

KEY CITIES MANIFESTO 2024



KEY
CITIES
UNLOCKING
POTENTIAL





FOREWORD

Councillor John Merry

Chair of Key Cities and Deputy City Mayor of Salford City Council

Since its foundation a decade ago, Key Cities has advocated for municipal government and has consistently called for more financial capacity to be granted to cities, along with the power to allocate resources in the most beneficial way for their communities. This need has now become urgent with many councils of all colours experiencing an unsustainable strain on funding and resources, placing statutory services at risk.

The recent Budget announced on 6 March 2024 offered nothing to remedy the situation. Local authorities were urged to deliver greater productivity when year-on-year funding has fallen, despite growing demand for their services. Disappointingly, the Government is once again enforcing budget cuts, rather than addressing the root causes of the financial crisis that so many councils are facing.

I would highlight the importance of fixing what is, in Key Cities' view, a broken funding model. The budgetary cuts we are seeing, and the intolerable pressures under which local councils subsequently operate, result in a constant struggle to provide for the people they serve, notably the most vulnerable people in the community.

It is therefore crucial that whoever comes to power at the next election addresses this crisis on day one, by committing to a new fair funding outcome and rethinking the relationship between national and local government. Our cities and urban areas should have the autonomy to drive positive change in their communities, with devolved powers and funding to enable them to thrive in the long term.

This manifesto, which has been developed in close collaboration with the leaders of our 27 member cities, sets out our recommendations for the next administration. I hope that all political parties will take note when developing their own policies for the upcoming election.

KEY CITIES MANIFESTO 2024

Local government is in crisis. Councils are at breaking point after over a decade of repeated funding cuts and constrained resources. The effect of real-terms cuts in local government finance for more than a decade is clearly visible in the UK's high streets, villages, towns and cities, making recovery – let alone strong economic development and future prosperity – impossible within the current constraints.

The upcoming election offers the opportunity for a public debate about the realities facing people of all ages about where they live and work. It is a chance to address the most critically stretched council services, secure greater financial stability for local government and our cities, and mitigate the long-term, unsustainable risks for the country – and indeed for central government.

An urgent reset is long overdue and can no longer be avoided. Addressing these challenges must be the priority for the incoming government immediately following the election. From social care and housing to the basics that are expected from civil society – the future of our social fabric and sense of community is at stake.

In this manifesto from 27 Key Cities, representing city leaders from all political parties and from all regions of the country, we set this plea in context with policy recommendations that address the most pressing issues our cities face across the country. They are based on the knowledge and experience of our network, which represents over 10% of the British population, equivalent to the largest network of urban areas outside the capital.

Since our foundation a decade ago, Key Cities has championed municipal government and has consistently called for more financial capacity to be granted to local authorities, along with the devolution of power to allocate resources in the most beneficial way for local people. This need has now become acute, with many local authorities of all colours and in all regions experiencing an unsustainable strain on funding and resources, placing even statutory services at risk.



As the long-term stewards of our local places, councils should be valued, properly funded and effectively resourced to not only fulfil statutory duties but be the actors for positive change in their communities.

Local services are becoming harder to maintain and deliver, yet ironically, the public is becoming more and more aware of the need to maintain them in order to keep their local areas functioning.

Our manifesto is a distress call but also an expression of our hope and ambition to work together in partnership to deliver better opportunities for our citizens.

That's why our top ask is that the incoming administration addresses the broken local government funding model first. Significant but essential, given that £4 billion is needed¹ to bridge the gap in local government funding between now and 2025. Without it, more councils will be forced to serve section 114 notices, following the eight English councils outside the Key Cities network that have already declared effective bankruptcy.

Beyond this, councils need enough funding to enable a pivot towards long-term early help and prevention especially in relation to high cost children's services including Special Educational Needs and Disabilities (SEND), and temporary accommodation, which now accounts for around 50% of every £1 raised in council tax for some English councils. A disproportionate and unsustainable cost overwhelming prevention services. Short-term aid designed to help those most in need must continue for as long as councils are in crisis mode. For instance, the Household Support Fund is essential support for a broad range of needs and a permanent, long-term solution for its retention is a necessity. Removing this would drastically impact the most vulnerable within communities.

Our recommendations respond to the current crisis and focus mostly on shorter-term solutions to long-term challenges that the incoming administration can quickly implement. The asks draw upon the network's deep-rooted knowledge of urban Britain, evidenced by over a decade of research into topics such as health, culture, net zero, and skills. Key Cities has consistently advocated for the fabric that render our towns and cities to be attractive, prosperous and healthy. A positive and supportive response to our recommendations will enable councils to re-energise that fabric and focus on the wellbeing of their citizens.

¹ Local Government Association, [local.gov.uk/about/news/lga-statement-provisional-local-government-finance-settlement](https://www.local.gov.uk/about/news/lga-statement-provisional-local-government-finance-settlement)

POLICY RECOMMENDATION

Fair funding review and council tax reform

▲ **£4BN**

- 1. Immediate commitment:** On day one following the election, Government will commit to a new fair funding outcome and within 50 days distribute the immediate, unconditional £4 billion as called for by the Levelling Up, Housing and Communities Committee.
- 2. Funding allocation:** Change the way Government dispenses funds for local services, and allocate grants based on a local authority's current tax bases and reflective of local needs.

