

POLICY DIGEST, November 2015

This digest presents a summary of the latest policy developments at a national and regional level of strategic relevance to Northumberland and highlights Government announcements of relevance to local government. This issue covers period from Monday 2 November to Friday 27 November. Previous and subsequent editions are available at www.northumberland.gov.uk/policy.

Policy Development	Action	Lead
<p>SPENDING REVIEW AND AUTUMN STATEMENT</p> <p>The key points for local government were as follows:</p> <p>Local Government Funding</p> <ul style="list-style-type: none"> • The main grant to local government will be phased out. Other sources of income such as council tax and business rates are forecast to grow in cash terms by £6.3 billion by 2019-20, based on the OBR's forecast for local authority self-financed expenditure. Local government spending is forecast to be higher in cash terms by 2019-20 than in 2015. • DCLG will shortly consult on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the Parliament. As part of these reforms, the main local government grant will be phased out and additional responsibilities devolved to local authorities. The government will consult on these and other additional responsibilities in 2016. • Extension of the doubling of small business rate relief (SBRR) in England will take place for 12 months to April 2017. • The government will issue new guidance to local authorities to encourage them to rein in 'excessive' salaries and do more to drive efficiencies for local taxpayers. • The government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. • The government will deliver its commitment to a £12 billion Local Growth Fund between 2015-16 and 2020-21. <p>Devolution</p> <p>The Statement committed Government to a 'devolution revolution' and made the following pledges:</p> <ul style="list-style-type: none"> • Local government to be financially self-sufficient by the end of the Parliament 100% business rate retention. • Councils will be allowed to cut business rates to boost growth and elected city-wide mayors allowed to raise them under certain circumstances. • There will be further commitment to the Northern Powerhouse, including: investment of £13 billion on transport in the 	<p>For information</p>	<p>Steven Mason, Chief Executive</p>

North by 2020, a range of investments in scientific research, and supporting further Northern Powerhouse trade missions to key emerging economies.

Health and Adult Social Care

- The ring-fence on public health spending will be maintained in 2016-17 and 2017-18. There are expected to be average annual real-terms savings in public health of 3.9% over the next 5 years.
- The NHS will receive £10 billion more in real terms by 2020-21 than in 2014-15, with £6 billion available by the first year of the Spending Review so that the government fully funds the NHS's own Five Year Forward View.
- There will be an additional £600 million investment in mental health services. NHS England's Mental Health Taskforce will report in early 2016 and the government will work with them to set out plans for perinatal mental health and coverage of crisis care.
- A social care precept may be introduced by local authorities who are responsible for social care. The precept will work by giving local authorities the flexibility to raise council tax in their area by up to 2% above the existing threshold for spend on adult social care. This is intended to raise £2 billion a year by 2019-20.
- From 2017/18 there will be additional funding specifically to support adult social care, starting with £100m in the first year, and rising to £1.5 billion by 2019-20, to be included in an "improved Better Care Fund".
- The Government will integrate health and social care services by 2020. Each part of the country will develop plans for this by 2017, to be implemented by 2020. "Vanguard" proposals for Northumberland are cited as one of the models of integration which the Government supports.
- Funding for the Disabled Facilities Grant will increase to £500 million by 2019-20.
- The Government remains committed to introducing the Dilnot reforms to social care, with funding provided in 2019-20 to cover the costs of local authorities preparing for these changes.

Housing

- A cap on the amount of rent that Housing Benefit will cover in the social sector to match the relevant Local Housing Allowance.
- A limit to Housing Benefit and Pension Credit to 4 weeks for claimants who are outside Great Britain, from April 2016.
- Additional Discretionary Housing Payment funding to be made available to local authorities to protect the most vulnerable including those in supported accommodation.
- Deliver 400,000 housing starts by 2020-21, focussed on low cost home ownership. This will include:
 - 200,000 Starter Homes which will be sold at a 20% discount compared to market value to young first time buyers, with a £2.3 billion fund to support the delivery of up to 60,000 of these, in addition to those delivered through reform of the planning system.
 - 135,000 Help to Buy, Shared Ownership homes. The scheme will be open to all households earning less than £80,000 outside London and £90,000 in London, and will relax and remove previous restrictions such as local authorities' rights to set additional eligibility criteria.
 - 10,000 homes that will allow a tenant to save for a deposit while they rent.

- 50,000 affordable homes from existing commitments.
- At least 8,000 specialist homes for older people and people with disabilities.
- Consultation on reforms to the New Homes Bonus, including means of ‘sharpening the incentive to reward communities’ for additional homes and reducing the length of payments from 6 years to 4 years.
- A new rate of stamp duty on second homes to pay for these measures

Planning and Regeneration

- Further reforms to the planning system, including establishing a new delivery test on local authorities, to ensure delivery against the number of homes set out in Local Plans.
- Support for the availability of appropriate land for housing, including by releasing public sector land with capacity for 160,000 homes.
- Support for the regeneration of previously developed brownfield sites in the green belt by allowing them to be developed in the same way as other brownfield land, providing it contributes to Starter Homes, and subject to local consultation.
- Consultation on updating the Transparency Code to require all local authorities to record details of their land and property assets in a consistent way on the government’s electronic Property Information Management System (e-PIMS).

