DCN

DISTRICT COUNCILS' NETWORK
Innovative and collaborative solutions for people and places

District Councils' Network Budget Representation - Autumn Budget 2017

About the District Councils' Network

The District Councils' Network (DCN) is a cross-party member led network of 200 district councils. We are a Special Interest Group of the Local Government Association (LGA), and provide a single voice for district councils within the Local Government Association

District councils in England deliver 86 out of 137 essential local government services to over 22 million people - 40% of the population - and cover 68% of the country by area. As the housing and planning authorities, we approve 90% of all planning applications and enabled almost 50% of all housing completions in our areas last year. District councils have a proven track record of devising innovative solutions to transform public services, taking a lead role in improving services and outcomes for people and places through better collaboration.

Summary

The DCN welcomes the opportunity to input into the Autumn Budget 2017, we have set out below our key issues and policy suggestions, but would like to draw your attention to the following points.

Reduced Spending Power

Based on the 2017-18 Settlement data from DCLG, 146 out of the 201 District Councils (72%) will be facing a negative RSG position by 2019-20. The core spending power year on year changes in the Local Government Finance Settlement have hit district councils far harder than others, with huge reductions in core spending power for shire districts of over 5% from 2016-17 to 2017-18. Districts are continuing to see reductions in their core spending power for the whole period, compared to other councils which are seeing an increase.

Sustainable Funding of Social Care and a prevention precept

The funding crisis for social care is significant and a durable solution to it needs to be found. However the recent changes to New Homes Bonus do not constitute such a solution as they only recycle existing local government funding and do not tackle the wider need for a sustainable and long-term funding solution, alongside a far greater focus on prevention to reduce demand on hard pressed adult social care services. Shire districts play a huge role in prevention, especially in helping families with children which creates savings in operational social care where the greatest cost pressures lie. The Kings Fund report stated that every £1 District Councils invested in preventative services, for example home adaptions, can save the wider public sector up to £70. District Councils should have the ability to raise a 2% social care ‘prevention’ precept to reflect the key role that districts play in prevention and demand reduction for the wider public sector across the country. This would raise approximately £25 million but could generate savings over the longer term many times that amount.

Growing the Economy

District Councils are the planning and housing authorities and therefore ideally placed to deliver growth and drive the economy, one local economy at a time, to raise additional revenue. This budget should provide fair funding to local government and in particular providing long term incentives to grow the economy, with those areas investing the most being rewarded whilst providing a safety net for areas where growth is more challenging. This should be all within a fiscal envelope that provides longer term funding certainty to councils to enable sustainable budgeting and planning, taking forward the devolution of business rates and continuing to incentivise growth through measures such as New Homes Bonus.

District council’s also need certainty for the future of funding, including clarity on when the 100% business rates retention will come into force and what this means for councils with negative RSG amounts in the 4 year settlements.

Housing Delivery

District Councils are at the heart of housing delivery. In 2016-17 districts area enabled almost 50% of the total number of housing completions in England.

But they can do more to deliver housing locally, especially the genuinely affordable homes that their communities need. They need more fiscal freedoms to unlock their potential to deliver more housing. These include; amendments to the Right to Buy receipts, increasing the time available to spend them and allowing councils to retain 100% of Right to Buy receipts; lifting the borrowing cap for the housing revenue account; future certainty over rent setting policy and the sale of high value assets.

Technical Improvements

We also detail further technical improvements in the following areas:

- Ensuring Council Tax is truly a Local tax by removing referendum limits & allowing flexibility for setting local discounts
- Ensuring fair and sustainable funding for district councils
- Localising the setting of licensing and planning fees and implementing the promised planned 20% planning fee increase as soon as possible with access to a further 20% increase being available to as many district councils who are delivering housing growth as possible
- Distributing the Disabled Facilities Grant income directly to District Councils
- Certainty over business rates retention and addressing the issue of appeals
- Ensuring funding (such as Infrastructure funding) is available to all principal councils
- Enable drainage board levies to levy their own precept to help flood prevention measures

Detailed Proposals

Incentivising Growth

Previous Government reviews have concluded that the New Homes Bonus (NHB) provides a powerful incentive to deliver new homes. In recent years NHB funding has been scaled back from 6 years to 5 years and is being further reduced to 4 years next year. Added to this reduction was the introduction of the 'baseline' of 0.4% which resulted in 14 district councils receiving no NHB allocation for 2017-18, especially for those city centre-based authorities where there is a new disincentive to redevelop more intensively including building upwards and in national parks, where there are restrictions on growth.

