

1 March 2017

Chief Executive's Report – March 2017

Purpose

For discussion and direction.

Summary

The LGA business plan for 2016/17 centres on seven external priorities:

- · Britain's exit from the EU
- Funding for local government
- Inclusive growth, jobs and housing
- Children, education and schools
- Promoting health and wellbeing
- Devolution
- Sector-led improvement

Part 1 of the six-weekly Chief Executive's report sets out the LGA's main achievements against those priorities. Part two focusses on our internal priority – A single voice for local government - including membership and our media outreach activities.

Recommendation

That the LGA Leadership Board notes the Chief Executive's report for March 2017.

Action

As directed by members.

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1 March 2017

Chief Executive's Monthly Report – March 2017

Achievements against our seven external priorities

Priority 1 - Exit from the EU

- 1.1 **Local government post-Brexit** building on the initial principles developed by the City Regions and People and Places Boards, work is underway to develop a wider policy and lobbying approach which seeks to address questions related to the future autonomy of local government across the UK and local councils in England.
- 1.2 **Brexit White Paper** the Government published the paper which contained a commitment to devolving greater powers to local government where there is economic rationale to do so. We are publishing a response that will set out the impact of recent developments on local government's priority recommendations.
- 1.3 **Markets in Financial Instruments Directive** responded to a FCA consultation on the EU's Markets in Financial Instruments Directive due to come into force in January 2018, via the LGPS Advisory Board.
- 1.4 Regional seminars worked with DCLG to organise a series of seminars examining the impacts of Brexit in different local areas. The first three sessions took place in Newcastle, Cornwall and London, with further sessions being organised around the country.

Priority 2 – Funding for Local Government

- 2.1 **Spring Budget 2017** submitted our <u>response</u> to the call for representations on the budget, which calls for new Government funding to help support people to live independent, fulfilling lives, in quality homes that meet their needs, and in communities that are more economically prosperous.
- 2.2 **Provisional local government finance settlement** submitted our <u>response</u> to the consultation on the settlement and held a briefing event on the settlement for Parliamentarians. The Chairman and Group Leaders met with the Secretary of State to highlight key concerns in our response.
- 2.3 **Local Government Finance Bill** engaged with MPs on the Bill, and published a <u>briefing and submitted amendments to the Bill</u>. Cllr Nick Forbes gave evidence to the Bill Committee, and our Chairman also met the Secretary of State and the Minister for LG, resulting in an agreement to work with us on reducing business rates avoidance.
- 2.4 Fair Funding Review at the time of writing, a further Government consultation was expected and likely to focus on the potential variables and factors that could be considered within the relative needs assessment, such as key cost drivers for services.
- 2.5 Local Infrastructure Rate submitted our <u>response</u> to HM Treasury's consultation on the introduction of this rate. Under the Government's proposals, local authorities would be able to borrow at a lower rate from the Public Works Loans Board (PWLB).
- 2.6 **Education Services Grant** following LGA lobbying against the £600m cut to the Education Services Grant, the DfE announced a £50m a year fund for local authorities to continue to monitor and commission school improvement for low-performing maintained schools.
- 2.7 **Strategic School Improvement Fund** the DfE announced a £140m per year 'Strategic School Improvement Fund' be established for academies and maintained schools. Although these funds represent a reduction in direct funding to councils, they are a recognition of a continuing council role in commissioning support for maintained schools.
- 2.8 **Public Sector Audit Appointments –** submitted a response to the PSAA <u>consultation</u> on proposals for the work that external auditors will undertake and the associated scale of fees for 2017/18.
- 2.9 **Markets in Financial Instruments Directive 2 consultation –** submitted our <u>response</u> to the Financial Conduct Authority's consultation on the implementation of the MiFID2 directive. The proposals will impact on local authorities' treasury management activities and pensions management.



