

# Executive Advisory Board

## Agenda

**Thursday, 21 January 2021**  
**2.15 pm**

Virtual meeting

**To:** Members of the Executive Advisory Board  
**cc:** Named officers for briefing purposes



## Executive Advisory Board

21 January 2021

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There will be a meeting of the LGA Executive at: **2.15 pm on Thursday, 21 January 2021**

### Apologies

**Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.**

<b>Conservative:</b>	Group Office: 020 7664 3223	email: <a href="mailto:lgaconservatives@local.gov.uk">lgaconservatives@local.gov.uk</a>
<b>Labour:</b>	Group Office: 020 7664 3263	email: <a href="mailto:LABGP@lga.gov.uk">LABGP@lga.gov.uk</a>
<b>Independent:</b>	Group Office: 020 7664 3224	email: <a href="mailto:independent.grouplga@local.gov.uk">independent.grouplga@local.gov.uk</a>
<b>Liberal Democrat:</b>	Group Office: 020 7664 3235	email: <a href="mailto:libdem@local.gov.uk">libdem@local.gov.uk</a>

### LGA Contact

Amy Haldane  
07867 514938 /amy.haldane@local.gov.uk

### Social Media

The LGA is committed to using social media in a co-ordinated and sensible way, as part of a strategic approach to communications, to help enhance the reputation of local government, improvement engagement with different elements of the community and drive efficiency. Please feel free to use social media during this meeting. **However, you are requested not to use social media during any confidential items.**

The twitter hashtag for this meeting is #lgaexec.

## Executive Advisory Board – Membership 2020/2021

Councillor and Role	Authority
<b>Conservative</b>	
<b>9</b>	
Cllr James Jamieson (Chairman)	Central Bedfordshire Council
Cllr Izzi Seccombe OBE (Vice Chairman)	Warwickshire County Council
Cllr John Fuller OBE (Deputy Chairman)	South Norfolk District Council
Cllr Robert Alden (Deputy Chairman)	Birmingham City Council
Cllr Teresa O'Neill OBE (Deputy Chairman)	Bexley Council
Cllr Peter Fleming OBE (Board Chair)	Sevenoaks District Council
Cllr Ian Hudspeth (Board Chair)	Oxfordshire County Council
Cllr David Renard (Board Chair)	Swindon Borough Council
Cllr Kevin Bentley (Board Chair)	Essex County Council
<b>Labour</b>	
<b>9</b>	
Cllr Nick Forbes CBE (Senior Vice-Chair)	Newcastle upon Tyne City Council
Cllr Michael Payne (Deputy Chair)	Gedling Borough Council
Cllr Anntoinette Bramble (Deputy Chair)	Hackney London Borough Council
Cllr Tudor Evans OBE (Deputy Chair)	Plymouth City Council
Cllr Georgia Gould (Deputy Chair)	Camden Council
Sir Richard Leese CBE (Board Chair)	Manchester City Council and City Regions Board
Cllr Richard Watts (Board Chair)	Islington Council
Cllr Judith Blake CBE (Board Chair)	Leeds City Council
Cllr Nesil Caliskan (Board Chair)	Enfield Council
<b>Liberal Democrat</b>	
<b>5</b>	
Cllr Howard Sykes MBE (Vice-Chair)	Oldham Metropolitan Borough Council
Cllr Ruth Dombey OBE (Deputy Chair)	Sutton London Borough Council
Cllr Gerald Vernon-Jackson CBE (Board Chair)	Portsmouth City Council
Cllr Anita Lower (Balancing Member)	Newcastle upon Tyne City Council
Cllr Bridget Smith (Balancing Member)	South Cambridgeshire District Council

<b>Independent</b> <b>4</b>	
Cllr Marianne Overton MBE (Vice-Chair)	Lincolnshire County Council
Cllr Clive Woodbridge (Deputy Chair)	Epsom and Ewell Borough Council
Cllr Paul Woodhead (Balancing Member)	Cannock Chase District Council
Cllr Rosemarie Harris (Balancing Member)	Powys County Council
<b>Regional Representatives</b> <b>9</b>	
Cllr Robert Stewart	LAB Swansea City and County Council
Cllr Marc Bayliss	CON Worcester City Council
Cllr Simon Henig CBE	LAB Association of North East Councils
Cllr John Hart	CON South West Councils
Cllr Peter John OBE	LAB Southwark Council
Cllr Shabir Pandor	LAB Kirklees Metropolitan Council
Cllr Roy Perry	CON South East England Councils (SEEC)
Cllr Nicholas Rushton	CON East Midlands Councils
Cllr Linda Haysey	CON East Herts Council
<b>Named Substitutes</b>	
Cllr Ralph Bagge	CON South Bucks District Council

#### **Non-voting Members of LGA Executive**

<b>Councillor</b>	<b>Representing</b>	
Sir Stephen Houghton CBE	LAB	SIGOMA
Alderman Sir David Wootton	INDE	Local Partnerships
Cllr David Williams	CON	County Councils Network (CCN)

## Agenda

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### **Executive Advisory Board**

Thursday 21 January 2021

2.15 pm

Virtual meeting

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**Date of Next Meeting:** Thursday, 11 March 2021, 2.15 pm



## Tackling inequalities progress update

### Purpose of report

For information and direction.

