

BUDGET & SPENDING REVIEW SUBMISSION

Stability

Investment

Reform

CCN COUNTY
COUNCILS
NETWORK
THE VOICE OF COUNTIES

INTRODUCTION

The 37 local authorities in the County Councils Network (CCN) are part of the fabric of England. The essential services they provide impact on the lives of over 25m people: almost half of the country.

These councils are the largest in England and are responsible for £37bn in public expenditure, including maintaining 126,000 miles of road, responding to over 950,000 adult social care requests a year, and looking after 31,000 children in care.

County areas are also the backbone of the country's economy, producing 39% of England's GVA, supporting 14 million jobs, and are home to over 12 million businesses.

But despite county and unitary authorities being essential to the everyday lives of millions of residents and businesses, their ability to provide high quality services and grow their local economies has been hampered by well-documented funding challenges over the last 14 years.

It is undoubtedly the case that the funding of local councils is more firmly in the public consciousness than at any point in recent history. However, while a recent bout of Section 114 notices - and warnings of further financial instability to come - may have brought the issue to wider public attention, the root causes of the challenges have been over a decade in the making.

It is in this context the new Government begins its first Spending Review and prepares to set out the Budget in October. The Government has inherited a very precarious position when it comes to local government funding, and with the Treasury suggesting there is a larger than expected funding black hole in the public finances, it is clear money will be tight.

To overcome this, the government has declared that it will be a missions-led administration: securing the highest sustained growth in the G7; and has made a commitment to empowered and sustainable local authorities. Alongside this, the government have set out that the spending review will take a reform-driven and mission-led approach to public services. This will seek a greater focus on long-termism, investment in prevention, managing demand, and increasing devolution and local integration of services.

Building on our *Manifesto for Counties*, CCN's Spending Review submission aligns with these missions and aims of the Spending Review, while recognising and clearly outlining the severity of the financial challenges facing councils.

Empowered county and unitary authorities can help deliver the government's domestic agenda, while tackling some of our nation's greatest economic and social challenges.

To achieve this, our three key messages from this submission are:

- **Stability** through financial certainty in the short term;
- **Investment** to meet the severe financial pressures in the short-term and underlying gap in the medium term;
- **Reform** to reduce costs and improve outcomes, providing long-term sustainability and the foundations for growth through greater devolution to councils.

Executive Summary

THE OUTLOOK FOR COUNCIL FINANCES THIS PARLIAMENT

Section one sets out new analysis by PwC, Pixel and CCN on the outlook for councils this parliament, outlining the necessity for stability and investment ahead of the Budget, Local Government Finance Settlement and three-year Spending Review.

- Based on the current trajectory of spending, total spending need on council services in England could increase by £26.3bn by the end of the parliament, compared to 2022/23 - a 46.7% increase.
- The baseline financial outlook shows that next year local authorities in England have an annual funding gap of £4.9bn, rising to £17.3bn by 2029/30.
- For CCN authorities, the gap in the next financial year is £1.6bn, growing annually to reach £6.8bn over the same period. As a result of continuing surging pressures in adults, children's and home to school transport, CCN authorities share of the funding gap grows from from 33% in 2025/26 to 39% in 2029/30.
- **Cumulatively the forecast shows that all local authorities combined have a £54.2bn funding shortfall over the five year period. CCN authorities represent 36% of the total, with a £20.3bn funding gap.**
- However, this is only part of a wider financial backdrop facing local government, with continuing escalation in SEND related expenditure and high-needs deficits. These currently stand £3.2bn this year and are projected to rise to £5bn by 2026.

Policy Implications

In considering future demands on public spending, our financial outlook for local government has analysed the impact of policy choices facing government in response.

Council tax alone is not the answer....

Raising council tax by a further 3% per annum over the course of this parliament would reduce the total cumulative funding gap in England by less than a third (30%) to £37.6bn over the five year period, with the shortfall £3.9bn in 2025/26, rising to £11.6bn by 2029/30.

CCN recognise that council tax increases will continue to play a role in meeting future spending and the network believes that decisions on tax rises should be determined locally, with more flexibility in areas such as the single person discount and ability to propose additional council tax bands.

However, the government should not rely on council tax rises above 3% to plug the funding gap facing councils after a prolonged period of annual increases.

Using business rates to plug funding shortfalls requires a trade off.....

Using all locally retained business rate growth to offset core service costs could further reduce the total cumulative deficit in England over the next five years to £28.7bn, with the shortfall £2.5bn in 2025/26, rising to £9.5bn by 2029/30.

However, while our analysis has recognised the role of retained business rates such as a source of income, particularly for some types of councils, there is a key trade off in expecting these resources to fund future day-to-day services.

As part of the Spending Review, the government should consult the sector on the future of business rate retention as part of wider fiscal devolution proposals and reforms to business rates.

Fairer funding is necessary and inevitable, but not the solution in the short-term....

Reform to the distribution of funding is necessary and inevitable. However, it is not the solution to the funding gap facing councils. In the absence of a substantial injection of new resources, it will simply result in robbing Peter to pay Paul; piling further pressure on some, while providing only temporary relief for others.

Our financial outlook shows the extremely challenging financial outlook is impacting councils of all shapes and sizes. County and CCN unitary authorities are no exception to this, representing the largest share of the funding shortfall.

That's why our Manifesto for Counties clearly set out that the government should provide certainty in the short-term, ensuring in the first year of office there are no changes to the approach in the distribution of grants, allowing time for a full consultation on any proposals for reform.

Longer-term funding settlements are welcome but insufficient without sustainable funding.....

It is welcome that the new government have committed to longer-term settlements. However, these will only be sufficient if accompanied by a substantial injection of new resources.

CCN therefore urge the government to set out its approach to the local government funding settlement for 2025/26 as early as possible. This must, at the very least, retain all existing funding streams, whilst providing an emergency injection of resources to meet increased spending needs and the funding gap facing councils.

Looking to the Spending Review, an evidence-based assessment of council funding needs should be undertaken to provide long-term sustainable resources.

Equally as pressing, the Spending Review must also provide immediate clarity on how the Treasury plans to manage councils SEND high-needs deficits in October 2026 when the statutory override is scheduled to end.

Sustainable funding must go hand-in-hand with an agenda for reform....

CCN recognise that the government are operating within a tight fiscal envelope, and while additional funding is urgently required, it must go hand-in-hand with reform.

After a decade of cost-cutting, a narrow focus on efficiency savings will not resolve the underlying financial challenges facing councils.

Reform, therefore, must go deeper and faster. This must fundamentally tackle the drivers of surging demand, while seeking to address market failures that are creating unsustainable costs for councils in delivering adult social care, children's services and home to school transport.

Within their analysis, PwC have produced an alternative spending need forecast, which assumes some policy intervention and national reforms to resolve the surging costs and demand in adult social care, children's services and home to school transport.

This could reduce the trajectory of spending need from 2027/28 onwards in these services. However, in the absence of central government intervention and reform, it is CCN's view that there is no evidence to suggest spending need will return to pre-2020 levels.

The financial outlook based on reforms being enacted to reduce the trajectory of spending need from 2027/28 onwards shows local authorities in England could see their cumulative gap fall to £24.2bn over the five year period if reforms were enacted and spending trends reduced from 2027/28 onwards, councils increased council tax by 3% per annum over entire forecast period and district councils still used retained rates to offset their funding gap.

AN AGENDA FOR REFORM & GROWTH

Built on an extensive evidence-base and a shared vision, CCN's *Manifesto for Counties* sets out detailed proposals the network want to see the new government implement during this parliament.

This is an ambitious blueprint, built on an agenda for reform. This seeks to put forward the bold and necessary changes that are required: ones that CCN believe could help make the Reform forecast contained in our financial outlook a reality, reducing the trajectory of spending need from 2027/28 onwards and with it the anticipated funding shortfall.

Section two of this submission sets out the service specific challenges facing councils, and the opportunity presented by working in partnership with local government to deliver this ambitious **agenda for reform**. It provides our detailed proposals across SEND, children's services, home to school transport, adult social care, public health and integration.

Section three shows that by placing council finances on a more sustainable footing, and taking forward our reforms across public services, the Budget and Spending Review can put in place the foundations to enable counties to drive forward an agenda for growth.

However, while CCN urge the Government to consider the full range reforms and policy initiatives contained in this submission, given the urgency of the financial challenges facing councils, there are a set of five nationally-led areas of reforms the Government should prioritise over the immediate period.

- **SEND:** set out reform of SEND over the next 18 months, delivering the manifesto pledge to ensure mainstream schools become more inclusive. As this submission sets out in detail, it should grasp the nettle and set out comprehensive reform to SEND services from the bottom up.
- **Care Placements:** put forward a package of reforms to address the dysfunction in the children's placement market to reduce costs, limit excessive profits and improve outcomes.
- **Working Age Adults:** immediately prioritise improving outcomes and reducing costs in working age adult provision.
- **Home to school Transport:** no stone should be left unturned in delivering a more sustainable SEND travel service, including the consideration of means-testing and reforms to tribunals.
- **Housing & Homelessness:** alongside nationally-led welfare and housing reforms, councils can work with government to deliver more affordable and private housing that tackles unaffordability, homelessness and reliance on temporary accommodation.

THE OUTLOOK FOR COUNCIL FINANCES THIS PARLIAMENT

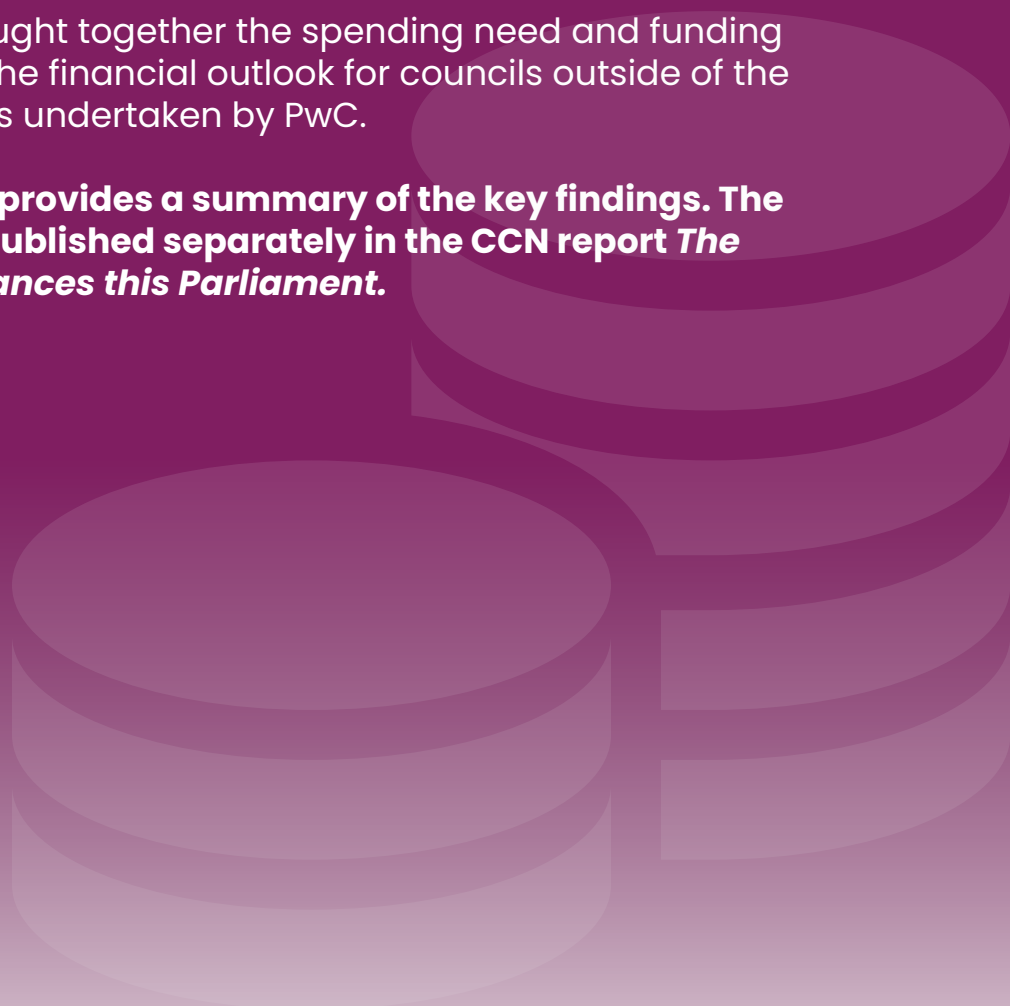
The financial outlook for councils this parliament incorporates the findings of two projects commissioned by the network.

