Alongside its emphasis on devolution and public sector reform, CCN strongly welcome the Government’s focus on economic growth and particularly its commitment to fixing the long-term productivity gap in the UK. Our research has shown that counties continue to be the engine room of the UK recovery, accounting for 41% of GVA in England. However, counties have lower average productivity compared to the Core Cities and London. In boosting productivity the Government is rightly focusing on skills, apprenticeships and training, tailored to the needs of employers and businesses. It only through a comprehensive devolution settlement for counties that we can correct the growing skills misalignment in the UK and deliver the promised three million apprenticeships, allowing local partnerships between councils and the private sector to tailor provision to local labour markets and business needs.

## **Cities and Local Government Devolution Bill**

10. This Bill will provide the legal basis to implement the Government’s ‘northern powerhouse’ ambitions, which will devolve powers to

cities with elected 'metro mayors' and will empower towns and counties by building on the Growth Deals.

11. CCN welcomes the announcement of the Cities and Local Government Bill, as the first step towards enabling substantial devolution deals for all areas across the country. CCN have been rigorously campaigning for county devolution, most recently through Our Plan for Government 2015-20, our County Devolution report, and through engagement with Officials, Ministers, the media and other influencers. We are pleased that our work and engagement has contributed to the inclusion of 'Local Government' within the title of the Bill, alongside 'Cities' - this sets a much broader framework for the legislation, beyond a single focus on major conurbations.
12. We are continuing to engage with the Secretary of State for Communities and Local Government, along with the Treasury and other key Departments and stakeholders to ensure that the content of the Bill will reflect the title, and that substantial devolution is made available to all areas. We are working closely with the LGA, think tanks and business organisations to secure a broad base of support for county devolution, and ensure the Bill is inclusive. Equally we are continuing to work with our members, to provide resources and undertake in depth analysis/exploration of county devolution and appropriate county governance, with the aim of securing county devolution deals alongside those which have been agreed with cities.
13. The Bill refers to devolution to areas which have Combine Authorities, which continues the direction of the Coalition Government in favouring this model. However the Bill will also remove the current limitations on Combined Authority functions, so that they can extend beyond economic development and transport. This is something CCN have been campaigning for, and we are very pleased to see that there should be more flexibility for

local models in the future. However, we will remain vigilant and continue to engage on this issue, to ensure the changes do really enable local determination and development of the best devolution governance model for the area.

14. The Bill also refers to the extension of local growth deals to county areas, something the Chancellor had announced in the lead up to the election. CCN will be meeting with lead Civil Servants and the Secretary of State to discuss the constitution of such deals. We believe we can help substantially shape such deals, and that there will be room to include important devolution elements, building on previous City and Growth Deals.

## **Buses Bill**

15. The Bill will allow combined authorities with directly-elected mayors to take on responsibility for local bus services, promoting an integrated transport system. The legislation will provide the option to franchise bus services.
16. CCN have argued for the devolution of a suite of powers and budgets around public transport, which are vital to integrating the transport system, managing congestion and ensuring services and business, learning, leisure and community opportunities are accessible. CCN welcome the impetus from Central Government to devolve powers around local bus services, which will include the option to franchise bus services. The detail of the Bill is not yet known, but to be truly effective, the scope should extend beyond franchising. We hope to see the inclusion of the devolution of consolidated transport budgets, with a multi-year settlements and stronger consultative powers for local areas on national travel infrastructure.
17. As with the Devolution Bill, we also believe that there should be room for local determination of appropriate governance models

and that this legislation must not solely focus on big cities. We will be engaging on this legislation in conjunction with the Devolution Bill, to look to ensure counties and their communities are empowered alongside cities.

## **Enterprise Bill**

*This Bill will extend and simplify the Primary Authority scheme, which allows a business to get advice on regulation from a single local council and that advice must be respected by all other councils. The legislation also introduces business rates appeals reform and allows for the Valuation Office Agency to share information with local government. The Bill is intended to cut red tape by 'at least £10 billion' in Whitehall and from independent regulators. The legislation will also create a Small Business Conciliation Service and cap the exit payments made to public sector workers.*

18. CCN broadly welcome the support set out for small and medium sized businesses within the Enterprise Bill, in particular measures to cut bureaucracy around SMEs and introduce a small business conciliation service that will handle disputes between businesses without court involvement. SMEs are a cornerstone of strong county economies, and measures which help them to increase their productivity, security and expand where relevant should help boost the country's economy.
19. CCN will continue to work with business organisations and our members to engage in the content of the Bill as it develops, and ensure the businesses and communities of counties are best served.

## **Full Employment and Welfare Benefits Bill**

*The Bill will freeze the main rates of a number of working-age benefits, tax credits and Child Benefit, and reduce the level of the*

*benefit cap. The legislation will replace Jobseeker's Allowance for 18 to 21-year-olds with a Youth Allowance time-limited to six months, after which individuals will be required to undertake an apprenticeship, training or community service; remove 18 to 21-year-olds' automatic entitlement to Housing Benefit; and provide Jobcentre Plus support in schools to supplement careers advice. The Bill also creates duties on ministers to report annually on job creation and apprenticeships.*

20. CCN welcome the focus by Central Government on continuing to increase employment levels, and to expand the number of people successfully undertaking apprenticeships. However, beyond welfare changes, there is little detail at the moment as to how this is to be achieved. The current way in which the skills system is managed is leading to substantial skills misalignments, with many young people undertaking training and courses which are not aligned to the realities of the labour market. Equally the employment support system, although improving, is still seeing too many people remain long-term unemployed.
21. CCN have called for the devolution of skills and employment support powers and budgets to local areas. Local council, business and provider partnerships are best placed to re-calibrate the skills system and the incentives which sit around it, to ensure people are undertaking quality courses which will enable them to find a job and embark on a fulfilling career. Likewise the devolution of employment support would allow solutions to be tailored to local needs and services to be joined up around communities and families.
22. The Bill includes a statutory duty for Central Government to report on its progress towards its objective of achieving the highest employment rate in the G7. The Chancellor has also made clear that the Government intends to put in place measures to improve the country's productivity performance.

