

## **LGA CORE BRIEF:**

Councils are working tirelessly to protect lives, livelihoods and the most vulnerable in our communities - to ensure that our most important public services keep running during COVID-19. This is a high-level summary of the current and anticipated headline issues councils are facing.

### **Our current key issues are:**

- 1. Certainty, and a package of measures from central government covering the full financial impact arising from COVID-19 now and in the future**
- 2. Improving engagement and sharing leadership with councils to maintain effective support for the social care sector**
- 3. Strengthen future responses to local outbreaks**
- 4. Government needs to co-design the future shape of the shielding programme with councils**
- 5. Recognition of councils' place leadership role to deliver effective recovery and to support communities and economies**

### **Hot Topics: EU exit discussions, devolution and reorganisation**

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## **SUMMARY ASKS**

### **1. FINANCE**

- A package of measures from central government to cover the full financial impact arising from COVID-19**

The newest information from the June round of the Ministry of Housing, Communities and Local Government's (MHCLG) financial information survey indicates that the financial challenge related to COVID-19 that councils are dealing with is nearly £11 billion in 2020/21. The Government's early July commitment to fund a portion of councils lost income from fees and charges and a further £500 million extra funding to help meet extra cost pressures are a step in the right direction. However, these measures do not cover the full pressures, nor do they extend to commercial and other income losses and are likely to still leave councils having to absorb a substantial and unforeseen loss of funding.

Allowing councils to spread tax deficits over three years will help but needs to go together with appropriate measures to manage any cash flow implications. We are pleased with the commitment to find a solution to the loss of local taxes in the Spending Review. In order to have the certainty they need to set budgets for next year, councils still need urgent clarity on the irrecoverable losses the Government has positively said it will pick up. This will need to cover all losses from local taxes. Councils have a legal duty to balance their budgets each year and these measures are vital if councils are to avoid taking steps, such as in-year cuts to local services, to cope with funding shortfalls.

- **Certainty needed over funding for councils next year and beyond**

The financial impact of the crisis, including the economic fallout, will continue to be felt into next year and beyond, both in terms of councils' own income and grant funding available (such as through the Spending Review and 2021/22 local government finance settlement). Certainty around this is desperately needed so councils can balance their budgets this year and take decisions about how to pay for vital local services next year.

- **The Government needs to work with the sector to look ahead to the long-term impact of the crisis, beyond next year**

The Government has announced that implementation of both its review of relative needs and resources ('Fair Funding Review') and the move to 75 per cent business rates retention will now be postponed and not go ahead from April 2021. This will provide councils with more certainty over their 2021/22 budgets. However, both reforms have been delayed on three separate occasions. The Government must provide clarity over the future of these reforms, including whether and when they will be implemented, as soon as possible to help councils plan their medium-term financial strategies which will already be challenged by the impact of COVID-19.

## **2. SOCIAL CARE**

- **The Social Care Taskforce should embrace the shared leadership with councils that is needed to maintain effective support for the social care sector.**

Social Care is still the front line of the battle against COVID-19. National support needs to be developed and implemented in real partnership with councils and the care sector. Councils have the statutory responsibilities for social care and national initiatives must add value to the sector resilience that councils have delivered since mid-March and must not add new burdens. The new Taskforce is an opportunity to reset the relationship with councils and care providers and we urge Government to work with us to ensure national support that is well-planned and co-ordinated. The Taskforce needs a clear plan and must avoid the previous piecemeal planning that lacked coherence, gave councils little time to respond and risked not delivering the required outcomes.

- **Government needs to demonstrate parity of esteem between social care and the NHS**

While the focus has been rightly on care homes, and we share the Government's ambition to build support to maintain resilience in the care home sector, councils support far more people outside care homes. We need a wider recognition of the sector's role (and the risks) in supporting older people, people with disabilities and informal carers. Government focus on care homes is part of a misguided view of social care solely as a dependency for the NHS. Social care requires parity of esteem with the NHS, in order to best serve all those who work in it or use services to support their independence and wellbeing. The coronavirus crisis has given renewed impetus to and understanding of the vital and reciprocal relationship between health and care, and this needs to be built on for the future.