### Summary

This report sets out what progress has been made to embed issues around inequalities into the LGA policy work following the Executive Advisory Board's decision in July to review and strengthen the work of the LGA around equalities and to create an Equalities Advocates role for LGA Boards. It also summarises other external facing equalities work from other teams across the LGA since July and asks members to give a steer as to whether the Executive Advisory Board should appoint a lead for equalities.

### Recommendation

That Executive Advisory Board notes the contents of the update and give direction as to whether the Board should appoint an Equalities Advocate to lead this area of work, as per paragraph 28.

### Action

LGA officers to proceed as directed.

**Contact officer:** Jessica Norman  
**Position:** Policy Adviser  
**Phone no:** 07824605538  
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## Tackling inequalities progress update

### Background

1. On the 16 July the Executive Advisory Board received a report setting out the issues regarding equalities, inequalities and community cohesion affecting councils as a result of COVID-19 and seeking a steer on how the LGA should respond to these issues.
2. Members provided a steer and comments as to how the LGA could enhance and raise the profile of equalities across its representative and improvement work and discussed strengthening the LGA equalities offer.
3. Member agreed that each LGA policy board should appoint a Member Champion (Equalities Advocates) supported by officers and that the equalities issue warranted additional specific resources to review and coordinate the work of the LGA, identify gaps and create a single narrative for the organisation.

### Equalities Advocates

4. Following the Executive Advisory Board in July, officers developed a high-level description for the Equalities Advocate role, which is to raise the profile of equalities in their own board area and to attend occasional meetings of the Advocates to discuss cross-cutting equalities issues and develop views to present to the Executive Advisory Board. See [Appendix 1](#) for the full role description.
5. The Equalities Advocates were appointed by the Group Offices by mid-November and each Advocate will have an officer single point of contact. Officers are working with colleagues to develop an initial briefing document for each Advocate so that they are familiar with the main equality issues in their board's area of interest. This exercise will also assist officers to map out the current work of the policy team and to identify gaps which need further consideration.

### Policy approach

6. In early October, the policy directorate had an Away day focused on tackling inequalities. At the session, Cllr Anntoinette Bramble, Deputy Leader of the LGA Labour Group, gave a short speech to contextualise the issues around equalities historically and in the context of current developments. Officers were then given the opportunity to consider three questions around how equalities issues present in our policy work and what more the LGA could be doing.
7. Through the discussions officers identified some key priorities to take forward including: improving our evidence-base around equalities issues; focusing on long-term systemic change to address complex; improving representation of underrepresented voices; being proactive in challenging the status quo; improving our approaches to cross-cutting issues; and engaging with the root causes of inequality.



8. The LGA Board has agreed an update to the LGA's three-year business plan which includes a new priority around 'Narrowing inequalities and protecting communities', see below:

***Councils lead and work with diverse communities and partners to address inequalities and build cohesive and resilient communities – we will:***

- *Review and strengthen the LGA's work on reducing inequalities, promoting equality through our policy messages and lobbying and our improvement and leadership support to councils.*
  - *Promote and support councils in developing the diversity of their candidates, elected members and senior leadership.*
  - *Underline the need for a strong commitment to tackling health inequalities and ensure that local government concerns and priorities resulting from the impact of COVID-19 on their communities are heard by Government.*
  - *Support councils as they address the inequalities exposed by the COVID-19 pandemic, with particular regard to those from ethnic groups most affected by the virus and to children and young people whose development and futures will be affected by the containment measures.*
9. An additional resource is being recruited to lead on this work in the Policy team: it is anticipated that this resource will be in place in March, to lead the work to coordinate the LGA's policy work in this area and to develop a single narrative for the organisation.
10. Officers are working to develop this area of work including considering what training officers might benefit from; what improvements might be made to our procurement practices to increase the diversity of our contractors; and how best to utilise the Advocates to raise the profile of equalities issues and collaborate on cross-cutting issues; and how to ensure that equalities implications are fully considered in the LGA's decision-making.