Devolution of skills and employment support to counties, allowing them to reduce systemic skills misalignments and long-term unemployment, will be key to increasing the UK's productivity ranking among the G7.

23. CCN also welcome the expansion of the Troubled Families programme and we will be engaging with our members and with Central Government to explore the aspirations for and development of this way of working.

## **Education and Adoption Bill**

*The Bill will contain new powers for the Secretary of State and Regional Schools Commissioners to more rapidly intervene in schools rated Inadequate or as Requiring Improvement. Schools that are unable to achieve Good within an acceptable timescale will be turned into academies. The legislation also contains measures to encourage councils to join together to create regional adoption agencies.*

24. CCN member councils want to see high quality schools across the board and want to reduce the number of coasting schools to ensure that every child has the best start in life. Councils and Councillors in county areas have a democratic mandate to represent their communities. In their role as community leaders Councillors are made aware of information from parents on the quality of schools provision and any concerns about school improvement issues. As such, counties should be empowered to intervene in failing schools on behalf of residents in an effective and efficient manner.
25. Placing powers in the hands of democratically unelected officials, such as Regional Schools Commissioners, is in essence in conflict with a number of Government's policy decisions that are shifting power and decision making closer to local people and the people they elect.

26. We agree that local authorities should seek to work collaboratively on adoption. Given the unique characteristics of counties it is vital that Government is not overly prescriptive about how regional adoption agencies should work at a local level. Counties have a long and proven track record of developing innovative solutions to challenging agendas and should be given the flexibility to develop models that deliver the best support and outcomes for children in their care.

## **Childcare Bill**

*The Bill will give families where all parents are working an entitlement to 30 hours a week of free childcare for three- and four-year-olds for 38 weeks of the year.*

27. We welcome the provision of access to 30 hours a week of free childcare for 3-4 year olds for families where all parents are working. The extension of this entitlement will, in principle, increase opportunities for parents to access employment and in turn provide additional employment in the childcare sector.
28. It is important that Government funding formulae take into account the geographical and social issues that shape the cost of provision in counties. Local authorities are under a duty to secure sufficient childcare for working parents, so far as is reasonably practicable. Only 20% of local authorities in rural areas, the majority of which are counties, reported sufficient childcare provision for working parents.
29. It is vital that the extension in free childcare hours is fully funded by Government to ensure that providers are able to deliver high quality childcare. The Lord's Committee report on Affordable Childcare and the Childcare Costs Survey 2015 found that providers in some areas are cross-subsiding the shortfall from

the provision of state funded free childcare places by charging parents more for additional paid-for hours in order to recoup the shortfall.

## **Health and Social Care**

*In England my Government will secure the future of the National Health Service by implementing the National Health Service's own five-year plan, by increasing the health budget, integrating healthcare and social care, and ensuring the National Health Service works on a seven day basis. Measures will be introduced to improve access to general practitioners and to mental healthcare.*

30. CCN member authorities welcome moves to ensure that the NHS is a sustainable, efficient and effective body. However, Government must consider the health and social care systems in their entirety when attributing additional funding to support the transformation of services across the country. Social care will be instrumental if the Government are to deliver its commitments on the NHS.
31. Government must deliver radical transformation of the NHS and social care through far reaching, locally led reforms to ensure that services prioritise prevention and have the user at the heart. Centrally led incentives, such as the NHS tariff system, require wide-ranging reform to ensure that clinical contacts are no longer rewarded, instead shifting the focus to keeping people out of acute settings unless absolutely necessary.
32. The County All Party Parliamentary Group report The State of Care in Counties concluded decisively that the only answer to ensuring a sustainable, outcome focused, health and social care system was by extending the principles of localism and devolution to the integration of care and support.

## **Housing Bill**

*Legislation will be introduced to support home ownership and give housing association tenants the chance to own their own home.*

33. CCN supports policies aimed at increasing home ownership and the supply of affordable homes across all tenures. Right to Buy and other Housing Bill proposals aimed at achieving this must be fully funded to ensure that all homes are replaced on a one-to-one basis and do not artificially drive up local house prices. Failure to do so would have an adverse impact on housing affordability that may have a negative effect on businesses as they may be unable to attract sufficient skilled workers to local areas to grow their businesses and contribute to the national economic recovery.
34. Government must consider extending the One Public Estate initiative in order to free up land for housing and employment use. A strategic approach to public sector asset decision making would facilitate local decision making on the £370bn of central government and local authority owned land and property assets. Such an approach in two-tier areas must be modelled on the geography of the upper-tier local authority to minimise duplication and to facilitate decision making at a strategic level.
35. It is vital that to facilitate the freeing up of more family homes that any reforms look beyond the market entry point. Government must ensure that counties have the necessary freedoms to shape the extra care housing and care home markets. This will allow people of retirement age the choice to downsize and as such bring further housing stock back on to the market.

## **EU Referendum**

*This Bill will enable a referendum with an in-out vote on the UK's membership of the European Union before the end of 2017.*

36. County areas receive substantial funding through European Structural and Investment Funds and are affected by a number of EU responsibilities. Given this CCN believe that local authorities must be given a more strategic role in EU matters, including in any renegotiation of powers. We will be engaging with Central Government, our members and the LGA to ensure the county voice is built in to any future processes.

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.

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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](http://www.countycouncilsnetwork.org.uk)

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