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Dear Sir/Madam,

### **2017 Autumn Budget Representation from Brighton & Hove City Council**

A number of well-documented pressures are affecting local authorities including Children's and Adults Social Care, homelessness and Schools. Some funding and flexibility has been provided by government to aid local authorities, however, much of this is time limited and does not appear to present a sustainable medium to long term solution. In considering and planning local authority funding the council would urge government to consider the following:

**i) Funding Certainty and Sustainability:**

There are currently many different control and funding elements to local authority finances including capping, Adult Social Care precepts, recurrent and one-off improved Better Care Funding, Temporary Accommodation/Homelessness funding and grants, reducing Revenue Support Grant, capital flexibilities and potential 100% business rate retention pilots. These, alongside many other factors, make planning with certainty of purpose and clear direction very difficult for local authorities. While we accept that transitional funding is appropriate in some instances, government should:

- undertake the promised Fair Funding Review alongside the 2017 Spending Review to ensure that future Local Government funding is sustainable, needs-based and reliable;
- in advance of this, ensure sufficient taxation flexibility, subject to local democratic choice, through removal of universal capping or allowable additional precepts, to enable local authorities to generate adequate funding in the interim;
- Urgently consider changing the Universal Credit scheme in relation to Temporary Accommodation where current pilots are showing extremely poor collection performance and consequently high levels of arrears due to the transient and often vulnerable nature of this client group. We would recommend that for this group, payment should revert to the Landlord as now.

**ii) Provide Sustainable Funding for Social Care:**

The Local Government Association has identified the national pressures on Adults and Children's social care for which government has provided some recognition in respect of Adult Social Care. However, a sustainable long term position must be found and an appropriate level of funding determined to avoid much higher costs in future across the health and social care system. Government should:

- fundamentally allocate sufficient funding to meet increasing demand, enable implementation of the Care Act and meet new burdens arising from case law;
- grant authorities flexible powers to deliver integration plans including providing sufficient capital investment and funding for integration and implementation of Sustainability Transformation Plan (STP) infrastructures;
- consider halting the continuing reduction/abolition of the Revenue Support Grant given the identified pressures across Local Government;
- consider implementing 100% Business Rate Retention without detriment and without the transfer of additional responsibilities.

**iii) Provide Greater Funding Flexibilities:**

Government could equally consider allowing authorities more flexibility to further underpin sustainable long term funding. There are a number of regulations that unnecessarily inhibit local authorities from generating resources at a time when national purse strings are being held tightly. Government should consider:

- removal of universal Council Tax capping (excessive Council Tax increases). Taxation increases should always be a matter for local democratic choice;
- deregulation of fees and charges for services. Government should allow authorities to determine fees and charges through local democratic choice including for services where charging is currently prohibited but where usage is not universal or standard;
- providing local authorities with devolved, democratically determined flexibilities or powers, for example, in relation to Concessionary Fares schemes, introducing Tax Increment Financing or first time Stamp Duty levies etc. perhaps with requirements for re-investment into transport infrastructure, housing or other relevant areas;
- similarly, we would urge the removal of borrowing caps and restrictions which should again be a matter for local democratic determination within the prudential codes and guidelines. These could, for example, assist Local Government in meeting government housing supply targets or improve transport or technological infrastructure.

Yours sincerely,

David Kuenssberg  
Executive Director of Finance & Resources