Childcare

- Doubling the free childcare entitlement from 15 hours to 30 hours a week for working families with three and four year olds from September 2017.
- Tax-Free Childcare from early 2017, providing up to £2,000 a year per child to help working parents with their childcare costs.
- From 2017-18 an investment of £300 million to increase the average hourly rate childcare providers receive, and at least £50 million of capital funding to create additional places in nurseries.

Schools

- The Spending Review and Autumn Statement reaffirms the Government’s intention to the ending local authorities’ role in running schools and all schools becoming academies.
- Protection for the core schools budget in real terms, enabling the per pupil rate for the Dedicated Schools Grant to be protected in cash terms, including £390 million of additional funding given to the least fairly funded areas in 2015-16. The pupil premium will also be protected at current rates.
- Introduction of a national funding formula for schools, high needs and early years. A detailed consultation will be launched in 2016 and the new formulae will be implemented from 2017-18. There will be a transitional period to help smooth the implementation of the new formula.
- Investment of £23 billion in school buildings, 500 new free schools, 600,000 new school places, rebuild and refurbishment of over 500 schools.
- Sixth Form Colleges in England will be given the opportunity to become academies, allowing them to recover their

non-business VAT costs.

- By 2019-20 government spending on apprenticeships, including income from the new apprenticeship levy, will be double the level of spending in 2010-11 in cash terms.
- The apprenticeship levy on larger employers announced in the Summer Budget will be introduced in April 2017. It will be set at a rate of 0.5% of an employer's pay bill.
- The Mayor of London and the boroughs will jointly commission employment support (outside the Jobcentre Plus regime), to assist the very long-term unemployed and those with health conditions and disabilities to (re)-enter work.

Transport

- The Roads Investment Strategy will see £15 billion of investment in the Roads Investment Strategy. This will include resurfacing over 80% of the strategic road network, and delivering over 1,300 miles of additional lanes. Future roads investment will be underpinned by a new Roads Fund paid for directly from the revenues of Vehicle Excise Duty from 2020-21.

Culture

- The government will fund capital investments in culture across the country through a total of £1.6 billion by 2020-21.
- The government will explore with the sector the case for introducing a new tax relief for museums and galleries.

Business and Enterprise

- The government is creating 26 new Enterprise Zones, including expanding 8 Zones on the current programme. These include 15 Zones in smaller towns and rural areas.

Digital Government

- The Spending Review invests £1.8 billion in digital technology and transformation projects across the public sector over the next 4 years.
- The Government Digital Service will continue to act as the digital, data and technology centre for government. To support this role the government will provide the Government Digital Service with £450 million.

Community Cohesion

- The government will maintain current levels of funding for community integration programmes. This funding will be targeted to support the recommendations of Louise Casey's review of opportunity and integration in isolated and deprived communities.

Department for Communities and Local Government

- DCLG will deliver substantial savings through better financial management, enabling the removal of budgetary contingencies that are no longer required and further efficiencies. This includes a further 20% reduction in the department's pay bill, with total savings of £94 million from administration expenditure by 2019-20.
- DCLG will also work closely with the Valuation Office Agency to digitise the collection of local taxes, funded through up-front capital investment to support the move to full business rates retention.
- DCLG will provide at least £74 million of funding for the Emergency Services Mobile Communications Programme.
- DCLG will operate the £12 billion Local Growth Fund.

- DCLG will continue to oversee delivery of devolution deals agreed with city regions and other areas.

<https://www.gov.uk/government/topical-events/autumn-statement-and-spending-review-2015>

PUBLIC SERVICE DELIVERY

Federal Britain: The case for decentralisation

This report from the Institute of Economic Affairs cites that the UK's current devolution settlement leads to unrepresentative government and has an inbuilt bias towards "big government". This situation is exacerbated because nations with devolved government are over-represented in the UK parliament compared with their population when it might be expected that they would be under-represented. It recommends that the UK needs to reform in two areas. Firstly, a federal state should be created with Scotland and either the rest of the UK (RUK), or England, Wales and Northern Ireland separately, becoming nations within a federal union. Secondly, there should be radical decentralisation of powers within Scotland and RUK to local government. The principle that should be followed is that of "subsidiarity": this does not mean central government pushing powers downwards whilst keeping ultimate control. Rather, control should be at local level unless functions cannot be performed locally.