**Health inequalities**

11. The LGA in collaboration with Public Health England (PHE) and the Association of Directors of Public Health (ADPH), have collated a suite of resources relating to health inequalities and COVID-19 to support place-based approaches to planning and responding to the pandemic, while mitigating against potential impacts on those with the poorest health outcomes. An overview of these resources can be found [here](#).
12. To expand the resources above we have commissioned a new set of case studies focused on reducing health inequalities and building fairer, healthier communities as part of the recovery.
13. Our submission to the 2020 Spending Review focused on the need for sustainable funding for public health in order to tackle health inequalities. We highlighted that increases to the public health grant are necessary in order to invest in the services and community assets which can tackle some of the major areas of health inequalities such as obesity or alcohol addiction.

14. The Community Wellbeing Board restated their commitment to tackling health inequalities in their 2020/21 Board Priorities. We will also continue to make the case that local government is best placed to lead on the 'levelling up' and health inequalities agenda if given the right resources.
15. We will continue to highlight the impact social and economic factors have on the long-term ill health and premature death rates for the most deprived and support councils to evaluate the public health impact of Covid-19 on their communities and respond effectively. Emerging data will show the impact of lockdown on everything from rates of problem drinking, exercise, mental health, smoking cessation to breastfeeding. We will work with national partners and councils to support place-based strategies to mitigate the negative public health impacts of Covid-19 as well as capitalising on any positive trends – such as the reduction in smoking levels.

### **Workforce**

16. During 2020, the Workforce Team provided a range of advice and guidance to councils on workforce equalities issues. Including:
  - 16.1. Continuing to raise awareness of good EDI practice through blogs, social media and other media, and highlighted the diversity of staff by celebrating religious festivals and various national days of celebration. For example, working with the LGA BAME Network to gather new and information about the significance of October's Black History Month for local government staff.
  - 16.2. Gathering and publishing good practice examples of work that local authorities did to carry out supplementary risk assessments with their BAME staff, who may be disproportionately affected by COVID-19, to find to what additional support could be put in place to make them safe at work.
  - 16.3. Agreeing joint national advice and guidance with the unions to support the health and safety of council, teaching, firefighting and other local government staff who have disabilities or are clinically extremely vulnerable and agreed a framework for supporting staff with caring responsibilities.
  - 16.4. Continuing to support fair and transparent pay systems by providing job evaluation advice and training to local authorities.
17. The Workforce Team are working on a series of equalities focussed webinars with the Advisory, Conciliation and Arbitration Service (ACAS) to run from February to March and exploring ways to be inclusive employers on issues such as race, carers, and the menopause. The events will be supported by a guide for local authorities examining ways to embed good EDI practice and shift culture to be fairer and more inclusive.

## Improvement

### *Webinar*

18. In September the Leadership team organised a webinar titled 'Difference and Inclusion: Building a How To Toolkit'. The webinar was chaired by Cllr Sharon Taylor OBE, and hosted by Dr Kul Verma, Director of Deep Insight and a former police officer with considerable experience working on diversity inclusion in the police service and with other large organisations.
19. The session provided an opportunity for delegates to re-evaluate how they could actively advance the adoption of genuinely inclusive practices in teams and organisations, through a live and interactive webinar. Over 200 delegates attended, and a lively discussion took place, with lots of pertinent questions raised. The session can be watched back here: <https://www.local.gov.uk/difference-and-inclusion-building-how-toolkit-23-september-2020>

### *National Graduate Development Programme*

20. Following a full, independent Equality and Diversity Review in 2019, the NGDP team have embedded a range of measures to improve the diversity of the programme, including re-procuring and designing all assessment processes, targeting specific marketing to diverse graduates, and working closely with partner councils to reach out to their communities.
21. In autumn 2020, the NGDP took on its most diverse cohort to date, with 28% of the cohort of 149 graduates identifying as BAME. The proportion of candidates declaring a disability also increases year on year. Mentoring, coaching and support is also being put in place for the next cohort of candidates going through the recruitment currently, amongst a range of other measures.

### *Be a councillor campaign*

22. In the November issue of *First*, two articles were published as part of the [Be a councillor](#) campaign, the first highlighting the opportunity to diversity candidates and local representatives in the May 2021 elections (<https://www.lgafirst.co.uk/features/be-a-councillor/>) and the second a retrospective from Cllr Paulette Hamilton and Q&A from Cllr Anntoinette Bramble on their motivations for standing for election (<https://www.lgafirst.co.uk/features/how-i-chose-to-become-a-councillor/>).

### *Sector-led improvement support and the LG Equalities Framework*

23. A new Equalities Hub is being developed for the LGA website to make it easier for website users to access equalities content including advice and guidance, equality frameworks and other toolkits from different teams across the LGA. The Hub will also host a library of new equality case studies that showcase how councils are addressing equality issues in the light of the Covid-19 pandemic and the Black Lives Matter campaign.