PricewaterhouseCoopers LLP (PwC) was commissioned by CCN to undertake an analysis of the spending pressures facing local government in England in the period up to 2029/30. This built on previous work, published in May 2019.

Pixel Financial Management Ltd (Pixel) was separately commissioned to provide funding projections for local government for the period 2025/26 to 2029/30, building on assumptions developed by Pixel and CCN.

CCN and Pixel have brought together the spending need and funding projections to forecast the financial outlook for councils outside of the spending needs analysis undertaken by PwC.

Below, this submission provides a summary of the key findings. The full analysis has been published separately in the CCN report *The Outlook for Council Finances this Parliament*.



Financial outlook: Summary

Between 2010 and 2020, councils are estimated to have lost 40% of core government funding on average, at a time when demand for core services has risen inexorably. While austerity may have ended in recent years, the structural deficits it caused have been deepened by the pandemic and historically high inflationary environment of recent times.

Alongside inflation embedding permanently higher costs for councils, Covid-19 and the cost-of-living crisis has led to severe effects on demand for services and adverse impacts on the provider markets councils operate within. This has resulted in sustained upward pressure on the unit costs of day-to-day service delivery of statutory services, with no sign these surging demands and costs will abate in the foreseeable future.

The findings of our financial outlook for councils shows that the pressures facing local government in England will not ease up over the coming period - indeed they will only intensify.

Based on the current trajectory of spending, analysis conducted by PwC shows that total spending need on council services in England could increase by £26.3bn by the end of the parliament, compared to 2022/23 - a 46.7% increase.

CCN authorities could face an £11bn increase in spending need over the same period, representing growth of 49.8%. By 2030, CCN authorities account for 40% of all spending need.

Additional costs faced over this period are primarily driven in the three key service areas; adult social care, children's social care, and home to school transport.

- **Adult social care** spending in England could increase by £11.8bn over the period, representing an increase of 58.1% over the period from 2022/23 to 2029/30. CCN authorities could face a £5.6bn increase in spending need over the same period, representing growth of 58.4%.
- **Children's services** spending in England could increase by £8.4bn over the period, representing an increase of 65.8% over the period from 2022/23 to 2029/30. CCN authorities could face a £3.3bn increase in spending need over the same period, representing growth of 66.6%.
- **Home to school transport** spending in England could increase by £1.7bn over the period, representing an increase of 90.1% over the period from 2022/23 to 2029/30. CCN authorities could face a £875m increase in spending need over the same period, representing growth of 80%.

By 2030, cost increases in these three services alone account for 83% of the total increase in spending need in England. For CCN member councils this is even higher, at 89%. Section two of this report explores these service specific pressures and the drivers of additional costs and demand.

With spending pressures only expected to intensify without fundamental reform of services, the analysis contained in our financial outlook vividly demonstrates that even if all existing funding is retained, councils will experience an accelerating funding shortfall.

- The baseline financial outlook shows that next year local authorities in England have an annual funding gap of £4.9bn, rising to £17.3bn by 2029/30.
- For CCN authorities, the gap in the next financial year is £1.6bn, growing annually to reach £6.8bn over the same period. As a result of continuing surging pressures in adults, children's and home to school transport, CCN authorities share of the funding gap grows from 33% in 2025/26 to 39% in 2029/30.
- **Cumulatively the forecast shows that all local authorities combined have a £54.2bn funding shortfall over the five year period. CCN authorities represent 36% of the total, with a £20.3bn funding gap.**

However, this is only part of a wider financial backdrop facing local government; with pressures on capital expenditure, and most concerning, continuing escalation in SEND related expenditure and high-needs deficits.

Recent analysis by Isos Partnership for the CCN and Local Government Association (LGA)¹ has shown that SEND expenditure is on course to triple over the course of a decade. In 2015, councils SEND-related expenditure was £4bn, with this forecast to reach £12bn by 2026. These rising costs on SEND have outpaced reform and funding from the previous government.

But the acute financial challenge caused by a broken SEND system is not limited to these services: as analysis in this document shows, it has severe knock-on effects on other areas of council expenditure school transport and working age adult social care.

Despite bespoke Safety Valve financial support for some councils, transfers from mainstream school budgets and use of councils reserves all projected to total around £1bn between 2019 and 2026, cumulative deficits currently stand £3.2bn this year and are projected to rise to £5bn by 2026.

With these deficits currently held off councils' budgets due to a temporary 'statutory override', and with councils having limited reserves as a result of previous and future revenue spending pressures, councils face a financial cliff edge when this ends in March 2026.

Previous CCN research showed that if the statutory override came to an end tomorrow, one in four councils surveyed for the our recent report said that they would cease to be insolvent within a year or less, with half stating they would be insolvent in three years or less.

Therefore, although local authorities who have declared effective bankruptcy have all had specific local challenges, even well-managed authorities of all shapes, sizes and political control are reaching breaking point.

Budget & Spending Review: Policy Implications

On entering office, the new government has inherited this extremely precarious situation with local government funding. It does so as it prepares its first Budget later this year and begins a Spending Review at a time of expected fiscal restraint.

In considering future demands on public spending, our financial outlook for local government has analysed the impact of policy choices facing government in response.

Council tax alone is not the answer....

Raising council tax by a further 3% per annum over the course of this parliament would reduce the total cumulative funding gap in England by less than a third (30%) to £37.6bn over the five year period, with the shortfall £3.9bn in 2025/26, rising to £11.6bn by 2029/30.

For CCN authorities, the gap in the next financial year would be £1.1bn growing annually to reach £4bn over the same period. With council tax overwhelmingly the most important source of income for CCN member councils collectively, this reduces their cumulative gap by 40% to £12.3bn.

CCN recognise that council tax increases will continue to play a role in meeting future spending and the network believes that decisions on tax rises should be determined locally, with more flexibility in areas such as the single person discount and ability to propose additional council tax bands. Moreover, we support the LGA in their calls for a more fundamental review of council tax this parliament, alongside other council funding sources.

However, the government should not rely on council tax rises above 3% to plug the funding gap facing councils after a prolonged period of annual increases.

If no further funding is provided and council tax continues to rise annually by 3%, by 2030 council tax will constitute 57.5% of all council resources. For CCN member authorities the figure is even higher at 67.8%, up from 54.3% this financial year.

With residents in county areas already paying significantly higher rates due to historically lower funding, such a disproportionate reliance on this funding stream is neither sustainable nor fair.

Using business rates to plug funding shortfalls requires a trade off....

Using all locally retained business rate growth to offset core service costs could further reduce the total cumulative deficit in England over the next five years to £28.7bn, with the shortfall £2.5bn in 2025/26, rising to £9.5bn by 2029/30.

For CCN authorities, the gap in the next financial year would be £717m growing annually to reach £3.4bn in 2029/30. With county councils benefitting the least from business rates retention, CCN member councils collectively see their cumulative gap reduce only by a further 12% (compared to the baseline forecast) to £9.9bn. District councils see the largest reduction of 58%, while metropolitan boroughs see a 19% reduction.

However, while our analysis has recognised the role of retained business rates as a source of income, particularly for some types of councils, there is a key trade off in expecting these resources to fund future day-to-day services.

For upper-tier councils, using retained business rates growth to offset spending pressures in adults, children's and home to school transport will dilute the growth incentive they are expected to promote, while further reducing the available resources for the growth-enabling services retained business rates are primarily aimed at funding.

For county councils, who receive such a small share of these resources in two-tier areas, this trade off is even more intense.

Equally important, previous research by CCN has raised concerns over whether business rates are a fair way to fund demand-led services, with little correlation between income, expenditure, and service need.

As part of the Spending Review, the government should consult the sector on the future of business rate retention as part of wider fiscal devolution proposals and reforms to business rates.

This must recognise concerns over the sustainability and suitability of the tax in the face of pressure from business groups to reduce the tax, given the nature of high-street and online retailing; the correlation between business rates income, growth expenditure, and service need; and the tier share between county and district councils.

Ahead of any fundamental reform to business rates retention, the government should seek to reset business rate growth in its second year in office, distributing retained growth according to need.

Fairer funding is necessary and inevitable, but not the solution in the short-term....

In recent weeks, Ministers have also suggested that a potential response to councils being 'underfunded' was to consider how you 'move money around the system' to 'distribute it as fairly as possible' at this year's local government settlement.²

Reform to the distribution of funding is necessary and inevitable. However, it is not the solution to the funding gap facing councils. In the absence of a substantial injection of new resources, it will simply result in robbing Peter to pay Paul; piling further pressure on some, while providing only temporary relief for others.

Our financial outlook shows the extremely challenging financial outlook is impacting councils of all shapes and sizes. County and CCN unitary authorities are no exception to this, representing the largest share of the funding shortfall.

Funding reform will be both complex and difficult to achieve at a time when there are limited resources. The new government will need to balance the need to reform, whilst ensuring it does not further undermine the financial stability of councils.

That's why our Manifesto for Counties clearly set out the government should provide certainty in the short-term, ensuring in the first year of office there are no changes to the approach in the distribution of grants, allowing time for a full consultation on any proposals for reform.

Longer-term funding settlements are welcome but insufficient without sustainable funding.....

For much of the past decade, councils have received only short-term one-year settlements, disrupting effective financial planning at time when long-term strategic decisions have never been more important.

It is therefore welcome that the new government have committed to longer-term settlements. However, these will only be sufficient if accompanied by a substantial injection of new resources.

The new Chancellor has stated the Budget and Spending Review will need to make further 'difficult decisions' on the future prioritisation of public spending,³ with recent reports suggesting the government are likely to stick to current spending plans which will result in a further real-terms reduction for non-protected departments.⁴

Even before the general election, CCN clearly set out that councils will not be able to withstand another bout of funding reductions without fundamentally undermining the ability of councils to deliver their statutory duties, and for some, the financial solvency of even the most well-run and efficient councils.

Last year, CCN member councils estimated they needed to deliver £1bn in savings and service reductions to balance the books.⁵ However, CCN councils were still forecast to overspend their budgets by £650m last year, requiring unsustainable use of reserves and in-year savings.⁶

CCN therefore urge the government to set out its approach to the local government funding settlement for 2025/26 as early as possible. This must, at the very least, retain all existing funding streams, whilst providing an emergency injection of resources to meet increased spending needs and the funding gap facing councils.

