

17 December 2021

Agenda Item: 6

REPORT OF THE CHIEF EXECUTIVE OF NOTTINGHAMSHIRE COUNTY COUNCIL

SPENDING REVIEW AND OTHER SPECIFIC GOVERNMENT FUNDING ALLOCATIONS TO LOCAL GOVERNMENT (INCLUDING THE INTEGRATED RAIL PLAN)

Purpose of the Report

1. To provide an overview of the Government Spending Review (published 27 October 2021).
2. To summarise Government Grant Allocations to Local Government, including funds subject to a competitive bidding process and highlight forthcoming funding opportunities.

Information

Spending Review 2021 (SR21)

3. A high-level summary of the impact of the Spending Review 2021 (SR21) on Local Government Budgets, taken from the autumn budget and spending review 2021 (Red Book) can be found below (n.b. the direct impact of SR21 on the budgets of Nottingham and Nottinghamshire Councils will be confirmed in the Local Government Settlement, which will be published by 16 December 2021).

£ billion							Average annual real terms growth	
	Outturn 2019-20	Outturn 2020-21	Baseline 2021-22	Plans 2022-23	Plans 2023-24	Plans 2024-25	2021-22 to 2024-25	2019-20 to 2024-25
Resource DEL ^{1 2}	7.5	8.6	9.1	10.8	12.1	12.7	9.4%	8.4%
<i>of which: Adult Social Care reform</i>	-	-	-	0.2	1.4	2.0	-	-
Core Spending Power (CSP)	46.2	49.1	50.4	53.7	56.6	58.9	3.0%	2.5%

¹ Excluding ringfenced COVID-19 DEL.

² Local Government DEL presented here is not reduced by the switch from DEL to AME for Business Rate Retention Pilots and does not include DEL compensation for new business rates measures announced at Budget 2021. Figures for 2019-20 and 2020-21 also reflect other adjustments for business rates and the New Homes Bonus. Therefore, the figures in this table do not match the outturn figures presented in the total DEL table.

4. Core spending power for Local Authorities is estimated to increase by an average of 3% in real terms each year over the SR21 period. This follows year-on-year real-terms increases since SR19.
5. The Government is providing councils with £4.8 billion of new grant funding over the SR21 period for social care and other services. This represents the largest annual increases in Local Government core funding in over a decade.
6. SR21 confirms that £3.6 billion will be routed through Local Authorities to implement adult social care charging reforms and to support Local Authorities to better sustain their local care market by moving towards a fairer cost for care. Further detail is awaited from Government.
7. There is an additional £200 million for the cross-government Supporting Families programme, around a 40% real-terms uplift in funding for the programme by 2024-25, taking total planned investment across the next three years to nearly £700 million.
8. SR21 also provides funding to strengthen local authority functions vital for the delivery of public services:
 - £37.8 million of additional funding over the SR21 period to tackle cyber security challenges facing councils and invest in local authority cyber resilience, protecting vital services and data. Together with maintaining the funding that was announced at SR20, this will bring the total funding for cyber to £85.8 million over the SR21 period
 - £34.5 million of additional funding over the SR21 period to further strengthen local delivery and transparency. This funding will help strengthen the sector's procurement and commercial capacity, establish the Audit Reporting and Governance Authority as the new local audit systems leader, and help local councils meet new transparency requirements.
9. Additionally, the referendum threshold for increases in council tax is expected to remain at 2% per year. In addition, Local Authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year.

Housing & Homelessness

10. SR21 confirmed a settlement of nearly £24 billion for housing, up to 2025-26. The settlement:
 - announces an additional £1.8 billion for housing supply, to deliver £10 billion investment since the start of this Parliament and unlock over 1 million new homes over the SR21 period and beyond. This includes £300 million locally led grant funding that will be distributed to Mayoral Combined Authorities and Local Authorities to unlock smaller brownfield sites for housing and improve communities in line with their priorities, and £1.5 billion to regenerate underused land and deliver transport links and community facilities, unlocking 160,000 homes in total
 - reconfirms £11.5 billion investment through the Affordable Homes Programme (2021-26) of which £7.5 billion is over the SR21 period - the largest cash investment in a decade and delivering up to 180,000 affordable homes. 65% of the funding will be for homes outside London
 - provides an additional £65 million investment to improve the planning regime, through a new digital system which will ensure more certainty and better outcomes for the environment, growth, and quality of design
 - confirms over £5 billion to remove unsafe cladding from the highest-risk buildings, of which £3 billion is over the SR21 period.

11. As part of the Government's commitment to end rough sleeping, SR21 provides £639 million resource funding by 2024-25, a cash increase of 85% compared to 2019-20. This brings total funding to £1.9 billion resource and £109 million capital investment over SR21.

