

Post-Party Conference Briefing

Following the recent referendum on Scottish independence, and with eyes cast ahead to the next General Election in 2015, Britain has seen the final round of the country's three main political party conferences in the past three weeks.

The UK government, both locally and nationally, is facing a number of challenges that need to be addressed, and party conferences provide an important platform for discussion and debate about what should be the government's main priorities in the coming term.

This briefing will provide an analysis of the main policy announcements relevant for local government. The conferences have seen a range of issues being discussed and our analysis will aim to offer a useful overview of key proposals for each of the policy areas whilst comparing the plans of the main three Westminster political parties.

Health, social care and how to pay for it

Health and social care policy is an extremely important area of constant movement and change. With the NHS facing a lot of different pressures, it was one of the main topics for discussion during the party conferences, also due to the funding crisis amidst forecasts of a £30bn funding gap by 2020.

The Labour Party announced its commitment to a £2.5bn 'time to care fund' for the NHS. In order to help pay for an increase in NHS funding, Labour want to raise £1.2bn by clamping down on tax avoidance, increasing fees for tobacco companies and imposing mansion tax on homes worth more than £2m. However, there is no sign of a plan to reevaluate council tax bands in this case; mansion tax would be superimposed on council tax and collected by local authorities. This proposal was announced together with Andy Burnham's reiteration of Labour's commitment to abolishing the Health and Social Care Act 2012. Burnham stated an ambition for a 10-year plan to integrate health and social care with every hospital becoming an 'integrated care organisation' focused on "whole person care". The Labour Party believes this proposal would bring more stability to financial planning and the move of provision and funding from hospitals into communities, thus avoiding fragmentation and privatisation. Moreover, under Labour's new plans, patients in England would also get an appointment within 48 hours. However, there are fears that this signals another NHS structural transformation; although Labour has suggested that a change would be nowhere near as dramatic as the major restructuring in 2010.

Similarly, the Liberal Democrats pledged to spend an extra £1bn a year on the NHS to be paid for through higher tax rates. They propose to raise £500m by reducing the lifetime pension tax relief from £1.25m to £1m. In practice, this would mean reducing the amount of money that can be invested in a pension pot with tax relief. A further £400m would be raised through a divided tax rate for higher rate taxpayers from 37.5 per cent to the top rate of income tax at 45 per cent, and £80m by abolishing the provision allowing employees to purchase shares in companies free from capital gains tax in return for giving up employment rights. The Lib Dems' key announcement was a commitment to bring health and social care budgets together by 2018, with a new focus on mental health support. They also proposed to create waiting time targets for treating people with mental health problems for the first time. The Party also called for a "revolution" in care home management and an increase in creation of care home places, with a major building programme to address the demand from Britain's ageing population in the next two decades.

Finally, David Cameron also addressed health and social care policy through his promise of a seven-day GP access service by 2020 for everyone in England, as well as bringing back "named GPs" to take charge of care outside hospitals. The PM also announced a decision to protect the NHS budget and promised that NHS spending would rise at least in line with inflation through the next Parliament

Economy, deficit and tax cuts

The Conservatives announced their plans to eliminate the deficit problem through substantial cuts to public spending of around £25bn. They proposed a number of substantial welfare cuts, although the health and social care budgets would remain ring-fenced. This raises questions of in which areas will the other cuts need to be made in order to fulfil this plan.

Ed Balls announced Labour's promise to get the current budget into surplus and the national debt falling "as soon as possible" after the next General Election. He added that no proposals for new spending would be paid for by additional borrowing. Labour want to raise funds through increasing taxation for the wealthiest sections of the British population, capping child benefits and also forcing all government ministers to take a 5% pay cut.

In regards to public spending and addressing the deficit, the Liberal Democrats announced "strict new fiscal rules" to ensure the deficit has gone by April 2018. The new rules would involve starting to pay off Britain's debt once the deficit has gone, creating a balanced budget with scope to spend money on roads and housing, and social fairness with the wealthiest sections of society contributing the most to deficit reduction. They would also stop offering welfare benefits to pensioners with assets of more than £1m.