24. The equality peer challenge offer to councils is now a bespoke offer being delivered remotely. Five peer challenges are expected to be completed by the end of March with several more in discussion. The equalities peer cohort is being expanded and more review managers are being equipped to respond to this increased demand.
25. The new Corporate Peer Challenge will include an increased focus on equality, diversity and inclusion considerations. Work has been underway for a number of years to increase the diversity of member and officer peers to enable the LGA to offer more diverse peer teams, and good progress has already been made given the constraints with the diversity of both senior officers and members. This focus will increase in 2021, with a renewed drive to ensure peer teams fully reflect the local circumstances of councils.
26. Since early summer several regional improvement teams have been receiving requests from councils for assistance on equalities issues. Many of these have been around training for Members but other requests are for advice and guidance on issues like taking an equalities agenda forward or dealing with specific policy/practices. Teams have provided this support in house wherever possible or signposted councils to external providers.
27. Given the increased demand from councils for support in this area, the Improvement and Innovation Board have already agreed that equalities will be more prominent in the improvement offer funded by MHCLG for 21/22.

**Direction from the Board:**

28. The Board is asked to consider and give direction as to whether to appoint an Executive Advisory Board Equalities Advocate/Lead to lead this area of work and to further enhance and raise the profile of equalities across the LGA's representative, policy, communications and improvement work. If so, the Board is asked to give direction on what the role of that Lead would be. Possible aspects to the role might include:
  - 28.1. Acting as the EAB Equalities Advocate and promoting equalities issues within the work of the EAB
  - 28.2. Chairing meetings of the Equalities Advocates across other LGA Boards
  - 28.3. Commenting on the equalities work programme
  - 28.4. Representing the LGA around cross-cutting equalities issues.

**Implications for Wales**

29. As a cross-cutting issue, the LGA has already been in conversation with the WLGA about the work they are doing to focus on equality issues and will continue to collaborate as and when appropriate.



### **Financial Implications**

30. There are no further financial implications of this update beyond the additional resource that has already been agreed by the Board in July 2020.

### **Next steps**

31. Officers to continue to embed equalities issues within all policy areas with the Equalities Advocates to lead this at board level.

32. To recruit a new Senior Adviser to coordinate the work of the policy team around equalities.

### **Appendix 1**

#### **Equalities Advocate role description**

The Executive Advisory Board have asked each Board to identify a member to be an Equalities Advocate within each Board to raise the profile of any equalities issues within the Board's workstream, to contribute to the cross-cutting work around equalities, and to report into the Executive Advisory Board on equality issues relating to their Board.

The nature of this may vary between different policy areas, but the Advocates aim across all Boards will be to help the Board embed equalities into the work of the Board.

Within the Board the Advocate will be expected to:

- Encourage the Board to consider equality issues in all their work
- Challenge the Board to embed equalities into the work of the Board
- Hold the Board to account around equalities issues.

Outside of the Board the Advocate will be expected to:

- Collaborate with other Equality Advocates from other LGA Boards on cross-cutting equalities issues
- Provide input into and feedback to the LGA equalities work programme.

#### *Support*

The role will be supported through the normal officer structures which support each Board as we aim for equalities to be embedded in our policy work.

#### *Time commitment*

Members may be asked to attend additional meetings to contribute to the cross-cutting equalities work and the development of the equalities policy work programme. Otherwise this is a role that should be performed within the role as member of the Board.



**Appendix 2**

<b>Board</b>	<b>Advocate appointed</b>
Children and Young People	Cllr Teresa Heritage
People & Places Board	Cllr Kevin Bentley
Safer and Stronger Communities	Cllr Nesil Caliskan
Culture, Tourism and Sport	Cllr Julian German
City Regions	Cllr Abi Brown
Community Wellbeing	Cllr Paulette Hamilton
Improvement and Innovation Board	Cllr Liz Green
Environment, Economy, Housing & Transport	Cllr David Renard
Fire Services Management Committee	Fiona Twycross
Resources Board	Cllr Sharon Taylor



## Local Government preparedness for EU exit

### Purpose of report

For discussion.

### Summary

This report updates the Executive Advisory Board on UK-EU Trade and Cooperation Agreement, and the work that the LGA has been undertaking to support councils in preparing for Britain's exit from the EU and the end of the transition period.

The report sets out our forward work priorities as we seek to address the risks and opportunities for councils.

### Recommendation

That the Executive Advisory Board:

- Comments on current work being undertaken by the LGA.

### Action

Officers to take forward any actions identified.