Looking to the Spending Review, an evidence-based assessment of council funding needs should be undertaken to provide long-term sustainable resources.

Equally as pressing, the Spending Review must also provide immediate clarity on how the Treasury plans to manage councils SEND high-needs deficits in March 2026 when the statutory override is scheduled to end.

With 68% of the average CCN member budget already consumed by care services alone,⁷ failing to provide the significant uplift in funding required – and comprehensive solution to high-needs deficits – would mean there will be no alternative to an honest discussion with government on what statutory services councils can be expected to deliver.

Sustainable funding must go hand-in-hand with an agenda for reform....

CCN recognise that the government are operating within a tight fiscal envelope, and while additional funding is urgently required, it must go hand-in-hand with reform.

Further organisational and service transformation through the adoption of new technologies and digitalisation, alongside a renewed focus on productivity, can help councils bare down on future costs.

However, after a decade of cost-cutting, a narrow focus on efficiency savings will not resolve the underlying financial challenges facing councils. Moreover, reducing non-statutory services further is neither desirable nor will it close the scale of the funding gap facing councils.

Reform, therefore, must go deeper and faster. This must fundamentally tackle the drivers of surging demand, while seeking to address market failures that are creating unsustainable costs for councils in delivering adult social care, children's services and home to school transport.

Within CCN's report *The Outlook for Council this Parliament*, PwC have produced an alternative spending need forecast, which assumes some policy intervention and national reforms to resolve the surging costs and demand in adult social care, children's services and home to school transport. This could reduce the trajectory of spending need from 2027/28 onwards in these services.

However, in the absence of central government intervention and reform, it is CCN's view that there no evidence to suggest spending need will return to pre-2020 levels.

The financial outlook based on reforms being enacted to reduce the trajectory of spending need from 2027/28 onwards shows local authorities in England could see their cumulative gap fall to £24.2bn over the five year period if reforms were enacted and spending trends reduced from 2027/28 onwards, councils increased council tax by 3% per annum over entire forecast period and districts councils still used retained rates to offset their funding gap.

For CCN authorities, the gap in the next financial year is £1.1bn growing to £1.7bn in 2026/27. However, with these councils having disproportionately high spending need in SEND home to school transport, alongside adults and children's services, these councils would benefit most from national reforms that help reduce spending need over time: resulting in the funding gap stabilising at between £1.6-£1.5bn for the remainder of the forecast.

It is critical to reiterate that PwC's estimate of an easing of cost pressures assumes some policy intervention and national reforms are introduced to resolve market failure and surging demand.

Therefore, CCN welcomes that in announcing the process for the Spending Review, the government have set out that they will take a reform-driven and mission-led approach to public services. This will seek a greater focus on long-termism, investment in prevention, managing demand, and increasing devolution and local integration of services.

This approach at the heart of the wide-ranging policy proposals contained in our *Manifesto for Counties* and the key message of this submission of investment, stability and reform.

Built on an extensive evidence-base and a shared vision, CCN's *Manifesto for Counties*⁸ sets out detailed proposals the network want to see the new government implement during this parliament.

This is an ambitious blueprint, built on an agenda for reform. This seeks to put forward the bold and necessary changes that are required: ones that CCN believe could help make the 'Reform' forecast contained in our financial outlook a reality, reducing the trajectory of spending need from 2027/28 onwards and with it the anticipated funding shortfall.

The next section of this submission sets out the service specific challenges facing councils, and the opportunity presented by working in partnership with local government to deliver this ambitious **agenda for reform**. It provides our detailed proposals across SEND, children's services, home to school transport, adult social care, public health and integration.

Alongside the specific policy proposals outlined, the Spending Review should conduct a comprehensive review of councils statutory responsibilities to ensure that the duties and regulations placed on councils enable local authorities to provide services in line with local needs and the funding envelope available to them.

However, while CCN urge the government to consider the full range reforms and policy initiatives contained in this submission, given the urgency of the financial challenges facing councils, there are a set of five nationally-led areas of reforms the Government should prioritise over the immediate period.

1 SEND

The government must set out reform of SEND over the next 18 months, delivering its manifesto pledge to ensure mainstream schools become more inclusive. As this submission below sets out in detail, it should grasp the nettle and set out comprehensive reform to SEND services from the bottom up, including:

- Review the Children and Families Act 2014 legislation and associated guidance to identify how the SEND system can be brought back into balance.
- Articulate an overarching vision for the SEND system, with reform accompanied by clear practice guidance for delivery, underpinned by a new National Framework.
- Introduce reforms that create a more inclusive school system which supports keeping more children with SEND in mainstream rather than specialist education.
- Build capacity within the mainstream school system to manage lower level SEND need whilst reforming the statutory duties around Education, Health and Care plans (EHCP), particularly ensuring they are effectively preparing children with SEND for the transition to adulthood.
- Review the roles and responsibilities of local partners, particularly schools and health agencies in identification, assessment, and early intervention.
- Enhance the levers enabling councils to shape their local SEND placement market.
- Support councils to address challenges in the recruitment and retention of the SEND workforce.

Read our evidence and full proposals on page 16.

2 Care Placements

Put forward a package of reforms to address the dysfunction in the children's placement market to reduce costs, limit excessive profits and improve outcomes, including the following reforms:

- Price caps based on standard weekly rates assuming no greater than 1:1 staffing except in exceptional prescribed circumstances, supplemented by similarly capped tariffs where additional services or therapeutic interventions are required.
- Regulation around 'demand-pricing' to ensure the public purse is not exploited at times when demand is high and prices are raised without any additionality.
- Strict requirements on notice periods to ensure no child should be required to move to a new home at short notice. 28 days should be the standard notice period barring exceptional circumstances.

Read our evidence and full proposals on page 19.

3 Working Age Adults

The government must immediately prioritise improving outcomes and reducing costs in working age adult provision. This should include:

- A review of the operation of the market and consideration of the reforms needed nationally to enable councils to more effectively manage their market, reduce costs and improve long-term outcomes.
- More widely, as set out in our detailed recommendations below, this must see reforms to SEND as interlinked with the transition to working age adult services; the role of supported housing and changes to the planning system; and consider reforms in relation to NHS continuing care and mental health funding as part of a wider review of funding mechanisms.

Read our evidence and full proposals on page 24.

4

Home to School Transport

As part of an agenda for reform, no stone should be left unturned in delivering a more sustainable SEND travel service. Alongside wider reforms to the SEND system, measures should include:

- Consider a national means-testing policy so that families above a specified income threshold are required to make a financial contribution to home to school transport, if they choose to use it. The contribution could be determined locally, up to a national ceiling. This would need to be implemented sensitively and progressively, bearing in mind the current cost of living crisis.
- Provide clearer guidance to SEND Tribunals to ensure that rulings on placements cannot be made without full consideration of the relative transport costs or make clear that a Tribunal ruling on a placement does not supersede the local decision on the nearest suitable school for the purposes of transport.
- Make clear that transport arrangements for children and young people with SEND should be reviewed annually, with a presumption towards encouraging greater independence over time wherever possible.
- Update the legislative framework around councils' home to school transport duties (drafted in the 1940s) to reflect the different context for this service in the 2020s, particularly including consideration of reasonable 'walking distances' in an age of mass transport.
- Review the reasonable expectations of parental responsibility in getting their child to school (e.g. accompanying a child to a bus stop in easy reach of home), making clear the circumstances in which statutory entitlements should apply.

Read our evidence and full proposals on page 22.

5

Housing & Homelessness

Alongside nationally-led welfare and housing reforms, councils can work with government to deliver more affordable and private housing that tackles unaffordability, homelessness and reliance on temporary accommodation:

- Drive the supply of genuinely affordable housing across the sector that meets local need, including an ambitious programme to deliver more socially rented homes. Government should continue to provide funding through the Affordable Homes Programme to support a wide range of genuinely affordable housing, but this should focus on homes for social rent where there is a high need.
- Seek to remove Section 21 'no fault evictions' as quickly as possible to increase protection for tenants in the private rented sector.
- Reset housing benefit subsidy rates to 90% of current market rates, in addition to increasing Homeless Prevention Grant funding to support temporary accommodation pressures.
- Review Local Housing Allowance Rates to ensure that they are keeping pace with market rates and thereby providing tenants with increased housing security.
- Commit to undertaking a review of the Right to Buy in the context of a need to drastically increase the number of homes available for social rent.

Read our evidence and full proposals on page 29.



Manifesto

For Counties

www.manifestoforcounties.co.uk

An agenda for reform

Built on an extensive evidence-base and a shared vision, CCN's *Manifesto for Counties* sets out detailed proposals the network want to see the new government implement during this parliament. This is an ambitious blueprint, built on an agenda for reform. This seeks to put forward the bold and necessary changes that are required: ones that CCN believe could help make the 'Reform' forecast contained in our financial outlook a reality, reducing the trajectory of spending need from 2027/28 onwards and with it the anticipated funding shortfall.

Special Educational Needs & Disabilities

The challenge

It is widely acknowledged that the SEND system is broken. Whilst reforms a decade ago that expanded eligibility for SEND support via Education Health and Care Plans (EHCPs) were done with the best of intentions, the system is at breaking point and does not work for children, parents, schools or councils alike.

Recent CCN research has shown that since the 2014 reforms, the number of children with EHCPs has risen 140% in ten years to 575,973.⁹ In seven of the last 10 years, more children with EHCPs have been placed in special schools compared to mainstream settings, with an increase of 60% in state-funded special schools and a rise of 132% in the number placed in independent and non-maintained special schools. Most importantly, our recent research showed higher rates of identification of SEND and overreliance on special schools are not leading to better educational attainment; with children with EHCPs witnessing performance flatline, or decline, across key educational milestones over the past decade.¹⁰

These poorer outcomes have occurred despite expenditure by councils tripling over the course of a decade to estimated £12bn by 2026, with councils set to amass high-needs deficits totalling £5bn by this point. But the acute financial challenge caused by a broken SEND system is not limited to these services: it has severe knock-on effects on other areas of local authority expenditure.

As outlined in the following sections, demand for EHCPs, an overreliance on special schools and increased parental expectations for individual travel arrangements, are leading to unsustainable costs in home to school transport. Furthermore, while individuals transitioning from SEND support to adult social care will account for a significant proportion of new people requiring adult social care support each year.

The last few years have seen reforms to SEND put forward to address these challenges. However, they fall well short of addressing the deep-seated and complex issues that are driving demand and cost, nor will they lead to a more inclusive mainstream education system. Our independent research by ISOS Partnership vividly demonstrated that systematic reform to SEND services is now both essential and unavoidable.

The opportunity

With a new government in place, CCN want to work urgently with them and all stakeholders to ensure that every child with SEND gets the right support, working collaboratively with parents, schools and the health service. Through a fully resourced and reformed system that prioritises mainstream provision, prevention, reduces perverse incentives, and promotes collaboration, councils can deliver a financially sustainable system capable of improving outcomes for all.

The government have already acknowledged the severity the challenges within the SEND system and its intention to undertake wide-ranging reform, which CCN strongly welcomes. But most pressingly, the spending review must provide immediate clarity on how the Treasury plans to manage councils high-needs deficits in October 2026 when the statutory override is scheduled to end. But eliminating deficits alone will not fundamentally deal with the challenges within the system. Building on the recommendations of Isos Partnership's recent independent report, the government must grasp the nettle and set out comprehensive reform to SEND services from the bottom up: including legislative changes and reforms to tribunals, increasing specialist school places for those that need them and, most importantly, supporting mainstream schools to be more inclusive.