- **Government needs to be addressing the issues related to sustainable social care in the longer term**

Covid-19 has thrown into high relief the long-standing challenges facing social care and the precariousness of a sector that has been under-valued and under-funded for too long. It has also demonstrated that effective care and support is rooted in strong local communities. This recognition together with wide public support means we have the basis for addressing these challenges and building a consensus not just around funding but around the future role of social care. The Joint Health and Social Care Taskforce set up by the PM and the Chancellor is an opportunity to learn from the immediate emergency and start to forge that new deal for social care. Council leaders want to work with Government to address the issues related to sustainable social care in the longer term.

### **3. TEST AND TRACE**

- **Strengthen any future responses to local outbreaks**

In the light of Leicester's local lockdown, we know how important it will be to strengthen any future responses to local outbreaks. There will also be continued media speculation that other areas may face similarly enhanced restrictions. In our discussions we are seeking to ensure the local voice is heard and reiterating that councils are working tirelessly to lead communities through this pandemic and have drawn up local outbreak control plans to help prevent and contain potential future flare-ups. We are clear that any response to deal with local outbreaks should be proportionate, be implemented as a last resort and have the consent of the community. It is important that national and local government learn about the best and most effective way of limiting the spread of COVID-19, including about the use and review of powers available to help councils manage potential new clusters of cases. This could range from controlling movement of people, to closing premises or public areas, if they are able to act swiftly as part of any local lockdown.

- **Enable councils to carry out their role by providing long term sustainable funding and precise granular data**

The threat of a second wave remains a significant concern particularly as we approach autumn/winter and the start of the cold and flu season, already stretched capacity is likely to impact on council's preparedness in managing a local outbreak. The eventual roll out of a COVID19 vaccine will bring with it a further set of challenges both in terms of logistics and ensuring the vaccine is available to those who need it, including our critical social care staff and others providing essential local services. It is good news that Government is listening to our concerns and that more data is starting to be shared with councils' directors of public health. Precise, granular information is needed in order to help councils track down and isolate any specific outbreaks or clusters. This data needs to be provided promptly and shared quickly, with councils at all levels, to ensure the swiftest and most effective response. It is

critical that Councils are given long-term sustainable funding to effectively carry out this leading role in supporting their local communities and the national effort to defeat this disease.

- **Responsibilities in the system must be placed at the level that is best suited to the capabilities, skills and expertise of each agency and player.**

The role of regional and sub-regional structures in the system must be carefully considered alongside local roles. Councils will need to be able to influence decisions, codesign the local interface to reflect local circumstances, and build on existing local health protection systems and local public health leadership arrangements within their localities as they see fit.

*“The Joint Biosecurity Centre testing tool kit for individual outbreaks needs to be clear and coherent, and sent as a draft to councils first so councils can have local input.” **Unitary Council***

*“We are going to publicly share information on test track and trace for transparency, to encourage trust and personal responsibility” **Unitary Council***

#### **4. SUPPORTING THE SHIELDED**

- **Government must co-design the new accounts-based system for managing the data of the shielded cohort with councils**

While government has announced the shielding of the clinically extremely vulnerable 2.2m will be paused from 1 August, councils will have a continuing role in supporting the programme, and ensuring it can be resumed at a later date at a national, regional or local level if that is necessary. The transition out of shielding will not be easy for every clinically vulnerable person. Local authorities therefore need confirmation that any costs associated with continuing to support the shielded cohort beyond the 1 August will be met by government, including in situations where there is a national or regional need to resume shielding clinically vulnerable people.

The pause in the shielding programme is being used to review how well the system has worked. It is vital that as part of this process the data flow issues identified by councils around the timing and quality of data provided by central government, are resolved. The move to a new ‘accounts based system’ to manage the records of those identified as clinically vulnerable provides an opportunity for Whitehall to work closely with local government to improve the current system, so in the future the support to those who might need to shield is delivered more effectively. The new system should also be designed around the underlying principles that any data requests of councils improve the outcomes for shielded individuals, and are justifiable, proportionate, and minimise the data demands on councils, while avoiding seeking retrospective data.