**Contact officer:** Ian Hughes  
**Position:** Head of Policy  
**Phone no:** 0207 664 3101  
**Email:** ian.hughes@local.gov.uk

## **Local Government preparedness for EU exit**

### **Background**

1. On Christmas Eve, the Prime Minister and the President of the European Commission announced the outcome of the negotiations between the UK and the European Union and a deal on future trade arrangements. The [full text of the agreement](#) has been published along with a [summary of its content from the Government](#).
2. The deal was agreed by the UK Parliament on 30 December and has been provisionally implemented from the 1<sup>st</sup> of January. The European Parliament and Council are expected to give it final endorsement around March.
3. Since the referendum on EU Membership in 2016, the LGA has taken a neutral stance on the issue of EU exit. We have worked consistently with Government highlighting both the opportunities and risks of EU exit for our diverse, local communities on behalf of councils. Our work has been led by the all-party LGA EU Exit Taskforce. They met with the Secretary of State and other Government Ministers and officials in early January where LGA leaders raised the key issues in this report.
4. This report sets out the headlines of the deal, the biggest issues for councils and the challenges and opportunities that we have consistently raised with Whitehall.

### **The UK-EU Trade and Cooperation Agreement**

5. The headlines of the agreement are:
  - 5.1. No tariffs or quotas on UK/EU trade
  - 5.2. A new agreement on fisheries, with the UK's departure from the Common Fisheries Policy
  - 5.3. State aid and procurement policies becoming UK domestic policies
  - 5.4. An agreement to join some future EU funding programmes (e.g. the Horizon Europe research programme) and to leave others (e.g. the Erasmus student exchange scheme).
6. There will be a number of outstanding issues for local government arising from the Agreement which we are monitoring. These include:
  - 6.1. The impact of the framework for mutual recognition of professional qualifications
  - 6.2. There is a decision still to be made about data adequacy in the next six months.
7. The LGA will continue to monitor these issues and is engaging with government regularly to monitor the impact of the immediate changes, including concerns from some business



organisations. We will ensure that any concerns from local government are raised, including

#### **Local Government issues**

8. Before the agreement, the LGA had provided advice for councils on preparation for the end of the EU transition period (via its web), signposting to all relevant Government guidance. MHCLG had also written to all councils in November outlining what they needed to do to prepare for the end of the transition period.
9. Following the agreement, the LGA has been in discussion with the Government about the challenges and opportunities for local government.
10. The biggest issue that the LGA has been raising with government is that councils face many challenges in the coming days and weeks. The start of the new trade arrangements will take place amongst multiple pressures on councils over the winter months. Our support for local communities against COVID and our statutory services (such as children's services) are the priority, and we have stated that the capacity to undertake additional new work during this unprecedented period is severely limited.
11. Most of the immediate council responsibilities will fall on our regulatory services as a result of some new checks on goods and the support needed to business (for example, new export certificates). Controls will now be applied to EU imports not previously subject to inspection, with physical checks taking place from July 2021. These members of staff are at the frontline of our work in the pandemic. They are also having to deliver important statutory services such as food hygiene and trading standards.
12. There are already skills shortages in these professions and councils are reporting severe difficulties in recruiting new staff. In order to address some of the skill shortages in the longer term, the LGA has worked closely with Government to set up the [Environmental Health Together](#) initiative, to provide a mechanism for councils to recruit qualified environmental health staff.
13. The LGA will monitor the pressures that regulatory service and port towns may experience and continue to raise any issues with Government. There will be longer term lessons undertaken regarding border preparedness.

#### **Specific policy issues to be pursued**

14. In early January, the LGA met with ministers to discuss the specific immediate and longer-term issues facing councils. These issues include the UK replacement for EU funds and, as set out above, the responsibilities of regulatory services staff to undertake more checks and to support business with exports.

### **The UK Shared Prosperity Fund**

15. The Heads of Terms for the UK Shared Prosperity Fund was announced at the Spending Review. This includes a £220 million pilot for 2021/22 before the fund will be introduced fully. We are expecting in the coming weeks a prospectus for the fund to be launched.
16. The LGA has been lobbying since the referendum for a replacement for EU funds. Whilst we secured a commitment to a new UKSPF and a promise that there would be no change in quantum, details are still to be developed. There is now an urgency to this issue as we approach the end of the current EU funding programmes.
17. The LGA has offered to help speed the development of the detail and to codesign the new fund by offering to set up task groups with Government departments to help codesign the fund. We understand the Government has agreed in principle to this and we are working to determine how this will operate.

### **UK immigration policy and the consequence for key local government services such as social care**

18. Social care is one of the sectors most affected by migration rule changes as a significant proportion of the workforce are not UK nationals. It is a largely commissioned service with relatively few direct local government employees. As the main commissioners of services, councils have a strong interest in ensuring workforce stability as a key factor in good quality social care provision. Recruitment is already difficult in this sector. 7% of the social care workforce have been EU nationals and not subject to any migration rules to date.
19. The EU Exit Taskforce has raised concerns with ministers about the implications of the new points based system for the social care workforce and stressed the need for parity with NHS workers. We will continue to raise this issue with Government.