1 March 2017

Priority 3 - Economic Growth, Jobs and Housing

- 3.1 **Neighbourhood Planning Bill** ahead of Committee Stage Lord Porter tabled an amendment on permitted development rights, which was supported by Labour and Liberal Democrat peers. We briefed in favour of allowing local authorities to recover costs for assistance to the community with neighbourhood planning.
- 3.2 **Homelessness Reduction Bill** briefed MPs ahead of the committee and report stage on the importance of a wider strategy to tackle homelessness. We called for a review of the Bill's impact two years after implementation and for any further new burdens on councils to be fully funded.
- 3.3 **Industrial strategy green paper** published our response to the Government's industrial strategy green paper, highlighting our views on a range of policy areas including skills, housing and infrastructure. We circulated our response to MPs.
- 3.4 **House of Commons Public Accounts Committee on housing** the LGA Chairman Lord Porter gave evidence to this inquiry to discuss the key findings of the National Audit Office's report *Housing in England: overview.* He called for the housing borrowing cap to be lifted and for significant and immediate investment in genuinely affordable housing.
- 3.5 **Unlocking growth in partnership** the British Property Federation and the LGA launched <u>a good</u> <u>practice guide</u> on unlocking commercial growth through long-term public/private collaboration. The report highlights best practice of councils and developers.
- 3.6 Highways England Road to Growth Consultation submitted a written submission to HE consultation making a case for HE to consider the impact of their work on the whole network. We also urged a flexible approach to funding
- 3.7 **EFRA Committee inquiry into rural tourism** Cllr Paul Bettison gave evidence to the inquiry highlighting the importance of universal broadband coverage, to help rural businesses struggling to market their services, and spoke about the importance of effective transport links in ensuring visitors can reach all parts of the UK.
- 3.8 **Digital Economy Bill** worked with peers to table amendments in favour of a broadband social tariff to prevent digital exclusion, as well as to compel Ofcom to report annually on the success of the Government's universal broadband rollout.
- 3.9 **Annual Licensing Conference** over 80 delegates attended the conference to reflect on recent developments and look ahead to expected changes in licensing in the coming year.

Priority 4 – Children, education and schools

- 4.1 **National Citizen Service Bill** we support the Bill's ambition to engage young people in positive activities and have worked with MPs to seek assurances that the substantial funding commitments for the NCS programme will not put funding for vital local services at risk.
- 4.2 **Children and Social Work Bill** submitted written evidence to the Children and Social Work Bill Committee. Our submission highlighted our support for the Bill's strong focus on children in care, including extending personal support for all care leavers until aged 25.
- 4.3 **Working to support positive parenting and relationships** published the report <u>Working to support positive parenting and relationships</u>. What can councils do?
- 4.4 **Dubs Amendment** the Government has <u>announced</u> that it will resettle 350 children, with 200 already arrived post a <u>consultation</u> with local authorities. There has been tremendous local, regional and national <u>leadership</u> shown in supporting the <u>750</u> children transferred from France, with the majority placed with family members following assessments by Councils. The LGA is holding an <u>event</u> on resettlement for members with the Home Office on 28 January. Further information will continue to be placed on the LGA <u>website</u>.



1 March 2017

- 4.5 **Gender Pay Gap reporting** LGA representations helped to persuade Government to amend its proposals so that authorities will not now have to include most school-based staff in their reporting.
- 4.6 **Guide to LGPS for academies** worked with colleagues at DfE and DCLG on the development of a guide to the LGPS aimed at academies due to be published in early Spring 2017.

Priority 5 - Promoting Health and Wellbeing

- 5.1 **Public Accounts Committee inquiry into the sustainability of the NHS** we submitted written evidence to the Committee on the sustainability of the NHS and social care, which highlighted the link between the £2.6 billion funding gap facing adult social care and the current pressures on the NHS.
- 5.2 **Public Accounts Committee roundtable on social care** Deputy Chief Executive, Sarah Pickup, attended a Public Accounts Committee roundtable on the sustainability of the NHS and social care.
- 5.3 **Public Accounts Committee** Deputy Chief Executive, Sarah Pickup, gave oral evidence to a Public Accounts Committee on health and social care integration.
- 5.4 **Health Committee inquiry into suicide prevention** Cllr Richard Kemp gave evidence to the Committee on suicide prevention. Cllr Kemp explained that 95 per cent of councils currently have, or are developing, a local suicide prevention plan, and that councils provide vital support to local mental health and wellbeing.