Education, children and families

The Liberal Democrats promised to protect the education budget from cuts and to deliver a parental guarantee of qualified teachers and a curriculum set by independent experts. Under a future Labour government, more funding would be available for disadvantaged school children and free childcare for all two year olds. The party also announced an offer of discounts on bus fares to support young people travelling to school or college.

Labour pledged to ensure that all teachers would have to be fully qualified. Additionally, parents of primary school children would be guaranteed childcare from 8am to 6pm, whilst the amount of free childcare for three and four year olds would be increased from 15 to 25 hours a week. Labour announced their plans to achieve this by 2025.

The Conservatives set out two main priorities for the party on education policy: reducing the overall burden on teachers in the UK and ensuring that teachers spend more time in the classroom teaching. The party plans to keep working in partnerships and collaborating with the unions through the Programme of Talks and a new process of engagement with teachers across Britain. The announcement of a new £5 million fund to support innovative ideas should help schools and young people develop "character, resilience and grit". Additionally, their new Tax Free Childcare will offer parents up to £2,000 of funding towards childcare costs. The party promised to tackle homophobic bullying in Britain's schools. Morgan also suggested further collaboration between businesses and schools in developing work experience programmes. The party plans to continue with the "free schools revolution" with the approval of 35 new free schools to increase diversity and bring new ideas and a variety of choice into local communities.

Welfare and benefits

The Conservatives announced their plan to give welfare claimants pre-paid benefit cards which would help families break a "cycle of poverty". George Osborne set out plans to make £25 billion of public spending cuts over the first two years after the next General Election, including reducing the welfare budget by £12 billion. His proposals to freeze benefits paid to people of working age for two years should save £3bn to pay for a million new apprenticeships as part of a plan to tackle youth unemployment and changes to pension tax laws. In practice, this would mean less money for people reliant on jobseekers' allowance, income support, child benefits and tax credits. Two thirds of the people affected have got a job, although they are dependent on income support and tax credits to enhance their low wages. Additionally, the maximum amount of benefits a household could claim would be reduced by £3,000 per year. Jobseeker's allowance would be withdrawn from young people after six months unless they take part in "community projects", whilst 18 to 21-year-olds wouldn't be entitled to housing benefit.

The Lib Dems proposed to stop offering winter fuel payments, free bus passes and free TV licences to the wealthiest pensioners in the UK. If their plans come to practice, there would also be a punitive "yellow card" system to deal with claimants breaking the rules, which would be followed by sanctions if the issues persisted. This would apply to pensioners with assets of more than £1m.

In contrast, Labour pledged to repeal the Bedroom Tax/Spare Room Subsidy, whilst promising a Compulsory Jobs Guarantee to avoid people's dependence on unemployment benefit for years. They also proposed early intervention to tackle skill gaps that would keep people reliant on benefits and providing support for young people to achieve qualifications. Nevertheless, Ed Balls proposed to cap child benefit increases at 1% for the first two years of the next Parliament, keeping them below the rate of inflation which the current coalition government has already committed to for 2015-2016. Symbolically, Labour would also force all government ministers to take a 5% pay cut. Overall, these measures should save £400m over the course of the next Parliament.

Business and employment

Labour's announcement of creating more apprenticeships, as part of Ed Miliband's 10-year plan, suggests that a Labour government would boost the number of school-leavers becoming apprentices to match the number going to university by 2025. Under these provisions, companies who employ foreign workers would also be expected to offer apprenticeships, and receiving Government contracts would be subject to apprenticeships provision. In order to tackle the 'cost of living crisis', a Labour government would ensure an increase in wages proportional to economic growth, as well as breaking up banks and taking power away from Whitehall. Their pledge to lift the minimum wage by £1.50 an hour by 2020 would half the number of people on low pay, and the UK would see a million new jobs in green industries according to Labour's plans. Additionally, Labour promised to reverse the cut in corporation tax for big business in order to reduce business rates for small firms.