🏠 **25M**

- 3. Regular revaluation:** Re-assessment of the 25 million homes in England with legislation to ensure those values are regularly updated (following Welsh model).

Properly Fund Social Care

👤 **£1.5BN**

- 1. SEND support:** An additional £1.5 billion from the Government will bolster support for Special Educational Needs and Disabilities (SEND).
- 2. Prevention:** Instigate a renewed focus and considerable investment in prevention including the ringfencing of funding for children's social care based on actual levels of need.
- 3. Long-term commitment:** Reform of the way adult social care is funded, with direct central government funding to relieve the intolerable pressure of adult social care in the short term, with a long-term commitment to remove the adult social care precept entirely.
- 4. Ageing population premium:** As part of the fair funding review, local authorities grappling with an ageing demographic shall receive additional targeted support.
- 5. Dilnot Report Implementation:** Implement the recommendations from the Dilnot report from 2011 including a 'Dilnot cap' and invest significantly more money in councils' care budgets and strengthen the workforce.



Housing and Homelessness

1. **Housebuilding:** Reinstate realistic national housebuilding targets.
2. **Right to Buy:** Make permanent the 100% retention of Right to Buy receipts within Housing Revenue Accounts to support councils to deliver new housing at scale.
3. **Local Housing Allowance:** Extension of the Local Housing Allowance for the duration of the next parliament and link to inflation.
4. **Temporary accommodation:** Increase funding to support the delivery and management of temporary accommodation.
5. **Decarbonisation grants:** Award specific grants for estate regeneration projects that enable decarbonisation at scale.
6. **Modern methods:** More encouragement for modern methods of construction (MMC) through government initiatives, with a national strategy created and implemented, in order to build at speed and at scale.
7. **Affordability:** Affordable rent model to be amended, rather than 80% of local market rent, it should be based on the social rent in a given local area.
8. **Planning:** Speed up the planning process to enable faster delivery of housing, increase planning fees by 35 per cent for major applications and 25 per cent for all other applications to support the better resourcing of planning departments.
9. **Extend household support:** Household Support Fund to be extended over the long term, avoiding the damaging impact to those most in need.

Devolution of Powers in Priority Sectors Including Net Zero

1. **Net Zero and regulations:** Redefine the role of local government by establishing new regulations that gives local authorities the power to create investment ecosystems based on local needs.
2. **Net Zero and national grid connections:** More transparency on the decision-making process around national grid connectivity for renewable schemes and clarify timelines with local government.



3. **Culture and the arts:** Government to place culture at the heart of a renewed drive for hyperlocal devolution and establish a £100m nation-wide development programme for creative industries microclusters.
4. **Skills and municipalities:** A comprehensive devolution of skills related powers and funding, not just to mayoral combined authorities but to municipalities, to better tailor provision to local needs and opportunities.

RESETTING THE RELATIONSHIP BETWEEN LOCAL AND CENTRAL GOVERNMENT

The relationship between national and municipal government – so central to delivering policy and services at local level – has deteriorated over the past decade. We have learned much from the devolution to Mayoral Combined Authorities over the last decade: that innovation benefits from empowering local areas to integrate health and care; that people and economies benefit from local control and integration of public transport and skills. But we've also learned that this model is not right for everyone, that too many places are left outside, and that devolution needs to go significantly further, both in terms of scope and locality.

Despite the acute financial pressure facing municipal government, there are routine accusations that this is the result of poor management or leadership. This is belied by the facts of the government's "exceptional financial support for Local Authorities" of more than £3.5 billion over the last three years to councils of all political colours. This approach of allowing councils to capitalise specified amounts of revenue expenditure to balance the books is intended for exceptional circumstances, but is now routine in the absence of appropriate funding.

Key Cities believes that the relationship between national and local government at all levels needs to be recast, strengthened and with effective collaboration put in place. The funding required to achieve stability and the way it is spent should be determined through that collaboration, based on local need and potential. The success of our recommendations hangs on that premise.

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ABOUT KEY CITIES

The Secretariat of Key Cities is operated by Salford City Council and the Chair is **Councillor John Merry CBE, Deputy City Mayor of Salford City Council**

Established in 2013, Key Cities is a diverse, national network that represents urban living in the UK and has the range, expertise and agility to deliver innovative solutions for the challenges we face. The network's APPG, events and research initiatives help focus the national policy agenda on cities.

The 27 member cities of the network are significant urban areas with integrated municipal government in close touch with the lived experience of their populations.

As a network, Key Cities is well placed to offer nimble and scalable innovation to maximise the benefits of urban living in the UK. For Key Cities, platforming and connecting the diverse voices of urban UK is central to unlocking successful devolution and a productive, balanced economy for all parts of the country.

The Key Cities network members are: Bath & North East Somerset; Bournemouth, Christchurch and Poole; Blackpool; Bradford; Cumberland; Colchester; Coventry; Exeter; Gloucester; Hull, Kirklees; Lancaster; Lincoln; Medway; Newport; Norwich; Plymouth; Portsmouth; Preston; Reading; Salford; Southampton; Southend-on-Sea; Stoke-on-Trent; Sunderland; Wolverhampton and Wrexham.

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