The stated policy objective of providing more money for Social Care was undermined because the cumulative reductions in district/county areas like Surrey exceeded the additional Social Care grant received. The quantum of the reductions to district authorities amounted to up to 10% of net district budgets yet the money raised actually raised will only contribute a tiny proportion of the extra funding needed to put adult social care on a sustainable footing. The DCN continues to call for a long term sustainable solution to social care funding to be bought forward as soon as possible which emphasises the importance of prevention as well as managing demand.

We note the launch of the technical consultation on the new homes bonus and will be responding to this in due course. However the DCN would take this opportunity to point out that the New Homes Bonus (NHB) has provided districts with a positive and powerful incentive to build more houses and support growth in our localities. In many cases this funding is used by district councils to invest in infrastructure and regeneration in their area, thus making their areas even more attractive places to live for future potential residents However, the proposed 0.4 per cent threshold for the NHB is not acceptable to district councils and any suggestion that this could increase in the future will not be supported by the DCN. This baseline creates a perverse incentive which penalises district councils for delivering more housing growth. For those authorities who face difficult housing constraints the incentive to grow from a lower base is completely removed. Raising the threshold above the 0.4% baseline would also reduce the incentive for even more district councils to encourage housing growth, as set out below (based on 2017/18 figures).

Reductions to District Councils Compared to 0.40% Baseline Based on 1718 Allocations

Baseline Level	£ reductions Compared to 0.4% Baseline	No of Additional Districts Councils receiving no NHB
0.50%	10,121,068	19
0.60%	19,422,099	30
0.70%	27,866,834	46
0.80%	35,273,628	75

0.90%	41,249,972	94
1.00%	46,293,560	109

It is essential that successful schemes such as the NHB scheme remain fit for purpose and continue to incentivise growth into the future. District Councils are also concerned that decisions relating to the NHB continue to be made only a few months before the start of the new financial year therefore impacting on the ability for district councils to understand the impact on their budgets. This runs contrary to the stated aim of 4 year settlements which was to reduce uncertainty.

Recent Government Budgets have announced welcome funding for infrastructure projects. District Councils have a lead role to play in enabling local sites for economic or housing growth (such as introducing power and other utilities onto sites) and are well placed to deliver this enabling role. Access to funding for these projects is essential and it is important that Government recognises the ability that Districts have in this area and ensure that funding is available equally to all principal councils.

The CIL Review should be implemented so that the exceptional infrastructure and entry-costs of the largest site will be borne by the developers of those sites, who are best placed to take those financial and construction risks.

Our position is that the Government should completely remove the 'baseline' from the NHB funding.

However if Government are fixed to this 'baseline', then Government should commit to no further increases in the NHB 'baseline' from the existing 0.4% level.

Housing

District Councils are at the heart of housing delivery. In 2016-17 districts accounted for almost 50% of the total number of housing completions in England Last month the Housing Minister, Alok Sharma praised districts like the Gloucestershire district Councils, South Norfolk and South Derbyshire as making some of the greatest contributions to enabling new housing starts, which soared to the highest level for ten years.
https://www.gov.uk/government/news/housebuilding-soars-to-highest-levels-in-almost-a-decade

But district councils can do more to deliver housing locally, especially the genuinely affordable homes that their communities need. They need more fiscal freedoms to unlock their potential to deliver more housing. Especially as those authorities with some of the greatest housing potential do not have a Housing Revenue Account owing to the stock transfer to RSLs. These include; amendments to the Right to Buy receipts, increasing the time available to spend them and allowing councils to retain 100% of Right to Buy receipts; lifting the borrowing cap for the housing revenue account; future certainty over rent setting policy and the sale of high value assets.

The housing revenue account borrowing cap in addition to the 1% rent reduction per year and the time limitation on spending right to buy receipts all supress district councils delivery of much needed new homes. There are no powers currently for local government to deal with slow or stalled delivery on sites, the actual delivery of the house building is essential to tackle the demand for new homes and to help address homelessness and affordable housing.