Importantly, Labour pledged to replace the Work Programme with powers devolved to local councils and communities, in place of all the significant contracts being signed in Whitehall.

In comparison, a future Conservative government would see an extra £3bn committed to pay for a million new apprenticeships as part of a plan to tackle youth unemployment. David Cameron revealed the Conservatives' plans to address the cost of living crisis through taxes, pledging to raise the tax-free allowance from £10,500 to £12,500 by 2020, and raising the personal income tax threshold by £2,000 a year. He also said the threshold for the 40 per cent income tax band would be raised from £41,900 to £50,000 by the end of a five-year Conservative government, which would cost £1.6bn to implement. In practice, this would positively affect about thirty million people in the country, ensuring that one million full-time workers on the minimum wage were exempt from paying income tax. Practical implications of this £7.2bn double tax cutting promise would have a positive impact on the living standards of the poorest people in the country. These plans would cost Britain approximately £5.6bn. However, there was no direct mention of where this money would come from during the party conference.

At the Liberal Democrats conference, Vince Cable announced plans to increase the minimum hourly pay of first year apprentices by £1.06 – equalising it with the minimum wage for 16 and 17 year olds. The Lib Dems also plan to expand degree-level advanced apprenticeships, which would mean removing the barrier between university and vocational education. Furthermore, they would strive for a big increase in community adult education, including assisting the integration of the mentally ill back into society. The Lib Dems also suggested cuts in business rates for small and medium-sized enterprises (SMEs) to enhance business growth.

Devolution

Following the 'No' vote in the Scottish referendum on the country's independence, and the preceding campaigns that sparked a devolution debate in the UK, it will be a central issue to be addressed whoever is the next government. However, the parties have expressed very different views on the matter, addressing the complex link between devolution to Scotland and Wales on one hand, and devolving power to local authorities within England on the other.

Eric Pickles rejected any devolved structural changes to English local government while promising 'English votes for English laws' in Parliament and more fiscal powers to Wales and Scotland. Rather, he called on neighbourhoods to become "the building bricks" of devolution so that local communities themselves could shape the areas they live in. He distinguished between local authorities taking on more power and devolving power to countries as it is in the cases of Scotland and Wales.

Labour embraced the Lib Dems' long-standing call for a UK Constitutional Convention where the whole country would have a say in the matter. Labour's Hilary Benn proposed a £30 billion devolution plan and showed willingness to devolve powers and funding in relation to transport, infrastructure and skills to local areas. The party announced that they would like to see the "biggest decentralisation of government of this century" and said it would be up to councils themselves to create new bodies that would receive these powers. Benn also set out a vision for increased scrutiny as a precursor to devolution at the Labour Party conference. He called on cities and counties to arrange themselves into regional groupings which would be better placed to receive the devolved powers. Implementation of this plan would require a common vision for achieving economic growth between councils and local businesses. It would be up to newly created local public accounts committees to check on the use of devolved powers and spending. As such, Labour called for a bottom-up process for local government to decide how they want to go about devolution.

Nick Clegg built on the Lib Dems' past calls for a constitutional convention in Britain and highlighted the opportunity to create a federal structure across the UK, as the forthcoming Scottish devolution impacts on both Wales and Northern Ireland. He implied the need for a written constitution to set out the clear division of powers and labour between parts of Britain. Furthermore, the Lib Dems announced their support for a radical devolution in local government, offering English councils the right to "devolution on demand" under which they can legally claim more powers from central government. However, none of the parties mentioned the Barnett formula which all three main parties promised to retain after the next General Election.

Housing and planning

As part of his 10-year "national mission" to transform Britain, Ed Miliband pledged that the number of first-time home buyers would be doubled to 400,000 a year under a Labour government. This would be delivered through a six-point plan setting out ambitious goals, such as restoring the "dream of home ownership" by setting a Labour government's first-ever target for the number of first-time buyers. Labour also promised that at least 200,000 new homes a year would be built by 2020.

