

What Next? Local Authorities briefing
Elizabeth Crump and Clare Thurman
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This note is meant to serve as a background to the conversation that What Next? colleagues are holding in January about Local Authorities. We know that it is not a complete briefing and that there are many areas that are only touched-on in this paper.

We have compiled this after holding conversations with members of our Leadership Group, our wider movement, supporting organisations, and lots of the funders and support organisations mentioned in the paper – thanks so much to everyone for their thoughtful and generous expertise.

The current picture in England

Local Government funding is in the news. We are hearing reports of several councils [filing for bankruptcy](#), and of those [removing or reducing funding for culture](#). These reports all cite the same drivers for this current escalation to crisis: the combined impact of inflation, wage increases, pensions, the cost-of living crisis, and the rising costs of adult social care on local authority budgets - all against a backdrop of the ten-years of austerity policy that has [reduced average local authority investment in culture by more than 30%](#). There are further looming pressures that will add to this reality over the next few years: such as the [expiration of the statutory override for special educational needs funding](#) – which will add further millions to local authority budget lines.

Local authorities get a [yearly financial settlement](#) from central government, making it difficult for leaders to plan their investment over multiple years. In December, it was [announced provisionally](#) that there would be 6.5% increase in funding from April 2024, and this week there is [announcement](#) of a further £500million, but [analysts](#) are already saying that this will not cover the shortfall.

The Local Authority (LA) picture is complicated, with different areas using different [models of governance](#): from County Councils to Combined Authorities. Some have elected Mayors, and some have officials leading their strategy - with party political control of a council making a difference to the approach that is taken. [Devolution](#) (transfer of decision-making powers from central to local government) gives different powers and agency to officials, sometimes making it easier to embed culture across systems and structures.

LAs and arts and culture

Across the country, LA arts and culture colleagues and their partners are making arguments for investment into their communities and sector, both for the value that the arts and creative industries bring now, and the impact they will have on budgets and the economy in the future. Successful arguments for culture are often deeply particular to specific places and are tailored to the strategic priorities of that area. Culture strategies (if a council has one) can help to set out vision, direction, partnerships and funding for the arts, and can support collaborations across different departments; from skills, to planning, to health and wellbeing. Last year's [Cornerstones of Culture](#) provides an excellent primer as to the contribution that culture makes.

At this current moment, the process of making the case for the arts is hugely difficult: arguments that pit culture spend against other departments and needs are unlikely to cut through in this crowded and urgent space, and arguments that rely on long-term economic growth are difficult to enact when all available funding is diverted to averting short-term crisis. Historic engagement matters: where culture has been valued in the past in a local area, there are often partnerships and pathways that can be used to campaign for its continued importance. The democratic dimension of this case-making is also really important, and ensuring that the work meets real community need, and is championed by the public it serves, is essential for councils maintain their commitment.

Despite all obstacles and financial realities, some of the arguments do land; there are places where exciting work and collaborations are flourishing. Committed Councillors (well briefed and supported by the sector), and skilled local authority staff can make a real difference here. There has also been some significant investment in capital and start-up over the last few years with the [Levelling Up Fund](#) supporting a large number of projects across the whole UK.

However, it is important to acknowledge clearly that sometimes there isn't a way through in this financial climate. This is not reflective of the strength of the argument, the skill of those making it, or the quality of the work. Where Council finances are collapsing, it is not possible for colleagues to make a special case for their continued funding. Organisations, individuals, jobs and communities are all being deeply impacted by this reality. Many are in crisis. Victoria Hume of the Culture, Health and Wellbeing Alliance points out that the reduction and collapse of culture has a knock-on effect to other departments like health, with no personnel in post to facilitate wider ambitions.

Policy levers and advocacy

What can be done at national or local level to make a difference?

Given the current climate, it seems unlikely that any government will look to immediately reverse either the systemic or the current deficits in LA finances, which means that there are three possible routes to explore:

- 1) mitigating the current picture: helping LAs to raise more revenue for culture, reducing barriers, raising the status/profile of culture, making the strongest possible argument for any possible investment, and/or putting in stronger accountability measures for its delivery
- 2) investing in thinking and planning for a new model of cultural delivery; a radical future which we can use as a guide over the next ten-years
- 3) influencing the focus and reality of the investment and funding that is available.