- **Government must co-design the future shape of the shielded programme with councils**

Work has now commenced to design the future of the service that may need to be activated in the event of any local, regional or national lockdown because of a second wave of the pandemic. While councils are involved in the process it does not yet feel that the future service is being co-designed. Local government's preference is for a locally-led system subject to proper funding for delivery of it from government, clarity on what is expected from councils in terms of the support to be provided, time to plan and implement the new system, and an end point for the support (which might be tied to a specific Covid alert level rather than a specific date).

- **The ability for councils to refer vulnerable people for priority supermarket delivery/collection slots will be an important part of the future shape of the shielded programme**

An important element of the support to the shielded cohort and to the non-shielded vulnerable has been the ability to provide them with access to supermarket delivery/click and collect slots. Going forward this ability to make referrals for these services by councils will be an important part of the future programme, and therefore needs to be retained. However, consideration still needs to be given to how those who are also digitally excluded can be supported, how rural and urban councils are supported to address the different circumstances they face, and how continued use can be made of the NHS Volunteer Responders to assist in helping get food to the vulnerable in the event vulnerable people need to practice greater social distancing.

*"We have doubled the number of meals on wheels and also have 4,000 people on a list for receiving regular welfare telephone calls once a week and following up on prescriptions, but we need an exit strategy for when this support is no longer needed"*  
**District Council**

## **5. ECONOMIC RECOVERY**

- **Councils have an essential place leadership role to deliver effective recovery**

Recovery will need to take place across all aspects of our lives and councils are best placed to integrate at a local level, the necessary economic, social and environmental activities. The recovery will be place specific and councils are working with communities, businesses and other local stakeholders on local recovery plans. We need to work with Government on a strategic vision for the recovery and to ensure the right framework and financial resources for councils to deliver on this agenda.

- **Councils have a significant role to play in securing and improving people's livelihoods**

As we begin the economic recovery, we face challenges and opportunities across a wide range of policy, including skills, public transport, housing, investment and town centres. In all

these areas councils have a significant role to play in securing and improving people's livelihoods. Some households will feel the economic impacts of the crisis for some time to come. Councils will be best-placed to identify those households who are most at risk of financial hardship and economic vulnerability, and, with the right financial support from Government, provide the safety net those residents need as the economy recovers. Councils will also need to respond to the evidence that is currently being brought together on the differential impacts of coronavirus and carefully consider whether some sections of their local community, for example people from particular socio-economic groups or racial backgrounds, are more at risk of social or economic exclusion during recovery than others.

- **Councils need the freedoms and flexibilities to secure economic, social and environmental recovery**

We have been trying to move the discussions at the national level on to the medium and longer-term needs of the recovery, while also recognising local government's role in supporting the immediate lifting of the lock down. We have prepared a suite of policy papers setting out our key asks and contributions covering skills, public transport, housing and green recovery. We are using these papers to shape our engagement with government at official and ministerial levels. The recent announcements by the Chancellor on supporting, protecting and creating jobs are moves in the right direction, but in relation to employment and skills programmes we need to ensure that, in their detail, these schemes are codesigned and delivered locally. The government is preparing a devolution White Paper and we need to ensure that councils get the full range of freedoms and flexibilities to secure economic, social and environmental recovery.

*"To help businesses, we are providing checklists and guidance documents that traders can complete and make available on request to make sure they are 'COVID- secure', but we don't have the capacity to police social distancing" **Unitary Council***

## **6. CHILDREN AND YOUNG PEOPLE**

- **Delegate powers to councils to open and close schools and pre-school settings to respond to local conditions**

The powers in the Coronavirus Act to open and close schools and pre-school settings need to be delegated to councils to allow them to quickly respond to local conditions. As schools open to more pupils it is also vital that councils get access to testing, tracking and tracing data as soon as it becomes available to give greater confidence to teachers and parents around school openings, and allow councils to manage outbreaks in schools if new COVID-19 clusters emerge.