<http://www.iea.org.uk/publications/research/federal-britain-the-case-for-decentralisation>

For information

Empowering counties: Unlocking county devolution deals

This IPPR report considers how the decentralisation process is impacting on England's counties, and how these diverse areas can – by securing locally-specific powers and governance arrangements – boost their economies and improve their services. There is a strong case for devolution to counties, both in terms of their significant role in relation to economic growth and public service reform, and in terms of the patchwork approach to democratic reform that is taking place across the UK. It is clear that, in the context of an unprecedented wave of devolution in England, there is a real opportunity for non-metropolitan areas to bid for increased powers to boost their economies and better serve their populations. This report explores how the current devolution process is playing out for county areas, considering the case for why central government should devolve to such areas, and identifying what makes counties distinct from city-regions

<http://www.ippr.org/publications/empowering-counties-unlocking-county-devolution-deals>

For information

Devolution: what it means for health and social care

Devolution of powers and funds from central to local government has emerged as one of this government's flagship policies. Along with powers over housing, skills and transport, the 'Devo Manc' deal between the Treasury and Greater Manchester paves the way for the councils and NHS in Greater Manchester to take control of the region's £6 billion health and social care budget. Ahead of further devolution deals expected to be announced as part of the Spending Review 2015, this briefing from The King's Fund describes the origins of the devolution agenda and charts its progress in relation to health and social care. Before drawing some broad conclusions, the penultimate section explores some of the key policy and implementation questions that remain unresolved.

<http://www.kingsfund.org.uk/publications/devolution>

For information

PLACE SHAPING		
<p>Regions to be offered legal powers to transform transport (11 November 2015)</p> <p>Government plans to give the regions new powers to transform transport in their areas took a major step forward this week with the publication of proposals in Parliament. As part of the government's drive to deliver economic growth across the country, including the creation of a Northern Powerhouse and Midlands Engine, organisations like Transport for the North (TfN) are now closer to becoming statutory bodies. The legal powers and duties being offered as part of this commitment to devolution will allow groups, such as TfN, to advise transport ministers on investment priorities in their own areas and on strategic transport schemes to boost growth. Statutory status will also give the groups the permanence they need to plan for the long term.</p> <p>https://www.gov.uk/government/news/regions-to-be-offered-legal-powers-to-transform-transport</p>	For information	
<p>Resilience in Practice</p> <p>This LGiU report looks at what resilience means for local authorities. The paper argues that building an understanding of resilience at the local level will enable better responses to the big challenges we face, and offers guidance for councils to facilitate their thinking about the subject. Resilience and adaptation strategies are only as useful as the effect they have in places and communities. They need to bring about holistic change in the way a place actually functions. Local Authorities should join with communities and individuals as partners to make places more resilient, building on existing programmes learning from communities, and using their assets effectively.</p> <p>http://www.lgiu.org.uk/report/resilience-in-practice/</p>	For information	Alex Bennett, Chief Fire Officer
ECONOMIC PROSPERITY		
<p>Government plans to make sure no-one is left behind on broadband access (7 November 2015)</p> <p>Plans set out by government will help make sure that every home and business can have access to fast broadband by the end of this Parliament. David Cameron has pledged that access to broadband will be put on a similar footing as other basic services like water and electricity, helping to cement Britain's position as the most digitised major economy in Europe. Work is now starting on introducing a broadband Universal Service Obligation (USO) with the ambition to give people the legal right to request a connection to broadband with speeds of 10 Mbps, no matter where they live. A USO will provide a 'safety net' to make sure that households and businesses can get the broadband speeds needed to do business online, access key services or stream live TV. The government will be consulting on this in early 2016.</p> <p>https://www.gov.uk/government/news/government-plans-to-make-sure-no-one-is-left-behind-on-broadband-access</p>	For information	Alison Elsdon, Director of Corporate Services
<p>The New Enterprise Zones (25 November 2015)</p> <p>The government has announced 18 new Enterprise Zones and extended 8 zones. In total there will be 44 Enterprise Zones in England – 18 new, 24 existing (of which 8 have extensions), plus Blackpool Airport and Plymouth Enterprise Zones which were previously announced in the Budget that took place in March 2015. The new Enterprise Zones include the North East Local Enterprise Partnership area with sites in Berwick, Morpeth and Ashington identified.</p> <p>https://www.gov.uk/government/news/the-new-enterprise-zones</p>	For information	Geoff Paul, Head of Planning and Economy