Authorities with the greatest housing growth potential often do not have HRAs (because of LSVT) so need fiscal levers and financial freedoms to invest outside the general fund.

District Councils are concerned that homes delivered though alternative housing vehicles may have to offer Right to Buy. This requirement will threaten the viability of models which aim to provide affordable housing for the local community. The DCN would strongly urge Government ruling out the extension of right to buy to these vehicles.

The cost and complexity of local plans and their examination continues to be a concern for many of our members. The amount of evidence required is often disproportionate and could be considered to be a waste of public money. The Local Plan Expert Group (LPEG) recommended a smaller more proportionate evidence base and we would urge Government to consider taking this recommendation forward.

DCN propose that:

- **The borrowing cap for the HRA is lifted and authorities that do not have an HRA have access to greater fiscal freedoms.**
- **District Councils are given powers (such as charging council tax to developers on unbuilt homes after a set period) to ensure that sites with planning permission are built out within a reasonable time frame**
- **The existing RTB rules are relaxed to increase the amount of time available to spend the receipt and to allow 100% retention of the RTB receipt**
- **Government take forward the Housing White Paper proposals relating to the simplification and streamlining of the production and examination of Local Plans:**
- **Implement the recommendations of the CIL review especially to allow larger sites with complex infrastructure needs to be enabled by s106**

<u>Council Tax and a 'Prevention' Precept to help reduce demand on the wider public sector</u>

<u>District Council Precept</u>

Shire districts play a huge role in prevention, especially in helping families with children which creates savings in operational social care where the greatest cost pressures lie. The Kings Fund report stated that every £1 District Councils invested in preventative services, for example home adaptions, can save the wider public sector up to £70.

The DCN recognises the difficulties facing councils responsible for social care and recognises the need for additional adult social care funding to meet ever-increasing demand. The funding crisis for social care is indeed significant and a durable solution to it needs to be found. However the recent changes to New Homes Bonus to provide a small amount of funding to adult social care does not constitute a sustainable solution as this only recycles existing local government funding and does not tackle the wider need for a sustainable and long-term funding solution, alongside a far greater focus on prevention to reduce demand.

DCN would also like to re-emphasise a proposal that we have raised previously, which is the relevance and importance of a new 2% prevention precept on council for district councils - to reflect the key role that districts play in prevention and demand reduction for the wider public sector across the country. This is in addition to existing council tax arrangements for district councils

If all districts raised an additional 2% prevention precept on their existing council tax charge this could raise up to an additional £25m funding per year (based on an approximate £3.52 increase on the district council charge on an average Band D property) and then deliver significantly increased savings, by solving rather than managing problems, allowing resources to be refocused on more difficult cases. This would also reward a greater focus on prevention and ensure that district councils are able to introduce a precept on **reducing** demand in social care through prevention just as all unitary and County Councils are able to set an additional precept on social care in order to manage demand.

The district role in health prevention is well known and evidenced. District councils have a central and fundamental role in improving housing, providing leisure and recreational facilities, offering debt advice, tackling homelessness, supporting troubled families, joined up help services and improving air quality all of which help reduce demand on social care and health services. The recent study by the Kings Fund (The District Council contribution to public health[1]) showed that up to £70 can be saved for every pound spent on prevention investment such as home adaptions.

Therefore the extra £25 Million raised though the prevention precept, could lead to potential savings of up to seventy times the initial outlay. This will help reduce demand on hard pressed social care provision and reward a renewed focus on early intervention and reducing demand.

The table overleaf demonstrates just some of the savings that can be made through early intervention and preventative investments

[1] https://www.kingsfund.org.uk/sites/default/files/field/field_publication_file/district-council-contribution-to-public-health-nov15.pdf

Potential savings from early intervention

- every £1 spent adapting 100,000 homes where a serious fall is likely to otherwise occur could save the NHS £69.37 over 10 years
- every £1 spent dealing with overcrowding in 100,000 homes that is otherwise likely to lead to health problems could save the NHS £6.71 over 10 years.
- every £1 spent improving 100,000 homes where residents are otherwise likely to require treatment due to issues of excess cold could save the NHS £34.19 over 10 years
- The average cost to the State of a fractured hip is £28,665. This is 4.7 times the average cost of a major housing adaptation (£6,000) and 100 times the cost of fitting hand and grab rails to prevent falls
- Estimates suggest that the use of acute hospital services for people sleeping rough, or in a hostel, squat or on a friend's floor, is around four times higher costing at least £85 million per year
- Sport England has estimated the economic value of sport in terms of its health benefits as £11.2 billion per year (2011-12), £1.7 billion of which is thought to be via savings to health care-associated costs.

