

Agenda Item 8



County Council

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	County Council
Date:	15 September 2017
Subject:	Lobbying for a Fair Deal for (Greater) Lincolnshire

Summary:

At its meeting on 12 July 2017 the Council gave its support to a proposal to engage in a lobbying strategy to achieve an improved funding deal for the Council moving forward.

In engaging with other Councils in the Greater Lincolnshire area it is clear that not just the County Council but also other councils and public bodies in Greater Lincolnshire have experienced consistently low relative levels of central government financial support over a long period.

With a new government now in place the time is considered right to re-engage with relevant stakeholders to lobby for additional funding not just for Lincolnshire County Council but more widely for the Greater Lincolnshire area.

This report seeks endorsement from the full Council on this wider approach to the lobbying strategy supported in July and sets out the underlying case for additional funding across the wider Greater Lincolnshire area.

Recommendation(s):

That this Council supports the proposal to engage in a lobbying strategy to achieve an improved funding deal, not just for Lincolnshire County Council but also for Greater Lincolnshire going forward in line with the contents of this report.

1. Background

1. The pre-June 2017 Government was engaged in a substantial exercise to rebase local government funding. That initiative was based on 100% localisation of business rates by 2020 together with a resetting of the funding baselines for all local authorities – this was known as the fair funding initiative. Legislation to deliver this initiative was progressing through Parliament at the time the June 2017 General Election was declared. That

legislation fell by the way as Parliament was wound down and no replacement legalisation has featured in the recent Queen's Speech which sets the legislative programme for the next two sessions of Parliament.

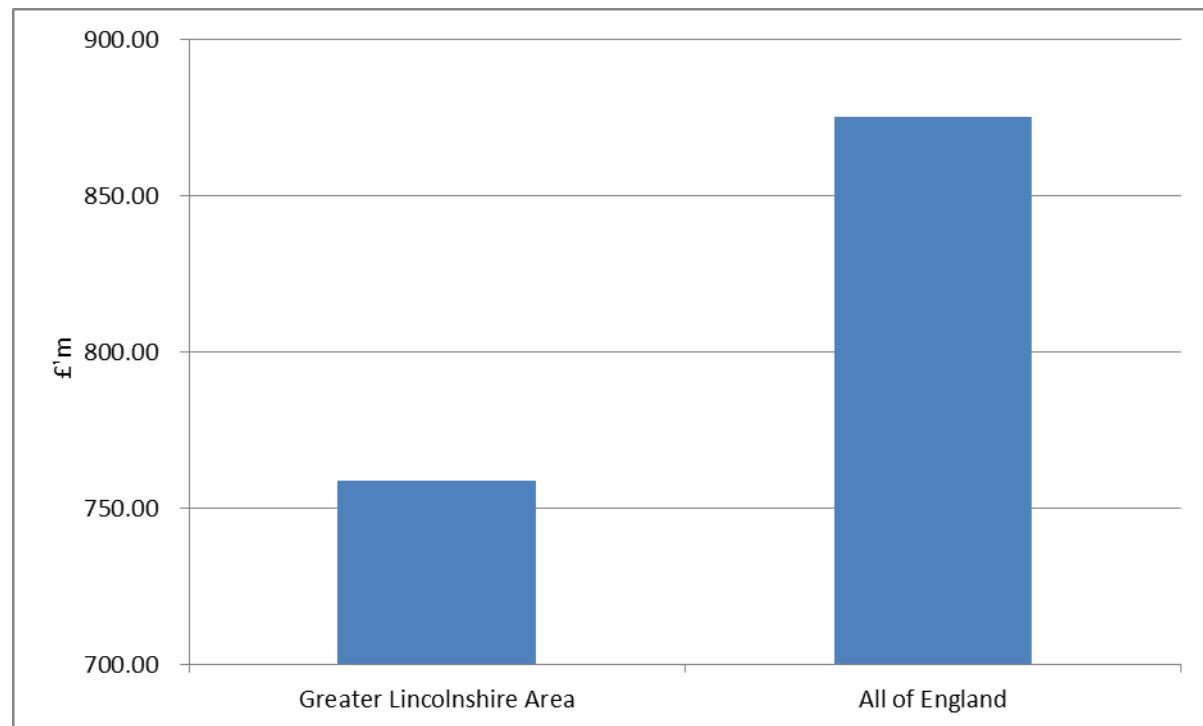
2. The basis of funding local authorities has not materially changed since the introduction of partial business rate localisation in 2013. It is widely accepted that such matters as both absolute and relative changes in demography and other key cost drivers means that the current distribution of resources is no longer a fair reflection of underlying need.
3. There are, in effect, two distinct issues on which lobbying is required. Firstly, there is the issue as to whether the total amount of funding allocated to the local government sector is sufficient given increased service pressures coupled with ongoing reductions in government funding. It is still suggested that on these matters lobbying is best undertaken at a national level with cross sector bodies such as the LGA, Council Networks (such as CCN but also DCN to reflect a Greater Lincolnshire focus) and the Treasurer's Societies being best placed to lead on that work. In a report titled 'Future Funding Outlook for Councils 2019/20' published earlier this year the LGA estimates a cross local government funding gap of £9.5bn by 2019/20 if nothing changes. Secondly, there is the case for an additional share of the national funding allocation for this Council and for Greater Lincolnshire. It is in that regard that the proposals set out in this paper are framed as this Council needs to be proactive in making its case with the relevant stakeholders alongside the other Councils in the Greater Lincolnshire area to ensure that the area as a whole is treated more fairly.
4. The DCLG have made the following statement regarding their intentions for reviewing local government funding in the new Parliament:

'I am emailing because as you will have no doubt seen, the Queen's Speech did not include a new Local Government Finance Bill and so it will not form part of the Parliamentary timetable for this session. However, Ministers remain committed to local government taking greater control of their income, as outlined in the Manifesto. We are engaging Ministers on the options for future reform without an immediate Bill and we will be in touch once we are in a position to resume working with you on the future of local government finance reform. In the meantime, I wanted to thank you for all your constructive work on this issue, and I look forward to working with you in future.'