Priority 6 - Devolution

- 6.1 **Leading Places –** confirmed arrangements for national conclusion event for pilot phase on 28 March, initiated procurement and design process for second phase due to commence in April 2017.
- 6.2 **Support to Combined Authorities** continued to support work of combined authorities and to develop a leadership offer for existing and potential CAs by agreeing new work programmes with two prospective CA areas and refreshed the online DevoHub.
- 6.3 **Support to elected mayors –** met with DCLG officials to agree an approach to supporting incoming Mayors and their work with combined authorities. Completed the preparation of support programmes for Mayoral candidates.
- 6.4 **Industrial Strategy green paper –** we urged the Government to open the door to more ambitious forms of fiscal devolution, allowing local leaders to work with communities and businesses. We also called for targeted infrastructure investments in support of future and existing growth.

Priority 7 - Sector-led Improvement

- 7.1 **LGPS member website** made a variety of updates to the <u>national website</u> for members of the Local Government Pension Scheme, including the introduction of three new interactive calculators, greater accessibility functionality and a mobile version of the site.
- 7.2 **LGPS consultation** held discussions with DCLG on the planned next steps for a consultation undertaken by the Department in Summer 2016. A further consultation on Fair Deal is likely but other proposed changes may proceed and will be considered case-by-case.
- 7.3 **Libraries –** supported three regional workshops to communicate the recently launched 'Libraries Deliver: Ambition for public libraries'. LGA officers led sessions on mapping need, including using LG Inform, secured speakers for a commissioning session, and took part in panel debates.
- 7.4 **Culture and Sport** delivered culture and sport leadership essentials courses to equip portfolio holders with the skills to champion sporting and cultural achievements in their localities and transform local services. We have also supported two councils through a cultural peer challenge.
- 7.5 **Memorandum of Understanding** the Fire Service Management Committee has co-signed a <u>Memorandum of Understanding</u> on equality, diversity, behaviours and organisational culture in the Fire Service, with trades unions and groups representing female BME and LGBTQ+ fire service staff, following recommendations in the Thomas report last year.



1 March 2017

Internal Priority – A single voice for local government

LGA Membership

- 1. Discussions are ongoing with the four local authorities currently on notice to leave the LGA on 31st March 2017:-
 - 1.1. Hartlepool Borough Council
 - 1.2. Gosport Borough Council
 - 1.3. Preston City Council
 - 1.4. London Borough of Richmond
- 2. Six of the 10 National Parks Authorities that subscribe to National Parks England have confirmed their intention to remain in Associate membership once NPE's corporate membership ends on 31 March 2017.
- 3. Four councils are currently on notice to leave on 31 March 2018 East Staffordshire, West Sussex County Council, Manchester City Council and Hart District Council. A further three remain out of membership the London Boroughs of Bromley, Wandsworth and Barnet.
- 4. A verbal update will be provided at the meeting.

Membership visits by the Strategic Management Team:

Chief Executive's Membership Visits: 19 January – 1 March 2017	
20 January	West Sussex Chief Executives meeting
31 January	London Borough of Richmond
2-3 February	DCN Annual Conference – Warwickshire
6 February	Newcastle City Council
7 February	South Tyneside Council
24 February	South West Chief Executive meeting
Forward plan: 2 M	larch – 5 April 2017
6 March	Kingston-upon-Thames
14 March	Bassetlaw District Council
16 March	East Sussex
29-30 March	Meeting with West Midlands Combined Authority Chief Executives hosted by Wolverhampton
Deputy Chief Exe	cutive's: 19 January – 1 March 2017
23 January	Local Government Commission in Manchester
3 February	Stevenage
Director of Comm	nunication's Membership Visits: 19 January – 1 March 2017
2 February	Camden Council
16-17 February	Plymouth Council
Forward Plan: 2 M	larch – 5 April 2017
3 March	Sandhurst
17 March	Lincoln Council





1 March 2017

Head of Workforce forward plan: 2 March - 5 April 2017		
13 March	Warwick District Council	
20 March – 4 April	Watford Borough Council	

In the Media

Exit from the EU and Devolution

Lord Porter featured on **i paper online** with the LGA's response to the Government's Industrial Strategy, calling for greater devolved powers to help councils play a bigger role in economic growth and for a UK regional aid scheme to replace EU regeneration funding.