Our key proposals: SEND

Read all the detailed proposals and evidence in our report with Isos Partnership ¹¹



National Vision & Framework

Articulate an overarching vision for the SEND system, with reform accompanied by clear practice guidance for delivery, underpinned by a new National Framework

- The vision for SEND should be based on two key principles of (i) promoting inclusion in education and (ii) preparing young people for adult life, and the SEND system recalibrated to support these principles.
- The National Framework should describe types and levels of needs, and provide clarity about the levels of need to be met in mainstream education and expectations of ordinarily available provision.
- This Framework should be accompanied by evidence-based best practice guidance and would be overseen by a new 'National Institute of Inclusive Education', which would act as an independent custodian of national expectations and evidence-based practice.



Children and Families Act 2014

Review the Children and Families Act 2014 legislation and associated guidance to identify how the SEND system can be brought back into balance

- The SEND statutory framework should be reformed so that the state can set out a clear, consistent, equitable and sustainable offer of support for children and young people with additional needs.
- This should enshrine the practice behind the original idea of EHCPs, in the form of regular, personalised assessments, planning, and reviews.



Mainstream Education & EHCPs

Build capacity within the mainstream school system to manage lower level SEND need whilst reforming the statutory duties around Education, Health and Care Plans (EHCPs), particularly ensuring they are effectively preparing children with SEND for the transition to adulthood

- Building capacity for inclusion should be done in a way that enables and supports mainstream education, rather than adding expectations and requirements.
- There should be new 'core offer' of targeted, multi-disciplinary support – from therapists, EPs and other services – that all education settings can access without children and young people requiring a statutory plan.
- All settings across early years, school and post-16 education should have improved capacity to enable and recognise inclusion – encompassing reforms of key aspects of wider education policy relating to curriculum; qualifications; assessment; performance reporting; accountability; buildings; workforce development; funding; access; strategic planning; and transitions.



Special Schools

Introduce reforms that create a more inclusive school system which supports keeping more children with SEND in mainstream rather than specialist education

- Special schools should continue to provide placements for pupils with the most complex needs, but there must be a more porous boundary between special and mainstream schools, allowing for sharing of expertise and outreach, and staff and pupils moving between settings.
- There should be equivalence of regulatory standards and funding (including a prohibition on making profits for shareholders from state-funded placements of children and young people with additional needs) between the state-funded and independent sectors.



Roles & Responsibilities

Review the roles and responsibilities of local partners, particularly schools and health agencies in identification, assessment, and early intervention

- Local Inclusion Partnerships should be established to strengthen multi-agency working around SEND at local level.
- These would include named partners from the LA, health services, the education sector, the local PCF and local strategic groups representing young people with SEND.
- These new bodies would have statutory powers and joint funding, and would be responsible for strategic planning and commissioning of a continuum of support to meet local needs (including the targeted offer of support and specialist provision) and decision-making regarding future statutory plans.



Market shaping, placement & provision

Enhance the levers enabling councils to shape their local SEND placement market.

- Government should articulate a more strategic relationship between the state and the independent sector. This would see the independent sector involved in strategic planning in local areas, and used strategically for highly specialist provision and expertise that complements, rather than replaces, local state-funded provision.
- Local Inclusion Partnerships (see above) should be able to commission and open their own state-funded provision to reflect local needs, which in turn would delineate the respective roles of local state-funded provision and independent/non-maintained providers.



SEND Workforce

Support councils to address challenges in the recruitment and retention of the SEND workforce.

- The proposed new National Institute (see above) should lead on developing a cross-government, multi-disciplinary workforce strategy for inclusive education, additional needs and preparation for adulthood, specifying the skills and practitioners needed to deliver, for example, the core wraparound targeted offer.
- The National Institute would also advise on the content of initial training and CPD across the workforce involved with inclusive education and supporting children and young people with additional needs.

Children's Services

The challenge

It has never been more urgent to ensure children's services are financially sustainable, able to deliver the services that effectively protect children and give young people the best possible start in life. However, the number of children referred to children services has spiked in county areas post-pandemic. Between 2020-21 and 2021-22 there were over 20,000 extra referrals to children's services in county areas, which is an 8.8% increase (higher than the national average of 8.7%). Consequently, more children are in local authority care than ever before, and county authorities overspent their children's services budgets by £320m last year: far more than any other service area.¹²

The challenges facing children's services, however, are not a new phenomenon, with demand and costs in children's social care rising dramatically over the last decade. Per-person spend on children's services for county authorities has virtually doubled – going from £88 per head in 2013/14 to £171 per person in 2023/24: a 93% increase. It is clear that these spending pressures will not ease up over the coming years.¹³

Most recently it has been the surging costs of regulatory changes and for care placements in social care that are now one of the most significant drivers of the funding shortfall facing local authorities. This is driven primarily by private providers monopolising the residential homes market for children in care and charging ever-increasing fees to local authorities. LGA analysis indicates there has been an increase in the number of high-cost children's social care placements, with the number of placements costing £10,000 or more increasing from 120 in 2018/19 to 1,510 in 2022/23.¹⁴ New research by IMPOWER and CCN is currently exploring the issues around high-cost placements in more detail, including the impact of regulatory changes and commissioning practices. This is due to be published in mid-November.

As a result of increasing demands and escalating costs, local authorities have had little choice but to reduce spend on preventative and family services. Councils recognise this is a false economy but have had to prioritise spend on crisis care. The previous government set out a new strategy for children's social care in response to the Independent Review of Children's Services, conducted by Josh MacAlister. Much of it was a step in the right direction, particularly the focus on rebalancing services towards prevention. It also set out proposals on improving the recruitment and retention of the workforce. However, it was accompanied with just £200m in extra funding; falling way short of the £2.6bn advised by the independent review that preceded the strategy.

The opportunity

Protecting vulnerable children from harm – or preventing it from happening in the first place – remains one of the most important functions of local government. From children's centres to crisis care, children's social care encompasses both prevention and the cure. Through a better resourced and reformed approach to services, councils can help rebalance spending so it more focused on early intervention and family support, in the process reducing the number of children in care while bearing down on costs.

CCN's proposals set out that the government must give the vital reforms contained within the Independent Review of Children's Services the best possible chance of success by funding them adequately, whilst reviewing other parts of the strategy where there is a concern over their effectiveness. However, the government must also go further than before and reform the dysfunctional children's service provider market, including capping fees chargeable, while rebalancing spending towards early intervention and family support to improve outcomes and reduce costs.

Our key proposals: children's services

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Children's services reform

Investing in and reforming children's social care services

- Retain the core basis of the existing strategy for children's social care set out in the reform strategy, *Stable Homes, Built on Love*, keeping councils at the heart of delivery.
- Commit to investing the £2.6bn recommended by the Independent Review of Children's Social Care to help reverse the rising numbers of children in the care system and make the system sustainable over time.
- Specifically invest to support local authorities in rebalancing spending on children's services towards early intervention and family support to reduce the need for statutory spending on child protection, children in care and wider 'late intervention' services over time.
- Ensure that family support services place equal emphasis on supporting children leaving care and returning to their families safely, preventing children coming into care in the first place.
- Work with the local government sector to improve the recruitment and retention of social workers, while reducing reliance on agency staff.
- Consult widely with the local government sector before proceeding with Regional Care Co-operatives ensuring that they are fit for purpose, particularly noting the need for a consistent means of defining the needs of individual young people across different local authorities in order to match them with the most appropriate placements



Care Placements

Tackling high cost placements and reforming the market

Put forward a package of reforms to address the dysfunction in the children's placement market to reduce costs, limit excessive profits and improve outcomes, including:

- Price caps based on standard weekly rates assuming no greater than 1:1 staffing except in exceptional prescribed circumstances, supplemented by similarly capped tariffs where additional services or therapeutic interventions are required.
- Regulation around 'demand-pricing' to ensure the public purse is not exploited at times when demand is high and prices are raised without any additionality.
- Rules around charging for retainers which permit providers to charge when they hold a bed empty – either for a missing child to return or because a good match with a currently placed child is unlikely. However, the tariff should be lower than if a place is occupied, because the empty bed is not having to be staffed.
- Strict requirements on notice periods to ensure no child should be required to move to a new home at short notice. 28 days should be the standard notice period barring exceptional circumstances.
- A central placement database system should be established to ensure all 'available' placements are logged and visible for any local authority buying places to consult. This will ensure councils are able to see what placements are available without having to consult multiple providers.



Childcare

Investing in and reforming children's social care services

- Ensure that local authorities have appropriate resources to shape their local childcare market and offer sufficient choice for parents.
- Work with local authorities to review the impact on councils of delivering the extension of the free childcare offer to working parents.
- Introduce a capital building programme to support the opening and extension across the full range of childcare settings (e.g. nurseries, childminders, school-based provision etc.).
- Support local authorities in effective recruitment and retention to ensure they are able to provide a sufficient childcare workforce.



Regulation & unfunded burdens

Ensure that local authorities are funded properly to fulfil their statutory duties, and constraints are taken into account by regulators

- Review the present range of statutory duties and discretion services expected to be delivered by local authorities related to children's services, education, and SEND, to assess whether they have enough funds to meet demand.
- Ensure that any policy or regulatory changes are fully assessed for their financial impact on local authorities – including indirect market costs – and local authorities receive no new unfunded burdens, such as the impact of new regulation around semi-independent placements.
- Reform Ofsted inspections so that they take into account resource constraints of local authorities when assessing the effectiveness of local authority children's services and SEND delivery.
- Establish publicly available reviews of provider behaviour to help stamp out behaviours not currently covered by the regulator, such as:
 - giving notice on a child in anticipation of an expected inspection;
 - giving ultra-short notice on a child's placement;
 - charging excessively high cost 'extras' on which a placement is conditional; or
 - employing unnecessary significant additional staffing which is oppressive to children and their wellbeing.

Home to School Transport & Education

The challenge

Home to school transport (HTST) services remain the largest, and most financially challenging, area of educational responsibility for councils outside of SEND. In mainstream HTST, while these services remain an important service function in large rural county areas, councils have reduced services to the statutory minimum due to escalating cost pressures elsewhere. Much of this financial pressure is within transport for pupils with SEND, with previous research by CCN showing that the costs for councils in county areas doubling to £800m in the last five years alone.¹⁵

Rising demand and costs are largely driven by the experiential rise in EHCPs over the last decade. The average council in England was transporting 1,300 SEND pupils in 2023/24, up from 911 in 2018/19: a 43% increase. The average cost per SEND pupil using transport has also increased 32%: from £6,280 to £8,299. However, these increases are more acute in county areas. County and rural councils transport double the amount of SEND pupils on average (2,458), compared to the rest of the country, a 45% increase in 2018/19's average of 1,694 pupils per county and rural council. The costs per pupil travelling in those areas have also risen more sharply, from £6,792 in 2018/19 to £9,750 this year: a 44% increase.¹⁶

With many of these plans specifying that a child should attend a special school, and with the number of school places unable to keep up with this increase in demand, councils are required to transport tens of thousands of young people over long distances across large rural counties. Over the last five years the number travelling to special schools has increased 24%, with almost 50,000 pupils travelling to these in county areas every year. Increasingly frequent use of individual taxis, due to the complexity of children's needs, parental expectations and demand for individual travel arrangements, means individual taxi use to transport children with SEND increased by 36% from 2019 to 2023. As a result, some 31,500 pupils are using cars and taxis, compared to 31,900 in minibuses. Just 2,200 SEN pupils are transported using traditional buses.¹⁶

If nothing changes, Isos Partnership estimated for CCN that the number of children requiring free transport will rise from 85,000 last year to 129,000 in 2028.¹⁷ As shown in PwC's spending need analysis, this would result in the total costs of HTST in CCN member councils rising a further £650m over the course of this parliament, reaching £2bn by 2030.

