

POLICY DIGEST, November 2016

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 31 October to Friday 2 December. Previous and subsequent editions are available at www.northumberland.gov.uk/policy.

Policy Development	Action	Lead
PUBLIC SERVICE DELIVERY		
Autumn Statement 2016		
<p>Chancellor of the Exchequer Philip Hammond has delivered his first Autumn Statement to the House of Commons setting out the new administration's spending plans and priorities for the coming year. The key announcements relevant to local government are as follows:</p>		
<p><i>National Productivity Investment Fund (NPIF)</i></p>		
<p>The Autumn Statement announces a new NPIF which will be targeted at 4 areas that are critical for improving productivity: Housing; Transport; Digital communications; and Research and development (R&D). The NPIF will provide for £23 billion of spending between 2017-18 and 2021-22. This builds on existing plans for major investment over this Parliament, including the biggest affordable house building programme since the 1970s, resurfacing 80% of the strategic road network. The NPIF will take total spending on housing, economic infrastructure, and R&D to £170 billion over the next 5 years.</p>		
<p><i>Devolution</i></p>		
<p>The government will work towards a second devolution deal with the West Midlands Combined Authority and will begin talks on future transport funding with Greater Manchester. The government will transfer to London, and to Greater Manchester, the budget for the Work and Health Programme.</p>		
<p><i>Regional productivity</i></p>		
<p>The government has published a strategy setting out an overall approach to building the Northern Powerhouse, through addressing the key barriers to productivity that the region faces. The government will also publish a Midlands Engine strategy shortly.</p>		
<p><i>Northern Powerhouse Investment Fund and Midlands Engine Investment Fund</i></p>		
<p>The Autumn Statement confirms the arrangements for these funds. The British Business Bank will make its first investments from the Northern Powerhouse</p>		

Investment Fund in early 2017 to support local SMEs, and its first investments from the Midlands Engine Investment Fund shortly after.

Business Rates

To remove the inconsistency between rural rate relief and small business rate relief the government will double rural rate relief to 100% from 1 April 2017. The statement also announces a reduction in business rates by £6.7 billion over the next 5 years.

Housing

The government will publish a Housing White Paper shortly, setting out a package of reform intended to increase housing supply and halt the decline in housing affordability. To help deliver this, the Autumn Statement announces:

- Housing Infrastructure Fund – a new Housing Infrastructure Fund of £2.3 billion by 2020-21, funded by the NPIF and allocated to local government on a competitive basis, will provide infrastructure targeted at unlocking new private house building in the areas where housing need is greatest. This will deliver up to 100,000 new homes. £7.2 billion is announced to support the construction of new homes, including spending by Housing Associations.
- Affordable homes – the government will relax restrictions on grant funding to allow providers to deliver a mix of homes for affordable rent and low cost ownership. The NPIF will provide an additional £1.4 billion to deliver an additional 40,000 housing starts by 2020-21.
- Letting agent fees – The government will ban letting agents' fees to tenants with the aim of improving competition in the private rental market. The Department for Communities and Local Government (DCLG) will consult ahead of bringing forward legislation.

Transport

The NPIF will provide an additional £1.1 billion by 2020-21 in new funding to relieve congestion. On strategic roads, an extra £220 million will be invested to tackle key pinch-points. The government will recommit to the National Roads Fund announced at Summer Budget 2015.

Digital

The government will invest over £1 billion by 2020-21, including £740 million through the NPIF, targeted at supporting the market to roll out full-fibre connections and future 5G communications. This will be delivered through:

- £400 million for a new Digital Infrastructure Investment Fund, at least matched by private finance, to invest in new fibre networks over the next 4 years.
- a new 100% business rates relief for new full-fibre infrastructure for a 5 year period from 1 April 2017; this is designed to support roll out to more homes and businesses

Housing benefit

- Support for refugees – refugees and their family members will be exempted from the Past Presence Test, they will no longer have to be resident in the UK for 2 years before they can receive disability benefits.
- Local Housing Allowance- (LHA) rates in social housing – the implementation of the cap on Housing Benefit and LHA rates in the social rented sector will be delayed by 1 year, to April 2019. The cap will be applied to all supported housing tenancies from April 2019, and the government will provide additional funding to Local Authorities, so that they can meet the additional costs of supported housing in their area. For general needs, the cap will now apply from April 2019 for all tenants on Universal Credit, and to Housing Benefit tenants whose tenancies began or were renewed since April 2016
- Social rent downrating – refugees, almshouses, Community Land Trusts and co-operatives will be exempt from the policy to reduce social sector rents by 1% a year for 4 years from 2016-17.

Growth deals

The government will award £1.8 billion to Local Enterprise Partnerships (LEPs) across England through a third round of Growth Deals. This will include £556 million for the North of England.

Mayoral Combined Authorities

The government will give mayoral combined authorities powers to borrow for their new functions, which will allow them to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury. The government will also consult on lending local authorities up to £1 billion at a new local infrastructure rate of gilts + 60 basis points for three years to support infrastructure projects that are high value for money.

Flooding and shale

Following a consultation to ensure local communities share in the benefits of shale production, the Shale Wealth Fund will provide up to £1 billion of additional resources to local communities. Local communities will determine how the money is spent in their area.

Flood defence and resilience

The government will invest £170 million in flood defence and resilience measures. £20 million of this investment will be for new flood defence schemes, £50 million for rail resilience projects, including Dawlish, and £100 million to improve the resilience of roads to flooding.

Credit unions

From 2018, the government will expand an existing scheme which incentivises credit union membership. This will use funds recovered under the Proceeds of Crime Act from convicted loan sharks.