### **Data Protection**

20. The Government continues to seek an “adequacy” decision from the EU under both the General Data Protection Regulation (GDPR) and the Law Enforcement Directive (LED) which the Christmas trade agreement has provided an additional six months for the EU to make that decision. It will allow for the free flow of personal data between the UK and the EU to continue uninterrupted.
21. The LGA has been asking Government to ensure they provide the right guidance mitigating actions councils should take in case the free flow of personal data is interrupted.
22. New Government guidance was then sent to all Chief Executives on the 9<sup>th</sup> October, and we are expecting further advice from MHCLG very soon. There will continue to be uncertainty in this area until there is an “adequacy” decision.

### **Opportunities to reform procurement**

23. Councils' procurement rules have been based on EU law. Whilst these EU rules have been converted into UK law, there is the opportunity now to reform the rules to allow more flexibility to support local economies. Government [Guidance](#) for Public Sector bodies was pushed in December. Following LGA asks, it underlines the possibility for low value contracts to be reserved to business in the local area (county etc), and/or to SMEs and voluntary and community social enterprises (VCSEs).
24. The Government has launched a [public consultation by a Green Paper on 'Transforming Public Procurement'](#). The Green paper sets out long-planned changes to UK's procurement rules, putting value for money and transparency at the heart of the new approach and includes plans to promote wider social benefits from public spend, building on the Public Services (Social Value) Act that councils have been following since 2012.
25. The proposals also include measures that councils have been calling to assist them with their procurement:
  - 25.1. providing more scope to exclude suppliers for poor past performance, and corruption-related matters
  - 25.2. reforming the remedies system, through making the court review process faster and less costly, capping damages, and further investigating the feasibility of tribunals.
26. The LGA's Procurement team and National Advisory Group (NAG) for Procurement has worked to ensure the issues and concerns of the sector were raised and included in the proposed changes to the way we procure as a sector. We therefore encourage all those involved in public procurement to have their say and respond to the consultation by the 10 March 2021.
27. To note, the LGA has been working with Cabinet Office to allow access to contract management training for council officers. More than 1000 local government employees have undertaken the free training so far. LGA is promoting the training to councils and anyone interested can contact [productivity@local.gov.uk](mailto:productivity@local.gov.uk) for more details.

### **Opportunities to reform state aid**

28. The LGA has stated that EU exit provides an opportunity to reform how grants and public subsidies work. Any new state aid rules must be based on local government's experience of what works on the ground.
29. Processes can be simplified by introducing flexibilities for councils. A flexible regime allowing councils to tackle the impacts of COVID and support economic recovery continues to be essential, as does the ability to support public service delivery in areas which might otherwise go unserved. Any future changes to the UK state aid policy could also allow support for non-profit-making activities or social enterprises who reinvest



surplus back into the local community. Organisations operating in the culture, heritage, arts, or non-profit sports sectors may also merit a more flexible approach.

**UK legacy of the Committee of the Regions to ensure councils have a continued formal role in law-making (ie transfer of councils' EU legal rights to UK).**

30. The new trade agreement creates a new UK/EU institutional framework. Based on recent LGA lobbying, ministers have agreed to a UK non-statutory replacement for the work that was developed by the EU Committee of Regions – ie local government's ability to comment on draft laws that impact at a local level and to advise Parliament on those issues. We understand their intention is to incorporate this as part of the Devolution White Paper later in the 2021.

31. Members of the Executive are asked to comment on the report and offer any other issues that need to be raised with Government.

**Wales**

32. We continue to develop our work on Brexit in partnership with the Welsh Local Government Association, Convention of Scottish Local Authorities and Northern Ireland Local Government Association, ensuring a united UK local government voice in the debate.

## **Local Government Finance update**

### **Purpose of report**

For information.

### **Summary**

This report provides a summary of the work by the LGA on funding and finance issues, since the previous meeting of the Board on 3 December, including the impact of COVID-19, the Local Government Finance Settlement, and the Budget 2021 submission.

### **Recommendation**

That the Executive Advisory Board note this update.

### **Action**

Officers will proceed with the delivery of the LGA's work on local government finance, including the Spending Review and the response to, and recovery from, COVID-19.

**Contact officer:** Sarah Pickup  
**Position:** Deputy Chief Executive  
**Phone no:** 020 7664 3141  
**Email:** sarah.pickup@local.gov.uk

## **Local Government Finance update**

### **Introduction**

1. This report provides a summary of the work by the LGA on funding and finance issues, since the previous meeting of the Board on 3 December, including the impact of COVID-19, the Local Government Finance Settlement, and the 2021 Budget submission.