Disabled Facilities Grants
District councils have a crucial, statutory role in funding improvements through the disabled facilities grant (DFG) to help prevent falls and injuries through adaptations to people's homes as part of their key role in prevention. The BCF guidance in relation to DFGs is clear that DFG funding 'should be passed down by the county council to district councils (in full, unless jointly agreed to do otherwise) to enable them to continue to meet their statutory duty to provide adaptation in line with joint plans'. Whilst this is happening in many areas across England we are concerned that in certain areas DFG funding is being withheld, from district councils without consultation. Districts councils must receive this vital funding in full as set out in the guidance in order to meet their statutory duties, working in partnership with County colleagues.

Districts are the statutory Housing and planning authorities in district/county areas. As such DFG funding should be passed directly to district councils to facilitate the provision of adapted homes which reduces unnecessary bureaucracy and ends the scope for dispute created by routing funding via the Better Care Fund. It also ensures the funding is with the districts in a timely way whilst they deliver the essential package of prevention services that DFG's enable. At a time when the NHS is having to deal with ever increasing numbers of delayed discharges it is vital that funding for adaptations, which can reduced the number of delayed transfers is promptly available.

Local Accountability
The DCN feel that the decisions over the level of Council Tax should be a wholly local decision and should not be subject to nationally set referendum principles. In addition a referendum on the level of Council Tax adds an unnecessary cost

pressure on local residents. District councillors are democratically elected by local residents and should be able to determine their own rates of local taxation.

The DCN propose that the mechanism of referenda on council tax increases is removed by Government and local councils are free to set their own level of Council Tax.

DCN also propose that local authorities should be able to vary all local tax discounts (i.e. the 25% single persons discount).

Government should consider introducing new property values bands into the Council Tax system – this is a simple way to proceed without the need for a wholescale revaluation exercise.