Ministers also remain determined to address concerns about the fairness of current funding distributions. They have reaffirmed their commitment to a thorough, evidence-based review and we will continue to work with the LGA and local government on this.'

5. The DCLG's timeframe for undertaking this work is not presently clear but an element of clarity is expected over the next few weeks. The Councils of Greater Lincolnshire need to be prepared to make their contribution into whatever process emerges.
6. How does Greater Lincolnshire funding compare with other authorities?
 - 'Core spending Power' measures the total revenue resources available to a council. It comprises: revenue support grant, business rates, council tax and some specific grants (including, where relevant, the improved Better Care Fund, New Homes Bonus and Rural Services Delivery Grant.)
 - Revenue core spending power for the Greater Lincolnshire Area in 2017/18 is £1,565 per dwelling in the area (*1). The average funding per dwelling across the whole of England is £1,805 per dwelling (*2). If the Greater Lincolnshire Area was funded at this average level it would mean an additional £116m coming into the area.

Core Spending Power based on the number of Dwellings in Greater Lincolnshire



(*1) This is based on spending for Lincolnshire County Council, the seven Lincolnshire district council's and the two unitary authorities plus their share of Humberside Fire and Rescue).

(*2) This is based on all authority types – shire areas, unitary authorities, metropolitan authorities and London boroughs.

7. Given this situation and the intention expressed in the above DCLG comment regarding acceptance of the need to undertake an evidence based review of funding distribution, it is considered essential that not just the County Council but the Greater Lincolnshire Councils as a whole adopt a proactive and co-ordinated approach to lobbying for a fair share of government funding for the area and without detriment to any council.
8. It is therefore suggested that this Council fully engages alongside other Greater Lincolnshire councils, as appropriate, with national initiatives being undertaken by the Local Government Association, Council Networks etc. regarding the total amount of government funding allocated to local government services. In addition, more locally based activity is proposed that will lobby the groups listed below to facilitate their support in making the case for a fair funding settlement for the Greater Lincolnshire Region:
 - Government Ministers
 - Local MP's
 - Other public sector bodies
 - Local businesses
 - The general public
9. It is also suggested that this Council would seek to work constructively with other public sector organisations within the Greater Lincolnshire area in order to secure improved funding outcomes for all such bodies to the ultimate benefit of local residents.
10. In parallel the Council will continue to work with the LGA and other lobbying bodies to press the case for increases in the overall funding level for local government.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- * Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- * Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- * Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- * Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- * Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- * Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

These matters have been considered and there is not considered to be any direct impact of the decisions called for by this Report on the Equality Act duty or any of these strategies and obligations. The paper is aimed at lobbying for an improved funding package for the Greater Lincolnshire area and, if successful, should provide additional funding to deal with equality related matters. Funding decisions will continue to have regard to equality act obligations and the various strategies and obligations referred to as they are taken.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The Joint Strategic Needs Analysis have been considered and there is not considered to be any direct impact on this matter as a result of the decisions called for by this Report. The paper is aimed at lobbying for an improved funding package for the Greater Lincolnshire area and, if successful, should provide additional funding to assist with these obligations. Funding decisions will continue to have regard to JSNA/JHWS obligations and the various strategies and obligations referred to as they are taken.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

Section 17 of the Crime and Disorder Act 1998 have been considered and there is not considered to be any direct impact on this matter as a result of the decisions called for by this Report. The paper is aimed at lobbying for an improved funding package for the Greater Lincolnshire area and, if successful, should provide additional funding to assist with these obligations. Funding decisions will continue to have regard to Section 17 obligations and the various strategies and obligations referred to as they are taken.

3. Conclusion

All councils in Greater Lincolnshire continue to face significant budget shortfalls and pressures in future years exacerbated by reducing funding from Government. There is clear evidence that, collectively, the councils in the Greater Lincolnshire area are not presently funded on a fair basis compared to other local authorities. Given the Government is undertaking to review the funding basis for local government now is an appropriate time to undertake proactive lobbying activity to ensure a better financial deal for the people in Greater Lincolnshire as a whole.

4. Legal Comments:

The Council has the power to press its case in relation to fair funding and to do so on the basis of fairer funding for the Greater Lincolnshire area.

In issuing communications to the public or a section of the public the Council will need to have regard to the Code of Recommended Practice on Local Authority Publicity.

5. Resource Comments:

There are no material financial implications from accepting the recommendations in this report. Clearly the recommendation is, in itself, important in seeking to achieve an improved funding settlement from Government for the Councils in Greater Lincolnshire.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

N/A

c) Scrutiny Comments

There has been no pre-decision scrutiny of this matter

d) Have Risks and Impact Analysis been carried out?

No

e) Risks and Impact Analysis

N/A

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by David Forbes, who can be contacted on 01522 553642 or david.forbes@lincolnshire.gov.uk and George Spiteri who can be contacted on 01522 552120 or george.spiteri@lincolnshire.gov.uk.

This page is intentionally left blank