Funding for Local Government

The **Telegraph**, **Mail**, **Times**, **Guardian**, **Sun**, **Mirror** and **Express** reported the LGA's warning that the Care Act faces failure unless government funds it properly. Cllr Izzi Seccombe interviewed live on **LBC** and Cllr Jonathan McShane appeared on **Good Morning Britain**.

Lord Porter interviewed on **BBC Radio 5 Live** and Cllr Peter Fleming appeared on **Good Morning Britain** with the LGA's warning that more than two thirds of councils will have to find greater savings than expected savings next year due to funding reforms. This was also reported on **TalkSport, Mail**, **Express** and **Mirror**.

The LGA's estimates of a £2.6 billion shortfall in funding for adult social care by 2020 were reported on the BBC Victoria Derbyshire Show, as well as in the Times, Mail Online, Mirror Online, Sunday Times, Guardian, BBC Radio 4 and on LBC. The Observer quoted the same lines and how councils could face legal challenges over failure to provide a statutory standard of care.

Lord Porter gave the LGA's lines about how the social care precept will not be enough to alleviate current and future social care pressures in the **Times**, whilst Communities Secretary Sajid Javid quoted the LGA's social care funding gap figures when interviewed on **BBC Radio 4's Today programme**. Labour MP Bridget Phillipson cited this line and was reported on **BBC Radio 4's Today in Parliament** and on **BBC News channel's Monday in Parliament programme**.

Following Surrey County Council's plans to hold a referendum on increasing council tax by 15% to provide social care the LGA's funding gap figures were featured in the FT, Mail, Express, Telegraph Online, Guardian Online, Mirror Online, Independent Online, Sky News Online, Metro Online, LBC Online and BBC News.

Cllr Izzi Seccombe featured on **BBC Online** and **Guardian** and the LGA's lines also featured on **Good Morning Britain** and in the **Mail**, in response to a call from the heads of three Commons committees to find a "political consensus" on funding social care in England before 2020.

The LGA's warnings that not being able to provide social care in the community is adding to the pressure in hospitals was reported on **Guardian Online** and on the **Observer**'s front page, whilst columnist Victoria Lambert referenced the LGA's warnings about the adult social care sustainability in the **Telegraph** and called for families to do more to help care for the elderly.

The **Express**, the **Guardian** and **Mail** featured the LGA's response to analysis by LaingBuisson about the shortfall in what care homes charge and the amount councils can pay. The LGA's adult social care funding lines were also referenced on **BBC Radio 4's Today programme**. Lord Porter featured in the **Mail** about how more money is urgently needed to help prevent vulnerable people having to go to hospital and costing taxpayers more in the future.

FT Online and **Guardian Online** referenced the LGA's figures about the cost of providing adult social care, in separate opinion pieces raising the prospect of establishing a dedicated tax to help raise the necessary funding.

Cllr Izzi Seccombe featured on **Telegraph Online** and the **Guardian** about new figures showing a rise in hospital bed-blocking by more than 40% in a year and the need for funding to help alleviate this pressure, whilst **BBC Radio 5 Live Investigates** reported the LGA's lines about how some elderly patients in hospitals are facing long delays for council social care assessments.



1 March 2017

A **FT** comment piece referenced the LGA's lines that the Government's claim that an extra £200 million a year could be raised by increasing the council tax precept is "ambitious". Columnist Rachel Sylvester referenced this in the **Times** saying that the social care precept is "too little too late" and suggested adopting a system where everyone over the age of 40 pays a 1% compulsory social insurance levy for long-term care.

ITV Online reported the LGA's lines about how funding reductions over the last Parliament have left councils having to find £5 billion of savings from social care. Cllr Claire Kober featured on **BBC Online** with the LGA's lines on the need for new additional government funding to help fill the funding gap facing adult social care.

The **Guardian** featured Lord Porter's warning that even if councils abandoned non-statutory duties they still could not plug the £5.8 billion funding gap facing local government.

The LGA's estimates that councils face an overall funding shortfall of £5.8 billion were reported in a **Observer** story about business rates and Lord Porter featured in the **Mirror** following a report by the Institute for Fiscal Studies about how further cuts will be needed by the end of the decade to combat the UK's persistent budget deficit.

The LGA's concerns about the difficulties for councils in recouping the costs of funerals in cases where no one will or is able to make the arrangements to pay was reported on **BBC Online**.