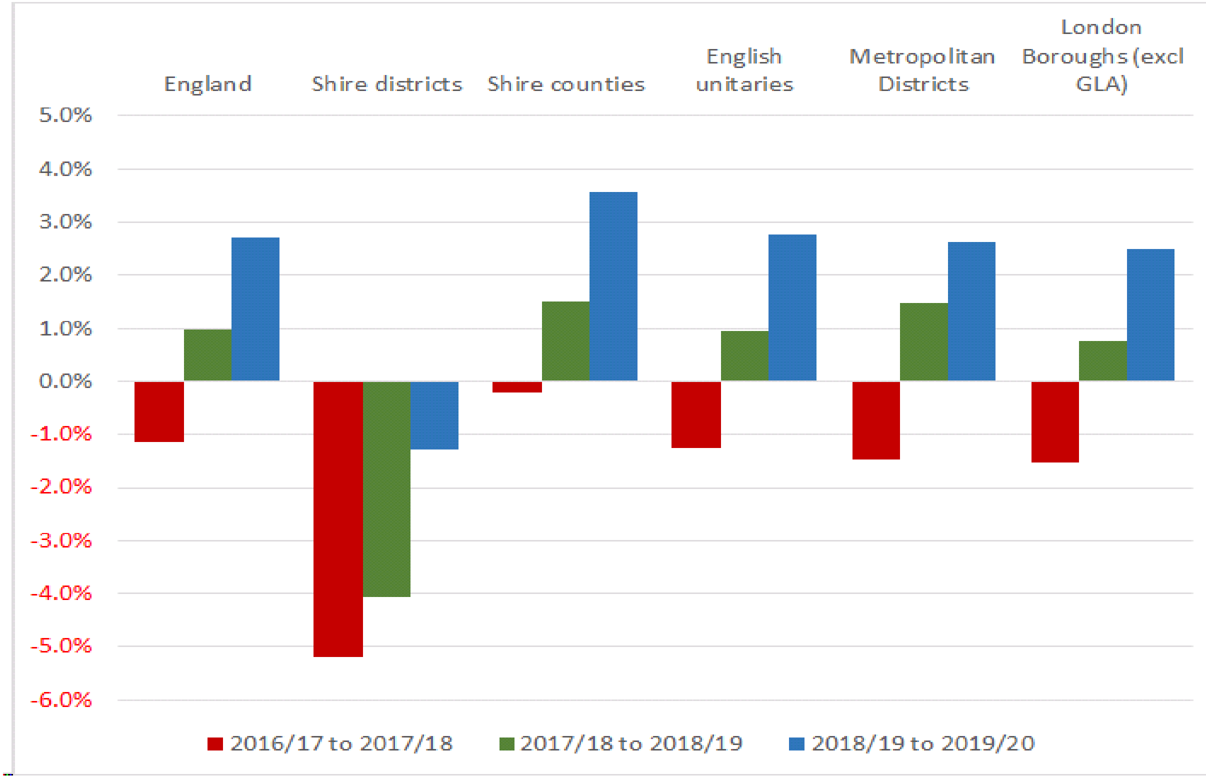
Council Tax Support

Localised council tax support schemes set by local authorities (since 2013) provide essential reductions to those residents who can have difficulty paying their council tax bill. However some eligibility restrictions mean that some residents receive local council tax support when there need is not as great. Government funding for these schemes has reduced significantly since the reductions to local authority funding, resulting in councils having to reduce budgets elsewhere or increase council tax levels to continue to provide the same level of council tax support.

Council tax support eligibility restrictions should be removed.

Fair and Sustainable Funding

Based on the 2017-18 Settlement data from DCLG, 146 out of the 201 District Councils (72%) will be facing a negative RSG position by 2019-20 totalling -£56.2m. The core spending power year on year changes in the Local Government Finance Settlement have hit district councils far harder than others, with huge reductions in core spending power for shire districts of over 5% from 2016-17 to 2017-18. Districts are continuing to see reductions in their core spending power for the whole period, compared to other councils who are seeing an increase (as shown in the graph below).



The current multi-year Settlement ends in 2019-20 and there is no future certainty for Councils when setting budgets and medium term financial plan past this two year time period. Additional cost pressures continue to rise, such as increased homelessness (44% increase over the last 6 years in the number of homeless households needing accommodation), the apprenticeship levy, National Minimum Wage and the National Living Wage (NLW). Whilst we support the ambitions of the apprenticeship policy and the principal of the NLW, these are new unfunded costs to local government which adds additional pressure.

It is therefore vital that this Budget recognises that district councils cannot continue to provide essential local services without sufficient and sustainable funding. Local councils are disproportionately affected by the NLW compared to other parts of the public sector given that they employ significant numbers of part-time staff, in leisure centres, housing and environmental roles, which impact positively on quality of life and reduce demand for services.

All parts of local Government are under financial pressure. But whilst the impacts of today are acute managing day-to-day caseloads and particularly budgetary pressure, the system will only be sustainable in the long run if

- More revenue can be raised by economic growth – and districts are the planning & housing authorities which drive the national economy one local economy at a time
- Demand for services can be reduced – and districts offer the granular preventative services that aim to solve the problems for every family.

<u>Fair Funding</u>

The Fair Funding review is necessary and it is important that this is carried out properly and structured to enable delivery of local services. Wherever possible the assessment of needs should be evidence based and judgement should be minimised. The priority for government should be to ensure that existing services are adequately funded and resourced. DCN recognise that it is right to have a consultation on the key factors and principles of the fair funding review and DCLG should work with groups such as ALATs who have carried out significant modelling in this area to identify a set of principles to simplify measurement of need. The Fair funding review must also reflect the financial challenges facing district councils in both rural and urban areas.

DCN also call on Government to provide an updated an ongoing multi-year Settlement so that Councils have some certainty to set their 4 year medium term financial plan and budget.

Fairer funding isn't just about meeting case load pressures of today – it must recognise need to reduce demand for tomorrow by solving, not just managing problems and districts councils, with their functions which focus on prevention are best placed to do this

DCN call on the Autumn Budget to provide sufficient funding to cover additional costs pressures like the national living wage that disproportionately affect all councils.

