

Agenda

Executive Advisory Board: Supplemental Agenda

Thursday 8 December 2022

1.30 pm

Smith Square 1&2, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

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LGA Lobbying Headlines 6/12/2022

Critical issues

Growing financial and service pressures – In the Autumn Statement on 17 December the Government announced £2.8 billion of resources for adult social care, including additional council tax flexibilities, in 2023/24. This alongside compensation for freezing the business rates multiplier could go a long way to meeting the funding gap in 2023/24 which we estimated to be £3.4 billion with a gap of £4.5 billion in 2024/25 including the forecast increase in the National Living Wage. We will continue to push the Government to provide clarity on planned reforms such as the Fair Funding Review, business rates reset, and the New Homes Bonus and we await a policy statement which we hope will provide further clarity in a number of key areas prior to the provisional settlement on 20 or 21 December. We are undertaking some analysis on how the recent increases in interest rates could impact on councils in terms of borrowing and capital refinancing costs and how this, along with increases in construction costs, might impact on capital investment programmes.

Services reliant on earned income, such as leisure centres, museums, and theatres, face additional challenges to their budgets as they have significantly higher energy costs but are seeing income squeezed as residents have less disposable income. For libraries and parks, this is being compounded by increased demand for the free part of the service. The energy cap for businesses is insufficient to support most leisure sector providers so we have worked with partners to submit a business case for further support under the three-month review of the Energy Relief Bill. A small number of facility closures have already begun to take place.

Housing standards – Following the tragic death of Awaab Ishak, [the Secretary of State wrote to all councils](#) directing local housing authorities to carry out specific actions in line with duties under section 3(3) of the Housing Act 2004. He urged councils to do “everything in their power” to prioritise the improvement of housing conditions for millions of private and social tenants.

A second letter from officials was sent to councils providing more information on what was required by November and January deadlines. Guidance for the full response stated that Government will be working with local authorities and the LGA to develop a response form in the coming weeks. Government will then review the information to make recommendations.

The Regulator of Social Housing has also written to all registered providers of social housing with a request for information by 19 December 2022. Providers owning 1,000 homes or more need to provide evidence of their approach to assessing the extent of damp and mould issues in their homes, their most recent assessment of the extent of damp and mould hazards, the action they are taking to remedy them, and the process they have to identify and deal promptly with damp and mould cases when they are raised by tenants.

We are working with government to ensure that the data ask is clear and deliverable for councils but also that good quality and consistent data is collected.

Devolution, Economic Growth and Levelling Up – Economic growth is a clear priority of councils. We are pleased that the Government has re-confirmed its commitment to offer all of England the opportunity to benefit from a devolution deal by 2030, including a new mayoral deal with Cornwall Council. There needs to be an ongoing commitment to ambitious devo deals, including decentralising and defragmenting growth funding and bringing together the 49 national funding silos for employment and skills to create a more efficient local service to bring over 1 million people back to work. Public service reform through devolution is one of the best ways of achieving better outcomes. We will continue to make the case for non-mayoral deals.



Cost of living pressures in communities - The LGA continues to call for the mainstream benefits system to provide the principal form of support for low-income households, and for support to be targeted where it is most needed.

Further Household Support Fund to March 2024 was announced in the Autumn Statement. We are working with councils, stakeholders and the Department for Work and Pensions to ensure councils have the flexibility and sector-led support to use this funding as effectively as possible. We continue to call crisis support to be integrated with work to strengthen households' financial resilience in the longer term.

The voluntary and community sector, small businesses and community assets are vital to maintaining socioeconomic wellbeing and enabling people to both offer and receive support. We are calling on Government to ensure that community infrastructure is maintained.

The LGA is working with councils to take a cross-cutting approach to addressing cost of living pressures, bringing together a range of services. We have developed a cost-of-living hub and a regular bulletin, and we are hosting a wide range of meetings and webinars.

While the measures in the Energy Security Bill are positive, we need to go further to urgently decarbonise energy and insulate homes to make households more resilient to rising energy costs.

Housing – Councils recognise the pressures on tenants and therefore support moves to keep rents as low as possible. The chancellor announced that under current rules, rents could have risen by up to 11.1 per cent – but now they will only be able to rise by a maximum of 7 per cent in 2023/24. It is our view that decisions on social rent setting should remain with councils.

LGA-commissioned research indicated that a 7 per cent cap over one year will amount to a resource gap of £321 million, with a cumulative loss of resources of £664 million in the second year. The lost income will have an impact on the ability of councils to build the homes our communities desperately need - which is one of the best ways to boost growth – deliver key maintenance and improvement works as well as retrofit existing stock in pursuit of net zero goals and more energy efficient homes.

We want to work with the Government on a suitable mechanism to mitigate for the shortfall in local authority income from the lower rent ceiling.

Workforce capacity - Workforce capacity concerns continue to dominate councils' risk profiles as both senior leadership and front-line service delivery roles encounter challenges in recruiting and retaining staff. Maintenance of service delivery could be compromised in some areas as a result of the lack of sufficient suitable staff.