Summary of some specific grant funding awarded to Nottingham and Nottinghamshire

Levelling Up Fund

12. The £4.8 billion Levelling Up Fund, provides investment for local infrastructure. The award of £1.69 billion, through the first bidding round was announced through SR21. Nottingham and Nottinghamshire's successful bids were:

Bid	Value awarded
Nottingham: Transport (Renewing Nottingham Local Streets Programme)	£18,000,000
Newark and Sherwood: Southern Link Road	£20,000,000

UK Community Renewal Fund

13. The £220 million UK Community Renewal Fund, is designed to support local areas to pilot imaginative new approaches and programmes that unleash their potential, instil pride, and prepare them to take full advantage of the UK Shared Prosperity Fund (UKSPF) when it launches in spring 2022. Nottingham and Nottinghamshire's successful bids were:

Bid	Value awarded
Nottingham:	
East Midlands Accelerator	£1,113,716
Newstart	£1,207,191
Carbon Neutral Housing	£354,589
Volunteer It Yourself	£204,000
Nottinghamshire:	
East Midlands Accelerator	£1,7368,39
Good Work	£542,691
Newstart	£1,207,190
Volunteer It Yourself	£459,000

Towns Fund

14. The £3.6 billion Towns Fund was established to drive long term economic and productivity growth through investment in connectivity, land use, economic assets including cultural assets, skills, and enterprise infrastructure. Nottingham and Nottinghamshire's successful bids are as follows:

Bid	Value awarded
Ashfield - Joint Kirkby & Sutton	£62,600,000
Broxtowe – Stapleford	£21,100,000
Mansfield	£12,300,000
Newark & Sherwood	£25,000,000

Future High Streets Fund

15. The £675 million Future High Streets Fund, aims to renew and reshape town centres and high streets in a way that drives growth, improves experience and ensures future sustainability. Nottingham and Nottinghamshire's successful bids are as follows:

Bid	Value awarded
Nottingham – West End point	£12,523,981
Ashfield - Refurb Sutton Academy Theatre	£6,279,871

Integrated Rail Plan

16. The Government published the Integrated Rail Plan in November 2021. The implications for Nottingham and Nottinghamshire are set out, as far as they are known, in the report attached at [Appendix A](#), which was approved by Nottinghamshire County Council's Policy Committee on 2 December 2021.

Forthcoming Grant Schemes

17. The £150 million Community Ownership Fund will help communities protect and manage their most treasured assets. 21 projects received support totalling £5.3 million through the first bidding round. No funding was allocated to projects in Nottingham and Nottinghamshire through this round; there are at least a further 7 bidding rounds planned.

18. Over £2.6 billion has been set aside for the UK Shared Prosperity Fund (referenced in point 13 above) to help people access new opportunities across the UK. This fund is set to be launched in April 2022 and will have the following profile over the next three years, 2022-23: £0.4 billion, 2023-24: £0.7 billion, 2024-25: £1.5 billion.

19. The Levelling Up Parks Fund will make £9 million available in 2022-23 to fund more than 100 green spaces across the UK on unused, undeveloped, or derelict land that will broaden accessibility for all.

20. Bids are being prepared across the County for the next round of the Levelling Up Fund (referenced in point 12 above), which is anticipated to be open in spring 2022.

Adult Social Care Reforms, Government White Paper: "People at the Heart of Care"

21. On 1 December 2021, the Department for Health and Social Care published the Adult Social Care (ASC) Reform White Paper, "People at the Heart of Care". The document sets out a range of policies including:

- At least £300 million to integrate housing into local health and care strategies; £70m per year capital funding for Care and Support Specialist Housing
- At least £150 million of additional funding to drive greater adoption of technology
- At least £500 million so the social care workforce has the right training and qualifications.
- A new practical support service to make minor repairs and changes in people's homes to help people remain independent and safe in their home, alongside increasing the upper limit of the Disabilities Facilities Grant for home adaptations such as stairlifts, wet rooms and home technologies. Additional DFG funding will total £570 million per year for three years.

- Up to £25 million to work with the sector to kick start a change in the services provided to support unpaid carers.
- £30 million to help local areas innovate around the support and care they provide in new and different ways.
- A new national website to explain the upcoming changes and at least £5 million to pilot new ways to help people understand and access the care and support available.
- More than £70 million to increase the support offer across ASC to improve the delivery of care and support services, including assisting LA to better plan and develop the support and care options available.

Freeports

22. Up to £200 million has been made available by Government to deliver eight Freeports in England, creating regions that will flourish as hubs for global trade and investment. The Full Business Case for the East Midlands Freeport, which includes the Ratcliffe-on-Soar site will be submitted to Government in January 2022.

Reason/s for Recommendation/s

23. This report provides contextual information for the committee in support of the councils' collaborative working and a prospective devolution deal.

Statutory and Policy Implications

24. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

25. There are no specific financial implications arising directly from this report.

Implications for Service Users

26. There are no specific implications for service users arising directly from this report.

Implications for Sustainability and the Environment

27. There are no specific implications for sustainability and environment arising directly from this report. All Nottingham and Nottinghamshire Councils have declared or acknowledged a Climate Emergency and have targets to become Carbon Neutral or Net Zero by dates between 2028-2030.

RECOMMENDATION/S

It is recommended that the Committee notes the contents of this report in the context of the Councils' collaborative working and a prospective devolution deal.

Anthony May
Chief Executive of Nottinghamshire County Council

For any enquiries about this report please contact:

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Constitutional Comments (SSR 06/12/2021)

28. The recommendation set out in this report are matters which may be determined by the City of Nottingham and Nottinghamshire Economic Prosperity Committee under the terms of reference for the Committee set out in the Committee's constitution.

Financial Comments (NS 7/12/2021)

29. The provisional local government statement is anticipated to be announced week commencing 13th December 2021.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- [Autumn Budget and Spending Review 2021: A Stronger Economy for the British People \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- [People at the Heart of Care: adult social care reform white paper - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Electoral Division(s) and Member(s) Affected

- All