Government should commit to allowing sufficient time to carry out the Fair Funding review to the necessary detail level required to provide a fit for purpose and flexible funding scheme for the medium to longer term noting that managing caseloads today will never reduce unless prevention and demand reduction is given equal weight.

District Councils need certainty to enable long term sustainable budgets to be set. We believe there is a need for the Government to change its timetable for local government finance announcements. Whilst the last announcement on 15 December was slightly earlier than some previous years, it is still far too late to support good financial planning.

DCN proposes that the DCLG should set itself the aspiration of publishing the Settlement at the same time as the Autumn Budget or no more than a few days later.

Business Rates

100% Retained Business Rates

The proposed Finance Bill did not proceed through Government before the General Election and therefore the 100% retained business rates retention work has changed. This has provided an opportunity for both central and local government to reflect on progress made and to consider the next steps.

The DCN welcome the recent invitation form Government for further pilot areas, particularly in two tier areas, to inform development of the new scheme, although we note that the time frame is very tight. However we are concerned that the 2018-19 pilots may not include the same 'no detriment' clause as the current pilots, which would put district/county areas at a disadvantage to current pilots. Equally for piloting to fully work it is crucial that no area will lose out, otherwise those areas which experience less buoyant growth are more likely to lose out and conversely less likely to take part in a pilot

We remain committed to working with Government to deliver further business rates retention and re-iterate our previous message that any new scheme must balance incentivising growth and reducing demand, incentives only work if they exist for a sufficiently long period of time. If baselines are determined properly at the outset, then the system must be developed to properly reward local authorities that continue to generate economic growth. It must also ensure that those local authorities continue to benefit from a significant proportion of the increase in business rates into the longer term (i.e. beyond any resets) to allow certainty for re-investing this business rates income into future projects (i.e. infrastructure, such as link roads that unlocks economic development projects). Partial resets over longer periods reward growth and allow long term investment by authorities in infrastructure.

We would urge the DCLG to consider the approach to appeals and relief challenges nationally (for example the application for charitable relief by some NHS trusts). External companies will be the financial winners from these appeals, but the impact on Government funding as a whole is simply the un-necessary movement of funds from one Government area to another. Instances where money is simply passed from one public sector to another in relation to business rates should be minimised or eradicated, with local government fully compensated for this.

We would urge Government to provide local government with clarity and certainty on the future of business rates retention (alongside the fair funding review) and DCN remain committed to working with DCLG and other organisations to aid design of any future scheme.

DCN proposes that with any 100% retention scheme no new or additional responsibilities should be passed to local government as the additional funding is badly needed to support the existing funding gaps.

<u>NNDR Appeals</u>

Since the beginning of the retained business rates scheme authorities have been left holding large levels of provisions for appeals, as a result of the incredible length of time taken for these appeals to be turned around. The inability of the VOA to deal with appeals in a reasonable time frame is not only locking up useful public funds in appeals provisions, but also creating further uncertainty for local authorities for future income levels. It is not yet clear how the new ‘Check-Challenge-Appeal’ will impact on the timeframes.

Data from the NNDR3 returns for the 2015-16 financial year showed that £1,401m in total for authorities in England (excluding the central gov’t share) was tied up in appeals allowance, reducing funds available for local authorities. LGA data shows that the business rates valuations of half of all commercial properties are appealed every 5 years. It is clear that the VOA is not adequately resourced to deal with the demand and we would welcome resource to enable them to deal with the backlog of appeals, leading to more certainty for local authorities and businesses and reduced levels of provisions for appeals. The recent ‘Further consultation on the design of the reformed scheme' included a proposal for a centrally managed appeals risk system, DCN are supportive of the principle of a centrally managed appeals risk system and the associated loss payment. However the VOA should proactively seek to avoid or minimise the valuation errors which lead to appeals which would in turn reduce the requirement for loss payments.

DCN propose that Government provide a scheme which compensates local government for business rates appeals through a proportion of income collected through the central list. The remaining proportion of the central list could be used to mitigate the areas most affected (i.e. HS2, national grid projects). DCN would be happy to work with DCLG to help design such a scheme.