The **FT** reported the LGA's response to government figures showing that councils were expected to invest twice as much from asset sales this financial year as the £1.5 billion generated in 2013/14.

FT Online and **Guardian Online** reported the LGA's updated lines on the ongoing application by NHS Trusts and Foundation Trusts for business rates relief.

Inclusive growth, jobs and housing

Cllr Martin Tett featured on **FT Online** ahead of the publication of the Housing White Paper and gave the LGA's response to it on the **BBC News** channel and on **ITV News** and **TalkRadio**. Cllr Ed Turner also discussed the LGA's response on **BBC Radio 4's You and Yours** programme.

Labour Shadow Secretary of State for Housing, John Healey, referenced the LGA's call to remove the restriction on councils borrowing capacity for new home building in an **i paper online** column. The LGA's calls for the housing borrowing cap to be lifted were also put to the Housing Minister Gavin Barwell on **BBC Newsnight** and reported across **BBC Radio 5 Live**, **BBC Radio 2** and **BBC Online**.

The LGA's response to the Government's announcement that new Starter Homes will begin to be built in 2017 was reported on FT Online, Independent Online, Express Online, Sky News Online, Sun Online and LBC Online.

Lord Porter gave the LGA's response to the Government's announcement of £48 million for councils to deliver the Homelessness Reduction Bill in the **Guardian**, warning that homeless services face a funding gap of £192 million by 2020 and that the true costs are difficult to predict. Cllr Martin Tett gave the LGA's response to figures showin the number of rough sleepers in England had increased for the sixth consecutive year on **BBC Online** and the **Guardian** reported the LGA's lines on how cuts to local homelessness services will trigger a surge in people forced to sleep on the streets.

The **Telegraph** reported the LGA's previous suggestions about giving incentives to pensioners to downsize from largely empty family homes to flats and bungalows and how the money could be recouped with housing moves that otherwise would not have happened. Cllr Martin Tett was interviewed on **LBC** and featured in the **Times** following government plans to bring hundreds of thousands of empty homes back into use.

The **Mirror** reported the LGA's call for a reversal in the long-term decline in council housing and concerns about how some government housing reforms risk reducing the number of socially-rented homes available in local communities.

The **Sun**, **Mail**, **Times**, **i paper** and **Telegraph** reported the LGA's response to government plans to allocate £1.2 billion of funding to improve the country's roads and reduce congestion.



1 March 2017

Children, education and schools

Cllr Richard Watts featured in the **Guardian** and on **BBC Online** with the LGA's call for small council-maintained schools to be exempt from the Apprenticeship Levy, like small academies.

BBC Online reported the LGA's response to a report by the Chief Schools Adjudicator for England about how vulnerable children can struggle to find a school place if they apply mid-year, with some schools "cherry-picking" pupils. Cllr Richard Watts featured on **Telegraph Online** with the LGA's call for councils to be given the power to order academies to accept "hard to place" pupils after statistics show that almost 90% of applications from councils to force them to admit a child are rejected.

FT Online referenced the LGA's previous comments about how schools should be allowed to take a "common sense" approach and give "individual consideration" to parents' requests for taking children out of school during term time.

Following a Children's Commissioner for England report the **Mail** reported Cllr Richard Watts' comments about how councils face a gap of almost £2 billion in children's services by 2020,

Cllr Richard Watts featured on **BBC Online** with the LGA's response to the Family and Childcare Trust's survey into the Government's 30 hours free childcare offer, which reveals that councils are concerned that the quality of care will be reduced as a result.

Promoting health and wellbeing

The LGA's warning to New Year's Eve partygoers to beware of fake alcohol was reported in the i paper, Mirror, Guardian Online, Independent Online, Express Online, ITV Online, Star Online, Metro Online, Sky News Online, LBC Online and Talk Radio.

Cllr Izzi Seccombe featured in the **Guardian** with the LGA's response to an All Party Parliamentary Group study which found that smoking costs councils £760 million a year and in the **Mirror** with the LGA's research about how 57 million GP consultations every year are about ailments which could be treated at home, together with 3.7 million similar A&E visits, costing the NHS £2 billion a year.

Cllr Jonathan McShane was interviewed on **BBC Radio 4's You and Yours** programme about the proportion of funding for mental health services which comes from local government.