### **Provisional Local Government Finance Settlement**

2. On 17 December the Secretary of State delivered the Provisional Local Government Finance Settlement for 2021/22. The [published figures](#) set out details for all local authorities across England. LGA officers produced an [on the day briefing](#) highlighting key information from the settlement which was sent to member authorities.
3. The following were key announcements in the settlement:
  - A potential increase of £2.2 billion (4.5%) in core spending power, where over 85% of the potential core funding increase is dependent on increasing council tax by the maximum allowable amount (for social care authorities, this is up to 5%).
  - Revenue Support Grant will rise by inflation. While the business rates baseline will not change from 2020/21, councils will be compensated for the business rates freeze.
  - New Homes Bonus (included in Core Spending Power) is worth £622 million, and consists of legacy payments from 2018/19 and 2019/20, and the new money for 2021/22, as well as the Affordable Homes Premium across those years. As previously announced, there is no legacy payment in respect of 2020/21.
  - The Government published allocations of the £300 million social care grant announced in the Spending Review, with £60 million allocated based on the adult social care relative needs formula and £240 million allocated to equalise i for the amount a council can raise via their adult social care precept.
  - The improved Better Care Fund and the 2020/21 social care support grant continue at the same level in 2021/22.
  - The rural services delivery grant will increase from £81 million in 2020/21 to £85 million in 2021/22.
  - A new Lower Tier Services Grant was introduced worth £111 million and will be allocated to district councils and unitary authorities.
4. The Secretary of State confirmed that the Government will work with the sector and Members across the House to seek a new consensus for broader reforms to local government finance, including the Fair Funding Review and the business rates reset.
5. The settlement included no information on public health funding for 2021/22.

6. Alongside the settlement, the Government confirmed school and early years revenue funding allocations for 2021/22. In the 2020 Spending Review it was announced that the schools' budget will increase by £2.2 billion. The Government has also confirmed that high needs funding will increase by £730 million (10%) for 2021/22. The Government also confirmed an additional £44 million for early years education in 2021/22 to increase the hourly rate paid to childcare providers for the Government's free hours offer.
7. The settlement remains provisional until the Government has concluded the consultation on the proposals in the settlement. Our response to the provisional settlement can be found [here](#).

### **Budget 2021 submission**

8. On 17 December 2020, the Chancellor announced the Budget for 2021 will take place on 3 March. The deadline for Budget representation submissions was 14 January.
9. The LGA's Budget submission focuses on key topics, including COVID-19, Brexit, economic recovery, jobs, devolution, Spending Review 2021, local government finance reform, adult social care reform, children's social care and education.
10. Given its wide-ranging content that cuts across multiple LGA Boards and very significant time constraints introduced by the Treasury with its deadline, the Budget submission was signed off by the Chairman and Group Leaders and is available [here](#).

### **COVID-19 funding**

#### Latest survey data

11. The MHCLG monthly financial monitoring returns continue to be an important tool in making the case for the financial impact of COVID-19 on local government, particularly as circumstances change. According to the December returns, the total in-year financial pressure projected by councils in 2020/21 due to COVID-19 was estimated to be £9.7 billion (consisting of £6.9 billion of cost pressures and £2.8 billion of non-tax income losses), with a further £2.8 billion of business rates and council tax income losses – these tax losses will impact council budgets in 2021/22.
12. This survey was completed before the announcement of new Tier 4 measures and the increased prevalence of the new COVID-19 strain. It is therefore likely that the financial impact on councils for the rest of the 2020/21 financial year will be more significant than is represented by survey responses above.

#### Local and national restrictions since December

13. Following the national lockdown in November 2020, the Government returned to a local tiered system.

14. The Contain Outbreak Management Fund was extended to provide monthly payments to local authorities in tiers 2, 3, and 4 until the end of the financial year. For those authorities in tiers 3 and 4, this funding will amount to £4 per head of population per month, and for those in tier 2, it will amount to £2 per head of population per month.
15. All businesses in Tiers 2 and 3 which had to close as a result of the new restrictions will be entitled to the mandatory [Local Restrictions Support Grant \(Closed\)](#). This included pubs and bars which must close unless serving substantial meals in Tier 2 areas.
16. This was in addition to the [Local Restrictions Support Grant \(Open\)](#) (which was paused during the latest national lockdown period) which was a discretionary grant distributed to both Tier 2 and Tier 3 areas and based on the number of hospitality, hotel, bed and breakfast and leisure businesses. Councils had discretion as to how to award grant funding to individual businesses.
17. On 1 December 2020 the Prime Minister [announced](#) an additional one-off £1,000 grant for 'wet-led' pubs (those which predominantly serve alcohol rather than provide food) in tiers 2, 3 and 4.
18. On 24 December 2020 the Government published [guidance](#) for areas moving to Tier 4 from 19 December. In addition to Tier 3 business closures covering hospitality, leisure, accommodation and tourism businesses, non-essential retail and beauty services were required to close and Local Restrictions Support Grant (Closed), Local Restrictions Support Grant (Open) and Local Restrictions Support Grant (Sector) was suspended and replaced by Local Restrictions Support Grant (Closed) Addendum (LRSG CA)
19. On 4 January, the Prime Minister announced a further national lockdown. The financial support for local authorities outlined below is up to date at time of writing; a verbal update will be provided to the Executive Advisory Board on any further measures announced as a result of the national lockdown.
20. On 5 January, the Chancellor [announced](#) that businesses in the retail, hospitality and leisure sectors are to be given one-off grants worth up to £9,000; this is alongside the LRSG (Closed) Addendum Grant and is to be distributed to the same businesses. A further £500 million is also being made available for Local Authorities in England and £94 million for the Devolved Administrations to support other businesses not eligible for the grants, that might be affected by the restrictions. The new money was due to reach councils towards the end of the week starting 11 January. In a livestream with authorities on 6 January Alok Sharma emphasised the importance of the grants reaching businesses quickly.