<u>Locally Set Fees and Charges</u>
The majority of fees and charges levied for public services are set locally, by the relevant authority, to reflect local costs, however those fees which are set nationally (i.e. planning and licensing) do not cover the costs of delivering the service and thus represent a cross-subsidy from taxpayers to developers. District Councils have invested heavily in online planning systems with the result that many more people than ever before are engaging with the planning process and making representations which need to be taken into account. This democratisation of an administrative process has produced better decisions but has added to cost. It is imperative that local authorities are able to set fees and charges locally so their income reflects the costs of the service provided, in order that authorities can continue to invest and deliver high quality services.

The DCN has long called for locally set planning fees so as to increase the capacity of our planning departments. The recent LGA analysis of planning application costs clearly shows that the current level of nationally set fees are heaping financial pressure on local authorities and putting councils' ability to deliver housing growth in a timely manner at risk. District councils have invested heavily in online planning systems, with the result that many more people are now engaging with the planning process and making representations, which need to be taken into account. This important democratisation of an administrative process produced better decisions but has added to cost. There is no doubt that district councils play a fundamental role in boosting growth, as the authorities responsible for housing and planning. However, as demand for council planning services increases, pressure caused by wider council funding cuts, and the ongoing inability for local authorities to recover the true cost of processing planning applications, continues to grow. This research demonstrates the importance of the Government agreeing to locally set planning fees going forward.

DCN proposes that Government allow councils to set ALL fees and charges locally, allowing them to cover the full costs of the service. Matching income with expenditure would give councils security in meeting the costs of this work and investing in improving the service delivery, whilst protecting other resources that support housing growth and economic regeneration.

The Government announcement to enact a 20% increase to planning fees was widely welcomed and we would urge Government to implement this

announcement as soon as Parliamentary time allows. We will consider the proposals around the detail of the further 20 % increase and respond accordingly in the relevant consultation.

Brexit

The Government's manifesto pledged to create a UK Shared Prosperity Fund to replace the money that local areas currently receive from the European Union. This EU funding has been essential to create jobs, support small and medium enterprises, deliver skills and boost local growth across the country. The successor arrangements for EU funding should fully enable local areas to set their own priorities and enhance their capabilities to adapt to the unknown challenges that will need to be addressed after Brexit.

The Government should adopt the following principles for the successor scheme:

- **Opportunity for different & better arrangements that are more flexible and responsive to local needs in all types of areas and available to all principal councils with the broadest possible parameters with decision making at the local level within the framework.**
- **We strongly support local democratic decision making and that this must involve all the principal councils in a functional economic area on an equal footing.**
- **At least equal in value to the current full sum of EU structural funding for the 2014-2020 period.**
- **Maximum integration with other funding schemes for local growth (such as the national growth fund) to maximise potential.**
- **Funding distributed over a stable period.**
- **Funding is easier to access and manage, with a simplified and more proportionate approach to financial management.**
- **Space for experimental and creative approaches.**
- **Accountable to people and places: leaders of local government are united around the call for further devolution to local communities after Brexit.**

Internal Drainage Board Levies

Flooding is a high impact, high cost event when it happens but the financial system that underpins flood prevention and internal drainage is unsatisfactory. The current levy system of funding of Internal Drainage is not transparent for the local taxpayer. The costs of local drainage measures are managed and controlled by the Internal Drainage Boards (IDBs) and under legislation these costs are levied on the local authority. For many years much of the sum levied was reimbursed through the Revenue Support Grant. The significant reductions in Revenue Support Grant in recent years are perceived to substantially erode the proportion of the cost of drainage levies reimbursed to local authorities. As a consequence, local authorities now find it necessary to raise their council tax or make savings against their own services to meet increases in the drainage levies voted for by the Board Members of IDBs.

The Special Levy is not separately identified within the council tax bill and consequently there is no awareness or visibility to the council taxpayer that a part of their council tax payment contributes towards the vital work of the IDBs locally in terms of drainage, water management and flood defences.

The DCN and the Association of Drainage Authorities (ADA) have worked together to put forward these joint proposals:

- **That the Special Levy is 'decoupled' from the relevant local authorities' council tax**
- **That the Special Levy is established as a precept in the same way as other precepts are levied and shown as separate entries on council tax charges**
- **That the DCN and ADA work with DCLG to address the technical details of the implementation of the proposal.**