The opportunity

While the local authority role has changed dramatically over the past decade, CCN members remain extremely proud of their track record in supporting schools. Home to school transport can be a life line for pupils and their families, whether mainstream or SEND, particularly in large rural areas. But faced with rapid rises in demand and costs, we must ensure that services are targeted on those who are most in need, in the process safeguarding the sustainability and provision of these services into the future. Underpinning this must be an enhanced role for councils in the education system. With the right powers local authorities can do so much more to ensure every child gets the best possible education.

CCN's proposals set out that no stone should be left unturned in delivering a more sustainable SEND travel service. Alongside wider reforms to the SEND system, reforms should include the consideration of means-testing and changes to the tribunal system, while bringing legislation on mainstream services into the 21st century. The government should support a mixed economy of schools, ceasing the assumption in favour of academisation. Councils should also have a stronger role with enhanced powers in school oversight, school place-planning and in-year admissions, particularly in relation to academies.

Our key proposals: HTST & education

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Mainstream Home to School Transport

Bringing home to school transport duties into the 21st century

- Update the legislative framework around councils' home to school transport duties (drafted in the 1940s) to reflect the different context for this service in the 2020s, particularly including consideration of reasonable 'walking distances' in an age of mass transport.
- Review the reasonable expectations of parental responsibility in getting their child to school (e.g. accompanying a child to a bus stop in easy reach of home), making clear the circumstances in which statutory entitlements should apply.
- Permit local authorities to maintain the duty to support home to school transport through a locally calculated personal travel budget formula that considers distance, public transport infrastructure and the complexity of the child's needs, including the option to offer parents personal travel budgets for individual children.
- Target funding for bus improvement schemes at areas with little existing public transport infrastructure and take into account public spending on home to school transport in calculating the potential benefits.
- Enable an exemption to Public Service Vehicles Accessibility Regulations for vehicles which are only used for home to school transport.



SEND Home to school transport

Delivering a more sustainable and fair approach to SEND travel services

- Provide clearer guidance to SEND Tribunals to ensure that rulings on placements cannot be made without full consideration of the relative transport costs or make clear that a Tribunal ruling on a placement does not supersede the local decision on the nearest suitable school for the purposes of transport.
- Make clear that transport arrangements for children and young people with SEND should be reviewed annually, with a presumption towards encouraging greater independence over time wherever possible.
- Consider a national means-testing policy so that families above a specified income threshold are required to make a financial contribution to home to school transport, if they choose to use it. The contribution could be determined locally, up to a national ceiling. This would need to be implemented sensitively and progressively, bearing in mind the current cost of living crisis.
- Take account of potential savings on SEND home to school transport when determining the Return On Investment in SEND support services to make the mainstream school system more inclusive.



Education & Schools

Enhancing the role and powers of councils in the local education system

- Provide early clarity on the future of schools reform. This should ensure that the presumption in favour of further forced academisation is ended.
- Review the role and powers local government has in supporting local education systems, including ensuring councils are fully equipped to execute their duties with regard to school place planning, mandating school attendance, and supporting schools with their wider improvement journeys.
- Provide councils with more power to direct academies on issues pertinent to the smooth functioning of local education systems e.g. over issues such as in-year admissions, management of SEND pupils, and school expansion (school-place planning).

Adult social care

The challenge

Per-person spend on adult social care in county areas has increased by 50%: going from £237 per person in 2013/14 to £357 per person in 2023/24. The number of requests for services is at all-time high, with 955,000 requests for services in counties last year. Underpinning this has been a persistent workforce challenge, with an estimated 65,000 vacancies in the sector within county areas.¹⁹

The necessary and fundamental shift towards community-based, preventative services envisaged within the Care Act has been limited by funding constraints and hospital discharge policies. At the same time, reforms aimed at tackling the workforce crisis have failed to address low pay, poor working conditions and an over reliance on overseas recruitment, while the previous government reduced funding for, and focus on, the crucial role of housing and care options.

Over recent years, there have been significant injections of additional funding. However, while this funding has helped stabilise services, it has been short-term, fragmented, and come at a time of an acute rise in post-pandemic demand and historically high inflation – limiting the ability of councils to expand the availability of care packages and invest for the long-term.

Most important in the immediate term, the growing needs of working-age adults requiring care are consistently overlooked. Forthcoming research by CCN and Newton (November 2024) will demonstrate support for working age and lifelong disabled adults makes up 63% of the net adult social care expenditure in England in the financial year 2022/23 – £10.1bn. The report will show that rises in costs above inflation are primarily being driven by the type and complexity of care, with more individuals receiving higher cost and support-level packages. This, like children's social care, is partly the product of councils being constrained in their ability to contain costs due to a provider market resistant to changing packages of support and who are seen to prioritise the more financially lucrative older adult self-funder market. This is resulting in authorities needing to increase their use of more expensive out of area placements to meet local needs or feeling 'at the mercy' of the provider market.

These challenges are only set to escalate as a large cohort of the growing number of younger people with SEND transition into adult services over the coming decade, with initial analysis by Newton suggesting forecasting a net increase in expenditure for support for 18–24-year-olds for adult social care of at least 40% more by 2030.

The opportunity

Our vision for services is built upon establishing a preventive, people focused service, ensuring individuals are cared for in the home of their choice, enabled to live active lives, and supported by responsive services when they need them. This requires recruiting and retaining a sufficient and appropriately skilled workforce; managing the transition away from traditional forms of residential care towards preventative forms of community-based care and supported housing; investing in rapidly advancing technologies; and, crucially, improving outcomes and reducing costs in working age adult support.

The government have already provided the necessary clarity on the future of charging reforms in adult social care. However, this was only ever one part of the reform agenda. The government must immediately prioritise working age adult services, while ensuring councils remain at the heart of a locally delivered service within its proposed national care service. Both investment and reform are required, with additional resources prioritised on expanding the availability of care packages for those most in need and enabling investment in community-based, preventative services and supported housing, rather than unnecessary structural changes.

Our key proposals: adult social care

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Sustainable & Fair Funding

A long-term, sustainable funding settlement, distributed according to today's needs

- All existing funding levels for adult social care services must be retained and baselined in council budgets, including all funding provided through the dedicated social care grant and Improved Better Care Fund (iBCF). A review, and where possible, consolidation of different fragmented funding streams should be undertaken alongside providing greater long-term certainty.
- The operation of the iBCF should be reviewed, ensuring that the fund is primarily directed by councils towards investment in preventative and community based adult social care services rather than supporting acute costs across the NHS.
- Clarify the future approach to pooled funding and grant allocations between councils and Integrated Care Boards (ICBs), ensuring that all funding dedicated to adult social care is routed directly through local authorities, with greater flexibility to allocate funding to local needs.
- Commit to meeting all increased spending need in adult social care over the course of the parliament through central government funding. Additional investment must be prioritised on expanding the availability of care packages for those most in need and enabling investment in community-based, preventative services.



Working Age Adults

Immediately prioritise improving outcomes and reducing costs in working age adult provision.

More focus should be placed on working age and lifelong disabled adults in the national conversation around social care:

- The needs of working age and lifelong disabled adults must be given more profile in policy decision making around adult social care which is often focussed almost exclusively on the needs of older people.

- Develop an aligned strategy between local and national partners to ensure individuals are at the centre of service design.

Review the national funding model for working age and lifelong disabled adults:

- Review the operation of the market and consideration of the reforms needed nationally to enable councils to more effectively manage their market, reduce costs and improve long-term outcomes.
- Government and appropriate bodies such as the Competition and Markets Authority should place similar scrutiny on the existing functioning of the market for social care of this cohort as that already placed on social care of children and older adults, as placement costs are rising at similar rates.
- National, local government and social care providers should work together to develop a more effective approach to managing the market.
- In the forthcoming Mental Health Act reform, section 117 arrangements and funding need to be reviewed, alongside a fundamental re-think of the broken Continuing Health Care system – both of which, at present, are denying WAA free NHS care when they are entitled to it and, also, are distorting the market because spot-purchased NHS care inflates costs

Develop housing solutions for disabled adults to reduce reliance on supported living

- Ensure a sufficient supply of supported housing (including that with new models of wraparound care) should be an important consideration in the building 1.5m homes, to improve outcomes and reduce cost of delivering social care for working age adults.
- Housing policy should be considered alongside social care policy as a key treatment intervention for adults with substance misuse problems.

Develop a cohesive lifelong strategy for prevention and support that better supports transition at key stages of life (e.g. between children's and adults services)

- Encourage better co-ordination and preparation for children in the SEND system for entering adulthood – including clearly identifying for young people and their families whether they are likely to be eligible for additional support as adults given the significantly higher thresholds.



Housing & Care

Putting housing at the centre of social care reform

- Make housing one of the fundamental priorities within comprehensive social care reform, underpinned by clear national prioritisation and funding.
- Anticipate and implement the forthcoming recommendations from the national Older People's Housing Taskforce.
- Develop a national approach to promote and incentivise a broader range of supported housing for working age adults, including the generation of younger people with special educational needs and disabilities moving into adulthood.
- Develop a national career pathway for the housing with care workforce as part of a national social care workforce plan.
- Reform the regulatory and funding frameworks and spatial planning requirements for accessible housing and housing with care, to enable more adults to live in a home of their choice at any age, as an alternative to 24/7 residential or nursing care review.



Workforce

Improving the retention and recruitment of care workers

- Support the social care sector to address the fundamental underlying issues which impact on the recruitment and retention of care workers, one which genuinely improves pay and conditions and recognises specific challenges in county and rural areas. Any reforms or strategies must be fully funded by central government.
- Through pay and conditions reform, the government should seek to reduce the widespread reliance on overseas recruitment in the care sector, while tackling challenges with visas and improving joint working and early-stage vetting between the Home Office, the Care Quality Commission and councils around licences for care providers.
- Urgently invest in a national recruitment and workforce development strategy for local authorities and care providers.



Inspection, Regulation & Unfunded Burdens

A proportionate and fully funded approach to inspection and regulation

- Review the present range of statutory duties and discretionary services expected to be delivered by local authorities related to adult social care to assess whether they have enough funds to conduct these.
- Ensure that any policy or regulatory changes are fully assessed for their financial impact on local authorities – including indirect market costs – and local authorities receive no new unfunded burdens.
- Review the lessons learnt from the recent introduction of Care Quality Commission Adult Social Care Assurance inspections, ensuring they fully take into account resource constraints of local authorities when assessing the effectiveness of local authority adult social care delivery.
- Work with councils and care providers to review the regulatory system for care provision, particularly with a view to developing new models of 24/7 nursing home care which reflect changing needs and workforce supply.