<https://www.gov.uk/government/topical-events/autumn-statement-2016>

Social care

The one significant and notable issue that the Autumn Statement was silent on was social care. In responding to this omission, the Chair of the LGA Community Wellbeing Board said: "Councils, care providers, charities and the NHS have all called on the Government to use the Autumn Statement to properly fund adult social care. The Government's failure to act today means social care remains in crisis, councils and the NHS continue to be pushed to the financial brink and face the prospect of more care providers leaving the publicly-funded market or ceasing trading. Tragically, the human cost of this will be elderly and vulnerable people continuing to face an ever uncertain future where they might no longer receive the dignified care and support they deserve, such as help getting dressed or getting out and about, which is crucial to their independence and wellbeing. This is not only worse for our parents and grandparents but will also heap further pressure on the NHS. There cannot be a sustainable NHS without a sustainable adult social care system. We have estimated that social care for the elderly and disabled faces a funding gap of at least £2.6 billion. Extra council tax-raising powers will not bring in enough money to alleviate the pressure on social care and councils will not receive the vast majority of new funding in the Better Care Fund until the end of the decade. Services supporting our elderly and vulnerable are at breaking point now. The Government cannot ignore this crisis. It must recognise why social care matters and treat it as a national priority. If councils are to stand any chance of protecting the services which care for the elderly and vulnerable, this means urgent action to properly fund social care."

PLACE SHAPING		
<p>New £18 million fund to accelerate house building (11 November 2016)</p> <p>A new £18 million fund to speed up house building on large sites and that will provide thousands of new homes where people want to live, has been announced by the Housing Minister Gavin Barwell. From today councils can bid for a share of the 'capacity fund' to tackle planning issues that can cause delay and prevent builders from getting on site and starting work quickly. The money will help accelerate delivery of up to 800,000 homes and infrastructure across large sites in England and is part of a wider package of measures to increase the number of much needed homes in local areas. Additional measures include: creating 6 new Housing Zones that will support development on brownfield land to provide 10,000 homes; and government support and funding for a new locally-led Garden Town at Otterpool Park, Shepway in Kent which will deliver up to 12,000 new homes.</p> <p>https://www.gov.uk/government/news/new-18-million-fund-to-accelerate-house-building</p>	For information	Geoff Paul, Director of Planning and Economy
<p>English regions to benefit from transport investment worth £3 billion (28 November 2016)</p> <p>Towns and cities across the country are set to benefit from £3 billion worth of investment on improving roads in a boost for motorists. This investment will lead to quicker and safer journeys and help to build a stronger economy by linking people with jobs, businesses with customers, ensuring a country that works for everyone, not just the privileged few. Chris Grayling outlined details of more than £1.3 billion of road improvements announced as part of the Autumn Statement. This includes: £925 million to tackle congestion and provide upgrades on local roads; £175 million to improve the 50 most dangerous roads in the country; £220 million to Highways England to combat congestion; £27 million for the Cambridge to Oxford expressway; and 6 local major schemes to better journeys. In addition, the Transport Secretary has awarded £50 million to build the Lincoln Eastern Bypass; announced development of 6 further local major schemes; and allocated £70 million for 2017 to 2018 to fix potholes.</p> <p>https://www.gov.uk/government/news/english-regions-to-benefit-from-transport-investment-worth-3-billion</p>	For information	
<p>Northern Trans-Pennine strategic study: stage 3 report (28 November 2016)</p> <p>The Government has published the stage 3 report for the Northern Trans-Pennine strategic study. It outlines the high level case for making improvements to the A66 and A69 to improve trans-Pennine connectivity. Further work needs to be carried out to understand the full benefits and impacts of the potential options. Based on work so far, consultants have identified a number of transport interventions that would meet the study objectives. These include: completion of the dualling of the A66; completion of the dualling of the a69; junction improvements; and options to bypass Warwick Bridge.</p> <p>https://www.gov.uk/government/publications/northern-trans-pennine-strategic-study-stage-3-report</p>	For information	Geoff Paul, Director of Planning and Economy

ECONOMIC PROSPERITY

<p>£4.8 million of funding offered to 6 Fisheries Local Action Groups under EMFF scheme (31 October 2016)</p> <p>The Marine Management Organisation (MMO) is pleased to announce that £800,000 funding under the European Maritime and Fisheries Fund (EMFF) has been offered to each of the six Fisheries Local Action Groups (FLAGs). Cornwall, Dorset and East Devon, Hastings, Holderness, North of Tyne and North Thames will each receive £800,000 to take forward their local development strategies to benefit and develop fisheries, coastal communities and the wider supply chain infrastructure.</p> <p>https://www.gov.uk/government/news/48-million-of-funding-offered-to-6-fisheries-local-action-groups-under-emff-scheme</p>	For information	Geoff Paul, Director of Planning and Housing
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COMMUNITY SAFETY		
<p>New £20 million fund now open to help victims of domestic abuse (3 November 2016)</p> <p>Local authorities can now bid for a share of a £20 million fund to support victims of domestic abuse, Communities Secretary Sajid Javid has announced. This new fund will be used to increase refuge spaces and other accommodation for women fleeing domestic violence. From ensuring that victims have somewhere safe to live and recover, to providing education, employment and life skills training, the fund will support a range of services to help victims rebuild their lives. New 'Priorities for Domestic Abuse Services' are also being published, setting out how local authorities should be responding to domestic abuse in a collaborative and effective way. This means putting the victim first, providing flexible services that meet their needs and collaborating with other councils to open up services to victims from outside the local area. Clear and accountable local leadership should bring together all local services with a process for independent scrutiny to ensure care is informed by survivors' voices and needs. Applicants are required to submit bids by 16 December 2016.</p> <p>https://www.gov.uk/government/news/new-20-million-fund-now-open-to-help-victims-of-domestic-abuse</p>	Officers to consider submitting an application	



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