- **Further clarity required around home to school transport for September return to school**

As schools are due to fully return in September, councils have flagged concerns about their ability to deliver home-to-school transport services. Specific concerns focus on the capacity of providers to supply sufficient numbers of buses and other vehicles that allow for social

distancing, increasing costs, particularly in terms of home-to-school transport for children with SEND, the safety of the workforce providing these services and; persuading parents that it is safe for their children to use public transport to travel to school when wider messaging has been to use only when absolutely necessary. Some councils are concerned about legal challenge arising from a potential inability to provide free home to school transport to those eligible and are asking for urgent clarity and, if necessary, temporary relaxation from statutory responsibility.

- **Support for children and families during recovery**

The real challenge for children's services in both financial and delivery terms is yet to come. Most councils have seen a significant fall in referrals to children's social care since lockdown began and anticipate a surge in demand as more children return to school. Councils must be able to deal with any spike in demand, whilst also supporting children, young people and families as the long-term impacts of the lockdown and pandemic hit, including hidden harm, poverty or mental health issues. This will be especially important to limit any increase in the disadvantage gap and avoid families reaching crisis point. Early help and universal services will be vital, but these have been significantly cut back over the last decade as limited funding has been directed towards more intensive child protection services. Councils will need additional funding for universal and early help services if they are to prevent difficult situations from getting worse, and they must retain flexibility over the use of this funding to respond quickly to local need.

- **Additional funding to ensure the financial sustainability of early years settings**

Councils are increasingly concerned about the financial sustainability of their early years' settings. Of those that remained open throughout lockdown, many had to operate at a loss to do so, while those who closed have also struggled. We have had reports of difficulties accessing business loans as their finances are already challenged due to long-term underfunding of early years entitlements. We anticipate low take up of places for some time, limiting the extent to which providers can make up funding from paid parent places and risking the long-term survival of some settings. This could have a significant impact on the delivery of early education entitlements and childcare to allow parents to return to work. We are calling for additional funding for these settings.

*"Only 40% of children eligible to return to school in the region have done so, and this number will reduce if the regional R value is publicised."* **County Council**

*"We are concerned about the mental health and wellbeing of children and young people, as well as about future transportation needs as schools and colleges start to re-open."* **Unitary Council**

## **RISING ISSUES**

- **Homelessness - longer term solutions**

Councils need clarity on the government’s plans for “everyone in” – whether they will formally stand down the approach or whether it’ll be left to local decision-making (which could expose councils to reputational damage). In addition, clarity is also needed on funding and support from government to move 15,000 people on from emergency accommodation and maintain longer-term accommodation and support for those people. They also need further detail on expectations for supporting people unable to self-isolate due to homelessness under the test and trace programme.

A significant proportion of rough sleepers are thought to have no recourse to public funds, which means they can’t access statutory services or welfare benefits. We are calling for the NRPF condition to be universally and temporarily lifted to enable move-on for rough sleepers as well as homelessness prevention for households experiencing financial shocks.

*“Homelessness numbers are high – we currently have 400 people in hotel accommodation with food and support/stewarding. However, we are worried about the hotel capacity and willingness to have homeless people in as the economy opens up.” **Unitary Council***

- **Transport**

There continues to be on going concern about the commercial viability of local bus networks. We need to review and reset the relationship between local government and local bus services, with much greater local oversight and control to ensure that services and public subsidy is targeted to where it is needed the most.

#### **SPECIFIC COVID ASKS**

| <b>Issue</b>                                   | <b>Ask</b>   |
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| Data management                                | Additional data asks being made of local government are recognised through New Burdens process   |
| Ongoing delays in court processes due to COVID | How and when will this be resolved   |
| Bereavement Planning                           | Additional body storage facilities have incurred significant additional costs for local areas. These costs will need to be recognised in future funding decisions.   |
| Bereavement Planning                           | Recording of excess deaths worked well because of the measures in the Coronavirus Act to allow electronic registration - these changes should now be made permanent. |