Health, Integration & Public Health

The challenge

The interface between councils and the health service has always been a prime focus of policy makers in Westminster. The last Parliament has seen the continued fusion of health and care, with the creation of Integrated Care Systems (ICSs). In 2022, CCN and IMPOWER carried out a 'stock take' of how these fledgling organisations, which found highly differing ways in which each of the 42 ICSs in England were developing and engaging key council partners. Across the country there are many positive experiences but too many areas were experiencing poor collaboration and some councils felt locked out of the decision-making processes.²⁰

Arguably the greatest focus of collaboration between councils and the NHS through ICSs since their inception has been on hospital discharge. CCN's recent report with Newton showed people being admitted to hospital unnecessarily and significant delays during hospital stays, which mean people spend longer in hospital than they need to.

Strategically, this recurring issue is often viewed simplistically, as a problem for the health service primarily driven by a lack of capacity in social care. As a result, policy solutions have tended towards the government making short-term investments in care beds to ease demand during the winter period, even though the efficacy and value for money of such solutions is often patchy.

Newton's report showed that an alternative approach of investing more in home-based therapy, community and intermediate care, while improving practices within the health and care system, could mean 175,000 older people avoid being admitted to hospital; 6 million bed days could be saved; and 80,000 elderly people could live more independent lives each year.²¹

Equally important to pushing forward a preventative health agenda is the role of council public health services. The transfer of public health from the NHS to local authorities has been a real success story for local government at a time of well-documented financial challenges. Councils have improved key outcomes on life expectancy, smoking, and healthy habits, while the role of services in combating the Coronavirus pandemic further vindicated the transfer.²²

The opportunity

By giving councils the right powers, while investing in and reforming health and care services, county authorities can work in tandem with government to ensure a sustainable and high-quality system for the long-term. CCN research has shown that by doing so, some 18% of the 60,000 adults in publicly funded care homes could be better supported independently in the community, while 90,000 more individuals every year could access more effective short-term care.²³ This wouldn't just mean better outcomes but reduced costs and improved productivity right across the health and care system.

CCN's proposals outline that the government should ensure councils are given a more prominent role in ICSs and policies to improve hospital discharge should focus on expanding home-based reablement, immediate care and home-based recovery. The role of council public health services should be harnessed and built upon, including through the development of a health disparities white paper.

Our key proposals: health, integration & public health

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Integrated Care Systems & Hospital Discharge

Reforming ICSs and optimising the model of hospital discharge to improve patient flow

- Develop mechanisms to strengthen local, rather than national, lines of accountability with clear arrangements for oversight of major decisions between Integrated Care Boards (ICBs) and local authorities, as a minimum covering budget allocations and significant service reconfiguration.
- Ensure that ICS boundaries are co-terminous with upper-tier local authorities, including a more defined role of 'Place' in local delivery and establishing place-based partnerships.
- Review ICB membership annually with a particular focus on ensuring appropriate local authority and adult social care representation.
- Minimise delays to simple hospital discharges requiring no adult social care (Pathway 0) as a national priority and bring national focus to attendance and admissions avoidance by increasing the scope of preventative work able to be conducted within adult social care and public health.
- Focus additional funding for hospital discharge on expanding home-based reablement, immediate care and home-based recovery – and specifically the NHS community nursing and therapy workforce required for this – rather than short-term care bed capacity.
- Develop good practice and capability development for system strategic commissioning arrangements, such as intermediate care or demand and capacity planning, and reform information and data-sharing governance and standards.



Public Health

Maintaining a prevention focused, local system of public health services

- Retain, and build on, public health as a core function of local authorities, recognising the success of the transition of these statutory duties to councils.
- Work with the Office for Health Improvement and Disparities to develop and publish a health disparities white paper to help tackle the wider determinants of health.
- Review and assess the level of public health grants given to local authorities to effectively discharge their duties in this vital area, including consulting on, and implementing, a new formula for distributing allocations.
- Ensure public health is placed at the heart of all strategies relating to adults and children's social care recognising that the best way of reforming these systems would be by reducing present record levels of demand.
- Consider the impact of the rise in children and young people with mental health issues, not only ensuring their needs are met in the existing system, but also considering what the future impact on adult social care services may be.
- Develop and broaden the welcome focus on expanding substance misuse treatment to include more support and funding for housing interventions.
- Take a more imaginative approach, combining a cross-country national plan and practical measures, to supporting unpaid carers to continue caring; have lives of their own; be able to access support and breaks; and to be able to retain, or return to, employment.

Housing & Homelessness

The challenge

It is widely acknowledged that the country remains in the grips of an acute housing crisis. Increasingly unaffordability, as a result of a lack of supply, has led to a dramatic change in housing tenure. Housing in counties is the most unaffordable in England outside of London, with the average house price now £309,000 – over 11 times average annual earnings. As a result, between 2011 and 2021, the number of renters in county areas grew by over 500,000 (19%), while the number accessing homeownership fell by 200,000.²⁴

The increase in private renting is causing instability and uncertainty for residents, with short contracts and landlords able to evict tenants with little justification, while a shortage of social and affordable housing means has led to a rapid rise in homelessness and use of temporary accommodation. Since 2021, 18% more households were assessed as homeless in county areas – while temporary accommodation use is up 52% in county areas over the last five years. This is causing significant financial pressure for councils with housing responsibilities.²⁵

The focus of the previous government was increasing pathways into home ownership which has been undertaken through a variety of demand-side policies, including Help to Buy. However, whilst these products do assist some in gaining their first steps on the housing ladder, they can also have the effect of increasing demand and pushing up prices – while also not meeting more pressing housing need, such as social rent. Moreover, while the sector has widely welcomed the previous government's Renters Reform Act to strengthen tenants rights, there is frustration that provisions to scrap Section 21 'no fault evictions' were removed at the last-minute meaning that the rental sector remains unreliable for tenants.

The challenges of housing an increasingly ageing population, alongside improving housing standards and climate considerations, are also playing out in county areas. Older people are often staying in unsuitable housing and more needs to be done to meet the demand of the growing market for specialist accommodation. Housing is also key contributor to carbon emissions, with around 17% of the UK's Co2 emissions coming from heating our homes and high levels of housing stock that needs to be retrofitted.

The opportunity

CCN members want counties to be inclusive places, offering homes of all tenures and sizes so that everyone has a place to call home. Working with government, councils can deliver more affordable and private housing that tackles unaffordability, homelessness and reliance on temporary accommodation.

CCN proposals set out how counties can work with the government to tackle the housing crisis. This includes working with councils to deliver more genuinely affordable homes and socially rented properties, reviewing the right to buy, resetting housing benefit subsidy rates and increasing Homeless Prevention Grant funding. Alongside this, it needs to amended planning policy to allow councils to set more ambitious environmental standards for new housing, tackle overcrowding and improve tenants' protections within the private rented sector.

Our key proposals: housing & homelessness

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Housing Needs & Homelessness

Supporting the delivery of housing across all tenures & tackling homelessness

- National planning policy should promote the delivery of a mix of tenures, particularly on large sites, building on the recommendations of the Letwin Review.
- Drive the supply of genuinely affordable housing across the sector that meets local need, including an ambitious programme to deliver more socially rented homes. Government should continue to provide funding through the Affordable Homes Programme to support a wide range of genuinely affordable housing, but this should focus on homes for social rent where there is a high need.
- Reset housing benefit subsidy rates to 90% of current market rates, in addition to increasing Homeless Prevention Grant funding to support temporary accommodation pressures.
- Review Local Housing Allowance Rates to ensure that they are keeping pace with market rates and thereby providing tenants with increased housing security.
- Commit to undertaking a review of the Right to Buy in the context of a need to drastically increase the number of homes available for social rent.
- Introduce a new planning use class (C2R) to encourage the development of retirement communities.



Housing standards

Improving standards and rights in private and social renting

- Seek to remove Section 21 'no fault evictions' as quickly as possible to increase protection for tenants in the private rented sector.
- Introduce a statutory decent homes standard to apply in the private rented sector.
- Work with the sector on a new strategy to reduce and prevent overcrowding.
- Mandate that homes delivered through Permitted Development Rights should contribute to local infrastructure through the developer contributions system.
- Government should commit a core funding stream to local government to assist them in meeting their net-zero goals and retrofit housing stocks.
- The National Planning Policy Framework should be amended to allow local authorities to set more ambitious environmental standards for new development through their local plans.

Manifesto

For Counties

www.manifestoforcounties.co.uk

An agenda for growth

CCN COUNTY
COUNCILS
NETWORK
THE VOICE OF COUNTIES

On entering office the government have clearly prioritised economic growth as the key tenet of its first term in office. This includes a bold programme of planning reform and increased housing delivery, alongside a revitalised devolution agenda across England. Alongside this, tackling net-zero and climate change has been placed at the heart of the government's missions.

By placing council finances on a more sustainable footing, and taking forward our agenda for reform across public services, the Budget and Spending Review can put in place the foundations to enable empowered county and unitary authorities to help government deliver these domestic agendas, while tackling some of our nation's greatest economic and social challenges.

Below, building on the proposals contained in our *Manifesto for Counties*, this submission sets out the specific challenges facing county authorities – and the opportunity presented by working in partnership with them – to deliver the government's key priorities across devolution, local growth, housing, transport and infrastructure. Cross cutting through all the specific policy proposals in these areas are specific policies to help tackle climate change and deliver net zero.

Planning

The challenge

Planning reform is a key component of the government's plans to kickstart the economy and support growth, as well as delivering the homes that the country needs. The proposed planning reforms that have emerged through the publication of the draft revised National Planning Policy Framework has given an indication of the direction of travel.

Our members want the planning system to be efficient, delivering the homes and the infrastructure that are desperately needed, but we believe the current proposals present a number of challenges. For instance, the proposed reintroduction of the Standard Method for assessing housing need would see a huge increase in the number of homes that are expected to be delivered in county areas compared to the previous government's targets.

CCN's analysis shows that while London's target has reduced 18%, councils within CCN member areas will be expected to deliver 56% more housing, compared to urban areas who will be expected to deliver just 16% more. There are concerns amongst our members that already overloaded infrastructure will get worse, which in turn will lead to increased community opposition to development – making delivering housing much more difficult. CCN question whether the methodology that has been used is the right one, given the extremely stark results.

At the same time, the proposed planning reforms will take protections away from planning authorities even if they have an up-to-date local plan in addition to increasing sanctions for under-delivery. This double-whammy of changes puts them in an increasingly precarious position which we believe will lead to an abundance of 'planning by appeal', completely undermining the local plan process.

One area that we wholeheartedly welcome is the reintroduction of strategic planning, and is something that CCN has long been calling for. A lack of strategic planning outside of metropolitan areas, and a strong role for county councils within, this hampers growth and has resulted in an un-coordinated approach to development in more rural areas. Our belief is that strategic planning should be mandated across sensible geographies, such as across existing county geographies, to work most effectively. There will undoubtedly be a need for further investment in resources for councils in establishing strategic planning teams across the country, given that strategic planning has not been part of the statutory planning system since 2010. Given the financial pressures facing authorities, many of them now have little to no strategic planning capability as teams have been reduced or removed to cut costs.

The opportunity

For too long, authorities have had planning reform 'done' to them rather than be truly involved in policy formation and CCN would urge the government to commit to a programme of co-designing planning policy with councils before any further decisions are made. CCN recognise this will take time, but it will lead to better outcomes and restore faith in the planning system and demonstrate it is acting in the best interest of communities, whilst also supporting the government's growth ambitions.

CCN's proposals therefore sets out that new government should undergo an extensive engagement exercise with the wider sector to establish a planning system that works on the base of experience, and to an agreed set of principles. Other reforms should also include giving planning authorities more control over the implementation of permitted development rights, while getting to grips with the resourcing and capacity of planning departments. The government must push forward with its proposals for mandating the return of statutory strategic planning at the county scale along already recognised county boundaries to deliver the right homes, in the right places, connected with the necessarily social and physical infrastructure.