Cllr Izzi Seccombe featured in the **Telegraph**, **Guardian** and **Mail** with the LGA's response to Age UK research about how half a million people over the age of 60 routinely go an entire week without meeting anyone.

Cllr Peter Fleming featured on **Good Morning Britain** and **Channel 5 News** about how more than 40,000 young people a year are having teeth removed, mainly due to decay. This also featured on **Sky News**, **BBC Radio 5 Live**, **LBC Guardian**, **Guardian Online**, **Telegraph**, **Times**, **i paper**, **Sun**, **Mirror**, **Express**, **Mail**, **Mail Online**, **ITV Online** and **Good Morning Britain Online** (twice). Cllr Richard Kemp was also interviewed live on **BBC local radio stations** and Cllr Marianne Overton featured on **TalkRadio**.

Sector-led improvement

Cllr Martin Tett gave the LGA's call for a further £1 billion a year into roads maintenance by investing 2p per litre of existing fuel duty on BBC Radio 4's Today programme. Our release featured in the Mail, Telegraph, Sun, Express, Mirror, Sunday Times, Star, i paper, People, Mail Online, Independent Online, Sky News Online, ITV Online and LBC Online. LBC, Talksport and Talk Radio reported the LGA's lines that it would take 14 years to fix the national backlog of potholes, following a survey where one in five drivers said they would be willing to volunteer to fill potholes.

Cllr Marianne Overton was interviewed on **Sky News Radio** and Cllr Gerald Vernon-Jackson was featured on **BBC Radio 5 Live** with the LGA's warning about buying used tyres after Trading Standards teams found more than 80% of them in some areas are being sold illegally. This was reported on **BBC Online**, **Telegraph**, **Times**, **Sun**, **Mirror**, **Express**, **LBC**, **Talk Radio**, **TalkSport** and **Sun on Sunday**.

Cllr Martin Tett was interviewed on BBC Radio 4's Today programme and featured on Sky News, BBC News channel, BBC Breakfast, BBC Radio 5 Live, Sky News Radio, LBC and BBC local radio calling for lorry drivers to be banned from using satnavs designed for cars. This was reported in the Mirror, Express, i paper, People and Sun on Sunday as well as on BBC Online, Sky News





1 March 2017

Online, ITV Online, Mail Online and LBC Online.

The **Sun** reported the LGA's response to new figures showing foreign drivers owe councils up to £20 million in unpaid parking fines, due to EU rules which give non-UK vehicles six months on the roads before they have to register with the DVLA, making the drivers impossible to trace.

BBC Breakfast, Sunday Mirror and **BBC Radio 5 Live** reported the LGA's statement in response to the Local Government Ombudsman's report on parking fines, which was reported in the **Times** and **Express. Express Online** reported the LGA's response to an RAC report that councils try to strike a balance when setting parking charges.

The LGA's lines on how councils are well prepared for the low temperatures and snow was reported on **BBC Online** and the **Mail**, with about half of local authorities holding full stocks of grit and up to 1.2 million tonnes of salt.

Cllr Martin Tett featured in the **Mirror** and on **Mail Online**, **Express Online** and **ITV Online** about how councils have issued hundreds of fines totaling more than £430,000 for fly-tipping since they were given new powers to issue 'on-the-spot' penalty fines last year.

Cllr Simon Blackburn gave a response to an All Party Parliamentary Group review of Fixed Odds Betting Terminals recommending maximum stakes are reduced from £100 to £2 on **BBC Online**.

Cllr David Simmonds was interviewed on **BBC Radio 4's Today programme**, following the LGA's response to the Home Affairs Select Committee report into asylum accommodation, which was also covered in the **FT**, **Guardian**, **Mail**, **Express** and **BBC Online**.

Cllr David Simmonds gave the LGA's response to the Public Accounts Committee's report on the Syrian Vulnerable Persons' Resettlement Programme on **LBC** and said that councils were "confident" the target of resettling 20,000 Syrian refugees by May 2020 would be reached. The LGA's lines were also reported on **BBC Online**, **Telegraph Online** and **Express Online**.

The **Times** cited the LGA's role as a respondent in an appeal by NHS England that it had no power or duty to commission the drug PrEP, which was dismissed by the Court of Appeal.