Data – The Government previously signalled its intention to create a new Office for Local Government to strengthen innovation and the use of data. We have written to the new Prime Minister arguing at a time of resource constraint across government, it is questionable what additional value the Office will provide and suggest there are better ways to achieve the same goal.

Planning – We continue to lobby on the Levelling Up and Regeneration Bill as it progresses through parliament. We welcome the Government's in-principle commitment that any new Infrastructure Levy will be non-negotiable and set at a local level and are seeking to ensure that the new system delivers more affordable homes than currently. We will continue to engage with DLUHC and the sector on the detail of the Levy. We continue to lobby for the removal of permitted development rights, which bypass local requirements for affordable homes and other infrastructure. We are also encouraging government to bring forward powers to support councils to incentivise the timely build out of sites by developers. Whilst we have broadly welcomed the Government's proposed [reforms](#) to compulsory purchase, we are pushing for further change to remove hope value, to make the use of compulsory purchases orders more viable. We are also calling for any new approach to environmental assessment to strengthen environmental protections whilst ensuring that councils can still deliver the new homes and supporting infrastructure that the country needs.



Adult social care – The Autumn Statement made up to £2.8bn and £4.7bn available for adult social care in 2023/24 and 2024/25 respectively. This extra funding is crucial given the significant pressures facing care and support and we are pleased that the Government accepted our ask for funding earmarked for the now-delayed charging reforms to be put into the system itself. The funding is likely to address some, but not all, of the pressures facing adult social care. It is also not entirely clear what conditions, if any, will be attached to some of the component funding lines within the overall additional investment. It should also be noted that the investment falls short of the £13 billion we previously called for adult social care, £3 billion of which was identified for improving care worker pay to tackle the long-standing challenges around recruitment and retention. We continue to seek further clarity from officials on the funding announced in the Autumn Statement and press for a longer-term settlement so that councils (and their partners) have certainty beyond just a two year horizon. We are also keen to ensure that adult social care continues to be seen as vital service in its own right in supporting people to live the lives they want to lead, rather than simply an extension of the NHS to help mitigate health service pressures.

We are calling for the Government support people with a learning disability and autism to live independent lives in their local communities through investment in community alternatives to institutionalised care so they can live the life they want to lead as active citizens.

Asylum and resettlement – The LGA has consistently raised concerns around the system of support and accommodation for asylum seekers. Many councils are still experiencing lack of engagement around the use of hotels with safeguarding, public health and community cohesion challenges ongoing. We are pushing for the Home Office to accelerate agreed actions around improvement engagement, including at political level, at a range of meetings with government. Councils continue to raise significant concerns about the use of hotels for Afghan families and the lack of clarification from government around plans for supporting arrivals from Ukraine beyond the six-month period if sponsors no longer feel able to host them. We are also stressing the need to retain a focus on regional plans for a more equitable approach to procurement and a longer-term approach to increasing access to more permanent accommodation across all programmes based on systematic oversight and engagement underpinned by data and long-term funding.

Other issues of importance for the sector

Unaccompanied asylum-seeking children (UASC)– We continued to flag issues with the use of hotels for UASC. This pressure is exacerbated by workforce challenges and an insufficiency of placements, alongside shortfall in funding to support UASC and former UASC care leavers. The expectations on councils to take more unaccompanied asylum-seeking children more quickly place greater pressures on children's services and we are working with the Government on more fundamental solutions to increasing placement and workforce capacity.

Covid and other diseases - Everyone over 50 is being offered a Covid booster vaccine this autumn. The UK Health Security Agency (UKHSA) are expecting an early influenza wave in the UK because there has not been a proper flu season since the start of the Covid pandemic. We are pressing for directors of public health to be fully involved in planning for both sets of vaccines to maximise uptake by communities. The latest data from the UKHSA shows that scarlet fever cases continue to remain higher than we would typically see at this time of year, with a small number of deaths in children from Group Strep A. Reported cases of Monkeypox (now known as Mpox) are now in sharp decline.

SEND (Special Educational Needs and Disabilities): Dedicated Schools Grant deficits - We welcome many of the proposals set out in the SEND Green paper and will continue to lobby to ensure that councils have the funding, powers, and levers to act as leaders of local SEND systems and hold partners to account for their contributions to those systems. Implementing SEND reforms will take a number of years and in the meantime, we are calling for the Department for Education to develop a plan that eliminates the Dedicated Schools Grant deficit of every council.



Education – The Schools White paper acknowledged that councils would need additional powers to fulfil their education statutory duties in a fully academised school system and we are focused on ensuring the power to direct schools to expand and the power to direct schools to admit pupils without a place are introduced as quickly as possible, recognising that in some areas the majority of schools are already academies. We are pleased that the Department has listened to our calls to allow councils to create their own Multi-Academy Trusts (MATs) and will continue to call for this to be an option for all councils. The Schools White paper and Bill bring forward proposals to create a register of children being electively home educated. This reflects a long-standing LGA ask, we are calling for the register to be accompanied by sufficient powers for councils to check that home educated children are receiving a suitable education, where concerns have been raised that that is not the case.