Our key proposals: planning

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Planning reform

Providing stability in the planning system, alongside the reintroduction of strategic planning at the county scale

- Provide stability in the planning system through an extensive programme of engagement with the local government sector before implementing major reforms, which will make the system more efficient and restore public faith in the system.
 - Reconsider the methodology used to calculate the standard method for assessing need, working with local authorities to understand need.
 - Mandate strategic planning across county areas to unlock growth and ensure that housing and infrastructure are planned together. The new government should build on proposals outlined in the report by CCN ([see here](#)).
 - Consider introducing strategic planning before any other planning reform, as this strategic layer can help to shape growth over larger areas, identify priorities for growth, and match new development with infrastructure. These high-level plans can be prepared relatively quickly compared to the detail required in a local plan, providing the basis for planning decisions in the immediate term while local plans come forward which are then prepared in general conformity with the strategic plan. This should help to make the process of creating a local plan more streamlined.
 - Provide adequate protections to existing local plans whilst planning authorities are preparing new local plans. This should include working closely with unitary authorities to agree a longer timeframe for getting new local plans in place which cover larger geographies and entail greater complexity.
 - Ensure that, when local planning authorities have an up-to-date plan in place, they do not need to maintain a five-year land supply, which will boost the power that a local plan has and reduce the possibility for planning by appeal.
- Planning authorities should be granted more control over the implementation of Permitted Development Rights, including greater autonomy over where they apply across their areas.
 - Work with planning authorities to understand their resourcing and capacity challenges and provide a sustainable financial settlement and greater freedom to set planning fees locally.
 - Require existing short-term lets to apply for planning permission for a change of use, and implement a licensing scheme for all holiday lets.

Devolution & Reform

The challenge

Since the general election, the government have already begun a welcome process of extending devolution to areas without a devolution deal in place, requesting expression of interests from upper-tier councils while committing to publishing a new devolution framework. This will be followed by a English Devolution Bill, which will put in place a revised and more ambitious statutory footing for devolution, while simplifying the process for establishing new forms of governance.

In considering the detail of this, ministers have gone back to first principles and not yet clearly defined key issues around expected governance and what constitutes a 'sensible' geography'. However, CCN members know from experience that previous attempts to deliver devolution outside of our metro areas were complicated, burdensome and often characterised by disputes between councils. Bottom-up definitions of what constituted a 'functional economic area', alongside the inflexibility of the original Combined Authority model, resulted in endless local debates, friction between partners and the breakdown of deals.

But through the previous government commitment to County Deals in the Levelling Up White Paper and Devolution Framework, alongside the Levelling Up and Regeneration Act, we now have a new, more practical, approach to spreading devolution to county and rural areas. By recognising the importance of whole county geographies as the building blocks for devolution outside our major cities, it celebrated our historic counties and embraced their economic potential and coherence. For the first time, it offered the opportunity to devolve powers directly to county and unitary authorities in England, speeding-up and simplifying the process. Rather than imposing a one-size-fits-all approach of the Metro Mayor model, it created new, less bureaucratic, upper-tier Combined County Authorities (CCAs) more suited to complex two-tier areas.

Over the past two years, the County Councils Network has been working closely with the first wave of County Deals and new CCAs. This new approach to devolution has provided the clarity and framework to truly unlock devolution to our great counties, and is facilitating more effective local collaboration between county, unitary and district authorities – resulting in devolution deals being agreed with 15 member councils in just 20 months.

A recent CCN survey of those authorities currently without a devolution shows overwhelming support for maintaining the approach to ensuring deals cover 'whole county geographies', county deals and CCA arrangements, with only 8% of councils believing a change in approach would facilitate more deals. Therefore, changing course could undermine government efforts to spread the benefits of devolution across county and rural areas.

The opportunity

Local government is at the heart of every community. It provides the services that people rely on, the housing and infrastructure that builds communities, and the support to local business that can drive national prosperity. It is therefore critical it builds on its early positive announcements on devolution, with an ambitious programme of English devolution, particularly focused on – and tailored to – non-metropolitan areas.

In achieving this, CCN's proposals are clear that the government should build on, not replace, the current approach to devolution. The geographical parameters and governance arrangements contained in the Devolution Framework should therefore be retained to ensure every county area has an ambitious devolution deal in place as soon as possible. Alongside this, early clarity on the future path of structural reform is important. If the government chooses to pursue reform, a clear and transparent set of criteria should be established to ensure a coherent and structured process that can create authorities of the necessary size and scale.

Our key proposals: devolution & reform

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Devolution Framework

Maintaining counties as the building blocks of non-metropolitan devolution

- The government must maintain the focus on devolution to ensure every county area that wants one has an ambitious devolution deal by 2027.
- The government must seek to complete all remaining legislative stages for recently agreed Mayoral, Combined County Authority and County Deals, providing urgent clarity on the status of these proposals.
- The geographical parameters and governance arrangements contained in the devolution framework should be retained. This should specifically include the Combined County Authority model and constituent membership arrangements, alongside devolving directly to county and unitary authorities where the formation of a Combined County Authority is not required.
- Any future non-metropolitan devolution deal should be based on whole county geographies rather than functional economic areas, with no governance arrangements cutting across county boundaries.



Local Government Reorganisation

A national framework and criteria for any reform of councils' structures

- The new government should provide clarity on the future path of structural reform as soon as possible upon entering government and ensure that it is not a condition of securing a devolution deal.
- If the government chooses to expand structural reform opportunities, it should publish clear and transparent criteria for councils wishing to explore this. This should include confirmation of a minimum population limit 'substantially more' than 300,000 with no upper population limit; ensure proposals offer better public service delivery across the area and minimise disaggregation of care services; and provides the thresholds and tests for local approval.
- Set out a framework to encourage reform to the existing two-tier structure and greater collaboration in specific service areas where it makes sense to do so, including the options for the functional reform of powers between the tiers.
- The government should ensure that it does not mandate the transfer of integrated fire services from county authorities to Police and Crime Commissioners.

Devolved powers, freedoms & flexibilities

The challenge

The Devolution Framework has undoubtedly provided the geographical parameters and governance arrangements for spreading devolution to county and rural areas. However, turbocharging devolution and the local growth agenda requires a genuine two-way negotiation process with cross-departmental buy-in to devolve the most ambitious set of powers possible, while brigading the separate funding streams which support the building blocks of growth into a single funding pot for local areas.

Too often in recent devolution negotiations, this approach has been lacking. The scope of powers, freedoms and flexibilities on offer has been restricted by a lack of ambition and Whitehall resistance. Moreover, while some progress has been made, there remains a prioritisation of the metro-mayors and city devolution. This means only a small number of urban Combined Authorities have so far benefited from the previous government to commitments to 'Level 4' deals and consolidated multi-year funding arrangements.

CCN member councils are rightly ambitious for their areas and want to ensure that their deals can go above and beyond the scope of powers on offer through the Devolution Framework to bring true parity between city regions and county areas. Alongside this, the County Councils Network wants to work with government to deliver on powers that have thus far been largely unexplored through all existing devolution deals, including strategic planning and net-zero. Greater powers must also be matched by genuine fiscal devolution, recognising that the UK remains one of the most fiscally centralised countries in the western world.

The new Government is clear about the benefits of a directly-elected mayor or leader to spearhead devolution proposals. However, we know from recent experience that Mayors are not the right solution for all places. It is critical that ambitious non-mayoral devolution is an option under the new administration and these proposals should receive the same degree of prioritisation as mayoral deals if the Government's ambition of widening devolution is to be realised. A recent survey on this issue highlighted how nearly half of respondents without a devolution in place didn't consider the mayoral model of governance to be right for their area at the current time.

The opportunity

Over the past decade, progress on devolution has shown that devolving powers and funding from Whitehall to councils has proven benefits that empower local leaders to make decisions closer to the people and businesses they affect, while providing greater freedoms and flexibilities to drive local growth. The evidence is clear as to what a more ambitious programme of devolution could bring in delivering more jobs, higher growth and better public services. As previous research by the network has shown, empowering county authorities through full devolution could create 1m new jobs over 10 years, generate an extra £26bn for the national economy, and deliver £11.7bn in savings per year over a five-year period.

CCN proposals below set out the need to extend the scope of devolved powers on offer, with the negotiation of more extensive powers, flexibilities and funding that could deliver more ambitious proposals around skills and employment, strategic planning, transport, fiscal devolution, net-zero and public service reform. To access the most extensive powers, there also needs to be more flexibility on the leadership requirements of devolved governance models. Although a directly elected mayor/leader of a county council, unitary authority or CCA provides a more suitable alternative to the existing metro-mayor model, county devolution still needs to be pragmatic, and reflect the political complexity of agreeing a change in governance model locally.

Our key proposals: devolved powers, freedoms & flexibilities

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Devolved powers

Extending and deepening devolved economic powers, freedoms and flexibilities in county areas

- To extend and deepen devolution, there should be no requirement to adopt a directly elected mayor or leader as a condition of accessing the highest level of devolved powers and funding.
- Explore the opportunities to review and strengthen county and unitary council constitutions, in respect of the Leader and Cabinet model, to strengthen arrangements to reflect key elements of the directly elected mayor model within a council context, as well as ensuring that commensurate scrutiny and oversight structures and processes are in place.
- The government should seek to expand the scope of powers and funding available through the devolution framework. This will require more effective cross-Departmental buy-in to the devolutionary process.
- Government should offer areas the opportunity to be a 'rural trailblazer', recognising the unique issues related to service delivery and cost in such areas. At present all the devolution trailblazers are predominantly urban but the opportunities and challenges in rural areas differ from those in urban areas.
- Explore the potential of fiscal devolution to both deepen and extend wider devolution, exploring the full range of tax devolution. The government must engage with findings of forthcoming research by Grant Thornton for CCN on the options for, and impact of, fiscal devolution and freedoms in county areas.
- Building on the devolution of the adult education budget, government must reinforce the role of county and unitary authorities as the primary facilitators of local growth by accelerating the devolution of place-based, integrated skills and employment services within devolution deals.
- The effectiveness of the Apprenticeship Levy could be improved if it were retained locally with the freedom to spend according to local need, and a future government should seek to devolve control over the levy through devolution deals.
- Mandate strategic planning across county areas to unlock growth and ensure that housing and infrastructure are planned together. The new government should build on proposals outlined in the report by CCN (see [here](#)).

Local Growth & Investment

The challenge

CCN has long called for the government to empower county authorities to unleash their areas economic potential, ensuring that policies aimed at driving local growth and tackling regional inequalities do not bypass them. Despite the focus on the north-south divide, counties suffer from the very economic weaknesses that the government have committed to addressing.

Research by EY for CCN in 2023 showed that Gross Added Value in city regions is forecast to grow by 6.7% (£60bn) between 2019 and 2025, compared to a much more sluggish rate of 3% (£29bn) in county areas.²⁶ Separate analysis by EY has also shown that between 2018-2021 foreign direct investment (FDI) was 7.3 per capita in counties, almost half the ratio of projects secured by the nine urban combined authorities (13.2 per capita) and seven times less than London's ratio of 50 FDI projects per capita.²⁷

Despite many county economies lagging behind other regions of England, CCN research has also shown that councils in London were able to spend over 50% more per person compared to counties (£506 compared to £333) on growth related infrastructure and support such as roads, junctions, enterprise parks, and business support, while the core cities were able to invest 35% more (£448 per person).²⁸

While the strategic role of county and unitary authorities in local growth has been recognised through the devolution framework and the recent transfer of Local Enterprise Partnership (LEP) functions to upper-tier councils, in other areas of policy – such as the Levelling Up, Towns, High-Streets and Shared Prosperity funds – the role of county councils has been overlooked and underutilised.