To kick-start our discussion, we include here a few of the interventions that have been suggested by partners as ways to mitigate and make change to the way the culture is supported – do let us know which ones we have missed:

- **statutory duty**
Over the last ten years there have been **calls to make culture a [statutory duty](#) for local authorities** (like libraries or planning), but this would require a regulatory function from central government, and a set of standards that would be universal. It is hard to see how this would play-out: possibly through a requirement for each LA to have a culture strategy in place – but this would need to be structured carefully to ensure that it did not become a minimum set of outputs. Campaign for the Arts are currently exploring this as a policy proposal.
- **3-year settlement**
There are **calls from the LGA to change the central government funding allocation to LAs from a one-year settlement, to a three-year settlement**, to help colleagues plan on a longer-term basis.
- **revenue raising**
There are ideas for raising revenue through different taxation models; like [tourism levies](#), or the introduction of more [Business Improvement Districts](#).
- **growth of creative economy**
Colleagues are currently developing area-specific **strategic interventions like the [Northern Creative Corridor project](#)**, which looks to supercharge growth in the creative industries.
- **emergency funding**
There have also been suggestions made for **a new round of emergency funding, similar to that issued in the pandemic**, for cultural organisations who suddenly lose their local authority support.

Future policy

It seems clear, that any central government in power over the next few years will be facing the same challenges; there will be calls from all quarters for significant investment in local government against competing demands and in a time of severe constraint. Whilst there are some areas where investment is still being talked about, (for example, Eliza Easton of [Erskine Analysis](#) points out that the Creative Industries and culture are still priorities for the [Department of Levelling Up and Communities](#), with earmarked money yet to be spent), it seems extremely unlikely that either long-term loss to LA budgets, or the shorter-term deficits are likely to be reversed.

The roles and responsibilities of arms-length bodies and philanthropists are important here, as calling on them to make up any shortfall of LA funding would mean a further blurring of the lines of government statutory responsibility, and would provide even more strain on already-overstretched budgets.

What can we practically do?

- **Support each other in making the case**

There are approaches and strategies that can be shared more universally to help bolster and support the work of colleagues doing similar work to make a case in their local area – many of these relying on the buy-in and support of the public (as above, and as championed by [Campaign for the Arts](#)).

[Arts Council England](#) and the [LGA](#) both have data and information that can be used to make a case in a specific area, and there are case studies that can help support councillors and officials to become informed champions. Specialist networks like the [Culture, Health and Wellbeing Alliance](#) and the [Cultural Learning Alliance](#) can help colleagues to make the case across departments and disciplines. Where we can, we can help each other to make the strongest possible arguments when we are called upon to do so, reducing duplication and sharing resource.

- **Think strategically about all possible futures and how we want to approach them**

Further mitigation

We can explore the possibility of policy or operational changes that can be made that will help ease the pressure: whether that's streamlining reporting and refining outcomes to free-up capacity in the system, or whether it's about working more collaboratively than ever across to disciplines like health or education (recognising that this might mean changes to the focus and emphasis of the work). We can use data and evaluation more effectively. The **Inclusive Growth Network** has this week put out a [report](#) on ways that the creative industries can support an inclusive approach to growth.

- **Better communication of the issues**

Holly Donagh, from the [Paul Hamlyn Foundation](#) points out that we should think about how we tell a relatable and regular story of the role and realities of local government through the media. As well as raising awareness, this can help us to address the salience of culture for political debate. David Jubb of Citizens in Power think that shifting decision-making in and around the cultural sector, from a top-down mindset, to citizens and communities leading key decisions, is both a way to increase the salience of culture as an issue that people care about, and are directly involved with, and also to make better citizen-led decisions about the way funding is allocated in a way that works for communities.

- **Collaborative approach to decision-making**

In this landscape, **how we make decisions about the arts and cultural provision that we want to enable and protect, and we how we take a shared and collaborative responsibility for this process becomes even more important.** In all likelihood, there will be less money in our systems in the foreseeable future, and, as a sector, it is important that we plan for that strategically, and think about equitable processes and frames for decision-making that we might lobby for or adopt. We can ask whose voices should be heard and how they can be facilitated in this space. We can ask who has [power](#). These are questions being asked now by colleagues like [Citizens in Power](#) and the in the forthcoming [Future of Local Decision Making](#) project.

The values and systems that underpin both decision-making and advocacy really matter.

Investment into thinking about a radical future

Everyone agrees that a new model is needed, but we need to be able to articulate, forensically, what this model looks like, and critically, how we will work back from it to shape the way that we are working now. This thinking needs investment and support to be done equitably and effectively.