Children's social care – councils are reporting significant workforce challenges driven largely by agency behaviour including being unable to hire individual social workers but being offered only managed teams. This is causing concern over the deliverability of services and we are working with the DfE on options to address this. Placement capacity and costs also remain a significant pressure, causing councils to overspend on budgets. Some councils are being forced to place children with the most complex needs in unregulated placements due to a lack of regulated placements, and we are aware that some Directors of Children's Services have been threatened with prosecution as a result of this. We have been seeking legal advice on this and raising our concerns with the DfE and Ofsted that this will have a negative impact on DCSs while failing to improve outcomes for children.

Environment - Housing planning permissions have been put on hold in 70 local authority areas by a moratorium imposed by Natural England due to excess levels of river pollution, we estimate banning around 20,000 new homes a year. The LGA has set up a policy inquiry to find a long-term solution that protects the environment by improving water quality and reducing pollution, while also delivering the homes and infrastructure that the country needs. On other environment matters, we continue to engage with Government on the implementation of Biodiversity Net Gain, nature recovery, and the potential reforms to household waste collection,

Integrated Care Systems – There remains a great deal of work to be done to implement new arrangements for Integrated Care Systems. We continue to press to ensure that councils can play their full role as equal partners in the new arrangements, recognising the crucial role of place, the strategic role of Integrated Care Partnerships and aiming to avoid over-prescribing local arrangements. We will be engaging with the Hewitt review of how ICSs operate.

Mental Health - Demand for mental health support increased during the pandemic and is anticipated to increase further due to the cost-of-living crisis. We are calling for sustainable funding for local government statutory and non-statutory mental health services to put them on an equal footing with NHS clinical mental health services. The LGA is working with the Government to identify any new burdens arising from the new Mental Health Act and to ensure councils and our partners are adequately resourced to support effective implementation. We continue to call for a system wide focus on early intervention and prevention to prevent mental health problems developing.

Civility in public life - The LGA launched a new report on the findings of the Call for evidence of abuse and intimidation of councillors at LGA conference, alongside key recommendations for improvement and a major campaign. Key recommendations are for Government to amend the existing legislation on pecuniary interests, so that councillors may choose not to have their full home address on the public register, as they now can on the ballot paper when standing for election. The LGA launched its Debate Not Hate campaign toolkit at a parliamentary event (29 November) to help councils and councillors support the campaign and raise awareness.

Virtual council meetings: Councils are still calling for virtual council meeting flexibilities and this is becoming a live issue in some areas where councillors are invoking the Equalities Act in relation to disability and virtual attendance as a reasonable adjustment. The LGA continues to lobby government to publish their response to the Call for evidence on remote meetings which closed in June 2021.



Elections 2023: Councils with elections next year are raising concerns about the implementation of Voter ID by May 2023.

Homelessness – Councils are becoming increasingly concerned that the cost-of-living crisis may trigger an increase in homelessness as households struggle to pay bills. We are seeking an explicit, national-level focus on homelessness prevention work and an associated funding regime that enables and encourages councils to avoid residents reaching crisis and reduces demand for emergency responses.

Climate change - The critical role of local government was recognised in the Government's Net Zero Strategy and in the final declaration of COP27. As the Government reviews the strategy, we are re-emphasising our offers to work with Government on urgent efforts to increase the renewable sources of energy, to retrofit homes and buildings, and to provide comprehensive energy advice to households.

Transport - Following the introduction of the Transport Bill, we would welcome further measures being brought forward to protect and enhance bus services, particularly the government delivering on its commitment to £3bn in this parliament. We will also continue to lobby for further legislation to be brought forward to help councils tackle pavement parking, deal with obstructions that are a danger to pedestrians and vulnerable people and regulate the sale and use of private e-scooters. We will lobby for more funding for roads maintenance, where 20-25 per cent cost increases in the sector means repair backlogs and road quality deterioration will grow if funding does not match it.

Digital - We are particularly concerned about the implications of the Public Switch Telephone Network (PSTN) switchover which will see the 1.7 million people who access technology enabled care and support, at risk of being left without a connection. While the PSTN upgrade is an industry-led process, the LGA is calling on the Department for Digital, Culture, Media, and Sport (DCMS) to coordinate the multiple bodies involved with the switchover. Coordination and accountability will be vital to align communications messaging and ensure sectors and consumers, including the most vulnerable, are protected and prepared for the upgrade process.

Culture, Tourism and Sport – The LGA's Commission on Culture and Local Government [launches its report and recommendations on Thursday 8 December](#), demonstrating the ways in which councils are using culture to tackle health inequalities, grow a sustainable and inclusive economy, promote social mobility, and build pride in place. This builds on the [50 case studies](#) launched last month. This is accompanied by a new '[Forget what you think you know...](#)' podcast on culture.