CCN welcomes the new government's commitment to a National Industrial Strategy, to inform local areas' growth plans. Given the powers and funding held by upper tier local authorities, as well as the economic development functions previously administered by LEPs, it will be important that such authorities have ownership of both the development and administration of growth plans, working closely with lower tier partners where relevant

The opportunity

The case for empowering local government to lead on economic development, while addressing regional inequalities, has only been made stronger in the face of the economic hardship that has become embedded in the wake of the Covid-19 pandemic and cost-of-living crisis. County authorities are uniquely placed, as strategic authorities, to respond to these opportunities and challenges. Counties are the key local institution in placed-based growth, delivering billions each year in growth-related expenditure and capital investment; and pivotal with their influencing and leadership role as convener, facilitator, and vision setter, working in tandem with the private sector.

CCN proposals therefore set out that the government should seek to address the imbalances in regional investment between counties and city regions, while upper-tier tier authorities must be empowered to lead on strategic economic planning and delivery. This should be supported by reassessment of the funding, powers and functions relating to economic growth of different local authority types and regional bodies, alongside the consolidation of growth funds and removal of competitive bidding.

Our key proposals local growth and investment

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Regional Investment

Addressing the imbalances in regional investment and removing competitive bidding processes

- The government must ensure that efforts to improve regional productivity and economic growth maximise the potential of county areas, while retaining a commitment to reducing regional inequalities.
- The government must address the imbalances in regional investment, in particular the disparity between county areas and major cities, aiming to close the gap in per-head spending by different council types on revenue and capital spend on economic growth services.
- The National Infrastructure Commission should establish a board of rural commissioners examining the needs of rural areas and putting forward recommendations as part of the National Infrastructure Assessment.
- Review and consolidate the multiple funding streams to support economic growth and regeneration, alongside removing costly and time-consuming competitive bidding processes. Larger and more flexible local funds should be consolidated into a single long-term fund operating at a strategic level for all local areas.
- The government should fully review the delivery and future of the UK Shared Prosperity Fund by 2025 when it represents a more significant resource, particularly its operation in two-tier areas.



Strategic Economic Planning

Empowering upper-tier authorities to realise their economic potential and revive local economies

- Continue to fully exploit the leadership and strategic role of county and unitary authorities in place-based growth, building on the transfer of LEP functions to upper-tier councils.
- At the Spending Review provide a sufficient, long-term funding settlement for LEP functions recently transferred to upper-tier councils, including growth hubs.
- Any future initiatives, such as new local growth plans or strategies, must ensure these are led by upper-tier authorities, and be undertaken across whole county geographies – giving equal weight to the needs of rural areas alongside cities and towns within these areas.
- The government should undertake an assessment of the division of responsibility between different tiers of local government and regional bodies in relation to the funding, powers and functions designed to facilitate local economic growth to ensure their delivery is optimised.
- In delivering the remaining stages of the Levelling Up, Towns and High Street Funds, the government should strengthen the role of county councils. All future targeted investment funds should be coordinated through upper-tier councils, Combined County Authorities or Combined County Authorities, working closely with district councils where they exist.



Net-Zero Transition & Green Growth

Giving councils the tools to deliver green growth and attract private investment

- The next government should ensure councils are central to their plans to invest in, and deliver, green growth and the net-zero transition, providing greater powers and tailored interventions in county and rural areas. The government must engage with findings of forthcoming research by EY for CCN, which will explore these issues in detail.
- Put in place a national climate action framework with policy, regulatory, and investment certainty up to 2050, with set milestones and a clear role for councils leading local climate action.
- Provide all councils with adequate and stable core funding to take forward climate action across their own services; multi-year place-based funding allocations to lead decarbonisation across their areas and support to secure greater private investment into local climate action.
- Introduce a local climate action test ensuring all government policy and funding decisions – from housing to skills – contribute to local climate action.

Infrastructure, Transport & Waste

The challenge

Using the planning system to effectively deliver the right social and physical infrastructure is one of the biggest challenges to housing delivery, with a lack of faith that the system will deliver adequate improvements to already over-burdened infrastructure alongside new development.

The previous government has attempted to improve the system of developer contributions by legislating for a new Infrastructure Levy. However there was widespread fears that the levy would result in conflict between the delivery of affordable housing and other physical infrastructure which is vital to making communities thrive.

A key part of this local infrastructure are county roads: which remain England's arteries and are vital to boosting national productivity. However, achieving a well-maintained network has become an increasing challenge for county and unitary councils owing to budget pressures, whilst inflation has dramatically driven up the cost of major capital schemes for resurfacing and improvements. Around 13,000 miles in county areas have been identified as needing maintenance,²⁹ while councils continue to lack the powers to ensure utility companies do not undermine council efforts to maintain their local road network in the best condition possible.

These physical infrastructure challenges are compounded by a marked decline in the availability of public transport in county areas. CCN recent research revealed that bus journeys in county areas are at an all-time low, with one in four services in these areas vanishing and 344 million fewer journeys in 2022 compared to 2010.³⁰ During the last Parliament, despite these clear challenges in county areas, CCN areas received just a third of the funding available through the National Bus Strategy. Moreover, while some progress has been achieved on supporting to counties to adopt 'Enhanced Partnerships', much of the focus and policy initiatives contained in the strategy were urban focused. While we welcome the proposed Buses Bill, the government must ensure it does not repeat the same approach.

Moreover, recent proposed reforms to waste collection and disposal have left county, district and unitary authorities concerned over how they will be practically implemented and the funding available. Forthcoming research jointly commissioned by the LGA, CCN and DCN has found that the proposals to expand the Emissions Trading Scheme to local authorities along with the Extended Producer Responsibility scheme could bring a total cumulative cost as high as £6.5bn between 2028 and 2036. Instead, incentives on producers to drive down the production of fossil-based emissions and passing costs for packaging waste onto producers should be prioritise in order to minimise any additional burdens the already overstretched budgets of local authorities.³¹

The opportunity

At the heart of this government's planning reforms should be sustainable placemaking. Thriving communities need new housing development with the right infrastructure and transport to help people get to and from work, to support growth, and facilitate leisure and recreation activity.

The new government does not intend to introduce the Levy, which is welcome. Our proposals outline that instead the government should work with councils to reform and improve the existing system of Section 106 and the Community Infrastructure Levy, while exploring the case for Strategic Infrastructure Tariffs at county level. On transport, while we welcome the Better Buses Bill and proposes to give councils equal franchising powers it must ensure proposals recognise the additional challenges in county and rural areas. Alongside this, a comprehensive investment programme in local roads is needed and new powers should be granted to intervene with utility companies.

Our key proposals infrastructure, transport & waste

Read all the proposals and evidence base online - www.manifestoforcounties.co.uk



Infrastructure

Reforming the existing system of developer contributions to achieve an infrastructure-first approach

- The government should not proceed with the implementation of the Infrastructure Levy. Instead, it should work with local authorities to improve the existing system of developer contributions through reforming S106 and the Community Infrastructure Levy.
- Explore the introduction Strategic Infrastructure Tariffs at county level.
- Through the reintroduction of strategic planning, local authorities should be given a new duty to jointly identify strategic infrastructure requirements that would support growth across multiple areas.
- The new government should explore the benefits of pooling developer contributions, allowing areas to deliver strategic projects more quickly.
- The National Infrastructure Commission should establish a board of rural commissioners to examine the needs of rural areas and putting forward recommendations as part of the National Infrastructure Assessment.



Green Infrastructure

Supporting the comprehensive roll-out of electric vehicle and active-travel infrastructure in rural areas

- There should be further rounds of Local Electric Vehicle Infrastructure (LEVI) funding in the final five years of the decade. This should follow the needs-based formula of the current LEVI fund distribution, and proportionate focus must be given to county areas.
- Set out an ambitious target for electrical vehicle infrastructure across every county area by 2030, such as one charge point for every mile, and set out practical steps for how to achieve this.



County Bus Services

Powers and funding to revive county bus networks, while supporting on-demand services

- Commit to a long-term revenue funding settlement for bus services at the 2024 Spending Review and move away from competitive bidding processes to allocate funding for improving bus services based on need.
- As part of the Better Buses Bill preparations, the newly launched Bus Centre for Excellence should work with CCN members on a dedicated County Bus Service support package that recognises the unique challenges and opportunities faced across county areas. A new government should use this to inform a future dedicated County Bus Strategy.
- Government should make the fare cap scheme permanent, amending it to a 'journey scheme' allowing passengers to make one interchange on a bus journey, and consider new freedoms and flexibilities for local transport authorities to help bridge the gap between funding and expenditure of concessionary fares.
- The same bus franchising powers and process on offer to Mayoral areas should be given to all Local Transport Authorities, enabling them to establish franchising more quickly in their areas.
- Support county authorities to consider the benefits of a regional approach to the commissioning and delivery of Demand-Responsive Transport.
- Work with operators and transport authorities to roll out the infrastructure required to support environmentally sustainable bus fleets.



Roads & highways

New powers for councils to improve local roads and intervene with utility companies

- Provide adequate capital funding over a multi-year period to allow county authorities to sufficiently maintain their road networks. Regional funding recently outlined as part of the Network North Plan should be maintained but the allocations should be bought forward to allow sustained investment and improvements over the next three years.
- In line with proposals on devolution and local growth, government should aim to provide county authorities and Combined County Authorities with a consolidated long-term capital budget.
- Ensure that county authorities continue to receive a fair share of roads maintenance funding. This should be primarily distributed in line with the road miles maintained by each local authority but also recognise other factors such as congestion and usage.
- Consult on a package of new powers for councils to intervene with utility companies where road works overrun and ensure councils can better maintain their roads network. This should include increasing fines for overrunning works, extending the warranty of period of works from two to five years, and reducing the temporary reinstatement period to at least three months.



Waste & Recycling

Ensuring a sustainable and fair waste system that works for all

- Government needs to provide certainty to both waste collection and disposal authorities in relation to the ongoing waste reforms, working with councils and producers to implement proposals successfully and in a coordinated way.
- Work with waste authorities on the statutory instruments behind the waste reforms to ensure they lead to a coherent and workable system that produces better outcomes, reducing waste and increasing reuse and recycling.
- Work with authorities to reduce the financial risk of waste reform and commit to funding new costs waste collection and disposal to ensure that all elements of the system are funded.

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CCCN

COUNTY COUNCILS NETWORK

CCN is the voice of England's counties. Representing the local authorities in county areas, the network is a cross-party organisation which develops policy, commissions research, and presents evidence-based solutions to issues on behalf of the largest grouping of councils in England.

In total, the 20 county councils and 17 unitary councils that make up the CCN represent 26 million residents, account for 39% of England's GVA, and deliver high-quality services that matter the most to local communities.

To discuss this document or CCN in more detail, please contact:

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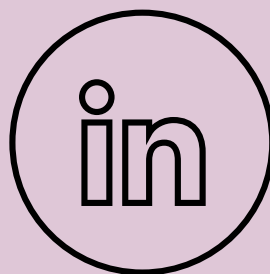
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