David Cameron presented a plan to build 100,000 new affordable homes on brownfield sites only available to first-time buyers who would be exempt from a list of taxes. This was presented as an extension of the current government's "Help to Buy" scheme which would give people a chance to afford buying a house before the age of 40, as they will be able to buy a home for 20 per cent less than the market rate. Cameron hopes that this would make the Conservatives "the party of home ownership once again".

Focusing on the green areas around London and in the south-east, the Lib Dems have also addressed the issue by promising to create 10 new garden cities to tackle the UK's housing shortage and to reopen the Oxford to Cambridge Rail Link as the "Garden Cities Line". Moreover, Danny Alexander called for the government's direct involvement in house building as "commissioner for housing". This would help address the housing shortage and would affect green areas around London. The Lib Dems are committed to building 300,000 new homes every year if they are returned to power at the next election. Vince Cable called for using agricultural land for building new homes, suggesting that driving development should come from central government, rather than leaving it in the hands of local areas. Lastly, he also called for more public borrowing by central and local government to finance productive investment in transport, housing and innovation.

Crime and justice system

The Liberal Democrats had petitioned to replace the current police and crime commissioner (PCC) system and the party conference approved a new policy that includes replacing PCCs with democratic Police Boards. The Lib Dems have also passed a policy motion calling for "Mandatory Reporting" of child abuse suspicion which is not a legal requirement at the moment. Crucially, one of their main proposals was to improve recognition and treatment of mental health conditions in the justice system. Furthermore, the party announced a planned new approach to drugs focused on targeting the supply of illegal drugs while diverting drug users into treatment, education and civil penalties.

Labour joined the Liberal Democrats in their future plans to replace the current police and crime commissioner system. In practice, this would mean giving council leaders the power to co-appoint police commanders, and giving local communities a "policing contract" to enforce

priorities like visible policing. Yvette Cooper suggested that a future Labour Government would save £50 million on scrapping the PCC elections in 2016; money that could be invested into frontline policing and increase local authorities' public safety services. One of the implications of this move would be stronger accountability to victims, local communities and local government in a new devolution settlement for England and Wales, as well as cost-saving. Labour would use some of the savings to fund a national network of refuges. Labour also proposed introducing new powers to help prevent Female Genital Mutilation as part of a new law on violence against women and girls, and a new stronger inspectorate for police forces – a Police Standards Authority – to make sure standards are met, holding people to account.

The Conservatives promised a better criminal justice system, introducing a Victims Law to set victims' rights in statute, a new national information service with a single telephone number and website in order to build an easily accessible place to seek help. They proposed tougher punishments for offenders and more support for victims, and these proposals focused mostly on victim protection and increasing numbers in prison spaces. The plan to create specialist centres in prisons with the best concentrated mental health expertise would be a priority for the next Conservative Government. Importantly, the main focus seems to be quitting the European Court of Human Rights and creating a British bill of rights that would change Britain's relationship with the European Court of Justice.

Additionally, Theresa May announced plans to introduce new banning orders to tackle extremism, which would make it easier for the police to collect information about online activity by suspected criminals. Currently, there are still some forms of data that internet service providers do not store. Therefore, the Conservatives are promising a Communications Data Act, which would require companies to start storing certain types of information.

What does it mean for public services in the coming years?

In conclusion, local government can expect welfare cuts, tax increases or a mix of both depending on which political parties come into power, and the future of local government will depend on whether the parties fulfil their pre-election promises. It is still unclear where most of the spending cuts proposed by the Conservatives will come from, as it is similarly unclear how exactly the tax increases proposed by Labour and Lib Dems will affect the public. However, local government can certainly prepare for emptier pockets in the coming years and the sector will have to strategically prioritise to address all new challenges that will emerge after next year's General Election.