#### 2021/22 COVID-19 funding

21. Outside of Core Spending Power for next year, the settlement confirmed further details of the £3 billion of support for COVID-19 pressures in 2021/22 announced in the Spending Review:



- [Allocations](#) of the £1.55 billion of unringfenced funding to meet expenditure pressures announced in the Spending Review, distributed via the COVID-19 Relative Needs Formula.
  - Further detail on how losses in scope of the guarantee to compensate for 75 per cent compensation of irrecoverable 2020/21 business rates and council tax losses will be measured
  - Proposed methodology to distribute the £670 million to support households least able to afford council tax payments in 2021/22 – illustrative allocations have been published [here](#)
  - A continuation of the Sales, Fees, and Charges compensation scheme for the first three months of 2021/22.
22. The Government is consulting on the proposed methodology to distribute the £670 million of support for council tax payments, and the continuation of Sales, Fees, and Charges compensation scheme. Our response to the consultation can be found [here](#).

### **Audit Issues**

23. In December, we submitted a [response](#) to the Public Sector Audit and Appointments (PSAA) [consultation](#) on proposed new arrangements for determining fee variations for local audits of opted-in bodies from audits of 2020/21 accounts onwards, as agreed by Lead Members of Resources Board.
24. Alongside the settlement the Government published its [response to the Independent review of Local authority financial reporting and external audit](#) (the [Redmond Review](#)). The current audit arrangements are not working as well as they should and the Government has accepted many recommendations for practical changes that can be made quickly. Many of these were also suggested [in our own response](#). These include, amongst others, putting back the audit deadline to 30 September and providing £15 million in 2021/22 to pay for additional audit costs. The Government states that it remains committed to a locally-led audit regime which enables genuine local accountability and it will now give more time to consider whether structural changes are required to the procurement and regulatory arrangements in that context. The detail of the response says that the Government is “not persuaded” that a new arms-length regulatory is the answer.
25. Resources Board are considering the full published response in detail and we will continue discussions with central government and with councils.

### **Next steps**

26. Members are asked to note this update.
27. Officers will proceed with the delivery of the LGA’s work following the Local Government Finance Settlement, and in advance of the Budget. Officers will continue to work on the response to, and recovery from, COVID-19 as well as wider local government finance matters.

### **Implications for Wales**

28. Information on funding to Welsh local authorities was [published](#) in the provisional Welsh local government finance settlement. We are in regular contact with the Welsh LGA and the other local government bodies in the devolved nations to exchange intelligence, ideas and consider joint work.

### **Financial Implications**

29. The work related to COVID-19 has been added to the LGA's core programme of work. This unbudgeted spending will be managed within the overall LGA Group funding position which the LGA Board is monitoring.



## NHS England integrated care consultation

### Purpose of report

For information and discussion.

### Summary

The LGA submitted a response to the NHS England consultation document on the future of integrated care systems on 22 December ahead of the consultation deadline on 8 January so that councils could consider the LGA key messages in developing their own response. A link to the LGA submission is here: <https://www.local.gov.uk/parliament/briefings-and-responses/lga-response-nhs-england-and-nhs-improvement-consultation>.

The LGA helped NHS England organise two consultative meetings with senior LGA members on 6 January 2021: the first with all members of the Community Wellbeing Board; and the second with the LGA Leadership Group. Cllr Ian Hudspeth to provide a verbal update of the key messages from the LGA submission and the subsequent consultative meetings.

NHS England will shortly be submitting their proposals to Government. Government intend to publish a policy paper on the future of integration, including legislative proposals to be included in the NHS Bill which is likely to be introduced in Parliament in 2021.

### Recommendation

That the Executive Advisory Board notes the verbal update and report.

### Action

LGA officers to proceed as directed.

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