<p>Government creates new body to help deliver major projects for UK economy (11 November 2015)</p> <p>The government has today announced that Infrastructure UK (IUK) and the Major Projects Authority (MPA) are to merge; bringing the government's expertise, knowledge and skills at managing and delivering major economic projects under one roof for the first time. The new organisation, which will be called the Infrastructure and Projects Authority, will bring together government expertise in the financing, delivery and assurance of these projects, which range from large scale infrastructure projects such as Crossrail and the Thames Tideway Tunnel to major transformation programmes such as Universal Credit. It will come into formal existence on 1 January 2016, reporting jointly to the Chancellor and Minister for the Cabinet Office.</p> <p>https://www.gov.uk/government/news/government-creates-new-body-to-help-manage-and-deliver-major-projects-for-uk-economy</p>	For information	
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HEALTH & WELLBEING		
<p>New evidence review of measures to reduce sugar consumption (22 October 2015)</p> <p>The review on sugar reduction concludes that a range of factors, including marketing, promotions, advertising and the amount of sugar in manufactured food, is contributing to an increase in sugar consumption. A correspondingly broad range of measures is needed in response. The evidence review shows that action to reduce sugar consumption levels could include, but is not limited to, reducing: the volume and number of price promotions in retail and restaurants; the marketing and advertising of high sugar products to children; and the sugar content in and portion size of everyday food and drink products. The review also suggests consideration of a price increase, through a tax or a levy, as a means of reducing sugar intake, though this is likely to be less effective than the three measures set out above. Other conclusions from the review include setting a clear definition of high sugar foods; adopting the government buying standards for foods and catering services; delivering accredited training on diet and health to all who work in catering, fitness and leisure sectors; and continuing to raise awareness of practical steps to reduce sugar consumption.</p> <p>https://www.gov.uk/government/news/new-evidence-review-of-measures-to-reduce-sugar-consumption</p>	For information	Penny Spring, Director of Public Health
<p>Building the right support: a national plan to develop community services and close inpatient facilities for people with a learning disability and/or autism who display behaviour that challenges, including those with a mental health condition</p> <p>This national plan gives commissioners a clear framework to develop more community services for people with learning disabilities and/ or autism who display behaviour that challenges, including those with a mental health condition, and close some inpatient facilities. Developed jointly by NHS England, the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) – with active input from people who use the services and their families – it will enable people to live more independent lives in the community, with support, and closer to home. Forty nine transforming care partnerships (TCPs) will develop three-year plans to re-shape services, to meet local needs. This will reduce in-patient beds by up to 50% but when community services are developed.</p> <p>https://www.england.nhs.uk/learningdisabilities/natplan/</p>	For information	Jane Bowie, Head of Safeguarding and Strategic Commissioning

<p>Strengthening rights and choices for people to live in the community</p> <p>In March Norman Lamb, Minister of State for Care and Support, and Gavin Harding MBE, Co-Chair of the Transforming Care Assurance Board, launched the ‘No voice unheard, no right ignored’ consultation. It explored options on issues such as how people can: be supported to live independently, as part of a community; be assured that their views will be listened to; challenge decisions about them and about their care; exercise control over the support they receive with a Personal Health Budget; expect that different health and local services will organise themselves around their needs; and know that professionals are looking out for their physical health needs as well as their mental health needs. In its response, the Government sets out its proposed actions, which are intended to see everyone, being treated with dignity and respect by health and care services, and all enjoying the same rights. The proposals balance the need for urgent progress with the need to effect longer term system-wide change by covering three phases: early actions to sustain current momentum; further changes, including proposed legislative changes; and a third phase exploring more radical solutions to longer-term issues</p> <p>https://www.gov.uk/government/consultations/strengthening-rights-for-people-with-learning-disabilities</p>	For information	Jane Bowie, Head of Safeguarding and Strategic Commissioning
<p>The Care Collapse: The imminent crisis in residential care and its impact on the NHS</p> <p>ResPublica has undertaken research assessing the state of the residential care industry, including an analysis of its future financial viability. This will inform a full report, to be published in the new year, setting out our broader vision of the future of care providers: acting as the ‘agents of integration’ in a more joined-up health and social care system. This analysis confirms that it is not an understatement to say that Britain’s residential care sector is in crisis. Providers are being faced with an unsustainable combination of declining real terms funding, rising demand for their services, and increasing financial liabilities. The research projects a funding gap of over £1 billion for older people’s residential care alone by 2020/21, which could result in the loss of around 37,000 beds. Given the perilous state of the industry, there is no private sector provider with the capacity to take in the residents who would be affected by the loss of other providers’ beds. Consequently the worst outcome is the most likely: that the vast majority of care home residents will end up on general hospital wards and if all these care home lost beds were to flow through to hospitals in this way, the annual cost to the NHS would total £3 billion.</p> <p>http://www.respublica.org.uk/our-work/publications/the-care-collapse-the-imminent-crisis-in-residential-care-and-its-impact-on-the-nhs/</p>	For information	Jane Bowie, Head of Safeguarding and Strategic Commissioning



Northumberland County Council

Policy Digest is produced on 4 to 6 weekly cycle by the Council’s Economic and Inclusion Policy Team within the Planning and Economy Directorate

All issues are available at www.northumberland.gov.uk/policy